

1.1 moves to amend H.F. No. 2201 as follows:

1.2 Page 2, line 30, after "pay" insert "nonpublic school"

1.3 Page 3, after line 5, insert:

1.4 "(c) Each school year, the state must pay public school participants in the national school
1.5 lunch program either:

1.6 (1) 40 cents for each reduced-price lunch served to students; or

1.7 (2) if the school participates in the free school meals program under subdivision 1c, the
1.8 amount specified in subdivision 1d."

1.9 Page 3, line 26, before "The" insert "(a)"

1.10 Page 4, after line 2, insert:

1.11 "(b) A school district or charter school may voluntarily reduce its payments from the
1.12 state under paragraph (a) by annually applying for a school meals aid adjustment in the
1.13 form and manner specified by the commissioner. The school district or charter school must
1.14 certify to the commissioner that it has sufficient funds in its food service fund to continue
1.15 providing meals for that fiscal year as required under this section."

1.16 Page 4, after line 10, insert:

1.17 "Sec. Minnesota Statutes 2024, section 124D.111, subdivision 3, is amended to read:

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

1.20 (b) In each district, the expenses for a school food service program for pupils must be
1.21 attributed to a school food service fund. Under a food service program, the school food

2.1 service may prepare or serve milk, meals, or snacks in connection with school or community
2.2 service activities.

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

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

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

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

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

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

2.33 (h) If a surplus in the food service fund exists at the end of a fiscal year for three
2.34 successive years, a district may recode for that fiscal year the costs of lunchroom supervision,

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) 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) 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) Notwithstanding paragraphs (a) to (i), to the extent allowed by federal law, a school district or charter school may use its food service fund balance for any purpose directly related to its school nutrition programs."

Page 4, line 25, strike "and"

Page 4, line 26, before "plus" insert "and voluntary reduction aid,"

Page 4, line 27, strike "and" and after "revenue" insert ", and voluntary reduction aid"

Page 5, after line 6, insert:

"Sec. Minnesota Statutes 2024, section 126C.10, subdivision 1, is amended to read:

Subdivision 1. **General education revenue.** The general education revenue for each district equals the sum of the district's basic revenue, extended time revenue, gifted and talented revenue, declining enrollment revenue, local optional revenue, small schools revenue, basic skills revenue, secondary sparsity revenue, elementary sparsity revenue, transportation sparsity revenue, total operating capital revenue, equity revenue, pension adjustment revenue, ~~and~~ transition revenue, and voluntary reduction aid.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2026 and later."

Page 6, after line 13, insert:

"Sec. Minnesota Statutes 2024, section 126C.10, is amended by adding a subdivision to read:

Subd. 2f. **Voluntary reduction aid.** (a) Voluntary reduction aid equals the sum of:

(1) the approved amount that a school district voluntarily reduced its aid payments for school meals under section 124D.111, subdivision 1d; and

(2) 12.5 cents for each school lunch served in that fiscal year.

4.1 (b) A school district's voluntary reduction aid must be reserved in an account in the
4.2 school district's general fund and must be used only for operating, facilities, or maintenance
4.3 purposes related to the school district's food service program.

4.4 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2026 and
4.5 later."

4.6 Page 6, line 18, delete "Local optional" and insert "General education"

4.7 Page 6, line 19, delete "126C.19" and insert "126C.13"

4.8 Renumber the sections in sequence and correct the internal references

4.9 Amend the title accordingly