between the Government of the People's Republic of China and the Dalai Lama or his representatives; and

Whereas on October 31, 1997, the Secretary of State appointed a Special Coordinator for Tibetan Issues to oversee United States policy regarding Tibet: Now, therefore, be it

Resolved by the Senate (the House of Representative concurring), That Congress—

(1) expresses grave concern regarding the findings of the December 1997 International Commission of Jurists report on Tibet that—

(A) repression in Tibet has increased steadily since 1994, resulting in heightened control on religious activity; a denunciation campaign against the Dalai Lama unprecedented since the Cultural Revolution; an increase in political arrests; suppression of peaceful protests; and an accelerated movement of Chinese to Tibet; and

(B) in 1997, the People's Republic of China labeled the Tibetan Buddhist culture, which has flourished in Tibet since the seventh century, as a "foreign culture" in order to facilitate indoctrination of Tibetans in Chinese socialist ideology and the process of national and cultural extermination;

(2) supports the recommendations contained in the report referred to in paragraph (1) that—

(A) call on the People's Republic of China— (i) to enter into discussions with the Dalai Lama or his representatives on a solution to the question of Tibet;

(ii) to ensure respect for the fundamental human rights of the Tibetan people; and

(iii) to end those practices which threaten to erode the distinct cultural, religious and national identity of the Tibetan people and, in particular, to cease policies which result in the movement of Chinese people to Tibetan territory;

(B) call on the United Nations General Assembly to resume its debate on the question of Tibet based on its resolutions of 1959, 1961, and 1965; and

(C) call on the Dalai Lama or his representatives to enter into discussions with the Government of the People's Republic of China on a solution to the question of Tibet;

(3) commends the appointment by the Secretary of State of a United States Special Coordinator for Tibetan Issues—

(A) to promote substantive dialogue between the Government of the People's Republic of China and the Dalai Lama or his representatives;

(B) to coordinate United States Government policies, programs, and projects concerning Tibet;

(C) to consult with the Congress on policies relevant to Tibet and the future and welfare of all Tibetan people, and to report to Congress in partial fulfillment of the requirements of section 536(a) of the Public Law 103-236: and

(D) to advance United States policy which seeks to protect the unique religious, cultural, and linguistic heritage of Tibet, and to encourage improved respect for Tibetan human rights;

(4) calls on the People's Republic of China to release from detention the 9-year old Panchen Lama, Gedhun Cheokyi Nyima, to his home in Tibet from which he was taken on May 17, 1995, and to allow him to pursue his religious studies without interference and according to tradition;

(5) commends the President for publicly urging President Jiang Zemin, during their recent summit meeting in Beijing, to engage in dialogue with the Dalai Lama; and

(6) calls on the President to continue to work to secure an agreement to begin substantive negotiations between the Government of the People's Republic of China and the Dalai Lama or his representatives. DIGITAL MILLENNIUM COPYRIGHT

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 535. H.R. 2281.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

A bill (H.R. 2281) to amend title 17, United States Code, to implement the World Intellectual Property Organization Copyright Treaty and Performances and Phonograms Treaty, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. SANTORUM. Mr. President, I ask unanimous consent that all after the enacting clause be stricken, and the text of S. 2037, as passed, be inserted in lieu thereof; that H.R. 2231, as amended, be read a third time and passed; that the motion to reconsider be laid upon the table; that the Senate insist on its amendment, request a conference with the House and the Chair be authorized to appoint conferees on the part of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 2231), as amended, was considered read the third time and passed.

The Presiding Officer (Mr. HUTCH-INSON) appointed Mr. HATCH, Mr. THUR-MOND and Mr. LEAHY conferees on the part of the Senate.

Mr. SANTORUM. Mr. President, I ask unanimous consent that the passage of the Senate bill be vitiated, and the bill be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

CHILD NUTRITION AND WIC REAU-THORIZATION AMENDMENTS OF 1998

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 462, S. 2286.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

A bill (S. 2286) to amend the National School Lunch Act and the Child Nutrition Act of 1966 to provide children with increased access to food and nutrition assistance, to simplify program operations and improve program management, to extend certain authorities contained in those Acts through fiscal year 2003, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. SANTORUM. Mr. President, I find it quite ironic that I am, at the closing here, passing this bill about which I have strong reservations because I was not able to place an amendment in and have an amendment debated on this bill. But this is the child

nutrition bill, and I understand a lot of very important things need to be done.

I very much would have liked to have had the opportunity to debate something that all the nutrition groups, all of the public interest groups, as well as a lot of manufacturers who use peanuts, would love to have seen, and that is an opportunity for us not to have the Child Nutrition Program paying an exorbitant amount of money, more than they need to, robbing children of the ability to get food in other places because we pay such high prices for peanuts in this country for food programs.

It would be nice if we would have been able to debate that amendment, but we can't.

Mr. DASCHLE. Mr. President, is it my pleasure today to join my colleagues on the Senate Agriculture, Nutrition, and Forestry Committee in supporting S. 2286, the Child Nutrition and WIC Reauthorization Amendments of 1998. This important bill expands subsidies for snacks in after-school programs, establishes a research program for universal school breakfasts, and makes several administrative changes in the school food service programs, in the Women, Infants and Children (WIC) Program and in the Child and Adult Care Food Program (CACFP). I believe that we have developed a good bill that represents real progress for child nutrition and school food services and I am pleased it has received strong bipartisan support.

I'd like to take a few moments to elaborate on a few aspects of the bill that are particularly important to South Dakotans and to all Americans. I am a cosponsor of the Schools for Achievement Act, which would give all children, regardless of income, access to a healthy, free breakfast. While we were unable to find consensus on a way to fund a universal breakfast program, S. 2286 establishes a multi-year free breakfast study. The study will be conducted at several sites, both rural and urban, and will rigorously evaluate impact of free breakfasts. The purpose of authorizing this study is to test whether providing breakfast at school helps children perform better scholastically and improves overall levels of child nutrition. I am confident the school breakfast project will justify consideration of the Schools for Achievement Act.

For Congress to have access to the benefits of this study, however, we need to ensure that it will be funded. Funding for the school breakfast research project is uncertain in the House companion bill, because H.R. 3874 includes only authorizing language and relies on the Appropriations Committee to fund the project. As we all are aware, funds available to the Appropriations Committee have been greatly constrained by last year's Balanced Budget Agreement. If funding were unavailable, this research would be delayed, and the intentions of the authorizers would be undermined. We in the Senate have determined that

this study should be conducted and have fully paid for it in the context of the Senate bill. I hope the conferees will agree to this position and agree to provide mandatory funding for this project.

I would also like to acknowledge that this is a study only. Nothing in this provision would automatically lead to full implementation of a free breakfast program. Congress will need to revisit this issue to determine whether it would be in the best interest of the Nation to take such a step. I believe this is a prudent way to proceed.

The liberalized administrative guidelines and expanded funding for afterschool snacks are also welcome ideas in South Dakota, where our state government recently made a \$700,000 commitment to promoting and increasing after-school care. I strongly support that effort, as well as efforts to improve access to after-school programs nationwide. The legislation before the Senate today is another small step toward better care for our nation's school-age children.

Finally, I would like to reassert my support for the programs being reauthorized by this legislation. Federal nutrition programs have a long, successful, track record of providing food, establishing nutrition standards, and collecting health information that have had a dramatic impact on reducing hunger in our country. School lunches are served to 35 million children around the nation. Seven million children receive school breakfasts. Teachers, parents, child care providers and school cooks are educated on the importance of good nutrition and about the necessary components of a healthy diet. Homeless children are served, commodities are distributed, and thousands of school children receive milk. Given the demonstrated effect of improved nutrition on cognition and behavior, the impact of our investment in the nutritional needs of our nation has been profound. I commend the Committee's efforts and look forward to working with my colleagues to enact final legislation to renew these very important child nutrition programs before the year is over.

Mr. SANTORUM. Mr. President, I ask unanimous consent that the bill, S. 2286, be considered read a third time, and the Senate then proceed to the consideration of calendar No. 480, H.R. 3874, the House-passed companion measure. I further ask consent that all after the enacting clause be stricken and the text of $S.\ 2286$ be inserted in lieu thereof, the bill be read a third time and passed, and the motion to reconsider be laid upon the table. I further ask consent that the Senate insist on its amendment, request a conference with the House, and the Chair be authorized to appoint conferees on the part of the Senate. I finally ask that S. 2286 be placed back on the cal-

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 3874), as amended, was read the third time and passed, as fol-

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as "Child Nutrition and WIC Reauthorization Amendments of 1998".

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

Sec. 1. Short title; table of contents.

TITLE I—SCHOOL LUNCH AND RELATED **PROGRAMS**

Sec. 101. Technical amendments to commodity provisions.

Sec. 102. Waiver of requirement for weighted averages for nutrient analysis.

Sec. 103. Requirement for food safety inspections.

Sec. 104. Elimination of administration of programs by regional offices.

Sec. 105. Special assistance.

Sec. 106. Adjustments to payment rates.

Sec 107 Adjustments to reimbursement rates

Sec. 108. Criminal penalties. Sec. 109. Food and nutrition projects.

Sec. 110. Establishment of an adequate meal service period.

Sec. 111. Buy American.

Sec. 112. Procurement contracts.

Sec. 113. Summer food service program for children.

Sec. 114. Commodity distribution program.

Sec. 115. Child and adult care food program.

Sec. 116. Transfer of homeless assistance programs to child and adult care food

program.
Sec. 117. Meal supplements for children in afterschool care.

Sec. 118. Pilot projects.

Sec. 119. Breakfast pilot projects.

Sec. 120. Training and technical assistance.

Sec. 121. Food service management institute.

Sec. 122. Compliance and accountability. Sec. 123. Information clearinghouse.

Sec. 124. Refocusing of effort to help accommodate the special dietary needs of individuals with disabilities.

TITLE II—SCHOOL BREAKFAST AND RELATED PROGRAMS

Sec. 201. Elimination of administration of programs by regional offices.

Sec. 202. State administrative expenses.

Sec. 203. Special supplemental nutrition program for women, infants, children.

Sec. 204. Nutrition education and training. TITLE III—COMMODITY DISTRIBUTION **PROGRAMS**

Sec. 301. Commodity distribution program reforms.

Sec. 302. Food distribution.

TITLE IV-EFFECTIVE DATE

Sec. 401. Effective date.

TITLE I—SCHOOL LUNCH AND RELATED **PROGRAMS**

SEC. 101. TECHNICAL AMENDMENTS TO COMMOD-ITY PROVISIONS.

(a) IN GENERAL.—Section 6 of the National School Lunch Act (42 U.S.C. 1755) is amended— (1) by striking subsections (c) and (d); and

(2) by redesignating subsections (e), (f), and (g) as subsections (c), (d), and (e), respectively. (b) CONFORMING AMENDMENTS.—The National School Lunch Act is amended by striking "section 6(e)" each place it appears in sections 14(f), 16(a), and 17(h)(1)(B) (42 U.S.C. 1762a(f), 1765(a), 1766(h)(1)(B)) and inserting "section 6(c)"

SEC. 102. WAIVER OF REQUIREMENT FOR WEIGHTED AVERAGES FOR NUTRI-ENT ANALYSIS.

Section 9(f) of the National School Lunch Act (42 U.S.C. 1758(f)) is amended by adding at the end the following:

"(5) Waiver of requirement for weighted AVERAGES FOR NUTRIENT ANALYSIS.—During the period ending on September 30, 2003, the Secretary shall not require the use of weighted averages for nutrient analysis of menu items and foods offered or served as part of a reimbursable meal under the school lunch or school breakfast program."

SEC. 103. REQUIREMENT FOR FOOD SAFETY IN-SPECTIONS.

Section 9 of the National School Lunch Act (42 U.S.C. 1758) is amended by adding at the end the following:

"(h) FOOD SAFETY INSPECTIONS. -

"(1) IN GENERAL.—Except as provided in paragraph (2), a school participating in the school lunch program authorized under this Act or the school breakfast program authorized under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773) shall, at least once during each school year, obtain a food safety inspection conducted by a State or local governmental agency responsible for food safety inspections.

(2) EXCEPTION.—Paragraph (1) shall not apply to a school if a food safety inspection of the school is required by a State or local author-

SEC. 104. ELIMINATION OF ADMINISTRATION OF PROGRAMS BY REGIONAL OFFICES.

(a) IN GENERAL.—Section 10 of the National School Lunch Act (42 U.S.C. 1759) is amended to read as follows:

"SEC. 10. DISBURSEMENT TO SCHOOLS BY THE SECRETARY.

(a) AUTHORITY TO ADMINISTER PROGRAMS.— "(1) IN GENERAL.—Except as provided in paragraph (3), during the period determined under subsection (c), the Secretary shall withhold funds payable to a State under this Act and disburse the funds directly to school food authorities, institutions, and service institutions within the State for the purposes authorized by this Act to the extent that the Secretary has so withheld and disbursed the funds continuously since October 1, 1980.

(2) USE OF FUNDS.—Any funds withheld and disbursed by the Secretary under paragraph (1) shall be used for the same purposes and be subject to the same conditions as apply to disbursing funds made available to States under this

"(3) STATE ADMINISTRATION.—If the Secretary is administering (in whole or in part) any program authorized under this Act in a State, the State may, on request to the Secretary, assume administrative responsibility for the program at any time during the period determined under subsection (c).

"(b) PROVISION OF TRAINING AND TECHNICAL ASSISTANCE.—During the period determined under subsection (c), the Secretary shall provide a State that assumes administrative responsibility for a program from the Secretary with training and technical assistance to allow for an efficient and effective transfer of the responsibility.

''(c) PERIOD.—

"(1) IN GENERAL.—Except as provided in paragraph (2), this section shall apply during the period beginning on October 1, 1998, and ending on September 30, 2001.

'(2) Extension.—The Secretary may extend the period described in paragraph (1) that applies to a program administered by the Secretary for a State, for a period not to exceed 2 years, if the State-

'(A) demonstrates to the Secretary that the State will not be able to assume administrative responsibility for the program during the period described in paragraph (1); and

(B) submits a plan to the Secretary that describes when and how the State will assume administrative responsibility for the program.'

(b) CONFORMING AMENDMENTS.-

(1) Section 7(b) of the National School Lunch Act (42 U.S.C. 1756(b)) is amended in the second sentence by striking "No" and inserting "During the period determined under section 10(c), no

(2) Section 11(a)(1)(A) of the National School Lunch Act (42 U.S.C. 1759a(a)(1)(A)) is amended by inserting after "section 10 of this Act" the following: "(during the period determined under section 10(c))'

SEC. 105. SPECIAL ASSISTANCE.

Section 11(a)(1) of the National School Lunch Act (42 U.S.C. 1759a(a)(1)) is amended-

(1) in subparagraph (C)-

(A) in clause (i)(I), by striking "3 successive school years" each place it appears and inserting "4 successive school years"; and
(B) in clauses (ii) and (iii), by striking "3-

school-year period" each place it appears and inserting ''4-school-year period''; and

(2) in subparagraph (D)—

(A) in clause (i)-

- (i) by striking "3-school-year period" each place it appears and inserting "4-school-year period"; and
- (ii) by striking "2 school years" and inserting "4 school years

(B) in clause (ii)-

(i) by striking the first sentence; and

- (ii) by striking "5-school-year period" each place it appears and inserting "4-school-year period"; and
- (C) in clause (iii), by striking "5-school-year period" and inserting "4-school-year period"

SEC. 106. ADJUSTMENTS TO PAYMENT RATES.

- (a) IN GENERAL.—Section 11(a)(3)(B) of the National School Lunch Act (42 U.S.C. 1759a(a)(3)(B)) is amended—
- (1) by striking "(B) The annual" and inserting the following:
- (B) COMPUTATION OF ADJUSTMENT.—

- ''(i) IN GENERAL.—The annual''; (2) by striking ''Each annual'' and inserting the following:
 - '(ii) BASIS.—Each annual'';
- (3) by striking "The adjustments" and inserting the following:

(iii) ROUNDING.

'(I) Through april 30, 1999.—For the period ending April 30, 1999, the adjustments"; and

(4) by adding at the end the following:

- (II) MAY 1, 1999, THROUGH JUNE 30, 1999.—For the period beginning on May 1, 1999, and ending on June 30, 1999, the national average payment rates for meals and supplements shall be adjusted to the nearest lower cent increment and shall be based on the unrounded amounts used to calculate the rates in effect on July 1, 1998.
- (III) JULY 1, 1999, AND THEREAFTER.—On July 1, 1999, and on each subsequent July 1, the national average payment rates for meals and supplements shall be adjusted to the nearest lower cent increment and shall be based on the unrounded amounts for the preceding 12-month period."
- (b) CONFORMING AMENDMENTS.—Section 4(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(b)) is amended—
- (1) in the second sentence of paragraph (1)(B), "adjusted to the nearest one-fourth bv striking cent,"; and
- (2) in paragraph (2)(B)(ii), by striking "to the nearest one-fourth cent''

SEC. 107. ADJUSTMENTS TO REIMBURSEMENT RATES.

Section 12 of the National School Lunch Act (42 U.S.C. 1760) is amended by striking subsection (f) and inserting the following:

ADJUSTMENTS TO REIMBURSEMENT RATES.—In providing assistance for breakfasts, lunches, suppers, and supplements served in Alaska, Hawaii, Guam, American Samoa, Puerto Rico, the Virgin Islands, and the Commonwealth of the Northern Mariana Islands, the Secretary may establish appropriate adjustments for each such State to the national average payment rates prescribed under sections 4, 11, 13 and 17 of this Act and section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773) to reflect the differences between the costs of providing meals in those States and the costs of providing meals in all other States.".

SEC. 108. CRIMINAL PENALTIES.

Section 12(g) of the National School Lunch Act (42 U.S.C. 1760(g)) is amended by striking "\$10,000" and inserting "\$25,000"

SEC. 109. FOOD AND NUTRITION PROJECTS.

Section 12(m) of the National School Lunch Act (42 U.S.C. 1760(m)) is amended by striking "1998" each place it appears and inserting *''2003''*.

SEC. 110. ESTABLISHMENT OF AN ADEQUATE MEAL SERVICE PERIOD.

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

"(n) LENGTH OF MEAL SERVICE PERIOD AND FOOD SERVICE ENVIRONMENT.—A school participating in the school lunch program authorized under this Act or the school breakfast program authorized under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773) is encouraged to establish meal service periods that provide children with adequate time to fully consume their meals in an environment that is conducive to eating the meals.

SEC. 111. BUY AMERICAN.

Section 12 of the National School Lunch Act (42 U.S.C. 1760) (as amended by section 110) is amended by adding at the end the following:

''(o) Buy American.-

"(1) DEFINITION OF DOMESTIC COMMODITY OR PRODUCT.—In this subsection, the term 'domestic commodity or product' means-

''(A) an agricultural commodity that is produced in the United States; and

- "(B) a food product that is processed in the United States substantially using agricultural commodities that are produced in the United
- "(2) REQUIREMENT.—Subject to paragraph (3), the Secretary shall require that a school purchase, to the maximum extent practicable, domestic commodities or products.
- "(3) LIMITATIONS.—Paragraph (2) shall apply only to-

 $\tilde{A}(A)$ a school located in the contiguous United States; and

"(B) a purchase of an agricultural commodity or product for the school lunch program authorized under this Act or the school breakfast program authorized under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773).

SEC. 112. PROCUREMENT CONTRACTS.

Section 12 of the National School Lunch Act (42 U.S.C. 1760) (as amended by section 111) is amended by adding at the end the following:

'(p) PROCUREMENT CONTRACTS.—In acquiring good or service using funds provided under this Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), a State, State agency, or school may enter into a contract with a person that has provided assistance to the State, State agency, or school in drafting contract specifications.

SEC. 113. SUMMER FOOD SERVICE PROGRAM FOR CHILDREN.

- (a) ESTABLISHMENT OF SITE LIMITATION.—Section 13(a)(7)(B) of the National School Lunch Act (42 U.S.C. 1761(a)(7)(B)) is amended by striking clause (i) and inserting the following: '(i) operate-
- "(I) not more than 25 sites, with not more than 300 children being served at any 1 site; or
- "(II) with a waiver granted by the State agency under standards developed by the Secretary, with not more than 500 children being served at anv 1 site:'
- (b) ELIMINATION OF INDICATION OF INTEREST REQUIREMENT, REMOVAL OF MEAL CONTRACTING RESTRICTIONS, AND VENDOR REGISTRATION RE-QUIREMENTS.—Section 13 of the National School Lunch Act (42 U.S.C. 1761) is amended-

(1) in subsection (a)(7)(B)-

(A) by striking clauses (ii) and (iii): and (B) by redesignating clauses (iv) through (vii) as clauses (ii) through (v) respectively; and

(2) in subsection (1)-(A) in paragraph (1)- (i) in the first sentence—

- (I) by striking "(other than private nonprofit organizations eligible under subsection (a)(7))";
- (II) by striking "only with food service management companies registered with the State in which they operate" and inserting "with food service management companies"; and

(ii) by striking the last sentence;

(B) in paragraph (2)-

(i) in the first sentence, by striking "shall" and inserting "may"; and

(ii) by striking the second and third sentences; (C) by striking paragraph (3); and

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

(c) REAUTHORIZATION OF SUMMER FOOD SERV-ICE PROGRAM.—Section 13(q) of the National School Lunch Act (42 U.S.C. 1761(q)) is amended by striking "1998" and inserting "2003"

SEC. 114. COMMODITY DISTRIBUTION PROGRAM.

Section 14(a) of the National School Lunch Act (42 U.S.C. 1762a(a)) is amended by striking "1998" and inserting "2003".

SEC. 115. CHILD AND ADULT CARE FOOD PRO-GRAM.

(a) AFTERSCHOOL CARE.—Section 17(a) of the National School Lunch Act (42 U.S.C. 1766(a)) is amended in the fourth sentence by striking "Reimbursement" and inserting "Except as provided in subsection (r), reimbursement'

(b) REVISION TO LICENSING AND ALTERNATE APPROVAL FOR SCHOOLS AND OUTSIDE SCHOOL HOURS CHILD CARE CENTERS.—Section 17(a) of the National School Lunch Act (42 U.S.C. 1766(a)) is amended in the sixth sentence by striking paragraph (1) and inserting the follow-

'(1) each institution (other than a school or family or group day care home sponsoring organization) and family or group day care home

"(A)(i) have Federal, State, or local licensing or approval; or

"(ii) be complying with appropriate renewal procedures as prescribed by the Secretary and not be the subject of information possessed by the State indicating that the license of the institution or home will not be renewed;

"(B) in any case in which Federal, State, or local licensing or approval is not available-

(i) receive funds under title XX of the Social Security Act (42 U.S.C. 1397 et seq.);

"(ii) meet any alternate approval standards established by a State or local government; or

'(iii) meet any alternate approval standards established by the Secretary, after consultation with the Secretary of Health and Human Services: or

"(C) in any case in which the institution provides care to school children outside school hours and Federal, State, or local licensing or approval is not required, meet State or Jocal health and safety standards; and".

(c) AUTOMATIC ELIGIBILITY.—Section 17(c) of the National School Lunch Act (42 U.S.C. 1766(c)) is amended by striking paragraph (6).

- (d) Periodic Site Visits.—Section 17(d) of the National School Lunch Act (42 U.S.C. 1766(d)) is amended-
- (1) in the second sentence of paragraph (1), by inserting after "if it" the following: "has been visited by a State agency prior to approval and it''; and`
 - (2) in paragraph (2)(A)—
- (A) by striking "that allows" and inserting "that-
 - "(i) allows";

(B) by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following.

'(ii) requires periodic site visits to private institutions that the State agency determines have a high probability of program abuse.'

(e) TAX EXEMPT STATUS AND REMOVAL OF NO-TIFICATION REQUIREMENT FOR INCOMPLETE AP-PLICATIONS.—Section 17(d)(1) of the National School Lunch Act (42 U.S.C. 1766(d)(1)) is amended-

(1) by inserting after the third sentence the following: "An institution moving toward compliance with the requirement for tax exempt status shall be allowed to participate in the child and adult care food program for a period of not more than 180 days, except that a State agency may grant a single extension of not to exceed an additional 90 days if the institution demonstrates, to the satisfaction of the State agency, that the inability of the institution to obtain tax exempt status within the 180-day period is due to circumstances beyond the control of the institution.": and

(2) by striking the last sentence.

- (f) DEMONSTRATION PROJECTS.—Section 17(p) of the National School Lunch Act (42 U.S.C. 1766(p)) is amended-
- in paragraph (1), by striking "appropriated or otherwise made available for purposes of carrying out this section' and inserting 'made available under paragraph (4)'

(2) by striking paragraphs (4) and (5); and (3) by adding at the end the following:

- (4) FUNDING.—Out of any moneys in the Treasury not otherwise appropriated, the Secretary of the Treasury shall provide to the Secretary such sums as are necessary to carry out this subsection for each of fiscal years 1999 through 2003. The Secretary shall be entitled to receive the funds and shall accept the funds.
- (g) Management Support, Participation by AT-RISK CHILD CARE PROGRAMS, AND WIC OUT-REACH.—Section 17 of the National School Lunch Act (42 U.S.C. 1766) is amended by adding at the end the following:

(q) MANAGEMENT SUPPORT.

- (1) TECHNICAL AND TRAINING ASSISTANCE.—In addition to the training and technical assistance that is provided to State agencies under other provisions of this Act and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), the Secretary shall provide training and technical assistance in order to assist the State agencies in improving their program management and over sight under this section.
- (2) FUNDING.—For each of fiscal years 1999 through 2003, the Secretary shall reserve to carry out paragraph (1) \$1,000,000 of the amounts made available to carry out this sec-
- '(r) Program for At-Risk School Chil-DREN.
- "(1) DEFINITION OF AT-RISK SCHOOL CHILD. In this subsection, the term 'at-risk school child' means a school child who-

(A) is not more than 18 years of age; and

- '(B) lives in a geographical area served by a school enrolling elementary students in which at least 50 percent of the total number of children enrolled are certified as eligible to receive free or reduced price school meals under this Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et
- seq.).

 (2) PARTICIPATION IN CHILD AND ADULT CARE FOOD PROGRAM.—Subject to the other provisions of this subsection, an institution that provides supplements under a program organized primarily to provide care to at-risk school children during after-school hours, weekends, or holidays during the regular school year may participate in the program authorized under this sec-
- '(3) ADMINISTRATION.—Except as otherwise provided in this subsection, the other provisions of this section apply to an institution described in paragraph (2).

(4) SUPPLEMENT REIMBURSEMENT.

'(A) LIMITATIONS.—An institution may claim reimbursement under this subsection only for-

'(i) a supplement served under a program organized primarily to provide care to at-risk school children during after-school hours, weekends, or holidays during the regular school year; and

'(ii) 1 supplement per child per day.

"(B) RATE.—Supplements shall be reimbursed under this subsection at the rate established for free supplements under subsection (c)(3).

"(C) NO CHARGE.—A supplement claimed for reimbursement under this subsection shall be served without charge.

"(s) Information Concerning the Special SUPPLEMENTAL NUTRITION PROGRAM WOMEN, INFANTS, AND CHILDREN.

(1) IN GENERAL.—The Secretary shall provide each State agency administering a child and adult care food program under this section with information concerning the special supplemental nutrition program for women, infants, and children authorized under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786).

(2) REQUIREMENTS FOR STATE AGENCIES.—A State agency shall ensure that each participating family and group day care home and child care center (other than an institution providing care to school children outside school hours)-

(A) receives materials that include-

'(i) a basic explanation of the importance and benefits of the special supplemental nutrition program for women, infants, and children;

(ii) the maximum State income eligibility standards, according to family size, for the program; and

'(iii) information concerning how benefits under the program may be obtained;

'(B) is provided periodic updates of the information described in subparagraph (A); and

(C) provides the information described in subparagraph (A) to parents of enrolled children at enrollment.'

SEC. 116. TRANSFER OF HOMELESS ASSISTANCE PROGRAMS TO CHILD AND ADULT CARE FOOD PROGRAM.

- (a) SUMMER FOOD SERVICE PROGRAM FOR CHILDREN.—Section 13(a)(3)(C) of the National School Lunch Act (42 U.S.C. 1761(a)(3)(C)) is amended-
- (1) in clause (i), by inserting "or" after the semicolon;

(2) by striking clause (ii); and

(3) by redesignating clause (iii) as clause (ii). (b) CHILD AND ADULT CARE FOOD PROGRAM. Section 17 of the National School Lunch Act (as amended by section 115(g)) is amended-

(1) in the third sentence of subsection (a)-(A) by striking "and public" and inserting 'public''; and

(B) by inserting before the period at the following: ', and emergency shelters described in subsection (t)"; and

(2) by adding at the end the following:

'(t) PARTICIPATION BY EMERGENCY SHEL-

"(1) DEFINITION OF EMERGENCY SHELTER.—In this subsection, the term 'emergency shelter means a public or private nonprofit emergency shelter (as defined in section 321 of the Stewart McKinney Homeless Assistance Act (42) U.S.C. 11351)), or a site operated by the shelter, that provides food service to homeless children and their parents or guardians.

(2) Administration.—Except as otherwise provided in this subsection, the other provisions of this section shall apply to an emergency shelter that is participating in the program authorized under this section.

(3) Institution and site licensing.—Subsection (a)(1) shall not apply to an emergency shelter.

"(4) HEALTH AND SAFETY STANDARDS.—To be eligible to participate in the program authorized under this section, an emergency shelter shall comply with applicable State and local health and safety standards.

(5) MEAL OR SUPPLEMENT REIMBURSEMENT — '(A) LIMITATIONS.—An emergency shelter may

claim reimbursement under this subsection only "(i) a meal or supplement served to children

who are not more than 12 years of age residing at the emergency shelter; and "(ii) not more than 3 meals, or 2 meals and 1

supplement, per child per day.

(B) RATE.—A meal or supplement shall be reimbursed under this subsection at the rate established for a free meal or supplement under subsection (c).

- '(C) NO CHARGE.—A meal or supplement claimed for reimbursement under this subsection shall be served without charge.
- (c) Homeless Children Nutrition Pro-GRAM.—Section 17B of the National School Lunch Act (42 U.S.C. 1766b) is repealed.

SEC. 117. MEAL SUPPLEMENTS FOR CHILDREN IN AFTERSCHOOL CARE.

- (a) GENERAL AUTHORITY.—Section 17A(a) of the National School Lunch Act (42 U.S.C. 1766a(a)) is amended—
- (1) in paragraph (1), by striking "supplements ' and inserting ''supplements under a program organized primarily to provide care for"; and
- (2) in paragraph (2), by striking subparagraph (C) and inserting the following:

'(C) operate afterschool programs with an educational or enrichment purpose.

- (b) ELIGIBLE CHILDREN.—Section 17A(b) of the National School Lunch Act (42 U.S.C. 1766a(b)) is amended-
- (1) in paragraph (1), by striking "or" at the end;
- (2) in paragraph (2), by striking the period at the end and inserting ''; or''; and (3) by adding at the end the following:

- '(3) in the case of children who live in a geographical area served by a school enrolling elementary students in which at least 50 percent of the total number of children enrolled are certified as eligible to receive free or reduced price school meals under this Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), who are not more than 18 years of age."
- (c) REIMBURSEMENT.—Section 17A(c) of the National School Lunch Act (42 U.S.C. 1766a(c)) is amended—
- (1) by striking "(c) REIMBURSEMENT.—For" and inserting the following:

'(c) REIMBURSEMENT.

- "(1) IN GENERAL.—Except as provided in paragraph (2), for"; and
 - (2) by adding at the end the following:
- (2) LOW-INCOME AREAS.—A supplement provided under this section to a child described in subsection (b)(3) shall be-
- (A) reimbursed at the rate at which free supplements are reimbursed under section 17(c); and ''(B) served without charge.''.

SEC. 118. PILOT PROJECTS.

Section 18 of the National School Lunch Act (42 U.S.C. 1769) is amended-

(1) in subsection (c)-

- (A) in paragraphs (1) and (7)(A), by striking "1998" each place it appears and inserting "2003"; and
 - (B) in paragraph (7)—

(i) by striking "(A)"; and

(ii) by striking subparagraph (B); and

(2) by striking subsections (e), (g), (h), and (i). SEC. 119. BREAKFAST PILOT PROJECTS.

Section 18 of the National School Lunch Act (42 U.S.C. 1769) (as amended by section 118(2)) is amended by inserting after subsection (d) the following:

"(e) Breakfast Pilot Projects.-

- "(1) IN GENERAL.—During each of the school years beginning July 1, 1999, July 1, 2000, and July 1, 2001, the Secretary shall make grants to State agencies to conduct pilot projects in elementary schools under the jurisdiction of not more than 6 school food authorities approved by the Secretary-
- "(A) to reduce paperwork and simplify meal counting requirements; and
- "(B) to evaluate the effect of providing free breakfasts to elementary school children, without regard to family income, on participation, academic achievement, attendance and tardiness, and dietary intake over the course of a
- '(2) NOMINATIONS.—A State agency that desires to receive a grant under this subsection shall submit to the Secretary nominations of school food authorities to participate in a pilot project under this subsection.

'(3) APPROVAL.—The Secretary shall approve for participation in pilot projects under this subsection elementary schools under the jurisdiction of not more than 6 school food authorities selected so as to-

'(A) provide for an equitable distribution of pilot projects among urban and rural elemen-

tary schools;

(B) provide for an equitable distribution of pilot projects among elementary schools of varying family income levels; and

(C) permit the evaluation of pilot projects to distinguish the effects of the pilot projects from other factors, such as changes or differences in educational policies or program.

(4) GRANTS TO SCHOOL FOOD AUTHORITIES.— A State receiving a grant under paragraph (1) shall make grants to school food authorities to conduct the pilot projects described in paragraph (1).

(5) DURATION OF PILOT PROJECTS.—A school food authority receiving amounts under a grant to conduct a pilot project described in paragraph (1) shall conduct the project for the 3-

year period beginning July 1, 1999.

'(6) WAIVER AUTHORITY.—The Secretary may waive the requirements of this Act and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) relating to counting of meals, applications for eligibility, and other requirements that would preclude the Secretary from making a grant to conduct a pilot project under paragraph (1).

REQUIREMENTS FOR PARTICIPATION IN PILOT PROJECT.—To be eligible to participate in

a pilot project under this subsection-

'(A) a Štate-

(i) shall submit an application to the Secretary at such time and in such manner as the Secretary shall establish to meet criteria the Secretary has established to enable a valid evaluation to be conducted; and

(ii) shall provide such information relating to the operation and results of the pilot project as the Secretary may reasonably require; and

'(B) a school food authority

'(i) shall agree to serve all breakfasts at no charge to all children in participating elementary schools;

(ii) shall not have a history of violations of this Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.);

'(iii) shall have, under the jurisdiction of the school food authority, a sufficient number of elementary schools that are not participating in the pilot projects to permit an evaluation of the effects of the pilot projects; and

'(iv) shall meet all other requirements that the Secretary may reasonably require.

(8) REIMBURSEMENT RATES.—A school food authority conducting a pilot project under this subsection shall receive reimbursement for each breakfast served under the pilot project in an amount that is equal to-

'(A) in the case of a school food authority that is determined by the Secretary not to be in severe need, the rate for free breakfasts established under section 4(b)(1)(B) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(b)(1)(B)); and

'(B) in the case of a school food authority that is determined by the Secretary to be in severe need, the rate for free breakfasts established under section 4(b)(2)(B) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(b)(2)(B)).

(9) EVALUATION OF PILOT PROJECTS.

'(A) IN GENERAL.—The Secretary, acting through the Administrator of the Food and Nutrition Service, shall conduct an evaluation of the pilot projects conducted by the school food authorities selected for participation.

"(B) CONTENT.—The evaluation shall include-

"(i) a determination of the effect of participation in the pilot project on the academic achievement, attendance and tardiness, and dietary intake over the course of a day of participating children that is not attributable to changes in educational policies and practices; and

"(ii) a determination of the effect that participation by elementary schools in the pilot project has on the proportion of students who eat breakfast and on the paperwork required to be completed by the schools.

(C) REPORT.—On completion of the pilot projects and the evaluation, the Secretary shall submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report containing the results of the evaluation of the pilot projects required under subparagraph (A).

(10) FEDERAL REIMBURSEMENT.-

(A) IN GENERAL.—Except as provided in subparagraph (B), a school conducting a pilot project under this subsection shall receive a total Federal reimbursement under the school breakfast program in an amount that is equal to the total Federal reimbursement for the school for the prior year under the program (adjusted for inflation and fluctuations in enrollment).

(B) EXCESS NEEDS.—Funds required for the pilot project in excess of the level of reimbursement received by the school for the prior year (adjusted for inflation and fluctuations in enrollment) may be taken from any non-Federal source or from amounts provided under this sub-

'(11) FUNDING.—

"(A) IN GENERAL.—Out of any moneys in the Treasury not otherwise appropriated, the Secretary of the Treasury shall provide to the Secretary such sums as are necessary to carry out this subsection, but not more than \$20,000,000. The Secretary shall be entitled to receive the funds and shall accept the funds.

"(B) EVALUATIOÑ.—Of the amounts made available under subparagraph (A), not more than \$12,000,000 shall be made available to carry out paragraph (9).

SEC. 120. TRAINING AND TECHNICAL ASSIST-ANCE.

Section 21(e)(1) of the National School Lunch Act (42 U.S.C. 1769b-1(e)(1)) is amended by striking "1998" and inserting "2003"

SEC. 121. FOOD SERVICE MANAGEMENT INSTI-

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

SEC. 122. COMPLIANCE AND ACCOUNTABILITY.

Section 22(d) of the National School Lunch Act (42 U.S.C. 1769c(d)) is amended by striking '1996'' and inserting ''2003''

SEC. 123. INFORMATION CLEARINGHOUSE.

Section 26(d) of the National School Lunch Act (42 U.S.C. 1769g(d)) is amended in the first sentence by striking "and \$100,000 for fiscal year 1998" and inserting "\$100,000 for fiscal year 1998, and \$166,000 for each of fiscal years 1999 through 2003''.

SEC. 124. REFOCUSING OF EFFORT TO HELP AC-COMMODATE THE SPECIAL DIETARY NEEDS OF INDIVIDUALS WITH DIS-ABILITIES.

Section 27 of the National School Lunch Act (42 U.S.C. 1769h) is amended to read as follows: "SEC. 27. ACCOMMODATION OF SPECIAL DIETARY NEEDS OF INDIVIDUALS WITH DIS-

ABILITIES. '(a) DEFINITIONS.—In this section:

"(1) COVERED PROGRAM.—The term 'covered program' means-

(A) the school lunch program authorized under this Act

(B) the school breakfast program authorized under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773); and

(C) any other program authorized under this Act or the Child Nutrition Act of 1966 that the Secretary determines is appropriate.
"(2) ELIGIBLE ENTITY.—The term 'eligible en-

tity' means a school food authority, institution,

or service institution that participates in a cov-

ered program.

"(3) INDIVIDUALS WITH DISABILITIES.—The term 'individual with disabilities' has the meaning given the term in section 7 of the Rehabilitation Act of 1973 (29 U.S.C. 706) for purposes of title VII of that Act (29 U.S.C. 796 et seq.).

"(b) ACTIVITIES.—The Secretary may carry out activities to help accommodate the special dietary needs of individuals with disabilities who are participating in a covered program, including-

"(1)" developing and disseminating to State agencies guidance and technical assistance materials:

'(2) conducting training of State agencies and eligible entities; and

(3) issuing grants to State agencies and eligible entities.

TITLE II—SCHOOL BREAKFAST AND RELATED PROGRAMS

SEC. 201. ELIMINATION OF ADMINISTRATION OF PROGRAMS BY REGIONAL OFFICES.

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

"SEC. 5. DISBURSEMENT TO SCHOOLS BY THE SECRETARY.

(a) AUTHORITY TO ADMINISTER PROGRAMS.— "(1) IN GENERAL.—Except as provided in paragraph (3), during the period determined under subsection (c), the Secretary shall withhold funds payable to a State under this Act and disburse the funds directly to school food authorities, institutions, and service institutions within the State for the purposes authorized by this Act to the extent that the Secretary has so withheld and disbursed the funds continuously since October 1, 1980.

'(2) USE OF FUNDS.—Any funds withheld and disbursed by the Secretary under paragraph (1) shall be used for the same purposes and be subject to the same conditions as apply to disbursing funds made available to States under this Act.

'(3) STATE ADMINISTRATION.—If the Secretary is administering (in whole or in part) any program authorized under this Act in a State, the State may, on request to the Secretary, assume administrative responsibility for the program at any time during the period determined under subsection (c).

(b) PROVISION OF TRAINING AND TECHNICAL ASSISTANCE.—During the period determined under subsection (c), the Secretary shall provide a State that assumes administrative responsibility for a program from the Secretary with training and technical assistance to allow for an efficient and effective transfer of administrative responsibility.

'(c) PERIOD.

''(Í) IN GENERAL.—Except as provided in paragraph (2), this section shall apply during the period beginning on October 1, 1998, and ending on September 30, 2001.

(2) EXTENSION.—The Secretary may extend the period described in paragraph (1) that applies to a program administered by the Secretary for a State, for a period not to exceed 2 years, if the State-

"(A) demonstrates to the Secretary that the State will not be able to assume administrative responsibility for the program during the period described in paragraph (1); and

"(B) submits a plan to the Secretary that describes when and how the State will assume administrative responsibility for the program."

SEC. 202. STATE ADMINISTRATIVE EXPENSES.

(a) HOMELESS SHELTERS.—Section 7(a)(5) of the Child Nutrition Act of 1966 (42 U.S.C. 1776(a)(5)) is amended by striking subparagraph (B) and inserting the following:

(B) REALLOCATION OF FUNDS.

"(i) RETURN TO SECRETARY.—For each fiscal year, any amounts appropriated that are not obligated or expended during the fiscal year and are not carried over for the succeeding fiscal year under subparagraph (A) shall be returned to the Secretary.

"(ii) REALLOCATION BY SECRETARY.—The Secretary shall allocate, for purposes of administrative costs, any remaining amounts among States that demonstrate a need for the amounts.".

(b) ELIMINATION OF TRANSFER LIMITATION.— Section 7(a) of the Child Nutrition Act of 1966 (42 U.S.C. 1776(a)) is amended by striking paragraph (6) and inserting the following:

"(6) USE OF ADMINISTRATIVE FUNDS.—Funds available to a State under this subsection and under section 13(k)(1) of the National School Lunch Act (42 U.S.C. 1761(k)(1)) may be used by the State for the costs of administration of the programs authorized under the National School Lunch Act (42 U.S.C. 1751 et seq.) or this Act (except for the programs authorized under sections 17 and 21 of this Act) without regard to the basis on which the funds were earned and allocated."

(c) REAUTHORIZATION OF PROGRAM.—Section 7(g) of the Child Nutrition Act of 1966 (42 U.S.C. 1776(g)) is amended by striking "1998" and inserting "2003".

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

- (a) CERTIFICATION PERIOD FOR INFANTS.—Section 17(d)(3) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(d)(3)) is amended by adding at the end the following:
 - "(C) CERTIFICATION PERIOD FOR INFANTS.—

"(i) IN GENERAL.—Except as provided in clause (ii), the procedures prescribed under subparagraph (A) shall include a requirement that a family that includes an infant shall not be certified to meet income eligibility criteria for the program for more than 180 days after the date of any certification.

"(ii) PRESUMPTIVELY ELIGIBLE FAMILIES.— Clause (i) shall not apply to a family with a member who is an individual described in clause

(ii) or (iii) of paragraph (2)(A).".

(b) ADDITIONAL REQUIREMENTS FOR APPLICANTS.—Section 17(d)(3) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(d)(3)) (as amended by subsection (a)) is amended by adding at the end the following:

"(D) PHYSICAL PRESENCE.—

"(i) IN GENERAL.—Except as provided in clause (ii), each applicant to the program shall be physically present at each certification determination to determine eligibility under the program.

"(ii) WAIVERS.—A local agency may waive the requirement of clause (i) with respect to an applicant if the agency determines that the requirement, as applied to the applicant, would—

"(I) conflict with the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.);

"(II) present a barrier to participation of a child (including an infant) who—

"(aa) was present at the initial certification visit; and

"(bb) is receiving ongoing health care from a provider other than the local agency; or

"(III) present a barrier to participation of a child (including an infant) who—

"(aa) was present at the initial certification visit:

"(bb) was present at a certification determination within the 1-year period ending on the date of the certification determination described in clause (i): and

''(cc) has 1 or more parents who work.

"(E) INCOME DOCUMENTATION.—

"(i) In General.—Except as provided in clause (ii), to be eligible for the program, each applicant to the program shall provide—

"(I) documentation of household income; or "(II) documentation of participation in a program described in clause (ii) or (iii) of paragraph (2)(A).

"(ii) WAIVERS.—A State agency may waive the requirement of clause (i) with respect to—

"(I) an applicant for whom the necessary documentation is not available; or

"(II) an applicant, such as a homeless woman or child, for whom the agency determines the re-

quirement of clause (i) would present a barrier to participation.

"(iii) REGULATIONS.—The Secretary shall prescribe regulations to carry out clause (ii)(I).

"(F) VERIFICATION.—The Secretary shall issue regulations under this paragraph prescribing when and how verification of income shall be required.".

(c) DISTRIBUTION OF NUTRITION EDUCATION MATERIALS.—Section 17(e)(3) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(e)(3)) is amended—

(1) by striking ''(3) The'' and inserting the following:

lowing:
''(3) NUTRITION EDUCATION MATERIALS.—

"(A) IN GENERAL.—The"; and
(2) by adding at the end the following:

"(B) SHARING OF MATERIALS WITH CSFP.—The Secretary may provide, in bulk quantity, nutrition education materials (including materials promoting breastfeeding) developed with funds made available for the program authorized under this section to State agencies administering the commodity supplemental food program authorized under sections 4(a) and 5 of the Agriculture and Consumer Protection Act of 1973 (Public Law 93-86; 7 U.S.C. 612c note) at no cost

(d) VARIETY OF FOODS.—Section 17(f)(1)(C) of the Child Nutrition Act of 1966 (42 U.S.C.

1786(f)(1)(C)) is amended—

to that program."

(1) by redesignating clauses (ii) through (x) as clauses (iii) through (xi), respectively; and

(2) by inserting after clause (i) the following: "(ii) in the case of any State that provides for the purchase of foods under the program at retail grocery stores, a plan to limit participation by the stores to stores that offer a variety of foods, as determined by the Secretary:".

(e) USE OF CLAIMS FOR VENDORS AND PARTICIPANTS.—Section 17(f) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(f)) is amended by striking paragraph (21) and inserting the following:
"(21) USE OF CLAIMS FROM VENDORS AND PAR-

"(21) Use of claims from vendors and participants.—A State agency may use funds recovered from vendors and participants, as a result of a claim arising under the program, to carry out the program during—

"(A) the fiscal year in which the claim arises;
"(B) the fiscal year in which the funds are

collected; or

"(C) the fiscal year following the fiscal year in which the funds are collected.".

(f) RECIPIENTS PARTICIPATING AT MORE THAN 1 SITE.—Section 17(f) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(f)) is amended by adding at the end the following:

"(23) RECIPIENTS PARTICIPATING AT MORE THAN 1 SITE.—Each State agency shall implement a system designed by the State agency to identify recipients who are participating at more than 1 site under the program."

(g) HIGH RISK VENDORS.—Section 17(f) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(f)) (as amended by subsection (f)) is amended by adding at the end the following:

''(24) HIGH RISK VENDORS.—Each State agency shall—

"(A) identify vendors that have a high probability of program abuse; and

"(B) conduct compliance investigations of the vendors.".

(h) REAUTHORIZATION OF PROGRAM.—Section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786) is amended in subsections (g)(1) and (h)(2)(A) by striking "1998" each place it appears and inserting "2003".

(i) PURCHASE OF BREAST PUMPS.—Section

(i) PURCHASE OF BREAST PUMPS.—Section 17(h)(1)(C) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)(1)(C)) is amended—

(1) by striking "(C) In" and inserting the following:

"(C) Remaining amounts.—

"(i) IN GENERAL.—Except as provided in clause (ii), in"; and

(2) by adding at the end the following:

"(ii) Breast pumps.—

"(I) IN GENERAL.—Beginning with fiscal year 2000, a State agency may use amounts made

available under clause (i) for the purchase of breast pumps.

"(II) MAINTENANCE OF EFFORT.—From amounts allocated for nutrition services and administration to amounts allocated for supplemental foods, a State agency that exercises the authority of subclause (I) shall transfer an amount equal to the amount expended for the purchase of breast pumps, or transferred under this subclause, from amounts allocated for nutrition services and administration for the preceding fiscal year."

(j) Technical Amendment.—Section 17(h)(2)(A)(iv) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)(2)(A)(iv)) is amended by striking ", to the extent funds are not already provided under subparagraph (I)(v) for the same purpose,".

(k) LEVEL OF PER-PARTICIPANT EXPENDITURE FOR NUTRITION SERVICES AND ADMINISTRA-TION.—Section 17(h)(2)(B)(ii) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)(2)(B)(ii)) is amended by striking "15 percent" and inserting "10 percent (except that the Secretary may establish a higher percentage for State agencies that are small)".

(I) Technical Amendments.—Section 17(h)(3) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)(3)) is amended—

(1) in subparagraph (E), by striking "(except as provided in subparagraph (G))"; and

(2) by striking subparagraphs (F) and (G).

(m) Conversion of Amounts for Supplemental Foods to Amounts for Nutrition Services and Administration.—Section 17(h)(5)(A) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)(5)(A)) is amended in the matter preceding clause (i) by striking "achieves" and all that follows through "such State agency may" and inserting "submits a plan to reduce average food costs per participant and to increase participation above the level estimated for the State agency, the State agency may, with the approval of the Secretary,".

(n) INFANT FORMULA PROCUREMENT.—

(1) COMPETITIVE BIDDING SYSTEM.—Section 17(h)(8)(A) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)(8)(A)) is amended by adding at the end the following:

"(iii) Competitive bidding system.—A State agency using a competitive bidding system for infant formula shall award a contract to the bidder offering the lowest net price unless the State agency demonstrates to the satisfaction of the Secretary that the weighted average retail price for different brands of infant formula in the State does not vary by more than 5 percent."

(2) REVIEW AND APPROVAL OF SOLICITA-TIONS.—Section 17(h)(8) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)(8)) is amended by adding at the end the following:

"(K) REVIEW AND APPROVAL OF SOLICITA-TIONS.—The Secretary shall—

"(i) prior to the issuance of an infant formula cost containment contract solicitation under this paragraph, review the solicitation to ensure that the solicitation does not contain any anticompetitive provisions; and

"(ii) approve the solicitation only if the solicitation does not contain any anticompetitive provisions.".

(o) Infrastructure and Breastfeeding Support and Promotion.—Section 17(h)(10)(A) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)(10)(A)) is amended by striking "1998" and inserting "2003".

(p) Management Information System PLAN.—Section 17(h) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)) is amended by adding at the end the following:

''(11) MANAGEMENT INFORMATION SYSTEM PLAN.—

"(A) IN GENERAL.—In consultation with State agencies, retailers, and other interested persons, the Secretary shall establish a long-range plan for the development and implementation of management information systems (including electronic benefit transfers) to be used in carrying

out the program.

"(B) REPORT.—Not later than 2 years after the date of enactment of this paragraph, the Secretary shall submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on actions taken to carry out subparagraph (A).

(C) INTERIM PERIOD.—Prior to the date of submission of the report of the Secretary required under subparagraph (B), the cost of systems or equipment that may be required to test management information systems (including electronic benefit transfers) for the program may not be imposed on a retail food store.

(q) USE OF FUNDS IN PRECEDING AND SUBSE-QUENT FISCAL YEARS.—

(1) IN GENERAL.—Section 17(i)(3)(A) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(i)(3)(A)) is amended—

(A) by striking "subparagraphs (B) and (C)" and inserting "subparagraph (B)"; and

(B) by striking clauses (i) and (ii) and inserting the following:

(i)(I) not more than 1 percent (except as provided in subparagraph (C)) of the amount of funds allocated to a State agency under this section for supplemental foods for a fiscal year may be expended by the State agency for allowable expenses incurred under this section for supplemental foods during the preceding fiscal

"(II) not more than 1 percent of the amount of funds allocated to a State agency under this section for nutrition services and administration for a fiscal year may be expended by the State agency for allowable expenses incurred under this section for supplemental foods and nutrition services and administration during the pre-

ceding fiscal year; and

'(ii)(I) for each fiscal year, of the amounts allocated to a State agency for nutrition services and administration, an amount equal to not more than 1 percent of the amount allocated to the State agency under this section for the fiscal year may be expended by the State agency for allowable expenses incurred under this section for nutrition services and administration during the subsequent fiscal year: and

"(II) for each fiscal year, of the amounts allocated to a State agency for nutrition services and administration, an amount equal to not more than 1/2 of 1 percent of the amount allocated to the State agency under this section for the fiscal year may be expended by the State agency, with the prior approval of the Secretary, for the development of a management information system, including an electronic benefit transfer system, during the subsequent fiscal

(2) Conforming amendments.—Section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786) is amended—

(A) in subsection (h)(10)(A), by inserting after "nutrition services and administration funds" the following: "and supplemental foods funds";

(B) in subsection (i)(3)—

(i) by striking subparagraphs (C) through (G); and

(ii) by redesignating subparagraph (H) as subparagraph (C).

(r) FARMERS MARKET NUTRITION PROGRAM.-Section 17(m) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(m)) is amended—

(1) in the first sentence of paragraph (3), by inserting "or from program income" before the period at the end;

(2) in paragraph (6)-

(A) in subparagraph (C)—

(i) by striking "serve additional recipients in

(ii) by striking clause (ii) and inserting the following:

'(ii) documentation that demonstrates that—

"(I) there is a need for an increase in funds;

"(II) the use of the increased funding will be consistent with serving nutritionally at-risk persons and expanding the awareness and use of farmers' markets;"

(iii) in clause (iii), by striking the period at the end and inserting "; and"; and

(iv) by adding at the end the following: (iv) whether, in the case of a State that intends to use any funding provided under subparagraph (G)(i) to increase the value of the Federal share of the benefits received by a recipient, the funding provided under subparagraph (G)(i) will increase the rate of coupon redemp-

(B) by striking subparagraph (F);

(C) in subparagraph (G)-

(i) in clause (i)-

(I) in the first sentence, by striking "that wish" and all follows through "to do so" and inserting "whose State plan"; and

(II) in the second sentence, by striking "for additional recipients"; and

(ii) in the second sentence of clause (ii), by striking "that desire to serve additional recipients, and"; and

(D) by redesignating subparagraph (G) as subparagraph (F); and

(3) in paragraph (9)(A), by striking "1998" and inserting "2003".

(s) Disqualification of Certain Vendors.— (1) IN GENERAL.—Section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786) is amended by adding at the end the following:

"(o) DISQUALIFICATION OF VENDORS CON-VICTED OF TRAFFICKING OR ILLEGAL SALES.-

'(1) IN GENERAL.—Except as provided in paragraph (4), a State agency shall permanently disqualify from participation in the program authorized under this section a vendor convicted

"(A) trafficking in food instruments (including any voucher, draft, check, or access device (including an electronic benefit transfer card or personal identification number) issued in lieu of a food instrument under this section); or

(B) selling firearms, ammunition, explosives, or controlled substances (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)) in exchange for food instruments.

(2) NOTICE OF DISQUALIFICATION.—The State agency shall-

'(A) provide the vendor with notification of the disqualification; and

'(B) make the disqualification effective on the date of receipt of the notice of disqualification.

"(3) PROHIBITION OF RECEIPT OF LOST REVE-NUES.—A vendor shall not be entitled to receive any compensation for revenues lost as a result of disqualification under this subsection.

"(4) Exceptions in lieu of disqualifica-

'(A) In General.—A State agency may permit a vendor that, but for this paragraph, would be disqualified under paragraph (1), to continue to redeem food instruments or otherwise provide supplemental foods to participants if the State agency determines, in its sole discretion according to criteria established by the Secretary,

"(i) disqualification of the vendor would cause hardship to participants in the program authorized under this section; or

'(ii)(I) the vendor had, at the time of the conviction under paragraph (1), an effective policy and program in effect to prevent violations of this section; and

"(II) the ownership of the vendor was not aware of, did not approve of, did not benefit from, and was not involved in the conduct of the violation.

(B) CIVIL PENALTY.—If a State agency authorizes a vendor that, but for this paragraph, would be disqualified under paragraph (1) to redeem food instruments or provide supplemental foods under subparagrapĥ (A), in lieu of disqualification, the State agency shall assess the vendor a civil penalty in an amount determined by the State agency, except that

'(i) the amount of the civil penalty shall not exceed \$20,000; and

"(ii) the amount of civil penalties imposed for violations investigated as part of a single investigation may not exceed \$40,000.'

(2) REGULATIONS.—The amendment made by paragraph (1) shall take effect on the date on which the Secretary of Agriculture issues a final regulation that includes the criteria for—

(A) making hardship determinations; and

(B) determining the amount of a civil money penalty in lieu of disqualification.

(t) ČRIMINAL FORFEITURE.—Section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786) (as amended by subsection (s)(1)) is amended by adding at the end the following:

"(p) CRIMINAL FORFEITURE.— "(1) IN GENERAL.—In addition to any other penalty or sentence, a court may order that a person forfeit to the United States all property described in paragraph (2), in imposing a sentence on a person convicted of a violation of this section (including a regulation) under-

"(A) section 12(g) of the National School Lunch Act (42 U.S.C. 1760(g)); or

"(B) any other Federal law imposing a penalty for embezzlement, willful misapplication, stealing, obtaining by fraud, or trafficking in food instruments, funds, assets, or property, that have a value of \$100 or more.

('(2) Property subject to forfeiture.—All property, real and personal, used in a transaction or attempted transaction, to commit, or to facilitate the commission of, a violation (other than a misdemeanor) of any provision of this section (including a regulation), or proceeds traceable to a violation of any provision of this section (including a regulation), shall be subject to forfeiture to the United States under paragraph (1).

(3) INTEREST OF OWNER.—No interest in property shall be forfeited under this subsection as the result of any act or omission established by the owner of the interest to have been committed or omitted without the knowledge or consent of the owner.

"(4) PROCEEDS.—The proceeds from any sale of forfeited property and any amounts forfeited under this subsection shall be used-

"(A) first, to reimburse the Department of Justice, the Department of the Treasury, and the United States Postal Service for the costs incurred by the Departments or Service to initiate and complete the forfeiture proceeding;

'(B) second, to reimburse the Office of Inspector General of the Department of Agriculture for any costs incurred by the Office in the law enforcement effort resulting in the forfeiture;

'(C) third, to reimburse any Federal, State, or local law enforcement agency for any costs incurred in the law enforcement effort resulting in the forfeiture; and

"(D) fourth, by the State agency to carry out approval, reauthorization, and compliance investigations of vendors.

(u) STUDY AND REPORT ON COST CONTAINMENT PRACTICES.-

(1) STUDY.—The Comptroller General of the United States shall conduct a study on the effect of cost containment practices of States under the special supplemental nutrition program for women, infants, and children authorized under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786) for the selection of vendors and approved food items (other than infant formula) on-

(A) program participation;

(B) access and availability of prescribed foods; (C) voucher redemption rates and actual food selections by participants;

(D) participants on special diets or with specific food allergies;

(E) participant consumption of, and satisfaction with, prescribed foods;

(F) achievement of positive health outcomes;

(G) program costs.

(2) REPORT.—Not later than 2 years after the date of enactment of this Act, the Comptroller General shall submit to the Secretary of Agriculture, the Committee on Education and the Workforce of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report containing the results of the study conducted under paragraph

(v) STUDY AND REPORT ON WIC SERVICES.—

(1) STUDY.—The Comptroller General of the United States shall conduct a study that as-

(A) the cost of delivering services under the special supplemental nutrition program for women, infants, and children authorized under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), including the costs of implementing and administering cost containment efforts;

(B) the fixed and variable costs incurred by State and local governments for delivering the

services:

(C) the quality of the services delivered, taking into account the effect of the services on the health of participants; and

(D) the costs incurred for personnel, automation, central support, and other activities to deliver the services and whether the costs meet Federal audit standards for allowable costs

under the program. (2) REPORT.—Not later than 3 years after the date of enactment of this Act, the Comptroller General shall submit to the Secretary of Agriculture, the Committee on Education and the Workforce of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report containing the results of the study conducted under paragraph

SEC. 204. NUTRITION EDUCATION AND TRAINING.

Section 19(i) of the Child Nutrition Act of 1966

(42 U.S.C. 1788(i)) is amended—

(1) by striking the subsection heading and all that follows through paragraph (3)(A) and inserting the following:

(i) AUTHORIZATION OF APPROPRIATIONS.—

'(1) In General. —

"(A) FUNDING.—There are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years

1997 through 2003."; and
(2) by redesignating paragraphs (4) and (5) as paragraphs (2) and (3), respectively.

TITLE III—COMMODITY DISTRIBUTION **PROGRAMS**

SEC. 301. COMMODITY DISTRIBUTION PROGRAM REFORMS.

(a) COMMODITY SPECIFICATIONS.—Section 3(a) of the Commodity Distribution Reform Act and WIC Amendments of 1987 (Public Law 100-237; 7 U.S.C. 612c note) is amended by striking paragraph (2) and inserting the following:

์ (2) APPLICABILITY.—Paragraphั (1) shall

apply to-

(A) the commodity supplemental food program authorized under sections 4(a) and 5 of the Agriculture and Consumer Protection Act of 1973 (Public Law 93-86; 7 U.S.C. 612c note);

'(B) the food distribution program on Indian reservations authorized under section 4(b) of the Food Stamp Act of 1977 (7 U.S.C. 2013(b)); and

"(C) the school lunch program authorized under the National School Lunch Act (42 U.S.C. 1751 et seq.).

(b) CUSTOMER ACCEPTABILITY INFORMATION. -Section 3(f) of the Commodity Distribution Reform Act and WIC Amendments of 1987 (Public Law 100-237; 7 U.S.C. 612c note) is amended by striking paragraph (2) and inserting the follow-

su ing: ''(2) CUSTOMER ACCEPTABILITY INFORMA-TION.-

"(A) IN GENERAL.—The Secretary shall ensure that information with respect to the types and forms of commodities that are most useful is collected from recipient agencies participating in programs described in subsection (a)(2).

'(B) Frequency.—The information shall be collected at least once every 2 years.

"(C) Additional submissions.—The Sec-

"(i) may require submission of information described in subparagraph (A) from recipient agencies participating in other domestic food assistance programs administered by the Secretary; and

''(ii) shall provide the recipient agencies a means for voluntarily submitting customer acceptability information.

SEC. 302. FOOD DISTRIBUTION.

(a) IN GENERAL.—Sections 8 through 12 of the Commodity Distribution Reform Act and WIC Amendments of 1987 (Public Law 100-237: 7 U.S.C. 612c note) are amended to read as follows:

"SEC. 8. AUTHORITY TO TRANSFER COMMODITIES BETWEEN PROGRAMS.

"(a) TRANSFER.—Subject to subsection (b), the Secretary may transfer any commodities purchased for a domestic food assistance program administered by the Secretary to any other domestic food assistance program administered by the Secretary if the transfer is necessary to ensure that the commodities will be used while the commodities are still suitable for human consumption.

(b) REIMBURSEMENT.—The Secretary shall, to the maximum extent practicable, provide reimbursement for the value of the commodities transferred under subsection (a) from accounts available for the purchase of commodities under the program receiving the commodities.

"(c) Crediting.—Any reimbursement made under subsection (b) shall—

'(1) be credited to the accounts that incurred the costs when the transferred commodities were originally purchased; and

(2) be available for the purchase of commodities with the same limitations as are provided for appropriated funds for the reimbursed accounts for the fiscal year in which the transfer takes place.

"SEC. 9. AUTHORITY TO RESOLVE CLAIMS.

"(a) IN GENERAL.—The Secretary may determine the amount of, settle, and adjust all or part of a claim arising under a domestic food assistance program administered by the Secretary.

"(b) WAIVERS.—The Secretary may waive a claim described in subsection (a) if the Secretary determines that a waiver would serve the pur-

poses of the program.

"(c) AUTHORITY OF THE ATTORNEY GENERAL.—Nothing in this section diminishes the authority of the Attorney General under section 516 of title 28. United States Code, or any other provision of law, to supervise and conduct litigation on behalf of the United States.

"SEC. 10. PAYMENT OF COSTS ASSOCIATED WITH REMOVAL OF COMMODITIES THAT POSE A HEALTH OR SAFETY HAZARD.

"(a) IN GENERAL.—The Secretary may use funds available to carry out section 32 of the Act of August 24, 1935 (49 Stat. 774, chapter 641; 7 U.S.C. 612c), that are not otherwise committed, for the purpose of reimbursing States for State and local costs associated with the removal of commodities distributed under any domestic food assistance program administered by the Secretary if the Secretary determines that the commodities pose a health or safety hazard.

(b) ALLOWABLE COSTS.—The costs—

"(1) may include costs for storage, transportation, processing, and destruction of the hazardous commodities; and

"(2) shall be subject to the approval of the Secretary.

(c) REPLACEMENT COMMODITIES. -

"(1) IN GENERAL.—The Secretary may use funds described in subsection (a) for the purpose of purchasing additional commodities if the purchase will expedite replacement of the hazardous commodities.

(2) RECOVERY.—Use of funds under paragraph (1) shall not restrict the Secretary from recovering funds or services from a supplier or other entity regarding the hazardous commod-

CREDITING OF RECOVERED FUNDS.— Funds recovered from a supplier or other entity regarding the hazardous commodities shall-

'(1) be credited to the account available to carry out section 32 of the Act of August 24, 1935 (49 Stat. 774, chapter 641; 7 U.S.C. 612c), to the extent the funds represent expenditures from that account under subsections (a) and (c); and

''(2) remain available to carry out the purposes of section 32 of that Act until expended.

"SEC. 11. AUTHORITY TO ACCEPT COMMODITIES DONATED BY FEDERAL SOURCES.

"(a) IN GENERAL.—The Secretary may accept donations of commodities from any Federal agency, including commodities of another Federal agency determined to be excess personal property pursuant to section 202(d) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 483(d)).

"(b) USE.—The Secretary may donate the commodities received under subsection (a) to States for distribution through any domestic food assistance program administered by the

PAYMENT.—Notwithstanding section "(c) 202(d) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 483(d)), the Secretary shall not be required to make any payment in connection with the commodities received under subsection (a).

(b) EFFECT ON PRIOR AMENDMENTS.—The amendment made by subsection (a) does not affect the amendments made by sections 8 through 12 of the Commodity Distribution Reform Act and WIC Amendments of 1987 (Public Law 100-237; 7 U.S.C. 612c note), as in effect on September 30, 1998

TITLE IV—EFFECTIVE DATE

SEC. 401. EFFECTIVE DATE.

Except as otherwise provided in this Act, this Act and the amendments made by this Act take effect on October 1, 1998.

The Presiding Officer (Mr. HUTCH-INSON) appointed Mr. LUGAR, Mr. COCH-RAN, Mr. McConnell, Mr. HARKIN and Mr. Leahy conferees on the part of the Senate.

ORDERS FOR FRIDAY, SEPTEMBER 18. 1998

Mr. SANTORUM. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 8:30 a.m., Friday, September 18. I further ask that when the Senate reconvenes on Friday, immediately following the prayer, the journal of proceedings be approved, no resolutions come over under the rule, the call of the calendar be waived, and the morning hour be deemed to have expired, and the time for the two leaders be reserved.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. SANTORUM. For the information of all Members, the Senate will convene tomorrow morning at 8:30 a.m. and begin 1 hour of debate on the veto message to accompany the partialbirth abortion ban legislation. Upon the conclusion of debate time the Senate will vote on the question of passing the bill, "the objections of the President to the contrary notwithstanding."