

**SENATE
STATE OF MINNESOTA
NINETY-SECOND SESSION**

S.F. No. 3270

(SENATE AUTHORS: WIGER)

DATE
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Introduction and first reading
Referred to Education Finance and Policy

OFFICIAL STATUS

1.1 A bill for an act

1.2 relating to education finance; modifying the calculation of long-term facilities

1.3 maintenance revenue; amending the allowed uses of long-term facilities

1.4 maintenance revenue; modifying the calculation of safe schools revenue; amending

1.5 the allowed uses of safe schools revenue; appropriating money; amending

1.6 Minnesota Statutes 2020, sections 123B.595, subdivisions 1, 4, 7, 8, 10, 11, by

1.7 adding a subdivision; 126C.44; Laws 2021, First Special Session chapter 13, article

1.8 7, section 2, subdivision 3.

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

1.10 Section 1. Minnesota Statutes 2020, section 123B.595, subdivision 1, is amended to read:

1.11 Subdivision 1. **Long-term facilities maintenance revenue.** ~~(a) For fiscal year 2017~~

1.12 ~~only, long-term facilities maintenance revenue equals the greater of (1) the sum of (i) \$193~~

1.13 ~~times the district's adjusted pupil units times the lesser of one or the ratio of the district's~~

1.14 ~~average building age to 35 years, plus the cost approved by the commissioner for indoor~~

1.15 ~~air quality, fire alarm and suppression, and asbestos abatement projects under section~~

1.16 ~~123B.57, subdivision 6, with an estimated cost of \$100,000 or more per site, plus (ii) for a~~

1.17 ~~school district with an approved voluntary prekindergarten program under section 124D.151,~~

1.18 ~~the cost approved by the commissioner for remodeling existing instructional space to~~

1.19 ~~accommodate prekindergarten instruction, or (2) the sum of (i) the amount the district would~~

1.20 ~~have qualified for under Minnesota Statutes 2014, section 123B.57, Minnesota Statutes~~

1.21 ~~2014, section 123B.59, and Minnesota Statutes 2014, section 123B.591, and (ii) for a school~~

1.22 ~~district with an approved voluntary prekindergarten program under section 124D.151, the~~

1.23 ~~cost approved by the commissioner for remodeling existing instructional space to~~

1.24 ~~accommodate prekindergarten instruction.~~

~~(b) For fiscal year 2018 only, long-term facilities maintenance revenue equals the greater of (1) the sum of (i) \$292 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, 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 124D.151, 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 124D.151, the cost approved by the commissioner for remodeling existing instructional space to accommodate prekindergarten instruction.~~

~~(e) For fiscal year 2019 and later, (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 the cost approved by the commissioner for the facilities plan under subdivision 4, 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, 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 124D.151, 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 124D.151, the cost approved by the commissioner for remodeling existing instructional space to accommodate prekindergarten instruction.~~

~~(d) (b) Notwithstanding paragraphs paragraph (a), (b), and (c), 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 2023 and later.

Sec. 2. Minnesota Statutes 2020, 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 may include provisions for enhancing school safety through physical modifications to school facilities as described in subdivision 4a.

(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 2023 and later.

Sec. 3. Minnesota Statutes 2020, section 123B.595, is amended by adding a subdivision to read:

Subd. 4a. **School safety facility enhancements.** A school district may include in its facilities plan a school safety facilities plan. School safety projects may include remodeling and new construction for school security enhancements; equipment and facility modifications related to emergency communication devices, violence prevention, and facility security; and purchasing, installing, and maintaining devices that detect vapor. An authorized project may be included in the plan until the project is complete.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2023 and later.

Sec. 4. Minnesota Statutes 2020, section 123B.595, subdivision 7, is amended to read:

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

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

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

~~(d) (b) Notwithstanding paragraphs paragraph (a) to (e), a district's long-term facilities maintenance equalization revenue must not be less than the lesser of the district's long-term facilities maintenance revenue or the amount of aid the district received for fiscal year 2015 under Minnesota Statutes 2014, section 123B.59, subdivision 6.~~

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2023 and later.

Sec. 5. Minnesota Statutes 2020, section 123B.595, subdivision 8, is amended to read:

Subd. 8. **Long-term facilities maintenance equalized levy.** ~~(a) For fiscal year 2017 and later,~~ 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 2023 and later.

Sec. 6. Minnesota Statutes 2020, 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;

(2) increasing accessibility of school facilities;

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

(4) school safety facility enhancements authorized under subdivision 4a;

(5) energy-efficient projects under section 123B.65, if the project is for a building or property or part of a building or property used for elementary or secondary education, administration, early education, or community education; or

(4) (6) 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 2023 and later.

Sec. 7. Minnesota Statutes 2020, section 123B.595, subdivision 11, is amended to read:

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

(1) for the construction of new facilities, remodeling of existing facilities, or the purchase of portable classrooms;

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

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

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

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2023 and later.

Sec. 8. Minnesota Statutes 2020, section 126C.44, is amended to read:

126C.44 SAFE SCHOOLS LEVY REVENUE.

Subdivision 1. Safe schools revenue. (a) ~~Each district may make a levy on all taxable property located within the district for the purposes specified in this section. The maximum amount which may be levied for all costs under this section shall be equal to \$36 multiplied by~~ For fiscal year 2023 and later, safe schools revenue for a school district equals the greater of \$100 times the district's adjusted pupil units for the school year or \$100,000.

(b) For fiscal year 2023 and later, in addition to the amount in paragraph (a), safe schools revenue for a district that is a member of a cooperative unit that serves pupils may be increased by \$41 times the district's adjusted pupil units for the school year. For purposes of this section, "cooperative unit" has the meaning given under section 123A.24, subdivision 2. Revenue raised under this section on behalf of a cooperative unit must be transferred to the cooperative unit to be used for safe schools activities authorized under subdivision 4.

Subd. 2. **Safe schools levy.** (a) For fiscal year 2023 and later, a district's safe schools levy equals \$100 times the district's adjusted pupil units for the school year.

(b) For fiscal year 2023 and later, the safe schools levy for a district that is a member of a cooperative unit according to subdivision 1, paragraph (b), may be increased by \$41 times the district's adjusted pupil units for the school year.

(c) To obtain safe schools revenue for fiscal year 2023 and later, a district may levy an amount not more than the product of its safe schools revenue for the fiscal year times the lesser of one or the ratio of its adjusted net tax capacity per adjusted pupil unit to the safe schools equalizing factor. For fiscal year 2023 and later, the safe schools equalizing factor equals 387 percent of the state average net tax capacity per adjusted pupil unit for all school districts.

Subd. 3. **Safe schools aid.** (a) A district's safe schools aid equals its safe schools revenue minus its safe schools levy times the ratio of the actual amount levied to the permitted levy.

(b) A cooperative unit's safe schools aid equals its safe schools revenue minus its safe schools levy times the ratio of the actual amount levied to the permitted levy.

Subd. 4. **Uses of safe schools revenue.** ~~The proceeds of the levy~~ (a) For fiscal year 2023 and later, safe schools revenue must be reserved and used for directly funding the following purposes or for reimbursing the cities and counties who contract with the district for the following purposes:

(1) to pay the costs incurred for the salaries, benefits, and transportation costs of peace officers and sheriffs for liaison in services in the district's schools;

(2) to pay the costs for a drug abuse prevention program as defined in section 609.101, subdivision 3, paragraph (e), in the elementary schools;

(3) to pay the costs for a gang resistance education training curriculum in the district's schools;

(4) to pay the costs for security in the district's schools and on school property;

(5) to pay the costs for other crime prevention, drug abuse, student and staff safety, voluntary opt-in suicide prevention tools, and violence prevention measures taken by the school district;

(6) to pay costs for licensed school counselors, licensed school nurses, licensed school social workers, licensed school psychologists, and licensed alcohol and chemical dependency counselors to help provide early responses to problems;

(7) to pay for facility security enhancements including laminated glass, public announcement systems, emergency communications devices, and equipment and facility modifications related to violence prevention and facility security;

(8) to pay for costs associated with improving the school climate; ~~or~~

(9) to pay costs for colocating and collaborating with mental health professionals who are not district employees or contractors; or

(10) to pay for the costs of enhancing cybersecurity in the district's information systems.

(b) For expenditures under paragraph (a), clause (1), the district must initially attempt to contract for services to be provided by peace officers or sheriffs with the police department of each city or the sheriff's department of the county within the district containing the school receiving the services. If a local police department or a county sheriff's department does not wish to provide the necessary services, the district may contract for these services with any other police or sheriff's department located entirely or partially within the school district's boundaries.

~~(c) A school district that is a member of an intermediate school district may include in its authority under this section the costs associated with safe schools activities authorized under paragraph (a) for intermediate school district programs. This authority must not exceed \$15 times the adjusted pupil units of the member districts. This authority is in addition to any other authority authorized under this section. Revenue raised under this paragraph must be transferred to the intermediate school district.~~

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 9. Laws 2021, First Special Session chapter 13, article 7, section 2, subdivision 3, is amended to read:

Subd. 3. **Long-term facilities maintenance equalized aid.** For long-term facilities maintenance equalized aid under Minnesota Statutes, section 123B.595, subdivision 9:

8.1 \$ 108,582,000 2022

8.2 ~~\$111,077,000~~ 2023

8.3 The 2022 appropriation includes \$10,660,000 for 2021 and \$97,922,000 for 2022.

8.4 The 2023 appropriation includes \$10,880,000 for 2022 and ~~\$100,197,000~~ \$..... for
8.5 2023.

8.6 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2023 and later.

8.7 Sec. 10. **APPROPRIATIONS.**

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

8.11 **Subd. 2. Safe schools aid.** For safe schools aid under Minnesota Statutes, section
8.12 126C.44, subdivision 3:

8.13 \$ 0 2022

8.14 \$ 75,405,000 2023

8.15 The 2023 appropriation includes \$0 for 2022 and \$75,405,000 for 2023.

8.16 **EFFECTIVE DATE.** This section is effective July 1, 2022.