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.''.