HOUSE RESEARCH

Bill Summary

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Version: As Introduced

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Subject: Expanding the School District Alternative Facilities Program

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Overview

Most school districts pay for deferred maintenance costs through the use of undesignated capital account money or by going to the voters and selling bonds for facility improvement projects. About 20 large school districts have statutory authority through the alternative facilities program to finance deferred maintenance projects. A qualifying district's alternative facilities revenue may be provided through the sale of bonds or on an annual "pay-as-you-go" basis. In either case, most alternative facilities' revenue is provided through a local levy, although for some districts, a portion of the revenue is provided through state aid-either as a grant as a result of legislative action in the late 1990s or through additional debt service equalization aid. Under current law, in order to qualify for the program, a district must have at least 1.85 million square feet of building space and an average building age of at least 15 years. In addition, a few districts have been made eligible by the legislature for alternative facilities revenue without meeting the square footage requirement.

H.F. 741 broadens eligibility for the program by lowering the square footage requirement to 500,000 square feet for districts with an average building age of 30 years or more. According to very preliminary information from the department of children, families and learning, about 40 more districts would qualify for the program. If the average alternative revenue per square foot in the qualifying districts is applied to these 40 districts, the total levy impact would be roughly $39 million per year and the total aid impact about $2.5 million per year.

1 **Qualifications.** Expands the alternative facilities program to include school districts with more than $500,000 square feet of building space with an average building age of at least 30 years.