Education

Projects Summary

($ in thousands)

Project Title	Rank	Fund	Project Requests for State Funds 2016	2018	2020	Gov's Rec 2016	Gov's Planning Estimates 2018	2020
ISD 38 (Red Lake) Facility Projects	1	GO	28,015	0	0	14,070	0	0
Library Construction Grants	2	GO	2,000	0	0	2,000	2,000	2,000
Total Project Requests			30,015	0	0	16,070	2,000	2,000
General Obligation Bonds (GO) Total			30,015	0	0	16,070	2,000	2,000

http://education.state.mn.us/mde/index.html

AT A GLANCE

MDE Customers and Stakeholders (2013)

- 846,114 pre-K through 12 students
- Over 155,500 children participating in early learning programs
- 53,422 FTE licensed teachers
- 332 school districts and 148 charter schools
- Over 65,000 adult learners

PURPOSE

The mission of the Minnesota Department of Education (MDE) is: "Leading for educational excellence and equity. Every day for every one." 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 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.

The Minnesota Department of Education contributes to the following statewide outcome: **Minnesotans have the education and skills needed to achieve their goals.**

STRATEGIES

To achieve its mission, 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.

E-12 Systems
From a systems approach, 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 measures overall 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 the development of 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 FY15-FY20

The Minnesota Department of Education (MDE) 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 (MDE) 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 (MDE) 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.

Some local libraries are aging facilities that need removal of architectural barriers and renovations/additions to enable all citizens to access the facility and allow local libraries to provide adequate library services. The matching grants for local libraries provide an incentive for local communities to upgrade and 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. MDE staff had discussions internally and externally to determine what funding was most needed.

Major Capital Projects Authorized in 2014 & 2015

- $2.0 million for library construction grants
- $5.491 million for Independent School District (ISD) 38 - kitchen and cafeteria remodels

($ in thousands)

ISD 38 (Red Lake) Facility Projects

AT A GLANCE

2016 Request Amount:	$28,015
Priority Ranking:	1
Project Summary:	$28.015 million in state funds is requested to fund various facility projects in the Red Lake School District (ISD 38). This project also has a local contribution of $66,547.

Project Description

The proposed project includes 3 components:

Priority 1-Red Lake Elementary School and Early Childhood Center ($14,069,560)

1) Connect the Early Childhood Center building to the Elementary School by adding six classrooms and a corridor between the two existing structures ($5,717,280)

2) Renovate existing Music and Art rooms that have been repurposed and are currently being used as regular classrooms ($347,800)

3) Renovate the computer labs and student support areas ($2,316,200)

4) Relocate the special education spaces to reduce unsupervised movement and foster greater collaboration between specialists and classroom teachers ($777,000)

5) Update existing, antiquated mechanical systems to improve efficiency of operations ($1,675,360)

6) Relocate the main entrance to allow the public easier access to the complex, increase building security, and provide for a more cohesive pre-k through grade five complex ($663,040)

7) 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 ($1,380,000)

8) Various site improvements and equipment ($1,192,880)

Priority 2-Red Lake Middle/High School Complex ($11,217,320)

1) Renovate and expanding the Media Center ($2,146,000)

2) Renovate the Industrial Technology/Vocational Educational areas ($1,852,960)

3) Renovate the Physical Education and Fitness areas ($5,730,360)

4) Renovate/replace the old steam boiler plant ($888,000)

5) Upgrade the IAQ to selected portions of the HVAC systems ($600,000)

Priority 3-Ponemah School Complex ($2,728,010)

1) Renovate and expand the Media Center ($1,306,840)

2) Create a safe bus transfer area ($939,060)

3) Create Physical Education fields ($286,750)

4) Purchase various equipment ($195,360)

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.

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

This request has minimal impact on the Department of Education's operating budget. The project will be monitored, payments made and reports submitted by an existing staff member.

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

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Governor's Recommendation

The Governor recommends $14.070 million in general obligation bonds for this request to complete projects at the Red Lake Early Childhood Center and Red Lake Elementary School. The general obligation bond funding will be supplemented by a local contribution from Red Lake school district of approximately $66,000.

($ in thousands)

ISD 38 (Red Lake) Facility Projects

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2016	FY 2018	FY 2020
State Funds Requested				
General Obligation Bonds	$ 5,491	$ 28,015	$ 0	$ 0
Funds Already Committed				
Pending Contributions				
Other Local Government Funds	$ 0	$ 67	$ 0	$ 0
TOTAL	**$ 5,491**	**$ 28,082**	**$ 0**	**$ 0**

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2016	FY 2018	FY 2020
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	$ 27,669	$ 0	$ 0
Relocation Expenses	$ 0	$ 0	$ 0	$ 0
One Percent for Art	$ 0	$ 0	$ 0	$ 0
Occupancy Costs	$ 80	$ 413	$ 0	$ 0
Inflationary Adjustment	$ 0	$ 0	$ 0	$ 0
TOTAL	**$ 5,491**	**$ 28,082**	**$ 0**	**$ 0**

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2016	FY 2018	FY 2020
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	$ 28,015	100 %
User Financing	$ 0	0 %

STATUTORY REQUIREMENTS

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

M.S. 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)	Yes
M.S. 16B.335(3): Predesign Review Required (by Dept. of Administration)	
Does this request include funding for predesign?	No
Has the predesign been submitted to the Department of Administration?	No
Has the predesign been approved by the Department of Administration?	No
M.S. 16B.325(1): Sustainable Building Guidelines Met	N/A
M.S. 16B.325(2) and M.S. 16B.335(4): Energy Conservation Guidelines	
Do the project designs meet the guidelines?	N/A
Does the project demonstrate compliance with the standards?	N/A
M.S. 16B.335(5 & 6): Information Technology Review (by MN.IT)	N/A
M.S. 16A.695: Public Ownership Required	Yes
M.S. 16A.695(2): Use Agreement Required	Yes
M.S. 16A.695(5): Program Funding Review Required (by granting agency)	Yes
M.S. 16A.86 (4b): Matching Funds Required	Yes
M.S. 16A. 642: Project Cancellation in 2021	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

($ in thousands)

Library Construction Grants

AT A GLANCE

2016 Request Amount:	$2,000
Priority Ranking:	2
Project Summary:	$2 million in state funds is requested for the Library Construction Grant program which provides one-to-one matching funds to public libraries for building renovation and accessibility projects, and for the construction of new library buildings under M.S. 134.45. Grant funds help to ensure that public libraries are energy efficient and accessible to all residents, particularly those with disabilities. Library buildings in sixty-one counties have benefited from the program since its inception in 1994.

Project Description

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: 1) remove architectural barriers from a library building or site, 2) remediate conditions hazardous to health and safety, 3) renovate or expand an existing building for use as a library, or 4) construct a new library.

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 M.S. 134.001

Project Rationale

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. The Library Construction Grant program is a valuable resource for cities and counties seeking to improve the capacity of public libraries to meet the needs of residents with disabilities, support energy-efficient building projects that address diverse community goals and ensure that library buildings are well-equipped for the high degree of technology required to deliver quality services in public libraries.

Through 2013, cities and counties have matched each dollar invested by the state with a local contribution of $6.83.

Other Considerations

Public libraries remain a stalwart community resource, offering equitable access to the internet,

books and other resources that support success in school and lifelong learning. 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.

Impact on Agency Operating Budgets

This request has minimal impact on the Department of Education's operating budget. The project is supported by .1 FTE of an existing staff member who administers the grant application, award and reporting processes.

Description of Previous Appropriations

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

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Governor's Recommendation

The Governor recommends $2 million in general obligation bonds for this request. Also included are budget estimates of $2 million for each planning period for 2018 and 2020.

($ in thousands)

Library Construction Grants

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2016	FY 2018	FY 2020
State Funds Requested				
General Obligation Bonds	$ 3,000	$ 2,000	$ 0	$ 0
Funds Already Committed				
Pending Contributions				
TOTAL	**$ 3,000**	**$ 2,000**	**$ 0**	**$ 0**

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2016	FY 2018	FY 2020
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	$ 3,000	$ 2,000	$ 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	**$ 3,000**	**$ 2,000**	**$ 0**	**$ 0**

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2016	FY 2018	FY 2020
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	$ 2,000	100 %
User Financing	$ 0	0 %

STATUTORY REQUIREMENTS

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

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Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
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M.S. 16B.325(2) and M.S. 16B.335(4): Energy Conservation Guidelines	
Do the project designs meet the guidelines?	N/A
Does the project demonstrate compliance with the standards?	N/A
M.S. 16B.335(5 & 6): Information Technology Review (by MN.IT)	N/A
M.S. 16A.695: Public Ownership Required	Yes
M.S. 16A.695(2): Use Agreement Required	Yes
M.S. 16A.695(5): Program Funding Review Required (by granting agency)	Yes
M.S. 16A.86 (4b): Matching Funds Required	Yes
M.S. 16A. 642: Project Cancellation in 2021	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