

SF1318 - 1A - Facilities Maintenance Revenue Uses Modified

Chief Author: **Susan Pha**  
 Committee: **Education Finance**  
 Date Completed: **3/30/2026 12:53:31 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)<br>Dollars in Thousands | Biennium |          |            | Biennium   |            |
|--|----------|----------|------------|------------|------------|
|  | FY2025   | FY2026   | FY2027     | FY2028     | FY2029     |
| General Fund                                 | -        | -        | 185        | 185        | 186        |
| <b>Total</b>                                 | <b>-</b> | <b>-</b> | <b>185</b> | <b>185</b> | <b>186</b> |
| <b>Biennial Total</b>                        |          |          | <b>185</b> |            | <b>371</b> |

| Full Time Equivalent Positions (FTE) | Biennium |          |          | Biennium |          |
|--------------------------------------|----------|----------|----------|----------|----------|
|                                      | FY2025   | FY2026   | FY2027   | FY2028   | FY2029   |
| General Fund                         | -        | -        | -        | -        | -        |
| <b>Total</b>                         | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> |

**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:** 3/30/2026 12:53:31 PM  
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**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.

| <b>State Cost (Savings) = 1-2</b>                        |   | Biennium |        |            | Biennium   |            |
|--|---|----------|--------|------------|------------|------------|
| Dollars in Thousands                                     |   | FY2025   | FY2026 | FY2027     | FY2028     | FY2029     |
| General Fund   | - | -        | 185    | 185        | 186        | 186        |
| <b>Total</b>   |   | -        | -      | <b>185</b> | <b>185</b> | <b>186</b> |
| <b>Biennial Total</b>                                    |   |          |        | <b>185</b> |            | <b>371</b> |
| <b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b> |   |          |        |            |            |            |
| General Fund   | - | -        | 185    | 185        | 186        | 186        |
| <b>Total</b>   |   | -        | -      | <b>185</b> | <b>185</b> | <b>186</b> |
| <b>Biennial Total</b>                                    |   |          |        | <b>185</b> |            | <b>371</b> |
| <b>2 - Revenues, Transfers In*</b>                       |   |          |        |            |            |            |
| General Fund   | - | -        | -      | -          | -          | -          |
| <b>Total</b>   |   | -        | -      | -          | -          | -          |
| <b>Biennial Total</b>                                    |   |          |        | -          |            | -          |

**Bill Description**

This bill allows a school district to include school safety enhancements in their long-term facilities maintenance plan beginning in fiscal year 2028. These projects may include remodeling and new construction for school security enhancements and equipment and facility modifications related to violence prevention and facility security.

**Assumptions**

This bill provides no additional state aid or levy dollars for school facility security enhancements and equipment facility modifications related to violence prevention for districts that are “on the formula”, and no additional state aid for districts that are paid based on the “old formula” (hold harmless districts) that was in place prior to the LTFM being established with the 2016 legislative session revenue. This bill assumes overlap with existing allowable violence prevention/facilities security enhancements under Minnesota Statutes 2025, section 126C.44 Safe Schools Revenue.

For Pay 2026, 314 of 328 eligible districts levied for the safe school’s levy. MDE anticipates a similar level of participation, with at least 314 districts continuing to levy for safe school projects. Therefore, implementation will require 1.0 FTE Education Finance Consultant 3 to review and approve projects and develop required plan documentation. No MNIT costs are anticipated unless additional revenue tracking within program documentation becomes necessary.

**Expenditure and/or Revenue Formula**

| SF1318                     | FY27    | FY28    | FY29    |
|----------------------------|---------|---------|---------|
| 1.0 Education Consultant 3 | 185,122 | 185,342 | 185,571 |

**Long-Term Fiscal Considerations**

The 1.0 FTE will be ongoing.

**Local Fiscal Impact**

Hold harmless districts on the “old formula” (28 districts) may choose to levy additional funds for these enhancements, potentially increasing levies, though the amount is unknown.

Many districts use financial advisors to prepare their LTFM Ten-Year Plans, and including these new purposes may increase the cost of plan preparation.

Districts must comply with mandatory health, safety, and environmental regulations under Minnesota Statutes 2025, section 123B.57, and will likely continue using LTFM funds for these purposes. For districts on the “new formula,” using LTFM funding for the newly allowable facilities security enhancements may affect decisions on funding mandatory health and safety projects and could delay deferred maintenance.

**References/Sources**

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