

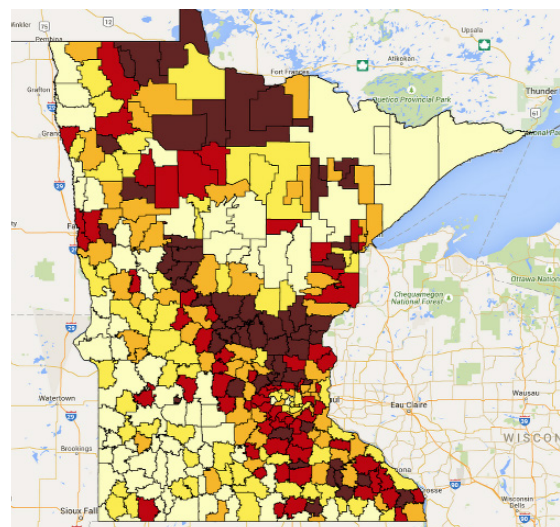
FACILITY & TECHNOLOGY EQUITY

While the Legislature took a major step forward in 2015 to assist rural districts with long-term maintenance needs, most rural districts face major hurdles to building new or remodeling old facilities due to tax base issues related to agricultural production land and seasonal rec values. Improving school technology is among the highest areas of need in facilities across Greater Minnesota.

WHERE WE STAND

- **Bond elections are increasingly difficult to pass in rural Minnesota.** In the first six months of 2015, 100% of metro issues passed, while only 42% of rural issues passed (excluding one-day bonds).
- **Increased equalization of Adjusted Net Tax Capacity (ANTC) is not distributed equally** across school districts. As illustrated in the two lightest colors on the map on the right, 42% of districts will not see any equalization at the recommended 125% level. Farmland would pick up most of the tab.
- **Agriculture land values greatly impact ANTC.** 20% of districts have at least 75% of ANTC wealth in agriculture land and one-third have 50% of ANTC wealth in ag land.
- **There is a huge gap in median household incomes** by district with 43% difference between rural and the 7-county metro area.

ADJUSTED NET TAX CAPACITY BY SCHOOL DISTRICT



0.00 to 4,499.99	Less than \$4,500 ANTC per APU
4,500.00 to 5,964.99	Between \$4,500 and \$5,965 ANTC per APU
5,965.00 to 8,280.99	Between \$5,965 and \$8,280 ANTC per APU
8,281.00 to 11,999.99	Between \$8,281 and \$11,999 ANTC per APU
12,000.00 to 53,000.00	Between \$12,000 and \$53,000 ANTC per APU

WHAT'S NEXT

The MDE School Facilities Task Force report outlined a series of recommendations. Several bills have been introduced and are eligible for the 2016 session that would address the Facility Fallout. MREA along with farm organizations Farm Bureau and Farmers Union are active on these issues.

Concepts and Bills Introduced:

- Increase Debt Service Equalization to 125% of ANTC. SF 490 (Dahle)/HF 784 (Norton)
- 50% credit to farmers for school bond taxes paid each year. HF 848 (Davids)
- Limits to increases in ag land taxes in the first year of a school bond issue. SF 826 (Skoe)
- Ag2School bond credit program paid with state aid and a general levy on all agricultural production land. SF 1995 (Dahle)/HF 2122 (Kiel)

Bills also have been introduced for capital projects, leases, consolidating districts, operating capital, and Telecommunications Equity Aid (TEA) View a list of bills introduced on this issue at MnREA.org/FacilityBills.

KEY CONSIDERATIONS

- How does Minnesota rebalance the responsibility for school facilities and technology given the agricultural land values increases and strong seasonal rec values?
- How does Minnesota provide equitable student access to facilities and technology while balancing local control, tax effort, and cost effectiveness?
- How does Minnesota provide equitable support for new and remodeled facilities so that school economics are not skewed towards just maintaining facilities?

Learn more at MnREA.org/FacilityFallout