Long-Term Facilities Maintenance Revenue

Minnesota funding framework and GRAS financing proposal | Board meeting: July 20, 2026

What LTFM is

Purpose. A state-authorized, restricted revenue stream for deferred maintenance, accessibility, and qualifying health-and-safety work in existing K–12 facilities. Unspent nonbonded revenue remains in a restricted general-fund reserve.

Annual formula. The core entitlement is $380 × adjusted pupil units × an age factor (average building age ÷ 35, capped at 1.0), subject to statutory hold-harmless provisions. Revenue is a mix of local levy and state equalized aid; amounts above the equalized formula are an unequalized levy. GRAS avg age for 2026-27≈31.3

Planning and approval. The board must annually adopt a ten-year plan and submit it to MDE by July 31. For taxes payable 2026, ISD 318's formula revenue is approximately $1.404 million; about $531,000 (38%) is already committed through FY 2037 to debt service on Series 2019A (Cohasset) and 2021A (GRHS) bonds. We can revise and resubmit the plan as we make progress on projects.

The 2025 roofing change, effective FY 2027

New threshold and authority. Similar to current authority for Air Quality Improvement projects, this legislation means a roof repair or replacement estimated at $100,000 or more per site is eligible for commissioner-approved revenue above the ordinary per-pupil entitlement. The district may use a current levy or issue general-obligation bonds and levy over time for principal and interest. The statutory process does not require a voter referendum, but it does require board and commissioner approval, a debt-service schedule, and published notice at least 20 days before issuance or final levy certification.

Proposed uses and financing, July 20, 2026

INDOOR AIR QUALITY	ROOFING	TOTAL PROJECT
$1,133,969	**$9,994,954**	**$11,128,923**
Existing LTFM authority for qualifying projects of $100,000 or more per site	New FY 2027 authority for qualifying roof work of $100,000 or more per site	$11.13M; 15-year modeled term; one bond with two purposes