DEPARTMENT OF EDUCATION

Long-Term Facilities Maintenance (LTFM) SWWC Region IV Annual Conference April 10, 2025

Sarah Miller | Division of School Finance

4/14/2025

Today's Agenda

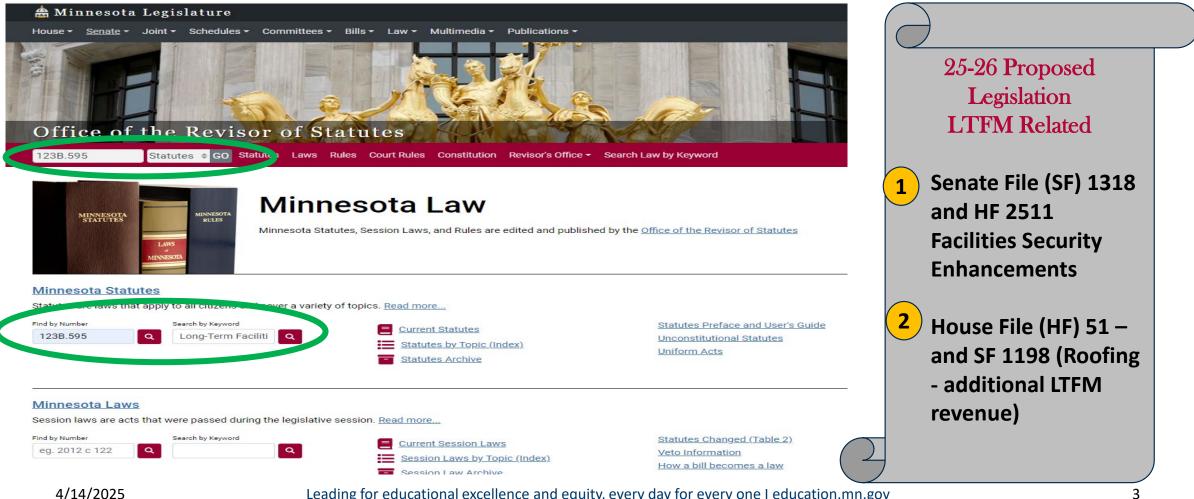
Long-Term Facilities Maintenance (LTFM) Process – Review

- Where Do We Find LTFM tools for Guidance/Uniform Financial Accounting and Reporting (UFARS)/Minnesota Statutes/Other?
- Mid-Year Revisions Brief Overview
- LTFM Allowable/Unallowable Projects
- LTFM Ten-Year Plan Components/Process
- What Have We Learned?

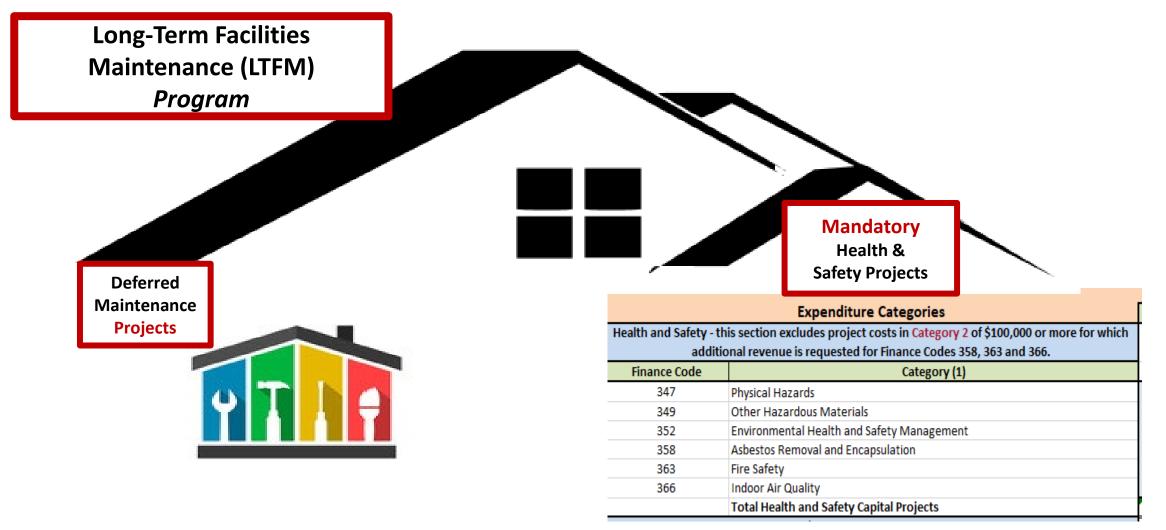


Minnesota Revisor of the Statutes

www.revisor.mn.gov/pubs/ Locate LTFM (Minn. Stat. 123B.595[2024])



Long-Term Facilities Maintenance Deferred Maintenance and Health and Safety Projects



Allowable Uses of LTFM Revenue Minnesota Statutes 2024, section 123B.595, subd. 10

Subd. 10. Allowed uses for long-term facilities maintenance revenue. (a) A district may use revenue under this section for any of the following:

(1) deferred capital expenditures and maintenance projects necessary to prevent further erosion of facilities;

(2) increasing accessibility of school facilities;

(3) health and safety capital projects under section 123B.57;

(4) remodeling or constructing a gender-neutral single-user restroom at each school site; or

(5) by board resolution, to transfer money from the general fund reserve for long-term facilities maintenance to the debt redemption fund to pay the amounts needed to meet, when due, principal and interest on general obligation bonds issued under subdivision 5.

A charter school may use revenue for any purpose related to the school.

Minnesota Statutes 2024, section 123B.57 Health and Safety (H&S)

DEPARTMENT OF EDUCATION

2024 Minnesota Statutes

123B.57 HEALTH AND SAFETY PROJECTS

Subd. 6 Health and safety capital projects

- (a) Health and safety capital projects may include expenditures necessary for the
 - 1. correction of fire and life safety hazards; design, purchase, installation, maintenance, and inspection of fire protection and alarm equipment;
 - 2. purchase or construction of appropriate facilities for the storage of combustible and flammable materials;
 - inventories and facility modifications not related to a remodeling project to comply with lab safety requirements under section <u>121A.31</u>;
 - 4. inspection, testing, repair, removal or encapsulation, and disposal of asbestoscontaining building materials;
 - 5. cleanup and disposal of polychlorinated biphenyls;
 - 6. cleanup and disposal of hazardous and infectious wastes;
 - cleanup, removal, disposal, and repairs related to storing heating fuel or transportation fuels such as alcohol, gasoline, fuel oil, and special fuel, as defined in section 296A.01;



Subd. 8 – Health, Safety, and Environmental Management

- School districts may contract with regional service organizations, private contractors, etc.
- Managements Assistance is:
 - development of written programs for identification,
 - recognition and
 - Control of hazards, and
 - Prioritization and scheduling of district health and safety capital projects.
- Management Assistance is not mandated by Commissioner or assistance by private contractors is not excluded.

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Restricted Uses of LTFM Revenue Minnesota Statutes 2024, section 123B.595, subd. 11

Subd. 11. **Restrictions on long-term facilities maintenance revenue.** Notwithstanding subdivision 10, long-term facilities maintenance revenue may not be used:

 for the construction of new facilities, remodeling of existing facilities, or the purchase of portable classrooms, except for the costs associated with constructing or remodeling existing facilities to include at least one gender-neutral single-user restroom authorized under subdivision 10;

(2) to finance a lease purchase agreement, installment purchase agreement, or other deferred payments agreement;

(3) for energy-efficiency projects under section <u>123B.65</u>, for a building or property or part of a building or property used for postsecondary instruction or administration, or for a purpose unrelated to elementary and secondary education; or

(4) for violence prevention and facility security, ergonomics, or emergency communication devices.

Subd. 12. **Reserve account.** The portion of long-term facilities maintenance revenue not recognized under subdivision 5, paragraph (c), must be maintained in a reserve account within the general fund.

LTFM Process Review



GUIDANCE – LTFM Webpage

LTFM Guidance – Minnesota School Finance – A Guide for Legislators

DEPARTMENT OF EDUCATION



Financing Education in Minnesota

Minnesota School Finance - A Guide

2018-19

for Legislators

Archive

MN HOUSE RESEARCH

Minnesota School Finance: A Guide for Legislators



About this Publication

This guidebook explains how public elementary and secondary schools are funded in Minnesota.

By Tim Strom, Legislative Analyst November 2024

Minnesota School Finance: A Guide for Legislators

Financing Education in Minnesota 2024-2025

Financing Education In Minnesota 2024-2025



A Publication of the Minnesota House of Representatives Fiscal Analysis Department

November 2024

Financing Education in Minnesota 2024-2025 House of Representatives Publication

See Pages 44 – 48

Long-Term Facilities Maintenance

Revenue

pub FinancingEducation24-25 111524.pdf

Financing Education in Minnesota 2024-2025

LTFM Revenue

Long-Term Facilities Maintenance Revenue

The Long-Term Facilities Maintenance Revenue Program was introduced in FY 2017, and all districts, charter schools, intermediate districts, cooperative units, and joint powers districts are eligible for funding. This program "folds in" the previous Health and Safety, Alternative Facilities, and Deferred Maintenance revenue programs.

Allowed uses of the long-term facilities maintenance revenue include:

- (1) Deferred capital expenditure and maintenance necessary to prevent further erosion of facilities:
- Approved Health and Safety Capital Projects; (2)
- (3) Increased accessibility to school facilities;
- Transfers from the LTFM reserve in the general fund to the debt redemption fund (by (4) board resolution);
- (5) Approved expenditures associated with remodeling instructional space for Voluntary Pre-K programs; and
- (6) For Charter schools only, any purpose related to the school.

Long-term facilities maintenance revenue *must not* be used for construction of new facilities, remodeling of existing facilities (except for voluntary pre-kindergarten and costs associated with constructing or remodeling to create a gender-neutral single-user restroom), purchase of portable classrooms, financing a lease purchase agreement, energy efficiency projects, facilities used for post-secondary instruction, violence prevention, security, ergonomics, or emergency communication devices.

All participants in the LTFM program must have a 10-year facilities plan. The plan must include provisions for implementing health and safety compliance efforts as well as plans to provide a gender-neutral single-user restroom at each school site. The plan must be updated annually and approved by both the school's governing board and the Commissioner of Education.

Districts must indicate if they plan to issue general obligation bonds or use an annual levy to finance project costs (referred to as "pay as you go"). Districts that issue bonds must additionally provide a debt service schedule ensuring that debt service revenue for the principal and interest on the bonds will not exceed projected LTFM revenue for the year. Intermediate districts may also issue bonds, by resolution of all member school districts and approval of the Commissioner.

Voter-approval is not required for issuance of general obligation bonds for LTFM projects. However, notice must be posted at least 20 days prior to the earliest solicitation of bids, sale of bonds, or final certification of levies. The published notice must outline the scope of the projects, the amount of the bond issue and the total district indebtedness.

Example: LTFM Revenue Scenario

Example – Gopherville School District

Adjusted Pupil Units	=	1,000
District Average Building Age	=	20 years
Average Building Age Index	=	35 years
Building Age Ratio	=	20/35
Old Law Deferred Maintenance Revenue	=	\$34,000
Old Law Alternative Facilities Revenue	=	\$0
Old Law Health & Safety Revenue	=	\$0
FY 2025 Approved Health & Safety Projects*	=	\$125,000
Adj. Net Tax Capacity (ANTC) Value	=	\$5,000,000
Class 2a Agricultural Land Value	=	\$2,000,000
LTFM Adjusted Net Tax Capacity	=	\$4,000,000
Adjusted Net Tax Capacity per Pupil	=	\$4,000
State Average ANTC per Pupil	=	\$12,183
123% of State Average ANTC	=	\$14,985
Member of an Intermediate District?	=	No
Pre-K Program Approved Remodeling Cost	=	\$40,000

Hold Harmless For FY 2025, the LTFM Revenue for a district equals the greater of:

(1) (\$380 × Adjusted Pupil Units × (the lesser of i) 1 or ii) Building Age Ratio) + Approved Health & Safety Capital Projects + Approved Voluntary Pre-K Allowed Remodeling Cost

or

(2) The sum of the amount the district would have gualified for under M.S. 2014 Alternative Facilities, Deferred Maintenance, and Health and Safety Revenue programs

Financing Education in Minnesota 2024-2025- "Hold Harmless"

For FY 2025, the LTFM Revenue for a District is Equal to the Greater of:

- (\$380 x Adjusted Pupil Units (APUs) x (the lesser of i) 1 or ii) Building Age Ratio) + Approved Health and Safety Capital Projects (for additional revenue) + Approved Voluntary Pre-K Allowed Remodeling Cost.
 - The sum of the amount the district would have qualified for under Minnesota Statutes 2014 Alternative Facilities, Deferred Maintenance and Health and Safety Revenue Programs.

Financing Education in Minnesota 2024-2025- "Hold Harmless" Subdivision 1(a) School Districts

<u>Alternative Facilities Minnesota Statutes, section 123B.59, subd.</u> <u>1(a) – Repealed</u>

C. QUALIFYING DISTRICTS

M.S. 123B.59 provides for eligibility as follows (excerpted):



- Subdivision 1. To quality. (a) An independent or special school district qualifies to participate in the alternative facilities bonding and levy program if the district has:
- (1) More than 66 students per grade.
- (2) Over 1,850,000 square feet of space and the average age of building space is 15 years or older or over 1,500,000 square feet and the average age of building space is 35 years or older.
- (3) Insufficient funds from projected health and safety revenue and capital facilities revenue to meet the requirements for deferred maintenance, to make accessibility improvements, or to make fire, safety, or health repairs.
- (4) A ten-year facility plan approved by the commissioner according to subdivision 2.

Financing Education in Minnesota 2024-2025- "Hold Harmless" Subdivision 1(B) School Districts

<u>Alternative Facilities Minnesota Statutes, section 123B.59, subd. 1(b)</u> <u>– Repealed</u>

1B

- (b) An independent or special school district not eligible to participate in the alternative facilities bonding and levy program under paragraph (a) qualifies for limited participation in the program if the district has:
- (1) one or more health and safety projects with an estimated cost of \$500,000 or more per site that would qualify for health and safety revenue except for the project size limitation in section <u>123B.57</u>, <u>subdivision 1</u>, paragraph (b) –**now repealed**; and
- (2) insufficient funds from capital facilities revenue to fund those projects.

Frequently Used Abbreviations and Terms Glossary for Charter Schools Charter School Webpage

MDE > District, Schools and Educators > Charter Schools > Charter School Resources

DEPARTMENT OF EDUCATION

Frequently Used Abbreviations and Terms Glossary

Academic Progress – In a general sense, <u>academic progress</u> is an increase in students' learning. More specifically, for the purposes of Every Student Succeeds Act (ESSA) accountability, academic progress refers to students increasing their learning relative to grade level standards. This is measured using statewide tests in math and reading, and those subjects are used as a sample of students' progress overall.

Academic Standards – The Minnesota kindergarten through grade 12 <u>Academic Standards</u> are the statewide expectations for student learning in K-12 public schools. School districts and charter schools are required to put state standards into place so all students have access to high-quality content and instruction. Per Minnesota Statutes 2022, section 120B.018, an academic standard is a summary description of student learning in a content area. Academic standards are comprised of one or more benchmarks. A benchmark supplements the standards and is the specific knowledge or skill that a student must master to complete part of an academic standard by the end of a grade level or grade band.

Access to Career and Technical Education for Students with a Disability (<u>ACTE-SPED</u>) – ACTE-SPED is designed for students who require curriculum modifications and special equipment to participate in state-approved Career and Technical Education (CTE) work-based learning (WBL) programs.

Achievement and Integration (A&I) – Established to increase racial and economic integration of students and to increase student academic achievement by reducing academic disparities based on students' diverse racial, ethnic, and economic backgrounds. Districts do not apply to participate in the A&I program. Instead, districts are notified by the commissioner of education that they are either required or eligible to be in the program based on their annual fall enrollment data.

Achievement Test – An achievement test is an instrument designed to efficiently measure the amount of academic knowledge and/or skill a student has acquired from instruction. Such tests provide information that can be compared to either a norm group or a measure of performance.

Aggression - The total or combined performance of all students for reporting purposes.

Alignment – The similarity or match between or among content standards, curriculum, instruction, and assessments in terms of knowledge and skill expectations.

<u>Charter School Resources</u> Education.mn.gov/MDE/dse/ chart/scres/

REFERENCE RESOURCE

4/14/2025

LTFM Webpage – District, Schools and Educators > School Finance > Facilities and Technology > Long-Term Facilities Maintenance

DEPARTMENT OF EDUCATION About MDE-Students and Families -Districts, Schools and Educators -Data Center -Office of the Inspector General MDE > Districts, Schools and Educators > School Finance > Facilities and Technology > Long-Term Facilities Maintenance School Finance **Long-Term Facilities Maintenance** Audits Charter Schools The Minnesota Department of Education (MDE) provides information, forms and guidance to school districts to enable them to meet requirements of the Long-Term Facilities Maintenance (LTFM) Revenue program under Minnesota Statutes, section 123B.595. This page Community Education, ECFE and contains memorandums from MDE, program guidance documents, and spreadsheets and forms used to obtain approval to receive School Readiness Facilities and Technology Alternative Facilities nd Safety related information is located on the Health and Safety webpage Health and Safety Long-Term Facilities Maintenance Guide for Allowable Expenditures - 2/7/25 Lease Authority Long-Term Facilities LTFM Annual Calendar Reporting and Deadlines - 2/3/25 Maintenance FY 2024 LTFM Approved vs. UFARS Cost Reconciliation Report - 12/31/24 School Construction FY 2024 LTFM Revenue – Review of Approved vs. UFARS Expenditure Reconciliation Report and 23-24 Aid Entitlement Report Federal Aid Memorandum - 11/1/24 **Fiscal Monitoring Financial Management** FY 2026 Long-Term Facilities Maintenance Revenue Statement of Assurances - 6/6/24 2 Funding Projections and Trends FY 2024 and 2025 UFARS Code Descriptions for Long-Term Facilities Maintenance - 5/22/24 General Education FY 2026 Long-Term Facilities Maintenance Cooperative Allocation Worksheet - 5/21/24 Levy Certification Process Long-Term Facilities Maintenance Transfers - 5/21/24 MARSS Student Accounting Nonpublic FY 2026 Long-Term Facilities Maintenance Ten-Year Revenue Projection - 5/21/24 Postsecondary Enrollment Optio FY 2026 Long-Term Facilities Maintenance Ten-Year Expenditure Plan Application - 5/21/24 (PSEO) FY 2026 Long-Term Facilities Maintenance Guide - 5/17/24 Special Education May 2024 Transportation Maximum Revenue for Health, Safety, and Environmental Management (FIN code 352) for the Fiscal Year 2024-25 Biennium - 10/17/23

Contact

mde.funding@state.mn.us 651-582-8779

4/14/2025

Long-Term Facilities Maintenance – 2025 Guide for FY 2027

- Minnesota Statutes 2024, section 123B.595 establishes LTFM Program
- Guide provides detailed information to assist schools in meeting LTFM parameters and MDE expectations for document submission
- Information from LTFM 10-year plan determines aids and levies for upcoming 25PAY26 Levy for FY 27
- Outlines LTFM Required Documentation and other important LTFM information!

LTFM Guidance – FY 2024 Guide for FY 2026 is Current

DEPARTMENT OF EDUCATION

1

Long-Term Facilities Maintenance (LTFM) – 2024 Guide for Fiscal Year (FY) 2026

Note: The 2024 guide for FY 2026 is currently based on 2023 Minnesota Statutes. Should legislation be passed in the next several weeks that affect this program, a revised version of the guide and other documentation will be published and communicated to districts.

Minnesota Statutes 2023, section 123B.595, establishes the Long-Term Facilities Maintenance Revenue program. It replaced three programs: Deferred Maintenance (Minn. Stat. 123B.591[2023]), Alternative Facilities (Minn. Stat. 123B.59 [2023]), and Health and Safety (Minn. Stat. 123B.57[2023]). The LTFM program offers a comprehensive program to fund a facility ten-year plan developed by a school district, intermediate school district, cooperative, and joint powers districts. The uses of revenue, or allowable expenditures, remain the same as under the three previous programs.

This guide provides detailed information about the LTFM program to assist school districts, intermediate school districts, school district cooperatives, and charter schools in meeting the LTFM program parameters and Minnesota Department of Education (MDE) expectations for submission of the LTFM plan documents. Information from this year's plan submission will be used to determine initial LTFM aids and levies for fiscal year (FY) 2026 and to adjust LTFM revenues for FY 2025 and FY 2026.

School districts, intermediate school districts, and school district cooperatives (including joint powers districts) are required to annually update their LTFM ten-year plan and submit the board approved plan to the commissioner for approval by July 31.

Contents

The information in this guide is organized into the following sections:



- Process and Timelines
- Revenue Uses and Restrictions
- Ten-Year Expenditure Plan Excel Spreadsheet
- Ten-Year Revenue Projection Excel Spreadsheet
- <u>Statement of Assurances</u>
- School Board Resolution
- Other LTFM Documents and Resources
- FY 2023 LTFM Closeout/Expenditure Reconciliation
- Mid-Year Ten-Year Plan Revisions
- UFARS Code Dimensions
- MDE Contacts for Further Information
- School Board Resolution Example Templates

Descriptions for LTFM FY 2025 (Current) UFARS Codes **COMPANION** to the LTFM Guide for Allowable Expenditures

DEPARTMENT OF EDUCATION

Long-Term Facilities Maintenance (LTFM) Uniform Financial and Accounting Standards (UFARS) Dimensions

- Chapter 1 Fund Balance Code Dimensions
- Chapter 3 Program Code Dimensions
- Chapter 4 Finance Code Dimensions
- Chapter 6 Source Code Dimensions (Revenue)
- Chapter 8 Balance Sheet Account Dimensions

Code Title and Definition

01 General Fund

Capital expenditures may be made from either the Unassigned Fund Balance 422 in the General Fund, or from one of the appropriate Restricted/Reserved accounts in the General Fund. To indicate that the expenditure is made from the Restricted/Reserved Account for Long-Term Facilities Maintenance, use these Finance Codes: 347, Physical Hazards; 349, Other Hazardous Materials; 352, Environmental Health and Safety Management; 358, Asbestos Removal; 363, Fire Safety; 366, Indoor Air Quality; 368, Building Envelope; 369, Building Hardware and Equipment; 370, Electrical; 379, Interior Surfaces; 380, Mechanical Systems; 381, Plumbing; 382, Professional Services and Salary; 383, Roofing Systems; or 384, Site Projects.

06 Building Construction Fund

The Building Construction Fund is used to record all operations of a district's building construction program that are funded by the sale of bonds, capital loans, or major capital projects costing \$2,000,000 or more.

Long-Term Facilities Maintenance (LTFM) Program (Minn. Stat. § 123B.595) expenditures that are funded by bonds or major capital projects costing \$2,000,000 or more must be recorded in the Building Construction Fund.

2



Long-Term Facilities Maintenance Revenue Guide for Allowable Expenditures

Minnesota Statutes 2024, section 123B.595

Minnesota Department of Education Division of School Finance 400 NE Stinson Blvd. Minneapolis, Minnesota 55413 651-582-8200

February, 2025

4/14/2025

A. Forward Section

The purpose of this document is to provide school districts, intermediate school districts and school district cooperatives with information that will assist with planning and development of a ten-year plan. To receive Long-Term Facilities Maintenance (LTFM) Revenue under Minnesota Statutes 2024, section 123B.595 the ten-year plan must be approved by the school board and the commissioner. This document details the allowable expenditures that may be included in the tenyear plan. The statement of assurances submitted by the organization receiving revenue attests that plan expenditures are made according to the uses described in this document. The plan must include provisions for implementing a health and safety program that complies with health, safety, and environmental regulations and best practices including indoor air quality **management.** See the **MDE website Districts, Schools and Educators > School Finance > Facilities** and Technology > Long-Term Facilities Maintenance for the ten-year plan format, revenue calculation model, and instructions regarding long-term facilities maintenance revenue

A. Forward

- **B.** Authorized Expenditures
- **C.** Deferred Maintenance Qualifying Criteria Categories 1-11
 - Capital expenditures
 - Maintenance Projects
- **D.** Disabled Access Qualifying Criteria
- E. Health and Safety Qualifying Criteria (Finance Codes 347, 349, 352, 358, 363, and 366)

- F. Additional Requirements Regarding Health and Safety
 - Examples (Some are LTFM unallowable costs)
 - ✓ New Construction or Re-Locatables
 - ✓ Facility Demolition
 - ✓ Facility Evaluation for Structural Safety
 - ✓ Professional Fees
 - ✓ Weather/Flood-Related Damage

G. Long-Term Facilities Maintenance Reserve Transfer to Debt Service Qualifying Criteria

 By board resolution money may be transferred from the general fund reserve for LTFM to the debt redemption fund to pay the amounts needed to meet, when due, principal and interest on general obligation bonds issued for LTFM bonds issued under Minnesota Statutes 2024, section 123B.595, Subdivision 5.

H. Remodeling for Pre-K Instruction Qualifying Criteria

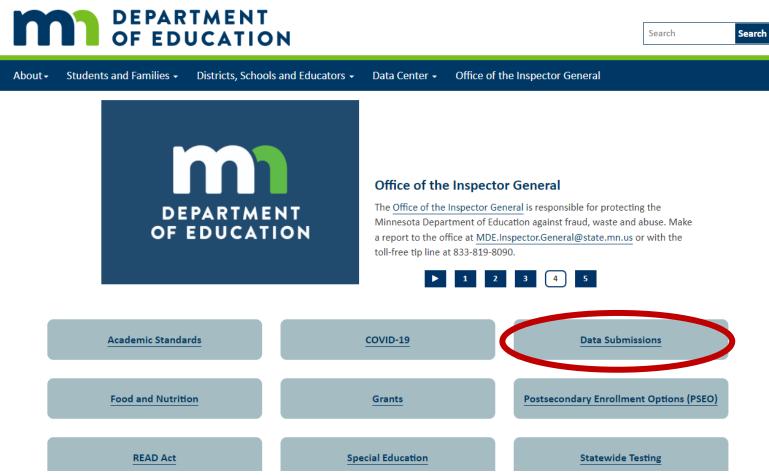
 A school district with an approved voluntary pre-kindergarten program under Minnesota Statutes 2024, section 124D.151, is eligible to include the cost approved by the commissioner for remodeling existing instructional space to accommodate prekindergarten instruction.

LTFM Process Review

LTFM Ten-Year Plan – What's New!

"New Look" MDE Website

Education.mn.gov – "New Look" – MDE Website:

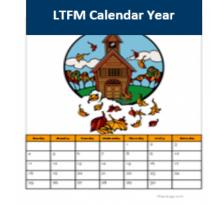


Posted in February 2025 – LTFM Calendar Year



DEPARTMENT OF EDUCATION

Long-Term Facilities Maintenance (LTFM) Calendar January 1, 2025 through January 6, 2026



Date	Description
January 1, 2025	Facilities Age and Square Footage Deadline for New Buildings to be inspected/occupied for inclusion on FY 2025 Report for FY 2027 – was due December 16, 2024.
January 6, 2025	Deadline: Last day for districts to submit appeal/additional information for FY 24 LTFM Reconciliation Process (see: similar dates for future fiscal year LTFM Reconciliations).
Mid to Late April, 2025 and forward	Health and Safety Data Submissions website available for FY 25 FY 26 and FY 27 entries For User Name and Password: <u>Sarah.C.Miller@state.mn.us</u>
Mid to Late May, 2025	FY 27 LTFM Ten-Year Plan documentation posted on the LTFM webpage (after current Legislative Session concludes).
	Notification Memo to Superintendent's/Business Managers of LTFM program process for current fiscal year (FY). Directs schools to LTFM webpage for statutory required documentation, guidance and statutory submission deadline of July 31 .

4/14/2025

LTFM Upcoming "New" Webpage Updates

LTFM Website Single Subject Webinars

- LTFM Ten-Year Plan Balance Sheet Section
- Fiscal Year (FY) 24 LTFM Ten-Year
 Reconciliation LTFM Approved vs. UFARS
 Expenditures
- Health and Safety Data Submissions Entries
- Facilities, Age and Square Footage Reporting – Data Submissions Entries



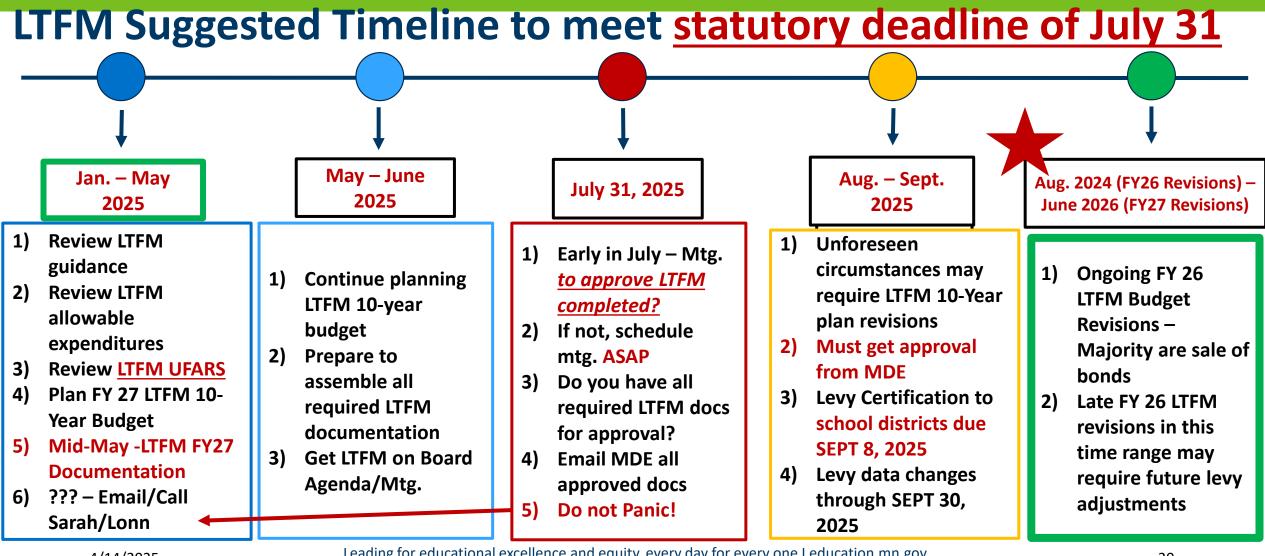
Education.mn.gov/MDE/dse/schfin/fac/ltfm/

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LTFM Process Review

LTFM Ten-Year Timeline/Process

LTFM Process Timeline – Suggested Planning



4/14/2025

Mid-Year FY 26 Ten-Year Plan Revisions - LTFM

FY 26 LTFM Plan Revisions

School's priorities change after the initial plan is approved

- 1) Plan changes only impact LTFM expenditures
 - Eligible projects may be rearranged or substituted in the LTFM expenditure plan
 - Allowed with school board approval
 - Submit *revised* school board approved expenditure plan to MDE
 - Submit board minutes approving the new expenditure plan to MDE signed by the Clerk

Mid-Year FY 26 Ten-Year Plan Revisions - LTFM

FY 26 LTFM Plan Revisions

- 2) Plan changes impact LTFM revenues
 - **Reasons** to submit a new LTFM 10-year plan:
 - Issuance of bonds requires an "Intent Resolution"
 - Addition of a H&S project \$100,000 or more for:
 - ✓ Asbestos
 - ✓ Fire Safety
 - ✓ IAQ
 - Single project per site \$2 million or more (Deferred Maintenance)
 - Major plan changes district to ensure plan can be approved before risking the expenditures

Mid-Year FY 26 Ten-Year Plan Revisions - LTFM

FY 26 LTFM Plan Revisions

2) Plan changes impact LTFM revenues (continued)

District may submit new ten-year plan documentation to MDE

- School board approved board minutes (signed by the Clerk)
- Statement of Assurances (signed by the Superintendent)
- Revised LTFM ten-year revenue projections, actual Excel spreadsheet
- Revised LTFM ten-year expenditure, actual Excel spreadsheet
- **DO NOT SEND** Hard copies of the 10-year LTFM plan to MDE

Question: Our school **bonded** for deferred maintenance and health and safety projects. Projects are completed. Are there options for remaining **bonded** dollars?

- Remainder may be used for similar Commissioner approved projects with school board resolution.
- Remainder may be used for any public use authorized by law with school board approval and voter approval.
- Remainder may be transferred to the Debt Service Fund 07 for servicing principle and interest payments.

Use of Bonded Proceeds (Minn. Stat. § 475.65)

Use of Bond Proceeds

2	Office of the Revisor of Statutes
	Retrieve by number Statutes 🗢 GO Statutes Laws Rules Court Rules Constitution Revisor's Office - Search Law by Keyword
	2024 Minnesota Statutes > PUBLIC DEBT; LOCAL GOVERNMENT AID > Chapter 475 > Section 475.65
	<u>475.64</u>
	2024 Minnesota Statutes

475.65 DELIVERY OF BONDS; USE OF PROCEEDS.

Upon payment to the treasurer of the purchase price by the successful bidder, the obligations shall be delivered, and the treasurer shall account for the receipt and disbursement of the proceeds thereof for the use named in the resolution or other instrument or instruments authorizing such obligations, in a separate fund or account in the official financial records of the municipality. Pending such use the proceeds may be invested and reinvested in accordance with law, and the income and gain therefrom shall be held as part of the proceeds and applied to such use or to the payment of the obligations and interest thereon or otherwise as provided in any city charter or any other law. The purchaser shall not be obligated to see to the application of the purchase price. When the use authorized is the acquisition or betterment of any land, easements, buildings, structures, machinery, or equipment, the proceeds may be used to pay all expenses, incurred and to be incurred, which are reasonably necessary and incidental to such acquisition or betterment, including, but without limitation, the cost of necessary professional planning studies to determine desirable locations, architectural, engineering, legal, financial advisory, and other professional services, printing and publication, and interest to accrue on the obligations prior to the anticipated date of commencement of the collection of taxes or special assessments to be levied or other funds pledged for the payment of the obligations and interest thereon. When the obligations are payable wholly from the income from a utility or other project, for the acquisition or betterment of which the obligations are issued, the proceeds may be used in part to establish a reserve as further security for the payment of such principal and interest when due. If the contemplated use be afterward abandoned, or if any balance of the proceeds of the obligations remains after the use is accomplished, or if the governing body determines that at least 85 percent of the cost of the use has been paid or finally determined and retains in the fund an amount sufficient to pay the estimated costs of completion, the remainder of the fund may be devoted to any other public use authorized by law, and approved by resolution adopted or vote taken in the manner required to authorize bonds for such new use and purpose. Any balance remaining after the improvement has been completed and paid for, unless devoted to a new use as herein authorized, shall become a part of the debt service fund of the municipality.

History: (1944) RL s 786; 1949 c 682 s 15; 1967 c 481 s 4; 1969 c 183 s 1; 1976 c 324 s 12,26; 1983 c 365 s 3

LTFM Process Review



Questions?

LTFM Process Review

Allowable/Unallowable LTFM Projects

<u>384 Site Projects (Funds 01 and 06) – majority are repair and maintenance</u>

Examples include:

- parking lots (may consider abatement bonds)
- lighting systems; replacing fixtures beyond repair and maintenance; not LED bulb replacement
- tennis courts
- Fencing repair/maintenance. May replace existing if beyond repair/maintenance
- playground fall material; repair and maintain equipment, remove, but not replacement
- stadium bleachers not portable bleachers
- field turf replacement.

Note: Major redesign and upgrade of equipment or surfaces **does not qualify** as deferred maintenance. *Cannot change "footprint"*

4/14/2025

LTFM Revenue Guidance for Allowable Expenditures

- Bleachers Finance Code 384 (Site Projects)
- Only those bleachers cited by building code officials as requiring work cited in <u>Minnesota Statutes, section 326B.112</u> are eligible for funding.
- The cost to repair is higher than replacement, providing side-by-side repair vs. replacement cost information.
- Re-inspection every five years per Minnesota Statutes, section 326B.112 is allowable.
- Spacing requirements corrections must be cited by a building code official or state licensed design professional to enforce the code.
- Portable bleachers are not allowed.

Allowable Uses for LTFM Revenue (Minn. Stat. § 123B.595, subd. 10(a)(2))

Increasing Accessibility of School Facilities

Example: Elevator Installation – Finance Code 369

- According to Minnesota Department of Labor and Industry and Federal ADA regulations, if an entity is undertaking a project solely for the purpose of improving accessibility (same as removing barriers) then:
- ✓ Considered removing a barrier
- ✓ Scope limited to that improvement
- Improvement, in this case, does not trigger alteration work to primary function area that the improved element serves
- ✓ In this case, not considered remodeling or new construction

NOISE CRITERIA (NC) – According to Health and Safety Guidance – Recommended Levels

For mechanical ventilation projects, work funded under H&S shall not cause the room noise level to exceed a noise criteria (NC) greater than NC 35 at any location where students are seated listening to presentation/discussion or locations where teachers are ordinarily present. NC 35 roughly corresponds to 45 dBA (A-weighted decibels). Sound-level measurements shall be made at the location of the closest student or teacher "stations" to confirm the standard is met, and payment be withheld until it does. For H&S, this shall be inserted as performance criteria in the relevant contract language and verified by the commissioning agent under Minnesota Statutes 2024, section 123B.72.

<u>Costs Toward Testing and Balancing and Retro–Commissioning</u> <u>Mechanical Ventilation Systems – Finance Code 352</u>

Testing and balancing or retro-commissioning **are allowed at intervals of no less than five years.** Retro-commissioning includes measurement, airflow balancing and system adjustment for air flow only. Retrocommissioning does not include repairs, replacement or software changes.

LTFM Guide Allowable/Unallowable Project Expenditures

What are <u>allowable</u> LTFM costs under Computer Technology?

- Computer-based management support programs used for:
 - Health and Safety Management (UFARS Finance Code 352)
 - Health and Safety Record keeping
 - H&S data entry costs
 - H&S periodic software upgrades
 - **SBITAs** Subscription-Based Technology Arrangements
 - (GASB 96 Questions? Contact your auditor)



Dust Control Systems for Industrial Arts Classroom



Local Exhaust Ventilation Systems (Finance Code 349) The cost of design, materials, and installation of local exhaust systems and required make-up air that is used for the purpose of controlling regulated hazardous substances is allowed.

Repairs/Maintenance of System	State Fire Marshal Violations
Finance Code 349 – Other Hazardous Materials	Finance Code 363 – Fire Safety (generates additional LTFM revenue \$100,000 or more)
 System beyond repairs and maintenance; therefore needs replacement. 	 Concern of dust collector located on the inside of the building not on an exterior wall – <i>relocate outdoors</i> <i>Combustible Dust – an explosion</i> hazard.

LTFM FAQs – Allowable/Unallowable Asbestos Removal/Replacement

See: Page 11 of LTFM Guidance for Allowable Expenditures

Finance Code 358—Asbestos

Asbestos Removal

Asbestos-containing building materials should be maintained in-place whenever possible. Removal should be limited to those materials that are damaged or require removal in order to enable another facility project, or when its location and condition presents an unacceptable risk of exposure to building occupants.

Replacement of Asbestos tiles is not allowable under Finance Code 358.

- Use Finance Code 379 for Ceiling/Floor Tile replacement after Asbestos removal.
- > Use Finance Code 383 for replacement of roofing system/s due to Asbestos removal.

LTFM Guide for Allowable/Unallowable Project Expenditures

Planned or scheduled maintenance projects are ineligible

- For example, *routine* replacement of fittings, traps, filters, belts, moving components or repairs of a planned or preventative nature are excluded
- Fertilizing the lawn routine
- Replacing the baseball/softball ag lime that has been washed away for over 10 years - routine
- Filling holes on the athletic field, other routine



Unallowed/Restricted LTFM Revenue

(Minn. Stat. § 123B.595, subd. 11)

See safety cameras for schools



- <u>Not Allowable under LTFM revenue</u> since these cameras are considered "Violence Prevention"
- Violence prevention and physical security issues are excluded from eligibility, because the Safe Schools Revenue under Minnesota Statutes, section 126C.44 provides a dedicated source of funding for this purpose (page 3 of LTFM Guidance)

Vaping Detectors

Resembles smoke or carbon monoxide detectors Unallowable cost under LTFM revenue. Why?

- Sensor device/alarm system to detect vapor, smoke, sounds (decibel level analysis), THC oils found in marijuana
- ✓ Sound detection could indicate fighting, bullying, or even shots fired
- Some detectors have ability to connect to facility security cameras

• All options relate to "violence prevention"

• Safe Schools Revenue one source of funding.

LTFM Guide Allowable/Unallowable Project Expenditures

What are <u>unallowable</u> LTFM costs under Technology?

- Technology equipment not part of the facility Auditorium special lighting/sound systems not allowed
- Repair/replacement of telecommunications and computer installations and connectivity – *equipment related*
- Software in support of facility functions does not erode





Purchase of "Occupancy Classification B" Building

- Original classification a "Group B" (Business) occupancy
- No renovation but will now include students
- Now will change to classification "Group E" (Education K-12)



 School requests upgrading the fire alarm system to voice activated – now required because the building will have 100 or more occupants.

Unallowable LTFM Revenue – Changing the purpose/use of the building

State Fire Marshal and Fire Alarm Systems Requirements New Buildings vs. Existing Buildings

- Fire alarm systems having voice/alarm communications is required for new school buildings constructed on or after March 31, 2020, and having an occupant load over 100. There is no mandate for existing buildings to upgrade to voice/alarm systems.
- However, when a fire alarm control unit is replaced, the new panel must be voice/alarm capable. The existing notification appliances (i.e., horn and strobes) may remain provided they're compatible with the new panel. If not, voice/alarm notification appliances must be installed.

State Fire Marshal and Fire Alarm Systems Requirements Additions to Existing Buildings

When new additions to existing school buildings are constructed, the addition will require voice/alarm communications. Notification appliances in the existing portions of the building may remain provided they're compatible with the new control panel.

An addition is considered remodeling; therefore not approvable under LTFM allowable H&S revenue



State Fire Marshal and Fire Alarm Systems Requirements

The complete replacement of a fire alarm system **will require written orders** by the State Fire Marshal Division (SFMD) to substantiate that the existing system is inoperable or not functioning as designed, and cannot be repaired.

- With SFMD orders to replace a fire alarm system, a school can then replace existing, inoperable system with a "voice activated" system – LTFM allowable
- New school construction requires installation of a "voice activated" fire alarm system

For more information on school fire alarm systems see the SFMD's *Fire Alarms for Educational Occupancies in Minnesota* information sheet.

Unallowable Restricted LTFM Revenue (Minn. Stat. 123B.595, subd. 11)

Expenditures

580 Principal on Long-Term Lease or Financed Purchases (Not LTFM Allowable)

Record expenditures of the principal on outstanding long-term leases and financed purchases. Record as a long-term lease, if the maximum potential term of the lease exceeds 12 months.

581 Interest on Long-Term Lease or Financed Purchases (Not LTFM Allowable)

Record expenditures related to payment of interest on long-term leases or financed purchases. Please refer to Object Code 561 for computer or technology related hardware and Object Code 571 for building or land.

Unallowable Restricted LTFM Revenue (Minn. Stat. § 123B.595, subd. 11)

Energy-Efficiency Projects – Initial Intent Unallowable LTFM Revenue

Minnesota Statutes 2024, section 123B.65, subd. 1(a 1-5)

Office of the Revisor of Statutes

Retrieve by number Statutes 🗧 GO Statutes Laws Rules Court Rules Constitution Revisor's Office 🛪 Search Law by Keyword

2024 Minnesota Statutes > EDUCATION CODE: PREKINDERGARTEN - GRADE 12 > Chapter 123B > Section 123B.65

123B.64

2024 Minnesota Statutes

123B.65 ENERGY-EFFICIENCY PROJECTS.

Subdivision 1. Definitions. The definitions in this subdivision apply to this section.

(a) "Energy conservation measure" means a training program or facility alteration designed to reduce energy consumption or operating costs and includes:

(1) insulation of the building structure and systems within the building;

(2) storm windows and doors, caulking or weatherstripping, multiglazed windows and doors, heat absorbing or heat reflective glazed and coated window and door systems, additional glazing, reductions in glass area, and other window and door system modifications that reduce energy consumption;

(3) automatic energy control systems;

(4) heating, ventilating, or air conditioning system modifications or replacements;

(5) replacement or modifications of lighting fixtures to increase the energy efficiency of the lighting system without increasing the overall illumination of a facility, unless such increase in illumination is necessary to conform to the applicable state or local building code for the lighting system after the proposed modifications are made;

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23-24 Legislation (Minnesota Statutes 2024, section 116.92– Mercury Emissions; Reduction – subd. 7b)

Starting January 1, 2025: the sale, offer for sale, or distribution of screw- or bayonet-based types of compact fluorescent lamps (CFLs) will be banned.

Starting January 1, 2026: the sale, offer for sale, or distribution of pin-based linear or compact fluorescent lamps (CFLs) will be banned.

New bulbs not allowable under LTFM revenue.
 Fixtures workable with future replacement bulbs.

Minnesota Statutes 2024, section 116.92

Light Bulbs Containing Mercury







LTFM Process Review



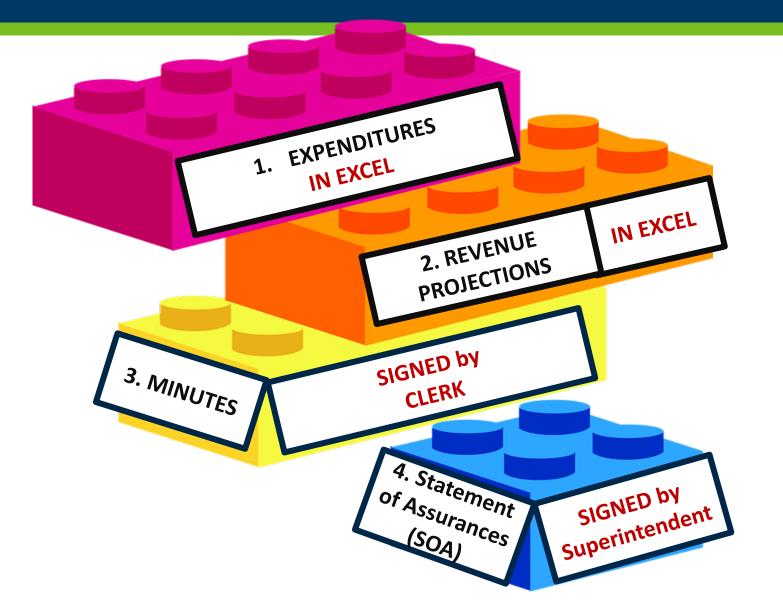
Questions?

4/14/2025

LTFM Process Review

LTFM 10-Year Plan Documentation - Due July 31

LTFM 10-Year Plan Documentation "Building Blocks" – Due July 31



LTFM Budget Considerations – Chronic Deficit Spending

Long-Term Facilities Maintenance Upcoming 2025 Guide for FY 2027

- MDE approval process is based on finance code summary amounts over 10-year period.
- Revenue use should show that the district is **avoiding** financial difficulty.
- District can generate a deficit, but district needs to have cash on hand to cover costs until LTFM revenue (levy/aid (if applicable) catches up to expenditures.
- The plan should not show a "chronic" deficit.
- Upon MDE review and spreadsheet indicates a "chronic" deficit, district will be guided to monitor the future years "chronic" deficit.

FY 27 LTFM 10-Year Plan Preparation

District or Cooperative prepares/reviews/finalizes the FY 27 LTFM 10-Year Plan

• Finance Committee/LTFM Budget Team

> Superintendent

- Director of Business Affairs
- Facilities Staff
- School Board Member/s

Other – (i.e. Cooperative and School District Members) – Breakout group if applicable

FY 27 LTFM 10-Year Plan Preparation Use as a "Template"

Locate/Review School District FY 26 LTFM 10-Year Plan

Update Fiscal Years(Mid-May 25 – FY27 Documents on LTFM Website)

A	D		U	E F				,	N	L .
DEPARTMENT OF EDUCATION	Division of School Finance 400 NE Stinson Blvd Minneapolis, MN 55413	Long-Term Facility Maintenance Ten-Year Expenditure Application (LTFM) - Fund 01 and Fund 06 Projects Only						Only		
Instructions: Enter es	timated, allowable LTFM expenditures (Fund 01 and/or Fund 06 only) under	Minnesota Statutes 20	023, section 123B.59	95, subd. 10. Enter by P	rm Financial	and Accounting Repo	rting Standards (UFAR	S) finance code and	by fiscal year in the	cells provided.
District Info.	(REQUIRED) Enter Information	District Info.	(REQUIRED) Enter In	formation	Until M	1id-May u	se FY 26 a	s a "Tem	nlate"	
District Name:	ABC School	Date: 7,	/15/2024							
District Number:	9999	Email: D	istrictBusinessMgr.co	<u>om</u>	f	for 10-Year Expenditures Only				
District Contact Name:	XYZ Doe						Experiance			
Contact Phone #	999-999-9999									
					- F	iscal Year (FY) En	ding June 30			
1	Expenditure Categories	2025 (base year)	2020	6 2027	2028	2029	2030	2031	2032	2033
Health and Safety -	this section excludes project costs in Category 2 of \$100,000 or more for which		2020	0 2027	2020	2023	2030	2031	2032	2033
addit	tional revenue is requested for Finance Codes 358, 363 and 366.		•							
Finance Code	Category (1)									
347	Physical Hazards	\$48,870	\$37,815	\$35,935	\$36,080	\$37,400	\$32,545	\$30,165	\$32,960	\$31,700
349	Other Hazardous Materials	\$10,900	\$15,200	\$14,250	\$15,250	\$6,000	\$9,100	\$16,200	\$15,300	\$16,000
352	Environmental Health and Safety Management	\$78,000	\$82,850	\$82,550	\$82,400	\$87,550	\$87,300	\$90,000	\$95,600	\$95,000
358	Asbestos Removal and Encapsulation	\$2,350	\$1,175	\$2,350	\$2,350	\$1,200	\$2,400	\$2,400	\$1,200	\$2,400
363	Fire Safety	\$48,900	\$38,150	\$37,550	\$48,500	\$36,050	\$39,050	\$48,600	\$36,950	\$38,250
366	Indoor Air Quality	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Total Health and Safety Capital Projects	\$189,020	\$175,190	\$172,635	\$184,580	\$168,200	\$170,395	\$187,365	\$182,010	\$183,350
	Projects Costing \$100,000 or more per Project/Site/Year - Additional Revenue									
Finance Code	Category (2)									
358	Asbestos Removal and Encapsulation	\$0	\$0	\$0	\$0	\$0	\$0 \$0	\$0	\$0	\$0
363	Fire Safety	\$0	\$750,000	\$0	\$0	\$0	\$0 \$0	\$0	\$0	\$0
366	Indoor Air Quality	\$0	\$1,300,000	\$0	\$0	\$0	\$0 \$0	\$0	\$0	\$0
	Total Health and Safety Capital Projects \$100,000 or More	\$0	\$2,050,000	\$0	\$0	\$0	\$0 \$0	\$0	\$0	\$0
4										

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LTFM Process Review

FY 26 LTFM 10-Year Spreadsheet Challenges

M	U	L L			, , , , , , , , , , , , , , , , , , ,	L
	Division of School Finance 400 NE Stinson Blvd Minneapolis, MN 55413	Long-Te	rm Facility Maintenance Ten-Year Ex	xpenditure Application (LTF	W Fund 01 and Fund 06 Projects	Only
nstructions: Enter estima	ated, alloweble ETFM expenditures (Fund 01 and/or Fund 06 only) und	er Minnesota Statu	ites 2023, section 1928 595, subd. 10. Enter by Uniform	Financial and Accounting Reporting Stand	ards (UFARS) inance code and by fiscal year in the o	cells provide
District Info.	(REQUIRED) Enter Information	District Info.	(REQUIRED) Enter Information			
District Rame:		Date:				
District Number:		Email:				
District contact Name:						
Contact Phone #						
PRC	Fur	nd 01 -	e recorded on – LTFM Project Ex – LTFM Project Ex	xpenditures	r Spreadsheet	t?

LTFM – Reserve Account (Minn. Stat. 123B.595, subd. 12 [2024])

Fund 01 – General Fund Fund 06 - Building Construction Fund Revenue – Which Fund?

Subd. 12. Reserve account. The portion of long-term facilities maintenance revenue not recognized under **subdivision 5, paragraph (c),** must be maintained in a reserve account **within the general fund.**

Subd. 5. Bond authorization

LTFM Revenue – Not Bonded	All Bonded LTFM Revenue or PAYGO \$2 Million or more per project/site/year			
General Fund 01 - 467	Building Construction Fund 06 - 467			

LTFM Balance Sheet Account – UFARS Chapter 8

UFARS Balance Sheet Account	Title and Description
467	Restricted/Reserved for Long-Term Facilities Maintenance (LTFM) (Funds 01 and/or 06) Represents available resources to be used for LTFM projects in accordance with the 10 Year Plan (Minn. Stat. section 123B.595, subd. 12). This restricted/reserved account may go into deficit to the extent of future revenue authority.

Do not use Balance Sheet Account 464 for Fund 06 bonding for LTFM. Use Balance Sheet Account 06 – 467.

LTFM Program Dimensions – UFARS Chapter 3

UFARS Program Code Dimensions	Title
865	Long-Term Facilities Maintenance (LTFM) – Excluding Costs in Program Codes 866 and 867 and 868 (Fund 01) – includes projects < \$100,000 and \$100,000 - \$1,999,999 in all LTFM Finance Codes.
866	Long-Term Facilities Maintenance (LTFM) - \$100,000 - \$1,999,999,99 per Site, per Year for Finance Codes 358, 363 and 366 (Fund 01)
867	Long-Term Facilities Maintenance (LTFM) Projects that are \$2,000,000 or More per Site, per Year and Bond Financed (Fund 06)
868	Long-Term Facilities Maintenance (LTFM) Projects that are \$2,000,000 or More per Site, per Year and Financed on a Pay-As-You-Go Basis (Fund 06)

1) 10-Year Expenditures

LTFM 10-Year Plan Expenditures Categories

Category 01 347 – Physical Hazards

Upcoming H&S Website FY 25, 26, 27

Narrative

\$100,000 or > H&S Website Indicate if Bonded or PAYGO

Narrative

VPK Approved Program

347 – Physical Hazards
349 – Other Hazardous Materials
352 – Environmental H&S Mgmt.
358 – Asbestos Removal
363 – Fire Safety
366 – Indoor Air Quality

Category 02 – Additional \$\$

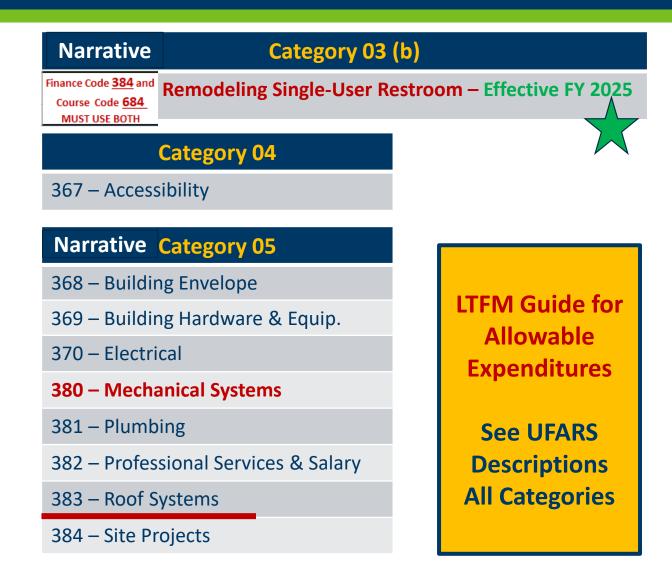
358 – Asbestos Removal

363 – Fire Safety

366 – Indoor Air Quality (HVAC)

Category 03 (a)

355 – Remodeling VPK



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FY 27 Ten-Year Expenditures Spreadsheet Application

- See "tab" categories bottom of spreadsheet
 ✓Instructions
 - ✓ Narrative Documentation

Narrative Information

- ✓ Update Health & Safety Database
- ✓ Facilities Age and Square Footage
- ✓ Transfer Guidance

Instructions



FacilitiesAgeSquareFootage

Expenditure Spreadsheet

Update Health & Safety Database

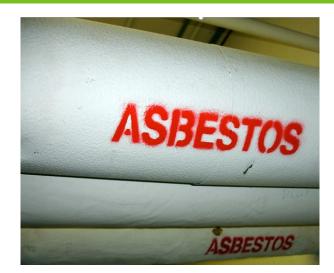
<u>Project Examples:</u> LTFM Ten-Year Spreadsheet – "Category 1" Health and Safety Program must be maintained

Expenditure Categories		Finance Code Categories	Ongoing Project Examples	
addi	this section excludes project costs in Category 2 of \$100,000 or more for which tional revenue is requested for Finance Codes 358, 363 and 366.		Lead in H2O	
Finance Code	Category (1)	349 – Other Hazardous Materials	Testing/Mitigation	
347	Physical Hazards		Every Five Years	
349	Other Hazardous Materials			
352	Environmental Health and Safety Management	352 – Environmental Health and	Contracted Services/H&S	
358	Asbestos Removal and Encapsulation		staff person portion	
363	Fire Safety	Safety Management		
366	Indoor Air Quality		of salary	
	Total Health and Safety Capital Projects	363 – Fire Safety	Fire Inspections Every Three Years	

LTFM Required 10-Year Plan Documentation

Health and Safety - Projects Costing \$100,000 or more per Project/Site/Year - Additional Revenue						
Finance Code Category (2)						
358	Asbestos Removal and Encapsulation					
363	Fire Safety					
366	Indoor Air Quality					
	Total Health and Safety Capital Projects \$100,000 or More					

Asbestos Removal and Encapsulation Projects



NARRATIVE

Category 2

a. For *asbestos removal and encapsulation projects,* give a description of the type and amount of asbestos and the scope of the project including an engineer or contractor estimate of the cost -*narrative from contractor/professional* engineer - on company letterhead and signed by a company contractor/engineer.

Category 2

Remember.

State Fire Marshal and Fire Alarm Systems Requirements

NARRATIVE

b. For *fire safety projects*, include a project description and an estimate of the cost *from the professional engineer*. If a building permit has been pulled for other school construction projects, the building inspector has jurisdiction over the review of the fire suppression rework, but the State Fire Marshal should be contacted for final review and approval; otherwise, the fire suppression rework requires an order from the state fire marshal, schools division. If replacing a fire alarm system which is inoperable, *submit State Fire Marshal orders to substantiate*. Voice activated systems cannot be installed in existing systems unless there are Fire Marshal orders authorizing replacement due to in operable system.

LTFM Required 10-Year Plan Documentation

Indoor Air Quality Projects

	Expenditure Categories	2023 (base year)	2024	2025
Health ar	nd Safety - Projects Costing \$100,000 or more per Project/Site/Year			
Finance Code	Category (2) - ADDITIONAL LTFM REVENUE			
358	Asbestos Removal and Encapsulation	\$0	\$0	\$0
363	Fire Safety	\$0	\$0	\$0
366	Indoor Air Quality	\$2,000,000	\$1,500,000	\$500,000
	Total Health and Safety Capital Projects \$100,000 or More	\$2,000,000	\$1,500,000	\$500,000

NARRATIVE

c. For *indoor air quality projects*, describe which American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) Indoor Air Quality (IAQ) standards are not being met and indicate how the project will result in meeting ASHRAE standards and include an estimate of cost from the project engineer. Also, include a floor plan to reflect classrooms affected and a report listing cubic feet per minute (CFM) ratings (current and projected ratings at completion of project) - *narrative from professional engineer on company letterhead and signed by professional engineer*.

4/14/2025

Health and Safety (H&S) Projects – Entered into the Data Base

Home About - Students	and Families - Licensing - Districts, Schools and Educators - Data Center - COVID-19			
	MDE > Districts, Schools and Educators > Data Submissions > Health and Safety			
Data Submissions				
0-4 Census Data Reporting	Health and Safety			
Access to Career Technical Education for Students with a Disability (ACTE- SPED)	The Health and Safety Data Submission System is used by independent school districts with a school board approved long-term facilities maintenance revenue (LTFM) ten year plan. School districts enter project estimates totaled by health and safety finance code for those projects qualifying for funding under Minnesota Statutes, section 1238.57, subdivision 6. The LTFM ten year plan must also be approved			
ADM Web Estimates (ADMWE)	by the commissioner.			
Assessment Secure Reports	Allowable projects address physical hazard control; hazardous substance cleanup and disposal; environmental health, safety, and			
Assurance of Compliance and Mandated Reporting	environmental management; asbestos abatement; fire and life safety; and indoor air quality related projects in buildings owned or being acquired by the school district. Finance code totals are used in the "hold harmless" levy calculation for LTFM revenue. Health and Safety			
Athletics Data Reporting	projects costing \$100,000 or more for asbestos, fire safety, and indoor air quality must be entered separately as they generate additional LTFM seconde.			
Career and Technical Education Levy Web-Based Reporting System	> Log into the Health and Safety Data Submission System			
Carl Perkins				
CLiCS Program Administration				
Compulsory Instruction Compliance Data Reporting	Bepartment III III IIIIIIIIIIIIIIIIIIIIIIIIIIII			
Continuing Education Clock Hour Reporting	Health and Safety			
Disciplinary Incident Reporting System	Minnesota Health and Safety			
District and School Site Verification	FY 2024, FY 2025, FY 2026			
Early Childhood Education Outcomes	112024,112020,112020			
Early Education Student	'NMI' in the State Approval box means 'Need More Information.'			
Early Learning Scholarship Administration System (ELSA)	For these projects, please contact Sarah Miller at Sarah.C.Miller@state.mn.us or (651)582-8370.			
Early Learning Services Data Reporting	District Number 0011 Security Code(Password) ····			
Ed-Fi	Show Projects			
Facilities Age and Square Footage Report				
Fiscal Compliance Table	User Name or Passw			
Graduation Requirements (GRR)				
Health and Safety	Sarah.C.Miller@state.			

4/14/2025

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Health and Safety (H&S) Projects – Entered into the Data Base

*	Health and Safety Health and Safety Difference of these projects, please contact Sarah Miller at Sarah. C. Miller@state.mn.us or (651)582-8370. Add New Project Web Instructions: Click Here Capital Expenditure Report							
		Finance	Building Name	State	Approved			
		Code Project	Project Description	Approval	Proposed			
	0011 24	Number 347	District Wide		Amount 252201.19			
	24 Update		PHYSICAL HAZARD CONTROL	yes	0.00			
	24	349	Rum River Elementary	ves	315475.40			
			Per the MPCA, install denitrification system for septic system to comply with nitrate	yes				
	Update	18003	requirements.		0.00			
	24	349	District Wide	ves	281057.72			
	Update		HAZARDOUS SUBSTANCE	,	0.00			
	24	352	District Wide	ves	391596.23			
	Update	18001	ENVIRONMENTAL, HEALTH AND SAFETY MANAGEMENT	Í	0.00			
	24	358	District Wide	yes	680208.40			
	Update	18005	ASBESTOS	í	0.00			
	24	363	District Wide	yes	524496.70			
	Update	18006	FIRE AND LIFE SAFETY		0.00			
	24	366	District WIde	yes	84028.83			
	<u>Update</u>	18062	INDOOR AIR QUALITY (IAQ)		0.00			
	25	347	DISTRICT WIDE	yes	84028.83			
	<u>Update</u>		PHYSICAL HAZARD CONTROL		0.00			
	25	349	DISTRICT WIDE	yes	253575.00			
	<u>Update</u>		HAZARDOUS SUBSTANCE		0.00			
	25	352	DISTRICT WIDE	yes	806400.00			
	<u>Update</u>		ENVIRONMENTAL, HEALTH AND SAFETY MANAGEMENT		0.00			
	25		DISTRICT WIDE	yes	525000.00			
	Update		ASBESTOS		0.00			
	25	363		yes	471450.00			
	Update				0.00			
	25	366		yes	105000.00			
	<u>Update</u>	19616	INDOOR AIR QUALITY (IAQ)		0.00			

347

DISTRICT WIDE 201075.00 Leading for educational excellence and equity, every day for every one Leducation.mn.gov

VPK Remodeling – Additional Revenue with Program Approval

	Expenditure Categories	2025 (base year)	2026	2027
255	Remodeling for prekindergarten (Pre-K) instruction approved by			
355	the commissioner.	\$0	\$30,000	\$0
	Total Remodeling for Approved Voluntary Pre-K Projects	\$ 0	\$30,000	\$0

NARRATIVE

Category 3(a) Approved Voluntary Prekindergarten (VPK) Program - Remodeling Costs

For districts with an approved voluntary prekindergarten program under section 124D.151, a narrative describing the project to remodel existing instructional space to accommodate kindergarten instruction. In the narrative, describe the square footage and use of the existing instructional space, changes to be made to the facility, and the final square footage and features of the prekindergarten instructional space, for example, bathroom space, play area, and small group instruction space. This narrative may be the same narrative submitted to MDE as part of the application to obtain approval for the voluntary prekindergarten program under section 124D.151. On contractor letterhead and signed or if in-house, school letterhead and signed.

Category 3(a)

VPK Remodeling – Additional Revenue

- LTFM VPK remodeling requires the school is an approved VPK Program
- Contact MDE staff member June Reineke

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June Reineke mde.vpk@state.mn.us 651-582-8755

Estimated Facility Remodeling Costs-Districts Only	FY 2026
23 Anticipated Remodeling Costs	\$30,000
24 Square Footage to be Remodeled for Prekindergarten	65
25 Pay As You Go or Bond Financed?	Pay Go
26 Long-Term Facilities Maintenance Additional Annual Costs for Prekindergarten	\$0

Category 3(b)

Gender-Neutral/Single User Restroom Remodeling

LTFM Funding Effective FY 2025

	Expenditure Categories	2025 (base year)	2026	2027
Finance/Course Codes	Category 3 (b) LTFM REVENUE EFFECTIVE FY 2025			
Finance Code 384 and				
Course Code 684	Remodeling for gender-neutral single user restroom per site.	\$0	\$20,000	\$0
MUST USE BOTH	Total Remodeling for Gender-Neutral Single User Projects	\$0	\$20,000	\$0

NARRATIVE

Category 3(b) Gender Neutral Single-User Restrooms - Remodeling Costs

For districts who budget for a remodeling or construction project for a gender-neutral single user restroom at each school site, include a narrative describing the project scope and cost to remodel existing instructional space to accommodate a single-user restroom. In the narrative, describe the square footage and changes to be made to the facility, and the final square footage and features of the bathroom space. On contractor letterhead and signed or if in-house, school letterhead and signed.

Category 4

LTFM Required 10-Year Plan Documentation

Accessibility

		·		
Expenditure Categories		2025 (base year)	2026	2027
Finance Code	Category (4)			
367	Accessibility	\$10,000	\$0	\$0
	Total Accessibility Projects	\$10,000	\$0	\$0

D. Disabled Access Qualifying Criteria

The project shall conform to both the district's Americans with Disabilities Act (ADA)/Section 504 disabled access transition plan and the current ADA Accessibility Guidelines for Buildings and Facilities version, as well as applicable state and local building and fire codes.

Category 5

LTFM Required 10-Year Plan Documentation

Deferred Maintenance

	Deferred Capital Expenditures and Maint				
Finance Code	Categ	2025 (base year)	2026	2027	
368	Building Envelope		\$298,905	\$326,400	\$840,199
369	Building Hardware and Equipment		\$22,363	\$103,055	\$141,290
370	Electrical		\$89,993	\$240,325	\$1,399,830
379	Interior Surfaces		\$661,717	\$493,606	\$1,070,194
380	Mechanical Systems		\$335,206	\$512,196	\$855,773
381	Plumbing		\$140,519	\$63,495	\$247,986
382	Professional Services and Salary	NARRATIVES?	\$1,021,850	\$515,509	\$796,287
2 383	Roof Systems	\$2 Million or more/year/site	\$359,109	\$492,817	\$6,940,565
384	Site Projects		\$325,790	\$3,057,701	\$6,227,936
	Total Deferred Capital Expense and Mai	ntenance	\$3,255,452	\$5,805,104	\$18,520,060
	Το	tal Annual 10-Year Plan Expenditures	\$5,322,452	\$7,310,104	\$19,035,060

Category 5

LTFM Required 10-Year Plan Documentation

Deferred Maintenance

NARRATIVE

Category 5 Deferred Maintenance Projects costing \$2,000,000 per Project, per Site, per Year

For districts with deferred maintenance projects for FY 2025 or FY 2026 costing \$2,000,000 or more per project, per site, per year, a narrative describing each project in greater detail is required. In the narrative, discuss the deferred capital and maintenance criteria that make the project eligible for Long-Term facilities maintenance revenue and the work necessary to prevent further erosion of facilities. Describe the scope of work in sufficient detail to indicate the change in condition of the facility and provide an indication of the improvement to useful life. Indicate the level of deferred maintenance work needed for the facility before and after the project will be completed. Include an architect or consultant cost estimate detailing categories of work and associated cost including an estimate of fees - *narrative from professional engineer/architect.*

2. REVENUE PROJECTIONS

IN EXCEL

LTFM Ten-Year Revenue Projection Spreadsheet (Example is FY 26)

	A	В	с	D	E	F	G	
1	F١	26 Long-Term Facilities Maintenance (LTFM) Ten-Year Revenue Projection Revised 5/09/2024		24				
2	1	<= Type in School District Number						
		AITKIN PUBLIC SCHOOL DISTRICT						
3		ATTKIN PUBLIC SCHOOL DISTRICT		Change only				
4	Calcula	tions for Ten Year Projection	Day 24	if requiring levy		Current Estimate		
5	cuicuiu		Pay 24	adjustments				<u> </u>
6			LLC #	FY 2024	FY 2025	FY 2025	FY 2026	
7		Type your district number in cell A2 (Minneapolis = 1.2)						
	2	Type APU, health and safety and alternative facilities project,				Contac	† •	
		and bond estimates in lines 6a, 14, 16b to 18, 20, 21, 26, 27 and				contac	••	
8		50b				onn Moe at (65	1 \ 597_9560	
	3	Type debt excess, intermediate/coop district, and revenue					1) 302-0309	
9		reduction data in lines 13, 15, 23, 31, and 33				Long Mooget		
10	4	Look-up data from following tabs				Lonn.Moe@sta	ate.mn.us	
11								
12	5	Initial Formula Revenue						
13		Current year APU	57		1,051.20	1,056.10	1,002.75	
14	6a	Additional Pre-K Pupil Units (line 19 of Pre-K application)						
15		Total Adjusted Pupil Units = (6) + (6a)				1,056.10	1,002.75	
16	7	District average building age (uncapped)	401		55.11	55.12	56.12	
17	8	Formula allowance			\$ 380.00	\$ 380.00	\$ 380.00	\$
18	9	Building age ratio = (Lesser of 1 or (7) / 35)	402			1.00000	1.00000	
19	10	Initial revenue = (6) * (8) * (9)	403		399,456	401,317	381,043	
20								
21	11	Added revenue for Eligible H&S Projects > \$100,000 / site						
	12	Debt service for existing Alt facilities H&S bonds (1B) - gross						
22		before debt excess	701			-	-	
	13	Debt Excess related to Debt service for existing Alt facilities						
23		H&S bonds (1B)	754			-	-	
	14	Debt service for portion of existing Alt facilities bonds from line						
24		(22) attributable to eligible H&S Projects > \$100,000 per site (1A)	700			-	-	
	15	Debt Excess related to Debt service for portion of existing Alt						
		facilities bonds attributable to eligible H&S Projects > \$100,000						
25		per site (1A)	753			-	-	
26								
	16a	Existing Net debt service for LTFM bonds for eligible new H&S						1
		projects > $$100.0977$ site = $(pn-s)pal + interest)*1.05 - portion$						
	• •	Ten year Line Instructions certified paygo Comp	oile 🛛 🖌	Alt Fac Bonds	H & Safety Bonds	IAQFAA Bonds	FM Other Bond	ds
	4/	14/2025 Leading for educational excellence and e	quity, eve	ry day for every one	I education.mn.gov		81	

REVIEW

LTFM Review – 10-Year Revenue

LTFM Revenue Includes:

>Initial Revenue based on per pupil funding – adjusted pupil units (APUs)

- Currently \$380 in FY 26 (and beyond unless Legislative authority changes)
- ➢ Average age of district buildings is factored in
 - Ratio of average district building age to 35 years <= 1
- >Additional Revenue for H&S projects \$100,000 or over (BONDED/PAY AS YOU GO)
 - Asbestos Abatement Finance Code 358, Fire Alarm and Suppression Finance Code 363, Indoor Air Quality (IAQ) – Finance Code 366

Bonded Revenue

Pay-As-You-Go Revenue

"Hold Harmless" (currently approximately 27 large schools in the state – Option is higher of "Old Law" vs. "New Law" Revenue

LTFM Ten-Year Expenditures and Revenues Summary

Using the Revenue and Expenditure Spreadsheets Together (LTFM Guide Page 13)

The expenditure spreadsheet should show how the revenue will be spent. Unfunded projects should not be on the spreadsheet. Technically, projects that cannot be funded are deferred beyond the ten years shown. The MDE approval process is based on finance code summary amounts over a ten-year period. Revenue use should show that the district is avoiding financial difficulty. The revenue should not be overspent over time. A district can generate a deficit, but a district needs to have cash on hand from other sources to cover the cost until LTFM revenue catches up to expenditures. *The plan should not show a chronic deficit.* The spreadsheets should show the actual intent of the district at the time the plan is submitted. The plan can then change throughout the year with school board approval as district priorities may change. *The spreadsheets, together, include revenue supporting* project expenditures over time.



3. Approved School Board Minutes (3 options available – Extract of Minutes/Resolution of Minutes/Actual approved minutes)

Ensure Selected option is Signed by the CLERK



3. MINUTES

SIGNED by CLERK

25PAY26 (FY 27) LTFM Optional Templates

LTFM School Board Resolution - Example

Long-Term Facilities Maintenance (LTFM)

School Board Resolution

EXAMPLE TEMPLATE (1)

If only a School Board Resolution (not an "Extract" of the minutes) is presented at the school board meeting approving the current fiscal year Long-Term Facilities plan, then only the school board clerk's signature is necessary (a notarization of the clerk's signature is not necessary in this case).

School Board Resolution

Adopting the School District's Long-Term Facilities Maintenance Plan

_____ (School District Name and Independent

School District Number (ISD))

School Board Meeting _____

_ (Date)

WHEREAS, to qualify for Long-Term Facilities Maintenance revenue, Minnesota Statutes, section 123B.595, subdivision 4 states a school district or intermediate district must annually adopt and approve a ten-year facilities plan by July 31 for commissioner approval.

WHEREAS, the school district has developed a ten-year Long-Term Facilities Maintenance plan consistent with this law.

THEREFORE, BE IT RESOLVED THAT, the School Board of Independent School District Number ______ (ISD #) approves the attached ten-year Long-Term Facilities plan for Fiscal Year (FY) ______ (insert applicable FY).

Disclaimer

"This template is optional for school board use and does not constitute legal advice. For legal advice on school board resolutions and long-term facilities maintenance statutes, please consult your school district's attorney."

4/14/2025

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LTFM Plan – Statement of Assurances

4. Statement of Assurances (SOA)

✓Ensure it is signed by Superintendent/Director(Intermediate/Cooperative)

Certification of Statement of Assurances

A Statement of Assurances submitted by a single district must be signed by the district superintendent. A Statement of Assurances submitted by an intermediate school district or cooperative must be signed by the intermediate district superintendent or cooperative director.

Signature – Must be signed by Superintendent or	Name – Superintendent or Cooperative Director (Please print)	Date:
Sarah C. Miller	Sarah C. Miller	07/15/2025

LTFM – Statement of Assurances (Health & Safety Plan)

Question

• As a part of the Health and Safety (H&S)/LTFM plan, do districts need to have the Health and Safety Policy annually reviewed and approved by the board?

Answer

 No, "Policy" requirement repealed in Minnesota Statutes but schools are *required to implement H&S Program/Plan*

Statement of Assurances Number 6:

6. The district's plan includes provisions for implementing a health and safety program that complies with health, safety and environmental regulations and best practices, including indoor air quality management and mandatory lead in water testing, remediation and reporting (Minn. Stat. 121A.335 [2022]). *The district's ten-year plan does not include a request for a second-time project cost for: (1) replacement of an existing mechanical ventilation system to the current Minnesota State Mechanical Code/American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) guidelines; or, (2) to provide a level of approximately 15 Cubic Feet per Minute (CFM) per person.*

Certification of Statement of Assurances

Signature – <i>Must be signed</i> by Superintendent or	Name – Superintendent or Cooperative Director (Please print)	Date:
Sarah C. Miller	Sarah C. Miller	07/15/2025

MDE Website Address for Ten-Year LTFM Plan Submissions

Where do we email LTFM documentation (statutory deadline is July 31, 2025) ?

Submit to: MDE.Facilities@state.mn.us

LTFM Process Review



Questions?

LTFM Process Review

What Have We Learned? -

Summary for Your Review

1) 10-Year Expenditures

LTFM 10-Year Plan Expenditures Categories

Category 01

347 – Physical Hazards

Upcoming H&S Website FY 25, 26, 27

358 -

Narrative

\$100,000 or > H&S Website Indicate if Bonded or PAYGO

Narrative

VPK Approved Program 349 – Other Hazardous Materials
352 – Environmental H&S Mgmt.
358 – Asbestos Removal
363 – Fire Safety
366 – Indoor Air Quality

Category 02 – Additional \$\$

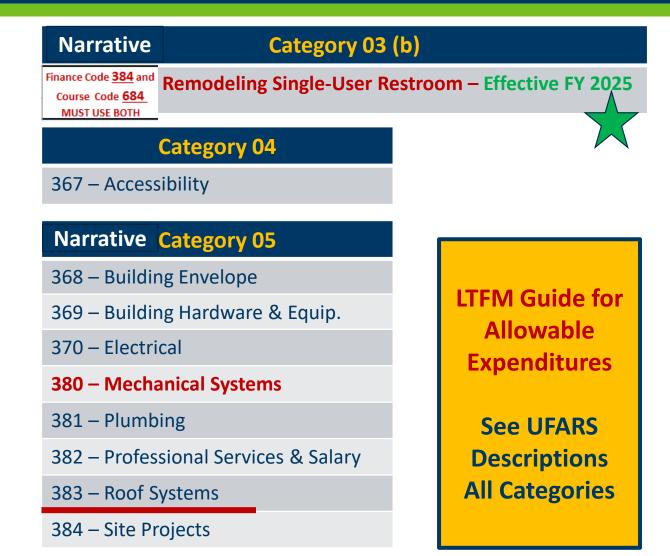
358 – Asbestos Removal

363 – Fire Safety

366 – Indoor Air Quality (HVAC)

Category 03 (a)

355 – Remodeling VPK

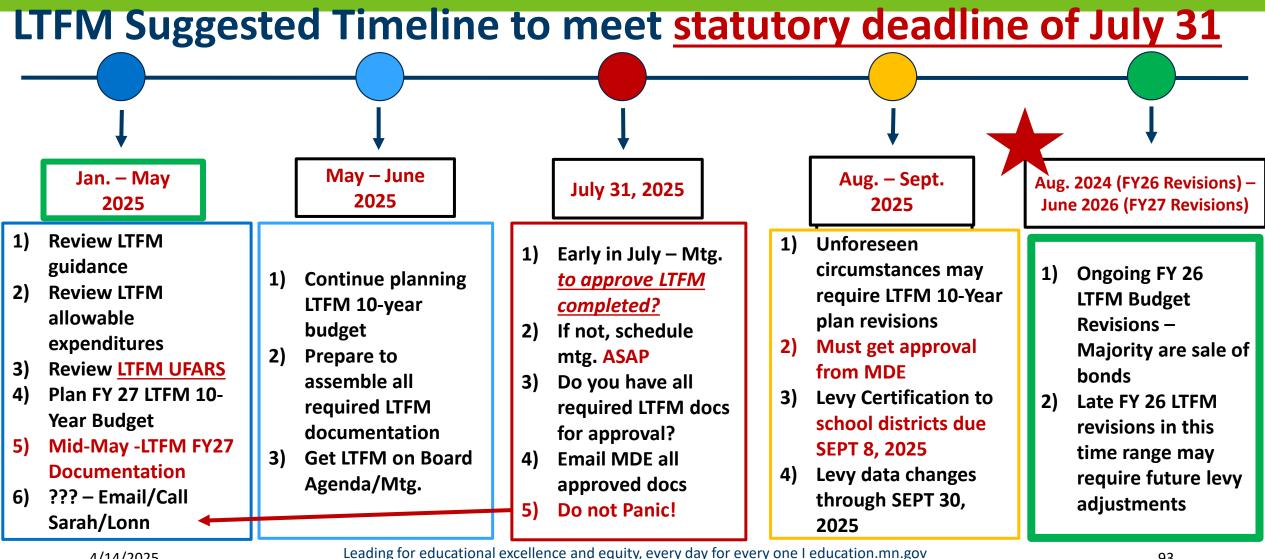


4/14/2025

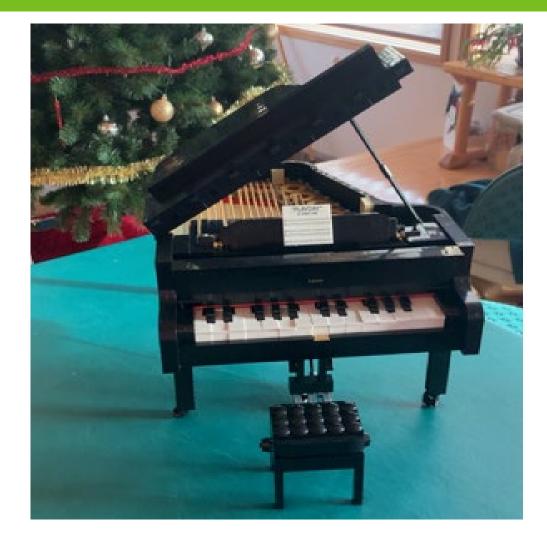
Leading for educational excellence and equity, every day for every one I education.mn.gov

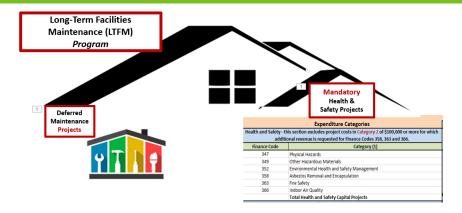
- Costs of projects only make up the expenditure plan. This also includes Bond proceeds spent on projects.
- LTFM Expenditure plan includes only Funds 01- General Fund and 06 Construction Fund. *Do not include Fund 07 – Debt Service principal and interest payments.*
- The ten-year revenue projection provides planning options for funding and aid/levy amounts. Debt payments belong on the revenue ten-year spreadsheet since LTFM revenue pays the debt.
- Use ten-year expenditure and ten-year revenue in conjunction to summarize the plan and revise annually. Spreadsheets reflect actual intentions.

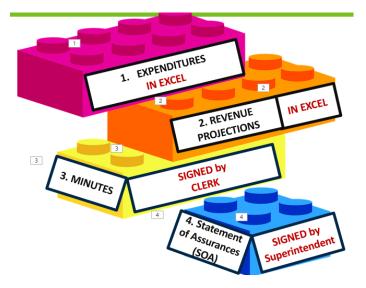
LTFM Process Timeline – Suggested Planning



LTFM 10-Year Revenue and Expenditure Plan "Building Blocks" = Successful Final Project/s







Accessibility Questions Department of Labor and Industry (DLI)

Karen Gridley, ICC & MN Accessibility Specialist Construction Code Rep. 2 | Construction Codes and Licensing

Minnesota Department of Labor and Industry 443 Lafayette Road N., St. Paul, MN 55155 Phone: (651) 284-5877 | Web: <u>www.dli.mn.gov</u>

DEPARTMENT OF LABOR AND INDUSTRY



State Fire Marshal Plan Review or Questions

State Fire Marshal Division Attn: School District's State Fire Marshal Inspector 445 Minnesota St. Suite 145 St. Paul, MN 5501-5145 Phone: (651) 201-7200 Fax: (651) 215-0525 TTYL: (651) 282-6555

Radon Contact Information Minnesota Statutes, section 123B.571

Dan Tranter

Indoor Air Unit Supervisor

Minnesota Department of Health

daniel.tranter@state.mn.us

Or

651-201-4618

Radon Testing Plan information at MDH

- Currently, radon testing is not mandatory
- School Districts may include radon testing as a part of its ten-year LTFM plan under Minnesota Statute, section 123B.595. If included in an approved LTFM plan, the district shall conduct the testing according to the radon testing plan developed by the commissioners of health and education

www.health.state.mn.us/divs/eh/indoorair/schools/radonschool.html

Monitor Indoor Air Quality Fall Trainings Minnesota Department of Health

Dan Tranter

Indoor Air Unit Supervisor

- Minnesota Department of Health
- See MDH School IAQ Plan Training
- for details and registration.

daniel.tranter@state.mn.us

Or 651-201-4618

School Indoor Air Quality (IAQ) Training

Public schools must have health and safety programs that comply with health, safety, and environmental regulations and best practices, including indoor air quality (IAQ) management. One best practice is that public schools have an IAQ Coordinator. This training will discuss the state's best practices for school IAQ management plans.

https://www.health.state.mn.us/communities/environment/air/schools/training.html



Lead in Water Testing/Mitigation "NEW" 5 ppbs

Minnesota Department of Health (MDH)

Anna Jeanne Schliep

anna.schliep@state.mn.us

651-201-4667

Caroline Olstad

<u>caroline.olstad@state.mn.us</u>

651-201-5317

Related offsite resources:

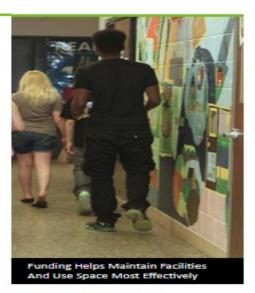


Lead in Water Testing – Water Infrastructure Improvements for the Nation (WIIN) Grant – additional resource for lead in water testing

Minnesota Department of Health (MDH) Drinking Water in Schools

Reducing Lead in Drinking Water Technical Guidance (includes Frequently Asked Questions (FAQs))

Education and Communication Toolkit



Related offsite resources:

Lead in Water Testing – Water Infrastructure Improvements for the Nation (WIIN) Grant

Minnesota Department of Health (MDH) Drinking Water in Schools and Child Cares Website

Reducing Lead in Drinking Water Technical Guidance

Education and Communication Toolkit

2017 Lead Legislation FAQs

Archive

Long-Term Facilities Maintenance - Contacts

LTFM Questions:

Allowed uses of LTFM revenue, process and timelines, LTFM expenditure projection spreadsheet, health and safety data base, LTFM UFARS coding, Facilities Age and Square Footage Reporting - adding new buildings or deleting buildings: contact Sarah C. Miller at <u>sarah.c.miller@state.mn.us</u> or (651)582-8370.

Revenue Projection spreadsheet, Levy Limitation and Certification report adjustments, LTFM aid entitlement and levy calculations, LTFM required debt: contact Lonn Moe at <u>lonn.moe@state.mn.us</u> or (651) 582-8569.



Thank you!

Sarah C. Miller

Sarah.C.Miller@state.mn.us

651-582-8370