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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH  
SESSION

HOUSE FILE No. **1886**

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The bill was read for the first time and referred to the Committee on Finance

1.1 A bill for an act  
1.2 relating to education finance; establishing the greater Minnesota facilities aid  
1.3 grant program; establishing eligibility of school districts; defining the use of  
1.4 grant funds; creating a match requirement; creating criteria for qualification;  
1.5 establishing an application process; proposing coding for new law in Minnesota  
1.6 Statutes, chapter 126C.

1.7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.8 Section 1. **[126C.73] GREATER MINNESOTA FACILITIES AID.**

1.9 Subdivision 1. **Eligibility.** A school district that is eligible for secondary sparsity  
1.10 revenue under section 126C.10, subdivision 7, and has 80 or fewer adjusted marginal cost  
1.11 pupil units per grade shall be eligible to apply to the commissioner for greater Minnesota  
1.12 facilities aid grants.

1.13 Subd. 2. **Aid amount and uses.** Greater Minnesota facilities aid may only be used  
1.14 for sites for education facilities and for acquiring, bettering, constructing, furnishing,  
1.15 or equipping education facilities. Contracts must be entered into within 18 months  
1.16 after the date on which the grant is received. A district that has received a grant and  
1.17 is unable to meet the match requirement, under subdivision 3, must return the grant to  
1.18 the commissioner in full. Aid under this section shall not exceed \$5,000,000 for each  
1.19 school district grantee. Aid under this section must not affect debt service equalization aid  
1.20 under section 123B.54.

1.21 Subd. 3. **Match requirement.** An eligible district must agree to match the aid under  
1.22 subdivision 2 with an equal amount of nonstate funds. A district that cannot meet this  
1.23 match requirement is not eligible for aid under subdivision 2.

1.24 Subd. 4. **District request for review and comment.** An eligible district that intends  
1.25 to apply for greater Minnesota facilities aid must submit a proposal to the commissioner

2.1 for review and comment according to section 123B.71 by July 1 of an odd-numbered year.  
2.2 The commissioner shall prepare a review and comment on the proposed facility, regardless  
2.3 of the amount of the capital expenditure required to construct the facility. In addition to  
2.4 the information provided under section 123B.71, subdivision 9, the commissioner shall  
2.5 require that predesign packages comparable to those required under section 16B.335 be  
2.6 prepared by the application school district. The predesign packages must be sufficient to  
2.7 define the scope, cost, and schedule of the project and must demonstrate that the project  
2.8 has been analyzed according to acceptable space need standards and also consider the  
2.9 following criteria in determining whether to make a positive review and comment.

2.10 (a) To grant a positive review and comment, the commissioner shall determine  
2.11 that all of the following conditions are met:

2.12 (1) the facilities are needed for pupils for whom no adequate facilities exist or will  
2.13 exist;

2.14 (2) there is evidence to indicate that the facilities will have a useful public purpose;

2.15 (3) the district has a history of ten or more years in cooperating with one or more  
2.16 neighboring school districts to educate students within the district;

2.17 (4) the facilities are comparable in size and quality to facilities recently constructed  
2.18 in other districts that have similar enrollments;

2.19 (5) the facilities are comparable in size and quality to facilities recently constructed  
2.20 in other districts that are financed without greater Minnesota facilities aid;

2.21 (6) the district is projected to have adequate funds in its general operating budget to  
2.22 support a quality education for its students for at least the next five years;

2.23 (7) the current facility poses a threat to the life, health, and safety of pupils, and  
2.24 cannot reasonably be brought into compliance with fire, health, or life safety codes;

2.25 (8) the district has made a good-faith effort, as evidenced by its maintenance  
2.26 expenditures, to adequately maintain the existing facility during the previous ten years and  
2.27 to comply with fire, health, and life safety codes and state and federal requirements for  
2.28 accessibility for people with disabilities;

2.29 (9) the district has made a good-faith effort to encourage integration of social service  
2.30 programs within the new facility;

2.31 (10) comments by boards of adjacent districts have been received;

2.32 (11) the proposal includes a comprehensive technology plan that assures information  
2.33 access for the students, parents, and community;

2.34 (12) the district does not qualify for sufficient debt service equalization aid, under  
2.35 section 123B.53, to reasonably finance a new building without greater Minnesota facility  
2.36 aid;

3.1 (13) the district's student performance in grades 7, 8, and 9 on standardized testing  
3.2 for the three years prior to its application have been above the state average;

3.3 (14) the district can demonstrate a history of community support as measured by  
3.4 positive support for operating referenda under section 126C.17, subdivision 9; and

3.5 (15) the district can demonstrate that it has the capacity to meet the match  
3.6 requirement under subdivision 3.

3.7 (b) The commissioner may grant a negative review and comment if:

3.8 (1) the state demographer determines that the economic and population bases of the  
3.9 communities to be served by the facility are not likely to grow or to remain at a level  
3.10 sufficient, during the next ten years, to ensure use of the entire facility;

3.11 (2) the district plans do not include cooperation and collaboration with health and  
3.12 human services agencies and other political subdivisions; or

3.13 (3) if the application is for new construction, an existing facility that would meet  
3.14 the district's needs could be purchased at a comparable cost from any other source within  
3.15 the area.

3.16 Subd. 5. **Application process.** An eligible district desiring greater Minnesota  
3.17 facilities aid shall adopt a resolution stating the amount of aid the district is seeking, the  
3.18 source of matching funds, the purpose for which the aid is to be used, and an estimate  
3.19 of the dates when the facilities for which the aid is requested will be contracted for and  
3.20 completed. Applications for aid under this section must be accompanied by a copy of the  
3.21 adopted board resolution.

3.22 Applications must be in the form and accompanied by the additional data required  
3.23 by the commissioner. Applications must be received by the commissioner by September 1  
3.24 of an odd-numbered year. A district must resubmit an application each odd-numbered  
3.25 year. Greater Minnesota facilities aid applications that are not approved in law cancel by  
3.26 July 1 of the year following application.

3.27 Subd. 6. **Commissioner review; district proposals.** By November 1 of each  
3.28 odd-numbered year, the commissioner must review all applications for greater Minnesota  
3.29 facilities aid that have received a positive review and comment. When reviewing  
3.30 applications, the commissioner must consider whether the criteria in subdivision 4 have  
3.31 been met. The commissioner may not approve an application if all the required deadlines  
3.32 have not been met. The commissioner may either approve or reject an application for  
3.33 greater Minnesota facilities aid.

3.34 Subd. 7. **Recommendations of the commissioner.** The commissioner shall  
3.35 examine and consider applications for greater Minnesota facilities aid that have been  
3.36 approved and promptly notify any district rejected of the decision.

4.1 The commissioner shall report each grant that has been approved by the  
4.2 commissioner to the education committees of the legislature by January 1 of each  
4.3 even-numbered year.

4.4 Subd. 8. **Legislative action.** Each greater Minnesota facility aid grant must be  
4.5 approved into law. Grants may be appropriated from the proceeds of a capital investment  
4.6 bill or may be direct appropriations from the state general fund.

4.7 Subd. 9. **Contract.** Each greater Minnesota facility aid grant must be evidenced  
4.8 by a contract between the district and the state acting through the commissioner. The  
4.9 contract must obligate the state to provide the district with a grant for the purposes of  
4.10 constructing a facility for which the grant is provided. The commissioner must receive  
4.11 from the district a certified resolution of the board estimating the costs of construction  
4.12 and reciting that contracts for construction of the facilities for which the grant is provided  
4.13 have been awarded, agree to repay the grant if the district is unable to meet the match  
4.14 requirement, and that all work, when completed, meets or exceeds standards established in  
4.15 the State Building Code.