

HOUSE RESEARCH

Bill Summary

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Subject: Expanding Eligibility for the Cooperative Secondary Facilities Program

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Overview

The cooperative secondary facilities grant program was initially enacted in 1987 and provides state grants to groups of local school districts that desire to build a new secondary facility. A district must meet the same criteria as required by the cooperation and combination (C&C) program in order to qualify for a grant; a minimum of two school districts must agree to apply for the grant; the facility must serve at least 66 pupils per grade; and each participating district must have fewer than 1,200 pupils in total. Grant amounts are currently limited to the lesser of 75 percent of the project cost or \$6 million (\$1 million of this amount is available to the applicants only if the applicants demonstrate that a new school facility will provide for "collocation" of other governmental services).

Grants totaling slightly more than \$30 million have been awarded to five groups of school districts under this program for construction of new secondary facilities.

This bill expands the program beyond the secondary grades to encompass all grades, increases the maximum grant amount from \$6 million to \$11 million, qualifies districts for a grant regardless of the number of pupils served, and allows districts that have consolidated since 1980 to receive a grant. This bill also authorizes a cooperative facilities grant of \$10 million to the Lake Benton and Ivanhoe school districts.

Section

- 1 Citation.** Renames the program the "Cooperative Facilities Grant Act".
- 2 Policy and Purpose.** Removes the requirement that the cooperative facilities grant act provide funding for only secondary programs.

Section

- 3** **Approval; authority; application forms.** Removes references to "secondary" facilities. Extends participation in the program to groups of school districts that have consolidated since 1980.
- 4** **Grant application process.** Increases the maximum basic grant from \$5 million to \$10 million (under the existing program language, applicants are eligible for another \$1 million if they show that they have developed a plan for a significant co-location of noneducation student and community service programs at the facility). The grant remains limited to not more than 75% of the total project costs. Removes the requirement that the facility serve at least 66 pupils per grade. Removes the maximum size limitation of 1,200 pupils in the consolidating school districts.
- 5** **State bond authorization.** Authorizes the commissioner of finance to issue and sell up to \$10 million of state bonds to provide money for a grant to the Lake Benton and Ivanhoe school districts.
- 6** **Ivanhoe and Lake Benton.** Waives the timelines in statute for the Lake Benton and Ivanhoe school districts (and any other school district that chooses to join them) to apply for a cooperative facilities grant.