

AMENDED IN ASSEMBLY JUNE 19, 2013

AMENDED IN SENATE MAY 28, 2013

AMENDED IN SENATE MAY 8, 2013

AMENDED IN SENATE APRIL 1, 2013

SENATE BILL

No. 302

**Introduced by Senator Cannella
(Coauthors: Senators Gaines and Huff)**

February 15, 2013

An act to amend Section 14501 of, to add Sections 38087, 38096, 38097, 38098, and 38104 to, and to repeal Sections 38092 and 38102 of, the Education Code, relating to school cafeterias.

LEGISLATIVE COUNSEL'S DIGEST

SB 302, as amended, Cannella. School cafeterias: cafeteria fund.

(1) Existing law requires the Controller, in consultation with the Department of Finance and the State Department of Education, to develop a plan to review and report on financial and compliance audits, and with representatives of other entities, to recommend the statements and other information to be included in the audit reports filed with the state by local educational agencies, and to propose the content of an audit guide. For these purposes, existing law defines "compliance audit" as an audit that ascertains and verifies whether or not specific funds provided have been properly disbursed and expended and includes the verification of specific information.

This bill would additionally require a compliance audit to include the verification of cafeteria fund expenditures. *The bill would also correct a reference to a certain federal document.*

(2) Existing law authorizes the governing board of any school district to establish cafeterias in the schools under its jurisdiction and authorizes the moneys received for the sale of food or for any services performed by the cafeterias to be paid into the county treasury to the credit of the cafeteria fund of the particular school district. Existing law requires the cafeteria fund to be used only for those expenditures authorized by the governing board of the school district that are defined in the California School Accounting Manual.

This bill would require the State Department of Education to assess its food services workload and staffing needs for purposes of carrying out the state's oversight responsibilities of cafeteria funds and to request sufficient federal funding to hire the appropriate number of staff based on that assessment. The bill would require the department to prepare simplified guidelines that address most of the common acceptable and unacceptable charges to cafeteria funds. The bill would require the department to post on its Internet Web site all enforcement actions for the misappropriation of cafeteria funds. The bill would require a school district to maintain all financial records related to its cafeteria fund for 5 years, thereby imposing a state-mandated local program. The bill would prohibit a school district from withholding from its food service director any financial records involving school nutrition programs.

(3) Existing law authorizes the governing board of any school district with an average daily attendance of over 100,000 to allow as an expenditure from its cafeteria fund a share of money agreed upon pursuant to a contract that is generated from the joint sale of items between the cafeteria and an associated student body student store.

This bill would repeal that provision.

(4) Existing law authorizes the governing board of any school district operating school cafeterias to establish and maintain a cafeteria fund reserve for the purchase, lease, maintenance, or replacement of cafeteria equipment, as specified.

This bill would repeal that provision.

(5) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 14501 of the Education Code is amended
2 to read:

3 14501. (a) As used in this chapter, “financial and compliance
4 audit” shall be consistent with the definition provided in the
5 ~~“Standards for Audits of Governmental Organizations, Programs,
6 Activities, and Functions”~~ “*Government Auditing Standards*”
7 promulgated by the Comptroller General of the United States.
8 Financial and compliance audits conducted under this chapter shall
9 fulfill federal single audit requirements.

10 (b) As used in this chapter, “compliance audit” means an audit
11 that ascertains and verifies whether or not funds provided through
12 apportionment, contract, or grant, either federal or state, have been
13 properly disbursed and expended as required by law or regulation,
14 or both, and includes the verification of each of the following:

15 (1) The reporting requirements for the sufficiency of textbooks
16 or instructional materials, or both, as defined in Section 60119.

17 (2) Teacher misassignments pursuant to Section 44258.9.

18 (3) The accuracy of information reported on the School
19 Accountability Report Card required by Section 33126. The
20 requirements set forth in paragraphs (1), (2), and (4) and this
21 paragraph shall be added to the audit guide requirements pursuant
22 to subdivision (b) of Section 14502.1.

23 (4) Cafeteria fund expenditures pursuant to Chapter 3
24 (commencing with Section 38080) of Part 23 of Division 3 of Title
25 2.

26 SEC. 2. Section 38087 is added to the Education Code, to read:

27 38087. The department shall assess its food services workload
28 and staffing needs for purposes of carrying out the state’s oversight
29 responsibilities in accordance with federal law and regulations
30 adopted by the United States Department of Agriculture and shall
31 request sufficient federal funding to hire the appropriate number
32 of staff based on that assessment.

33 SEC. 3. Section 38092 of the Education Code is repealed.

34 SEC. 4. Section 38096 is added to the Education Code, to read:

1 38096. (a) The department shall prepare simplified guidelines
2 that address most of the common acceptable and unacceptable
3 charges to cafeteria funds.

4 (b) The department shall post on its Internet Web site all
5 enforcement actions for the misappropriation of cafeteria funds.

6 SEC. 5. Section 38097 is added to the Education Code, to read:

7 38097. A school district shall maintain all financial records
8 related to its cafeteria fund for five years.

9 SEC. 6. Section 38098 is added to the Education Code, to read:

10 38098. This chapter does not authorize a school district to
11 charge a food service program any charge prohibited by state or
12 federal law or regulation or guidance.

13 SEC. 7. Section 38102 of the Education Code is repealed.

14 SEC. 8. Section 38104 is added to the Education Code, to read:

15 38104. A school district shall not withhold from its food service
16 director any financial records involving school nutrition programs.

17 SEC. 9. If the Commission on State Mandates determines that
18 this act contains costs mandated by the state, reimbursement to
19 local agencies and school districts for those costs shall be made
20 pursuant to Part 7 (commencing with Section 17500) of Division
21 4 of Title 2 of the Government Code.