

# AMSD Position on Alternative Facilities

**T**he Association of Metropolitan School Districts supports expanding access to the Alternative Bonding and Levy Program. Program eligibility should be based on the age and condition of the buildings in a school district and not on the number of buildings located in the district.

## AMSD BELIEVES

- Deferred maintenance is a major problem for school districts that must be addressed.
- All school districts face challenges in maintaining facilities.
- Granting alternative facilities authority to all Minnesota districts will save taxpayer dollars by avoiding paying interest on long-term debt, enhance local control, and give school boards the ability to properly maintain safe school facilities.
- School climate and student learning are impacted by the condition of a school building.

## BACKGROUND

According to a 1999 legislative task force on K-12 facilities and Infrastructure, maintenance and new construction needs for K-12 schools over the next ten years were estimated at \$4.6 billion. The report identified \$1.5 billion as needed for deferred maintenance and \$3.1 billion for new construction.

Legislative changes in 2005 included a provision to allow school districts ineligible for the alternative facilities program to receive revenue up to \$60 per pupil for deferred maintenance, beginning FY2008. While a positive step, it does not begin to address the unmet facilities needs in Minnesota school districts. Furthermore, over 99% of the revenue for eligible AMSD districts is projected to come from local levies. A broader statewide program for building maintenance is required for Minnesota's schools.

State statutes authorize districts to collect two revenue streams to address maintenance. According to the Minnesota Department of Education, alternative facilities authority provided \$189 million to school district during the 2009-10 school year.

School districts currently qualify for the alternative facilities program if they have:

- An average of at least 66 students per grade
- More than 1.85 million square feet of space averaging more than 15 years of age or 1.5 million square feet of space averaging 35 years of age
- Insufficient health and safety and capital facilities revenue to meet its deferred maintenance needs, make accessibility improvements or fire, safety, or health repairs
- Have a ten-year facility plan approved by the Commissioner of the Minnesota Department of Education

School districts receive alternative facilities revenue through the issuance of bonds, pay as you go levying, and state aid. State aid is only available to districts that participated in the program before the 1999-2000 school year.



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