

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

S.F. No. 3611

(SENATE AUTHORS: CWODZINSKI)

DATE
02/24/2020

D-PG
4900 Introduction and first reading
Referred to E-12 Finance and Policy

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to education finance; amending the allowed uses of long-term facilities
1.3 maintenance revenue; amending Minnesota Statutes 2018, section 123B.595,
1.4 subdivisions 1, 2, 4, 7, 8, 8a, 9, 10, 11, by adding a subdivision.

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

1.6 Section 1. Minnesota Statutes 2018, section 123B.595, subdivision 1, is amended to read:

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

1.21 (b) ~~For fiscal year 2018 only, long-term facilities maintenance revenue equals the greater~~
1.22 ~~of (1) the sum of (i) \$292 times the district's adjusted pupil units times the lesser of one or~~
1.23 ~~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) For fiscal year 2019 and later, (a) Long-term facilities maintenance revenue equals
 2.12 the greater of (1) the sum of (i) \$380 times the district's adjusted pupil units times the lesser
 2.13 of one or the ratio of the district's average building age to 35 years, plus (ii) the cost approved
 2.14 by the commissioner for indoor air quality, fire alarm and suppression, and asbestos
 2.15 abatement projects under section 123B.57, subdivision 6, with an estimated cost of \$100,000
 2.16 or more per site, plus (iii) for a school district with an approved voluntary prekindergarten
 2.17 program under section 124D.151, the cost approved by the commissioner for remodeling
 2.18 existing instructional space to accommodate prekindergarten instruction, or (2) the sum of
 2.19 (i) the amount the district would have qualified for under Minnesota Statutes 2014, section
 2.20 123B.57, Minnesota Statutes 2014, section 123B.59, and Minnesota Statutes 2014, section
 2.21 123B.591, and (ii) for a school district with an approved voluntary prekindergarten program
 2.22 under section 124D.151, the cost approved by the commissioner for remodeling existing
 2.23 instructional space to accommodate prekindergarten instruction.

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

2.29 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.30 Sec. 2. Minnesota Statutes 2018, section 123B.595, subdivision 2, is amended to read:

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

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

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

3.5 **EFFECTIVE DATE.** This section is effective the day following final enactment.

3.6 Sec. 3. Minnesota Statutes 2018, section 123B.595, subdivision 4, is amended to read:

3.7 Subd. 4. **Facilities plans.** (a) To qualify for revenue under this section, a school district
3.8 or intermediate district, not including a charter school, must have a ten-year facility plan
3.9 adopted by the school board and approved by the commissioner. The plan must include
3.10 provisions for implementing a health and safety program that complies with health, safety,
3.11 and environmental regulations and best practices, including indoor air quality management
3.12 and remediation of lead hazards. The plan may include provisions for enhancing school
3.13 safety through physical modifications to school facilities as described in subdivision 4a.

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

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

3.21 **EFFECTIVE DATE.** This section is effective the day following final enactment.

3.22 Sec. 4. Minnesota Statutes 2018, section 123B.595, is amended by adding a subdivision
3.23 to read:

3.24 Subd. 4a. **School safety facility enhancements.** A school district may include in its
3.25 facilities plan a school safety facilities plan. School safety projects may include remodeling
3.26 and new construction for school security enhancements; equipment and facility modifications
3.27 related to violence prevention and facility security; and purchasing, installing, and
3.28 maintaining devices that detect vapor. Projects authorized may be included in the plan until
3.29 the projects are complete.

3.30 **EFFECTIVE DATE.** This section is effective the day following final enactment.

4.1 Sec. 5. Minnesota Statutes 2018, section 123B.595, subdivision 7, is amended to read:

4.2 Subd. 7. **Long-term facilities maintenance equalization revenue.** ~~(a) For fiscal year~~
 4.3 ~~2017 only, a district's long-term facilities maintenance equalization revenue equals the lesser~~
 4.4 ~~of (1) \$193 times the adjusted pupil units or (2) the district's revenue under subdivision 1.~~

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

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

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

4.15 **EFFECTIVE DATE.** This section is effective the day following final enactment.

4.16 Sec. 6. Minnesota Statutes 2018, section 123B.595, subdivision 8, is amended to read:

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

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

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

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

4.30 **EFFECTIVE DATE.** This section is effective the day following final enactment.

5.1 Sec. 7. Minnesota Statutes 2018, section 123B.595, subdivision 8a, is amended to read:

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

5.6 **EFFECTIVE DATE.** This section is effective the day following final enactment.

5.7 Sec. 8. Minnesota Statutes 2018, section 123B.595, subdivision 9, is amended to read:

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

5.12 **EFFECTIVE DATE.** This section is effective the day following final enactment.

5.13 Sec. 9. Minnesota Statutes 2018, section 123B.595, subdivision 10, is amended to read:

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

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

5.18 (2) increasing accessibility of school facilities;

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

5.20 (4) renovation or remodeling of existing instructional space to accommodate
 5.21 prekindergarten instruction;

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

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

5.26 (7) projects necessary for building code compliance; or

5.27 ~~(4)~~ (8) by board resolution, to transfer money from the general fund reserve for long-term
 5.28 facilities maintenance to the debt redemption fund to pay the amounts needed to meet, when
 5.29 due, principal and interest on general obligation bonds issued under subdivision 5.

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

6.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.

6.4 Sec. 10. Minnesota Statutes 2018, section 123B.595, subdivision 11, is amended to read:

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

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

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

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

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

6.16 **EFFECTIVE DATE.** This section is effective the day following final enactment.