

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

S.F. No. 2392

(SENATE AUTHORS: FARNSWORTH and Hauschild)

DATE
03/02/2023

D-PG
1268 Introduction and first reading
Referred to Education Finance
See HF2497

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to education finance; authorizing additional long-term facilities maintenance
1.3 revenue and revenue uses for school districts with facilities on the National Register
1.4 of Historic Places; appropriating money; amending Minnesota Statutes 2022,
1.5 section 123B.595, subdivisions 1, 10, 11.

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

1.7 Section 1. Minnesota Statutes 2022, 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, 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 (b) In addition to the revenue authorized in paragraph (a), a school district operating a
 2.25 school building enrolling students listed on the National Register of Historic Places is eligible
 2.26 for additional long-term facilities maintenance revenue equal to \$..... times the district's
 2.27 adjusted pupil units for that year.

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

2.33 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2024 and later.

3.1 Sec. 2. Minnesota Statutes 2022, section 123B.595, subdivision 10, is amended to read:

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

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

3.6 (2) increasing accessibility of school facilities;

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

3.8 (4) for a facility on the National Register of Historic Places, all heating, ventilation, air
3.9 conditioning projects, and any other remodeling projects specifically related to maintaining
3.10 the historic nature of the facility; or

3.11 ~~(4)~~ (5) by board resolution, to transfer money from the general fund reserve for long-term
3.12 facilities maintenance to the debt redemption fund to pay the amounts needed to meet, when
3.13 due, principal and interest on general obligation bonds issued under subdivision 5.

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

3.16 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2024 and later.

3.17 Sec. 3. Minnesota Statutes 2022, section 123B.595, subdivision 11, is amended to read:

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

3.20 (1) for:

3.21 (i) the construction of new facilities;

3.22 (ii) remodeling of existing facilities, except as allowed for facilities on the National
3.23 Register of Historic Places under subdivision 10, paragraph (a), clause (4); or

3.24 (iii) the purchase of portable classrooms;

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

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

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

4.3 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2024 and later.

4.4 Sec. 4. **APPROPRIATION; LONG-TERM FACILITIES MAINTENANCE**
4.5 **REVENUE.**

4.6 **Subdivision 1. Department of Education.** The sums indicated in this section are
4.7 appropriated from the general fund to the Department of Education in the fiscal years
4.8 designated.

4.9 **Subd. 2. Long-term facilities maintenance revenue.** For additional long-term facilities
4.10 maintenance revenue required under this act:

4.11 \$ 2024

4.12 \$ 2025