

# CERTIFICATE OF NECESSITY OVERVIEW



# Certificate of Necessity defined

A document issued by the Department of Education which certifies that a construction project is necessary and sets the scope and cost limits for that project. The Certificate of Necessity authorizes the school district to hold a referendum for the Major Capital Improvement Program identified and authorizes the school district to sell bonds to pay the local portion in the event of a successful referendum.

# Decision Making Process

- The Department of Education decision-making process is based on a priority legend, with the highest priorities being:
  - Continued pattern of student population growth
  - Facility condition index above .50
  - Project corrects facility life, health or safety issues

# The Process

- The school district identifies a need for a major capital improvement project (project having a cost of \$750,000 or more).
- The school district submits an application for a Certificate of Necessity (CN) and supporting documentation to the Department of Education by August 31<sup>st</sup> to be considered for the following fiscal years budget.
- Department staff analyzes all requests and determines which projects will receive a CN which will be provided to the districts by October 30<sup>th</sup>.
- All other districts receive written notification of the departments decision.

# The Process (cont.)

- Once the district receives its CN, it may then hold a referendum for the Major Capital Improvement Program (vocational and special schools are exempt from requiring a referendum).
- If the referendum is unsuccessful, the district may make changes to the project and hold a second referendum if time permits.
- Upon a successful referendum, the state share of the project is included into the governors recommended budget and voted upon by the legislature.
- Once successfully included in the budget, funds are then readily available for the districts to utilize after July 1.

# QUESTIONS?

