

**Subject** School District Long-Term Facilities Maintenance Revenue

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## Overview

The long-term facilities maintenance (LTFM) program provides most school districts with up to \$380 per pupil per year in revenue for deferred maintenance projects. Under current law, an intermediate school district and certain other statutorily named cooperatives may issue bonds for these deferred maintenance projects, and these bonds are repaid with transfers of LTFM revenue from the member school districts.

H.F. 1457 includes other joint powers organizations in this authority as long as a resolution has been adopted stating how the costs will be allocated among the member school districts. Minnesota's joint powers law allows any group of municipalities to form a joint powers association to carry out specified purposes.

School districts may lease instructional space. A school district's lease levy is limited to \$212 per pupil, except that a school district that is a member of an intermediate district may levy up to an additional \$65 per pupil for the intermediate's facility costs. H.F. 1457 extends the additional building lease levy authority to all types of cooperative units (e.g., special education cooperatives, service cooperatives, education districts, or other joint powers associations).

According to the fiscal note from the 2022 session, H.F. 1457 is expected to increase school levies by about \$1.5 million per year, and the levy increase would also be accompanied by a very small increase in the school building bond agricultural credit.

## Summary

Section	Description
1	<b>Intermediate districts and other cooperative units. [LTFM]</b> Expands the list of cooperative units that may issue deferred maintenance bonds backed by the member school districts' LTFM revenue to include other types of joint powers agreements.
2	<b>To lease building or land.</b> Authorizes a school district to levy up to \$65 per pupil per year for facilities needs for cooperative school units and school joint powers districts (under current law, this additional lease levy authority is available only for expenses of intermediate school districts).



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