

SF1330 - 0 - Long-Term Facilities Maintenance Revenue

Chief Author: **Rob Kupec**
 Committee: **Education Finance**
 Date Completed: **3/9/2023 6:57:44 PM**
 Agency: **Education Department**

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact	X	

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium		
		FY2023	FY2024	FY2025	FY2026	FY2027
Total	-	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Alyssa Holterman Rosas **Date:** 3/9/2023 6:57:44 PM
Phone: 651-284-6439 **Email:** alyssa.holterman.rosas@lbo.mn.gov

State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027	
Total	-	-	-	-	-	-
Biennial Total			-			-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Total	-	-	-	-	-	-
Biennial Total			-			-
2 - Revenues, Transfers In*						
Total	-	-	-	-	-	-
Biennial Total			-			-

Bill Description

This bill authorizes utilizing long-term facilities maintenance revenue for specified cost-efficient projects, and appropriates money.

Assumptions

Eligible school districts have purchased non-school facility to be converted to a school building on or after January 1, 2019. There are currently two districts that have already purchased non-school facilities and would utilize this legislation. It is unknown at this time how many additional districts may pursue this type of purchase and renovation, but it is estimated to be less than one per year

Conversion of the non-school building to a school facility will change the occupancy category to occupancy category E (Education).

Eligible school district has documented to the Commissioner of Education that the purchase and subsequent remodeling of the facility is less expensive than constructing a new facility, and the commissioner approved documentation will allow the eligible school an adjustment to its long-term facility maintenance revenue

An eligible school district will include in its long-term facilities maintenance ten-year plan necessary heating, ventilation and air conditioning projects to accommodate requirements for a new certificate of occupancy for school's intended facility use, and the Commissioner of Education will adjust an eligible school district's long-term facilities maintenance revenue to include these costs.

If a district bonds for the Indoor Air Quality (HVAC) project, they can receive additional LTFM revenue to be applied to the LTFM (Health and Safety) bond principal and interest. At this time, it cannot be determined if this revenue would be all levy, or a portion of it would be state aid. For this fiscal note, it is assumed that the additional revenue will all be levy.

Expenditure and/or Revenue Formula

n/a

Long-Term Fiscal Considerations

This would be ongoing and likely utilized by less than one district per year.

Local Fiscal Impact

There would be a local fiscal impact to the taxpayers of the district utilizing this revenue, as all additional funding would be local levy.

References/Sources

HF 1375-0 Ninety-third Legislative Session

file:///C:/Users/SCMiller/AppData/Local/Microsoft/Windows/INetCache/Content.Outlook/6OP9TI2N/HF1375-0%20language.pdf

Minnesota Statutes 2022, section 123B.595 Long-Term Facilities Maintenance Revenue

<https://www.revisor.mn.gov/statutes/cite/123B.595>

Minnesota Administrative Rules 1300.0220 Certificate of Occupancy

<https://www.revisor.mn.gov/rules/1300.0220/>

2021 International Building Code (IBC), Chapter 3 Occupancy Classification and Use

<https://codes.iccsafe.org/content/IBC2021P1/chapter-3-occupancy-classification-and-use>

Agency Contact: Sarah C. Miller, 651-582-8370

Agency Fiscal Note Coordinator Signature: Melissa Stirn

Phone: 651-582-8690

Date: 3/9/2023 4:21:29 PM

Email: melissa.stirn@state.mn.us