

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

**S.F. No. 1902**

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Introduction and first reading  
Referred to Education Finance and Policy

OFFICIAL STATUS

1.1 A bill for an act  
1.2 relating to education finance; creating a community eligibility provision requirement  
1.3 for school meal program participation; modifying compensatory revenue; amending  
1.4 Minnesota Statutes 2020, section 126C.05, subdivision 3; proposing coding for  
1.5 new law in Minnesota Statutes, chapter 124D.

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

1.7 Section 1. [124D.1112] COMMUNITY ELIGIBILITY PROVISION  
1.8 PARTICIPATION AND TECHNICAL ASSISTANCE.

1.9 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have  
1.10 the meanings given.

1.11 (b) "Community eligibility provision" means the reimbursement option available for the  
1.12 national school lunch program and national school breakfast program, as defined under  
1.13 Code of Federal Regulations, title 7, section 245.9.

1.14 (c) "Community-eligibility qualifying school" means a school that, as determined by  
1.15 the Department of Education by April 1 of each year, meets the eligibility criteria specified  
1.16 in Code of Federal Regulations, title 7, section 245.9, for participation in the community  
1.17 eligibility provision. A school will be found to meet the eligibility criteria if the department  
1.18 determines it qualifies to do so as an individual school, as part of an entire local educational  
1.19 agency, or as part of a group of schools within a local educational agency, as defined under  
1.20 Code of Federal Regulations, title 7, section 245.9(f).

1.21 (d) "Full-reimbursement qualifying school" means a community-eligibility qualifying  
1.22 school that, as determined by the department by April 1 of each year, has an identified  
1.23 student percentage sufficient to allow the school to claim reimbursement through the

2.1 community eligibility provision at the applicable federal free rate for all meals served within  
2.2 the school as part of the national school lunch program and national school breakfast program.  
2.3 A school will be found to satisfy this definition if the department determines that it meets  
2.4 this criteria as an individual school, part of an entire local educational agency, or part of a  
2.5 group of schools within a local educational agency, as defined under Code of Federal  
2.6 Regulations, title 7, section 245.9(f).

2.7 (e) "Identified student" and "identified student percentage" have the meanings as defined  
2.8 under Code of Federal Regulations, title 7, section 245.9.

2.9 (f) "Local educational agency" has the meaning as defined under Code of Federal  
2.10 Regulations, title 7, section 245.2.

2.11 (g) "National school breakfast program" means the nonprofit breakfast program  
2.12 established by section 4 of the Child Nutrition Act of 1966, as defined under United States  
2.13 Code, title 42, section 1773.

2.14 (h) "National school lunch program" means the nonprofit lunch program established  
2.15 under the Richard B. Russell National School Lunch Act, as defined under United States  
2.16 Code, title 42, section 1751, et seq.

2.17 Subd. 2. **Purpose.** The purpose of this section is to leverage federal funding through the  
2.18 community eligibility provision to support students in achieving their academic potential,  
2.19 provide students with increased access to nutritious options while they are developing  
2.20 life-long eating habits, and reduce stigma associated with receiving free school meals.

2.21 Subd. 3. **Department duties.** (a) In addition to fulfilling any other applicable state and  
2.22 federal requirements, the department must provide to each local educational agency a list  
2.23 of schools as defined under Code of Federal Regulations, title 7, section 245.9(f)(5), within  
2.24 the time frame described therein, and must gather the information necessary to compile this  
2.25 list. As is allowed by the Code of Federal Regulations, this provision thereby exempts local  
2.26 educational agencies from the requirement to submit this information to the state.

2.27 (b) Within the time frame described in paragraph (a), the department must notify local  
2.28 educational agencies with one or more community-eligibility qualifying schools that are  
2.29 not full-reimbursement qualifying schools of the option to elect, for any such schools,  
2.30 national school lunch program and national school breakfast program meal reimbursement  
2.31 through the community eligibility provision.

2.32 (c) Within the time frame described in paragraph (a), the department must (1) identify  
2.33 full-reimbursement qualifying schools; (2) provide each local educational agency with one

3.1 or more full-reimbursement qualifying schools a list of those schools; and (3) notify those  
 3.2 local educational agencies of the obligation to elect for any qualifying schools national  
 3.3 school lunch program and national school breakfast program meal reimbursement through  
 3.4 the community eligibility provision.

3.5 (d) The department must provide technical assistance to a local educational agency with  
 3.6 one or more community-eligibility qualifying schools to assist them in meeting any state  
 3.7 and federal requirements necessary in order to receive reimbursement through the community  
 3.8 eligibility provision.

3.9 (e) The department must ensure appropriate reimbursement rates for schools and districts  
 3.10 using the community eligibility provision.

3.11 (f) If a school or district is ineligible to receive reimbursement through the community  
 3.12 eligibility provision, the department must assist the school or district, if feasible, in achieving  
 3.13 eligibility.

3.14 (g) The department shall conduct an annual review to identify local educational agencies  
 3.15 that have not fully complied with subdivision 4 and provide notification of that determination  
 3.16 to the relevant local educational agencies within 30 days of making that determination.

3.17 **Subd. 4. Community eligibility provision; required participation; exemption.** (a)  
 3.18 Except as provided otherwise by this section, effective in the 2022-2023 school year and  
 3.19 every school year thereafter, each school that is qualified for full reimbursement must  
 3.20 participate in the community eligibility provision in the subsequent school year and  
 3.21 throughout the duration of the community eligibility provision's four-year cycle.

3.22 (b) Schools that, through an arrangement with a local entity, provide meals to all students  
 3.23 and at no cost to the students are exempt from the requirements of this section.

3.24 **Subd. 5. Reporting obligations for noncompliant full-reimbursement qualifying**  
 3.25 **schools.** A local agency with one or more schools that qualify for full reimbursement that  
 3.26 fails to comply with subdivision 4 must respond to a notification of noncompliance from  
 3.27 the department within 60 days of receipt of the notification. The response must include a  
 3.28 report available to the public on any obstacles to participation that contributed to the  
 3.29 noncompliance and plans to ensure compliance for the following school year.

3.30 Sec. 2. Minnesota Statutes 2020, section 126C.05, subdivision 3, is amended to read:

3.31 Subd. 3. **Compensation revenue pupil units.** Compensation revenue pupil units for  
 3.32 fiscal year 1998 and thereafter must be computed according to this subdivision.

4.1 (a) The compensation revenue concentration percentage for each building in a district  
4.2 equals the product of 100 times the ratio of:

4.3 (1) the sum of the number of pupils enrolled in the building eligible to receive free lunch  
4.4 plus one-half of the pupils eligible to receive reduced priced lunch on October 1 of the  
4.5 previous fiscal year; to

4.6 (2) the number of pupils enrolled in the building on October 1 of the previous fiscal  
4.7 year.

4.8 (b) The compensation revenue pupil weighting factor for a building equals the lesser of  
4.9 one or the quotient obtained by dividing the building's compensation revenue concentration  
4.10 percentage by 80.0.

4.11 (c) The compensation revenue pupil units for a building equals the product of:

4.12 (1) the sum of the number of pupils enrolled in the building eligible to receive free lunch  
4.13 and one-half of the pupils eligible to receive reduced priced lunch on October 1 of the  
4.14 previous fiscal year; times

4.15 (2) the compensation revenue pupil weighting factor for the building; times

4.16 (3) .60.

4.17 (d) Notwithstanding paragraphs (a) to (c), for voluntary prekindergarten programs under  
4.18 section 124D.151, charter schools, and contracted alternative programs in the first year of  
4.19 operation, compensation revenue pupil units shall be computed using data for the current  
4.20 fiscal year. If the voluntary prekindergarten program, charter school, or contracted alternative  
4.21 program begins operation after October 1, compensatory revenue pupil units shall be  
4.22 computed based on pupils enrolled on an alternate date determined by the commissioner,  
4.23 and the compensation revenue pupil units shall be prorated based on the ratio of the number  
4.24 of days of student instruction to 170 days.

4.25 (e) Notwithstanding paragraphs (a) to (c), for voluntary prekindergarten seats discontinued  
4.26 in fiscal year 2022 due to the reduction in the participation limit under section 124D.151,  
4.27 subdivision 6, those discontinued seats must not be used to calculate compensation revenue  
4.28 pupil units for fiscal year 2022.

4.29 (f) The percentages in this subdivision must be based on the count of individual pupils  
4.30 and not on a building average or minimum.

4.31 (g) Notwithstanding paragraph (f), for fiscal year 2022 and later, for a school participating  
4.32 in the community eligibility provision program or special assistance program under section

- 5.1 11(a)(1), of the Richard B. Russell National School Lunch Act, United States Code, title  
5.2 42, section 1759a, compensation revenue pupil units may be calculated using the first year  
5.3 of the four-year cycle student counts for each year a school participates in the program.  
5.4 Schools may include additional students who are eligible for free and reduced-price meals  
5.5 who enroll during the four-year cycle for the purpose of the compensatory revenue count.