

**Subject** School District Building Lease Levy; Graduation Venues

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## Overview

A school district may levy for certain costs associated with building leases. The lease levy amount must not exceed the lesser of the lease costs for the facility or \$212 per pupil unit, except that a school district that is a member of an intermediate school district or other cooperative unit may levy an additional \$65 per pupil unit for space in the cooperative's facilities. The statutory language authorizing the building lease requires that the leased facility space be used for instructional purposes or for furniture storage.

A few years ago, the Minnesota Department of Education (MDE) concluded that expenses for graduation facility venues did not fit the definition of "instructional uses" and since that time school districts are not able to use the building lease levy for graduation facility rentals.

Statewide, the total building lease levy is about \$110 million per year, and the statewide total for graduation venues, in the years when it was allowed, ranged from \$50,000 to \$150,000 per year.

H.F. 3790 authorizes a school district to again include the costs of renting graduation venues in their building lease levy authority.

## Summary

Section	Description
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|---|---|
| 1 | <p><b>To lease building or land.</b></p> <p>Explicitly includes the rental of a facility for high school graduation ceremonies in the authorized uses of the building lease levy for school districts.</p> <p>Makes this section effective the day following final enactment.</p> |
|---|---|

Section	Description
2	<p data-bbox="316 262 828 294"><b>Graduation facilities; 2026 graduation.</b></p> <p data-bbox="316 304 1429 420">Authorizes the Department of Education to include any building lease levy amounts for graduation venues for the 2025-2026 graduation season in the next year's building lease levy authority.</p>



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