

## Senate Bill 265

The Sylvan Union School District had a meal charge policy debt limit of \$50.00 per student. Full paid students that reached the debt limit of \$50.00 charge limit were directed by staff to the share table where they were able to select items to have for breakfast or lunch. Recently Governor Newsom signed Senate Bill 265 that became law effective October 12, 2019. Senate Bill 265 states that a pupil whose parent or guardian has unpaid meal charges is not to be shamed, treated differently, or **denied a reimbursable meal of the pupils choice because of the fact that the pupil's parent or guardian has unpaid meal fees, and shall ensure that the pupil is not shamed or treated differently from other pupils.**

A child who has unpaid meal charges, is to be served a reimbursable meal of their choice throughout the school year regardless of the level of debt incurred by the household.

LEAs with current meal charge policies that allow for alternate meals or debt limits are out of compliance with the law as of October 12, 2019, and must immediately revise their local meal charge policies and provide written communication to households.

**Delinquent meal charge debt, also known as unrecovered debt, delinquent debt refers to meal charges that have not been paid by the student(s) or parent(s) during the fiscal year. SFAs must include policies regarding the collection of delinquent or unrecovered debt in the written meal charge policy and communicate the policy to households.** Our written charge policy that will be provided to the families provides parents or guardians with information regarding the ways the Nutrition Services Staff will attempt to collect the delinquent or unrecovered debt. After an SFA has taken all reasonable steps to recover the unrecovered or delinquent debt, and the SFA is unsuccessful in collecting the debt by the end of the fiscal year, then the CDE considers the debt as bad debt.

### **Bad debt must be covered by non-federal funding sources.**

Non-Federal funding sources must be used to repay the nonprofit school food service account for the total of the amount: Title 2, Code of Federal Regulations, Section 200.426: Bad debts are an unallowable cost to federal programs. According to federal guidance, unpaid meal charges are designated as unrecovered or delinquent debt until it is deemed uncollectable, at which time it becomes bad debt. Bad debt must be covered by non-federal funding sources. According to the California Department of Education Nutrition Services office revenues from non-program food sales generated by the Nutrition Service Department cannot be used to cover bad debt.

As of Monday, October 29, 2019 the delinquent debt total for all District sites is **\$13,453.68**. We expect this amount to increase significantly once the parents or guardians receive our updated Meal Charge Policy which is required per Senate Bill 265. A plan to clear all of the accumulated bad debt from a non-federal funding source will need to be included in the District budget so that the accumulated bad debt is cleared from the parents or guardians account prior to the end of the 2019-2020 fiscal year. The budgeting and clearing of the accumulated bad debt will need to be addressed every fiscal year as an on-going expense to the District budget. At this point there has been no information provided from the State of California with regards to the State of California reimbursing the districts for the amount paid to clear the accumulated bad debts as mandated by Senate Bill 265.

The Nutrition Services Department has updated the Sylvan Union School District Meal Charge Policy to reflect the requirements of Senate Bill 265 and the department will be sending out the updated Meal Charge Policy to all Sylvan Union School District families utilizing email, social media and the Nutrition Services website so that we are in compliance with Senate Bill 265.

The Nutrition Services staff will continue to attempt to collect the delinquent debt from parents or guardians by:

1. Having automated calls and emails sent on a daily basis to the parents or guardians that have negative meal balances.
2. Sending the parents or guardians payment reminders home in their students' folder.
3. Sending payment reminders to the parents or guardians through the US Postal Service.
4. Parents or guardians will receive personal telephone calls from their school Cafeteria Clerks (Elementary Schools) or Lead Speed Line Workers (Middle Schools) when the meal account goes into a negative status.
5. The Cafeteria Clerks and Lead Speed Line Workers will provide site Principals with updated lists of students that have negative meal balances so that the school site can assist with contacting the parent or guardian to clear the negative meal balance.

Senate Bill 265 states the LEAs may not take any action directed at a pupil to collect unpaid meal debt, but must direct these efforts to the parent or guardian of the child. The LEAs cannot use a debt collector, as defined in Section 803 of the federal Consumer Credit Protection Act (15 U.S.C. Section 1692a).

Under Senate Bill 265 school personnel cannot deny or delay students from receiving meals based on any disciplinary action. For example, a teacher cannot hold students back from going to lunch as a discipline action.

LEAs cannot mandate that a household complete and return a meal application.

All public schools districts, county offices of education (COE), and charter schools that participate in the National School Lunch (NSLP) or School Breakfast Program (SBP) must comply with this law.

I am including a copy of the Senate Bill 265 Management Bulletin from the California Department of Education Nutrition Services Division with this Board update for you to reference.