

Subject School District QComp Revenue and LTFM Revenue

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Overview

Minnesota's alternative teacher compensation program is known informally as the QComp program. A school district participating in the QComp program receives up to \$260 per student in additional funds each school year. The funding for QComp is capped, and unless the statewide funding cap is increased, no additional school districts or charter schools are authorized to participate in the program. Currently, 108 school districts and charter schools are receiving funding for the program and 27 school districts and charter schools are on the program's waiting list.

Long-term facilities maintenance (LTFM) was created by the 2015 Legislature to support facilities maintenance needs for schools. LTFM revenue replaced health and safety revenue, alternative facilities revenue, and deferred maintenance revenue beginning with the 2016-2017 school year. LTFM revenue is primarily pupil-based, but health and safety projects in excess of \$100,000, and districts formerly eligible for alternative facilities funding are eligible for LTFM revenue in excess of the per pupil amounts (\$380 per pupil unit for school districts). LTFM revenue is an equalized aid and levy; however, the majority of the revenue comes through the local levy.

The 26 largest school districts that qualified for alternative facilities revenue (based on their building square footage and building age) serve about half of the state's school pupils. These districts may include any deferred maintenance projects (including roof repair and replacement) in their LTFM revenue.

H.F. 5004 raises the annual statewide QComp cap from \$88.5 million to \$110 million. This aid increase is sufficient to fund the currently participating districts and include all of the districts on the waiting list. H.F. 5004 also includes the Shakopee school district in the list of large school districts eligible for all deferred maintenance costs to be covered by LTFM revenue.

Summary

Section	Description
1	Basic alternative teacher compensation aid. [QComp] Increases the annual QComp basic aid cap from \$88.5 million to \$110 million.
2	Shakopee eligibility for alternative facilities designation. Modifies the session law that qualified some districts slightly under the size and age thresholds for the alternative facilities program to include Independent School District. No. 720, Shakopee, to be treated in the same manner as the other large school districts for purposes of LTFM revenue (allowing all deferred maintenance amounts to qualify for LTFM funding).
3	Alternative teacher compensation aid. [QComp] Increases the line item appropriation for the QComp program to include aid sufficient to fund the school districts and charter schools on the QComp waiting list.



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