SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION

S.F. No. 1198

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DATE	D-PG	OFFICIAL STATUS
02/10/2025	334	Introduction and first reading Referred to Education Finance
03/24/2025	1026	Author stricken Eichorn See See First Special Session, HF5

A bill for an act

relating to education finance; authorizing roof projects as part of the long-term facilities maintenance program; appropriating money; amending Minnesota Statutes 2024, section 123B.595, subdivisions 1, 4, 8, 10.

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

Section 1. Minnesota Statutes 2024, section 123B.595, subdivision 1, is amended to read:

Subdivision 1. **Long-term facilities maintenance revenue.** (a) Long-term facilities maintenance revenue equals the greater of (1) the sum of (i) $380 times the district's adjusted pupil units times the lesser of one or the ratio of the district's average building age to 35 years, plus (ii) the cost approved by the commissioner for indoor air quality, fire alarm and suppression, and asbestos abatement projects under section 123B.57, subdivision 6, and roof repair and replacement with an estimated cost of $100,000 or more per site, plus (iii) for a school district with an approved voluntary prekindergarten program under section 142D.08, the cost approved by the commissioner for remodeling existing instructional space to accommodate prekindergarten instruction, or (2) the sum of (i) the amount the district would have qualified for under Minnesota Statutes 2014, section 123B.57, Minnesota Statutes 2014, section 123B.59, and Minnesota Statutes 2014, section 123B.591, and (ii) for a school district with an approved voluntary prekindergarten program under section 142D.08, the cost approved by the commissioner for remodeling existing instructional space to accommodate prekindergarten instruction.

(b) Notwithstanding paragraph (a), a school district that qualified for eligibility under Minnesota Statutes 2014, section 123B.59, subdivision 1, paragraph (a), for fiscal year 2010 remains eligible for funding under this section as a district that would have qualified for

eligibility under Minnesota Statutes 2014, section 123B.59, subdivision 1, paragraph (a), for fiscal year 2017 and later.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2027 and later.

Sec. 2. Minnesota Statutes 2024, section 123B.595, subdivision 4, is amended to read:

Subd. 4. **Facilities plans.** (a) To qualify for revenue under this section, a school district or intermediate district, not including a charter school, must have a ten-year facility plan adopted by the school board and approved by the commissioner. The plan must include provisions for implementing a health and safety program that complies with health, safety, and environmental regulations and best practices, including indoor air quality management and remediation of lead hazards. The plan must address the maintenance and repair schedule for each school's roof for which funding is requested. For planning purposes, the plan must also address provisions for providing a gender-neutral single-user restroom at each school site.

(b) The district must annually update the plan, submit the plan to the commissioner for approval by July 31, and indicate whether the district will issue bonds to finance the plan or levy for the costs.

(c) For school districts issuing bonds to finance the plan, the plan must include a debt service schedule demonstrating that the debt service revenue required to pay the principal and interest on the bonds each year will not exceed the projected long-term facilities revenue for that year.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2027 and later.

Sec. 3. Minnesota Statutes 2024, section 123B.595, subdivision 8, is amended to read:

Subd. 8. **Long-term facilities maintenance equalized levy.** (a) A district's long-term facilities maintenance equalized levy equals the district's long-term facilities maintenance equalization revenue minus the greater of:

(1) the lesser of the district's long-term facilities maintenance equalization revenue or the amount of aid the district received for fiscal year 2015 under Minnesota Statutes 2014, section 123B.59, subdivision 6; or

(2) the district's long-term facilities maintenance equalization revenue times the greater of (i) zero, or (ii) one minus the ratio of its adjusted net tax capacity per adjusted pupil unit in the year preceding the year the levy is certified to ~~123~~ ..... percent of the state average

adjusted net tax capacity per adjusted pupil unit for all school districts in the year preceding the year the levy is certified.

(b) For purposes of this subdivision, "adjusted net tax capacity" means the value described in section 126C.01, subdivision 2, paragraph (b).

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2027 and later.

Sec. 4. Minnesota Statutes 2024, section 123B.595, subdivision 10, is amended to read:

Subd. 10. **Allowed uses for long-term facilities maintenance revenue.** (a) A district may use revenue under this section for any of the following:

(1) deferred capital expenditures and maintenance projects necessary to prevent further erosion of facilities, including repair and replacement of roofs;

(2) increasing accessibility of school facilities;

(3) health and safety capital projects under section 123B.57;

(4) remodeling or constructing a gender-neutral single-user restroom at each school site; or

(5) by board resolution, to transfer money from the general fund reserve for long-term facilities maintenance to the debt redemption fund to pay the amounts needed to meet, when due, principal and interest on general obligation bonds issued under subdivision 5.

(b) A charter school may use revenue under this section for any purpose related to the school.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2027 and later.

Sec. 5. **APPROPRIATIONS.**

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

Subd. 2. **Long-term facilities maintenance equalized aid.** (a) For long-term facilities maintenance equalized aid under Minnesota Statutes, section 123B.595, subdivision 9:

$ 2026

$ 2027

(b) The 2026 appropriation includes $..... for 2025 and $..... for 2026.

(c) The 2027 appropriation includes $..... for 2026 and $..... for 2027.