

Subject Long-Term Facilities Maintenance Revenue; Cost Efficient Remodeling

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Overview

The 2015 Legislature created a program to support facilities maintenance needs for school districts. The program, long-term facilities maintenance revenue (LTFM), is a per pupil, formula-driven revenue source that replaced health and safety revenue, alternative facilities revenue, and deferred maintenance revenue. While primarily formula-driven, districts may include certain health and safety costs above the per pupil formula amounts.

A school district must develop a ten-year facilities plan and submit that plan to the commissioner of education. LTFM revenue must be reserved and may only be used for deferred maintenance projects, increasing facility accessibility, and health and safety purposes. LTFM revenue may not be used for the construction of new facilities.

H.F. 1375 addresses an issue that has arisen in two school districts where former “big-box” retail stores are being converted into school facilities. In both cases, necessary improvements to the air handling systems were determined ineligible as an appropriate use of LTFM funds. H.F. 1375 authorizes these districts to include these projects in their LTFM costs and update their air handling systems to meet the standard necessary for a certificate of occupancy if the districts can demonstrate to the Department of Education that remodeling these structures was less expensive than new construction.

Summary

Section	Description
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| 1 | Long-term facilities maintenance revenue; cost effective facilities.
Includes the costs of updating a school facility’s air handling systems in the district’s LTFM costs if the district can demonstrate that the overall construction costs are less than those associated with a newly constructed facility. |
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