

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

S.F. No. 4553

(SENATE AUTHORS: HAUSCHILD and Boldon)

DATE
03/04/2024

D-PG

Introduction and first reading
Referred to Education Finance

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to education finance; authorizing energy efficiency projects under the
1.3 long-term facilities maintenance revenue program; removing a restriction from
1.4 the maximum effort capital loan program; amending Minnesota Statutes 2022,
1.5 section 126C.69, subdivision 1; Minnesota Statutes 2023 Supplement, section
1.6 123B.595, subdivisions 1, 11.

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

1.8 Section 1. Minnesota Statutes 2023 Supplement, section 123B.595, subdivision 1, is
1.9 amended to read:

1.10 Subdivision 1. **Long-term facilities maintenance revenue.** (a) Long-term facilities
1.11 maintenance revenue equals the greater of:

1.12 (1) the sum of (i) \$380 times the district's adjusted pupil units times the lesser of one or
1.13 the ratio of the district's average building age to 35 years, plus (ii) the cost approved by the
1.14 commissioner for energy efficiency projects, plus (iii) the cost approved by the commissioner
1.15 for indoor air quality, fire alarm and suppression, and asbestos abatement projects under
1.16 section 123B.57, subdivision 6, with an estimated cost of \$100,000 or more per site, plus
1.17 ~~(iii)~~ (iv) for a school district with an approved voluntary prekindergarten program under
1.18 section 124D.151, the cost approved by the commissioner for remodeling existing
1.19 instructional space to accommodate prekindergarten instruction;⁵ or

1.20 (2) the sum of (i) the amount the district would have qualified for under Minnesota
1.21 Statutes 2014, section 123B.57, Minnesota Statutes 2014, section 123B.59, and Minnesota
1.22 Statutes 2014, section 123B.591, ~~and~~ (ii) for a school district with an approved voluntary
1.23 prekindergarten program under section 124D.151, the cost approved by the commissioner

2.1 for remodeling existing instructional space to accommodate prekindergarten instruction,
 2.2 and (iii) the cost approved by the commissioner for energy efficiency projects.

2.3 (b) Notwithstanding paragraph (a), a school district that qualified for eligibility under
 2.4 Minnesota Statutes 2014, section 123B.59, subdivision 1, paragraph (a), for fiscal year 2010
 2.5 remains eligible for funding under this section as a district that would have qualified for
 2.6 eligibility under Minnesota Statutes 2014, section 123B.59, subdivision 1, paragraph (a),
 2.7 for fiscal year 2017 and later.

2.8 (c) A school district must document the costs and benefits of energy efficiency projects
 2.9 in the form and manner specified by the commissioner of education.

2.10 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2026 and later.

2.11 Sec. 2. Minnesota Statutes 2023 Supplement, section 123B.595, subdivision 11, is amended
 2.12 to read:

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

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

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

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

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

2.26 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2026 and later.

2.27 Sec. 3. Minnesota Statutes 2022, section 126C.69, subdivision 1, is amended to read:

2.28 Subdivision 1. **Capital grant and loan requests and uses.** Capital grants and loans are
 2.29 available only to qualifying districts. Capital grants and loans must not be used for the
 2.30 construction of swimming pools, ice arenas, athletic facilities, auditoriums, or bus garages;
 2.31 ~~or heating system improvements.~~ Proceeds of the grants and loans may be used only for

3.1 sites for education facilities and for acquiring, bettering, furnishing, or equipping education
3.2 facilities. Contracts must be entered into within 18 months after the date on which each
3.3 grant and loan is approved. For purposes of this section, "education facilities" includes space
3.4 for Head Start programs and social service programs.

3.5 **EFFECTIVE DATE.** This section is effective July 1, 2024.