

State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 2280

02/25/2014 Authored by Anderson, S.; Erickson, S., and Woodard

The bill was read for the first time and referred to the Committee on Education Finance

1.1 A bill for an act  
1.2 relating to education finance; authorizing school districts to seek reimbursement  
1.3 of unpaid school meals money from the Minnesota Department of Education;  
1.4 amending Minnesota Statutes 2012, section 124D.111, as amended; Laws 2013,  
1.5 chapter 116, article 9, section 1, subdivision 2.

1.6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.7 Section 1. Minnesota Statutes 2012, section 124D.111, as amended by Laws 2013,  
1.8 chapter 125, article 1, section 27, is amended to read:

1.9 **124D.111 LUNCH AID; FOOD SERVICE ACCOUNTING.**

1.10 Subdivision 1. **School lunch aid computation.** (a) Each school year, the state must  
1.11 pay participants in the national school lunch program the amount of 12.5 cents for each  
1.12 full paid, reduced-price, and free student lunch served to students.

1.13 (b) Each year, the Minnesota Department of Education must reimburse school  
1.14 districts for the costs of unpaid meals according to subdivision 3.

1.15 Subd. 2. **Application.** A school district, charter school, nonpublic school, or other  
1.16 participant in the national school lunch program shall apply to the department for ~~this school~~  
1.17 meal payment and reimbursement of unpaid meals on forms provided by the department.

1.18 Subd. 3. **School food service fund.** (a) The expenses described in this subdivision  
1.19 must be recorded as provided in this subdivision.

1.20 (b) In each district, the expenses for a school food service program for pupils must  
1.21 be attributed to a school food service fund. Under a food service program, the school  
1.22 food service may prepare or serve milk, meals, or snacks in connection with school or  
1.23 community service activities.

(c) Revenues and expenditures for food service activities must be recorded in the food service fund. The costs of processing applications, accounting for meals, preparing and serving food, providing kitchen custodial services, and other expenses involving the preparing of meals or the kitchen section of the lunchroom may be charged to the food service fund or to the general fund of the district. The costs of lunchroom supervision, lunchroom custodial services, lunchroom utilities, and other administrative costs of the food service program must be charged to the general fund.

That portion of superintendent and fiscal manager costs that can be documented as attributable to the food service program may be charged to the food service fund provided that the school district does not employ or contract with a food service director or other individual who manages the food service program, or food service management company. If the cost of the superintendent or fiscal manager is charged to the food service fund, the charge must be at a wage rate not to exceed the statewide average for food service directors as determined by the department.

(d) Capital expenditures for the purchase of food service equipment must be made from the general fund and not the food service fund, unless the unreserved balance in the food service fund at the end of the last fiscal year is greater than the cost of the equipment to be purchased.

(e) If the condition set out in paragraph (d) applies, the equipment may be purchased from the food service fund.

(f) If a deficit in the food service fund exists at the end of a fiscal year, and the deficit is not eliminated by revenues from food service operations in the next fiscal year, then the deficit must be eliminated by a permanent fund transfer from the general fund at the end of that second fiscal year. However, if a district contracts with a food service management company during the period in which the deficit has accrued, the deficit must be eliminated by a payment from the food service management company.

(g) Notwithstanding paragraph (f), a district may incur a deficit in the food service fund for up to three years without making the permanent transfer if the district submits to the commissioner by January 1 of the second fiscal year a plan for eliminating that deficit at the end of the third fiscal year.

(h) If a surplus in the food service fund exists at the end of a fiscal year for three successive years, a district may recode for that fiscal year the costs of lunchroom supervision, lunchroom custodial services, lunchroom utilities, and other administrative costs of the food service program charged to the general fund according to paragraph (c) and charge those costs to the food service fund in a total amount not to exceed the amount of surplus in the food service fund.

(i) If a participant in the national school lunch program has adopted a policy under subdivision 4 and unpaid school meal fees from the families of students, the participant may submit a form to the department for reimbursement of the unpaid meal fees.

Subd. 4. **Policy of no refusal.** The governing board of a participant is eligible for reimbursement of unpaid school meals served to children if the governing board has adopted a policy ensuring a student who does not pay for the meal may receive the same meal as all other students. The policy must also ensure that reminders for payment do not demean or stigmatize children.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 2. Laws 2013, chapter 116, article 9, section 1, subdivision 2, is amended to read:

Subd. 2. **Department.** (a) For the Department of Education:

\$ 20,058,000 ..... 2014

\$ 19,308,000 ..... 2015

Any balance in the first year does not cancel but is available in the second year.

(b) \$260,000 each year is for the Minnesota Children's Museum.

(c) \$41,000 each year is for the Minnesota Academy of Science.

(d) \$50,000 each year is for the Duluth Children's Museum.

(e) \$618,000 each year is for the Board of Teaching. Any balance in the first year does not cancel but is available in the second year.

(f) \$167,000 each year is for the Board of School Administrators. Any balance in the first year does not cancel but is available in the second year.

(g) The expenditures of federal grants and aids as shown in the biennial budget document and its supplements are approved and appropriated and shall be spent as indicated.

(h) None of the amounts appropriated under this subdivision may be used for Minnesota's Washington, D.C. office.

(i) \$250,000 each year is for the School Finance Division to enhance financial data analysis.

(j) \$750,000 in fiscal year 2014 only is for departmental costs associated with teacher development and evaluation. Any balance in the first year does not cancel and is available in the second year.

(k) The amounts appropriated under this subdivision may be used for school meals reimbursements under Minnesota Statutes, section 124D.111.

**EFFECTIVE DATE.** This section is effective the day following final enactment.