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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 1114

02/14/2019 Authored by Sandstede
The bill was read for the first time and referred to the Committee on Ways and Means

1.1 A bill for an act
1.2 relating to education finance; increasing revenue for the general education operating
1.3 capital program; modifying the calculation of the operating capital equalized levy;
1.4 appropriating money; amending Minnesota Statutes 2018, section 126C.10,
1.5 subdivisions 13, 13a.

1.6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.7 Section 1. Minnesota Statutes 2018, section 126C.10, subdivision 13, is amended to read:

1.8 Subd. 13. Total operating capital revenue. (a) Total operating capital revenue for a
1.9 district equals the amount determined under paragraph (b) or (c), plus \$79 times the adjusted
1.10 pupil units for the school year. The revenue must be placed in a reserved account in the
1.11 general fund and may only be used according to subdivision 14.

1.12 (b) Capital revenue for a district equals \$109 \$133 times the district's maintenance cost
1.13 index times its adjusted pupil units for the school year.

1.14 (c) The revenue for a district that operates a program under section 124D.128, is increased
1.15 by an amount equal to \$31 times the number of adjusted pupil units served at the site where
1.16 the program is implemented.

1.17 EFFECTIVE DATE. This section is effective for revenue in fiscal year 2020 and later.

1.18 Sec. 2. Minnesota Statutes 2018, section 126C.10, subdivision 13a, is amended to read:

1.19 Subd. 13a. Operating capital levy. To obtain operating capital revenue, a district may
1.20 levy an amount not more than the product of its operating capital revenue for the fiscal year
1.21 times the lesser of one or the ratio of its adjusted net tax capacity per adjusted pupil unit to
1.22 the operating capital equalizing factor. The operating capital equalizing factor equals \$15,740

2.1 ~~for fiscal year 2017, \$20,548 for fiscal year 2018, \$24,241 for fiscal year 2019, and \$22,912~~
 2.2 ~~for fiscal year 2020, and \$26,250 for fiscal year 2021 and later.~~

2.3 **Sec. 3. OPERATING CAPITAL AID; FISCAL YEAR 2020.**

2.4 For fiscal year 2020 only, the entire amount of the operating capital revenue adjustment
 2.5 under section 1 is paid through state aid.

2.6 **Sec. 4. APPROPRIATIONS.**

2.7 Subdivision 1. Department of Education. The sums indicated in this section are
 2.8 appropriated from the general fund to the Department of Education for the fiscal years
 2.9 designated.

2.10 Subd. 2. General education aid. For general education aid under Minnesota Statutes,
 2.11 section 126C.13, subdivision 4:

2.12	\$	<u>2020</u>
2.13	\$	<u>2021</u>

2.14 The 2020 appropriation includes \$..... for 2019 and \$..... for 2020. The 2021
 2.15 appropriation includes \$..... for 2020 and \$..... for 2021.