

Long-Term Facilities Maintenance Revenue

Information compiled from Minnesota School Finance; A Guide for Legislators
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House Research/Fiscal

The 2015 Legislature created a new program to support facilities maintenance needs for school districts, charter schools, and cooperatives, including intermediate school districts. The program, Long-Term Facilities Maintenance Revenue (LTFMR), is a per pupil, formula-driven revenue source that replaces health and safety revenue, alternative facilities revenue, and deferred maintenance revenue beginning with the 2016-17 school years. School districts that received a higher level of revenue prior to the creation of the per pupil allowance are authorized to continue levying at the higher level of spending.

LTFM Revenue

LTFMR is primarily provided through a per pupil allowance. For school districts, the per pupil allowance is \$193 for fiscal year 2017, \$292 for fiscal year 2018, and \$380 for fiscal year 2019 and later. These allowances are then multiplied by the districts pupil units and building age index. For charter schools, the per pupil allowance is \$34 for fiscal year 2017, \$85 for fiscal year 2018, and \$132 for fiscal year 2019 and later. A charter school's LTFMR is provided entirely in state aid. A charter school is not required to submit a ten-year plan in order to receive LTFMR.

Equalized Long-Term Facilities Maintenance Revenue, Levy, and Aid

A school district's equalized alternative facilities revenue equals the lesser of the per pupil formula amount for that year or the actual amount of the initial revenue.

Equalized Revenue for FY19	= lesser of:	(1) initial LTFMR,	or
		(2) \$380 x pupil units	
Equalized Levy = Initial Revenue	– greater of:	(1) the lesser of:	(a) the initial revenue, or (b) the district's alternative facilities aid for FY15; or (2) equalized revenue x the greater of: (a) zero, or (b) <u>district ANTC/pupil unit</u> 1.23 x (statewide ANTC/pupil unit)

Equalized Aid = Equalized Revenue – Equalized Levy

Total LTFMR Levy = Equalized Levy + Unequalized Levy

The calculation of the equalized levy is made in such a way that no district will receive less aid under the LTFMR program than it formerly received under the alternative facilities program.

Table 1:
Long-Term Facilities Maintenance Revenue; Appropriation and Levy

Fiscal Year	LTFM General Fund Aid	LTFM General Fund Equity Levy	LTFM General Fund Unequalized Levy	LTFM Bond Fund Aid	Net LTFM Bond Fund Levy	Total
2019*	\$105,776,000	\$123,397,000	\$133,130,000	\$34,651,000	\$129,549,000	\$526,503,000
2018*	82,627,000	102,579,000	110,428,000	33,534,000	122,550,000	451,718,000
2017	58,150,000	65,548,000	98,282,000	29,167,000	106,315,000	357,462,000

* Estimated

House Research Department

LTFM Expenditures

To qualify for Long-Term Facilities Maintenance Revenue (LTFMR), a school district or cooperative unit must develop a ten-year facilities plan and submit that plan to the Commissioner of Education. The plan must be updated annually, and every two years the updated plan must be forwarded to the Commissioner of Education.

LTFMR must be reserved and may only be used for:
deferred maintenance projects;
increasing facility accessibility, and
health and safety purposes.

LTFMR may not be used for the construction of new facilities, for the purchase of portable classrooms, to finance lease purchase agreements, for energy-efficiency projects, or for violence prevention and facility security, ergonomics, or emergency communications devices.

A district may sell and issue general obligation bonds without voter approval to fund qualifying LTFMR projects and may use the annual revenue received under the program to repay the bonds.

Long Term Facilities Revenue Comparing Alternative Facilities Eligible Districts to All Others Per Pupil Revenue over Time

