

Public Law 100-356
100th Congress

An Act

To amend the National School Lunch Act to require eligibility for free lunches to be based on the nonfarm income poverty guidelines prescribed by the Office of Management and Budget.

June 28, 1988
[S. 2156]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FREE LUNCH PROGRAM ELIGIBILITY.

Section 9(b)(1)(A) of the National School Lunch Act (42 U.S.C. 1758(b)(1)(A)) is amended—

- (1) in the second sentence, by striking out “For the school years ending June 30, 1982, and June 30, 1983, the” and inserting in lieu thereof “The”; and
- (2) by striking out the third sentence.

SEC. 2. COMPUTATION OF CASH COMPENSATION TO DISTRICTS UNDER SECTION 14(g)(3) OF THE NATIONAL SCHOOL LUNCH ACT.

(a) **IN GENERAL.**—Section 14(g)(3)(A) of the National School Lunch Act (42 U.S.C. 1762a(g)(3)(A)) is amended by adding at the end thereof the following new sentences: “The Secretary, in computing losses sustained by any school district under the preceding sentence, shall base such computation on the actual amount of assistance received by such school district under this Act for the school year ending June 30, 1982, including—

“(i) the value of assistance in the form of commodities provided in addition to those provided pursuant to section 6(e) of this Act; and

“(ii) the value of assistance provided in the form of either cash or commodity letters of credit.

The Secretary may provide cash compensation under this subparagraph only to eligible school districts that submit applications for such compensation not later than May 1, 1988.”

(b) **AUTHORIZATION OF APPROPRIATIONS.**—Section 14(g)(3)(B) of the National School Lunch Act (42 U.S.C. 1762a(g)(3)(B)) is amended by striking out “\$50,000” and inserting in lieu thereof “such sums as may be necessary”.

(c) **TIME FOR PAYMENT OF CLAIMS.**—Section 14(g)(3)(A) of the National School Lunch Act (42 U.S.C. 1762a(g)(3)(A)) is amended by adding at the end thereof the following new sentence: “The Secretary shall complete action on any claim submitted under this subparagraph not later than 45 days after the date of the enactment of this sentence.”

SEC. 3. FUNDS FOR NUTRITION SERVICES AND ADMINISTRATION.

(a) **CONVERSION OF FUNDS.**—Section 17(h)(5) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)(5)) is amended by adding at the end thereof the following new subparagraphs:

“(D) Following the implementation of an approved cost-saving strategy identified in subsection (h)(5)(A), a State agency may con-

State and local
governments.

vert, in addition to funds otherwise converted to nutrition services and administration funds under subparagraphs (A), (B), and (C) of subsection (h)(5), food funds initially allocated to the State agency for program food purchases to nutrition services and administration funds. The amount of funds converted shall be limited to an amount sufficient to ensure that there is no more than a 2 percent annual decrease in the State agency's administrative grant per person if a larger decrease would otherwise result from increased program participation due to the cost-saving system of the State.

"(E) For each such State agency, the total amount of funds transferred from any fiscal year shall not exceed the amounts set forth in section 17(i)(3)(D)."

(b) **COST-SAVINGS SYSTEMS.**—Section 17(i)(3) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(i)(3)) is amended by adding at the end thereof the following new subparagraph:

"(D) For State agencies implementing approved cost-savings strategies as identified in subsection (h)(5)(A), not more than 5 percent of the amount of funds allocated under this section to such a State agency for supplemental foods for the fiscal year in which the system is implemented, and at the discretion of the Secretary, up to 5 percent of the amount of funds allocated to such a State agency for the fiscal year following the fiscal year in which the system is implemented, may be expended by the State agency for expenses incurred under this section for supplemental foods during the succeeding fiscal year."

Approved June 28, 1988.

LEGISLATIVE HISTORY—S. 2156:

CONGRESSIONAL RECORD, Vol. 134 (1988):
May 27, considered and passed Senate.
June 13, considered and passed House.