



September 11, 2025

John Magas, Superintendent
Duluth Public Schools – 0709-01
215 N. 1st Avenue East
Duluth, MN 55802

Dear Superintendent Magas:

Duluth is seeking to fund the remodeling project using Minnesota Statutes, section 126C.40 which requires a review and comment to be eligible for funding. The review and comment statute Minnesota Statutes, section 123B.71, requires a review and comment statement on the educational and economic advisability of your proposed school construction project. Information supplied by your school district and from Minnesota Department of Education sources is the basis of this review and comment. With this positive review and comment, Duluth Public School District, Independent School District #0709-01, to proceed with the proposed projects under which are eligible for funding under Minnesota Statutes, section 126C.40, subdivision 6 (1). Please see page 3 and 4 for financial breakout and funding determinations related to the positive review and comment.

Minnesota Statutes section 126C.40 subdivision 9 states: ***the school board must discuss the commissioner's determination of a review and comment, and the district's approve achievement and integration plan findings at a regular or special school board meeting within 45 days of the commissioner's determination.*** The department may request a copy of the board minutes to ensure compliance.

Minnesota Statutes, section 123B.71, requires the commissioner to include comments from residents of the school district in the review and comment. As of the date of this letter, no public comments have been received.

Minnesota Statutes, section 123B.71, ***requires that a school district, prior to occupying a new or renovated facility after July 1, 2002, must submit a certification prepared by a system inspector to the commissioner and the building code official that will provide an occupancy permit.*** The certification must verify that the facility's installed or modified heating, ventilation, and air conditioning system operates according to design specifications and code, a system for monitoring outdoor airflow and total airflow of ventilation systems has been installed, and any installed or modified heating, ventilation, or air conditioning system provides an indoor air quality filtration system that meets ASHRAE (American Society of Heating, Refrigerating and Air-Conditioning Engineers) Standard 52.1.

If you have any questions, please contact Daley Lehmann, Assistant Director – School Finance, at 651-582-8817 or daley.lehmann@state.mn.us. Thank you for working with us to improve school facilities for Minnesota students.

Sincerely,

A handwritten signature in black ink, appearing to read 'Willie L. Jett II'.

Willie L. Jett II
Commissioner

cc: Kelly Durick Eder, School Board Chair

Enclosure

**The Commissioner of the Department of Education
Review and Comment on the School Construction
Proposal of Duluth Public School District, ISD #0709-01**

A review and comment must be provided on a school district construction project proposal before the district conducts a referendum, solicits bids, or issues bonds for the project. A project proposal has been submitted for review and comment according to requirements set forth in Minnesota Statutes, section 123B.71, subdivisions 9 and 10, and Minnesota Statutes, section 123B.72. The district provides the following information:

1. The geographic area and population to be served:
 - a. preschool through grade 12 student enrollment for the past five years, and
 - b. student enrollment projections for the next five years.
2. A list of existing school facilities:
 - a. by year constructed,
 - b. their uses, and
 - c. an assessment of the extent to which alternate facilities are available within school district boundaries and in adjacent school districts.
3. A list of specific deficiencies of the facility:
 - a. demonstrating the need for a new or renovated facility to be provided,
 - b. the process used to determine the deficiencies,
 - c. a list of those deficiencies that will and will not be addressed by the proposed projects,
 - d. a list of specific benefits that the new or renovated facility will provide to students, teachers, and community users served by the facility.
4. A description of the project, including:
 - a. specifications of site and outdoor space acreage,
 - b. square footage allocations for classrooms, laboratories and support spaces,
 - c. estimated expenditures for major portions of the project,
 - d. estimated changes in facility operating costs, and
 - e. dates the project will begin and be completed.
5. A specification of the source of project financing, including:
 - a. applicable statutory citations,
 - b. the scheduled date for a bond issue or school board action,
 - c. a schedule of payments, including debt service equalization aid, and
 - d. the effect of a bond issue on local property taxes by property class and valuation.
6. Documentation obligating the school district and contractors to comply with the following items:
 - a. Minnesota Statutes, section 471.345 governing municipal contracts,
 - b. sustainable design,
 - c. school facility commissioning under Minnesota Statutes, section 123B.72, certifying the plans and designs for heating, ventilating, air conditioning and air filtration for an extensively renovated or new facility meet or exceed current code standards, including ASHRAE air filtration Standard 52.1,
 - d. American National Standards Institute (ANSI) acoustical performance criteria, design requirements and guidelines for schools on maximum background noise levels and reverberation times,
 - e. state fire code,
 - f. chapter 326B governing building codes, and
 - g. consultation with affected government units about the impact of the project on utilities, roads, sewers, sidewalks, retention ponds, school bus and automobile traffic, access to mass transit and safe access for pedestrians and cyclists.

Description of Proposed School Construction Project

Duluth School District, Independent School District #0709-01 is proposing the use of funding authority under Minnesota Statutes 126C.40 Subdivision 6 (1) for the purpose of remodeling a building located at 424 W. 1st St. Duluth, MN. The remodeling will create space for the following programs: STEPS, T-12/Bridge Special Education, District Wide Staff, ECSE, Early Childhood, District Testing/Screening, Community Education, ALC/AEO – Middle School and High School, and Adult Education.

Minnesota Statutes 126C.40 Subdivision 6 (1) states “...Independent School District No. 709, Duluth...if the district’s achievement and integration plan has been determined by the commissioner to be in compliance with Department of Education rules relating to equality of education opportunity and where the acquisition, as defined in section 475.51, Subdivision 7, of property under this subdivision is approved in the form and manner prescribed by the commissioner to contribute to the implementation of the approved achievement and integration plan...”.

On July 18th, 2025, the Department of Education approved the district’s amended achievement and integration plan to add additional strategies for family engagement and increasing attendance and engagement for students enrolled in ALC programming. Specifically, Duluth amended their Family Engagement Program Strategy #5 to add a Welcome Center which would include preschool classes, preschool screening, ALC and AEO centers and other miscellaneous programming. The district also amended Career and College Readiness and Rigorous Coursework Strategy #6 to increase access to the districts Area Learning Center (ALC) programming.

The proposed funding source for the project is 20-year Certificates of Participation (COPs). The initial cost of the proposed issuance will be \$13,400,000. If the project was approved in whole, the district would annually levy about \$1,070,000, beginning with the Payable 2027 levy. The full cost of the COPs over a twenty-year period will be \$21,366,000.

There are several remodeling projects that are not included in the achievement and integration plan eligibility. The district has provided a detailed cost of each program area remodel, but some project costs are ineligible for funding under Minnesota Statutes 126C.40 subdivision 6. The district must segregate the eligible and ineligible costs when issuing the COPs and only include the eligible portion of the debt service on the annual levy. The district will need to determine other funding sources for the ineligible portion of the project.

	Budget	Construction Costs	Other Costs	Eligible?	Total Eligible	Total Ineligible
Permits	117,895		X	Prorated*	86,098	31,797
Fees/Services Budgets	1,992,530		X	Prorated*	1,455,133	537,397
Early Childhood	1,028,569	X		Yes	1,028,569	
Screening	554,263	X		Yes	554,263	
Central Enrollment	133,049	X		Yes	133,049	
Community Education	95,949	X		Yes	95,949	
Audiologist	33,582	X		No		33,582
District Testing/Screening	45,416	X		Yes	45,416	
Families in Transition	74,200	X		Yes	74,200	
ECSE	686,992	X		No		686,992
ALC	4,565,873	X		Yes	4,565,873	
Bridge	659,806	X		Yes	659,806	
Steps	671,640	X		Yes	671,640	
DAE	2,170,677	X		No		2,170,677
Misc Demo	85,233		X	Prorated*	62,245	22,988
Construction Contingency	500,000		X	Prorated*	365,147	134,853
Total Cost	13,415,674				9,797,388	3,618,286

*Prorated based on total construction costs eligible vs ineligible total

MINNESOTA DEPARTMENT OF EDUCATION

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Construction Costs	Budget	Percentage
Ineligible	2,891,251	27.0%
Eligible	7,828,765	73.0%
Other Costs	2,695,658	
Other Costs Ineligible	727,035	
Other Costs Eligible	1,968,623	
Other Costs Total	2,695,658	
Total Ineligible	3,618,286	27.0%
Total Eligible	9,797,388	73.0%
Total Cost	13,415,674	


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.

Although the project has received a positive review and comment, some parts of the project are ineligible for funding under Minnesota Statutes 126C.40, subdivision 6. The district may issue the COPs for the project but only include the portion of the debt service related to the eligible projects on the annual property tax levy. The Department of Education will need documentation for the full COP issuance and then the portion of the COP related to eligible projects for levy purposes.

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 11, 2025