

5 MCAR 1

4-29-82

1 State Board of Education
2 Department of Education
3 School Management Services Division

4
5 Adopted Rule Governing the Capital Loan Program (5 MCAR S
6 1.0430)

7
8 Rule as Adopted

9 Chapter Twenty-Two A: Capital Loan Program

10 5 MCAR S 1.0430 Capital loan program.

11 A. Preapplication requirement. A school board which intends
12 to submit an application for a capital loan, regardless of the
13 capital expenditure amount, shall submit the construction
14 proposal to the Commissioner of Education for a review and
15 comment statement pursuant to Minn. Stat. S 122.90, subs. 2-4.

16 B. Review and comment by commissioner. The commissioner
17 shall base the review and comment statement on information
18 required to be provided pursuant to Minn. Stat. S 122.90, subd.

19 2. In determining the educational and economic advisability of
20 the proposed facility, the commissioner shall:

21 1. determine if the size of the proposed facility is
22 appropriate for the projected number of pupils;

23 2. determine whether the pupil enrollment will continue
24 to be sufficient to support the need for the proposed facility
25 for at least ten years;

26 3. determine if currently recommended energy conservation
27 methods will be used;

28 4. determine whether the projected annual operating costs
29 will be consistent with current construction projects of a
30 similar size and nature;

31 5. determine whether the proposed facility can also be
32 used for community education programs, as a meeting facility, or
33 in ways other than direct delivery of educational services; and

34 6. determine the availability and cost-effectiveness of
35 purchasing or leasing existing facilities from adjacent school
36 districts or from other institutions. The commissioner shall

1 take into consideration: the size, nature and age of existing
2 facilities; whether existing facilities meet current fire safety
3 and other applicable codes and requirements established in state
4 and federal law; and the cost of any remodeling required to make
5 the facilities satisfy district needs.

6 C. Recommendation by commissioner. Based upon the
7 determinations in B., the commissioner shall recommend to the
8 State Board of Education whether the amount of the capital loan
9 should be approved in the requested amount, denied or reduced.

10 D. Approval recommendation by state board. The State Board
11 of Education shall recommend approval of a loan if all of the
12 criteria in 1.-3. are met, unless the loan is denied pursuant to
13 the provisions of F.

14 1. The commissioner's review and comment statement must
15 recommend approval.

16 2. The facilities must be comparable in size and quality
17 to facilities constructed within the last decade and financed by
18 a local bond issue in no less than three districts with similar
19 pupil enrollment.

20 3. The facilities are needed either:

21 a. to replace facilities that no longer comply with
22 current fire safety codes and other applicable codes and
23 requirements established in state and federal law; or

24 b. to provide adequate and sufficient instructional
25 areas to carry out the educational requirements for pupils for
26 whom adequate facilities do not exist. To satisfy requirement
27 3.b. the district shall provide documentation that one or more
28 of the following situations exist: the programs are not
29 provided due to lack of space or the programs are provided in
30 inappropriate spaces, such as temporary buildings or rented
31 buildings not intended for educational purposes.

32 E. Information required by state board. In making its
33 application to the State Board of Education, the applying school
34 district shall supply the following information about adjacent
35 school districts:

36 1. projected enrollment for each district;

1 2. size, nature and age of their present educational
2 facilities; and

3 3. whether the buildings meet current fire safety and
4 other applicable codes and requirements established in state and
5 federal law.

6 F. Denial recommendation by state board. Based upon the
7 information submitted pursuant to B. and E., the State Board of
8 Education shall recommend denial of a loan if the facility could
9 be made available in at least one of the following ways:

10 1. through the purchase or lease of a facility from an
11 existing institution within the district or adjacent districts;

12 2. through an interdistrict cooperation agreement with
13 another district;

14 3. by dissolving the applicant district and attaching it
15 to another district; or

16 4. through consolidation with another district.

17 G. Reduction recommendation by state board. Based upon the
18 information submitted in B., C. and E., the State Board of
19 Education shall recommend loan approval in a reduced amount when
20 the problems may be resolved through a less costly manner.