

**SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION**

S.F. No. 4401

(SENATE AUTHORS: NELSON)

DATE
03/16/2020

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5517

Introduction and first reading
Referred to E-12 Finance and Policy

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to education; modifying school meal policy and aid provisions;
1.3 appropriating money; amending Minnesota Statutes 2018, sections 124D.111;
1.4 126C.05, subdivision 16; Laws 2019, First Special Session chapter 11, article 7,
1.5 section 1, subdivision 2.

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

1.7 Section 1. Minnesota Statutes 2018, section 124D.111, is amended to read:

1.8 **124D.111 LUNCH MEAL AID; SCHOOL MEAL POLICY; FOOD SERVICE**
1.9 **ACCOUNTING.**

1.10 Subdivision 1. ~~School lunch aid computation~~ meal policy; definitions. ~~Each school~~
1.11 ~~year, the state must pay participants in the national school lunch program the amount of~~
1.12 ~~12.5 cents for each full paid and free student lunch and 52.5 cents for each reduced-price~~
1.13 ~~lunch served to students.~~ (a) For purposes of this section the following terms have the
1.14 meanings given:

1.15 (1) "school meal" means a meal provided to students during the school day; and

1.16 (2) "a la carte" means a food item ordered separate from the school meal.

1.17 (b) Each Minnesota participant in the national school lunch program must adopt and
1.18 post to its website, or the website of the organization where the meal is served, a school
1.19 meal policy. The policy must:

1.20 (1) be in writing and clearly communicate student meal charges when payment cannot
1.21 be collected at the point of service;

2.1 (2) be reasonable, well defined, and maintain the dignity of students by prohibiting lunch
2.2 shaming or otherwise ostracizing the student;

2.3 (3) address whether the participant uses a collection agency to collect unpaid school
2.4 meal debt;

2.5 (4) ensure any communication to collect unpaid school meal debt must be made by
2.6 school staff trained on the school district's policy on collecting student meal debt.

2.7 Communication relating to school meal debt must be delivered only to the student's parent
2.8 or guardian;

2.9 (5) ensure that once a participant has placed a meal on a tray or otherwise served a meal
2.10 to a student, the meal must not be subsequently withdrawn from the student by a cashier or
2.11 other school official because the student has outstanding school meal debt;

2.12 (6) ensure that a student who is eligible for free or reduced-price lunch must always be
2.13 served a reimbursable meal even if the student has outstanding school meal debt;

2.14 (7) provide a meal vendor with the school meal policy if a participant contracts with a
2.15 third-party vendor for meal services. Any contract between a school and a third-party vendor
2.16 entered into or modified after July 1, 2020, must ensure that the third-party vendor adheres
2.17 to the participant's school meal policy; and

2.18 (8) require school nutrition staff to be trained on the policy.

2.19 Subd. 1a. **School meal aid amounts.** Each school year, the state must pay each Minnesota
2.20 participant in the national school lunch program the amount of 12.5 cents for each full paid
2.21 and free school meal, 52.5 cents for each reduced-price school meal, and 52.5 cents plus
2.22 the federal reduced-price meal reimbursement rate for each school meal qualifying under
2.23 section 126C.05, subdivision 16, paragraph (b).

2.24 Subd. 2. **Application.** A school district, charter school, nonpublic school, or other
2.25 participant in the national school lunch program shall apply to the department for this
2.26 payment on forms provided by the department.

2.27 Subd. 2a. **Federal Child and Adult Care Food Program; criteria and notice.** The
2.28 commissioner must post on the department's website eligibility criteria and application
2.29 information for nonprofit organizations interested in applying to the commissioner for
2.30 approval as a multisite sponsoring organization under the federal Child and Adult Care
2.31 Food Program. The posted criteria and information must inform interested nonprofit
2.32 organizations about:

3.1 (1) the criteria the commissioner uses to approve or disapprove an application, including
3.2 how an applicant demonstrates financial viability for the Minnesota program, among other
3.3 criteria;

3.4 (2) the commissioner's process and time line for notifying an applicant when its
3.5 application is approved or disapproved and, if the application is disapproved, the explanation
3.6 the commissioner provides to the applicant; and

3.7 (3) any appeal or other recourse available to a disapproved applicant.

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

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

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

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

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

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

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

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

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

4.17 Subd. 4. **No fees.** A participant that receives school ~~lunch~~ meal aid under this section
4.18 must make ~~lunch~~ meals available without charge and must not deny a school meal to all
4.19 participating students who qualify for free or reduced-price meals or who qualify for school
4.20 meal aid under section 126C.05, subdivision 16, paragraph (b), whether or not that student
4.21 has an outstanding balance in the student's meal account attributable to a la carte purchases
4.22 or for any other reason. ~~The participant must also ensure that any reminders for payment~~
4.23 ~~of outstanding student meal balances do not demean or stigmatize any child participating~~
4.24 ~~in the school lunch program.~~

4.25 Subd. 5. **Respectful treatment.** (a) A participant must provide meals to students in a
4.26 respectful manner according to the policy adopted under subdivision 1. A participant must
4.27 ensure that any communication regarding payment of outstanding student meal debt does
4.28 not demean or stigmatize any child participating in the school meal program. A participant
4.29 must not impose any restriction prohibited under section 123B.37 due to unpaid student
4.30 meal debt. A participant must not limit a student's participation in any school activities,
4.31 graduation ceremonies, field trips, athletics, activity clubs, or other extracurricular activities
4.32 or access to materials, technology, or other items provided to students due to an unpaid
4.33 student meal debt.

5.1 (b) If the commissioner or the commissioner's designee determines a participant has
 5.2 violated the requirement to provide meals to participating students in a respectful manner,
 5.3 the commissioner or the commissioner's designee must send a letter of noncompliance to
 5.4 the participant. The participant is required to respond and, if applicable, remedy the practice
 5.5 within 60 days.

5.6 **EFFECTIVE DATE.** This section is effective July 1, 2020.

5.7 Sec. 2. Minnesota Statutes 2018, section 126C.05, subdivision 16, is amended to read:

5.8 Subd. 16. **Free and reduced-price lunches meals.** (a) The commissioner ~~shall~~ must
 5.9 determine the number of children eligible to receive either a free or reduced-price ~~lunch~~
 5.10 meal on October 1 each year. Children enrolled in a building on October 1 and determined
 5.11 to be eligible to receive free or reduced-price ~~lunch~~ meal under this paragraph by December
 5.12 15 of that school year ~~shall~~ must be counted as eligible on October 1 for purposes of
 5.13 subdivision 3. The commissioner may use federal definitions for these purposes and may
 5.14 adjust these definitions as appropriate. The commissioner may adopt reporting guidelines
 5.15 to assure accuracy of data counts and eligibility. Districts ~~shall~~ must use any guidelines
 5.16 adopted by the commissioner.

5.17 (b) For purposes of section 124D.111, a child who is enrolled in a building on October
 5.18 1 and whose parents or guardians have income greater than 185 percent but less than or
 5.19 equal to 200 percent of the federal poverty level is eligible for school meal aid.

5.20 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2021 and later.

5.21 Sec. 3. Laws 2019, First Special Session chapter 11, article 7, section 1, subdivision 2, is
 5.22 amended to read:

5.23 Subd. 2. **School lunch.** For school lunch aid under Minnesota Statutes, section 124D.111,
 5.24 and Code of Federal Regulations, title 7, section 210.17:

| | | | | |
|------|----|-----------------------|-------|------|
| 5.25 | \$ | 16,306,000 | | 2020 |
| 5.26 | | 16,575,000 | | |
| 5.27 | \$ | <u>.....</u> | | 2021 |

5.28 **EFFECTIVE DATE.** This section is effective July 1, 2020.

6.1 Sec. 4. APPROPRIATION.

6.2 Subdivision 1. Department of Education. The sum indicated in this section is
6.3 appropriated from the general fund to the Department of Education for the fiscal year
6.4 designated.

6.5 Subd. 2. Automated school meal payment systems. (a) For grants to school districts
6.6 for automated new or updated school meal payment and communication systems:

6.7 § 2021

6.8 (b) A school district must apply for a grant in the form and manner determined by the
6.9 commissioner. Grant funds must be used to purchase and maintain automated school meal
6.10 payment and communication systems.

6.11 (c) This is a onetime appropriation.