

31k Funding for Student Meal Negative Balance Forgiveness School Year 2020-2021 – Second-Round Communication

Exciting news! We have additional funding left for the 31k grant! For School Year 2020/2021 only, we were awarded \$1 million in new state school aid fund money appropriated (Section 31k) for reimbursement payments to public school districts, charter schools and public-school academies who forgive all outstanding current student-meal negative balances.

After the first round of applications last fall, we have \$709,076.35 left in available 31k funding. We are opening a second and final round of applications soon.

Reimbursement payments can be awarded to eligible districts that apply. The second-round application will go live March 1st with a firm deadline to apply no later than April 30, 2021. *Please note: If you have received a reimbursement payment in the first round, you are ineligible to apply in this second round.*

Submissions will be evaluated and reimbursement payments for selected districts will be made within 60 days of the final deadline. The funds may be prorated if there is not enough to cover all eligible submissions.

To be eligible districts must:

- Write off current/active/enrolled student meal negative balances with a transfer from the General Fund.
 - Student Meal Negative Balances paid off from private donations or angel funds are not eligible for Forgiveness Reimbursement.
 - Previously written off negative balances are not eligible.
 - Bad debt written off for inactive students in prior school years is not eligible for this grant.
- Adopt a meal charge policy that prevents public identification and all forms of lunch shaming as outlined in State Aid Section 31k (see below)

The application will require submission of the following:

1. The transactions used to write off outstanding current student meal negative balances in the Food Service Fund with a transfer from the General Fund within the 2020/2021 school year.
2. Total amount of forgiven negative balances for current/active/enrolled students by eligibility status
3. A copy of the student roster by eligibility of negative balances for current/active/enrolled students
4. Meal charge policy that prevents lunch shaming with the specifics outlined in State Aid Section 31k as follows:

- prohibits the requiring of students who cannot pay for a school meal or who owe a negative balance to wear a wristband or handstamp.
- prohibits the requiring of students who cannot pay for a school meal or who owe a negative balance to perform chores or other work to pay for school meals.
- prohibits the requiring of students to dispose of a meal after it has been served because the student is unable to pay for the meal or has a negative balance.
- prohibits the direct communication with a student about a negative balance unless your district has unsuccessfully attempted to contact the student's parent or legal guardian first through telephone, mail, and electronic mail.
- prohibits discussing a negative balance with a student in the presence of other students.

More details and a link to the application will be sent out through the SNP News and other communication avenues later in February.

Questions regarding this grant opportunity can be sent to the Fiscal and Administrative Services Monitoring Team at MDE-Fiscal@Michigan.gov or 517-241-5380.

Questions and Answers:

Q: How far back can we go for negative balance write offs?

A: To be eligible the negative balances must be outstanding from current students, and it must be written off from the general fund within the 2020/2021 school year. Negative balances from inactive students (bad debt) are not eligible and previously written off negative balances from prior school years are not eligible.

Q: Can I just wipe/forgive the negative balances from the Food Service Fund without a transfer from the General Fund?

A: No. It is not allowable to absorb negative balances in the Food Service Fund. They must be paid for from a non-federal funding source like the General Fund (excluding donations or Angel Funds).

Q: Does the meal charge policy have to be Board approved?

A: No, this is not a requirement. However, it is a best practice.

Q: How will I be notified if my district is chosen to receive the Forgiveness funding?

A: You will receive a notification from GEMS/MARS once the awardees have been chosen.

Q: What if I am not selected for a grant payment? Can we reverse the write off entries in the Food Service Fund?

A: No, once the negative balances are written off the Food Service Fund they cannot be reversed. The district can choose to try to collect on those negative balances within the General Fund, however.

Q: If I was denied in the first round of applications, can I apply for the second round?

A. Yes, if they are for current outstanding balances within the 2020/2021 school year.