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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 5326

04/08/2024 Authored by Youakim 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 certain lunchroom furniture costs in the
1.3 school food service fund; amending Minnesota Statutes 2023 Supplement, section
1.4 124D.111, subdivision 3.

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

1.6 Section 1. Minnesota Statutes 2023 Supplement, section 124D.111, subdivision 3, is
1.7 amended to read:

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

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

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

1.21 That portion of superintendent and fiscal manager costs that can be documented as
1.22 attributable to the food service program may be charged to the food service fund provided
1.23 that the school district does not employ or contract with a food service director or other

2.1 individual who manages the food service program, or food service management company.
2.2 If the cost of the superintendent or fiscal manager is charged to the food service fund, the
2.3 charge must be at a wage rate not to exceed the statewide average for food service directors
2.4 as determined by the department.

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

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

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

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

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

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

2.30 **EFFECTIVE DATE.** This section is effective for fiscal year 2024 and later.