

Project Title	Agency Priority	Strategic Score	Funding Source	Agency Request			Governor's Rec	Governor's Planning Estimates	
				2004	2006	2008	2004	2006	2008
Duluth Grant School Youth and Community Center	1	210	GO	\$1,065	\$0	\$0	\$1,065	\$0	\$0
Independent School District 38, Red Lake - Multiple Projects	2	370	GO	33,433	41,395	0	22,130	0	0
East Metro Magnet School/Crosswinds Middle School	3	150	GO	1,064	0	0	1,054	0	0

Project Total	\$35,562	\$41,395	\$0	\$24,249	\$0	\$0
General Obligation Bonding (GO)	\$35,562	\$41,395	\$0	\$24,249	\$0	\$0

<b>Funding Sources:</b>	GF = General Fund	THF = Trunk Highway Fund	OTH = Other Funding Sources
	GO = General Obligation Bonds	THB = Trunk Highway Fund Bonding	UF = User Financed Bonding

**Agency Profile At A Glance**

- ◆ MDE Customers:
  - ⇒ Pre-kindergarten-grade 12 students and parents
  - ⇒ School districts
  - ⇒ Charter schools
  - ⇒ Licensed educators
  - ⇒ Legislators and policymakers
  - ⇒ Minnesota citizens
- ◆ District/Charter Revenue processed annually (est. 2003)
  - ⇒ Federal 5%     \$0.4 billion
  - ⇒ Local 20%     \$1.7 billion
  - ⇒ State 75%     \$6.2 billion
- ◆ \$94 million in state and federal grants administered annually

**Agency Purpose**

The Minnesota Department of Education (MDE) strives to improve educational achievement by establishing clear standards, measuring performance and increasing opportunities for our children. This is accomplished by providing leadership and working to ensure that each student in Minnesota, from pre-kindergarten through grade 12 has access to the best education possible in order to develop his or her potential to the fullest.

As a result of its outstanding pre-kindergarten through grade 12 education and academic achievement, Minnesota will be a world leader, providing a high quality of life, demonstrating economic and civic leadership, promoting lifelong learning, developing top talent, and attracting top employers.

The primary goals for agency success include:

- ⇒ Improve student achievement and close (reduce) the achievement gap.
- ⇒ Expand student access and opportunity.

- ⇒ Deliver value-added services to support educators in touching every Minnesota classroom and student.
- ⇒ Ensure schools have financial resources to support schools.
- ⇒ Be a highly trusted and accountable education agency.
- ⇒ Be the preferred resource for Minnesota parents, educators and stakeholders.

**Core Functions**

- ⇒ Administer state and federal aids, subsidies, and grants and calculate school district property tax levy limitations.
- ⇒ Develop and administer statewide student and school performance and accountability systems.
- ⇒ License teachers and administrators.
- ⇒ Ensure compliance with federal and state laws regarding education programs.

MDE provides services and assistance to students, teachers, parents, and school districts in the areas of:

- |                                     |                                 |
|-------------------------------------|---------------------------------|
| ◆ special education                 | ◆ personnel licensing           |
| ◆ curriculum and instruction        | ◆ library services              |
| ◆ statewide testing and assessment  | ◆ desegregation                 |
| ◆ K-12 education funding            | ◆ Indian education              |
| ◆ financial and management services | ◆ food and nutrition            |
| ◆ education options                 | ◆ school readiness              |
| ◆ adult basic education             | ◆ violence and abuse prevention |
| ◆ career and technical education    |                                 |

**Operations**

The department provides services through three policy divisions as described below.

The Office of Academic Excellence is responsible for academic standards development, implementation and understanding; professional development for educators; statewide assessment of academic achievement; analysis and dissemination of data relating to achievement testing; Indian education

programs; school choice, equity, charter school and supplemental service programs; library development services, school technology and the Faribault Library for the Blind; and teacher and school administrator licensing.

The Office of Federal Programs is responsible for No Child Left Behind programs; annual yearly progress for schools; adult basic education; adult and career education; special education programs; early learning services; prevention programs; and food and nutrition services.

The Office of Finance and Administrative Services is responsible for distributing aid payments to school districts and calculating school district property tax levy limitations; providing information technology support to the agency for all systems operating within the agency; providing policy, management, fiscal and human resource direction and leadership; and monitoring special education compliance and accountability.

### **Budget**

In FY 2003, the agency will administer almost \$8 billion in state K-12 and early childhood funding and calculate property tax limitations of \$1 billion annually. In addition to state and local funding, the agency administers approximately \$400 million in federal funds for early childhood, prevention programs, education achievement, special education, facilities and technology, nutrition, and libraries.

### **Contact**

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For information on how this agency measures whether it is meeting its statewide goals, please refer to <http://www.departmentresults.state.mn.us/>

### At A Glance: Agency Long-Range Strategic Goals

One of the goals of the Minnesota Department of Education is that resources be available to provide safe, program appropriate, and accessible education facilities that support student success.

Capital resources are available for most school districts through levy and aid programs provided by the legislature, including the debt equalization program, capital projects levy, lease levy, and health and safety funding. 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 all or portions of necessary capital facilities projects.

Projects presented in this and future capital budgets are those that have been evaluated by the agency, found to be consistent with agency long-range goals, and benefit Minnesota by providing safe, healthy, and appropriate facilities to support student success.

### Trends, Policies And Other Issues Affecting The Demand For Services, Facilities, Or Capital Programs

Overall, demand for capital facility projects in school districts is increasing, however, favorable interest rates combined with restructuring of the debt equalization formula under M.S. 123B.53 mean that few school districts with levy authority will find it advantageous to apply for state funding under the Maximum Effort School Aid law in M.S. 126C.60-72. Only those school districts with extremely low property values currently need to use these capital loan and grant programs to fund necessary capital projects. In addition, education organizations such as voluntary metropolitan integration districts that have no levy authority may continue to seek state funding for capital projects.

Future funding requests under the Cooperative Secondary Facilities Grant program in M.S. 123A.443 are possible as local school districts experience population and student declines and find it economically necessary to cooperate with other districts to provide adequate and appropriate

educational programs and services to students and communities. This program was initiated as an incentive for districts that determine secondary education services can be offered most effectively and efficiently by cooperating with neighboring districts and assists with costs of constructing or renovating secondary school facilities serving students from two or more districts. Currently, the agency is not aware of districts contemplating grants applications under this authority. However, as Minnesota demographics change this program would be beneficial for districts choosing to combine.

Restructuring of the agency from Children, Families, and Learning to the Department of Education transfers responsibility for administration of the early childhood facility grants to the Department of Human Services.

### Provide A Self-Assessment Of The Condition, Suitability, And Functionality Of Present Facilities, Capital Projects, Or Assets

Education laws provide for the capital loan and grant programs, the cooperative secondary facilities grant program, and metropolitan magnet school grant program.

Due to restructuring of the debt equalization program, increased required levies related to the capital loan program, and favorable interest rates, it is estimated that the capital loan program would be beneficial for only two districts in the state. The department is not currently aware of other districts interested in this program. Neither is the department aware of any districts considering application for the secondary facilities grant as a part of consolidation or combination. Application for the metropolitan magnet school grant program may occur as further needs for voluntary integration arise.

### Agency Process Used To Arrive At These Capital Requests

Department management identifies and assesses high priority needs in relationship to agency goals and objectives, and state and federal mandates.

**Major Capital Projects Authorized In 2002 And 2003**

<u>Laws 2002</u>	<u>(\$ in Thousands)</u>
Red Lake Maximum Effort Capital Loan (M.S 126C.60-72)	\$12,400
<u>Laws 2003</u>	
Library Access Grants (M.S. 134.45)	\$1,000
Paul and Sheila Wellstone Center, St. Paul	\$5,000
Trollwood Performing Arts School	\$5,500

## Duluth Grant School Youth and Community Center

**2004 STATE APPROPRIATION REQUEST:** \$1,065,000

**AGENCY PROJECT PRIORITY:** 1 of 3

**PROJECT LOCATION:** Grant Magnet School, Duluth

#### Project At A Glance

- ◆ \$1.065 million for building addition and remodeling.
- ◆ Provide adequate space for established youth and community programming with broad input and support from public and private partnerships.

#### Project Description

The Department of Education is requesting \$1.065 million for predesign, design, and construction of an addition to, and remodeling of the Grant Magnet School in Duluth Independent School District 709 to accommodate a youth and community center.

The school facility has been well-maintained by the school district; however, the original construction and a 1992 addition did not anticipate extended day and year use. The gymnasium and cafeteria, in particular, are undersized for use in extended day and year programming for students and community residents. The current gymnasium accommodates 25 students for physical education or after school programming and does not include a stage for performance or shower facilities. The small size is unsuitable for upper elementary and older students. The cafeteria area is small and seating is not adequate for students and parents for community meals.

This grant will fund new construction of a 6,300 square foot multipurpose space that will include a full-sized gymnasium, stage for performance or music and will also include shower facilities. In addition, the existing 2,300 square foot gymnasium will be remodeled and a second floor will be added above the existing structure to provide four large multipurpose rooms. These

rooms will be used for music, art, and language classrooms. The rooms will be large enough to accommodate adults, mixed family groups, or larger numbers of children for a variety of educational/recreational activities and will also expand cafeteria seating.

The new construction and remodeling will provide the Duluth Public Schools and the Grant Community School Collaborative the opportunity to continue and expand the research-based programming that is showing positive results in the community. Goals of the extended day and year programming are to:

- ◆ support a facility for youth, families, and residents of the neighborhood;
- ◆ offer a variety of cultural, academic, and social enrichment programming for youth and families;
- ◆ develop youth, parental, and community involvement and leadership; and
- ◆ increase the developmental assets of children in the community.

#### Impact on Agency Operating Budgets (Facilities Notes)

There is no impact on the agency's operating budget associated with this request. The school district will address any additional operating costs for the facility.

#### Previous Appropriations for this Project

This project was awarded a \$900,000 Youth Enrichment Grant from 2000 bonding bill funds. However, the project was delayed and the funding was eliminated as a part of the 2003 unallotment process prior to execution of the contract.

#### Other Considerations

The Grant Magnet School is located in Duluth's East Hillside neighborhood, a high density, high poverty, racially mixed area of high need with few community services available. The area has a high percentage of rental housing and a mobile population. The student population is comprised of 45% minority populations, 75% of the student population qualifies for free or reduced price lunches, and 21% receive special education services. Summer food programs help parents in providing adequate nutrition for their children during months when school is not in session. Limited access to

## Duluth Grant School Youth and Community Center

personal and public transportation makes it difficult for residents, especially youth, to participate in programs or activities outside of the neighborhood and the school is a natural focal point for the community.

The East Hillside community includes many high need families with children that benefit from structured and supervised educational/recreational after-school and summer programs that support and supplement classroom education as many parents are at work during those times. Parents and other community members also benefit from intergenerational activities that provide a sense of belonging to and contributing to a community, as well as programs for basic life skills that strengthen families, develop civic involvement, and promote intercultural appreciation.

Programming in the renovated facility will be coordinated by the Grant Community School Collaborative, whose membership includes the Duluth Public Schools, Duluth Public Schools Community Education, Duluth Headstart, the YWCA of Duluth, Duluth Parks and Recreation Department, East Hillside Patch Grass Roots Community Development Agency, East Hillside Community Club, the Grant Magnet School PTA, and the College of St. Scholastica.

While youth programs are currently offered by the collaborative, indoor spaces at the school are not adequate, and programming is limited both in the number of children who can be served and the scope of programs that can be offered.

Programs offered are based on the tenet that what happens outside the classroom is as important to student success as what happens in the classroom and that a successful school uses the family and community as a resource to support student success. Programs focus on the arts, though not exclusively so. Research indicates that students who live in poverty tend to lag behind others in social, academic, and communications skills. The Getty Education Institute notes that arts participation makes a significant difference to students from low-income families in developing communication skills and can be correlated to success in math and reading, all skills necessary for success in school as well as in life.

**Project Contact Person**

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**Governor's Recommendations**

The Governor recommends general obligation bonding of \$1.065 million for this project.

<b>TOTAL PROJECT COSTS All Years and Funding Sources</b>	<b>Prior Years</b>	<b>FY 2004-05</b>	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>TOTAL</b>
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	75	0	0	75
4. Project Management	0	28	0	0	28
5. Construction Costs	0	888	0	0	888
6. One Percent for Art	0	9	0	0	9
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	65	0	0	65
<b>TOTAL</b>	<b>0</b>	<b>1,065</b>	<b>0</b>	<b>0</b>	<b>1,065</b>

<b>CAPITAL FUNDING SOURCES</b>	<b>Prior Years</b>	<b>FY 2004-05</b>	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>TOTAL</b>
State Funds :					
G.O Bonds/State Bldgs	0	1,065	0	0	1,065
<b>State Funds Subtotal</b>	<b>0</b>	<b>1,065</b>	<b>0</b>	<b>0</b>	<b>1,065</b>
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>1,065</b>	<b>0</b>	<b>0</b>	<b>1,065</b>

<b>CHANGES IN STATE OPERATING COSTS</b>	<b>Changes in State Operating Costs (Without Inflation)</b>			
	<b>FY 2004-05</b>	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>TOTAL</b>
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

<b>SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS</b> (for bond-financed projects)	<b>Amount</b>	<b>Percent of Total</b>
General Fund	1,065	100.0%
User Financing	0	0.0%

<b>STATUTORY AND OTHER REQUIREMENTS</b>	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
Yes	MS 16A.695 (2): Use Agreement Required
Yes	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2009



## Duluth Grant School Youth and Community Center

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	40
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	100
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	0
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	0
<b>Total</b>	700 Maximum	210

## Independent School District 38, Red Lake - Multiple Projects

**2004 STATE APPROPRIATION REQUEST:** \$33,433,000

**AGENCY PROJECT PRIORITY:** 2 of 3

**PROJECT LOCATION:** Red Lake

#### Project At A Glance

- ◆ \$33.433 million in the 2004 session for a new middle school and additions and renovations to high school.
- ◆ Replace/renovate current substandard education facilities to promote student achievement.
- ◆ Demolish 1949 building segment no longer suitable for use.
- ◆ Request is based on short-term and long-range planning for renovation/additions to bring all district facilities to current education standards and accommodate increased enrollment.
- ◆ \$41.395 million will be requested in the 2006 session for continuation of the High School renovation and new projects in the Red Lake School District.

#### Project Description

The Department of Education requests funding through the education capital loan program to support the Red Lake School District. The request includes:

- ◆ \$31.2 million to build a new middle school facility, and
- ◆ \$2.2 million to continue construction on the high school, including renovation, an addition, and demolition of the 1949 portion of the building.

Of the total project cost of \$33.483 million, the local district contribution calculated according to M.S. 126.C.69, subd. 9 is approximately \$50,000, and the capital loan request is \$33,433 million.

The combination of unexpected increases in enrollment and deteriorated, crowded facilities caused the Red Lake School District to initiate a long-term facility predesign that was finalized in September of 2003. The long-term predesign addresses the period 2004-2009 and includes construction of a new middle school, a large addition to Red Lake Elementary School, renovation of the existing high school, and renovation of Ponemah Elementary School. Upon completion of these projects, school district facilities will meet current education standards.

The decision to build a separate middle school was a result of planning that included participation by school district management, architects, engineers, students, faculty, and community members including tribal elders and spiritual leaders. Community opinion favors segregation of middle school students in a site that is remote from high school and alternative learning center programs. The middle school is to be constructed on a new site to be leased from the Red Lake Tribal Council that will be large enough to accommodate future construction, should additional space be needed in the distant future. The 146,000 square foot structure will house 560 students in grades 6-8, with a maximum capacity of 600. Six grade level "houses" will each have a population of 80-100 students, plus special needs students. Ponemah Elementary School currently serves a portion of the district's grade 6-8 students and moving these students to the new site will free classrooms for projected increases in elementary students at that site.

Current middle school space allocated in the high/middle school building is shared with special education and alternative learning center programs. It was constructed in the early 1950s as an elementary school, with additions in 1994 and 2001. In spite of renovations, the structure provides substandard educational space. Classrooms are undersized for current and projected enrollment and specialized areas for curriculum involving science and technology are lacking. Library and media facilities are very poor and common spaces are too small to accommodate the current student population.

Independent School District 38, Red Lake - Multiple Projects

Plans for the high school include a 12,000 square foot addition that will include a science laboratory, special needs classrooms and support spaces, and a family and consumer science classroom. These areas are currently either lacking or substandard in the current facility.

**Impact on Agency Operating Budgets (Facilities Notes)**

There is no impact on the agency's operating budget associated with this request.

The school district's operating costs for the middle school are projected to increase by approximately \$660,000 beginning in the first year of operation due primarily to changes in staffing and increased maintenance costs. District revenue projections show revenues sufficient to absorb the additional costs.

**Previous Appropriations for this Project**

The Red Lake School District requested \$40.125 million in 2002 for additions to five schools and major renovations at the high school and middle school. The 2002 legislature appropriated \$12.4 million used by the district to begin additions and renovations to the high school, two elementary schools and early childhood classrooms. Of this amount, up to \$500,000 was allocated to predesign of the projects initially proposed.

In previous years, the legislature has appropriated the following amounts for construction and improvement of Red Lake School District facilities.

1992	\$10 million	Construction of Red Lake Elementary School and addition to Red Lake Middle School
2000	\$11.166 million	Construction of Red Lake Early Childhood Center and Additions to Ponemah Elementary and Middle School
2002	\$12.4 million	Additions and Renovations - High School, Early Childhood Center, Ponemah and Red Lake Elementary Schools

**Other Considerations**

While funding for school facilities is viewed as primarily a local responsibility, the Red Lake School District has extremely low property values and very little private ownership of land as most of the land is owned in common by Red Lake Tribal members. Even with state assistance through the debt service equalization program, the district cannot fund capital projects through local levies. A measure commonly used to compare school district ability to raise funds through property taxes is the adjusted net tax capacity (ANTC) per pupil unit. The 2002 ANTC per FY 2002 adjusted pupil unit was \$7 for the Red Lake School District. For all Minnesota school districts, the median 2002 ANTC per FY 2002 adjusted pupil unit was \$3,613. The school district's maximum bonding limit calculated according to M.S. 475.53, subd. 4 was \$100,802 for FY 2003.

Enrollment growth in the Red Lake School District is projected to increase between FY 1998 and FY 2010 by 56%. The district is experiencing population growth as many members of the Red Lake Tribe are moving back to the Red Lake area. In addition, a new housing development has been opened and desirable housing is available for returning tribal members. The development continues to have waiting lists in spite of continued construction of new housing units. Enrollment growth also assumes that new or renovated facilities allowing expanded educational programming will draw many of the approximately 11.5% of resident students who currently open enroll to other districts back to the Red Lake Schools.

The Red Lake School District management and community recognize the importance of a stable and healthy school environment to children in an economically and socially depressed community. Current crowded and deficient facilities do not provide an environment conducive to learning or supportive to children.

The funding requested for FY 2006-07 would support further renovation to the high school and two new projects: an addition to the Red Lake Elementary School, and renovation at the Ponemah Elementary School. As part of the Red Lake Elementary School Project, the bus garage will be expanded and renovated. Since the garage cannot be funded under M.S. 126C.69, this portion of the project will be funded using local district resources. Of the total capital loan request for \$41.4 million, approximately

## Independent School District 38, Red Lake - Multiple Projects

\$23.7 million would be used to complete the renovation of the high school that was initiated with the 2002 appropriation from the legislature.

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**Governor's Recommendations**

The Governor recommends general obligation bonding of \$22.130 million for a new middle school facility.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	33,066	0	0	0	33,066
2. Predesign Fees	500	0	0	0	500
3. Design Fees	0	2,403	3,139	0	5,542
4. Project Management	0	2,601	3,249	0	5,850
5. Construction Costs	0	25,448	29,374	0	54,822
6. One Percent for Art	0	100	100	0	200
7. Relocation Expenses	0	105	250	0	355
8. Occupancy	0	1,020	855	0	1,875
9. Inflation	0	1,806	5,175	0	6,981
<b>TOTAL</b>	<b>33,566</b>	<b>33,483</b>	<b>42,142</b>	<b>0</b>	<b>109,191</b>

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	33,566	33,433	41,395	0	108,394
<b>State Funds Subtotal</b>	<b>33,566</b>	<b>33,433</b>	<b>41,395</b>	<b>0</b>	<b>108,394</b>
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	50	747	0	797
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>33,566</b>	<b>33,483</b>	<b>42,142</b>	<b>0</b>	<b>109,191</b>

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	33,433	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
Yes	MS 16A.695 (4): Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2009

## Independent School District 38, Red Lake - Multiple Projects

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	120
Safety/Code Concerns	0/35/70/105	35
Customer Service/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	75
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	20
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	50
<b>Total</b>	700 Maximum	370

## East Metro Magnet School/Crosswinds Middle School

**2004 STATE APPROPRIATION REQUEST:** \$1,064,000

**AGENCY PROJECT PRIORITY:** 3 of 3

**PROJECT LOCATION:** Woodbury

#### Project At A Glance

\$1.064 million is requested to complete land acquisition for the Crosswinds Interdistrict Arts and Science Middle School in Woodbury. \$22.8 million in previous state funds were awarded to this project.

#### Project Description

This request is for \$1.064 million in state general obligation bond funding to complete land acquisition of the current site for the Crosswinds Arts and Science Middle School located at 600 Weir Drive in Woodbury. The East Metro Integration District (EMID) 6067, a 10-district joint powers school district representing the following independent public school districts (ISD), operates this school:

ISD 006	South St. Paul
ISD 197	West St. Paul
ISD 199	Inver Grove Heights
ISD 622	North St. Paul-Maplewood-Oakdale
ISD 623	Roseville
ISD 624	White Bear Lake
ISD 625	St. Paul
ISD 832	Mahtomedi
ISD 833	South Washington County
ISD 834	Stillwater

At capacity, Crosswinds Middle School will serve up to 600 students, Grades 6-8, from EMID 6067's member districts in an integrated learning environment.

Over 1998-2000, the state legislature appropriated \$22.8 million in bond proceeds for construction of the Crosswinds Interdistrict School. This funding was provided to acquire land, predesign, design, furnish, and equip the building. ISD 625, St. Paul Schools, served as the fiscal agent for this construction project since EMID 6067 was not formed until the 1999-2000 school year.

A 37-acre parcel in Woodbury was identified as the site for the school. It was determined that condemnation of the property was necessary for construction of the building and related access road to proceed in a timely manner. Under the court's supervision, a mediated settlement was reached between the parties establishing the value of the parcel and related access road. The school boards of ISD 625 (St. Paul) and EMID 6067 approved the Settlement Agreement and Release in November 2002, upon recommendation of counsel. The agreement provides for payment of land value costs in excess of the estimated amount provided by the legislature for site acquisition in the original appropriation. The potential total deficit is \$1.064 million including additional interest costs through the end of the 2004 legislative session or 8/31/04, whichever occurs earlier.

#### Impact on Agency Operating Budgets (Facilities Notes)

East Metro Integration District 6067, the joint powers school district, owns and operates the Crosswinds Middle School. No new or additional state operating dollars are requested for this project.

#### Previous Appropriations for this Project

\$22,800,000 in state funds were previously appropriated for this project.

#### Other Considerations

As a joint powers school district, EMID 6067 lacks statutory authority to raise revenue on its own, either through local taxes or state aid, to meet this remaining obligation. Since Crosswinds Middle School was funded exclusively through state bonds, it is appropriate to request an additional grant to satisfy the terms and conditions of the court supervised and endorsed settlement agreement on this property matter.

## East Metro Magnet School/Crosswinds Middle School

The total cost of land acquisition is \$4 million. Of that amount, \$3.02 million has been paid to the property owners. As a result of the settlement agreement, the unpaid balance, including interest through 8-31-04 is \$1.064 million.

**Project Contact Person**

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**Governor's Recommendations**

The Governor recommends general obligation bonding of \$1.054 million for this project.

Project cost estimates, as recently provided by the East Metro Integration District, include interest charges accruing through 8/31/04. Approximately \$10,000 of these interest charges could be avoided if the project receives funding in the 2004 session and such funding is made available immediately after enactment of the 2004 bonding bill.



TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	3,103	1,054	0	0	4,157
2. Predesign Fees	0	0	0	0	0
3. Design Fees	1,582	0	0	0	1,582
4. Project Management	1,114	0	0	0	1,114
5. Construction Costs	16,372	0	0	0	16,372
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	629	10	0	0	639
9. Inflation	0	0	0	0	0
<b>TOTAL</b>	<b>22,800</b>	<b>1,064</b>	<b>0</b>	<b>0</b>	<b>23,864</b>

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	22,800	1,064	0	0	23,864
<b>State Funds Subtotal</b>	<b>22,800</b>	<b>1,064</b>	<b>0</b>	<b>0</b>	<b>23,864</b>
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>22,800</b>	<b>1,064</b>	<b>0</b>	<b>0</b>	<b>23,864</b>

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	1,064	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2009

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	40
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	35
Agency Priority	0/25/50/75/100	50
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	0
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	25
<b>Total</b>	700 Maximum	150