

SCHOOL DISTRICT CONSULTATION CHECKLIST

Minnesota Statutes, Section 123B.71

Beginning in FY 2010, review and comments are only required for projects that have a cost in excess of \$500,000 if the district has a capital loan outstanding or \$1,400,000 per school site for districts with no capital loan outstanding. Projects less than \$1,400,000 and greater than \$500,000 per school site must complete a consultation process.

Overview of the Law

Consultation

- ⇒ A school district shall consult with the commissioner of education before developing any plans and specifications to construct, remodel, or improve the building or site of an educational facility for which the estimated cost exceeds \$500,000.
- ⇒ This consultation shall occur before a referendum for bonds, solicitation for bids, or use of capital expenditure facilities revenue according to [Minnesota Statutes, section 126C.10, subdivision 14, clause \(2\)](#).
- ⇒ The commissioner may require the district to participate in a management assistance plan before conducting a review and comment on the project.

Project

- ⇒ The construction, remodeling, or improvement of a building or site of an educational facility at an estimated cost exceeding \$100,000 is a project under [Minnesota Statutes, section 177.42, subdivision 2](#). If state funds are used on the project, prevailing wage rates apply.

Plan Submittal

- ⇒ For a project for which consultation is required (greater than \$500,000 but less than \$1,400,000), the commissioner may require a school district to submit preliminary and final plans for approval.
- ⇒ The commissioner shall approve or disapprove the plans within 90 days after submission.
- ⇒ Final plans shall meet all applicable state laws, rules, and codes concerning public buildings, including [Minnesota Statutes, section 326B.101](#) to [Minnesota Statutes, section 326B.151](#) (State Building Codes).

Final Plans

If a construction contract has not been awarded within two years of approval, the approval shall not be valid. After approval, final plans and the approval shall be filed with the commissioner of education. If substantial changes are made to the approved plans, documents reflecting the changes shall be submitted to the commissioner for approval. Upon completing a project, the school board shall certify to the commissioner that the project was completed according to the approved plans.

Consultation Letter Requirements

Please submit the following material:

1. Cover Letter

A cover letter on district letterhead signed by the superintendent is required. Included in the letter should be:

- ⇒ A very brief description of the project.
- ⇒ The total cost of the construction project including related financing costs.
- ⇒ A statement that the school board has approved the document that is being submitted to the commissioner of education.
- ⇒ A brief description and breakdown of how the project will be financed. If multiple funding streams are used for the project, all sources of funding for the project must be identified. The total cost of the project must equal construction costs plus the related financing costs such as bond issuance and financial advisor fees.
- ⇒ If the proposed financing requires voter approval, the following information is required:
 - is the election for single or multiple question(s)
 - wording of question(s)
 - order of questions
- ⇒ The date of the election or when school board action is expected to occur.

2. Additional Required Documentation Regarding the Financing of the Project

The source(s) of financing the project;

- a. if multiple sources of funding are to be used, provide all components of the financing plan,
- b. the scheduled date and required notice for a bond issue or school board action,
- c. a schedule of bond payments, including estimated debt service equalization aid,
- d. the effect of a bond issue (or lease levy) on local property taxes by the property class and valuation,
- e. total project cost must include:
 - i. total construction cost, and
 - ii. bond issuance/financing costs (if applicable), and
- f. other financing information as required.
 - i. *Health and Safety Projects and Related Alternative Facility Projects Funded Under Health and Safety:* Please provide a detailed listing of the proposed projects to be completed with sufficient detail to determine if the components of the project qualify for Health and Safety funding. The detail, at a minimum, must match the data on the Health and Safety database and provide additional information to assure compliance with current law. Please provide the required forms (attachments for Health and Safety projects).
 - ii. *Capital Facility Bonding:* Please provide financing information and related financial documentation that your financial advisor has prepared such as;
 - sources and uses of funds, and
 - Amortization schedule.