

Subject Modifying Long-Term Facilities Maintenance and Operating Capital

Authors Marquart

Analyst Tim Strom

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Overview

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 (LTFM) revenue, is a per pupil, formula-driven revenue source that replaced health and safety revenue, alternative facilities revenue, and deferred maintenance revenue. The current LTFM formula's allowance is \$380 per pupil times the building's age index which is based on the average age of the school district's buildings. The building age index reaches its maximum of 1.0 once a district's average building age is at least 35 years of age.

Operating capital revenue is part of general education revenue and also contains an age index which reaches its maximum amount when a district's building square footage averages 50 years old or more.

H.F. 3232 eliminates the age index for operating capital revenue, freezes the age index for the LTFM program for districts that have added new building space but are still maintaining their existing building square footage, and authorizes a school board to transfer money from its LTFM reserved account to its operating capital reserved account.

Summary

Section	Description
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1	Long-term facilities maintenance revenue.
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	Allows a school district that adds square footage to exclude the new square footage from its age index when calculating LTFM revenue. Authorizes a school board, by board resolution, to transfer any balance in its LTFM account to its reserved account for operating capital. Adjusts the LTFM program equalizing factor so that the full
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Section	Description
	amount of the LTFM revenue increase is provided in state aid. Eliminates obsolete language.
2	Total operating capital revenue. Eliminates the age index from the operating capital formula so that every district receives operating capital revenue of \$243 per pupil unit.
3	Appropriation; long-term facilities maintenance aid. Increases the LTFM aid appropriation by an unspecified amount for fiscal year 2023.



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