

**124D.111 SCHOOL MEALS POLICIES; LUNCH AID; FOOD SERVICE ACCOUNTING.**

Subdivision 1. **School meals policies.** (a) Each Minnesota participant in the national school lunch program must adopt and post to its website, or the website of the organization where the meal is served, a school meals policy.

(b) The policy must be in writing and clearly communicate student meal charges when payment cannot be collected at the point of service. The policy must be reasonable and well-defined and maintain the dignity of students by prohibiting lunch shaming or otherwise ostracizing the student.

(c) The policy must address whether the participant uses a collections agency to collect unpaid school meals debt.

(d) The policy must ensure that once a participant has placed a meal on a tray or otherwise served the meal to a student, the meal may not be subsequently withdrawn from the student by the cashier or other school official, whether or not the student has an outstanding meals balance.

(e) The policy must ensure that a student who has been determined eligible for free and reduced-price meals must always be served a reimbursable meal even if the student has an outstanding debt.

(f) If a school contracts with a third party for its meal services, it must provide the vendor with its school meals policy. Any contract between the school and a third-party provider entered into or modified after July 1, 2021, must ensure that the third-party provider adheres to the participant's school meals policy.

Subd. 1a. **School lunch aid amounts.** (a) For fiscal years 2025 through 2027, the state must pay participants in the national school lunch program either:

(1) the amount of 12.5 cents for each full paid and free student lunch and 52.5 cents for each reduced-price lunch served to students; or

(2) if the school participates in the free school meals program under subdivision 1c, the sum of: (i) 12.5 cents for each full paid, reduced-price, and free student lunch; and (ii) the amount specified in subdivision 1d.

(b) For fiscal year 2028 and later, the state must pay participants in the national school lunch program either:

(1) the amount of 6.25 cents for each full paid and free student lunch and 46.25 cents for each reduced-price lunch served to students; or

(2) if the school participates in the free school meals program under subdivision 1c, the sum of:

(i) 6.25 cents for each full paid, reduced-price, and free student lunch; and

(ii) the amount specified in subdivision 1d.

Subd. 1b. **Application.** A school district, charter school, nonpublic school, or other participant in the national school lunch program must apply to the department for school meals payments in the manner provided by the department.

Subd. 1c. **Free school meals program.** (a) The free school meals program is created within the Department of Education.

(b) Each school that participates in the United States Department of Agriculture National School Lunch program and has an Identified Student Percentage below the federal percentage determined for all meals to be reimbursed at the free rate via the Community Eligibility Provision must participate in the free school meals program.

(c) Each school that participates in the United States Department of Agriculture National School Lunch program and has an Identified Student Percentage at or above the federal percentage determined for all meals to be reimbursed at the free rate must participate in the federal Community Eligibility Provision in order to participate in the free school meals program.

(d) Each school that participates in the free school meals program must:

(1) participate in the United States Department of Agriculture School Breakfast Program and the United States Department of Agriculture National School Lunch Program; and

(2) provide to all students at no cost up to two federally reimbursable meals per school day, with a maximum of one free breakfast and one free lunch.

Subd. 1d. **Free school meals program aid amount.** The department must provide to every Minnesota school participating in the free school meals program state funding for each school lunch and breakfast served to a student, with a maximum of one breakfast and one lunch per student per school day. The state aid equals the difference between the applicable federal reimbursement rate at that school site for a free meal, as determined annually by the United States Department of Agriculture, and the actual federal reimbursement received by the participating school for the breakfast or lunch served to the student.

Subd. 2. MS 2022 [Repealed by amendment, 2023 c 18 s 1]

Subd. 2a. **Federal child and adult care food program and federal summer food service program; criteria and notice; board of directors; salaries.** (a) The commissioner must post on the department's website eligibility criteria and application information for nonprofit organizations interested in applying to the commissioner for approval as a multisite sponsoring organization under the federal child and adult care food program and federal summer food service program. The posted criteria and information must inform interested nonprofit organizations about:

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

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

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

(b) The commissioner must evaluate financial eligibility as part of the application process. An organization applying to be a prospective nonprofit multisite sponsoring organization for the federal child and adult care food program or the federal summer food service program must provide documentation of financial viability as an organization. Documentation must include:

(1) evidence that the organization has operated for at least one year and has filed at least one tax return;

(2) the most recent tax return submitted by the organization and corresponding forms and financial statements;

(3) a profit and loss statement and balance sheet or similar financial information; and

(4) evidence that at least ten percent of the organization's operating revenue comes from sources other than the United States Department of Agriculture child nutrition program and that the organization has additional funds or a performance bond available to cover at least one month of reimbursement claims.

(c) When a nonprofit organization applies for sponsorship as a multisite sponsoring organization under the federal child and adult care food program or federal summer food service program, applications are evaluated on the following criteria in addition to federal requirements:

(1) any sponsor that applies to receive reimbursement over the federal single audit threshold, as defined in Code of Federal Regulations, title 2, section 200, must ensure a minimum of one full-time equivalent financial director, or similar role, for the organization. This position must be solely dedicated to the responsibilities of a financial director, or similar role, and be separate from any other position within the organization;

(2) volunteers must not be allowed to make organization-level decisions, monitor sites, or provide financial oversight. Board members, whether paid or unpaid, are not considered volunteers; and

(3) unless granted special approval by the commissioner, sponsoring organizations are limited to an annual maximum increase of 25 percent for the number of sponsored sites and total reimbursement.

(d) A nonprofit multisite sponsoring organization must be governed by a board of directors consistent with the following requirements:

(1) board bylaws must outline the procedures for changing the governance structure, following the requirements of chapter 317A;

(2) board of director meetings must comply with chapter 13D governing open meetings; and

(3) a nonprofit multisite sponsoring organization must publish and maintain:

(i) the meeting minutes of the board of directors and of members and committees having board-delegated authority, within 30 days following the earlier of the date of board approval or the next regularly scheduled meeting, and for at least 365 days from the date of publication; and

(ii) directory information for the board of directors and for the members of committees having board-delegated authority.

(e) The commissioner must post annually on the department's website the approved salary range for the positions of executive director, financial director, monitoring staff, administrative staff, and officer-level positions for multisite sponsoring organizations under the federal child and adult care food program and federal summer food service program. Salaries charged to the nonprofit food service fund must fall within these ranges.

Subd. 3. **School food service fund.** (a) The expenses described in this subdivision must be recorded as provided in this subdivision. To the extent possible, the Department of Education must not limit eligible expenditures from the food service fund to a level below that allowed by federal law.

(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 or serving area sections of the lunchroom may be charged to the food service fund or to the general fund of the district. For the purposes of this paragraph, the costs of serving food include the costs of technology and systems related to serving line automation and meal tracking. The costs of lunchroom custodial services, lunchroom utilities, lunchroom furniture, and other administrative costs of the food service program must be charged to the general fund. Staff whose primary responsibility is financial or program management of food service operations may charge time spent managing the program to the food service fund.

(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 restricted 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.

(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 the documented costs of lunchroom custodial services, lunchroom utilities, lunchroom furniture, and other administrative costs of the food service program charged to the general fund according to paragraph (c), or costs under paragraph (j), and charge those costs to the food service fund identified by the commissioner in a total amount not to exceed the amount of surplus.

(i) For purposes of this subdivision, "lunchroom furniture" means tables and chairs regularly used by pupils in a lunchroom from which they may consume milk, meals, or snacks in connection with school or community service activities.

(j) In addition to the uses authorized in paragraph (h) and subject to the same surplus fund balance limitations in paragraph (h), a district may spend the excess funds on expenses that improve the school food service, including the costs of plumbing, electrical, air handling, ventilation, or other building utility work necessary to operate equipment essential for food service activities or to remediate food service-related health and safety hazards.

Subd. 4. **No fees.** A participant that receives school lunch aid under this section must make lunch available without charge and must not deny a school lunch to all participating students who qualify for free or reduced-price meals, whether or not that student has an outstanding balance in the student's meals account.

Subd. 5. **Respectful treatment.** (a) The participant must also provide meals to students in a respectful manner according to the policy adopted under subdivision 1. The participant must ensure that any reminders for payment of outstanding student meal balances do not demean or stigmatize any child participating in the school lunch program, including but not limited to dumping meals; withdrawing a meal that has been served; announcing or listing students' names publicly; providing alternative meals not specifically related to dietary needs; providing nonreimbursable meals; or affixing stickers, stamps, or pins. The participant

must not impose any other restriction prohibited under section 123B.37 due to unpaid student meal balances. The participant must not limit a student's participation in any school activities, graduation ceremonies, field trips, athletics, activity clubs, or other extracurricular activities or access to materials, technology, or other items provided to students due to an unpaid student meal balance.

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

Subd. 6. **Second lunch.** A school that receives school lunch aid under this section must allow a student to purchase a second lunch at the nonprogram price if the student has already selected a reimbursable lunch.

**History:** 1977 c 447 art 6 s 6; 1979 c 334 art 6 s 22; 1981 c 358 art 6 s 26; 1983 c 314 art 6 s 17; 1Sp1985 c 12 art 6 s 11; 1987 c 398 art 6 s 11; 1989 c 209 art 1 s 12; 1991 c 265 art 8 s 5; 1992 c 499 art 8 s 6; 1Sp1995 c 3 art 16 s 13; 1998 c 397 art 7 s 75,164; art 11 s 3; 1998 c 398 art 6 s 25; 2000 c 489 art 7 s 2; 1Sp2005 c 5 art 5 s 2,3; 2006 c 282 art 6 s 1; 2007 c 146 art 5 s 5; 2012 c 138 s 1; 2013 c 116 art 7 s 2; 2013 c 125 art 1 s 27; 2014 c 272 art 5 s 1; 2014 c 312 art 19 s 1,2; 2016 c 189 art 27 s 3; 1Sp2021 c 13 art 8 s 1; 2023 c 18 s 1; 2023 c 55 art 9 s 1-3,19; 2024 c 109 art 7 s 1; 2024 c 115 art 9 s 1; 1Sp2025 c 10 art 9 s 1-4