APPENDIX H.2

RELEVANT DOCUMENTS:

SECTION 103 OF THE HEALTHY, HUNGER-FREE KIDS ACT OF 2010

SEC. 103. DIRECT CERTIFICATION FOR CHILDREN RECEIVING MEDICAID

BENEFITS.

(a) In General.--Section 9(b) of the Richard B. Russell National

School Lunch Act (42 U.S.C. 1758(b)) is amended by adding at the end the

following:

``(15) Direct certification for children receiving medicaid

benefits.--

``(A) Definitions.--In this paragraph:

``(i) Eligible child.--The term `eligible

child' means a child--

``(I)(aa) who is eligible for and

receiving medical assistance under the

Medicaid program; and

``(bb) who is a member of a family

with an income as measured by the

Medicaid program before the application

of any expense, block, or other income

disregard, that does not exceed 133

percent of the poverty line (as defined

in section 673(2) of the Community

Services Block Grant Act (42 U.S.C.

9902(2), including any revision required

by such section)) applicable to a family

of the size used for purposes of

determining eligibility for the Medicaid

program; or

``(II) who is a member of a

household (as that term is defined in

section 245.2 of title 7, Code of

Federal Regulations (or successor

regulations) with a child described in

subclause (I).

``(ii) Medicaid program.--The term `Medicaid

program' means the program of medical assistance

established under title XIX of the Social Security

Act (42 U.S.C. 1396 et seq.).

``(B) Demonstration project.--

``(i) In general.--The Secretary, acting

through the Administrator of the Food and

Nutrition Service and in cooperation with selected

State agencies, shall conduct a demonstration

project in selected local educational agencies to

determine whether direct certification of eligible

children is an effective method of certifying

children for free lunches and breakfasts

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under section 9(b)(1)(A) of this Act and section

4(e)(1)(A) of the Child Nutrition Act of 1966 (42

U.S.C. 1773(e)(1)(A)).

``(ii) Scope of project.--The Secretary shall

carry out the demonstration project under this

subparagraph--

``(I) for the school year beginning

July 1, 2012, in selected local

educational agencies that collectively

serve 2.5 percent of students certified

for free and reduced price meals

nationwide, based on the most recent

available data;

``(II) for the school year beginning

July 1, 2013, in selected local

educational agencies that collectively

serve 5 percent of students certified

for free and reduced price meals

nationwide, based on the most recent

available data; and

``(III) for the school year

beginning July 1, 2014, and each

subsequent school year, in selected

local educational agencies that

collectively serve 10 percent of

students certified for free and reduced

price meals nationwide, based on the

most recent available data.

``(iii) Purposes of the project.--At a

minimum, the purposes of the demonstration project

shall be--

``(I) to determine the potential of

direct certification with the Medicaid

program to reach children who are

eligible for free meals but not

certified to receive the meals;

``(II) to determine the potential of

direct certification with the Medicaid

program to directly certify children who

are enrolled for free meals based on a

household application; and

``(III) to provide an estimate of

the effect on Federal costs and on

participation in the school lunch

program under this Act and the school

breakfast program established by section

4 of the Child Nutrition Act of 1966 (42

U.S.C. 1773) of direct certification

with the Medicaid program.

``(iv) Cost estimate.--For each of 2 school

years of the demonstration project, the Secretary

shall estimate the cost of the direct

certification of eligible children for free school

meals through data derived from--

``(I) the school meal programs

authorized under this Act and the Child

Nutrition Act of 1966 (42 U.S.C. 1771 et

seq.);

``(II) the Medicaid program; and

``(III) interviews with a

statistically representative sample of

households.

``(C) Agreement.--

``(i) <<NOTE: Deadline.>> In general.--Not

later than July 1 of the first school year during

which a State agency will participate in the

demonstration project, the State agency shall

enter into an agreement with the 1 or more State

agencies conducting eligibility determinations for

the Medicaid program.

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``(ii) <<NOTE: Procedures.>> Without further

application.--Subject to paragraph (6), the

agreement described in subparagraph (D) shall

establish procedures under which an eligible child

shall be certified for free lunches under this Act

and free breakfasts under section 4 of the Child

Nutrition Act of 1966 (42 U.S.C. 1773), without

further application (as defined in paragraph

(4)(G)).

``(D) <<NOTE: Effective date.>> Certification.--For

the school year beginning on July 1, 2012, and each

subsequent school year, subject to paragraph (6), the

local educational agencies participating in the

demonstration project shall certify an eligible child as

eligible for free lunches under this Act and free

breakfasts under the Child Nutrition Act of 1966 (42

U.S.C. 1771 et seq.), without further application (as

defined in paragraph (4)(G)).

``(E) Site selection.--

``(i) In general.--To be eligible to

participate in the demonstration project under

this subsection, a State agency shall submit to

the Secretary an application at such time, in such

manner, and containing such information as the

Secretary may require.

``(ii) Considerations.--In selecting States

and local educational agencies for participation

in the demonstration project, the Secretary may

take into consideration such factors as the

Secretary considers to be appropriate, which may

include--

``(I) the rate of direct

certification;

``(II) the share of individuals who

are eligible for benefits under the

supplemental nutrition assistance

program established under the Food and

Nutrition Act of 2008 (7 U.S.C. 2011 et

seq.) who participate in the program, as

determined by the Secretary;

``(III) the income eligibility limit

for the Medicaid program;

``(IV) the feasibility of matching

data between local educational agencies

and the Medicaid program;

``(V) the socioeconomic profile of

the State or local educational agencies;

and

``(VI) the willingness of the State

and local educational agencies to comply

with the requirements of the

demonstration project.

``(F) Access to data.--For purposes of conducting

the demonstration project under this paragraph, the

Secretary shall have access to--

``(i) educational and other records of State

and local educational and other agencies and

institutions receiving funding or providing

benefits for 1 or more programs authorized under

this Act or the Child Nutrition Act of 1966 (42

U.S.C. 1771 et seq.); and

``(ii) income and program participation

information from public agencies administering the

Medicaid program.

``(G) Report to congress.--

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``(i) In general.--Not later than October 1,

2014, the Secretary shall submit to the Committee

on Education and Labor of the House of

Representatives and the Committee on Agriculture,

Nutrition, and Forestry of the Senate, an interim

report that describes the results of the

demonstration project required under this

paragraph.

``(ii) Final report.--Not later than October

1, 2015, the Secretary shall submit a final report

to the committees described in clause (i).

``(H) Funding.--

``(i) <<NOTE: Effective date.>> In general.--

On October 1, 2010, out of any funds in the

Treasury not otherwise appropriated, the Secretary

of the Treasury shall transfer to the Secretary to

carry out subparagraph (G) $5,000,000, to remain

available until expended.

``(ii) Receipt and acceptance.--The Secretary

shall be entitled to receive, shall accept, and

shall use to carry out subparagraph (G) the funds

transferred under clause (i), without further

appropriation.''.

(b) Documentation.--Section 9(d)(2) of the Richard B. Russell

National School Lunch Act (42 U.S.C. 1758(d)(2)) (as amended by section

102(c)) is amended--

(1) in subparagraph (E), by striking ``or'' at the end;

(2) in subparagraph (F)(ii), by striking the period at the

end and inserting ``; or''; and

(3) by adding at the end the following:

``(G) documentation has been provided to the

appropriate local educational agency showing the status

of the child as an eligible child (as defined in

subsection (b)(15)(A)).''.

(c) Agreement for Direct Certification and Cooperation by State

Medicaid Agencies.--

(1) In general.--Section 1902(a)(7) of the Social Security

Act (42 U.S.C. 1396a(a)(7)) is amended to read as follows:

``(7) provide--

``(A) safeguards which restrict the use or

disclosure of information concerning applicants and

recipients to purposes directly connected with--

``(i) the administration of the plan; and

``(ii) the exchange of information necessary

to certify or verify the certification of

eligibility of children for free or reduced price

breakfasts under the Child Nutrition Act of 1966

and free or reduced price lunches under the

Richard B. Russell National School Lunch Act, in

accordance with section 9(b) of that Act, using

data standards and formats established by the

State agency; and

``(B) that, notwithstanding the Express Lane option

under subsection (e)(13), the State may enter into an

agreement with the State agency administering the school

lunch program established under the Richard B. Russell

National School Lunch Act under which the State shall

establish procedures to ensure that--

``(i) a child receiving medical assistance

under the State plan under this title whose family

income does not exceed 133 percent of the poverty

line (as defined

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in section 673(2) of the Community Services Block

Grant Act, including any revision required by such

section), as determined without regard to any

expense, block, or other income disregard,

applicable to a family of the size involved, may

be certified as eligible for free lunches under

the Richard B. Russell National School Lunch Act

and free breakfasts under the Child Nutrition Act

of 1966 without further application; and

``(ii) the State agencies responsible for

administering the State plan under this title, and

for carrying out the school lunch program

established under the Richard B. Russell National

School Lunch Act (42 U.S.C. 1751 et seq.) or the

school breakfast program established by section 4

of the Child Nutrition Act of 1966 (42 U.S.C.

1773), cooperate in carrying out paragraphs (3)(F)

and (15) of section 9(b) of that Act;''.

(2) <<NOTE: 42 USC 1396a note.>> Effective date.--

(A) In general.--Except as provided in subparagraph

(B), the amendments made by this subsection shall take

effect on the date of enactment of this Act.

(B) Extension of effective date for state law

amendment.--In the case of a State plan under title XIX

of the Social Security Act (42 U.S.C. 1396 et seq.)

which the Secretary of Health and Human Services

determines requires State legislation in order for the

plan to meet the additional requirements imposed by the

amendments made by this section, the State plan shall

not be regarded as failing to comply with the

requirements of the amendments made by this section

solely on the basis of its failure to meet such

additional requirements before the first day of the

first calendar quarter beginning after the close of the

first regular session of the State legislature that

begins after the date of the enactment of this Act. For

purposes of the previous sentence, in the case of a

State that has a 2-year legislative session, each year

of the session is considered to be a separate regular

session of the State legislature.

(d) Conforming Amendments.--Section 444(b)(1) of the General

Education Provisions Act (20 U.S.C. 1232g(b)(1)) is amended--

(1) in subparagraph (I), by striking ``and'' at the end;

(2) in subparagraph (J)(ii), by striking the period at the

end and inserting ``; and'';

(3) by adding at the end the following:

``(K) <<NOTE: Confidentiality.>> the Secretary of

Agriculture, or authorized representative from the Food and

Nutrition Service or contractors acting on behalf of the Food

and Nutrition Service, for the purposes of conducting program

monitoring, evaluations, and performance measurements of State

and local educational and other agencies and institutions

receiving funding or providing benefits of 1 or more programs

authorized under the Richard B. Russell National School Lunch

Act (42 U.S.C. 1751 et seq.) or the Child Nutrition Act of 1966

(42 U.S.C. 1771 et seq.) for which the results will be reported

in an aggregate form that does not identify any individual, on

the conditions that--

``(i) any data collected under this subparagraph

shall be protected in a manner that will not permit the

personal

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identification of students and their parents by other

than the authorized representatives of the Secretary;

and

``(ii) any personally identifiable data shall be

destroyed when the data are no longer needed for program

monitoring, evaluations, and performance

measurements.''.