



Going the Distance! The Long-Term Facilities Maintenance (LTFM) 10 Year Revenue & Expenditure Spreadsheets

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Long Term Facilities Maintenance (LTFM)

- Created by legislation in 2015
- \$380 / pupil for deferred maintenance, health & safety projects
 - Provided through property tax levies & state aid
 - Additional revenue for certain H&S programs
- Replaced funding formulas for existing programs
 - Health & safety
 - Deferred maintenance
 - Alternative facilities
- LTFM revenue can be used to fund project costs on an annual basis & make payments on bonds issued to fund project costs

(LTFM) Additional Revenue

- Health & Safety projects over \$100,000
 - ✓ 100% tax levy unless building age is < 35 years
 - Indoor air quality
 - Fire alarm & suppression
 - Asbestos removal
- Building remodeling for voluntary Pre-K

Grandfathered Alternative Facilities Districts

- 27 districts “grandfathered” into special facilities maintenance program
 - ✓ Districts that qualified for previous Alternative Facilities program based on criteria
 - Total square footage of facilities
 - Average building age
- Funding not limited to \$380 per pupil
- Nearly all grandfathered districts build predictability into ongoing levy using mix of annual levies & bond proceeds to finance projects

LTFM Restrictions - May Not be Used For ...

Construction of new facilities or purchase of portable classrooms

Remodeling of existing facilities

Financing a lease purchase agreement

Energy efficiency projects under M.S. 123B.65

A building related to postsecondary instruction of administration or purpose unrelated to elementary or secondary education

Violence prevention & facility security, ergonomics or emergency communication devices

LTFM Resources on MDE Website

[MDE](#) > [Districts, Schools and Educators](#) > [School Finance](#) > [Facilities and Technology](#) > [Long-Term Facilities Maintenance](#)

Long-Term Facilities Maintenance

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 contains memorandums from MDE, program guidance documents, and spreadsheets and forms used to obtain approval to receive revenue.

Health and Safety related information is located on the [Health and Safety webpage](#).

[FY 2021 Final LTFM Approved vs. UFARS Cost Reconciliation Report](#) - 12/17/21

[FY 2021 LTFM Revenue – Review of Approved vs. UFARS Expenditure Reconciliation Report and 20-21 Aid Entitlement Memorandum](#) - 11/10/21

[Maximum Revenue for Health, Safety, and Environmental Management \(FIN code 352\) for the Fiscal Year 2022-23 Biennium](#) - 6/28/21

[FY 2023 Long-Term Facilities Maintenance Guide](#) - 5/28/21
Updated May 2021

[FY 2023 Long-Term Facilities Maintenance Revenue Statement of Assurances](#) - 5/27/21

[FY 2023 Long-Term Facilities Maintenance Cooperative Allocation Worksheet](#) - 5/27/21

[FY 2023 Long-Term Facilities Maintenance Ten-Year Expenditure Plan Application](#) - 5/26/21

[FY 2023 Long-Term Facilities Maintenance Ten-Year Revenue Projection](#) - 5/26/21

[FY 2020 Preliminary LTFM Approved vs. UFARS Cost Reconciliation Report](#) - 12/21/20

<https://education.mn.gov/MDE/dse/schfin/fac/ltfm/>

MDE LTFM Entitlement Reports

Use the Drop Downs to identify the report of interest

Sort District list by: Name Number

List District Types: All Standard Co-Ops

District View reports added in the last: or enter up to 5 districts:

Category: (9999-99)

Year:

Report:

District	Fiscal Year	Report Name	Category	Run Date
0197-01	FY 21-22	Long-Term Facilities Maintenance	Aid Entitlement Reports	01/28/2022 2:57PM
0197-01	FY 20-21	Long-Term Facilities Maintenance	Aid Entitlement Reports	01/28/2022 3:15PM
0197-01	FY 19-20	Long-Term Facilities Maintenance	Aid Entitlement Reports	01/28/2021 9:24AM
0197-01	FY 18-19	Long-Term Facilities Maintenance	Aid Entitlement Reports	01/22/2020 1:34PM
0197-01	FY 17-18	Long-Term Facilities Maintenance	Aid Entitlement Reports	03/19/2019 2:56PM
0197-01	FY 16-17	Long-Term Facilities Maintenance	Aid Entitlement Reports	01/17/2019 9:06AM

<https://w20.education.mn.gov/mfrreports/LTFM01/20-21/0197010000000000.pdf>

10 Yr. LTFM Plan - Annual Plan Submissions

Due by July 31 each year

- MDE 10 Year Expenditure Plan Application spreadsheet
- MDE 10 Year Revenue Projection spreadsheet
- MDE Statement of Assurances
- Board Resolution

Continue to update MDE H&S Data Submission System

Annual 10 Year Expenditure Plan

- Expenditures by category for base year & next 10 years
- Summarized by UFARS finance code
- Projects financed by bond proceeds are included; bond principal & interest payments are not included
- Additional Required Narratives
 - H&S projects \$100,000 or more per site per fiscal year
 - Deferred Maintenance projects \$2 million or more per site per fiscal year
 - Approved Voluntary Pre-Kindergarten programs for costs to remodel existing space to accommodate Pre-K instruction



Example: Elk River

ANNUAL 10 YEAR EXPENDITURE PLAN

Annual 10 Yr. Revenue Projection Spreadsheet

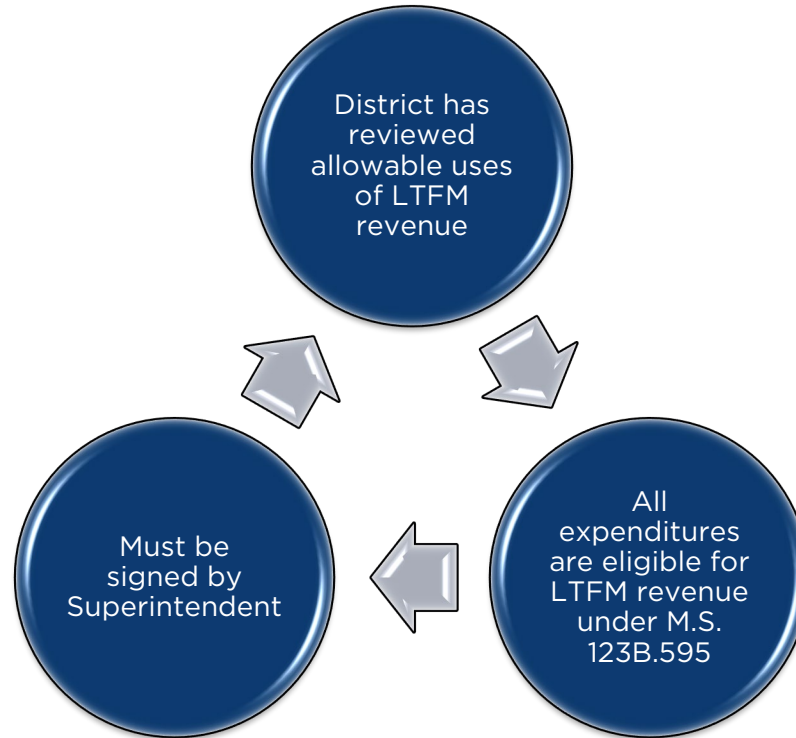
- Plan to fund proposed expenditures over next 10 years
- Additional requirements if bonds are issued
 - Description of projects financed with bond issue
 - Bond schedule showing estimated interest and principal payments
 - Include annual debt service levies on spreadsheet
 - Separate breakdown for H&S projects costing \$100,000 or more if accessing revenue above per pupil formula
 - If bond issue includes mix of projects not eligible for LTFM, provide breakdown



Example: Elk River

ANNUAL 10 YEAR REVENUE PROJECTION SPREADSHEET

Annual Statement of Assurances



School Board Approval Options

- Signed by Clerk
 - ✓ Formal resolution
 - ✓ Notarized extract of minutes
 - ✓ Adopted minutes

LTFM Revenue Adjustments

- Initial revenue is based on projected pupil counts, average building ages and estimated project costs
- Aid/levy amounts updated periodically
- Adjustments made until data is final
- Acquiring new building, selling or demolishing old buildings
 - If changes average building age from over 35 years to under 35 years
 - Notify MDE during summer levy process
 - Annual Facilities Age & Square Footage Report (Due in December)

LTFM Revenue Adjustments

- For Grandfathered (1A) Districts, pay-as-you-go funds not spent in FY for which revenue was received will generate a negative levy adjustment
 - ✓ If costs greater than estimated or new projects added, positive levy adjustments may occur

Tips & Tricks

- Districts can carryover unused funds from \$380 per pupil formula
- Grandfathered (1A) Districts should spend pay-as-you-go General Fund revenue 1st
 - ✓ Unused General Fund revenue beyond \$380 per pupil does not carryover
 - Revenue is based on actual expenditures as reported on UFARS
 - Annual reconciliation process
 - ✓ Unused bond proceeds in Construction Fund can be carried over

Benefits

Provides funds up-front:

- * Economies of scale
- * Avoid construction inflation
- * Additional costs incurred if facilities not maintained

Spread costs to taxpayers over term that better aligns with useful life of improvements

Debt service levies on bonds qualify for ag. credit

Reduce levy adjustments

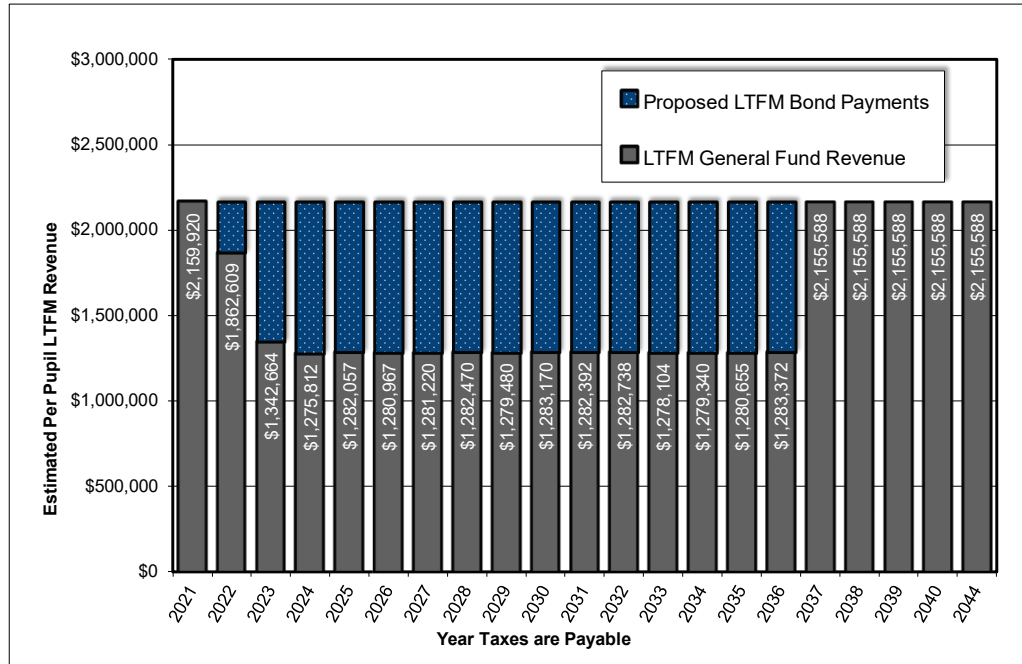
Levy management / stability (primarily for grandfathered districts)

Example - Facilities Maintenance Bonds

West St. Paul-Mendota Heights-Eagan School District No. 197
 Estimated \$380 Per Pupil Long-Term Facilities Maintenance Revenue
 Estimates of LTFM Revenue and Bond Payments

\$9,995,000 Facilities Maintenance Bond Issue
 15 Years
 38.6 % of Revenue Used

Date Prepared: February 7, 2022



FM Bond – Ag Credit

The issuance of FM bonds would not cause any change in the district's total tax levy for any year. However, it would shift a portion of the levy from the general fund to the debt service fund. Since the debt service levy would qualify for the School Building Bond Agricultural Credit, this would cause a reduction in taxes on agricultural property.

FM Bond Amount Bond Term		\$4,500,000 15 Years	\$3,700,000 15 Years
Type of Property	Estimated Market Value	Estimated Reduction in Annual Taxes Payable in 2020*	
Agricultural Homestead ** (dollars per acre)	\$1,000	-\$0.04	-\$0.03
	2,000	-0.07	-0.06
	4,000	-0.14	-0.12
	5,000	-0.18	-0.15
	7,000	-0.25	-0.21
Agricultural Non-Homestead (dollars per acre)	\$1,000	-\$0.07	-\$0.06
	2,000	-0.14	-0.12
	4,000	-0.28	-0.24
	5,000	-0.35	-0.30
	7,000	-0.49	-0.42

Combining FM Bonds with Other Bonds

- Reduces costs of issuance
- Larger bond size more attractive to bidders
- Examples:
 - ✓ FM bonds with Abatement bonds for parking lot projects
 - ✓ FM bonds with Capital Facilities bonds for not qualifying LTFM costs
 - ✓ FM bonds with Refunding bonds

Example – Verndale Public School

4 Purposes

FM bonds with for
H&S/Indoor Air
Quality projects
(additional levy)

FM bonds for
deferred
maintenance
projects
(per pupil funding)

Refunding of
School Building
bonds

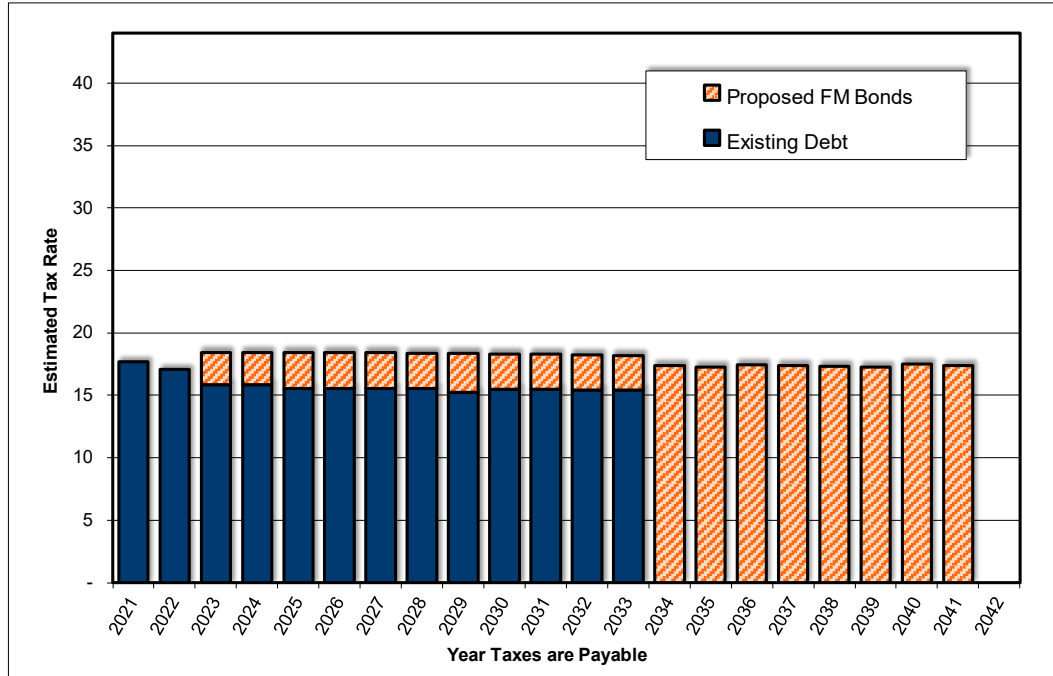
Refunding of
Capital Facilities
bonds

FM Bonds – Health & Safety/Refunding Bonds

Verndale Public School District, ISD 818
Estimated Tax Rates for Capital and Debt Service Levies
Existing Commitments and Proposed New Debt

\$2,500,000 Bond Issue
20 Years; 19 Tax Levies
Wrapped Around Existing Debt

Date Prepared: December 6, 2021



FM Bonds – Deferred Maintenance Projects

Principal Amount:	Proposed Bond Issue
Dated Date:	\$480,000
Average Interest Rate:	12/30/2021
	1.54%

December 6, 2021

Levy Pay Year	Fiscal Year	Adjusted Pupil Units	Building Age	Revenue/Pupil	Est. Total LTFM Revenue	LTFM Aid	Tax Levy	Potential New Bonds				Total Debt Service	Gen. Fund Revenue Remaining
								Principal	Interest	Est. Debt Excess ²	Total Debt Service		
2021	2022	585	40.16	380.00	222,300	175,629	46,671	-	-	-	-	0	222,300
2022	2023	574	41.16	380.00	218,120	174,173	43,947	25,000	14,663	-	41,646 ³	41,646	176,474
2023	2024	574	42.16	380.00	218,120	170,705	47,415	25,000	12,500	-	39,375	39,375	178,745
2024	2025	574	43.16	380.00	218,120	175,345	42,775	25,000	11,500	-	38,325	38,325	179,795
2025	2026	574	44.16	380.00	218,120	175,193	42,927	30,000	10,500	(1,533)	40,992	40,992	177,128
2026	2027	574	45.16	380.00	218,120	175,618	42,502	30,000	9,300	(1,640)	39,625	39,625	178,495
2027	2028	574	46.16	380.00	218,120	175,618	42,502	30,000	8,100	(1,585)	38,420	38,420	179,700
2028	2029	574	47.16	380.00	218,120	175,618	42,502	30,000	6,900	(1,537)	37,208	37,208	180,912
2029	2030	574	48.16	380.00	218,120	175,618	42,502	35,000	5,700	(1,488)	41,247	41,247	176,873
2030	2031	574	49.16	380.00	218,120	175,618	42,502	35,000	5,000	(1,650)	40,350	40,350	177,770
2031	2032	574	50.16	380.00	218,120	175,618	42,502	35,000	4,300	(1,614)	39,651	39,651	178,469
2032	2033	574	51.16	380.00	218,120	175,618	42,502	35,000	3,600	(1,586)	38,944	38,944	179,176
2033	2034	574	52.16	380.00	218,120	175,618	42,502	35,000	2,900	(1,558)	38,237	38,237	179,883
2034	2035	574	53.16	380.00	218,120	175,618	42,502	35,000	2,200	(1,529)	37,531	37,531	180,589
2035	2036	574	54.16	380.00	218,120	175,618	42,502	35,000	1,500	(1,501)	36,824	36,824	181,296
2036	2037	574	55.16	380.00	218,120	175,618	42,502	40,000	800	(1,473)	41,367	41,367	176,753
2037	2038	574	56.16	380.00	218,120	175,618	42,502	-	-	-	-	-	218,120
2038	2039	574	57.16	380.00	218,120	175,618	42,502	-	-	-	-	-	218,120
2039	2040	574	58.16	380.00	218,120	175,618	42,502	-	-	-	-	-	218,120
2040	2041	574	59.16	380.00	218,120	175,618	42,502	-	-	-	-	-	218,120
2041	2042	574	60.16	380.00	218,120	175,618	42,502	-	-	-	-	-	218,120
2042	2043	574	61.16	380.00	218,120	175,618	42,502	-	-	-	-	-	218,120
2043	2044	574	62.16	380.00	218,120	175,618	42,502	-	-	-	-	-	218,120
2044	2045	574	63.16	380.00	218,120	175,618	42,502	-	-	-	-	-	218,120
Totals					5,239,060	4,207,792	1,031,268	480,000	99,463	(18,694)	589,741	589,741	4,649,319

Northland Revised 10 Year Plan Example

- Bond Issue with 2 Purposes in Spring of 2022
 - ✓ FM bonds for deferred maintenance projects (per pupil funding)
 - Update 10 Year Plan Documents
 - Transfer General Fund LTFM revenue to Debt Service Fund
 - ✓ Abatement Bonds (Parking)



Example: Northland

REVISED 10 YEAR REVENUE & EXPENDITURE PLANS

Let's Talk!



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Questions?



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