

HOUSE RESEARCH

Bill Summary

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Subject: Qualifying the South St. Paul School District for Alternative Facilities Revenue

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Overview

Minnesota's largest school districts qualify for the alternative facilities revenue program. A district qualifies to participate in the alternative facilities program if the district has either: at least 1,850,000 square feet of building space and an average building age of 15 years or more; or more than 1,500,000 square feet of building space and an average building age of 35 years or more. A district that is participating in the alternative facilities program may issue bonds or annually levy for health and safety projects or for deferred maintenance projects without voter approval. As part of a plan that modified property tax class rates, the 1997 Legislature provided ongoing state aid payments to reduce alternative facility levy amounts for the districts that had issued bonds to fund alternative facilities projects. A school district that does not qualify for the alternative facilities program qualifies for up to \$60 per pupil of deferred maintenance revenue and must either use that money and its other general fund revenue for deferred maintenance needs or seek voter approval for those projects.

For fiscal year 2014, 25 districts qualified for alternative facilities revenue totaling about \$158 million in levy and \$19.3 million in state aid.

This bill qualifies Special School District, No. 6, South Saint Paul, for alternative facilities revenue (South Saint Paul's average building age is about 43.5 years and its building square footage totals about 661,000 square feet).

Section

- 1 Special School District, No. 6, South Saint Paul.** Qualifies the South Saint Paul school district for alternative facilities revenue by amending the session law that specifically qualified the North St. Paul-Maplewood-Oakdale, Stillwater, Mounds View and Wayzata school districts for the program.