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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 2110

03/07/2019 Authored by Lien
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; modifying the maximum amount of long-term
1.3 facilities revenue for school districts that have adjusted their buildings' square
1.4 footage; amending Minnesota Statutes 2018, section 123B.595, subdivisions 1, 2,
1.5 7.

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

1.7 Section 1. Minnesota Statutes 2018, 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) 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 index, plus (ii) the cost~~
 2.14 ~~approved 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 (b) A district's building age index equals:

2.25 (1) the lesser of one or the ratio of the district's average building age for the most recent
 2.26 year for which data is available, to 35 years; or

2.27 (2) the district's building age index for the previous year.

2.28 (c) Notwithstanding paragraph (b) for fiscal year 2020 and later, for a school district
 2.29 that (1) adds new square footage after January 1, 2016, (2) continues to utilize for educational
 2.30 purposes more than 80 percent of its previous square footage, (3) has a lower building age
 2.31 index under this section in the current year compared to the fiscal year immediately prior
 2.32 to the addition of the square footage, and (4) demonstrates to the commissioner's satisfaction
 2.33 that its total school facilities square footage is educationally necessary, the district's building
 2.34 age index is the greater of the ratio calculated under paragraph (b) or the building age index

3.1 for the fiscal year immediately prior to the inclusion of the building addition in the building
 3.2 age index.

3.3 (d) Notwithstanding paragraphs (a), (b), and (c), a school district that qualified for
 3.4 eligibility under Minnesota Statutes 2014, section 123B.59, subdivision 1, paragraph (a),
 3.5 for fiscal year 2010 remains eligible for funding under this section as a district that would
 3.6 have qualified for eligibility under Minnesota Statutes 2014, section 123B.59, subdivision
 3.7 1, paragraph (a), for fiscal year 2017 and later.

3.8 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2020 and later.

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

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

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

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

3.17 Sec. 3. Minnesota Statutes 2018, section 123B.595, subdivision 7, is amended to read:

3.18 Subd. 7. **Long-term facilities maintenance equalization revenue.** ~~(a) For fiscal year~~
 3.19 ~~2017 only, a district's long-term facilities maintenance equalization revenue equals the lesser~~
 3.20 ~~of (1) \$193 times the adjusted pupil units or (2) the district's revenue under subdivision 1.~~

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

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

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