



2021-2022 General Assembly

SENATE BILL 105: 2021 Appropriations Act, Sec. 7.31: Operating Balance Restrictions for School Nutrition Programs

Committee:		Date:	February 23, 2022
Introduced by:		Prepared by:	Samantha Yarborough Staff Attorney
Analysis of:	Sec. 7.31 of S.L. 2021-180		

OVERVIEW: *Section 7.31 of S.L. 2021-180 prohibits public school units from assessing indirect costs to a school nutrition program unless the program has an operating balance of at least two months. The Department of Public Instruction (DPI) must calculate the operating balance of a school nutrition program of a public school unit that provides school nutrition services.*

Public school units are also prohibited from assessing an unrestricted indirect costs rate of more than 8% to a school nutrition program.

By May 15, 2022, and every six months thereafter, DPI must report all of the following information to the Joint Legislative Education Oversight Committee and various other entities:

- The number of months of operating balance held by the school nutrition program for each public school unit.*
- The amount and percentage of indirect costs charged to the school nutrition program by the public school unit, if any.*

This section became effective July 1, 2021.

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