

**BEMIDJI AREA SCHOOLS
BEMIDJI, MINNESOTA**

DATE: JULY 18, 2016
TO: BOARD OF EDUCATION, ISD #31
FROM: CHRIS J. LEINEN, DIRECTOR OF BUSINESS SERVICES
SUBJECT: LONG TERM FACILITIES MAINTENANCE PROGRAM
COMMENTS:

The Legislature recently approved the Long Term Facilities Maintenance (LTFM) program for school districts and Charter Schools. This program “rolled together” the Health & Safety, Deferred Maintenance and Alternative Facilities bonding programs under one title. In 2017 LTFM revenue will be \$193 per pupil or \$870,000. In 2018 it will grow to \$292 per pupil or \$1.36 million.

The MDE process requires us to submit a Board Resolution approving our 10 year plan plus a Statement of Assurances that the funds will be spent in accordance with state statutes. (See attached.)

We also submit a 10 year revenue plan and a 10 year expense plan. (See attached) The purpose of the 10 year plan(s) is to justify the need for the revenue and to provide assurances that the levy authority is based a sound planning process. They also provide assurance that the revenue will arrive in a timely fashion when it is needed. Bemidji Schools has had a long term Capital Projects facilities maintenance plan in place for years and this has become the basis for our 10 year LTFM plan.

LTFM program revenues are designed to increase over several years until the full effect of the legislation is implemented. The revenue formula is driven by our enrollment and then modified by the “average age” of our buildings. An older average age would increase funding as older buildings tend to have higher needs. A younger average building age has the opposite effect. Bemidji Schools has an average of 29 years which is considered very young and causes the formula to be decreased by a factor of .83.

LTFM revenue is generated through an equalized levy which means we receive state aid ONLY IF we levy local property tax dollars. The current ratio is 66% local levy and 33% state aid.

Our 10 year expense plan has more specificity in the near term and is more general as we look further out in time. We will revise these plans on an annual basis as our needs change. LTFM funds have a restricted purpose and can be carried forward to tackle larger projects in a single year.

ACTION:

___ introduced the following resolution and moved its adoption:

**RESOLUTION APPROVING SCHOOL DISTRICT NO. 31 LONG-TERM
FACILITY MAINTENANCE TEN YEAR PLAN**

BE IT RESOLVED by the School Board of District No. 31, State of Minnesota, as follows:

1. The School Board of School District 31 has approved the Long-Term Facility Maintenance Ten Year Plan for its facilities for 2017-2026. The various components of this plan are attached.

The motion for the adoption of the foregoing resolution was duly seconded by _____, and upon vote being taken thereon, the following voted in favor thereof:

And the following voted against the same:

WHEREUPON, said resolution was declared duly passed and adopted.