AMSD

Association of Metropolitan School Districts

Facilities Funding

AMSD Position

The Governor and Legislature should increase the per pupil allocation for the Long-Term Facilities Maintenance Revenue (LTFMR), Operating Capital, and Lease Levy programs to recover ground lost to inflation over the last decade.

In addition, the allowable uses for the LTFMR program should be expanded to include safety and security modifications.

- School climate and student learning are impacted by the condition of a school building.
- Locally-elected school boards should have the ability to address the facilities needs of their students and community.
- Property tax levies should be equalized to ensure comparable taxpayer effort.
- Maintaining school facilities protects taxpayer investments.
- Facilities funding formulas should meet the needs of intermediate, joint powers and cooperative districts.

Background

In 2015, the Legislature established the Long-Term Facilities Maintenance Revenue (LTFMR) program to support the deferred maintenance needs of school districts. LTFMR is financed with an equalized levy. School districts submit a ten-year facilities plan to the MN Department of Education for approval and have authority to bond against future LTFMR. The LTFMR allowance was capped at $380 per pupil for most school districts. Districts that were previously eligible for the alternative facilities program were held harmless and do not have a per pupil cap.

A School Finance Working Group convened by the MN Department of Education in 2019 issued a series of recommendations to improve the financing of school facilities and level the playing field between school districts. Recommendations included: removing the per pupil cap in the LTFMR program for all school districts, expanding LTFMR eligibility to include remodeling improvements for safety, security and Pre-K programming and equalizing the lease levy.

The 2025 Legislature enhanced the LTFMR program by authorizing school districts to include roof repair and replacement costs totaling $100,000 or more per site in the district's annual LTFMR authority effective for FY27 and later. While this change will provide relief, the Governor and Legislature should continue to work toward implementing the School Finance Working Group's facilities funding recommendations, so all school districts are able to maintain facilities and provide the needed instructional space for pre-K through grade 12 programming in safe and secure learning environments and taxpayers are treated equitably. It is critical that state policymakers restore the purchasing power of the LTFMR, Operating Capital, and Lease Levy programs. The per pupil amount in the LTFMR program would have increased from $380 to $532 in FY26 had it kept pace with inflation. The Lease Levy would have increased from $212 to $297 per pupil, the Operating Capital fixed component from $79 to $111 per pupil, and the Operating Capital maintenance cost index from $109 to $153 per pupil if they had kept pace with inflation since 2014 as measured by the Consumer Price Index.

Resources

80-20-10: Bringing Equity to Minnesota's School Finance System | Report of the School Finance Working Group:
https://education.mn.gov/mdeprod/idcplg?IdcService=GET_FILE&dDocName=PROD034265&RevisionSelectionMethod=latestReleased&Rendition=primary

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