



# **Long-Term Facilities Maintenance Revenue**

## **Guide for Allowable Expenditures**

### **Minnesota Statutes § 123B.595**

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## A. FORWARD

The purpose of this document is to provide school districts, intermediate school districts, and school district co-operatives with information that will assist with planning and development of a ten year plan. To receive Long-Term Facilities Maintenance Revenue under M.S. 123B.595 the ten year plan must be approved by school board and the commissioner. This document details the allowable expenditures that may be included in the ten year plan. The statement of assurances submitted by the organization receiving revenue attests that plan expenditures are according to the uses described in this document. The plan must include provisions for implementing a health and safety program that complies with health, safety and environmental regulations and best practices including indoor air quality management. See the MDE website for the ten year plan format, revenue calculation model, and instructions regarding Long Term Facilities Maintenance Revenue.

## B. AUTHORIZED EXPENDITURES

Minnesota Statutes § 123B.595, Subd.10, Allowed uses for long term facilities maintenance revenue.

- (a) A district may use revenue under this section for any of the following:
  - (1) deferred capital expenditures and maintenance projects necessary to prevent further erosion of facilities;
  - (2) increasing accessibility of school facilities; or
  - (3) health and safety capital projects under section 123B.57
- (b) A charter school may use revenue under this section for any purpose related to the school.

## C. DEFERRED MAINTENANCE QUALIFYING CRITERIA

**(1) Qualifying Capital Expenditures and Maintenance projects.** Eligible projects are "...deferred capital expenditures and maintenance projects necessary to prevent further erosion of facilities..." The meaning of this phrase is that there are two categories of qualifying projects: those that are "...capital expenditures..." and those that are "...maintenance projects..." Broadly speaking, the meaning of "eligible projects" is work performed on an existing district owned facility, for example, roof removal and replacement, tuck-pointing, flooring removal and replacement, asbestos abatement and replacement, mechanical ventilation replacement, plumbing removal and replacement and etc., is deferred according to the definition in C(2), and is necessary to prevent further erosion of facilities as defined in paragraph C(2), C(3) and C(4).

**(a) Capital expenditures** are defined as projects that exceed \$10,000. Capital expenditures that adhere to items C(2) through C(14) may be included in the ten year plan.

**(b) Maintenance projects** are identified items of \$10,000 or less. Merriam Webster dictionary defines "maintain" as a verb: to keep in an existing state (as of repair, efficiency, or validity): preserve from failure or decline <*maintain* machinery>. MN Statute 123B.595 language makes eligible: deferred capital expenditures and maintenance projects necessary to prevent further erosion of facilities.

- (2) **Deferred Work** – Work is considered deferred when it has been postponed beyond the time that a manager, using reasonable and prudent work scheduling practices, would accomplish the work. This includes work that is scheduled to occur after a specific building component is reasonably expected to fail (e.g. roof is replaced 20 years after installation and its life expectancy is 15 years). Allowable deferred work also includes component(s) that the district responsible person making application for funding under the program has definite, specific knowledge of the component need for repair, its scope and its cost.
- (3) **The project must counteract any physical erosion** in effect restoring the component to as near to “like new” as is feasible. Portions of projects relating to additional or competing objectives (worthy as they might be) shall not be funded. These include portions of projects that have an energy or financial anticipated benefit. The exception will be for portions of projects that provide these as secondary benefits. For example, if pneumatic mechanical ventilation control logic has eroded to the point where it must be replaced but is no longer available.
- (4) **Erosion is not the same as obsolescence.** Facilities which function well but which do not meet service requirements are not eligible for funding. For example, swimming pool depth correction.
- (5) **The purpose remains the same.** The use for the area and activities conducted in the area are essentially the same before and after the work. Thus, a science lab before would remain a science lab.
- (6) **There is no expansion or re-alignment of function.** Any change in the number of students served or changes in the facility to accommodate the number of students served must not be funded with long term facilities maintenance revenue. Thus, a classroom designed for 20 students would not expand to 30, or vice versa. Also, there is no increase of space and there is no new construction. The project cannot modify the facility’s functionality or capacity, but shall restore or replace to prevent further deterioration of the facility.
- (7) **Planned or scheduled maintenance projects** are ineligible. For example, routine replacement of fittings, traps, filters, belts, moving components or repairs of a planned or preventative nature are excluded.
- (9) **Technology is excluded from eligibility**, as it is considered to be equipment and not part of a facility. Repair or replacement of telecommunications and computer installations and connectivity are excluded, except for repair/replacement of facility automation computer installations or telecommunications wiring as a result of erosion, deterioration or mechanical breakdown as the primary purpose for the work. Electrical service and lighting, clocks and alarms/PA are allowable. Software in support of facility functions does not erode for purposes of this section.
- (10) **Violence prevention and physical security issues** are excluded from eligibility, because the Safe Schools Levy under M.S. 126C.44 provides a dedicated source of funding for this purpose.
- (11) **Renovation in support of educational adequacy**, changing functionality or student loading (worthy goals in and of themselves) are not eligible for funding, since the

necessary component of "...to prevent further erosion of facilities..." is missing as a primary purpose. Thus, if walls are demolished due to legitimate erosion correction but are re-installed in a different configuration for renovation purposes, the portion of costs related to any reconstruction will be excluded from allowable costs.

**(12) Reasonable in-house engineering and technical administrative costs** may be charged to the program if the work hours are directed to program support activities and adequate documentation of these hours is maintained. Also, funding of out-source capacity in direct support of approved projects is allowable. Costs for accounting, bookkeeping or financial tracking activities relative to long term facilities maintenance projects are allowed if costs are **substantial** and **well documented**. Non-technical administrative costs are excluded from funding.

#### **D. DISABLED ACCESS QUALIFYING CRITERIA**

The project shall conform to both the district's ADA/Sec. 504 disabled access transition plan and the current ADAAG (ADA Accessibility Guidelines for Buildings and Facilities) version, as well as applicable state and local building and fire codes.

#### **E. HEALTH AND SAFETY QUALIFYING CRITERIA**

The project shall conform to the criteria set forth in the current version of the Health and Safety (H&S) statute (M.S. 123B.57)

#### **(1) FINANCE CODE 347 - PHYSICAL HAZARD CONTROL**

##### **PLAYGROUND – RESURFACING AND OTHER HAZARDS**

The cost to install playground impact-attenuating surface material is an allowable Health and Safety project. Unitary and loose-fill impact-attenuating surfacing material is subject to a maximum of \$12 per square foot. See [Consumer Product Safety Commission](http://www.cpsc.gov) website for more information (<http://www.cpsc.gov>). The cost to repair or remove (but not replace) unsafe outdoor playground equipment is allowable, as reported by a person trained in playground safety under the National Recreation and Park Association's Certified Playground Safety Inspector Course. This evaluator does not have to be a district employee. The cost to seal wooden play sets that might leach Chromate Copper Arsenate (CCA) is allowable. Costs related to accessibility under the Americans with Disabilities Act are not allowable.

##### **SWIMMING POOL HAZARDS**

Costs to bring swimming pools up to code per Minnesota Rule Chapter 4717, capital but not operational expenses, are allowable. Basis for funding projects for removal of swimming pool hazards shall be orders from a Minnesota state agency only (or local governmental body under contract). Cost for depth correction is excluded.

Per Minnesota Statutes, section 144.1222 subdivision 1(c), in accordance with the "Abigail Taylor Pool Safety Act" school districts must certify that: 1) all outlets except for unblockable drains are equipped with covers in compliance with ASME or ANSI standards; and, 2) all covers and grates have been inspected to ensure that they were properly installed and are not broken or loose. Beginning January 1, 2011, all school district pools must have: 1) an unblockable suction outlet or drain; 2) at least two suction outlets, in parallel, with approved covers; 3) a gravity outlet; or, 4) any other system determined by MDH to be effective. All pool construction

plans after January 1, 2009, must be certified by a Minnesota-registered engineer. View [Minnesota Department of Health](http://www.health.state.mn.us/divs/eh/pools/rule.html) website. (<http://www.health.state.mn.us/divs/eh/pools/rule.html>)

#### BLEACHER REPAIR OR REBUILDING

Bleachers were required to be brought to Minnesota Statutes, section 326B.112 safety standards by January 2002. Only those bleachers cited by building code officials as requiring work cited in Minnesota Statutes, section 326B.112 are eligible for funding. For replacement of public accommodation using bleacher seating to occur, the design professional must clearly state in writing that: (1) replacement is needed based on inadequate spacing requirements set forth in Subdivision 3 (four inch spacing); and, (2) the cost to repair is higher than replacement, providing side-by-side repair vs. replacement cost information. Re-inspection every five years per Minnesota Statutes, section 326B.112 is allowable but repairs are not. Spacing requirements corrections must be cited by a building code official or state licensed design professional to enforce the code. Portable bleachers are not allowed. Adding fall protection safety guarding to unguarded choral risers is allowed.

#### MECHANICAL AND POWER EQUIPMENT-SAFETY MODIFICATION

Equipment with unsafe design or point of operation can be modified to meet an OSHA safety standard or machine guarding best practice. The district must have a specific person identified as the Industrial Arts Equipment Coordinator to determine the nature of the hazard and to provide proper machine guarding solutions. Equipment may be replaced if the documented repair cost of modification is higher than the cost of replacement. Contact the regional Management Assistance professional if there is difficulty locating a vendor. See Minnesota OSHA standards or best practices manual for information.

#### OSHA PHYSICAL OR ELECTRICAL HAZARD VIOLATIONS

Expenses associated with correcting OSHA physical or electrical hazard violations identified by an OSHA or mock-OSHA inspection may be allowed under Health and Safety, if they are clearly linked to an OSHA statute or standard. Power strips and installation of new permanent wiring is not permitted. UL rated boxes external to a wall may be considered when complying with OSHA inspection. Ground fault circuit interrupter (GFCI) outlets may only be considered in wet or damp locations. Project management and inspection costs are eligible under FIN CODE 352. Costs associated with electrical or building code compliance are not allowable.

#### FOOD CODE SAFETY – MDH HEALTH CODE REQUIREMENTS FOR KITCHEN STAFF

For costs to bring kitchens up to physical code per MDH Food Code Rule, capital but not operational expenses consistent with Minnesota Statutes, section 123B.57, subdivision 6, are allowable. Basis for funding projects for removal of kitchen hazards shall be orders from a Minnesota state agency only (or local governmental body under contract). These do not include kitchen licenses or certification costs, but do include costs for MDH inspections and MDH mandated improvements (requires MDH orders). The initial cost for kitchen equipment as cited by a food code inspector that currently doesn't exist may not qualify as a health and safety expenditure. Staff training for food code safety may be included under health, safety and environmental management, under FIN CODE 352.

#### METAL HALIDE LIGHTING

The replacement of open fixtures or wire grid fixtures with enclosed fixtures is an allowable expenditure under Health and Safety. The replacement of indoor non self-extinguishing "R" type high intensity metal halide and mercury vapor light bulbs in open or wire grid fixtures with self-extinguishing "T" type light bulbs or comparable lighting is also allowable. Security and outdoor metal halide lighting replacement is not eligible.

## TEMPERATURE IN KITCHENS AND OTHER SPACES

Expenses necessary to maintain temperatures in work areas where “moderate” or greater levels of work are performed, such as kitchens or boiler rooms in accordance with Minnesota Rule 5205.0110 are allowed. Cost for increasing airflow, but not air conditioning, to levels called for under the state mechanical code is allowable.

## ELEVATOR, LIFT, AND HOIST INSPECTIONS

Costs to inspect elevators and lifts are allowable under Health and Safety where required under OSHA 29 CFR 1910. Cost for permits and elevator replacement is not allowed. Costs to meet elevator code requirements are not fundable under this program. Lift replacement is allowed if a district owned lift can't be repaired to pass inspection.

## ELEVATOR HYDRAULIC CYLINDER REMOVAL AND FLUID ABATEMENT

Removal of leaking pre-1973 (approximately) single bottom hydraulic elevator cylinders and abatement of any leaked hydraulic fluid is allowed. Replacement of the hydraulic cylinder is not allowed.

## PERSONAL PROTECTIVE EQUIPMENT

The cost to purchase personal protective equipment (PPE) for use by staff and students in the areas of industrial and fine arts, and science is allowable. PPE funding is allowed for employees in all areas of hazardous work per OSHA standards. The PPE equipment shall be owned by the district, remain in its possession and under its control, and shall not be used for any purpose other than allowable activities in these areas. PPE for extracurricular or athletic activities shall not be funded as there is no connection to OSHA. PPE for pandemic planning is allowable, for staff only.

## **(2) FINANCE CODE 349 - HAZARDOUS SUBSTANCE**

### LEAD TESTING OF TOYS

Lead testing of toys and furniture in classrooms and disposal of the same are allowable under this finance code. Replacement of toys and furniture are not an allowed cost.

### WOOD BOILER HAZARDS

Correcting the hazard due to particulate-emitting (e.g., wood or coal) boilers, that emit excessive particles during normal operation or which can cause life safety risks due to potential fire or explosion is allowed. Only necessary repairs to this category of boiler, but not replacement of the boiler unit or its accompanying components, are allowed. Facilities to house a replacement system cannot be built or repaired as a health and safety project.

FUEL TANK REMOVAL/REPLACEMENT AND CLEANUP [UST and AST (Underground Storage Tank and Above Ground Storage Tank)]The cost to properly clean up any petroleum product spills, and the removal but not the replacement of any underground storage tank or any above ground storage tank (including piping) is allowed. The cost for monitoring systems and their maintenance is allowed. The cost to test an underground storage tank (UST)/above ground storage tank (AST) tank for leakage is allowable. Fuel oil costs for tightness testing are not allowed. Cost for cleanup should be submitted to the Minnesota Petro fund for reimbursement. Under current law, the Minnesota Petro fund expires June, 2017. In that event, further information will be provided regarding the waiver process. Fuel oil tanks may remain indefinitely—there is no mandatory limit on their use. Fuel oil tank tightness testing is recommended biennially for all UST/ASTs.

## HAZARDOUS/INFECTIOUS WASTE MANAGEMENT AND DISPOSAL

The cost for collection and disposal of hazardous or infectious waste and payment of fees, as required by state or federal regulations, are allowable expenditures. Hazardous/infectious waste (e.g., lead and mercury abatement, electronic waste, sharps disposal, flammable, reactive, corrosive, and toxic waste) and radioactive materials are eligible expenditures.

## LEAD IN WATER; TESTING AND MITIGATION – see Minnesota Statutes, section 144.9501-144.9509

The cost of sampling and analysis of water, paint and soil due to possible lead contamination is allowed. Lead abatement due to the presence of lead is not automatically allowed. The condition of the lead must be such that either the MDH or Minnesota OSHA would cite it—this must be documented. To qualify for funding, abatement work must meet the criteria of “regulated lead work” as substantiated by lab analysis to determine the presence of lead is > 1% by weight or > 1mg/cm<sup>2</sup> through XRF analysis. Especially note Minnesota Statutes, section 144.9505 subdivision 6, for new contracting entity requirements. Districts are encouraged to perform lead in water testing every five years, or when pipes or fixtures are modified. The Reduction of Lead in Drinking Water Act went into effect on January 4, 2014. The law applies to any product used in a drinking water system. For more information [visit the US EPA’s website](http://water.epa.gov/drink/info/lead/index.cfm) (<http://water.epa.gov/drink/info/lead/index.cfm>).

## COPPER IN WATER

The cost of sampling and analysis of water due to possible copper contamination is allowed. Copper abatement due to elevated dissolved levels is allowed if the MDH or Minnesota OSHA issues health orders.

## LOCAL EXHAUST VENTILATION SYSTEMS

The cost of design, materials, and installation of local exhaust systems and required make-up air that is used for the purpose of controlling regulated hazardous substances is allowed. Examples of processes that potentially generate regulated hazardous fume, vapor, or dust are: welding operations, wood processing, wood finishing, automotive parts cleaning and degreasing, sand blasting, spray painting, science experimentation, art-ceramic glaze firing, and kitchen food venting. Cost for general heating, ventilation and air conditioning is not specified here. Systems design and specifications shall be completed by an individual or company experienced in ventilation systems for industrial contaminant control, and shall be consistent with recommended practices described in the Industrial Ventilation Manual: American Conference of Governmental Industrial Hygienists or comparable references.

## RADON – DETECTION AND MITIGATION

The cost to test for and remediate elevated levels of radon is allowed. [See Radon in Schools from the Minnesota Department of Health for guidance](http://www.health.state.mn.us/divs/eh/indoorair/schools/radonschool.html) (<http://www.health.state.mn.us/divs/eh/indoorair/schools/radonschool.html>). Per Minnesota Statutes, section 123B.571, a school district shall conduct the testing according to the state radon testing plan developed by the commissioners of health and education, shall report radon testing results at a school board meeting and report results to the Minnesota Department of Health.

## WELLS AND WELL CAPPING

The cost to reduce excessive organic or inorganic levels in wells is allowed. The cost to properly cap an abandoned well is allowed.

## BOILER-MAIN SUPPLY BACK FLOW PREVENTOR AND FLOOD-PREVENTION FLOOR DRAINS

The cost to test and install/replace suitable devices, which prevent the backflow of contaminated water from a boiler system to a potable source, is an allowable expenditure. In addition, the cost to test and maintain one way drains to prevent floodwaters from backing into buildings is allowable. These should be checked annually.

## **(3) FINANCE CODE 352 - HEALTH, SAFETY AND ENVIRONMENTAL MANAGEMENT**

### HEALTH, SAFETY AND ENVIRONMENTAL MANAGEMENT

Per Minnesota Statutes, section 123B.56 "Health, safety, and environmental management means school district activities necessary for a district's compliance with state law and rules of the Departments of Health, Labor and Industry, Public Safety, and Pollution Control Agency as well as any related federal standards. These activities include hazard assessment, required training, record keeping, and program management." Program management shall include, at a minimum, a written plan and the name of a contact person who is onsite and knowledgeable about the plan.

### DISTRICT STAFF

If the school district funds staff time under FIN CODE 352, the district must be able to document the time is strictly devoted to fulfill a health, safety, and environmental management function as defined per Minnesota Statutes, section 123B.56. Documentation for full-time employees solely devoted to health and safety functions may simply be the employees' job description, while other employees devoting only a portion of their time towards health, safety, and environmental management duties may need to document actual hours spent on specific activities.

### H&S MANAGEMENT ASSISTANCE (MA)

The cost of funding H&S Management Assistance professionals is allowed. MDE continues to actively partner with and strongly support the management assistance staff at regional service cooperatives. All public schools are encouraged to support this program, which is intended to provide communication and assistance to both public schools and MDE by maintaining a strong H&S program. MA services must be provided by a trained H&S professional having significant field work experience, making the person competent to evaluate programs that make up a district's H&S program. The person providing the MA services may be an independent contractor, an employee of a private contractor, a service cooperative employee or an H&S professional employed by the district. The person must be hired by the district (can be through the service cooperative representing the district), or if employed by a private contractor must be identified in the contract as the person providing the MA services. To avoid a conflict of interest, the person doing the management assistance work shall not be the same person or company who also does other H&S work for the district, either as health, safety and environmental management (HSEM) or as a project contractor.

### SAFETY COMMITTEE

Costs to establish and operate school safety committees, including hourly wages of employees and substitutes, but not staff benefits are allowable Health and Safety expenditures under FIN CODE 352. Estimates shall be identified as clock hours, not percentages of time. Refer to Minnesota Rule 5208 for Safety Committee requirements. Minnesota Statutes, section 182.676 states:

*Every public or private employer of more than 25 employees shall establish and administer a joint labor-management safety committee. A safety committee must hold regularly scheduled*

*meetings unless otherwise provided in a collective bargaining agreement. Employee safety committee members must be selected by employees. An employer that fails to establish or administer a safety committee as required by this section may be cited by the commissioner. A citation is punishable as a serious violation under section 182.666.*

### 3-YR ASBESTOS RE-INSPECTION

Cost for Asbestos Hazard Emergency Response Act (AHERA) required three-year re-inspections are fundable under FIN CODE 352. 6-month AHERA periodic inspections are fundable under FIN CODE 358.

### SCIENCE LAB - INVENTORY AND OTHER SAFETY COMPLIANCE

Costs to maintain a Chemical Hygiene Plan to comply with the OSHA Laboratory Safety Standard, 29 CFR 1910.1450 are allowed. The cost to inventory all chemicals is allowed. Costs to clean out non-hazardous or otherwise maintain chemicals are not allowable. See General Science Safety Considerations on the MDE website: School Support / School Finance / Facilities and Technology / Health and Safety.

### EMPLOYEE RIGHT-TO-KNOW

Expenses for Employee Right-to-Know training and supplies (not including the wages of attendees) under Minnesota Rules 5206.0700 are allowed. In an effort to standardize hazardous information, the United Nations Globally Harmonized System of Classification and Labeling of Chemicals (GHS) was adopted by MN OSHA on September 10, 2012. New training, labeling and safety data sheet requirements are affected. [Click here for more information on the revised standard and GHS system requirements](http://www.osha.gov/dsg/hazcom/index.html) (<http://www.osha.gov/dsg/hazcom/index.html>), or contact Minnesota OSHA for regulatory compliance inquiries. June 1, 2015 districts must comply with all labeling and safety data sheet requirements. June 1, 2016 districts must fully implement the OSHA Hazard Communication Standard.

### BLOODBORNE PATHOGEN STANDARD COMPLIANCE

The cost to develop and maintain a written program, train employees (not including the wages of attendees), maintain records, provide vaccinations and titers confirmation, and purchase preventative supplies as required by OSHA 29 CFR 1910.1030 are allowable expenditures. Vaccines should be purchased for employees whose exposure puts them under the coverage of this standard. The employer must determine which employees have job duties involving a reasonably anticipated risk of exposure to blood, especially first-aid duties. Post-exposure medical evaluation expenses are also allowed (up to the point of medical determination of infectivity or non-infectivity).

### INTEGRATED PEST MANAGEMENT

Notification costs to implement the Janet B. Johnson Parents' Right-to-Know Act for pesticide application are allowed. See Health and Safety Environmental Management Program – List of Possible Hazards Found at School Sites on the MDE website at School Support / School Finance / Facilities and Technology / Health and Safety and Minnesota Statutes, section 121A.30 for additional details. Costs to apply pesticides (including management costs) are not allowable.

### COMPUTER BASED MANAGEMENT SUPPORT PROGRAMS

Computer based management support programs that are used for H&S management and record keeping are eligible. Those used for facilities support are not eligible. A district using a system that includes both capabilities must apportion costs. The district shall own all rights to the data and shall be provided with a proper method of obtaining it upon request. Data entry

costs and periodic software upgrades to keep the system current for the H&S portion only are allowed; non-H&S maintenance and entry costs are not allowed.

**INDOOR AIR QUALITY (IAQ) MANAGEMENT PLAN AND IAQ COORDINATOR EXPENSES**  
Costs related to the development and implementation of the IAQ management plan, including those associated with IAQ Coordinator activities, shall be funded under FIN CODE 352.

**AUTOMATED EXTERNAL DEFIBRILLATORS AND OTHER EMERGENCY PLAN EQUIPMENT AND SUPPLIES**

Funding is allowed for equipment and supplies that are identified as needed for proper emergency plan operation, if they are specifically named in the district's emergency plan developed under the H&S program. Large capital items such as vehicles, emergency people-moving devices, remodeling or renovating spaces to accommodate emergency activities are not eligible. Building public announcement systems and emergency communication devices are not allowed. Emergency plan costs for violence prevention, building security, and for pandemic planning are not allowed. Please see the [MDE Model Crisis Management Policy](http://education.state.mn.us/MDE/Welcome/Policies/index.html) (<http://education.state.mn.us/MDE/Welcome/Policies/index.html>) at Welcome to MDE > Model School and District Policies > Model Crisis Management Policy.

**(4) FINANCE CODE 358 - ASBESTOS**

**ASBESTOS REMOVAL**

Asbestos containing building materials should be maintained in-place whenever possible. Removal should be limited to those materials that are damaged or require removal in order to enable another facility project, or when its location and condition presents an unacceptable risk of exposure to building occupants.

**6-MONTH PERIODIC ASBESTOS INSPECTION**

Cost for Asbestos Hazard Emergency Response Act (AHERA) required 6-month AHERA periodic inspections are allowed. Three-year re-inspections AHERA periodic inspections are fundable under finance code 352.

**ASBESTOS REMOVAL and/or ENCAPSULATION**

All asbestos removal, repair and encapsulation projects are allowed expenditures. Repair and maintenance costs include supplies, labor and contracted services. H&S cannot be used for any replacement materials.

**ASBESTOS REPAIR AND/OR MAINTENANCE**

Repair and maintenance costs for operations and maintenance (O&M) activities (e.g., glove-bag and mini-enclosure) including supplies, labor, and contracted services are allowed. For districts using in-house resources, a detailed record of work-hours dedicated to such work shall be maintained: a blanket percentage is not adequate.

**ASBESTOS CEILING TILE REMOVAL AND REPLACEMENT**

Replacement materials following abatement are not eligible.

**ASBESTOS FLOOR TILE REMOVAL**

Asbestos containing flooring (tile and linoleum) may be removed. Replacement materials are not eligible.

## ASBESTOS ROOF REPAIR

Where a school building is constructed with a roof system containing asbestos materials, assessment and removal but not replacement of materials is allowed.

## ASBESTOS - STAFF TRAINING

Training costs as required by AHERA for school district employees who participate in operations and maintenance is an allowed. These include Designated Person, 14-Hour O&M and 2-Hour awareness training. EPA accredited course training is not included unless there is a documented history of activities for which the individual is accredited.

## ASBESTOS WORKER REQUIRED HEALTH PHYSICALS

The cost for respirator fit testing and physical examinations, including pulmonary function testing and chest x-rays required for persons working with asbestos are allowed.

## **(5) FINANCE CODE 363 – FIRE AND LIFE SAFETY**

### FIRE AND LIFE SAFETY EXPENDITURES

Fire and Life Safety expenditures in support of Minnesota Uniform Fire Code (MUFC) and International Fire Code (IFC) shall be allowed under Health and Safety **based on orders from the State Fire Marshal, school inspection division**. Note that the MUFC has been replaced with the IFC. Orders from local municipalities are only honored if operating under written agreement with the SFM's office.

### THREE-YEAR FIRE INSPECTION

The cost of funding the state-mandated fire inspection required of each school building every three years is an allowed expenditure under Finance Code 363. Only state fire marshal and contracted local governmental agency (15 municipalities) school inspections are eligible for funding. See Minnesota Statutes, section 299F.47 for more information.

### FIRE SAFETY SELF INSPECTION CHECK FOR SCHOOL

See [Health and Safety](#) – State Fire Marshal Division on the MDE website at School Support / School Finance / Facilities and Technology / Health and Safety.

### FIRE ALARM EQUIPMENT

The cost to purchase, install and maintain components of a fire alarm system as required to comply with fire and life safety code is allowed. Entire building replacement of a fire alarm component will require SFM written orders to substantiate system failure.

### FIRE EXTINGUISHER INSPECTION AND MAINTENANCE

The cost of inspection, required testing and subsequent recharging of fire extinguishers following hydrostatic testing is allowed. Cost for replacement or recharging resulting from any use, accidental or intentional is also allowed.

### FIRE MARSHAL ORDERS

Costs for compliance with State Fire Marshal orders are allowed. Costs for local fire chief orders not required by the SFM program shall not be included unless issued under written agreement with the SFM's office. For projects exceeding \$20,000, a fire marshal plan review is recommended. Contact SFM [John Swanson](#) or 651-334-3217 for guidance. Costs for local fire chief orders exceeding \$20,000 should not be included unless either reviewed by the SFM's office or based on orders and a plan review consistent with SFM criteria, based on a current contract between the local fire chief and the SFM. The SFM plan review helps the district avoid doing work where subsequent fire inspection orders require the work be redone or corrected.

Please allow the Plan Reviewer sufficient time (at least 30 days) to evaluate your plans. Plans for new construction should also be submitted to the SFM's office for plan review (but not funded under H&S).

#### LIGHTING – EMERGENCY OR EGRESS

The costs to purchase, install, and maintain emergency lighting components are allowed. Lighting project costs exceeding \$20,000 should be submitted to the State Fire Marshal School Plan Reviewer for plan review. Emergency lighting length of time operating capacity shall meet minimum fire marshal criteria, at least 30 minutes. Entire building replacement of emergency lighting will require SFM written orders to substantiate system failure.

#### FACILITY – MODIFICATION

Costs of modifications or repairs to existing school facilities that are necessary to correct a safety or health hazard, unless allowed under Minnesota Statutes, section 123B.57 are not allowed. Consideration may be given to hazards that violate Minnesota Rule 5205.0660 and are based on Minnesota OSHA orders (Minn. Stat § 123B.57).

#### COMBUSTIBLE AND HAZARDOUS MATERIALS STORAGE

Based on SFM orders, a district may construct a space within existing facilities to store combustible materials, or may purchase equipment for this purpose. A district may purchase or construct a space outside existing facilities to store flammable materials and small machinery so long as costs are reasonable (not greater than 300 square feet in size or costing more than \$9,500).

### **(6) FINANCE CODE 366 – INDOOR AIR QUALITY (IAQ)**

#### IAQ MANAGEMENT PLAN AND IAQ COORDINATOR EXPENSES

Costs related to the development and implementation of the IAQ management plan, including those associated with IAQ Coordinator activities, **shall be funded under FIN CODE 352** (Minn. Stat § 123B.57).

**Requirement for Indoor Air Quality (IAQ) Management Plan** -- The requirement for school districts to implement an IAQ Management Plan has been in effect since 1997. The district must include indoor air quality best practices in the district Health and Safety Policy and have an operational IAQ Management Plan. Indoor Air Quality training is offered through the Minnesota Department of Health (MDH). If a district does not have an IAQ Coordinator, the district may schedule training at Mankato, St. Cloud, Bemidji, or St. Paul. Check with MDH in Spring/Fall for schedule. Contact [Dan Tranter](mailto:daniel.tranter@state.mn.us) (daniel.tranter@state.mn.us) or 651-201-4618 at the MDH to register for the training. [View the training schedule and locations](http://www.health.state.mn.us/divs/eh/indoorair/schools/index.html) or (<http://www.health.state.mn.us/divs/eh/indoorair/schools/index.html>).

#### INDOOR AIR QUALITY

Engineering, design and project management evaluation (including sampling) fees for an indoor air quality investigation is an allowed.

#### INDOOR AIR QUALITY COORDINATOR – FUNDED UNDER FIN CODE 352

The IAQ Coordinator is not required be an employee; however, the person must be based at the district or spend the preponderate portion of his/her time there. The following criteria must be met:

- A specific person must be identified as the IAQ Coordinator.

- The person should be Minnesota Department of Health (MDH)-certified (attended MDH-sponsored training and received a certificate).
- The person must be able to answer the four basic questions for parents (see below) in a timely manner, and possess the wherewithal to administer the district's IAQ management plan for the district.
- The person must have authority to receive and respond to (for the district) parents and local complaints as well as problems and complaints forwarded by state agencies.
- Authority and responsibilities of the person shall be included with the IAQ management plan.
- The function of IAQ Coordinator shall be separate from that of buildings systems maintenance expert. This position is not intended to circumvent the separation of IAQ Management and facilities maintenance management/preventive maintenance functions.

#### INDOOR AIR QUALITY MANAGEMENT PLAN

The person who is functioning in the capacity of IAQ Coordinator shall be able to answer parents' four basic questions (see below) and to respond to parent complaints received by state agencies. Wage costs needed to provide this capacity are allowed.

- Where can parents go to find answers to their IAQ questions and concerns?
- Where can a parent obtain checklists or other self-help information so they can properly evaluate their child's home or other out-of-school situation, including information provided by their child's physician? (Parents want to do their part in working toward solutions.)
- How can a parent obtain information about school facility construction, maintenance and housekeeping practices, chemicals used, mold and HVAC-related information, chemical-producing academic subjects, pesticides and herbicides, and the like to determine the extent to which school activities contribute to a child's symptoms?
- What can a parent do – how can a parent effect change – upon discovering questionable activities occurring within schools? Examples might be poor ventilation in the auto maintenance shop resulting in exhaust fumes or construction fumes leaking into the occupied portion of a building.

#### MECHANICAL VENTILATION

After an engineering study by a professional engineer (PE) a one-time cost is allowed for: (1) replacement of an existing mechanical ventilation system to the current Minnesota State Mechanical Code/American Society of Heating, Refrigerating and Air-conditioning Engineers (ASHRAE) guidelines, or (2) provide a level of approximately 15 CFM/person.

Costs to remove humidity are allowable to meet ASHRAE guidelines and state mechanical code only if humidistats are connected to the system control logic to not exceed fifty five percent

(55%) relative humidity. The cost to air-condition through direct expansion (DX) in a pure cooling mode without consideration for humidity control is not. Projects specific to achieving energy efficiency/cost-savings, including a thermal recovery system as defined under Minnesota Statutes, Section 123B.65 are strictly prohibited. Costs for DDC (direct digital control), and DX systems are allowable only if the HVAC system is being replaced or if an HVAC system upgrade results in a significant ventilation rate improvement. Maintenance and maintenance management costs (including testing for these) are not allowed. Excluded from funding are building HVAC supplies, maintenance, cleaning, testing and calibration (e.g., TAB and commissioning) activities. Airflow measurement activities not in support of a replacement/upgrade project may be funded under FIN CODE 352.

For mechanical ventilation projects, work funded under H&S shall not cause the room noise level to exceed a noise criteria (NC) greater than NC 35 at any location where students are seated listening to presentation/discussion or locations where teachers are ordinarily present. NC 35 roughly corresponds to 45 dBA. Sound-level measurements shall be made at the location of the closest student or teacher “stations” to confirm the standard is met, and payment be withheld until it does. For H&S, this shall be inserted as performance criteria in the relevant contract language and verified by the commissioning agent under Minnesota Statutes, section 123B.72.

Additional levy authority may be applied for with review and approval of the study and project by MDE including written third-party verification to be submitted of all project work. Either a report or summary of a report signed by an architect/engineer is allowed. See Health and Safety Submission of Projects Costing \$100,000 or More on the MDE website at School Support / School Finance / Facilities and Technology / Long Term Facilities Maintenance for details on this reporting requirement. This report must contain the existing CFM per person rate, the design-intended CFM per person rate, a description of the system components, a diagram of the system showing impacted areas, and total itemized project costs that relates to the project work scope. The new design-intended airflow rate shall be available over the outside temperature range reasonably anticipated using current engineering standards.

All approved Heating, Ventilation and Air Conditioning (HVAC) upgrade/replacement work will be verified using reliable quantitative measuring techniques done by a third-party entity. “Third-party entity” means that the third party (the verifiers) cannot be financially influenced by the ventilation contractor. A suggested method is to employ [School Facility Commissioning Guidelines](#).

View [guidelines](#) together with the requirement to verify the mechanical ventilation rate for each occupied space over the expected outside temperature range. Work which does not meet code and contract should be rejected until it does, and measures to compel proper completion be employed, such as withholding final payment, performance bond, errors and omissions insurance and/or a directly worded letter from the district’s attorney.

#### MOLD CLEANUP AND ABATEMENT

After an engineering study by an architect or engineer is conducted and written report received, costs to remove contaminated building components and subsequent cleanup is allowed. Where the amount of mold or water damage is minor the project is considered routine maintenance and not approved for H&S expenditure. Replacement of building materials or facilities is not allowed. Fixes of external causes leading to water intrusion (e.g., leaking walls, windows and roofs, poor drainage, poor site) are ineligible for H&S funding.

Trained persons shall abate impacted areas using mold abatement containment procedures and adequate personal protective equipment. Wherever feasible, the [MDH's best practices manuals](#) shall be followed.

#### **COSTS TOWARD TESTING AND BALANCING AND RETRO COMMISSIONING MECHANICAL VENTILATION SYSTEMS**

Testing and balancing or retro commissioning are allowed at intervals of no less than five years. Retro commissioning includes measurement, air-flow balancing and system adjustment for air flow only. Retro commissioning does not include repairs, replacement or software changes.

### **F. ADDITIONAL REQUIEMENTS REGARDING HEALTH AND SAFETY**

#### **NEW CONSTRUCTION OR RE-LOCATABLES**

Health and Safety projects are not allowed to include costs for construction or betterment of facilities or the purchase of portable classrooms. Construction that changes the function of an existing space or results in an increase in square footage of the school facility is not allowed, with the exception of square footage in lieu of roof construction for mechanical ventilation systems that result in reduced costs and for a State Fire Marshal (SFM)-ordered storage area. Consideration is given for additional square footage for mechanical ventilation that results in substituting similar space, so long as size and functionality remain the same, and an independent architect/engineer certifies that the solution results in reduced costs. Project funding which would have been used for hazards in existing buildings cannot be re-directed to new facilities. Storage sheds for hazardous materials are allowed if supported by SFM orders.

#### **FACILITY - DEMOLITION**

Project cost to demolish a facility is not allowed except for abatement of that portion of the demolition that contains hazardous materials (e.g., asbestos, PCB). The cost to repair exterior finish, re-roof or remodel the remaining portion is **not** allowed. Districts shall ensure the property is not listed on any historical building register. View list of historical buildings on the [Minnesota Historical Society's](#) website.

#### **FACILITY EVALUATION FOR STRUCTURAL SAFETY**

The cost for a structural evaluation of a facility by architect or engineer to determine if it is safe is not allowed.

#### **PROFESSIONAL FEES**

Engineering, design, project management and commissioning fees for abatement, remediation, or mechanical ventilation improvements are allowed. All assessments, investigations, inventories, and support equipment not leading to the engineering or construction of a project shall be included in the health, safety, and environmental management costs (under finance code 352). Once a project has been identified, fees for these services should be identified and charged to the same finance code as the project.

#### **SCIENCE LAB SAFETY AUDIT-RELATED COSTS**

The cost to modify a science lab to meet standards pursuant to Minnesota Statutes, section 121A.31 is an allowed with written State Fire Marshal (SFM) orders and SFM plan review. Health and Safety Environmental Management Program – General Science Safety Considerations on the MDE website at School Support / School Finance / Facilities and Technology / Health and Safety provides guidance to districts. Safety in science labs projects should be integrated with the district's Laboratory Safety Standard Chemical Hygiene Plan.

## HEALTH, SAFETY, AND ENVIRONMENTAL MANAGEMENT

Per MINNESOTA STATUTES, SECTION 123B.56, "Health, Safety and Environmental Management" means activities necessary for a district's compliance with state law and rules of the Departments of Health, Labor and Industry (MNOSHA), Public Safety (State Fire Marshal) and Pollution Control Agency (MPCA) as well as any related federal standards. These activities are: (1) hazard assessment; (2) required training; (3) record keeping; and, (4) program management. A district's cost to assess compliance and develop written management plans for health, safety and environmental regulations/standards is allowed under finance code 352. A district should evaluate its hazards and adopt written plans and policies. A district may fund safety committee activities to assist administration with managing a district's safety hazards through identifying, prioritizing and scheduling approved projects.

## HEALTH AND SAFETY DEFICIT SPENDING

Long term facilities maintenance revenue may not be used to finance a lease purchase agreement, installment purchase agreement, or other deferred payments agreement. The reserve for long term facilities maintenance revenue is allowed to be negative.

## GUARANTEED ENERGY SAVINGS CONTRACTS - Energy Performance Contracts

Long term facilities maintenance revenue may not be used to fund energy efficiency projects under section Minnesota Statutes, section 123B.65, the guaranteed energy saving or "performance" contract section.

## WEATHER/FLOOD-RELATED DAMAGE

Generally, costs for cleanup from major weather related natural disasters are eligible for Health and Safety. Agency weather/flood responses are coordinated through MDE, including those warranting consideration for extraordinary funding consideration, under a variety of programs.

## TRANSPORTATION/BUS DRIVER DRUG AND ALCOHOL PREVENTION PROGRAM

Expenses relating to these and other transportation issues are not eligible for funding under Health and Safety. Cost to repair or replace unsafe buses or other transportation vehicles is not allowed.