

**The Commissioner of the Department of Education  
Review and Comment on the School Construction  
Proposal of Buffalo-Hanover-Montrose Public School District, ISD #0887-01**

**Description of Proposed School Construction Project**

Buffalo-Hanover-Montrose Public School District, ISD #0877-01 is proposing a single-question bond referendum on November 7, 2023 that would authorize \$41.5 million in bonding authority to finance districtwide facility improvements. Most of the proposed projects focus on HVAC upgrades and classroom renovations. Other proposed projects include: electrical locks, secure entrances at the middle and high school, deferred maintenance projects at the high school, playground surface improvements at the elementary schools and districtwide furniture/equipment upgrades.

The projects would be scheduled for completion in calendar years 2024 and 2025. Cost estimates by location/project type are as follows:

<b>Montrose Elementary</b>		<b>Hanover Elementary</b>	
Classroom Renovations	\$299,046	HVAC Upgrades	\$1,685,000
HVAC Upgrades	\$160,000	Classroom Renovations	\$299,046
	<b>\$459,046</b>	Electric Locks	\$10,000
		<b>\$1,994,046</b>	
<b>Parkside Elementary</b>		<b>Tatanka Elementary</b>	
Classroom Renovations	\$299,046	Classroom Renovations	\$299,046
Electric Locks	\$10,000	HVAC Upgrades	\$185,000
	<b>\$309,046</b>	<b>\$484,046</b>	
<b>Discovery Elementary</b>		<b>Northwinds Elementary</b>	
HVAC Upgrades	\$3,600,000	Classroom Renovations	\$299,046
Classroom Renovations	\$299,046	Electric Locks	\$40,000
	<b>\$3,899,046</b>	<b>\$339,046</b>	
<b>Middle School</b>		<b>High School</b>	
HVAC Upgrades	\$7,010,900	HVAC Upgrades	\$2,200,000
Classroom Renovations	\$1,531,008	Auditorium Upgrades	\$1,855,000
Secure Entrance	\$1,370,250	Roof Replacement	\$1,750,000
Electric Locks	\$10,000	Secure Entrance	\$1,410,560
	<b>\$9,922,158</b>	Classroom Renovations	\$1,129,200
<b>Districtwide Costs</b>		Shower Upgrades	\$400,500
FF&E / Technology	\$5,350,000	Electric Locks	\$90,000
Playground Surfacing	\$1,019,200		<b>\$8,835,260</b>
Contingencies	\$4,847,709		
Fees, Permits & Testing	\$3,870,597		
Bond Issuance	\$170,800	<b>Total Project Cost Estimate</b>	<b>\$41,500,000</b>
	<b>\$15,258,306</b>		

The district is projecting a continued decline in enrollment over the next five years and loses a significant number of students to open enrollment. During the 2022-23 school year, 850 resident students open enrolled out of the district and 338 students open enrolled into the district; a net loss of 512 students. Most of the open enrollees out of the districts went to the following school districts: St. Michael-Albertville, Rockford or Delano.

The proposed projects do not include any significant building additions and the proposed HVAC upgrades will likely result in lower operational costs. The proposed project appears to be in the long-term interest of the school district.

If the bond referendum is successful and bonds are sold, the debt service on the bonds will be eligible for debt service equalization under Minnesota Statutes, section 123B.53, subdivision 3, if the bond schedule is approved. The amount of debt service equalization aid, if any, the district receives is determined annually and is dependent upon property wealth, student population, and other statutory requirements.

**Review and Comment Statement**

Based on the department's analysis of the school district's required documentation and other pertinent information from sources of the Minnesota Department of Education, the Commissioner of Education provides a positive review and comment.

**Additional Information is Available**

Persons desiring additional information regarding this proposal should contact the school district superintendent's office.



Willie L. Jett II  
Commissioner

September 6, 2023