

Duluth Public Schools Long Range Facilities Plan:

What does the Long Range Facilities Plan do?

The plan provides new or like new educational spaces for all children in the Duluth Public Schools. We go from three high schools to two, four middle schools to two, and eleven elementary schools to nine. It includes building a new Laura MacArthur Elementary, a new school for Lincoln and Piedmont students, a new Lester Park Elementary, and a new middle school on the west side of Duluth. It includes major renovations to make Ordean into the eastern high school, to make Grant into a school for Grant and Nettleton students, and to make East into the eastern middle school and bring Congdon Park up to date. Denfeld will be updated and expanded; Stowe, Lakewood, Homecroft, and Lowell will be upgraded. Check our district website at www.duluth.k12.mn.us, click the link on the home page to access the reports and detailed information associated with this project.

What are the costs associated with the Long Range Facilities Plan?

The \$257 million figure refers to the cost of the project in today's dollars. However, we know the project will take about 5 years to complete, and we know over that period construction costs will increase about 7% each year for a total of about \$36 million. Add \$257 and \$36 million and you get \$293 million.

We're going to borrow money for the project and repay it over a period of 20 years, similar to what people do when they buy a house. When you pay money back you pay interest. Add interest to the \$293 figure over 20 years and you come to \$437 million. So \$437 million is the total principal and interest payments.

The impact on taxpayers remains the same regardless of which number you use to describe the project because we included construction inflation and interest in our calculations. On a home assessed at \$125,100 (the median assessed value of a home in Duluth), the cost would be between \$9 to \$12 a month. We've achieved that figure by offsetting costs by about \$125 million (in 2007 dollars) through operational savings, property sales and use of alternative funding sources, to reduce the impact on taxpayers. Operational savings provide \$5.3 million each year over 20 years, at least 60% of which would be put back in the project to put us in the \$9 to \$12 range. The final figure depends on how much of the operational savings associated with the project goes into programs and how much is put back into the project, which will be determined by the school board. The more operational savings we put in over 60% the closer we get to \$9 per month.

This is a good time to get the project done because we're in a period of historically low interest rates and by borrowing money now we can lock in the low rate for 20 years. Construction costs continue to increase and as such, delays in implementing the plan increase the total cost of the project. Construction cost inflation is about \$50,000 per day. Moving forward with the plan immediately allows construction to begin in the spring or summer of 2008. Waiting means we lose the ability to begin construction until late 2008, and that construction is impacted by winter and reduces the amount we can get done.

How did the community take part in creating the Long Range Facilities Plan?

Over a 15-month period, we ran an open process that shared information with the public and encouraged ongoing public input through meetings, email, phone, letters, and other communication venues. We conducted focus groups, met with over 120 community

organizations, held twelve communitywide meetings, provided information for over 250 stories in all manner of media, and used direct mail to reach tens of thousands of taxpayers. After taking all that into consideration, we conducted a professional public opinion survey as an additional source of data.

Who conducted the professional public opinion survey for the Long Range Facilities Plan?

Decision Resources, Ltd., a full-service market and survey research firm incorporated in 1983. They serve clients across the nation in the private, public and political sectors. The company includes forty full-time and part-time employees, and the main principals of the firm possess extensive backgrounds in survey research, statistical methods, marketing, public affairs, campaigns and elections. William D. Morris, President, brings more than 20 years of experience as a survey researcher and holds a Ph.D. in Public Policy Analysis from Carnegie-Mellon University, with an emphasis on statistics and mathematical modeling. Recent and current clients include Hopkins Public Schools, Anoka-Hennepin Public Schools, Osseo Area Public Schools, Minnetonka Public Schools, Edina Public Schools, Elk River Public Schools, Foley Public Schools, Burnsville Public Schools, Rockford Public Schools, St. Paul Public Schools, Robbinsdale Area Public Schools, South Washington County Public Schools and many others.

What is the earliest construction could begin on the long-range facilities plan?

Updating of newer schools like Lowell, Stowe and Lakewood could begin as early as spring/summer of 2008.

When will students start to be significantly impacted by construction?

The earliest major changes such as building new schools or consolidating schools would occur in the fall of 2009 and the entire long range facilities plan will take from 5-6 years to implement. Changes to high schools will occur toward the end of the project.

When will the discussion about programming in the new schools take place?

It's already started within the district through staff committees studying the elementary, middle and high school days. We'll run a process similar to that used for the Long Range Facilities Plan to generate community discussion and input regarding programs.

How can the community get involved in that discussion?

As with the Long Range Facilities planning process, we'll share information through the media, our website, community meetings, mailings, newsletters and other communication venues. People will be encouraged to share their advice and considerations via community meetings, email, phone, fax and regular mail, among others. The process will begin later this fall.

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