

Education**Projects Summary**

(\$ in thousands)

Project Title	Rank	Fund	Project Requests for State Funds			Gov's Rec	Gov's Planning Estimates	
			2018	2020	2022		2018	2020
ISD 38 (Red Lake) Facility Projects	1	GO	14,492	0	0	14,492	0	0
Library Construction Grants	2	GO	2,500	0	0	2,500	2,500	2,500
Total Project Requests			16,992	0	0	16,992	2,500	2,500
General Obligation Bonds (GO) Total			16,992	0	0	16,992	2,500	2,500

AT A GLANCE**MDE Customers and Stakeholders (2015)**

- 874,584 Pre-K through 12 students
- Over 132,000 children participating in early learning programs
- 56,950 FTE licensed teachers
- 331 school districts and 157 charter schools
- Over 64,657 adult learners

PURPOSE

The mission of the Minnesota Department of Education (MDE) is: "Leading for educational excellence and equity. Every day for every one." MDE is striving to create the World's Best Workforce (WBWF) by focusing on five key student outcome goals, including: all students ready for kindergarten, all students reading in third grade, all achievement gaps closed, all students graduating from high school and all students ready for career and college.

The department strives to improve educational achievement by establishing clear standards, measuring performance, assisting educators, and increasing opportunities for lifelong learning. The department strives to be an innovative education agency, assisting schools, families, and other education providers with exemplary services that result in high academic achievement for all students, pre-kindergarten (pre-K) to grade 12, and adult learners. Every learner will reach his or her full potential through an outstanding Minnesota education system that is a world leader in achievement and innovation.

STRATEGIES

To achieve its mission and reach the five goals of WBWF, MDE provides leadership and support to students, teachers and schools using the following strategies:

Direct Support

Department programs provide direct support in continuous improvement of teaching and learning to schools and districts. The Regional Centers of Excellence provide strategic instructional and leadership support and implementation of best practice strategies to improve teaching and learning in the classroom. While the most intensive support is aimed at those schools that need the most assistance, direct support is available to all districts, as needed, through the Regional Centers.

Pre-K through 12 Systems

MDE programs provide support for systems improvement through a comprehensive, collaborative approach. For example, MDE has set forth an initiative to improve teacher and leader quality by the development of a teacher and principal professional development and evaluation support system that will benefit all Minnesota students. The new state accountability system under the WBWF legislation measures student performance from pre-K through postsecondary education and provides a comprehensive model of system improvement for all districts.

Guidance, Technical Assistance and Funding

Department programs provide supportive leadership to all educational entities by providing guidance and technical assistance to meet the myriad of state and federal legislated requirements. For instance, the technical assistance to districts in the development of their World's Best Workforce plans results in a plan for continuous improvement of school districts through the systemic alignment of legislative requirements in a manner that is streamlined, equitable, and effective for all districts. The department also administers school funding programs including the calculation and distribution of various funding sources.

M.S. 119A; M.S. 120-129B; M.S. 134-135

Department of Education Strategic Plan·FY17- FY22

The Minnesota Department of Education (MOE) provides the infrastructure for services and assistance to children, students, teachers, parents, and schools. We exist to improve educational achievement by establishing clear standards, measuring performance, assisting educators, and increasing opportunities for lifelong learning.

Services provided by the Minnesota Department of Education (MOE) support three overarching strategies:

- Direct Support: We directly support the continuous improvement of teaching and learning to schools, teachers, children, students, and parents.
- E-12 Systems: We provide systems support through program and policy development and assessment.
- Guidance, Technical Assistance, and Funding: We provide supportive leadership to all educational entities by providing guidance, technical assistance to meet state and federally legislated requirements, and administer school funding programs.

Factors Impacting Facilities or Capital Programs

A goal of the Minnesota Department of Education (MOE) is to assist school districts, libraries and other educational organizations in the acquisition of funds to provide safe, program appropriate and accessible education facilities that support student success, and to provide and allow library access to all citizens in Minnesota.

Capital resources are available for most school districts through levy and aid programs provided by state law, including the debt equalization program, natural disaster debt service equalization, operating capital revenue, capital projects levy, lease levy and long-term facilities maintenance funding. School districts with extremely low property wealth do not have a sufficient tax base to raise funds for the construction of needed educational facilities. Libraries and other non-school district educational organizations may be limited in their ability to raise funds for local facility projects. Capital funding through general obligation bonding and the state general fund is necessary for those entities that do not have access to these or other funding sources, but must rely upon state support for virtually all major capital facilities projects.

A number of local libraries have aging facilities that need removal of architectural barriers and renovations/additions to enable all citizens to access the facility, allow local libraries to provide adequate library services and remediate conditions hazardous to health or safety. The matching grants for local libraries provide an incentive for local communities to upgrade maintain facilities.

Overall, demand for capital facility projects in school districts is increasing.

Self-Assessment of Agency Facilities and Assets

Education laws provide for the capital loan and grant programs, the cooperative secondary facilities grant program, the metropolitan magnet school grant program and library grant programs. Each of these programs provides for specific needs for those organizations that cannot access other sources of funding.

In general, school district facility construction is considered a local responsibility. The state provides limited support to local districts in their efforts to construct and maintain appropriate, safe and healthy school facilities through the debt equalization program, natural disaster debt service equalization, operating capital revenue capital projects levy, lease levy, and long-term facilities maintenance funding. Very few districts currently qualify for state debt service equalization aid, and the capital projects levy and lease levy are not equalized by the state. The state provides a higher share of revenue for the operating capital, natural disaster debt service equalization, and long-term facilities maintenance programs.

Agency Process for Determining Capital Requests

Department management identifies and assesses high priority needs in relationship to agency goals and objectives, and state and federal mandates. MOE staff had discussions internally and externally to determine what funding was most needed.

Major Capital Projects Authorized in 2016 and 2017

- \$2.0 million for library construction grants
- \$1.5 million for Olmstead County – Dyslexia Institute of Minnesota
- \$0.5 million for Grand Rapids – Myles Reif Center

(\$ in thousands)

ISD 38 (Red Lake) Facility Projects**AT A GLANCE****2018 Request Amount:** \$14,492**Priority Ranking:** 1**Project Summary:** \$14,491,647 in state funds is requested to predesign, design, construct additions, renovate, furnish and equip Red Lake Elementary and Early Childhood Center in Red Lake, Minnesota.**Project Description**

The Red Lake Elementary School is at or above maximum capacity in all program areas. Special purpose classrooms designed for Art, Science, and Music instruction are now being used as general education classrooms. Students are receiving math and reading small group instruction in spaces intended to be used as storage spaces. In 2014-15, the District added one section of first grade by repurposing a supplemental education room. Due to increasing enrollment, in 2015-16, the District added an additional section to both first and second grade, and to do so, combined two special education classrooms, increasing the number of special education students utilizing the space.

For 2017-18, an additional section of 5th grade will be added. This required converting a computer lab into a classroom and repurposing 25% of the current media center as a computer lab.

The Early Childhood Center building reached its capacity at the beginning of the 2013-14 school when one section of kindergarten was added. In 2014-15, the District added another section of kindergarten by repurposing a special education classroom and the media center. There are currently eight sections of kindergarten.

In 2014-15, the District expanded its four-year old school readiness program to four days per week and added additional sections to the three-year old school readiness program. The additional programs necessitated the repurposing of a special education sensory classroom to a regular classroom, repurposing the only computer lab into a classroom and providing math and reading small-group intervention classes in spaces intended as storage rooms.

In 2016-17, the District added 1-FTE Early Childhood Special Education, by repurposing an office to a resource room. The proposed project includes:

- Connecting the Early Childhood Center building to the Red Lake Elementary School by adding six classrooms and a corridor between the two existing structures
- Renovating the existing music and art rooms that have been repurposed and are currently being used as regular classrooms
- Renovating the computer labs and student support areas
- Relocating the Special Education classroom spaces to reduce unsupervised movement and foster greater collaboration between specialists and regular classroom teachers
- Updating existing, antiquated mechanical systems to improve efficiency of operations
- Relocating the main entrance to allow the public easier access, increase building security, and

- Expand the cafeteria by 2,300 sq. ft. and add 90 seats; which would reduce the number of lunch periods and the amount of time spent serving students.

Red Lake Elementary Existing Square Footage:	89,956
Early Childhood Center Existing Square Footage:	58,862
New Square Footage:	20,450
Renovated Square Footage:	41,420

Project Rationale

The Red Lake School District (ISD 38) has a need for ongoing facility improvements as a result of enrollment growth, new educational programs, health and safety requirements and aging facilities.

Project Timeline

June-November, 2018 Predesign and Design
 December, 2018 Submit Plan to State for Review
 January-February, 2019 Develop Bid Documents
 March-April, 2019 Advertise bids, receive bids, accept bids
 July, 2019 Construction begins on project additions
 June, 2020 Renovation of existing spaces begin
 August, 2020 Completion of building additions
 August, 2021 Completion of renovations

Other Considerations

While funding for school facilities is viewed as primarily a local responsibility, the Red Lake Independent School District has extremely low taxable property values and very little private ownership of land as most of the land is owned in common by the Red Lake tribal members. Tribal property is tax-exempt.

Between FY 2004 and FY 2015 the district experienced enrollment growth of approximately 10% in kindergarten to grade 5. Grades 6 to 12 enrollments dropped in the aftermath of a 2005 school shooting incident, but are slowly recovering.

The Red Lake School district management and the Red Lake community recognize the importance of a stable and healthy school environment to children in a low-income community.

Impact on Agency Operating Budgets

The legislature authorizes a direct appropriation from the Environmental Fund for the administrative costs of the Solid Waste Capital Assistance Program. This request for capital bonding request does not affect our annual operating budget.

Description of Previous Appropriations

2014 \$5.491 million-Remodel kitchen and cafeteria in middle and high schools
 2005 \$18 million-Begin construction of new middle school and renovation of existing high school
 2002 \$12.4 million-Additions and renovations-high school, early childhood center, elementary schools
 2000 \$11.166 million-Construction of early childhood center and additions to middle school and

Ponemah Elementary school

1992 \$10 million-Construction of elementary school and addition to middle school

Project Contact Person

Melinda Crowley

Superintendent

218-679-1701

mcrowley@redlake.k12.mn.us

Governor's Recommendation

The Governor recommends \$14.492 million in general obligation bonds for this request.

Education

Project Detail

(\$ in thousands)

ISD 38 (Red Lake) Facility Projects

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2018	FY 2020	FY 2022
<i>State Funds Requested</i>				
General Obligation Bonds	\$ 5,491	\$ 14,492	\$ 0	\$ 0
<i>Funds Already Committed</i>				
<i>Pending Contributions</i>				
TOTAL	\$ 5,491	\$ 14,492	\$ 0	\$ 0

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2018	FY 2020	FY 2022
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 696	\$ 0	\$ 0	\$ 0
Project Management	\$ 0	\$ 0	\$ 0	\$ 0
Construction	\$ 4,715	\$ 14,267	\$ 0	\$ 0
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 80	\$ 225	\$ 0	\$ 0
Inflationary Adjustment*	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL	\$ 5,491	\$ 14,492	\$ 0	\$ 0

*Inflation is already included in project costs.

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2018	FY 2020	FY 2022
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 14,492	100 %
User Financing	\$ 0	0 %

STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	Yes
Predesign Review (M.S. 16B.335 subd. 3):	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	N/A
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	N/A
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6 and 16E.05 subd. 3)?	N/A
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	Yes
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	Yes
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	Yes
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2022?	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 174.93: Guideway Project	
Is this a Guideway Project?	No
Is the required information included in this request?	No

Education

Project Narrative

(\$ in thousands)

Library Construction Grants

AT A GLANCE

2018 Request Amount: \$2,500

Priority Ranking: 2

Project Summary: \$2.5 million in state bond funds for the Library Construction grant program will be granted to public library jurisdictions under Minnesota Statutes Section 134.45. Funds are distributed statewide through a competitive process and provide for new construction or remodeling of public libraries to improve access to library services for people with disabilities.

Project Description

Library Construction grants require a one-to-one non state match and awarded in amounts up \$200,000 for library accessibility projects and up to \$1million for new construction or remodeling that include accessibility.

Library Construction Grants leverage state bond funds with local dollars for renovation, construction and improvement projects that result in more accessible public library buildings. In addition to ensuring that public library buildings meet Americans with Disabilities Act guidelines, library construction grants result in more sustainable and energy efficient public library facilities and improve library services. Grants are awarded in consultation with the Minnesota State Council on Disabilities. Projects may:

- Remove architectural barriers from a library building or site
- Remediate conditions hazardous to health or safety
- Renovate or expand an existing building for use as a library
- Construct a new library

Depending on grant size, five to seven projects receive funding. Since 1994, 134 projects in 61 counties have been supported. Through 2016, the local dollar to state dollar ratio is \$7.71 local to \$1.00 state.

Eligible applicants are regional public library systems, regional library districts, cities and counties operating public libraries that meet the statutory definition of a public library in Minnesota Statutes 134.001.

Project Rationale

Library Construction grants ensure that the public library buildings are updated to reflect energy efficient building standards and Americans with Disabilities Act accessibility requirements. Public libraries have limited resources for building and construction projects, and the state's contribution through the grant program assures all residents have equitable access to public library services. The state's support is often the impetus that local and/or private funders need to spur involvement.

Demand for Library Construction Grants is persistent: with \$3 million available between 2012 and

2015, State Library Services received grant requests totaling \$3.747 million. Informal conversations with cities, counties and libraries across the state have identified approximately 20 library improvement projects with a total cost of well over \$60 million that could benefit from Library Construction Grants. Through 2016, cities and counties have matched each dollar invested by the state with a local contribution of \$7.71. The program has impacted 61 counties.

Project Timeline

A competitive grant round is opened approximately three months after the bonding bill passes. Grants are awarded within about nine months, and all projects are completed within five years. As needed, additional grant rounds are offered to distribute all funds. Typically, all funds are committed within 18 months of the passage of the bonding bill.

Other Considerations

In many communities across the state, older library buildings are nearing the end of their lifespan and in need of improvements that address energy efficiency and sustainability in addition to accessibility. Public libraries are highly valued community assets, and the Library Construction grant program signals the state's support for up-to-date, energy efficient and accessible buildings that are open to all.

Impact on Agency Operating Budgets

This request has an impact on the Department of Education's operating budget. The project is supported by .10FTE of an existing staff member who administers the grant application, award and reporting processes. MDE requests the ability to use up to 5% of the appropriation per year for grant program administration costs

Description of Previous Appropriations

2017 \$2.0 million

2014 \$2.0 million (\$877,000 earmarked for specific projects; \$1,123,000 available for competitive grants)

2012 \$1.0 million

2008 \$1.5 million

2006 \$1.0 million

2005 \$1.0 million

2003 \$1.0 million

2000 \$1.0 million

1998 \$1.5 million

1996 \$1.0 million

1994 \$1.0 million

Project Contact Person

Jennifer Nelson
Director-State Library Services

651-582-8791
jennifer.r.nelson@state.mn.us

Governor's Recommendation

The Governor recommends \$2.5 million in general obligation bonds for this request. Also included are budget estimates of \$2.5 million for each planning period for 2020 and 2022.

Education

Project Detail

(\$ in thousands)

Library Construction Grants

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2018	FY 2020	FY 2022
<i>State Funds Requested</i>				
General Obligation Bonds	\$ 5,000	\$ 2,500	\$ 0	\$ 0
<i>Funds Already Committed</i>				
<i>Pending Contributions</i>				
TOTAL	\$ 5,000	\$ 2,500	\$ 0	\$ 0

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2018	FY 2020	FY 2022
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 0	\$ 0	\$ 0
Project Management	\$ 0	\$ 0	\$ 0	\$ 0
Construction	\$ 5,000	\$ 2,500	\$ 0	\$ 0
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL	\$ 5,000	\$ 2,500	\$ 0	\$ 0

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2018	FY 2020	FY 2022
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 2,500	100 %
User Financing	\$ 0	0 %

STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	No
Predesign Review (M.S. 16B.335 subd. 3):	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	N/A
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	N/A
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6 and 16E.05 subd. 3)?	N/A
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	N/A
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	Yes
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	Yes
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2022?	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 174.93: Guideway Project	
Is this a Guideway Project?	No
Is the required information included in this request?	No