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A bill to be entitled
 An act relating to public school food service programs;
 amending s. 1006.06, F.S.; revising provisions relating to
 the establishment of school food service programs;
 requiring district school boards to analyze the
 operational efficiency of school food service programs;
 requiring a cost accounting report; requiring requests for
 information relating to private-sector school food
 services under certain circumstances; requiring district
 school boards to consider outsourcing food service
 programs under certain circumstances; providing
 requirements for outsourcing school food services;
 requiring reports to the Department of Education and
 district school boards; amending s. 1010.20 F.S.;
 requiring the Department of Education to report to the
 Legislature and the State Board of Education the food
 service expenditures of each school district and the
 extent to which the services are self-supporting; amending
 s. 1010.21, F.S.; defining indirect costs for food service
 expenditure reporting; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Subsection (1) of section 1006.06, Florida
 Statutes, is amended, and subsection (6) is added to said
 section, to read:

1006.06 School food service programs.--

(1) In recognition of the demonstrated relationship
 between good nutrition and the capacity of students to develop

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30 and learn, it is the policy of the state to provide standards
31 for school food service and to require district school boards to
32 establish and maintain an appropriate ~~private~~ school food
33 service program consistent with the nutritional needs of
34 students.

35 (6)(a) Beginning with the 2004-2005 school year, each
36 school district shall analyze the operational efficiency of its
37 school food service program. The analysis shall include a review
38 of the financial condition of the school food service program
39 presented in a financial statement format and a review of the
40 program's profit and loss experience for the current and prior 3
41 fiscal years. The calculation of the profit and loss for the
42 program shall include all revenue and costs, including indirect
43 costs as defined in s. 1010.21(2), and shall be reported to the
44 Department of Education and the district school board within 60
45 days after the end of the district's fiscal year.

46 (b) School districts with 15,000 or more students with
47 school food service programs operating at a loss during any of
48 the past 3 fiscal years shall issue a request for information to
49 determine the availability and cost of private-sector school
50 food services. Any school district required to issue a request
51 for information pursuant to this subsection shall issue a report
52 to the Department of Education and the district school board
53 within 60 days after the due date of the request for information
54 summarizing the results of the request. The report presented to
55 the department and the district school board shall include the
56 total cost of providing food services by the school district as
57 required in paragraph (a) and the estimates of each private-
58 sector respondent to the request for information.

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59 (c) School food service programs in the state should
60 strive to operate in an efficient manner and require no
61 supplement of operating funds from the school district, which
62 funds are best used for other education-related activities.
63 School districts that have been required to supplement their
64 food service programs in prior years are encouraged to pursue
65 outsourcing for their food service programs when it is
66 advantageous to the school district to achieve economies of
67 scale. School districts outsourcing their food service programs
68 must require the private-sector vendor to provide first
69 consideration of employment to existing food service employees
70 and offer existing employees the choice to remain school
71 district employees or to become employees of the private-sector
72 vendor. Staff reductions resulting from the outsourcing of food
73 service programs shall be handled through attrition or placement
74 into other available school district positions prior to direct
75 layoffs of school district employees. A school district that
76 has supplemented its food service program in the current or
77 prior 3 years that chooses not to outsource its food service
78 program must justify the decision not to outsource the food
79 service program and submit an operational plan to reduce its
80 program expenditures to match revenue sources to the Department
81 of Education within 60 days after the decision not to outsource
82 the food service program.

83 Section 2. Paragraph (d) is added to subsection (2) of
84 section 1010.20, Florida Statutes, to read:

85 1010.20 Cost accounting and reporting for school
86 districts.--

87 (2) COST REPORTING.--

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88 (d) The Department of Education shall annually prepare a
89 report for submission to the President of the Senate, the
90 Speaker of the House of Representatives, and the State Board of
91 Education by October 1 of each year that identifies the school
92 food service expenditures of each school district that are
93 reported pursuant to s. 1006.06(6), including a narrative
94 description of the extent to which school food services are
95 self-supporting.

96 Section 3. Section 1010.21, Florida Statutes, is amended
97 to read:

98 1010.21 Indirect costs.--

99 (1) District school boards shall assess district indirect
100 costs only for services received by the program or institution
101 against which such cost is assessed. When assigning each
102 specific indirect cost to multiple programs or institutions,
103 district school boards shall identify one basis for the
104 assessment of such cost and shall maintain the same basis for
105 assigning such cost to each program or institution.

106 (2) School districts shall identify all indirect costs
107 relating to school food service programs when preparing analyses
108 of program efficiency. Indirect costs relating to school food
109 service programs shall include, but are not limited to, building
110 maintenance and depreciation, utilities, waste removal, pest
111 control, insurance, storage and distribution, printing,
112 administration of payroll, employee benefits and retirement,
113 purchasing, human resources, accounts payable and receivable
114 processing, and all other administrative services performed by
115 district staff to which a benefit to the school food service
116 program is derived. Indirect costs of the school food service

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117 program shall include only those costs relating to the food
118 service program and shall be prorated to the school food service
119 program if the indirect costs also relate to other district
120 operations.

121 Section 4. This act shall take effect upon becoming a law.