

SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION

S.F. No. 32

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DATE
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D-PG

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; authorizing school districts to use long-term facilities

1.3 maintenance revenue programs for physical modifications enhancing school facility

1.4 safety; modifying the calculation of long-term facilities maintenance revenue;

1.5 appropriating money; amending Minnesota Statutes 2018, section 123B.595,

1.6 subdivisions 1, 4, 10, 11, by adding a subdivision.

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

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

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

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

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

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

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

1.14 123B.57, subdivision 6, with an estimated cost of \$100,000 or more per site, plus (ii) for a

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

1.16 the cost approved by the commissioner for remodeling existing instructional space to

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

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

1.19 2014, section 123B.59, and Minnesota Statutes 2014, section 123B.591, and (ii) for a school

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

1.21 cost approved by the commissioner for remodeling existing instructional space to

1.22 accommodate prekindergarten instruction.

1.23 (b) For fiscal year 2018 only, long-term facilities maintenance revenue equals the greater

1.24 of (1) the sum of (i) \$292 times the district's adjusted pupil units times the lesser of one or

2.1 the ratio of the district's average building age to 35 years, plus (ii) the cost approved by the
2.2 commissioner for indoor air quality, fire alarm and suppression, and asbestos abatement
2.3 projects under section 123B.57, subdivision 6, with an estimated cost of \$100,000 or more
2.4 per site, plus (iii) for a school district with an approved voluntary prekindergarten program
2.5 under section 124D.151, the cost approved by the commissioner for remodeling existing
2.6 instructional space to accommodate prekindergarten instruction, or (2) the sum of (i) the
2.7 amount the district would have qualified for under Minnesota Statutes 2014, section 123B.57,
2.8 Minnesota Statutes 2014, section 123B.59, and Minnesota Statutes 2014, section 123B.591,
2.9 and (ii) for a school district with an approved voluntary prekindergarten program under
2.10 section 124D.151, the cost approved by the commissioner for remodeling existing
2.11 instructional space to accommodate prekindergarten instruction.

2.12 (c) For fiscal year 2019 and ~~later~~ 2020 only, long-term facilities maintenance revenue
2.13 equals the greater of (1) the sum of (i) \$380 times the district's adjusted pupil units times
2.14 the lesser of one or the ratio of the district's average building age to 35 years, plus (ii) the
2.15 cost approved by the commissioner for indoor air quality, fire alarm and suppression, and
2.16 asbestos abatement projects under section 123B.57, subdivision 6, with an estimated cost
2.17 of \$100,000 or more per site, plus (iii) for a school district with an approved voluntary
2.18 prekindergarten program under section 124D.151, the cost approved by the commissioner
2.19 for remodeling existing instructional space to accommodate prekindergarten instruction, or
2.20 (2) the sum of (i) the amount the district would have qualified for under Minnesota Statutes
2.21 2014, section 123B.57, Minnesota Statutes 2014, section 123B.59, and Minnesota Statutes
2.22 2014, section 123B.591, and (ii) for a school district with an approved voluntary
2.23 prekindergarten program under section 124D.151, the cost approved by the commissioner
2.24 for remodeling existing instructional space to accommodate prekindergarten instruction.

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

2.30 (e) For fiscal year 2021 and later, long-term facilities maintenance revenue equals an
2.31 amount approved by the board to finance the district's facilities plan under subdivision 4.

2.32 **EFFECTIVE DATE.** This section is effective July 1, 2019.

3.1 Sec. 2. Minnesota Statutes 2018, section 123B.595, subdivision 4, is amended to read:

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

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

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

3.16 **EFFECTIVE DATE.** This section is effective for taxes payable in 2020.

3.17 Sec. 3. Minnesota Statutes 2018, section 123B.595, is amended by adding a subdivision
3.18 to read:

3.19 Subd. 4a. **School safety facility enhancements.** A school district may include in its
3.20 facilities plan a school safety facilities plan. School safety projects may include remodeling
3.21 and new construction for school security enhancements, public announcement systems,
3.22 emergency communications devices, and equipment and facility modifications related to
3.23 violence prevention and facility security.

3.24 **EFFECTIVE DATE.** This section is effective for taxes payable in 2020.

3.25 Sec. 4. Minnesota Statutes 2018, section 123B.595, subdivision 10, is amended to read:

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

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

3.30 (2) increasing accessibility of school facilities;

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

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

4.2 ~~(4)~~ (5) by board resolution, to transfer money from the general fund reserve for long-term
4.3 facilities maintenance to the debt redemption fund to pay the amounts needed to meet, when
4.4 due, principal and interest on general obligation bonds issued under subdivision 5.

4.5 (b) A charter school may use revenue under this section for any purpose related to the
4.6 school, including school safety facility enhancements.

4.7 **EFFECTIVE DATE.** This section is effective for taxes payable in 2020.

4.8 Sec. 5. Minnesota Statutes 2018, section 123B.595, subdivision 11, is amended to read:

4.9 Subd. 11. **Restrictions on long-term facilities maintenance revenue.** Notwithstanding
4.10 subdivision 10, for projects other than school safety facility enhancements, long-term
4.11 facilities maintenance revenue may not be used:

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

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

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

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

4.21 **EFFECTIVE DATE.** This section is effective for taxes payable in 2020.