One of the key elements in achieving Minnesota’s goal of developing the World’s Best Workforce is developing school facilities that equip 21st Century learners. Today, most of our school facilities fall short of what today’s learners need. Many of them are old and needing repair and upgrades so they assist teachers in providing learning environments where students can thrive.

WHERE WE STAND

About half of the state’s schools were built before 1976, prior to the digital revolution and 25 percent are between 54 and 125 years old.

- Local taxpayers contribute 97-100% to build and remodel educational facilities.

- The state contributes at most 3%, which supports only 44 school districts and leaves our remaining 288 districts 100% dependent on local tax support for their facilities.

- Bond elections are increasingly difficult to pass in rural Minnesota. In 2015-16, school districts asked voters 97 bond ballot questions. 41% rural questions passed, and 81% metro questions passed.

- Agriculture land values still greatly impact who pays for facilities in rural Minnesota: 20% of districts have at least 75% of their net tax property wealth in agriculture land and one-third have 50% in ag land.

TAKING ACTION >> Gov. Mark Dayton included an Ag2School 40% tax credit in his tax proposal on Jan. 5 and many legislators shared their support. It passed the Legislature in 2016.
THE IMPACT OF AG2SCHOOL

- Create Fairer State Share in 284 school districts. View the projected impact by school district at: http://bit.ly/2i7XNCQ

- Provide a credit for all existing and future local school district debt levies.

- Deliver $40 million tax relief in 2018. That includes greater than $225,000 aggregate relief each in 68 school districts and over $100,000 aggregated relief in another 79 school districts.

- Account for rising ag land values that still had a historic high median sale price of $4,611 in 2015. The average price per acre for ag land in Minnesota increased 719 percent since 1990, from $705 per acre to $5,071 in 2013.

- Assist school districts with older facilities. In school districts with over 75% ag land value, the school facilities are 51 years old on average. That’s 11 years older than the state average and close to the 60-year life expectancy for school buildings.

- Enable rural communities to hold civic conversations about educational effectiveness and energy efficiency of their aging school facilities.

IMPACT ON TAXPAYERS >> MREA has estimated for each school district the effect of a Fairer State Share:

- $150,000 Estimated Market Value (EMV) Residential Homestead
- $1 million Estimated Market Value (EMV) Commercial/Industrial Property
- $1 million 2a and 2b Agricultural land and 2d property

** These effects are based on school bond tax payments payable in 2017 projected for Pay ’18 with no changes due to bond referendums, bonds reaching term maturity, or significant changes in property values.