SEC. 531. AUTHORITY TO USE APPROPRIATED FUNDS TO SUPPORT DEPARTMENT OF DEFENSE STUDENT MEAL PROGRAMS IN DOMESTIC DEPENDENT ELEMENTARY AND SECONDARY SCHOOLS LOCATED OUTSIDE THE UNITED STATES.

Section 2243 of title 10, United States Code, is amended—

(1) in the heading, by inserting "defense" after "overseas";

(2) in subsection (a)—

(A) by striking "the defense dependents' education system" and inserting "overseas defense dependents' schools"; and

(B) by striking "students enrolled in that system" and inserting "a student enrolled in such a school";

(3) in subsection (d), by striking "Department of Defense dependents schools which are located outside the United States" and inserting "overseas defense dependents' schools"; and

(4) by adding at the end the following new subsection:

"(e) OVERSEAS DEFENSE DEPENDENTS' SCHOOL DEFINED.—In this section, the term 'overseas defense dependents' school' means—

"(1) a school established as part of the defense dependents' education system provided for under the Defense Dependents' Education Act of 1978 (20 U.S.C. 921 et seq.); or

"(2) an elementary or secondary school established pursuant to section 2164 of this title that is located in a territory, commonwealth, or possession of the United States.".

[Please note: The "Changes to Existing Law" section below sets out in red-line format how the legislative text would amend existing law.]

Section-by-Section Analysis

Section 2243, title 10, U.S.C. authorizes the Secretary of Defense to enable an overseas meal program for students enrolled in Department of Defense (DoD) Schools outside the U.S. The overseas Student Meal Program (SMP) provides meals to overseas students at a price equal to the average price paid by students for equivalent meals under a comparable public school meal program in the continental United States. This proposal would extend 10 U.S.C. section 2243 authority to U.S. territories, commonwealths, and possessions.

Currently, the authority granted by 10 U.S.C. 2243 is only for DoD schools located outside of the United States. The law does not address SMPs in DoD schools within the continental U.S. and its territories, under the authority of the DoD Domestic Dependent Elementary School System (DDESS). However, some SMPs for DDESS schools geographically located in U.S. territories, commonwealths, and possessions experience the same operational costs as SMPs located in overseas' areas. Current policy is to close these SMPs if they are unable to operate on a break-even basis. The proposed change to section 2243 would allow DDESS schools, that otherwise cannot operate on a break-even basis, to continue to offer meals to students in U.S. territories, commonwealths, and possessions. Both DoDDS and DDESS are managed by the DoD Education Activity (DoDEA).

There are precedents for DoD to offset SMP losses. In state-funded meal programs, operators/administrators of the United States Department of Agriculture (USDA) Child Nutrition Programs receive USDA state administrative expense funds as well as state matching dollars equivalent to 30 percent of the USDA base reimbursement. DoD is not eligible for the USDA state administrative expense funds, and does not have the funding authority to provide the 30 percent matching funds.

Budgetary Implications: This proposal would be funded from within Department of Defense Education Activity budget for Operations and Maintenance appropriations. The baseline funding is outlined below. Annual number of meals served multiplied by maximum USDA reimbursement rate ($2.86) = Total income. Annual number of meals served multiplied by Guam Department of Education cost per plate ($4.50) = Total cost. Total income (-) total cost = program profit/loss. Methodology overstates income as all meals are not reimbursed at the USDA maximum rate.

RESOURCE REQUIREMENTS ($MILLIONS)									
	FY 2016	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	**Appropriation From**	**Budget Activity**	**Dash-1 Line Item**	**Program Element**
DoDEA	.25	.25	.25	.25	.25	Operation and Maintenance, Defense-Wide	04	4GTJ	0808717BT
Army	--	--	--	--	--	--	--	--	--
Navy	--	--	--	--	--	--	--	--	--

Marine Corps	--	--	--	--	--	--	--	--	--
Air Force	--	--	--	--	--	--	--	--	--
Total	.25	.25	.25	.25	.25	--	--	--	--

NUMBER OF PERSONNEL AFFECTED					
	FY 2016	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**
Air Force	N/A	N/A	N/A	N/A	N/A
Army	N/A	N/A	N/A	N/A	N/A
Marine Corps	N/A	N/A	N/A	N/A	N/A
Navy	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A

Changes to Existing Law: The proposal would amend section 2243 of title 10, United States Code, as follows:

§ 2243. Authority to use appropriated funds to support student meal programs in overseas <u>defense</u> dependents' schools

(a) AUTHORITY.—Subject to subsection (b), amounts appropriated to the Department of Defense for the operation of ~~the defense dependents' education system~~ <u>overseas defense dependents' schools</u> may be used by the Secretary of Defense to enable an overseas meal program to provide ~~students enrolled in that system~~ <u>a student enrolled in such a school</u> with meals at a price equal to the average price paid by students for equivalent meals under a comparable public school meal program in the United States.

(b) ANNUAL LIMITATION.—The authority provided by subsection (a) may be used only if the Secretary of Defense determines that Federal payments and commodities provided under section 20 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769b) and section 20 of the Child Nutrition Act of 1966 (42 U.S.C. 1789) to support an overseas meal program are insufficient to provide meals under that program at a price for students equal to the average price paid by students for equivalent meals under a comparable public school meal program in the United States.

(c) DETERMINING AVERAGE PRICE.—In determining the average price paid by students in the United States for meals under a school meal program, the Secretary of Defense shall exclude free and reduced price meals provided pursuant to income guidelines.

(d) OVERSEAS MEAL PROGRAM DEFINED.—In this section, the term "overseas meal program" means a program administered by the Secretary of Defense to provide breakfasts or lunches to students attending ~~Department of Defense schools which are located outside the United States~~ <u>overseas defense dependents' schools</u>.

(e) OVERSEAS DEFENSE DEPENDENTS' SCHOOL DEFINED.—In this section, the term "overseas defense dependents' school" means—

(1) a school established as part of the defense dependents' education system provided for under the Defense Dependents' Education Act of 1978 (20 U.S.C. 921 et seq.); or

(2) an elementary or secondary school established pursuant to section 2164 of this title that is located in a territory, commonwealth, or possession of the United States.