

Operating Capital Expenditures

Information compiled from Minnesota School Finance; A Guide for Legislators
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Operating capital revenue is a part of the general education program and provides money for equipment needs and smaller facilities projects through an equalized aid and levy.

Operating Capital Revenue

Operating capital revenue equals the sum of \$79 per pupil unit and the product of \$109 per pupil unit and the district's average building age index.

Operating capital revenue is provided through an equalized aid and levy and is computed as follows:

$$\begin{aligned} \text{Operating Capital Revenue} &= [\$79 + (\text{MCI} \times \$109)] \times \text{Adjusted Pupil Units} \\ \text{Operating Capital Levy} &= \text{Operating Capital Revenue} \times \text{the lesser of:} \\ &\quad (1) \text{ one; or} \\ &\quad (2) (\text{ANTC}/\text{Adjusted Pupil Units})/\$22,912 \\ \text{Operating Capital Aid} &= \text{Operating Capital Revenue} - \text{Operating Capital Levy} \end{aligned}$$

Eligible Uses

Operating Capital revenue must be reserved and used for equipment and facility needs. Eligible uses of operating capital revenue include the following:

- ▶ acquiring land for school purposes
- ▶ acquiring or constructing buildings for school purposes, up to \$400,000
- ▶ renting or leasing buildings, including the costs of building repair or improvement that are part of a lease agreement
- ▶ improving and repairing school sites and buildings, and equipping or reequipping school buildings with permanent attached fixtures
- ▶ using the revenue for a surplus school building that is used substantially for a public nonschool purpose
- ▶ eliminating barriers or increasing access to school buildings for individuals with a disability
- ▶ bringing school buildings into compliance with the uniform fire code adopted according to chapter 299F

- ▶ removing asbestos from school buildings, encapsulating asbestos, or making asbestos-related repairs
- ▶ cleaning and disposing of polychlorinated biphenyls found in school buildings
- ▶ cleaning, removing, disposing of, and making repairs related to storing heating fuel or transportation fuels such as alcohol, gasoline, fuel oil, and special fuel, as defined in section 296.01
- ▶ performing energy audits for school buildings and for modifying buildings if the audit indicates the cost of the modification can be recovered within ten years
- ▶ improving buildings that are leased according to section 123.36, subdivision 10
- ▶ paying special assessments levied against school property but not paying assessments for service charges
- ▶ paying principal and interest on state loans for energy conservation according to section 216C.37 or loans made under the northeast Minnesota Economic Protection Trust Fund Act according to sections 298.292 to 298.298
- ▶ purchasing or leasing interactive telecommunications equipment
- ▶ paying principal and interest payments on certain debt obligations
- ▶ paying capital expenditure equipment-related assessments of any entity formed under a cooperative agreement between two or more districts
- ▶ purchasing or leasing computers and related materials, copying machines, telecommunications equipment, and other noninstructional equipment
- ▶ purchasing or leasing assistive technology or equipment for instructional programs
- ▶ purchasing textbooks
- ▶ purchasing and replacing library books
- ▶ purchasing or leasing vehicles
- ▶ purchasing or leasing telecommunications equipment; computers hardware, software, and any associated annual licensing fees; and related equipment for integrated information management systems
- ▶ paying personnel costs directly related to the acquisition, operation, and maintenance of telecommunications systems, computers, related equipment, and network and applications software
- ▶ paying the costs directly associated with closing a school facility, including moving and storage costs