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Superintendent Jay Belcastro

There has been a lot going on with the Lake Superior School District building project recently. As I shared earlier, the project budgets were hit hard by the inflated costs of building materials as well as contractor costs. The district took action to reduce costs by changing designs as well as reducing the size of certain projects. These changes allowed the district to enter into contracts with contractors.

I also reported earlier that the Lake Superior School District was not the only district negatively affected by inflation. In fact, there are 14 others statewide that have experienced financial challenges.

This group of districts that passed building projects in November of 2021 formed a coalition, hired a lobbyist firm (Fredrickson & Byron), and have been politically active. The group has been active in St. Paul during the 2023 legislative session.

State Senator Hauschild (SF2615) and State Representative Howard (HF2917) have authored bills to assist with overages tied to inflation. HF2917 & SF2615 would:

- Provide \$125,000,000 in appropriations from the bond proceeds fund to cover the remaining costs of the voter-approved building projects.
- Create an application process for grants overseen by the commissioner of education.
- Districts would be eligible for grants no higher than the difference between the amount allowed under their respective referendum question and the amount required to complete their projects as determined by bids they have obtained.

If these bills pass, districts would bring projects back to their original plans. For the Lake Superior School District, this would include:

- Completing the locker room renovations at William Kelley School.

- Secure additional outdoor space at the Minnehaha to create a safe bus zone, create more staff parking, and provide additional outdoor play space for students.
- Renovate the District Bus Garages in Two Harbors and Silver Bay.
- Complete the LED lighting project at Two Harbors High School.

Currently, these projects have been removed from the project scope to balance the budget. These projects were selected due to the overall costs as well as when the improvement was scheduled. All were scheduled for the second year of construction.

I am hopeful the district can secure additional funding while fulfilling the commitments made to the voters of Lake County. I have explained to state legislators that receiving additional tax authority is not the answer. I was very clear leading up to the vote these improvements would be levy neutral. Simply having the authority to tax more runs counter to the district's messaging.

I am appreciative of the support from our state representatives. Senator Grant Hauschild has met with me, toured the schools, and understands the financial implications of inflation. Representative Roger Skraba and Representative Zelenznikar have also taken the time to meet with me to discuss the financial concerns.

As the session comes to a close in late May, the Lake Superior School District along with 14 other rural school districts will learn if state funds will be available. I am optimistic that the state will assist us.

Please let me know if you have any questions or if you would like to further discuss the building projects. I am always available for a phone call or a cup of coffee.

Sincerely;

A handwritten signature in black ink, appearing to read "Jay Belcastro". The signature is stylized with a large loop and a horizontal stroke.

Jay Belcastro
Superintendent
Lake Superior School District