

SENATE  
STATE OF MINNESOTA  
NINETY-THIRD SESSION

S.F. No. 2781

(SENATE AUTHORS: MCEWEN)

DATE  
03/09/2023

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Introduction and first reading  
Referred to Education Finance  
See HF2497

OFFICIAL STATUS

1.1 A bill for an act  
1.2 relating to education finance; providing for gender-neutral, single-user restroom  
1.3 and locker room facilities; appropriating money; amending Minnesota Statutes  
1.4 2022, sections 123B.595, subdivisions 1, 2, 4, 7, 8, 8a, 9, 10, 11; 123B.71,  
1.5 subdivision 9; 126C.10, subdivision 14.

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

1.7 Section 1. Minnesota Statutes 2022, section 123B.595, subdivision 1, is amended to read:

1.8 Subdivision 1. **Long-term facilities maintenance revenue.** ~~(a) For fiscal year 2017~~  
1.9 ~~only, long-term facilities maintenance revenue equals the greater of (1) the sum of (i) \$193~~  
1.10 ~~times the district's adjusted pupil units times the lesser of one or the ratio of the district's~~  
1.11 ~~average building age to 35 years, plus the cost approved by the commissioner for indoor~~  
1.12 ~~air quality, fire alarm and suppression, and asbestos abatement projects under section~~  
1.13 ~~123B.57, subdivision 6, with an estimated cost of \$100,000 or more per site, plus (ii) for a~~  
1.14 ~~school district with an approved voluntary prekindergarten program under section 124D.151,~~  
1.15 ~~the cost approved by the commissioner for remodeling existing instructional space to~~  
1.16 ~~accommodate prekindergarten instruction, or (2) the sum of (i) the amount the district would~~  
1.17 ~~have qualified for under Minnesota Statutes 2014, section 123B.57, Minnesota Statutes~~  
1.18 ~~2014, section 123B.59, and Minnesota Statutes 2014, section 123B.591, and (ii) for a school~~  
1.19 ~~district with an approved voluntary prekindergarten program under section 124D.151, the~~  
1.20 ~~cost approved by the commissioner for remodeling existing instructional space to~~  
1.21 ~~accommodate prekindergarten instruction.~~

1.22 (b) ~~For fiscal year 2018 only, long-term facilities maintenance revenue equals the greater~~  
1.23 ~~of (1) the sum of (i) \$292 times the district's adjusted pupil units times the lesser of one or~~  
1.24 ~~the ratio of the district's average building age to 35 years, plus (ii) the cost approved by the~~

2.1 ~~commissioner for indoor air quality, fire alarm and suppression, and asbestos abatement~~  
 2.2 ~~projects under section 123B.57, subdivision 6, with an estimated cost of \$100,000 or more~~  
 2.3 ~~per site, plus (iii) for a school district with an approved voluntary prekindergarten program~~  
 2.4 ~~under section 124D.151, the cost approved by the commissioner for remodeling existing~~  
 2.5 ~~instructional space to accommodate prekindergarten instruction, or (2) the sum of (i) the~~  
 2.6 ~~amount the district would have qualified for under Minnesota Statutes 2014, section 123B.57,~~  
 2.7 ~~Minnesota Statutes 2014, section 123B.59, and Minnesota Statutes 2014, section 123B.591,~~  
 2.8 ~~and (ii) for a school district with an approved voluntary prekindergarten program under~~  
 2.9 ~~section 124D.151, the cost approved by the commissioner for remodeling existing~~  
 2.10 ~~instructional space to accommodate prekindergarten instruction.~~

2.11 ~~(e)~~ (a) For fiscal year ~~2019~~ 2025 and later, long-term facilities maintenance revenue  
 2.12 equals the greater of (1) the sum of (i) \$380 times the district's adjusted pupil units times  
 2.13 the lesser of one or the ratio of the district's average building age to 35 years, plus (ii) the  
 2.14 cost approved by the commissioner for indoor air quality, fire alarm and suppression, and  
 2.15 asbestos abatement projects under section 123B.57, subdivision 6, with an estimated cost  
 2.16 of \$100,000 or more per site, plus (iii) the cost of remodeling an existing restroom or  
 2.17 constructing a gender-neutral single-user restroom for each school site in the district, plus  
 2.18 (iv) for a school district with an approved voluntary prekindergarten program under section  
 2.19 124D.151, the cost approved by the commissioner for remodeling existing instructional  
 2.20 space to accommodate prekindergarten instruction, or (2) the sum of (i) the amount the  
 2.21 district would have qualified for under Minnesota Statutes 2014, section 123B.57, Minnesota  
 2.22 Statutes 2014, section 123B.59, and Minnesota Statutes 2014, section 123B.591, and (ii)  
 2.23 for a school district with an approved voluntary prekindergarten program under section  
 2.24 124D.151, the cost approved by the commissioner for remodeling existing instructional  
 2.25 space to accommodate prekindergarten instruction.

2.26 ~~(d)~~ (b) Notwithstanding ~~paragraphs~~ paragraph (a), ~~(b), and (e)~~, a school district that  
 2.27 qualified for eligibility under Minnesota Statutes 2014, section 123B.59, subdivision 1,  
 2.28 paragraph (a), for fiscal year 2010 remains eligible for funding under this section as a district  
 2.29 that would have qualified for eligibility under Minnesota Statutes 2014, section 123B.59,  
 2.30 subdivision 1, paragraph (a), for fiscal year 2017 and later.

2.31 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2025 and later.

3.1 Sec. 2. Minnesota Statutes 2022, section 123B.595, subdivision 2, is amended to read:

3.2 Subd. 2. **Long-term facilities maintenance revenue for a charter school.** ~~(a) For fiscal~~  
3.3 ~~year 2017 only, long-term facilities maintenance revenue for a charter school equals \$34~~  
3.4 ~~times the adjusted pupil units.~~

3.5 ~~(b) For fiscal year 2018 only, long-term facilities maintenance revenue for a charter~~  
3.6 ~~school equals \$85 times the adjusted pupil units.~~

3.7 ~~(c) For fiscal year 2019 and later, long-term facilities maintenance revenue for a charter~~  
3.8 ~~school equals \$132 times the adjusted pupil units.~~

3.9 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2025 and later.

3.10 Sec. 3. Minnesota Statutes 2022, section 123B.595, subdivision 4, is amended to read:

3.11 Subd. 4. **Facilities plans.** (a) To qualify for revenue under this section, a school district  
3.12 or intermediate district, not including a charter school, must have a ten-year facility plan  
3.13 adopted by the school board and approved by the commissioner. The plan must include  
3.14 provisions for implementing a health and safety program that complies with health, safety,  
3.15 and environmental regulations and best practices, including indoor air quality management  
3.16 and remediation of lead hazards. The plan must also include provisions for providing a  
3.17 gender-neutral single-user restroom at each school site.

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

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

3.25 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2025 and later.

3.26 Sec. 4. Minnesota Statutes 2022, section 123B.595, subdivision 7, is amended to read:

3.27 Subd. 7. **Long-term facilities maintenance equalization revenue.** ~~(a) For fiscal year~~  
3.28 ~~2017 only, a district's long-term facilities maintenance equalization revenue equals the lesser~~  
3.29 ~~of (1) \$193 times the adjusted pupil units or (2) the district's revenue under subdivision 1.~~

4.1 ~~(b) For fiscal year 2018 only, a district's long-term facilities maintenance equalization~~  
 4.2 ~~revenue equals the lesser of (1) \$292 times the adjusted pupil units or (2) the district's~~  
 4.3 ~~revenue under subdivision 1.~~

4.4 ~~(c) For fiscal year 2019 and later, (a)~~ A district's long-term facilities maintenance  
 4.5 equalization revenue equals the lesser of (1) \$380 times the adjusted pupil units or (2) the  
 4.6 district's revenue under subdivision 1.

4.7 ~~(d) (b)~~ Notwithstanding ~~paragraphs~~ paragraph (a) ~~to (e)~~, a district's long-term facilities  
 4.8 maintenance equalization revenue must not be less than the lesser of the district's long-term  
 4.9 facilities maintenance revenue or the amount of aid the district received for fiscal year 2015  
 4.10 under section 123B.59, subdivision 6.

4.11 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2025 and later.

4.12 Sec. 5. Minnesota Statutes 2022, section 123B.595, subdivision 8, is amended to read:

4.13 Subd. 8. **Long-term facilities maintenance equalized levy.** ~~(a) For fiscal year 2017~~  
 4.14 ~~and later,~~ A district's long-term facilities maintenance equalized levy equals the district's  
 4.15 long-term facilities maintenance equalization revenue minus the greater of:

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

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

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

4.26 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2025 and later.

4.27 Sec. 6. Minnesota Statutes 2022, section 123B.595, subdivision 8a, is amended to read:

4.28 Subd. 8a. **Long-term facilities maintenance unequalized levy.** ~~For fiscal year 2017~~  
 4.29 ~~and later,~~ A district's long-term facilities maintenance unequalized levy equals the difference  
 4.30 between the district's revenue under subdivision 1 and the district's equalization revenue  
 4.31 under subdivision 7.

5.1 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2025 and later.

5.2 Sec. 7. Minnesota Statutes 2022, section 123B.595, subdivision 9, is amended to read:

5.3 Subd. 9. **Long-term facilities maintenance equalized aid.** ~~For fiscal year 2017 and~~  
 5.4 ~~later,~~ A district's long-term facilities maintenance equalized aid equals its long-term facilities  
 5.5 maintenance equalization revenue minus its long-term facilities maintenance equalized levy  
 5.6 times the ratio of the actual equalized amount levied to the permitted equalized levy.

5.7 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2025 and later.

5.8 Sec. 8. Minnesota Statutes 2022, section 123B.595, subdivision 10, is amended to read:

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

5.11 (1) deferred capital expenditures and maintenance projects necessary to prevent further  
 5.12 erosion of facilities;

5.13 (2) increasing accessibility of school facilities;

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

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

5.17 ~~(4)~~ (5) by board resolution, to transfer money from the general fund reserve for long-term  
 5.18 facilities maintenance to the debt redemption fund to pay the amounts needed to meet, when  
 5.19 due, principal and interest on general obligation bonds issued under subdivision 5.

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

5.22 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2025 and later.

5.23 Sec. 9. Minnesota Statutes 2022, section 123B.595, subdivision 11, is amended to read:

5.24 Subd. 11. **Restrictions on long-term facilities maintenance revenue.** Notwithstanding  
 5.25 subdivision 10, long-term facilities maintenance revenue may not be used:

5.26 (1) for the construction of new facilities, remodeling of existing facilities, or the purchase  
 5.27 of portable classrooms, except for the costs associated with constructing or remodeling  
 5.28 existing facilities to include at least one gender-neutral single-user restroom authorized  
 5.29 under subdivision 10;

6.1 (2) to finance a lease purchase agreement, installment purchase agreement, or other  
6.2 deferred payments agreement;

6.3 (3) for energy-efficiency projects under section 123B.65, for a building or property or  
6.4 part of a building or property used for postsecondary instruction or administration, or for a  
6.5 purpose unrelated to elementary and secondary education; or

6.6 (4) for violence prevention and facility security, ergonomics, or emergency  
6.7 communication devices.

6.8 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2025 and later.

6.9 Sec. 10. Minnesota Statutes 2022, section 123B.71, subdivision 9, is amended to read:

6.10 Subd. 9. **Information required.** A school board proposing to construct, expand, or  
6.11 remodel a facility that requires a review and comment under subdivision 8 shall submit to  
6.12 the commissioner a proposal containing information including at least the following:

6.13 (1) the geographic area and population to be served, preschool through grade 12 student  
6.14 enrollments for the past five years, and student enrollment projections for the next five  
6.15 years;

6.16 (2) a list of existing facilities by year constructed, their uses, and an assessment of the  
6.17 extent to which alternate facilities are available within the school district boundaries and in  
6.18 adjacent school districts;

6.19 (3) a list of the specific deficiencies of the facility that demonstrate the need for a new  
6.20 or renovated facility to be provided, the process used to determine the deficiencies, a list  
6.21 of those deficiencies that will and will not be addressed by the proposed project, and a list  
6.22 of the specific benefits that the new or renovated facility will provide to the students, teachers,  
6.23 and community users served by the facility;

6.24 (4) a description of the project, including the specification of site and outdoor space  
6.25 acreage and square footage allocations for classrooms, laboratories, and support spaces;  
6.26 estimated expenditures for the major portions of the project; and the dates the project will  
6.27 begin and be completed;

6.28 (5) a description of the project's plans for gender-neutral single-user restrooms, locker  
6.29 room privacy stalls, or other spaces with privacy features, including single-user shower  
6.30 stalls, changing stalls, or other single-user facilities;

6.31 ~~(5)~~ (6) a specification of the source of financing the project, including applicable statutory  
6.32 citations; the scheduled date for a bond issue or school board action; a schedule of payments,

7.1 including debt service equalization aid; and the effect of a bond issue on local property  
7.2 taxes by the property class and valuation; and

7.3 ~~(6)~~ (7) documents obligating the school district and contractors to comply with items  
7.4 (i) to (vii) in planning and executing the project:

7.5 (i) section 471.345 governing municipal contracts;

7.6 (ii) sustainable design;

7.7 (iii) school facility commissioning under section 123B.72 certifying the plans and designs  
7.8 for the heating, ventilating, air conditioning, and air filtration for an extensively renovated  
7.9 or new facility meet or exceed current code standards, including the ASHRAE air filtration  
7.10 standard 52.1;

7.11 (iv) American National Standards Institute Acoustical Performance Criteria, Design  
7.12 Requirements and Guidelines for Schools on maximum background noise level and  
7.13 reverberation times;

7.14 (v) State Fire Code;

7.15 (vi) chapter 326B governing building codes; and

7.16 (vii) consultation with affected government units about the impact of the project on  
7.17 utilities, roads, sewers, sidewalks, retention ponds, school bus and automobile traffic, access  
7.18 to mass transit, and safe access for pedestrians and cyclists.

7.19 **EFFECTIVE DATE.** This section is effective for review and comments submitted on  
7.20 or after July 1, 2023.

7.21 Sec. 11. Minnesota Statutes 2022, section 126C.10, subdivision 14, is amended to read:

7.22 Subd. 14. **Uses of total operating capital revenue.** Total operating capital revenue may  
7.23 be used only for the following purposes:

7.24 (1) to acquire land for school purposes;

7.25 (2) to acquire or construct buildings for school purposes;

7.26 (3) to rent or lease buildings, including the costs of building repair or improvement that  
7.27 are part of a lease agreement;

7.28 (4) to improve and repair school sites and buildings, and equip or reequip school buildings  
7.29 with permanent attached fixtures, including library media centers and gender-neutral  
7.30 single-user restrooms, locker room privacy stalls, or other spaces with privacy features,  
7.31 including single-user shower stalls, changing stalls, or other single-user facilities;

- 8.1 (5) for a surplus school building that is used substantially for a public nonschool purpose;
- 8.2 (6) to eliminate barriers or increase access to school buildings by individuals with a  
8.3 disability;
- 8.4 (7) to bring school buildings into compliance with the State Fire Code adopted according  
8.5 to chapter 299F;
- 8.6 (8) to remove asbestos from school buildings, encapsulate asbestos, or make  
8.7 asbestos-related repairs;
- 8.8 (9) to clean up and dispose of polychlorinated biphenyls found in school buildings;
- 8.9 (10) to clean up, remove, dispose of, and make repairs related to storing heating fuel or  
8.10 transportation fuels such as alcohol, gasoline, fuel oil, and special fuel, as defined in section  
8.11 296A.01;
- 8.12 (11) for energy audits for school buildings and to modify buildings if the audit indicates  
8.13 the cost of the modification can be recovered within ten years;
- 8.14 (12) to improve buildings that are leased according to section 123B.51, subdivision 4;
- 8.15 (13) to pay special assessments levied against school property but not to pay assessments  
8.16 for service charges;
- 8.17 (14) to pay principal and interest on state loans for energy conservation according to  
8.18 section 216C.37 or loans made under the Douglas J. Johnson Economic Protection Trust  
8.19 Fund Act according to sections 298.292 to 298.298;
- 8.20 (15) to purchase or lease interactive telecommunications equipment;
- 8.21 (16) by board resolution, to transfer money into the debt redemption fund to: (i) pay the  
8.22 amounts needed to meet, when due, principal and interest payments on certain obligations  
8.23 issued according to chapter 475; or (ii) pay principal and interest on debt service loans or  
8.24 capital loans according to section 126C.70;
- 8.25 (17) to pay operating capital-related assessments of any entity formed under a cooperative  
8.26 agreement between two or more districts;
- 8.27 (18) to purchase or lease computers and related hardware, software, and annual licensing  
8.28 fees, copying machines, telecommunications equipment, and other noninstructional  
8.29 equipment;
- 8.30 (19) to purchase or lease assistive technology or equipment for instructional programs;
- 8.31 (20) to purchase textbooks as defined in section 123B.41, subdivision 2;

9.1 (21) to purchase new and replacement library media resources or technology;

9.2 (22) to lease or purchase vehicles;

9.3 (23) to purchase or lease telecommunications equipment, computers, and related  
9.4 equipment for integrated information management systems for:

9.5 (i) managing and reporting learner outcome information for all students under a  
9.6 results-oriented graduation rule;

9.7 (ii) managing student assessment, services, and achievement information required for  
9.8 students with individualized education programs; and

9.9 (iii) other classroom information management needs;

9.10 (24) to pay personnel costs directly related to the acquisition, operation, and maintenance  
9.11 of telecommunications systems, computers, related equipment, and network and applications  
9.12 software; and

9.13 (25) to pay the costs directly associated with closing a school facility, including moving  
9.14 and storage costs.

9.15 **EFFECTIVE DATE.** This section is effective for fiscal year 2024 and later.

9.16 **Sec. 12. APPROPRIATION; GENDER-NEUTRAL SINGLE-USER RESTROOMS.**

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

9.20 **Subd. 2. Grants for gender-neutral single-user restrooms.** (a) For grants to school  
9.21 districts for remodeling, constructing, or repurposing space for gender-neutral single-user  
9.22 restrooms:

9.23 \$ ..... .. 2024

9.24 \$ ..... .. 2025

9.25 (b) A school district or a cooperative unit under Minnesota Statutes, section 123A.24,  
9.26 subdivision 2, may apply for a grant of not more than \$50,000 per site under this subdivision  
9.27 in the form and manner specified by the commissioner.

9.28 (c) The commissioner must ensure that grants are awarded to schools to reflect the  
9.29 geographic diversity of the state.

9.30 (d) By February 1 of each year, the commissioner must annually report to the committees  
9.31 of the legislature with jurisdiction over education issues on the number of grants that were

- 10.1 awarded each year and the number of grant applications that were unfunded during that
- 10.2 year.