

**Subject** Supplemental Aid for School Construction Projects

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## Overview

School building projects are usually financed at the local level. Generally, a school district conducts a referendum to approve the sale of bonds. The bond proceeds are then used to pay for the construction costs and the school district levies an annual property tax to repay the borrowed money over a period of years.

School districts estimate their construction costs prior to the bond election and when actual construction costs come in higher than expected, a school district must scale back the project, use other funds to pay for certain items, or seek additional authorization from the voters.

H.F. 423 appropriates \$12,850,000 from the state general fund for grants to three school districts that experienced significant increases in costs on recent construction projects. The grants are for the Ely, Rock Ridge, and Mabel-Canton school districts.

## Summary

Section	Description
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1	<b>Supplemental aid for school facility construction.</b>
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Appropriates a total of \$12,850,00 in fiscal year 2024 for three school district construction projects that faced higher than expected school construction costs. Provides the following grants to districts for projects approved by the voters between April 1, 2019, and December 1, 2020:

- \$4,400,000 to Independent School District (ISD) No. 696, Ely;
- \$6,800,000 for ISD No. 2909, Rock Ridge; and
- \$1,650,000 for ISD No. 2338, Mabel-Canton.



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