

SENATE

STATE OF MINNESOTA

EIGHTY-SEVENTH LEGISLATURE

S.F. No. 1971

(SENATE AUTHORS: GAZELKA, Stumpf, Olson, Bonoff and Nelson)

DATE	D-PG	OFFICIAL STATUS
02/20/2012	3856	Introduction and first reading Referred to Education
03/13/2012		HF substituted in committee HF2376

A bill for an act  
relating to education finance; simplifying the approval process for food service  
equipment purchased from the food service fund; amending Minnesota Statutes  
2010, section 124D.111, subdivision 3.

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

Section 1. Minnesota Statutes 2010, section 124D.111, subdivision 3, is amended to  
read:

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

(b) In each district, the expenses for a school food service program for pupils must  
be attributed to a school food service fund. Under a food service program, the school  
food service may prepare or serve milk, meals, or snacks in connection with school or  
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 ~~two conditions apply:~~

~~(1) 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; and~~

~~(2) the department has approved the purchase of the equipment.~~

(e) If the ~~two conditions~~ condition set out in paragraph (d) ~~apply~~ 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.

**EFFECTIVE DATE.** This section is effective for food service equipment purchases made on or after July 1, 2012.