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State of Minnesota  
**HOUSE OF REPRESENTATIVES**  
NINETIETH SESSION

**H. F. No. 2471**

03/20/2017 Authored by Hansen  
The bill was read for the first time and referred to the Committee on Education Finance

1.1 A bill for an act  
1.2 relating to education finance; modifying the calculation of long-term facilities  
1.3 maintenance revenue; clarifying the allowed uses of long-term facilities  
1.4 maintenance revenue; amending Minnesota Statutes 2016, section 123B.595,  
1.5 subdivisions 1, 10.

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

1.7 Section 1. Minnesota Statutes 2016, 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 (c) For fiscal year 2019 ~~and later~~, long-term facilities maintenance revenue equals the  
 2.12 greater of (1) the sum of (i) \$380 times the district's adjusted pupil units times the lesser of  
 2.13 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 (d) For fiscal year 2020 and later, long-term facilities maintenance revenue equals an  
 2.25 amount approved by the board to finance the district's facilities plan under subdivision 4.

2.26 **EFFECTIVE DATE.** This section is effective July 1, 2017.

2.27 Sec. 2. Minnesota Statutes 2016, section 123B.595, subdivision 10, is amended to read:

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

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

2.32 (2) increasing accessibility of school facilities;

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

3.1 (4) by board resolution, to transfer money from the general fund reserve for long-term  
3.2 facilities maintenance to the debt redemption fund to pay the amounts needed to meet, when  
3.3 due, principal and interest on general obligation bonds issued under subdivision 5; or

3.4 (5) for fiscal year 2020 and later, for a school district with an approved voluntary  
3.5 prekindergarten program under section 124D.151, projects approved by the commissioner  
3.6 for remodeling existing instructional space to accommodate prekindergarten instruction.

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