



**FOREST LAKE AREA SCHOOLS
FOREST LAKE, MN 55025**

August 20, 2015

AGENDA ITEM: 5.1

**TOPIC: LONG TERM FACILITIES MAINTENANCE REVENUE
PLAN APPROVAL**

BACKGROUND: The MN Legislature established a new Long-term Facilities Maintenance (LTFM) Revenue Program for school districts. The new program replaces the current Health and Safety Revenue, Deferred Maintenance Revenue and Alternative Facilities Bonding and Levy programs, beginning in FY 2017. Revenue increases for school districts not currently eligible to participate in the Alternative Facilities Bonding and Levy program are phased-in over three years, from FY 2017 to FY 2019.

LTFM revenue may be used for capital expenditures and maintenance projects necessary to prevent further erosion of facilities, facility accessibility, and health and safety projects.

PROCESS: To qualify, school districts must have a 10-year plan adopted by the school board and approved by the commissioner. The 2015 payable 2016 property tax levy provides this revenue for FY 2017.

To qualify for this levy, the plan must be adopted by the school board and approved by the commissioner before the proposed levy is certified. The plan must include a statement of assurances, a spreadsheet summarizing the planned expenditures by category, and a spreadsheet showing how the school district plans to fund the expenditures.

RECOMMENDATION: First Reading.