

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H. F. 697 **DATE:** March 12, 1999
Version: As introduced
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Subject: Qualifying additional districts for alternative facilities revenue
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Overview

Minnesota's largest school district may choose to participate in the alternative facilities bonding program instead of the health and safety revenue program. A district qualifies to participate in the alternative facilities bonding and levy program, if the district has:

- (1) more than 66 students per grade;
- (2) over 1,850,000 square feet of space;
- (3) an average age of building space that is 20 years or older;
- (4) insufficient funds from projected health and safety revenue and capital facilities revenue to meet the requirements for deferred maintenance, to make accessibility improvements, or to make fire, safety, or health repairs; and
- (5) a ten-year facility plan approved by the commissioner.

An eligible school district may issue general obligation bonds without voter approval to finance the approved facilities plans. The district may then levy to repay the bonds. This levy qualifies for debt service equalization aid. Alternatively, an eligible district may make an annual levy for the costs incurred under the ten-year facility plan.

The alternative facilities program began as a program that was paid for through local levies. However, the 1997 and 1998 Legislatures provided ongoing state aid payments to reduce these levy amounts by roughly \$19 million per year.

1 Alternative facilities qualification criteria. Lowers the minimum square footage criteria for

the alternative facilities revenue from 1.85 million square feet to 1 million square feet.