

108TH CONGRESS
2D SESSION

H. R. 3873

IN THE SENATE OF THE UNITED STATES

MARCH 25, 2004

Received; read twice and referred to the Committee on Agriculture, Nutrition,
and Forestry

AN ACT

To amend the Richard B. Russell National School Lunch Act and the Child Nutrition Act of 1966 to provide children with access to food and nutrition assistance, to simplify program operations, to improve children's nutritional health, and to restore the integrity of child nutrition programs, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Child Nutrition Im-
 5 provement and Integrity Act”.

6 **SEC. 2. TABLE OF CONTENTS.**

7 The table of contents of this Act is as follows:

Sec. 1. Short title.

Sec. 2. Table of contents.

TITLE I—ENSURING ACCESS TO CHILD NUTRITION PROGRAMS

- Sec. 101. Exclusion of military housing allowances.
- Sec. 102. Homeless children and runaway youth eligibility.
- Sec. 103. Eligibility for severe need assistance.
- Sec. 104. Reauthorization of summer food programs.
- Sec. 105. Child and adult care food program.
- Sec. 106. Review of best practices in the breakfast program.
- Sec. 107. Area eligibility demonstration.
- Sec. 108. Seamless Summer administration.
- Sec. 109. Year round services for eligible entities.

TITLE II—IMPROVING PROGRAM QUALITY AND INTEGRITY

- Sec. 201. Eligibility and certification for free and reduced price lunches.
- Sec. 202. Duration of eligibility for free and reduced price lunches.
- Sec. 203. Certification by local educational agencies.
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- Sec. 205. Technology Improvement.
- Sec. 206. Minimum State administrative expense grants.
- Sec. 207. District-wide eligibility for special assistance.
- Sec. 208. Administrative error reduction.

**TITLE III—PROMOTING NUTRITION QUALITY AND PREVENTING
CHILDHOOD OBESITY**

- Sec. 301. Local school wellness policy.
- Sec. 302. Supporting nutrition education, improving meal quality, and access to
local foods.
- Sec. 303. Fruits and vegetable commodities.
- Sec. 304. Fluid milk.
- Sec. 305. Waiver of requirements for weighted averages for nutrient analysis.
- Sec. 306. Whole grains.
- Sec. 307. Fruit and vegetable pilot programs.

**TITLE IV—IMPROVING THE WOMEN, INFANTS, AND CHILDREN
PROGRAM**

- Sec. 401. Definition of nutrition education.

Sec. 402. Definition of supplemental foods.
 Sec. 403. Improving certification.
 Sec. 404. Reviews of available supplemental foods.
 Sec. 405. Notification of violations and infant formula benefits.
 Sec. 406. Healthy People 2010 initiative.
 Sec. 407. Competitive bidding.
 Sec. 408. Fruit and vegetable projects.
 Sec. 409. Price levels of retail stores.
 Sec. 410. Management information systems.
 Sec. 411. Infant formula fraud prevention.
 Sec. 412. State alliances.
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 Sec. 414. Migrant and community health centers initiative.
 Sec. 415. Demonstration projects.
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**TITLE V—REAUTHORIZATION, MISCELLANEOUS PROVISIONS, AND
EFFECTIVE DATE**

Sec. 501. Training, technical, and other assistance.
 Sec. 502. Notice of irradiated food.
 Sec. 503. Sense of Congress.
 Sec. 504. Reauthorization of programs.
 Sec. 505. Effective dates.

**1 TITLE I—ENSURING ACCESS TO
2 CHILD NUTRITION PROGRAMS**

**3 SEC. 101. EXCLUSION OF MILITARY HOUSING ALLOW-
4 ANCES.**

5 Section 9(b)(7) of the Richard B. Russell National
 6 School Lunch Act (42 U.S.C. 1758(b)) is amended by
 7 striking “For each of fiscal years 2002” and all that fol-
 8 lows through “the amount” and inserting “The amount”.

**9 SEC. 102. HOMELESS CHILDREN, RUNAWAY YOUTH, AND MI-
10 GRATORY CHILD ELIGIBILITY.**

11 (a) IN GENERAL.—Section 9(b)(6)(A) of the Richard
 12 B. Russell National School Lunch Act (42 U.S.C.
 13 1758(b)(6)(A)) is amended—

14 (1) in clause (ii), by striking “or”;

1 (2) in clause (iii), by striking the period and in-
2 serting a semicolon; and

3 (3) by inserting after clause (iii) the following:

4 “(iv) a homeless child or youth (as defined in
5 section 725(2) of the McKinney-Vento Homeless As-
6 sistance Act (42 U.S.C. 11434a));

7 “(v) a youth served by programs under the
8 Runaway and Homeless Youth Act (42 U.S.C. 5701
9 et seq.); or

10 “(vi) a migratory child, as such term is defined
11 in section 1309(2) of the Elementary and Secondary
12 Education Act of 1965 (20 U.S.C. 6399(2)).”.

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

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

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

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

21 “(D) documentation has been provided to the
22 appropriate local educational agency showing that
23 the child meets the criteria specified in clauses (iv)
24 or (v) of subsection (b)(6)(A); or

1 “(E) documentation has been provided to the
2 appropriate local educational agency showing the
3 child’s status as a migratory child, as such term is
4 defined in section 1309(2) of the Elementary and
5 Secondary Education Act of 1965 (20 U.S.C.
6 6399(2)).”.

7 **SEC. 103. ELIGIBILITY FOR SEVERE NEED ASSISTANCE.**

8 Section 4(d) of the Child Nutrition Act of 1966 (42
9 U.S.C. 1773(d)) is amended—

10 (1) by striking the heading and all that follows
11 through paragraph (1), and inserting:

12 “(d) SEVERE NEED ASSISTANCE.—

13 “(1) IN GENERAL.—Each State educational
14 agency shall provide additional assistance to schools
15 in severe need, which shall include only those schools
16 (having a breakfast program or desiring to initiate
17 a breakfast program) in which, during the most re-
18 cent second preceding school year for which lunches
19 were served, 40 percent or more of the lunches
20 served to students at the school were served free or
21 at a reduced price (or those new schools drawing the
22 majority of their attendance from schools receiving
23 severe need assistance).”; and

24 (2) in paragraph (2)—

1 (A) by striking “100 percent” and all that
 2 follows through “food, or”; and

3 (B) by striking “, whichever is less”.

4 **SEC. 104. REAUTHORIZATION OF SUMMER FOOD PRO-**
 5 **GRAMS.**

6 (a) SUMMER FOOD PILOT PROJECTS.—Section 18(f)
 7 of the Richard B. Russell National School Lunch Act (42
 8 U.S.C. 1769(f)) is amended—

9 (1) by redesignating paragraphs (2) through
 10 (6) as paragraphs (3) through (7), respectively;

11 (2) by inserting after paragraph (1) the fol-
 12 lowing:

13 “(2) ADDITIONAL STATES ELIGIBLE.—In addi-
 14 tion to the States meeting the criteria set forth in
 15 paragraph (1), the term ‘eligible State’ means a
 16 State in which (based on data available in June
 17 2003)—

18 “(A) the percentage obtained by dividing—

19 “(i) the sum of—

20 “(I) the average daily number of
 21 children attending the summer food
 22 service program in the State in July
 23 2002; and

24 “(II) the average daily number of
 25 children receiving free or reduced

1 price meals under the school lunch
2 program in the State in July 2002; by
3 “(ii) the average daily number of chil-
4 dren receiving free or reduced price meals
5 under the school lunch program in the
6 State during the 2001–2002 school year; is
7 less than 57 percent of

8 “(B) the percentage obtained by dividing—
9 “(i) the sum of—

10 “(I) the average daily number of
11 children attending the summer food
12 service program in all States in July
13 2002; and

14 “(II) the average daily number of
15 children receiving free or reduced
16 price meals under the school lunch
17 program in all States in July 2002; by

18 “(ii) the average daily number of chil-
19 dren receiving free or reduced price meals
20 under the school lunch program in all
21 States during the 2001–2002 school
22 year.”;

23 (3) in paragraph (3) (as so redesignated), by
24 striking “March 31, 2004” and inserting “Sep-
25 tember 30, 2008”;

1 (4) in paragraph (4) (as so redesignated), by
2 striking “(other than a service institution described
3 in section 13(a)(7))” both places it appears; and

4 (5) in paragraph (7)(B)(i) (as redesignated by
5 this section), by striking “paragraph (5)” and in-
6 serting “paragraph (6)”.

7 (b) SUMMER FOOD SERVICE PROGRAM FOR CHIL-
8 DREN.—Section 13(q) of the Richard B. Russell National
9 School Lunch Act (42 U.S.C. 1761(q)) is amended by
10 striking “March 31, 2004” and inserting “September 30,
11 2008”.

12 **SEC. 105. CHILD AND ADULT CARE FOOD PROGRAM.**

13 (a) ELIGIBILITY OF PRIVATE CHILD CARE CEN-
14 TERS.—Section 17 of the Richard B. Russell National
15 School Lunch Act (42 U.S.C. 1766) is amended—

16 (1) in subsection (a)(2)(B)(i), by striking “dur-
17 ing the period” and all that follows through “March
18 31, 2004”; and

19 (2) by striking subsection (p).

20 (b) DURATION OF DETERMINATION AS TIER 1 FAM-
21 ILY OR GROUP DAY CARE HOME.—Section
22 17(f)(3)(E)(iii) of the Richard B. Russell National School
23 Lunch Act (42 U.S.C. 1766(f)(3)(E)(iii)) is amended by
24 striking “3 years” and inserting “5 years”.

1 (c) DURATION OF AGREEMENTS.—Section 17(j) of
2 the Richard B. Russell National School Lunch Act (42
3 U.S.C. 1766(j)) is amended to read as follows:

4 “(j) AGREEMENTS.—

5 “(1) IN GENERAL.—The Secretary may issue
6 regulations directing States to develop and provide
7 for the use of a standard form of agreement between
8 each family or group day care sponsoring organiza-
9 tion and the family or group day care homes partici-
10 pating in the program under such organization, for
11 the purpose of specifying the rights and responsibil-
12 ities of each party.

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

16 (d) MANAGEMENT IMPROVEMENT INITIATIVE.—Sec-
17 tion 17(q)(3) of the Richard B. Russell National School
18 Lunch Act (42 U.S.C. 1766(q)(3)) is amended by striking
19 “1999 through 2003” and inserting “2005 and 2006”.

20 (e) AUDITS.—Section 17(i) of the Richard B. Russell
21 National School Lunch Act (42 U.S.C. 1766(i)) is amend-
22 ed to read as follows:

23 “(i) AUDITS.—

24 “(1) FUNDS FOR AUDITS.—The Secretary shall
25 make available for each fiscal year to a State admin-

1 istering the child and adult care food program, for
2 the purpose of conducting audits of participating in-
3 stitutions, an amount up to 1.5 percent (except in
4 the case of fiscal years 2005 through 2007, 1 per-
5 cent) of the funds used by the State in the program
6 under this section during the second preceding fiscal
7 year.

8 “(2) AUDIT PROCEDURES.—

9 “(A) IN GENERAL.—Subject to subpara-
10 graph (B), in conducting management evalua-
11 tions, reviews, or audits of the program under
12 this subsection, the Secretary or a State agency
13 may disregard any overpayment to an institu-
14 tion if the total overpayment for any fiscal year
15 does not exceed an amount, consistent with the
16 disregards allowed in other programs under this
17 Act, which recognizes the cost of collecting
18 small claims.

19 “(B) CRIMINAL OR FRAUD VIOLATIONS.—

20 In carrying out this subsection, the Secretary
21 and a State agency shall not disregard any
22 overpayment for which there is evidence of a
23 violation of a criminal law or civil fraud law.”.

1 (f) EMERGENCY SHELTERS.—Section 17(t)(5)(A)(i)
2 of the Richard B. Russell National School Lunch Act (42
3 U.S.C. 1766(t)(5)(A)(i) is amended—

4 (1) in subclause (I)—

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

6 and

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

8 and

9 (2) by striking subclause (II) and redesignating
10 subclause (III) as subclause (II).

11 (g) PAPERWORK REDUCTION.—The Secretary of Ag-
12 riculture, in conjunction with States and participating in-
13 stitutions, shall examine the feasibility of reducing paper
14 work resulting from regulations and record-keeping re-
15 quirements for State agencies, family child care homes,
16 child care centers, and sponsoring organizations partici-
17 pating in the child and adult care food program estab-
18 lished under section 17 of the Richard B. Russell National
19 School Lunch Act (42 U.S.C. 1766).

20 **SEC. 106. REVIEW OF BEST PRACTICES IN THE BREAKFAST**
21 **PROGRAM.**

22 (a) REVIEW.—Subject to the availability of funds, the
23 Secretary of Agriculture shall enter into an agreement
24 with a research organization to collect and disseminate a
25 review of best practices to assist schools in addressing ex-

1 isting impediments at the State and local level that hinder
2 the growth of the school breakfast program under section
3 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773).
4 The review shall describe model breakfast programs and
5 offer recommendations for schools to overcome obstacles,
6 such as:

- 7 (1) the length of the school day;
- 8 (2) bus schedules; and
- 9 (3) potential increases in costs at the State and
10 local level.

11 (b) DISSEMINATION.—Not later than 12 months
12 after the date of enactment of this Act, the Secretary shall
13 make the review required under subsection (a) available
14 to local educational agencies via the Internet, including
15 recommendations to improve participation in the school
16 breakfast program. Not later than 12 months after the
17 date of enactment of this Act, the review shall also be
18 transmitted to the Committee on Education of the House
19 of Representatives and the Committee on Agriculture of
20 the Senate.

21 **SEC. 107. AREA ELIGIBILITY DEMONSTRATION.**

22 Section 13 of the Richard B. Russell National School
23 Lunch Act (42 U.S.C. 1761) is amended by adding at the
24 end the following:

1 “(r) DEMONSTRATION.—For fiscal years 2004
2 through 2008, in rural areas of the State of Pennsylvania,
3 the threshold for determining ‘areas in which poor eco-
4 nomic conditions exist’ under subsection (a)(1)(C) for the
5 program authorized by this section shall be 40 percent of
6 children enrolled are eligible for free or reduced price
7 school meals and the State agency shall report to the Sec-
8 retary on the effect of the demonstration on program par-
9 ticipation in rural areas.”.

10 **SEC. 108. SEAMLESS SUMMER ADMINISTRATION.**

11 (a) SEAMLESS SUMMER WAIVER.—Section 13(a) of
12 the Richard B. Russell National School Lunch Act (42
13 U.S.C. 1761(a)) is amended by inserting after paragraph
14 (7) the following:

15 “(8) Service institutions that are public or pri-
16 vate nonprofit school food authorities may admin-
17 ister summer or school vacation food service under
18 the provisions of the school lunch program estab-
19 lished under this Act and the school breakfast pro-
20 gram established under the Child Nutrition Act of
21 1966 (42 U.S.C. 1771 et seq.), except as determined
22 by the Secretary.”.

23 (b) PAYMENTS.—Section 13(b)(1) of the Richard B.
24 Russell National School Lunch Act (42 U.S.C.

1 1761(b)(1)) is amended by inserting after subparagraph
2 (C) the following:

3 “(D) Service institutions described in para-
4 graph (a)(8) of this section shall be reimbursed
5 for meals and meal supplements in accordance
6 with the applicable provisions under this Act
7 (other than subparagraphs (A), (B), and (C) of
8 this paragraph) and the Child Nutrition Act of
9 1966 (42 U.S.C. 1771 et seq.), as determined
10 by the Secretary.”.

11 **SEC. 109. YEAR ROUND SERVICES FOR ELIGIBLE ENTITIES.**

12 Section 18 of the Richard B. Russell National School
13 Lunch Act is amended by adding at the end the following:

14 “(h) YEAR ROUND SERVICES FOR ELIGIBLE ENTI-
15 TIES.—

16 “(1) IN GENERAL.—A service institution (as de-
17 fined in section 13(a)(6) or 13(a)(7) of this Act) lo-
18 cated in California may be reimbursed for up to 3
19 meals and 2 supplements for any day for which serv-
20 ices are being offered at such institution. Such serv-
21 ice institution shall be reimbursed for costs con-
22 sistent with section 13(b)(1) of this Act.

23 “(2) EXEMPTIONS.—A service institution that
24 receives assistance under this subsection shall com-

1 ply with all provisions of section 13 of this Act other
2 than subsections 13(b)(2) and 13(c)(1).

3 “(3) FUNDING.—The Secretary shall provide to
4 the State of California an amount not to exceed
5 \$1,000,000 for fiscal years 2004 through 2008, for
6 the additional reimbursement costs for meals and
7 supplements authorized by this subsection.”.

8 **TITLE II—IMPROVING PROGRAM** 9 **QUALITY AND INTEGRITY**

10 **SEC. 201. ELIGIBILITY AND CERTIFICATION FOR FREE AND** 11 **REDUCED PRICE LUNCHES.**

12 (a) IN GENERAL.—Section 9(b) of the Richard B.
13 Russell National School Lunch Act (42 U.S.C. 1758) is
14 amended by striking “(b)(1)(A) Not later” and all that
15 follows through paragraph (2) and inserting the following:

16 “(b) ELIGIBILITY FOR FREE AND REDUCED PRICE
17 LUNCHES.—

18 “(1) INCOME GUIDELINES.—

19 “(A) IN GENERAL.—Not later than June 1
20 of each fiscal year, the Secretary shall prescribe
21 income guidelines for determining eligibility for
22 free and reduced price lunches during the 12-
23 month period beginning July 1 of such fiscal
24 year and ending June 30 of the following fiscal
25 year. The income guidelines for determining eli-

1 gibility for free lunches shall be 130 percent of
2 the applicable family size income levels con-
3 tained in the nonfarm income poverty guidelines
4 issued by the Secretary of Health and Human
5 Services, as adjusted annually in accordance
6 with subparagraph (B). The income guidelines
7 for determining eligibility for reduced price
8 lunches for any school year shall be 185 percent
9 of the applicable family size income levels con-
10 tained in the nonfarm income poverty guidelines
11 issued by the Secretary of Health and Human
12 Services, as adjusted annually in accordance
13 with subparagraph (B). Such guidelines shall be
14 revised at annual intervals, or at any shorter in-
15 terval deemed feasible and desirable.

16 “(B) FORMULA FOR REVISION.—The revi-
17 sion required by subparagraph (A) of this para-
18 graph shall be made by multiplying—

19 “(i) the official poverty line (as de-
20 fined by the Secretary of Health and
21 Human Services); by

22 “(ii) the percentage change in the
23 Consumer Price Index during the annual
24 or other interval immediately preceding the
25 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) CERTIFICATION OF ELIGIBILITY.—

“(A) ANNOUNCEMENT BY STATE EDUCATIONAL AGENCY.—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 educational agencies shall, each year, publicly announce the income eligibility guidelines for free and reduced price lunches on or before the opening of school.

“(B) APPLICATIONS.—

“(i) IN GENERAL.—Applications for free and reduced price lunches, in such form as the Secretary may prescribe or approve, and any descriptive material, in an understandable and uniform format, and to the extent practicable, in a language

1 that parents can understand, shall be dis-
2 tributed at least annually to the parents or
3 guardians of children in attendance at the
4 school.

5 “(ii) INCOME LEVELS.—Applications
6 and descriptive material shall contain only
7 the family size income eligibility guidelines
8 for reduced price meal eligibility, with the
9 explanation that households with incomes
10 less than or equal to these values would be
11 eligible for free or reduced price lunches.
12 Such applications and descriptive material
13 may not contain the income eligibility
14 guidelines for free lunches.

15 “(iii) NOTIFICATION.—Descriptive
16 materials shall contain a notification that
17 participants in the Special Supplemental
18 Nutrition Program for Women, Infants,
19 and Children authorized under Section 17
20 of the Child Nutrition Act of 1966 (42
21 U.S.C. 1771 et seq.), the food stamp pro-
22 gram established under the Food Stamp
23 Act of 1977 (7 U.S.C. 2011 et seq.), the
24 Food Distribution Program on Indian Res-
25 ervations (FDPIR) authorized under sec-

tion 4(b) of the Food Stamp Act of 1977 (7 U.S.C. 2013(b)), or a State program funded under part A of title IV of the Social Security Act (if the Secretary determines the State program complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995) may be eligible for free or reduced price lunches. Such descriptive materials shall also contain a notice to parents that documentation may be requested for verification.

“(iv) ELECTRONIC AVAILABILITY.—In addition to the distribution of such applications and descriptive material in paper form as provided for in this paragraph, such applications and material may be made available electronically via the Internet.

“(C) ELIGIBILITY.—

“(i) HOUSEHOLD APPLICATIONS.—

“(I) IN GENERAL.—If an eligibility determination for a child is not

1 made under clause (ii) or (iii), an eli-
2 gibility determination shall be made
3 on the basis of a complete household
4 application executed by an adult mem-
5 ber of the household, or in accordance
6 with other guidance issued by the Sec-
7 retary.

8 “(II) ADDITIONAL BASES.—Eligi-
9 bility may be determined by the local
10 educational agency on the basis of a
11 complete application executed by an
12 adult member of the household, or in
13 accordance with other guidance issued
14 by the Secretary, including an elec-
15 tronic signature when the application
16 is submitted electronically, and if the
17 application filing system meets con-
18 fidentiality standards established by
19 the Secretary.

20 “(III) CHILDREN IN HOUSE-
21 HOLD.—

22 “(aa) IN GENERAL.—The
23 application shall identify the
24 names of each child in the house-
25 hold for whom meal benefits are

1 requested, as well as the total
2 number of members of the house-
3 hold.

4 “(bb) SEPARATE APPLICA-
5 TIONS.—A State educational
6 agency or local educational agen-
7 cy may not request a separate
8 application for each child in the
9 household, if the children in the
10 household attend schools in the
11 same local educational agency.

12 “(IV) VERIFICATION.—The Sec-
13 retary, State, or local educational
14 agency may verify any data contained
15 in such application. In accordance
16 with guidance issued by the Secretary,
17 each local educational agency shall
18 verify a sample of approved free and
19 reduced price applications and shall
20 make appropriate changes in the eligi-
21 bility determination with respect to
22 such applications on the basis of such
23 verification. The sample selected for
24 verification shall be as follows:

1 “(aa) For local educational
2 agencies unable to obtain
3 verification information for no
4 more than 25 percent of all ap-
5 plications selected for verification
6 in the prior year, or local edu-
7 cational agencies receiving more
8 than 20,000 applications and
9 that in the prior year had a
10 verification non-response rate
11 that was 10 percent below the
12 verification non-response rate of
13 the second prior year, the sample
14 selected shall be either—

15 “(AA) the lesser of
16 3,000 or 3 percent of ap-
17 proved applications selected
18 at random by the local edu-
19 cational agencies from all
20 approved applications; or

21 “(BB) the lesser of
22 1,000 or 1 percent of all ap-
23 proved applications selected
24 from applications that indi-
25 cate monthly income that is

1 within \$100, or annual in-
2 come that is within \$1,200,
3 of the income eligibility lim-
4 its for free or reduced price
5 meals, plus the lesser of 500
6 or 1/2 of 1 percent of ap-
7 proved applications that pro-
8 vided a case number in lieu
9 of income information show-
10 ing participation in the food
11 stamp program, the Tem-
12 porary Assistance for Needy
13 Families program, or the
14 Food Distribution Program
15 on Indian Reservations
16 (FDPIR) selected from
17 those approved applications
18 that provided a case number
19 in lieu of income information
20 verifying such participation.
21 If, for any local educational
22 agency, the total number of
23 applications that indicate
24 monthly income that is with-
25 in \$100, or annual income

1 that is within \$1,200, of the
2 income eligibility limits for
3 free or reduced price meals
4 is less than 1,500 or 1 and
5 $\frac{1}{2}$ percent of all approved
6 applications, the local edu-
7 cational agency shall select
8 additional applications at
9 random from all approved
10 applications in order to ob-
11 tain a total sample for
12 verification of 1,500 or 1
13 and $\frac{1}{2}$ percent of all ap-
14 proved applications.

15 “(bb) For all other local
16 educational agencies, the sample
17 selected shall be the lesser of
18 3,000 or 3 percent of all ap-
19 proved applications selected from
20 applications that indicate month-
21 ly income that is within \$100, or
22 annual income that is within
23 \$1,200, of the income eligibility
24 limits for free or reduced price
25 meals. If, for any local edu-

1 educational agency, the total number
2 of such applications is less than
3 3,000 or 3 percent of all ap-
4 proved applications, the local
5 educational agency shall select
6 additional applications at random
7 from all approved applications in
8 order to obtain a total sample for
9 verification of 3,000 or 3 percent
10 of all approved applications.

11 “(V) SUBSTITUTIONS.—

12 “(aa) IN GENERAL.—In ac-
13 cordance with the regulations
14 prescribed by the Secretary, the
15 local educational agency may,
16 upon individual review, decline to
17 verify any application selected
18 under subclause (IV) and replace
19 it with another application to be
20 verified. Such agency may decline
21 to verify no more than 2 percent
22 of the applications selected for
23 verification under this subclause.

24 “(bb) SUBSTITUTE CRITERIA
25 IN CASES OF EMERGENCIES.—

1 The Secretary may substitute al-
2 ternative criteria for the sample
3 size and sample selection criteria
4 in subclause (IV) to address a
5 natural disaster, civil disorder,
6 strike, or other local condition.

7 “(VI) DIRECT VERIFICATION.—

8 “(aa) IN GENERAL.—In ac-
9 cordance with regulations pro-
10 mulgated by the Secretary, in
11 verifying the sample selected in
12 accordance with subclause (IV),
13 the local educational agency may
14 first obtain from certain public
15 agencies administering the pro-
16 grams identified in item (bb) of
17 this subclause, and similar in-
18 come-tested programs, informa-
19 tion to verify eligibility for free or
20 reduced price meals.

21 “(bb) PUBLIC AGENCY
22 RECORDS.—Public agency
23 records that may be used to
24 verify eligibility for free meals
25 shall include income information

1 relied upon within 12 months
2 prior to verification under sub-
3 clause (IV) in the administration
4 of the following programs: the
5 food stamp program established
6 under the Food Stamp Act of
7 1977 (7 U.S.C. 2011 et seq.); the
8 State program funded under part
9 A of title IV of the Social Secu-
10 rity Act; the Food Distribution
11 Program on Indian Reservations
12 (FDPIR) authorized under sec-
13 tion 4(b) of the Food Stamp Act
14 of 1977 (7 U.S.C. 2013(b)); and
15 the State Medicaid program
16 under title XIX of the Social Se-
17 curity Act (42 U.S.C. 1396 et
18 seq.) in a State in which the in-
19 come eligibility limit described in
20 section 1902(l)(2)(C) of the So-
21 cial Security Act is no higher
22 than 133 percent of the income
23 official poverty line as specified
24 in section 1902(l)(2)(A) of such
25 Act, in the case of eligibility for

1 free meals, and 185 percent of
2 the income official poverty line as
3 specified in such section in the
4 case of reduced price meals.

5 “(VII) PLAIN, UNDERSTANDABLE
6 LANGUAGE.—Any and all communica-
7 tions to parents regarding verification
8 under subclause (IV) shall be in an
9 understandable and uniform format,
10 and, to the extent practicable, in a
11 language that parents can under-
12 stand.

13 “(ii) DIRECT CERTIFICATION FOR
14 CHILDREN IN FOOD STAMP HOUSE-
15 HOLDS.—

16 “(I) IN GENERAL.—Each State
17 agency shall, to the extent practicable,
18 enter into an agreement with the
19 State agency conducting eligibility de-
20 terminations for the food stamp pro-
21 gram established under the Food
22 Stamp Act of 1977 (7 U.S.C. 2011 et
23 seq.).

24 “(II) PROCEDURES.—Subject to
25 clause (iv), the agreement shall estab-

1 lish procedures under which a child
2 who is a member of a household re-
3 ceiving assistance under the program
4 referred to in subclause (I) shall be
5 certified as eligible for free meals
6 under this Act, without further appli-
7 cation.

8 “(III) DIRECT CERTIFICATION.—

9 Subject to clause (iv), under the
10 agreement, the local educational agen-
11 cy conducting eligibility determina-
12 tions for a school meal program con-
13 ducted under this Act shall certify a
14 child who is a member of a household
15 receiving assistance under the pro-
16 gram referred to in subclause (I) as
17 eligible for free meals under this Act
18 without further application.

19 “(IV) NOTICE.—The appropriate

20 local educational agency shall provide
21 annually to the parents or guardians
22 of all students who are members of a
23 household receiving assistance under
24 the program referred to in subclause
25 (I), notification, in an understandable

1 and uniform format, and, to the ex-
2 tent practicable, in a language that
3 parents can understand, that any
4 school-aged child in that household is
5 eligible for free lunches or breakfasts.

6 “(iii) DIRECT CERTIFICATION OF
7 CHILDREN IN OTHER HOUSEHOLDS.—Sub-
8 ject to clause (iv), any local educational
9 agency may certify any child as eligible for
10 free lunches or breakfasts, without further
11 application, by directly communicating
12 with the appropriate State or local agency
13 to obtain documentation of such child’s
14 status as a migratory child, as such term
15 is defined in section 1309(2) of the Ele-
16 mentary and Secondary Education Act of
17 1965 (20 U.S.C. 6399(2)), or a member of
18 a family that is receiving assistance under
19 a State program funded under part A of
20 title IV of the Social Security Act if the
21 Secretary determines the State program
22 complies with standards established by the
23 Secretary that ensure that the standards
24 under the State program are comparable

1 to or more restrictive than those in effect
2 on June 1, 1995.

3 “(iv) DISCLOSURE OF INFORMA-
4 TION.—The use or disclosure of any infor-
5 mation obtained from an application for
6 free or reduced price meals, or from a
7 State or local agency referred to in clauses
8 (ii) and (iii), shall be limited to—

9 “(I) a person directly connected
10 with the administration or enforce-
11 ment of this Act or the Child Nutri-
12 tion Act of 1966 (42 U.S.C. 1771 et
13 seq.), or a regulation issued pursuant
14 to either Act;

15 “(II) a person directly connected
16 with the administration or enforce-
17 ment of—

18 “(aa) a Federal education
19 program;

20 “(bb) a State health or edu-
21 cation program administered by
22 the State or local educational
23 agency (other than a program
24 carried out under title XIX of

1 the Social Security Act (42
2 U.S.C. 1396 et seq.); or

3 “(cc) a Federal, State, or
4 local means-tested nutrition pro-
5 gram with eligibility standards
6 comparable to the program under
7 this section;

8 “(III)(aa) the Comptroller Gen-
9 eral of the United States for audit
10 and examination authorized by any
11 other provision of law; and

12 “(bb) notwithstanding any other
13 provision of law, a Federal, State, or
14 local law enforcement official for the
15 purpose of investigating an alleged
16 violation of any program requirements
17 under paragraph (1) or this para-
18 graph; and

19 “(IV) a person directly connected
20 with the administration of the State
21 Medicaid program under title XIX of
22 the Social Security Act (42 U.S.C.
23 1396 et seq.) or the State children’s
24 health insurance program under title
25 XXI of that Act (42 U.S.C. 1397aa et

1 seq.) solely for the purpose of identi-
2 fying children eligible for benefits
3 under, and enrolling children in, such
4 programs, except that this subclause
5 shall apply only to the extent that the
6 State and the local educational agency
7 so elect.

8 “(v) LIMITATION.—Information pro-
9 vided under clause (iv)(II) shall be limited
10 to the income eligibility status of the child
11 for whom application for free or reduced
12 price meal benefits was made or for whom
13 eligibility information was provided under
14 clause (ii) or (iii), unless the consent of the
15 parent or guardian of the child for whom
16 application for benefits was made is ob-
17 tained.

18 “(vi) PENALTY FOR UNAUTHORIZED
19 DISCLOSURE.—A person described in
20 clause (iv) who publishes, divulges, dis-
21 closes, or makes known in any manner, or
22 to any extent not authorized by Federal
23 law (including a regulation), any informa-
24 tion obtained under this subsection shall be

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

3 “(vii) REQUIREMENTS FOR WAIVER
4 OF CONFIDENTIALITY.—A State that elects
5 to exercise the option described in clause
6 (iv)(IV) shall ensure that any local edu-
7 cational agency acting in accordance with
8 that option—

9 “(I) has a written agreement
10 with the State or local agency or
11 agencies administering health insur-
12 ance programs for children under ti-
13 tles XIX and XXI of the Social Secu-
14 rity Act (42 U.S.C. 1396 et seq. and
15 1397aa et seq.) that requires the
16 health agencies to use the information
17 obtained under clause (iv) to seek to
18 enroll children in those health insur-
19 ance programs; and

20 “(II)(aa) notifies each household,
21 the information of which shall be dis-
22 closed under clause (iv), that the in-
23 formation disclosed will be used only
24 to enroll children in health programs
25 referred to in clause (iv)(IV); and

1 “(bb) provides each parent or
2 guardian of a child in the household
3 with an opportunity to elect not to
4 have the information disclosed.

5 “(viii) USE OF DISCLOSED INFORMA-
6 TION.—A person to which information is
7 disclosed under clause (iv)(IV) shall use or
8 disclose the information only as necessary
9 for the purpose of enrolling children in
10 health programs referred to in clause
11 (iv)(IV).

12 “(D) FREE AND REDUCED PRICE POLICY
13 STATEMENT.—After the initial submission, a
14 local educational agency shall not be required to
15 submit a free and reduced price policy state-
16 ment to a State educational agency under this
17 Act unless there is a substantive change in the
18 free and reduced price policy of the local edu-
19 cational agency. A routine change in the policy
20 of a local educational agency, such as an annual
21 adjustment of the income eligibility guidelines
22 for free and reduced price meals, shall not be
23 sufficient cause for requiring the local edu-
24 cational agency to submit a policy statement.”.

1 (b) CONFORMING AMENDMENT.—Section 9(b)(6)(B)
 2 of the Richard B. Russell National School Lunch Act (42
 3 U.S.C. 1758(b)(6)(B) is amended by inserting “, or docu-
 4 mentation showing the child’s status as a migratory child,
 5 as such term is defined in section 1309(2) of the Elemen-
 6 tary and Secondary Education Act of 1965 (20 U.S.C.
 7 6399(2))” after “subparagraph (A)(iii)”.

8 **SEC. 202. DURATION OF ELIGIBILITY FOR FREE AND RE-**
 9 **DUCE PRICE LUNCHES.**

10 Section 9(b)(3) of the Richard B. Russell National
 11 School Lunch Act (42 U.S.C. 1758(b)(3)) is amended to
 12 read as follows:

13 “(3) ELIGIBILITY FOR FREE AND REDUCED
 14 PRICE LUNCHES.—

15 “(A) FREE LUNCHES.—Any child who is a
 16 member of a household whose income, at the
 17 time the application is submitted, is at an an-
 18 nual rate which does not exceed the applicable
 19 family size income level of the income eligibility
 20 guidelines for free lunches, as determined under
 21 paragraph (1), shall be served a free lunch.

22 “(B) REDUCED PRICE LUNCHES.—

23 “(i) IN GENERAL.—Any child who is a
 24 member of a household whose income, at
 25 the time the application is submitted, is at

1 an annual rate greater than the applicable
2 family size income level of the income eligi-
3 bility guidelines for free lunches, as deter-
4 mined under paragraph (1), but less than
5 or equal to the applicable family size in-
6 come level of the income eligibility guide-
7 lines for reduced price lunches, as deter-
8 mined under paragraph (1), shall be served
9 a reduced price lunch.

10 “(ii) MAXIMUM PRICE.—The price
11 charged for a reduced price lunch shall not
12 exceed 40 cents.

13 “(C) DURATION.—Except as otherwise
14 specified in section 11(a) or section
15 9(b)(2)(C)(i)(IV), eligibility for free or reduced
16 price meals for any school year shall remain in
17 effect—

18 “(i) beginning on the date of eligi-
19 bility approval for the current school year;
20 and

21 “(ii) ending on the date of the begin-
22 ning of school in the subsequent school
23 year or as otherwise specified by the Sec-
24 retary.”.

1 **SEC. 203. CERTIFICATION BY LOCAL EDUCATIONAL AGEN-**
 2 **CIES.**

3 (a) CERTIFICATION BY LOCAL EDUCATIONAL AGEN-
 4 CY.—Section 9 of the Richard B. Russell National School
 5 Lunch Act (42 U.S.C. 1758) is further amended—

6 (1) in subsection (b)(5), by striking “Local
 7 school authorities” and inserting “Local educational
 8 agencies”; and

9 (2) in subsection (d)(2)—

10 (A) by striking “local school food author-
 11 ity” each place it appears and inserting “local
 12 educational agency”; and

13 (B) in subparagraph (A), by striking “such
 14 authority” and inserting “the local educational
 15 agency”.

16 (b) DEFINITION OF LOCAL EDUCATIONAL AGEN-
 17 CY.—Section 12(d) of the Richard B. Russell National
 18 School Lunch Act (42 U.S.C. 1760(d)) is amended—

19 (1) by redesignating paragraphs (3) through
 20 (8) as paragraphs (4) through (9), respectively; and

21 (2) by inserting after paragraph (2) the fol-
 22 lowing:

23 “(3) LOCAL EDUCATIONAL AGENCY.—

24 “(A) IN GENERAL.—The term ‘local edu-
 25 cational agency’ has the meaning given the
 26 term in section 9101 of the Elementary and

1 Secondary Education Act of 1965 (20 U.S.C.
2 7801).

3 “(B) INCLUSION.—The term ‘local edu-
4 cational agency’ includes, in the case of a pri-
5 vate nonprofit school food authority, an appro-
6 priate entity determined by the Secretary.”.

7 (c) SCHOOL BREAKFAST PROGRAM.—Section
8 4(b)(1)(E)) of the Child Nutrition Act of 1966 (42 U.S.C.
9 1773(b)(1)(E)) is amended by striking “school food au-
10 thority” each place it appears and inserting “local edu-
11 cational agency”.

12 **SEC. 204. COMPLIANCE AND ACCOUNTABILITY.**

13 Section 22 of the Richard B. Russell National School
14 Lunch Act (42 U.S.C. 1769c) is amended by inserting
15 “and local educational agencies” after “food service au-
16 thorities” each place it appears.

17 **SEC. 205. TECHNOLOGY IMPROVEMENT.**

18 (a) PRIORITY FOR REALLOCATED FUNDS.—Section
19 7(a)(5)(B)(ii) of the Child Nutrition Act of 1966 (42
20 U.S.C. 1776(a)(5)(B)(ii)) is amended by inserting the fol-
21 lowing new sentence at the end: “The Secretary shall give
22 special consideration to States that will use the funds for
23 improvements in technology and information management
24 systems described in subsection (e)(2).”.

1 (b) CONFORMING AMENDMENT.—Section 7(b) of the
 2 Child Nutrition Act of 1966 (42 U.S.C. 1776(b)) is
 3 amended by striking “and for staff development” and in-
 4 serting “for staff development; and technology and infor-
 5 mation management systems”.

6 **SEC. 206. MINIMUM STATE ADMINISTRATIVE EXPENSE**
 7 **GRANTS.**

8 Section 7(a) of the Child Nutrition Act (42 U.S.C.
 9 1776(a)(1)) is further amended—

10 (1) by striking the heading and all that follows
 11 through paragraph (1), and inserting the following:

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

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

14 **“(1) AMOUNT AVAILABLE.—**

15 **“(A) IN GENERAL.—**Except as provided in
 16 subparagraph (B), each fiscal year the Sec-
 17 retary shall make available to the States for
 18 their Administrative costs an amount equal to
 19 not less than 1½ percent of the Federal funds
 20 expended under sections 4, 11, 17, and 17A of
 21 the Richard B. Russell National School Lunch
 22 Act (42 U.S.C. 1753, 1759a) 1766, and
 23 1766a)) and sections 3 and 4 of this Act during
 24 the second preceding fiscal year.

1 “(B) MINIMUM AMOUNT.—In the case of
 2 each of fiscal years 2005 through 2007, the
 3 Secretary shall make available to each State for
 4 their administrative costs not less than the ini-
 5 tial allocation made to the State under this sub-
 6 section for fiscal year 2004.

7 “(C) ALLOCATION.—The Secretary shall
 8 allocate the funds so provided in accordance
 9 with paragraphs (2), (3), and (4) of this sub-
 10 section.

11 “(D) AUTHORIZATION OF APPROPRIA-
 12 TIONS.—There is authorized to be appropriated
 13 such sums as may be necessary to carry out the
 14 purposes of this section.”; and

15 (2) in paragraph (2), by striking “\$100,000”
 16 and inserting “\$200,000”.

17 **SEC. 207. DISTRICT-WIDE ELIGIBILITY FOR SPECIAL AS-**
 18 **SISTANCE.**

19 Section 11(a)(1) of the Richard B. Russell National
 20 School Lunch Act (42 U.S.C. 1759a(a)(1)) is amended—

21 (1) in subparagraph (C)—

22 (A) in clause (i)—

23 (i) by inserting “or school district”
 24 after “in the case of any school”;

- 1 (ii) by inserting “or school district”
2 after “in the school” both times it appears;
3 (iii) by inserting “or school district”
4 after “in the case of a school”; and
5 (iv) by inserting “or school district”
6 after “with respect to the school”;
7 (B) in clause (ii)—
8 (i) by inserting “or school district”
9 after “served by a school”; and
10 (ii) by inserting “or school district”
11 after “served by the school”; and
12 (C) in clause (iii) by inserting “or school
13 district” after “a school”;
14 (2) in subparagraph (D)—
15 (A) in clause (i)—
16 (i) by inserting “or school district”
17 after “any school”; and
18 (ii) by inserting “or school district”
19 after “the school”;
20 (B) in clause (ii)—
21 (i) by inserting “or school district”
22 after “A school”; and
23 (ii) by inserting “or school district”
24 after “the school”;
25 (C) in clause (iii)—

- 1 (i) by inserting “or school district”
2 after “a school”; and
- 3 (ii) by inserting “or school district”
4 after “the school”; and
- 5 (D) in clause (iv) by inserting “or school
6 district” after “levels, a school”; and
- 7 (3) in subparagraph (E)—
- 8 (A) in clause (i)—
- 9 (i) by inserting “or school district”
10 after “In the case of any school”;
- 11 (ii) by inserting “or school district”
12 after “in the school” both times it appears;
- 13 (iii) by inserting “or school district”
14 after “in the case of a school”;
- 15 (iv) by inserting “or school district”
16 after “with respect to the school”;
- 17 (v) by inserting “or school district”
18 after “received by the school”; and
- 19 (vi) by inserting “or school district”
20 after “for which the school”; and
- 21 (B) in clause (ii)—
- 22 (i) by inserting “or school district”
23 after “A school”;

1 (ii) by inserting “or school district”
2 after “for which the school” both times it
3 appears; and
4 (iii) by inserting “or school district”
5 after “population of the school” both times
6 it appears.

7 **SEC. 208. ADMINISTRATIVE ERROR REDUCTION.**

8 (a) FEDERAL SUPPORT FOR TRAINING AND TECH-
9 NICAL ASSISTANCE.—Section 21 of the Richard B. Russell
10 National School Lunch Act (42 U.S.C. 1769b-1) is
11 amended—

12 (1) by redesignating subsection (e) as sub-
13 section (g); and

14 (2) by inserting after subsection (d) the fol-
15 lowing:

16 “(e) ADMINISTRATIVE TRAINING AND TECHNICAL
17 ASSISTANCE MATERIALS.—In collaboration with State
18 educational agencies, school food authorities, and local
19 educational agencies of varying sizes, the Secretary shall
20 develop and distribute training and technical assistance
21 materials relating to the administration of school meal
22 programs that are—

23 “(1) prepared by the Secretary (based on re-
24 search or other sources), a State educational agency,

1 a school food authority, or a local educational agen-
2 cy; and

3 “(2) representative of the best management and
4 administrative practices of State agencies, school
5 food authorities, and local educational agencies as
6 determined by the Secretary.

7 “(f) FEDERAL ADMINISTRATIVE SUPPORT.—

8 “(1) FUNDING.—

9 “(A) IN GENERAL.—Out of any funds in
10 the Treasury not otherwise appropriated, the
11 Secretary of the Treasury shall transfer to the
12 Secretary of Agriculture to carry out this sub-
13 section—

14 “(i) on October 1, 2004 and October
15 1, 2005, \$3,000,000; and

16 “(ii) on October 1, 2006, and October
17 1, 2007, \$2,000,000.

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

23 “(C) AVAILABILITY OF FUNDS.—Funds
24 transferred under subparagraph (A) shall re-
25 main available until expended.

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

3 “(A) to provide training and technical as-
4 sistance related to administrative practices de-
5 signed to improve program integrity and admin-
6 istrative accuracy in school meals programs (in-
7 cluding administrative requirements established
8 by the Child Nutrition Improvement and Integ-
9 rity Act and amendments made by that Act) to
10 State educational agencies and, to the extent
11 determined by the Secretary, to school food au-
12 thorities and local educational agencies;

13 “(B) to assist State educational agencies
14 in reviewing the administrative practices of
15 school food authorities, to the extent deter-
16 mined by the Secretary; and

17 “(C) to carry out the activities described in
18 subsection (e).”.

19 (b) SELECTED ADMINISTRATIVE REVIEWS.—Section
20 22(b) of the Richard B. Russell National School Lunch
21 Act (42 U.S.C. 1769c(b)) is amended by adding at the
22 end the following:

23 “(3) ADDITIONAL REVIEW REQUIREMENT FOR
24 SELECTED LOCAL EDUCATIONAL AGENCIES.—

1 “(A) DEFINITION OF SELECTED LOCAL
2 EDUCATIONAL AGENCY.—In this paragraph, the
3 term ‘selected local educational agency’ means a
4 local educational agency that has a dem-
5 onstrated a high level of, or a high risk for, ad-
6 ministrative error, as determined by the Sec-
7 retary.

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

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

22 “(D) RESULTS OF REVIEW.—If the State
23 educational agency determines (on the basis of
24 a review conducted under subparagraph (B))
25 that a selected local educational agency fails to

1 meet performance criteria established by the
2 Secretary, the State educational agency shall—

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

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

11 “(iii) conduct a follow-up review of
12 the selected local educational agency under
13 standards established by the Secretary.

14 “(4) RECOVERING FUNDS AFTER ADMINISTRA-
15 TIVE REVIEWS.—

16 “(A) IN GENERAL.—Subject to subpara-
17 graphs (B) and (C), if the local educational
18 agency fails to meet administrative performance
19 criteria established by the Secretary in both an
20 initial review and a follow-up review under
21 paragraph (1) or (3) or subsection (a), the Sec-
22 retary may require the State educational agency
23 to recover funds from the local educational
24 agency that would otherwise be paid to the
25 school food authority or local educational agen-

1 cy for school meals programs under procedures
2 prescribed by the Secretary.

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

9 “(C) TIME PERIOD.—The period for deter-
10 mining the value of any such overpayments
11 under subparagraph (B) shall be the period—

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

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

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

23 “(II) in the case of any subse-
24 quent review conducted by the State
25 educational agency of the local edu-

1 cational agency under this section, the
2 date that is 90 days after the begin-
3 ning of the period under clause (i).

4 “(5) USE OF RECOVERED FUNDS.—

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

8 “(i) be returned to the Secretary
9 under procedures established by the Sec-
10 retary, and may be used—

11 “(I) to provide training and tech-
12 nical assistance related to administra-
13 tive practices designed to improve pro-
14 gram integrity and administrative ac-
15 curacy in school meals programs (in-
16 cluding administrative requirements
17 established by the Child Nutrition Im-
18 provement and Integrity Act and
19 amendments made by that Act) to
20 State educational agencies and, to the
21 extent determined by the Secretary, to
22 school food authorities and local edu-
23 cational agencies;

24 “(II) to assist State educational
25 agencies in reviewing the administra-

1 tive practices of school food authori-
2 ties, to the extent determined by the
3 Secretary; and

4 “(III) to carry out section 21(e);

5 or

6 “(ii) be credited to the child nutrition
7 programs appropriation account.

8 “(B) STATE SHARE.—Subject to subpara-
9 graph (C), a State educational agency may re-
10 tain not more than 25 percent of an amount re-
11 covered under paragraph (4), to carry out
12 school meals program integrity initiatives to as-
13 sist school food authorities and local edu-
14 cational agencies that have repeatedly failed (as
15 determined by the Secretary) to meet adminis-
16 trative performance criteria.

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

20 “(i) submit to the Secretary a plan
21 describing how the State educational agen-
22 cy will use the funds to improve school
23 meals program integrity, including meas-
24 ures to give priority to school food authori-
25 ties and local educational agencies from

1 which funds were retained under para-
2 graph (4); and

3 “(ii) obtain the approval of the Sec-
4 retary for the plan.”.

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

8 (1) in subsection (e)—

9 (A) by striking “(e) Each” and inserting
10 the following:

11 “(e) PLANS FOR USE OF ADMINISTRATIVE EXPENSE
12 FUNDS.—

13 “(1) IN GENERAL.—Each”; and

14 (B) by striking “After submitting” and all
15 that follows through “change in the plan.”, and
16 inserting the following:

17 “(2) UPDATES AND INFORMATION MANAGE-
18 MENT SYSTEMS.—After submitting the initial plan, a
19 State shall be required to submit to the Secretary
20 for approval only a substantive change in the plan.
21 Each State plan shall at a minimum include a de-
22 scription of how technology and information man-
23 agement systems will be used to improve program
24 integrity by—

1 “(A) monitoring the nutrient content of
2 meals served;

3 “(B) training schools and school food au-
4 thorities how to utilize technology and informa-
5 tion management systems for activities such as
6 menu planning, collecting point of sale data,
7 processing applications for free and reduced
8 price meals and verifying eligibility for free and
9 reduced price meals using existing databases to
10 access program participation or income data
11 collected by State or local educational agencies;
12 and

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

17 “(3) TRAINING AND TECHNICAL ASSISTANCE.—
18 Each State shall submit to the Secretary for ap-
19 proval a plan describing the manner in which the
20 State intends to implement subsection (g) and sec-
21 tion 22(b)(3) of the Richard B. Russell National
22 School Lunch Act (as added by section 208 of the
23 Child Nutrition Improvement and Integrity Act).”;

24 (2) by redesignating subsection (g) as sub-
25 section (i); and

1 (3) by inserting after subsection (f) the fol-
2 lowing:

3 “(g) STATE TRAINING.—

4 “(1) IN GENERAL.—At least annually, each
5 State shall provide training in administrative prac-
6 tices (including training in application, certification,
7 verification, meal counting, and meal claiming proce-
8 dures) to school food authority administrative per-
9 sonnel and other appropriate personnel, with empha-
10 sis on the requirements established by the Child Nu-
11 trition Improvement and Integrity Act and the
12 amendments made by that Act.

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

14 “(A) provide training and technical assist-
15 ance (including training materials and informa-
16 tion developed under subsections (e) and (f) of
17 section 21 of the Richard B. Russell National
18 School Lunch Act (42 U.S.C. 1769b-1)) to a
19 State to assist the State in carrying out para-
20 graph (1); or

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

24 “(3) THIRD-PARTY CONTRACTING.—In carrying
25 out this subsection, the Secretary or a State may

1 contract with a third party under procedures estab-
2 lished by the Secretary.

3 “(4) REQUIRED PARTICIPATION.—Under proce-
4 dures established by the Secretary that consider the
5 various needs and circumstances of school food au-
6 thorities, each school food authority or local edu-
7 cational agency shall ensure that an individual con-
8 ducting or overseeing administrative procedures de-
9 scribed in paragraph (1) receives training at least
10 annually, unless determined otherwise by the Sec-
11 retary.

12 “(h) FUNDING FOR TRAINING AND ADMINISTRATIVE
13 REVIEWS.—

14 “(1) FUNDING.—

15 “(A) IN GENERAL.—On October 1, 2004,
16 and on each October 1 thereafter, out of any
17 funds in the Treasury not otherwise appro-
18 priated, the Secretary of the Treasury shall
19 transfer to the Secretary of Agriculture to carry
20 out this subsection \$4,000,000, to remain avail-
21 able until expended.

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

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

3 “(2) USE OF FUNDS.—

4 “(A) IN GENERAL.—Except as provided in
5 subparagraph (B), the Secretary shall use
6 funds provided under this subsection to assist
7 States in carrying out subsection (g) and ad-
8 ministrative reviews of selected school food au-
9 thorities and local educational agencies under
10 section 22(b)(3) of the Richard B. Russell Na-
11 tional School Lunch Act (42 U.S.C.
12 1769c(b)(3)).

13 “(B) EXCEPTION.—The Secretary may re-
14 tain a portion of the amount provided to cover
15 costs of activities carried out by the Secretary
16 in lieu of the State.

17 “(3) ALLOCATION.—The Secretary shall allo-
18 cate funds provided in this subsection to States
19 based on the number of local educational agencies
20 that have demonstrated a high level of or a high risk
21 for administrative error, as determined by the Sec-
22 retary, taking into account the requirements estab-
23 lished by the Child Nutrition Improvement and In-
24 tegrity Act and the amendments made by that Act.

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

6 **TITLE III—PROMOTING NUTRI-**
7 **TION QUALITY AND PRE-**
8 **VENTING CHILDHOOD OBE-**
9 **SITY**

10 **SEC. 301. LOCAL SCHOOL WELLNESS POLICY.**

11 Not later than the first day of the school year begin-
12 ning after June 30, 2006, local educational agencies par-
13 ticipating in the programs authorized by the Richard B.
14 Russell National School Lunch Act (42 U.S.C. 1751 et
15 seq.) and the Child Nutrition Act of 1966 (42 U.S.C. 1771
16 et seq.) shall establish a local school wellness policy for
17 such local agency that at a minimum—

18 (1) includes goals for nutrition education, phys-
19 ical activity and other school-based activities de-
20 signed to promote student wellness that the local
21 educational agency determines are appropriate;

22 (2) includes nutrition guidelines selected by the
23 local educational agencies for all foods available on
24 school campus during the school day with the objec-

1 tive of promoting student health and reducing child-
2 hood obesity;

3 (3) provides an assurance that guidelines for re-
4 imbursable school meals shall not be less restrictive
5 than regulations and guidance issued by the Sec-
6 retary pursuant to section 10(a) and (b) of the Child
7 Nutrition Act (42 U.S.C. 1779(a) and (b)) and sec-
8 tion 9(f)(1) and section 17(a) of the Richard B.
9 Russell National School Lunch Act (42 U.S.C.
10 1758(f)(1) and 1766(a)), as those regulations and
11 guidance apply to schools;

12 (4) establishes a plan for ensuring implementa-
13 tion of the local wellness policy, including designa-
14 tion of a person or persons within the local edu-
15 cational agency, or at each school as appropriate,
16 charged with operational responsibility for ensuring
17 that such school meets the local wellness policy; and

18 (5) involves parents, students, representatives
19 of the school food authority, the school board, school
20 administrators, and public in the development of the
21 school wellness policy.

1 **SEC. 302. SUPPORTING NUTRITION EDUCATION, IMPROV-**
2 **ING MEAL QUALITY, AND ACCESS TO LOCAL**
3 **FOODS.**

4 Section 19 of the Child Nutrition Act of 1966 (42
5 U.S.C. 1788) is amended—

6 (1) by amending subsection (b) to read as fol-
7 lows:

8 “(b) PURPOSE.—It is the purpose of this section to
9 support effective nutrition education through assistance to
10 State agencies, schools, and nonprofit entities for Team
11 Nutrition and other nutrition education projects that im-
12 prove student understanding of healthful eating patterns,
13 including an awareness and understanding of the Dietary
14 Guidelines for Americans, the quality of school meals and
15 access to local foods in schools and institutions operating
16 programs under the Richard B. Russell National School
17 Lunch Act (42 U.S.C. 1751 et seq.) and section 4 of this
18 Act.”;

19 (2) by striking subsections (c) through (h) and
20 inserting after subsection (b) the following:

21 “(c) TEAM NUTRITION NETWORK.—

22 “(1) PURPOSE.—The purpose of the Team Nu-
23 trition Network is to—

24 “(A) promote the nutritional health of the
25 Nation’s school children through nutrition edu-
26 cation, physical activity and other activities that

1 support healthy lifestyles for children based on
2 the Dietary Guidelines for Americans, issued
3 jointly by the Secretary of Agriculture and the
4 Secretary of Health and Human Services, and
5 the physical fitness guidelines issued by the
6 Secretary of Health and Human Services;

7 “(B) provide assistance to States for the
8 development of State-wide, comprehensive, and
9 integrated nutrition education and physical fit-
10 ness programs; and

11 “(C) provide training and technical assist-
12 ance to States, school and community nutrition
13 programs, and child nutrition food service pro-
14 fessionals.

15 “(2) STATE COORDINATOR.—The State Team
16 Nutrition Network Coordinator shall—

17 “(A) administer and coordinate a com-
18 prehensive integrated statewide nutrition edu-
19 cation program; and

20 “(B) coordinate efforts with the Food and
21 Nutrition Service and State agencies respon-
22 sible for children’s health programs.

23 “(3) TEAM NUTRITION NETWORK.—Subject to
24 the availability or appropriations to carry out this
25 subsection, the Secretary, in consultation with the

1 Secretary of Education, shall, on a competitive basis,
2 provide assistance to States for the purpose of cre-
3 ating model nutrition education and physical activity
4 programs, consistent with current dietary and fit-
5 ness guidelines, for students in elementary schools
6 and secondary schools.

7 “(4) REQUIREMENTS FOR STATE PARTICIPA-
8 TION.—To be eligible to receive assistance under this
9 subsection, a State Coordinator shall submit an ap-
10 plication to the Secretary at such time, and in such
11 manner, and containing such information as the Sec-
12 retary may require, including—

13 “(A) a description of how the proposed nu-
14 trition and physical activity program will pro-
15 mote healthy eating and physical activity and
16 fitness and address the health and social con-
17 sequences of children who are at risk of becom-
18 ing overweight or obese;

19 “(B) information describing how nutrition
20 activities are to be coordinated at the State
21 level with other health activities conducted by
22 education, health and agriculture agencies;

23 “(C) information describing how initiatives
24 to promote physical activity are to be coordi-
25 nated at the State level with other initiatives to

1 promote physical activity conducted by edu-
2 cation, health, and parks and recreation agen-
3 cies;

4 “(D) a description of the consultative proc-
5 ess that the State Coordinator employed in the
6 development of the model nutrition and physical
7 activity programs, including consultations with
8 individuals and organizations with expertise in
9 promoting public health, nutrition, or physical
10 activity, and organizations representing the ag-
11 riculture, food and beverage, fitness, and sports
12 and recreation industries;

13 “(E) a description of how the State Coor-
14 dinator will evaluate the effectiveness of its pro-
15 gram; and

16 “(F) a description of how any and all com-
17 munications to parents and guardians of all
18 students who are members of a household re-
19 ceiving or applying for assistance under the
20 program shall be in an understandable and uni-
21 form format, and, to the extent practicable, in
22 a language that parents can understand.

23 “(5) DURATION.—Subject to the availability of
24 funds made available to carry out this subsection, a

1 State Coordinator shall conduct the project for a pe-
2 riod of 3 successive school years.

3 “(6) AUTHORIZED ACTIVITIES.—An eligible ap-
4 plicant that receives assistance under this subsection
5 may use funds to carry out one or more of the fol-
6 lowing activities—

7 “(A) collecting, analyzing, and dissemi-
8 nating data regarding the extent to which chil-
9 dren and youth in the State are overweight or
10 physically inactive and the programs and serv-
11 ices available to meet those needs;

12 “(B) developing and implementing model
13 elementary and secondary education curricula
14 to create a comprehensive, coordinated nutrition
15 and physical fitness awareness and obesity pre-
16 vention program;

17 “(C) developing and implementing pilot
18 programs in schools to increase physical activity
19 and to enhance the nutritional status of stu-
20 dents, including through the increased con-
21 sumption of fruits and vegetables, whole grains,
22 and lowfat dairy products;

23 “(D) developing and implementing State
24 guidelines in health, which include nutrition
25 education, and physical education and empha-

1 size regular physical activity during school
2 hours;

3 “(E) collaborating with community based
4 organizations, volunteer organizations, State
5 medical associations, and public health groups
6 to develop and implement nutrition and physical
7 education programs targeting lower income chil-
8 dren, ethnic minorities, and youth at a greater
9 risk for obesity;

10 “(F) collaborating with public or private
11 organizations that have as a mission the raising
12 of public awareness of the importance of a bal-
13 anced diet and an active lifestyle; and

14 “(G) providing training and technical as-
15 sistance to teachers and school food service pro-
16 fessionals consistent with the purpose of this
17 section.

18 “(7) LIMITATION.—Materials prepared under
19 this subsection regarding agricultural commodities,
20 food, or beverages must be factual and without bias.

21 “(8) REPORT.—Within 18 months of comple-
22 tion of the projects and the evaluations, the Sec-
23 retary shall submit to the Committee on Education
24 and the Workforce of the House of Representatives
25 and the Committee on Health, Education, Labor,

1 and Pensions of the Senate and the Committee on
2 Agriculture, Nutrition and Forestry of the Senate a
3 report describing the results of the evaluation of the
4 demonstration programs and shall make such re-
5 ports available to the public, including through the
6 Internet.

7 “(9) INDEPENDENT EVALUATION.—

8 “(A) IN GENERAL.—The Secretary shall
9 enter into an agreement with an independent,
10 non-partisan science-based research organiza-
11 tion to conduct a comprehensive independent
12 evaluation of the effectiveness of the Team Nu-
13 trition initiative and the Team Nutrition Net-
14 work authorized by this subsection and to iden-
15 tify best practices in—

16 “(i) improving student understanding
17 of healthful eating patterns;

18 “(ii) engaging students in regular
19 physical activity and improving physical
20 fitness;

21 “(iii) reducing diabetes and obesity
22 rates in school children;

23 “(iv) improving student nutrition be-
24 haviors on the school campus including
25 healthier meal choices evidenced by greater

1 inclusion of fruits, vegetables, whole
2 grains, and lean dairy and protein in meal
3 and snack selections;

4 “(v) providing training and technical
5 assistance for food service professionals re-
6 sulting in the availability of healthy meals
7 that appeal to ethnic and cultural taste
8 preferences;

9 “(vi) linking meals programs to nutri-
10 tion education activities; and

11 “(vii) successfully involving school ad-
12 ministrators, the private sector, public
13 health agencies, non-profit organizations,
14 and other community partners.

15 “(B) REPORT.—Not later than October 1,
16 2007, the Secretary shall transmit the findings
17 of the independent evaluation to the Committee
18 on Education and the Workforce of the House
19 of Representatives, the Committee on Health,
20 Education, Labor, and Pensions and the Com-
21 mittee on Agriculture, Nutrition, and Forestry
22 of the Senate.

23 “(d) LOCAL NUTRITION AND PHYSICAL ACTIVITY
24 PROJECT.—

1 “(1) IN GENERAL.—Subject to the availability
2 of appropriations to carry out this subsection, the
3 Secretary, in consultation with the Secretary of Edu-
4 cation, shall provide assistance to not more than 100
5 local educational agencies, at least one per State, for
6 the establishment of pilot projects for purposes of
7 promoting healthy eating habits and increasing
8 physical activity, consistent with the Dietary Guide-
9 lines for Americans issued jointly by the Secretary
10 of Agriculture and the Secretary of Health and
11 Human Services, among elementary and secondary
12 education students.

13 “(2) REQUIREMENT FOR PARTICIPATION IN
14 PILOT PROJECT.—To be eligible to receive assistance
15 under this subsection, a local educational agency
16 shall, in consultation with individuals who possess
17 education or experience appropriate for representing
18 the general field of public health, including nutrition
19 and fitness professionals, submit to the Secretary an
20 application that shall include—

21 “(A) a description of the local educational
22 agency’s need for nutrition and physical activity
23 programs;

24 “(B) a description of how the proposed
25 project will improve health and nutrition

1 through education and increased access to phys-
2 ical activity;

3 “(C) a description of how funds under this
4 subsection will be coordinated with other pro-
5 grams under this Act, the Richard B. Russell
6 National School Lunch Act, or other Acts, as
7 appropriate, to improve student health and nu-
8 trition;

9 “(D) a statement of the local educational
10 agency’s measurable goals for nutrition and
11 physical education programs and promotion;

12 “(E) a description of how the proposed
13 project will be aligned with the local wellness
14 policy required under the Act;

15 “(F) a description of the procedures the
16 agency will use for assessing and publicly re-
17 porting progress toward meeting those goals;
18 and

19 “(G) a description of how communications
20 to parents and guardians of participating stu-
21 dents regarding the activities under this sub-
22 section shall be in an understandable and uni-
23 form format, and, to the extent practicable, in
24 a language that parents can understand.

1 “(3) DURATION.—Subject to the availability of
2 funds made available to carry out this subsection, a
3 local educational agency receiving assistance under
4 this subsection shall conduct the project during a pe-
5 riod of 3 successive school years.

6 “(4) AUTHORIZED ACTIVITIES.—An eligible ap-
7 plicant that receives assistance under this sub-
8 section—

9 “(A) shall use funds provided to—

10 “(i) promote healthy eating through
11 the development and implementation of nu-
12 trition education programs and curricula
13 based on the Dietary Guidelines for Ameri-
14 cans; and

15 “(ii) increase opportunities for phys-
16 ical activity through after school programs,
17 athletics, intramural activities, and recess;
18 and

19 “(B) may use funds provided to—

20 “(i) educate parents and students
21 about the relationship of a poor diet and
22 inactivity to obesity and other health prob-
23 lems;

1 “(ii) develop and implement physical
2 education programs that promote fitness
3 and lifelong activity;

4 “(iii) provide training and technical
5 assistance to food service professionals to
6 develop nutritious, more appealing menus
7 and recipes;

8 “(iv) incorporate nutrition education
9 into physical education, health education,
10 and after school programs, including ath-
11 letics;

12 “(v) involve parents, nutrition profes-
13 sionals, food service staff, educators, com-
14 munity leaders, and other interested par-
15 ties in assessing the food options in the
16 school environment and developing and im-
17 plementing an action plan to promote a
18 balanced and healthy diet;

19 “(vi) provide nutrient content or nu-
20 trition information on meals served
21 through the school lunch or school break-
22 fast programs and items sold a la carte
23 during meal times;

24 “(vii) encourage the increased con-
25 sumption of a variety of healthy foods

1 through new initiatives such as salad bars
2 and fruit bars; and

3 “(viii) provide nutrition education, in-
4 cluding sports nutrition education, for
5 teachers, coaches, food service staff, ath-
6 letic trainers, and school nurses.

7 “(5) LIMITATION.—Materials prepared under
8 this subsection regarding agricultural commodities,
9 food, or beverages must be factual and without bias.

10 “(6) REPORT.—Within 18 months of comple-
11 tion of the projects and evaluations, the Secretary
12 shall transmit to the Committee on Education and
13 the Workforce of the House of Representatives and
14 the Committee on Health, Education, Labor, and
15 Pensions and the Committee on Agriculture, Nutri-
16 tion and Forestry of the Senate a report describing
17 the results of the evaluation of the pilot projects and
18 shall make such reports available to the public, in-
19 cluding through the Internet.

20 “(e) NUTRITION EDUCATION SUPPORT.—

21 “(1) IN GENERAL.—In carrying out the purpose
22 of this section to support nutrition education, the
23 Secretary may provide for technical assistance and
24 grants to improve the quality of school meals and
25 access to local foods in schools and institutions.

1 “(2) SCHOOL MEALS INITIATIVE.—The Sec-
2 retary may provide assistance to enable State edu-
3 cational agencies to—

4 “(A) implement the recommendations of
5 the Secretary’s School Meals Initiative for
6 Healthy Children;

7 “(B) increase the consumption of fruits,
8 vegetables, low-fat dairy products, and whole
9 grains;

10 “(C) reduce saturated fat and sodium in
11 school meals;

12 “(D) improve school nutritional environ-
13 ments; and

14 “(E) conduct other activities that aid
15 schools in carrying out the Secretary’s School
16 Meals Initiative for Healthy Children.

17 “(3) ACCESS TO LOCAL FOODS.—The Secretary
18 may provide assistance, through competitive match-
19 ing grants and technical assistance, to schools and
20 nonprofit entities for projects that—

21 “(A) improve access to local foods in
22 schools and institutions participating in pro-
23 grams under the Richard B. Russell National
24 School Lunch Act (42 U.S.C. 1751 et seq.) and
25 Section 4 of this Act through farm-to-cafeteria

1 activities that may include the acquisition of
2 food and appropriate equipment and the provi-
3 sion of training and education;

4 “(B) are, at a minimum, designed to pro-
5 cure local foods from small- and medium-sized
6 farms for school meals;

7 “(C) support nutrition education activities
8 or curriculum planning that incorporates the
9 participation of schoolchildren in farm and agri-
10 culture education activities;

11 “(D) develop a sustained commitment to
12 farm-to-cafeteria projects in the community by
13 linking schools, agricultural producers, parents,
14 and other community stakeholders;

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

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

19 “(G) provide matching support in the form
20 of cash or in kind contributions (including fa-
21 cilities, equipment, or services provided by State
22 and local governments and private sources); and

23 “(H) cooperate in an evaluation to be car-
24 ried out by the Secretary.”; and

1 (3) by redesignating subsection (i) as subsection
 2 (f), and amending paragraph (1) of such subsection
 3 to read as follows:

4 “(1) IN GENERAL.—There is authorized to be
 5 appropriated such sums as may be necessary for car-
 6 rying out this section for fiscal years 2004 through
 7 2008.”.

8 **SEC. 303. FRUITS AND VEGETABLE COMMODITIES.**

9 Section 6(c)(1)(D) of the Richard B. Russell Na-
 10 tional School Lunch Act (42 U.S.C. 1755(c)(1)(D)) is
 11 amended by inserting “, and fruits and vegetables” before
 12 the period.

13 **SEC. 304. FLUID MILK.**

14 Section 9(a)(2) of the Richard B. Russell National
 15 School Lunch Act (42 U.S.C. 1758(a)(2)) is amended to
 16 read as follows:

17 “(2) FLUID MILK.—

18 “(A) IN GENERAL.—Lunches served by
 19 schools participating in the school lunch pro-
 20 gram under this Act—

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

23 “(ii) may offer students flavored and
 24 unflavored fluid milk and lactose-free fluid
 25 milk; and

1 “(iii) shall provide a substitute for
2 fluid milk for students whose disability re-
3 stricts their diet, upon receipt of a written
4 statement from a licensed physician that
5 identifies the disability that restricts the
6 student’s diet and that specifies the sub-
7 stitute for fluid milk.

8 “(B) SUBSTITUTES.—

9 “(i) STANDARDS FOR SUBSTI-
10 TUTION.—Schools may substitute for the
11 fluid milk provided under subparagraph
12 (A), a non-dairy beverage that is nutrition-
13 ally equivalent to fluid milk and meets nu-
14 tritional standards as established by the
15 Secretary (which shall, among other re-
16 quirements to be determined by the Sec-
17 retary, include fortification of calcium, pro-
18 tein, vitamin A, and vitamin D to levels
19 found in cow’s milk) for students who can-
20 not consume fluid milk because of a med-
21 ical or other special dietary need other
22 than a disability described in subparagraph
23 (A)(iii).

24 “(ii) NOTICE.—Such substitutions
25 may be made if the school notifies the

1 State agency that it is implementing a var-
2 iation allowed under this subparagraph,
3 and if such substitution is requested by
4 written statement of a medical authority or
5 by a student's parent or legal guardian
6 that identifies the medical or other special
7 dietary need that restricts the student's
8 diet, provided that the school shall not be
9 required to provide beverages other than
10 those it has identified as acceptable sub-
11 stitutes.

12 “(iii) EXCESS EXPENSES BORNE BY
13 THE SCHOOL DISTRICT.—Expenses in-
14 curred in providing substitutions pursuant
15 to this subparagraph that are in excess of
16 those covered by reimbursements under
17 this Act shall be paid by the school dis-
18 trict.

19 “(C) RESTRICTIONS ON SALE OF MILK
20 PROHIBITED.—A school or institution that par-
21 ticipates in the school lunch program under this
22 Act shall not directly or indirectly restrict the
23 sale or marketing of fluid milk products by the
24 school (or by a person approved by the school)
25 at any time or any place—

1 “(i) on the school premises; or
2 “(ii) at any school-sponsored event.”.

3 **SEC. 305. WAIVER OF REQUIREMENTS FOR WEIGHTED**
4 **AVERAGES FOR NUTRIENT ANALYSIS.**

5 Section 9(f)(5) of the Richard B. Russell National
6 School Lunch Act (42 U.S.C 1758(f)(5)) is amended to
7 read as follows:

8 “(5) WAIVER OF REQUIREMENTS FOR WEIGHT-
9 ED AVERAGES FOR NUTRIENT ANALYSIS.—State
10 educational agencies may grant waivers to school
11 food authorities to the requirement for weighted
12 averages for nutrient analysis of menu items and
13 foods offered or served as part of a meal offered or
14 served under the school lunch program under this
15 Act or the school breakfast program under section 4
16 of the Child Nutrition Act of 1966 (42 U.S.C. 1773)
17 if—

18 “(A) the school food authority has an
19 equivalent system for conducting a nutrient
20 analysis, subject to State agency approval; and

21 “(B) the equivalent system adequately doc-
22 uments the extent to which the school food au-
23 thority is meeting the Dietary Guidelines for
24 Americans and other nutrition standards.

1 In addition, the Secretary may waive, on a case by
2 case basis, the requirement for a State agency to use
3 weighted averages when conducting a nutrient anal-
4 ysis as part of a review (of compliance with the Die-
5 tary Guidelines and other nutrition standards) of a
6 school food authority not using nutrient standard
7 menu planning, when, in the Secretary’s determina-
8 tion, an alternative analysis would yield results that
9 would adequately measure a school food authority’s
10 compliance with current nutrition standards for
11 school meals.”.

12 **SEC. 306. WHOLE GRAINS.**

13 Not later than 18 months after the date of enactment
14 of this Act, the Secretary shall promulgate rules, based
15 on Federal nutrition guidelines, to increase the presence
16 of whole grains in foods offered in school nutrition pro-
17 grams under the Richard B. Russell National School
18 Lunch Act (42 U.S.C. 1751 et seq.) and the Child Nutri-
19 tion Act of 1966 (42 U.S.C. 1771 et seq.).

20 **SEC. 307. FRUIT AND VEGETABLE PILOT PROGRAM.**

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

23 (1) in paragraph (1), by striking “In the school
24 year beginning” and inserting “Beginning”;

1 (2) by striking paragraph (3) and redesignating
2 paragraphs (2) and (4) as paragraphs (5) and (6),
3 respectively, and inserting after paragraph (1) the
4 following:

5 “(2) ADDITIONAL STATES.—In addition to the
6 States participating under subsection (1), the Sec-
7 retary shall make available free fresh and dried
8 fruits and fresh vegetables to students in 25 elemen-
9 tary or secondary schools in each State or Indian
10 reservation selected for participation.

11 “(3) SELECTION OF SCHOOLS.—In selecting ad-
12 ditional schools to participate in the pilot program
13 under paragraph (2) of this subsection, the Sec-
14 retary shall—

15 “(A) to the maximum extent practicable,
16 ensure that the majority of schools selected are
17 those in which not less than 50 percent of stu-
18 dents are eligible for free or reduced price
19 meals under this Act;

20 “(B) solicit applications from interested
21 schools that include—

22 “(i) information pertaining to the per-
23 centage of students enrolled in the school
24 submitting the application who are eligible

1 for free or reduced price school lunches
2 under this Act;

3 “(ii) a certification of support for par-
4 ticipation in the pilot program signed by
5 the school food manager, the school prin-
6 cipal, and the district superintendent (or
7 their equivalent positions, as determined by
8 the school); and

9 “(iii) a plan for implementation of the
10 pilot program that includes a partnership
11 with an entity or entities of the fruit and
12 vegetable industry, which shall contribute
13 not less than 15 percent, in cash or in
14 kind, for the acquisition, handling, pro-
15 motion, and distribution of fresh and dried
16 fruits and fresh vegetables provided under
17 this program; and

18 “(iv) such other information as may
19 be requested by the Secretary; and

20 “(C) for each application received, deter-
21 mine whether the application is from a school
22 in which not less than 50 percent of students
23 are eligible for free or reduced price meals
24 under this Act.

1 “(4) SPECIAL RULE.—Schools participating in
 2 the program described in paragraph (1) shall receive
 3 a priority in the receipt of assistance under this sub-
 4 section and shall not be subject to the requirements
 5 of paragraph (3).”; and

6 (3) by amending paragraph (6) (as redesign-
 7 ated by this section) to read as follows:

8 “(6) AUTHORIZATION OF APPROPRIATIONS.—
 9 There is authorized to be appropriated \$11,000,000
 10 for fiscal year 2004 and such sums as may be nec-
 11 essary for fiscal years 2005 through 2008, to carry
 12 out this subsection.”.

13 **TITLE IV—IMPROVING THE** 14 **WOMEN, INFANTS, AND CHIL-** 15 **DREN PROGRAM**

16 **SEC. 401. DEFINITION OF NUTRITION EDUCATION.**

17 Section 17(b)(7) of the Child Nutrition Act of 1966
 18 (42 U.S.C. 1786(b)(7)) is amended—

19 (1) by inserting “and physical activity” after
 20 “dietary habits”; and

21 (2) by striking “nutrition and health” and in-
 22 serting “nutrition, health, and child development”.

23 **SEC. 402. DEFINITION OF SUPPLEMENTAL FOODS.**

24 Section 17(b)(14) of the Child Nutrition Act of 1966
 25 (42 U.S.C. 1786(b)(14)) is amended by inserting after

1 “children” the following: “and foods that promote the
 2 health of the population served by the program authorized
 3 by this section, as indicated by relevant nutrition science,
 4 public health concerns, and cultural eating patterns”.

5 **SEC. 403. IMPROVING CERTIFICATION.**

6 (a) CERTIFICATION OF WOMEN WHO ARE
 7 BREASTFEEDING.—Section 17(d)(3)(A) of the Child Nu-
 8 trition Act of 1966 (42 U.S.C. 1786(d)(3)(A)) is amended
 9 by adding at the end the following: “A State may certify
 10 breast-feeding women for up to 1 year, or until women
 11 stop breast-feeding, whichever is earlier.”

12 (b) PHYSICAL PRESENCE REQUIREMENT.—Section
 13 17(d)(3)(C)(ii) of the Child Nutrition Act of 1966 (42
 14 U.S.C. 1786(d)(3)(C)(ii)) is amended—

15 (1) in subclause (I)(bb), by striking “from a
 16 provider other than the local agency; or” and insert-
 17 ing a semicolon;

18 (2) in subclause (II)(cc), by striking the period
 19 at the end and inserting “; and”; and

20 (3) by inserting after subclause (II) the fol-
 21 lowing:

22 “(III) an infant under 8 weeks of
 23 age—

24 “(aa) who cannot be present
 25 at certification for a reason de-

1 terminated appropriate by the local
2 agency; and
3 “(bb) for whom all necessary
4 certification information is pro-
5 vided.”.

6 (c) PROCESSING APPLICATIONS UNDER SPECIAL
7 CIRCUMSTANCES.—Section 17(f)(1)(C) of the Child Nu-
8 trition Act of 1966 (42 U.S.C. 1786(f)(1)(C)) is amended
9 by—

- 10 (1) redesignating clauses (ix) and (x) as clauses
11 (x) and (xi), respectively; and
12 (2) inserting after clause (viii) the following:

13 “(ix) procedures whereby a State
14 agency may accept and process vendor ap-
15 plications outside of the established time-
16 frames, such as in situations in which a
17 previously authorized vendor changes own-
18 ership under circumstances that do not
19 permit timely notification to the State
20 agency of such change in ownership;”.

21 (d) RESCHEDULING POLICIES.—Section 17(f)(19) of
22 the Child Nutrition Act of 1966 (42 U.S.C. 1786(f)(19))
23 is amended—

- 24 (1) in subparagraph (A), by striking “; and”
25 and inserting a semicolon;

1 (2) in subparagraph (B), by striking the period
2 and inserting “; and”; and

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

4 “(C) require local agencies that schedule certification
5 appointments to permit an applicant or participant to re-
6 schedule an appointment to apply or be recertified for the
7 program.”.

8 **SEC. 404. REVIEWS OF AVAILABLE SUPPLEMENTAL FOODS.**

9 (a) **SCIENTIFIC REVIEW.**—Section 17(f)(11) of the
10 Child Nutrition Act of 1966 (42 U.S.C. 1786(f)(11)) is
11 amended to read as follows:

12 “(11)(A) The Secretary shall prescribe by regulations
13 the supplemental foods to be made available in the pro-
14 gram under this section. To the degree possible the Sec-
15 retary shall assure that the fat, sugar, and salt content
16 of the prescribed foods is appropriate.

17 “(B) Beginning in 2013 and every 10 years there-
18 after, or more frequently if determined by the Secretary
19 to be necessary to reflect current scientific knowledge, the
20 Secretary shall conduct a scientific review of the supple-
21 mental foods available in the program and recommend, as
22 necessary, changes to reflect nutrition science, current
23 public health concerns, and cultural eating patterns.”.

24 (b) **RULEMAKING.**—The Secretary shall promulgate
25 a final rule updating the prescribed supplemental foods

1 available through the program authorized under section
2 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786)
3 within 18 months of receiving the review of the food pack-
4 age for such program undertaken by the National Acad-
5 emy of Sciences, Institute of Medicine in September 2003.

6 **SEC. 405. NOTIFICATION OF VIOLATIONS AND INFANT FOR-**
7 **MULA BENEFITS.**

8 Section 17(f) of the Child Nutrition Act of 1966 (42
9 U.S.C. 1786(f)) is amended by adding at the end the fol-
10 lowing:

11 “(25) NOTIFICATION OF VIOLATIONS.—If a
12 State agency finds that a vendor has committed a
13 violation that requires a pattern of occurrences in
14 order to impose a sanction, the State agency shall
15 notify the vendor of the initial violation in writing
16 prior to documentation of another violation, unless
17 the State agency determines that notifying the ven-
18 dor would compromise an investigation.

19 “(26) INFANT FORMULA BENEFITS.—

20 “(A) IN GENERAL.—The State agency may
21 round up to the next whole can of formula to
22 ensure that all participants receive the full-au-
23 thorized nutritional benefit specified by regula-
24 tion.

1 “(B) LIMITATION.—For formula covered
2 by infant formula contracts, subparagraph (A)
3 shall take effect as contracts are awarded under
4 bid solicitations made on or after October 1,
5 2004.”.

6 **SEC. 406. HEALTHY PEOPLE 2010 INITIATIVE.**

7 Section 17(h)(4) of the Child Nutrition Act of 1966
8 (42 U.S.C. 1786(h)(4)) is amended—

9 (1) in subparagraph (D), by striking “; and”
10 and inserting a semicolon;

11 (2) in subparagraph (E), by striking the period
12 at the end and inserting “; and”; and

13 (3) by inserting after subparagraph (E) the fol-
14 lowing:

15 “(F) partner with communities, State and
16 local agencies, employers, health care profes-
17 sionals, and the private sector to build a sup-
18 portive breastfeeding environment for women
19 participating in the program under this section
20 to support the breastfeeding goals of the
21 Healthy People 2010 initiative.”.

22 **SEC. 407. COMPETITIVE BIDDING.**

23 Section 17(h)(8)(A) of the Child Nutrition Act of
24 1966 (42 U.S.C. 1786(h)(8)(A)) is amended by adding at
25 the end the following:

1 “(iv) REBATE INVOICES.—Each State
2 agency shall have a system to ensure that
3 infant formula rebate invoices, under com-
4 petitive bidding, provide a reasonable esti-
5 mate or an actual count of the number of
6 units sold to participants in the program
7 under this section.

8 “(v) CENT-FOR-CENT ADJUST-
9 MENTS.—A bid solicitation for infant for-
10 mula under the program made on or after
11 October 1, 2004 shall require the manufac-
12 turer to adjust for price changes subse-
13 quent to the opening of the bidding process
14 in a manner that requires—

15 “(I) a cent-for-cent increase in
16 the rebate amounts if there is an in-
17 crease in the lowest national wholesale
18 price for a full truckload of the par-
19 ticular infant formula; or

20 “(II) a cent-for-cent decrease in
21 the rebate amounts if there is a de-
22 crease in the lowest national wholesale
23 price for a full truckload of the par-
24 ticular infant formula.”.

1 **SEC. 408. FRUIT AND VEGETABLE PROJECTS.**

2 Section 17(h)(10)(B)(ii) of the Child Nutrition Act
3 of 1966 (42 U.S.C. 1786(h)(10)(B)(ii)) is amended by in-
4 serting after “under this section” the following: “, which
5 may include demonstration projects in up to 10 local sites,
6 determined to be geographically and culturally representa-
7 tive of local States and Indian agencies, to evaluate the
8 inclusion of fresh, frozen, or canned fruits and vegetables
9 (to be made available through private funds) as an addi-
10 tion to the supplemental food provided under this section”.

11 **SEC. 409. PRICE LEVELS OF RETAIL STORES.**

12 Section 17(h)(11) of the Child Nutrition Act of 1966
13 is amended by adding at the end the following:

14 “(C) ADDITIONAL REQUIREMENTS.—

15 “(i) The State agency shall evaluate a
16 vendor applicant based on its shelf prices
17 or on the prices it bids for supplemental
18 foods, which may not exceed its shelf
19 prices.

20 “(ii) The State agency shall establish
21 price limitations on the amount that it will
22 pay vendors for supplemental foods. The
23 State agency shall ensure that price limita-
24 tions do not result in inadequate partici-
25 pant access by geographic area.

1 “(iii) In establishing competitive price
2 and price limitation requirements, the
3 State agency may exclude pharmacy ven-
4 dors that supply only exempt infant for-
5 mula or medical foods that are eligible
6 under the program.

7 “(iv) The State agency shall establish
8 competitive price requirements and price
9 limitations for vendor peer groups, as nec-
10 essary to ensure that prices paid to ven-
11 dors are competitive. Vendor peer group
12 competitive price requirements and price
13 limitations may reflect reasonable esti-
14 mates of varying costs of acquisition of
15 supplemental foods.

16 “(D) INCENTIVE ITEMS.—The State agen-
17 cy shall not authorize a retail food store that
18 provides incentive items or other free merchan-
19 dise to program participants if funds available
20 under this program were used to purchase such
21 items or merchandise.

22 “(E) RULES OF CONSTRUCTION.—Nothing
23 in this section may be construed to authorize
24 violation of the Sherman Antitrust Act (15

1 U.S.C. 1 et seq.) or the Robinson-Patman Act
2 (15 U.S.C. 13 et seq.).”.

3 **SEC. 410. MANAGEMENT INFORMATION SYSTEMS.**

4 Section 17(h)(12) of the Child Nutrition Act of 1996
5 (42 U.S.C. 1786(h)(12)) is amended—

6 (1) by amending subparagraph (B) to read as
7 follows:

8 “(B) ELECTRONIC BENEFIT TRANSFER
9 SYSTEMS.—

10 “(i) IN GENERAL.—All States that re-
11 ceive Federal funds for design or imple-
12 mentation of electronic benefit transfer
13 (EBT) systems for the program under this
14 section shall use technical specifications or
15 standards, as applicable, as determined by
16 the Secretary, except as provided in clause
17 (ii).

18 “(ii) EXISTING SYSTEMS.—EBT sys-
19 tems for the program under this section
20 that are in development or are issuing ben-
21 efits as of the date of enactment shall be
22 required to submit within 6 months after
23 the date of enactment of this subparagraph
24 a plan for compliance.

1 “(iii) WAIVER.—The Secretary may
2 waive compliance with this subparagraph
3 for State EBT systems for the program
4 under this section that are issuing benefits
5 as of the date of enactment of this sub-
6 paragraph until such time that compliance
7 is feasible.”; and

8 (2) by amended subparagraph (C) to read as
9 follows:

10 “(C) UNIVERSAL PRODUCT CODES DATABASE.—The
11 Secretary shall implement a national Universal Product
12 Code Database for use by all State agencies in carrying
13 out the program and shall make available from appro-
14 priated funds such sums as may be required for hosting,
15 hardware, and software configuration, and support.”.

16 **SEC. 411. INFANT FORMULA FRAUD PREVENTION.**

17 Section 17(h) of the Child Nutrition Act of 1966 (42
18 U.S.C. 1786(h)) is further amended by adding at the end
19 the following:

20 “(13) APPROVED PROVIDERS OF INFANT FOR-
21 MULA.—

22 “(A) IN GENERAL.—The State agency shall
23 maintain a list of infant formula manufacturers,
24 wholesalers, distributors, and retailers approved to
25 provide infant formula to vendors.

1 “(B) LIST.—The list required under subpara-
 2 graph (A) shall include food manufacturers, whole-
 3 salers, distributors, and retailers licensed in the
 4 State in accordance with State law and regulations
 5 to distribute infant formula and food manufacturers
 6 registered with the U.S. Food and Drug Administra-
 7 tion that provide infant formula.

8 “(C) PURCHASE REQUIREMENT.—Vendors au-
 9 thorized to participate in the program under this
 10 section shall purchase infant formula from the list
 11 required under subparagraph (A).”.

12 **SEC. 412. STATE ALLIANCES.**

13 Section 17 of the Child Nutrition Act of 1966 (42
 14 U.S.C. 1786) is further amended—

15 (1) in subsection (b) by adding at the end the
 16 following:

17 “(22) ‘State alliance’ means 2 or more State
 18 agencies that join together for the purpose of pro-
 19 curing infant formula by soliciting competitive
 20 bids.”; and

21 (2) in subsection (h)(8)(A) by adding at the
 22 end the following:

23 “(vi) SIZE OF STATE ALLIANCES.—No
 24 State alliance may form among States
 25 whose infant participation exceeds 200,000

1 based on program participation as of Octo-
2 ber 2003, except that—

3 “(I) an alliance among States
4 with a combined 200,000 infant par-
5 ticipants as of October 2003 may con-
6 tinue, and may expand to include
7 more than 200,000 infants, but may
8 not expand to include any additional
9 State agencies that were not included
10 in the alliance as of October 1, 2003,
11 other than as provided in subclause
12 (II); and

13 “(II) any State agency serving
14 fewer than 5,000 infant participants
15 as of October 2003, or any Indian
16 Tribal Organization, may request to
17 join any State alliance.”.

18 **SEC. 413. LIMITS ON EXPENDITURES.**

19 Section 17(i)(3)(A)(ii)(I) of the Child Nutrition Act
20 of 1966 (42 U.S.C. 1786(i)(3)(A)(ii)(I)) is amended by
21 striking “1 percent” and inserting “3 percent”.

1 **SEC. 414. MIGRANT AND COMMUNITY HEALTH CENTERS**
2 **INITIATIVE.**

3 Section 17(j) of the Child Nutrition Act of 1966 (42
4 U.S.C. 1786(j)) is amended by striking paragraph (4) and
5 redesignating paragraph (5) as paragraph (4).

6 **SEC. 415. DEMONSTRATION PROJECTS.**

7 (a) CHILD NUTRITION ACT OF 1966.—Section 17 of
8 the Child Nutrition Act of 1966 (42 U.S.C. 1786) is
9 amended by striking subsection (r).

10 (b) NATIONAL SCHOOL LUNCH ACT.—Section 12 of
11 the Richard B. Russell National School Lunch Act (42
12 U.S.C. 1760) is amended by striking subsection (p).

13 **SEC. 416. AUTHORIZATION OF APPROPRIATIONS.**

14 (a) REAUTHORIZATION OF PROGRAM.—Section 17(g)
15 of the Child Nutrition Act of 1966 (42 U.S.C. 1786(g))
16 is amended by striking “(g)(1) There are authorized” and
17 all that follows through “through 2003.” in paragraph (1)
18 and inserting the following:

19 “(g) AUTHORIZATION OF APPROPRIATIONS.—

20 “(1) IN GENERAL.—There is authorized to be
21 appropriated to carry out this section such sums as
22 are necessary for each of fiscal years 2004 through
23 2008.”.

24 (b) NUTRITION SERVICES AND ADMINISTRATION
25 FUNDS.—Section 17(h) of the Child Nutrition Act of
26 1966 (42 U.S.C. 1786(h)) is amended—

1 (1) in paragraph (2)(A), by striking “1995
2 through 2003” and inserting “2004 through 2008”;
3 and

4 (2) in paragraph (10)(A), by striking “1995
5 through 2003” and inserting “2004 through 2008”.

6 (c) FARMERS’ MARKET NUTRITION PROGRAM.—Sec-
7 tion 17(m)(9)(A)(i) of the Child Nutrition Act of 1966
8 (42 U.S.C. 1786(m)(9)) is amended to read as follows:

9 “(i) AUTHORIZATION OF APPROPRIA-
10 TIONS.—There is authorized to be appro-
11 priated to carry out this subsection such
12 sums as are necessary for each of fiscal
13 years 2004 through 2008.”.

14 **TITLE V—REAUTHORIZATION,**
15 **MISCELLANEOUS PROVI-**
16 **SIONS, AND EFFECTIVE DATE**

17 **SEC. 501. TRAINING, TECHNICAL, AND OTHER ASSISTANCE.**

18 Section 21(a) of the Richard B. Russell National
19 School Lunch Act (42 U.S.C. 1769b–1(a)) is amended—

20 (1) by amending paragraph (1) to read as fol-
21 lows:

22 “(1) subject to the availability of and from
23 amounts appropriated pursuant to subsection (g)(1),
24 shall provide—

1 “(A) training and technical assistance to
2 improve the skills of individuals employed in
3 food service programs carried out under this
4 Act, section 4 of the Child Nutrition Act of
5 1966 (42 U.S.C. 1773), and, as appropriate,
6 other federally assisted feeding programs;

7 “(B) training and technical assistance to
8 States, State agencies, schools, and school food
9 authorities in the procurement of goods and
10 services for programs under this Act and the
11 Child Nutrition Act of 1966 (42 U.S.C. 1771 et
12 seq.), including training and technical assist-
13 ance to ensure compliance with section 12(n) of
14 this Act (42 U.S.C. 1760(n));

15 “(C) assistance, on a competitive basis, to
16 State agencies for the purpose of aiding schools
17 and school food authorities with at least 50 per-
18 cent of enrolled children certified to receive free
19 or reduced price meals, and, if there are any re-
20 maining funds, other schools and school food
21 authorities in meeting the cost of acquiring or
22 upgrading technology and information manage-
23 ment systems for use in food service programs
24 carried out under this Act and section 4 of the
25 Child Nutrition Act of 1966 (42 U.S.C. 1773)

1 if the school or school food authority submits to
2 the State agency an infrastructure development
3 plan that addresses the cost savings and im-
4 provements in program integrity and operations
5 that would result from the use of new or up-
6 graded technology in—

7 “(i) methods to ensure that there
8 shall not be any overt identification of any
9 such child by special tokens or tickets, an-
10 nounced or published list of names, or by
11 any other means;

12 “(ii) processing and verifying applica-
13 tions for free and reduced price school
14 meals;

15 “(iii) integrating menu planning, pro-
16 duction, and serving data to monitor com-
17 pliance with section 9(f)(1); and

18 “(iv) establishing compatibility with
19 statewide reporting systems;

20 “(D) assistance, on a competitive basis, to
21 State agencies with low proportions of schools
22 or students that participate in the school break-
23 fast program under section 4 of the Child Nu-
24 trition Act of 1966 (42 U.S.C. 1773) and that
25 demonstrate the greatest need, for the purpose

1 of aiding schools in meeting costs associated
2 with initiating or expanding a school breakfast
3 program under section 4 of the Child Nutrition
4 Act of 1966 (42 U.S.C. 1773), including out-
5 reach and informational activities; and”;

6 (2) in paragraph (2), by striking “subsection
7 (e)(2)” and inserting “subsection (g)(2).”

8 **SEC. 502. NOTICE OF IRRADIATED FOOD.**

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

12 “(h) NOTICE OF IRRADIATED FOOD.—The Secretary
13 shall develop policy and establish procedures for the pur-
14 chase and distribution of irradiated food products in Fed-
15 eral school meals programs. The policies and procedures
16 shall ensure at a minimum that—

17 “(1) irradiated food products are made avail-
18 able only at the request of States and school food
19 authorities;

20 “(2) reimbursements to schools for irradiated
21 food products are equal to reimbursements to
22 schools for non-irradiated products;

23 “(3) States and school food service authorities
24 are provided factual information on the science and
25 evidence regarding irradiation technology, including

1 notice that irradiation is not a substitute for safe
2 food handling techniques and any such other infor-
3 mation necessary to promote food safety in school
4 meal programs;

5 “(4) States and school food service authorities
6 are provided model procedures for providing factual
7 information on the science and evidence regarding
8 irradiation technology and any such other informa-
9 tion necessary to promote food safety in school
10 meals to school food service authorities, parents, and
11 students regarding irradiation technology;

12 “(5) irradiated food products distributed to the
13 Federal school meals program are labeled with a
14 symbol or other printed notice indicating that the
15 product was treated with irradiation and is promi-
16 nently displayed in a clear and understandable for-
17 mat on the container;

18 “(6) irradiated products are not commingled
19 with non-irradiated products in containers; and

20 “(7) encourages schools that offer irradiated
21 foods to offer alternatives to irradiated food prod-
22 ucts as part of the meal plan used by schools.”.

1 **SEC. 503. SENSE OF CONGRESS.**

2 Section 12 of the Richard B. Russell National School
3 Lunch Act (42 U.S.C. 1760) is further amended by adding
4 at the end the following:

5 “(p) SENSE OF CONGRESS.—It is the sense of Con-
6 gress that Federal resources provided under this Act and
7 the Child Nutrition Act of 1966 dedicated to child nutri-
8 tion should support the most effective programs within the
9 Federal agency that is most capable of assisting children
10 in nutritional need. Congress encourages the elimination
11 of initiatives that are duplicative of other Federal efforts,
12 particularly those that are duplicative of programs con-
13 ducted under this Act and the Child Nutrition Act of
14 1966.”.

15 **SEC. 504. REAUTHORIZATION OF PROGRAMS.**

16 (a) STATE ADMINISTRATIVE EXPENSES.—Section
17 7(i) of the Child Nutrition Act of 1966 (42 U.S.C.
18 1776(g)) (as amended by this Act) is amended by striking
19 “2003” and inserting “2008”.

20 (b) COMMODITY DISTRIBUTION PROGRAM.—

21 (1) Section 14(a) of the Richard B. Russell Na-
22 tional School Lunch Act (42 U.S.C. 1762a(a)) is
23 amended by striking “March 31, 2004” and insert-
24 ing “September 30, 2008”.

25 (2) Section 15(e) of the Commodity Distribu-
26 tion Reform Act and WIC Amendments of 1987 (7

1 U.S.C. 612c note; Public Law 100–237) is amended
2 by striking “April 1, 2004” and inserting “October
3 1, 2008”.

4 (c) PURCHASES OF LOCALLY PRODUCED FOODS.—
5 Section 9(j)(2)(A) of the Richard B. Russell National
6 School Lunch Act (42 U.S.C. 758(j)(2)(A)) is amended
7 by striking “2007” and inserting “2008”.

8 (d) TRAINING, TECHNICAL ASSISTANCE, AND FOOD
9 SERVICE MANAGEMENT INSTITUTE.—Section 21(g)(1) of
10 the Richard B. Russell National School Lunch Act (42
11 U.S.C. 1769b-1(e)(1)) (as amended by this Act) is further
12 amended by striking “for each of fiscal years 1992
13 through 2003” and inserting “for fiscal year 2004, and
14 such sums as may be necessary for fiscal years 2005
15 through 2008”.

16 (e) COMPLIANCE AND ACCOUNTABILITY.—Section
17 22(d) of the Richard B. Russell National School Lunch
18 Act (42 U.S.C. 1769c(d)) is amended by striking “2003”
19 and inserting “2008”.

20 **SEC. 505. EFFECTIVE DATES.**

21 The amendments made by sections 101, 104, 105(a),
22 202, 410, 416, and 504 shall take effect on the date of
23 enactment of this Act. The amendments made by sections
24 201 and 208(c) shall take effect on July 1, 2005. All other

1 amendments made by this Act shall take effect October
2 1, 2004.

Passed the House of Representatives March 24,
2004.

Attest:

JEFF TRANDAHL,
Clerk.