

Cass Lake-Bena Schools

Independent School District # 115



Sue Chase
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March 27, 2024

Dear Members of the Minnesota State Senate,

As elected officials representing Cass Lake-Bena Public Schools, we want to thank you for hearing Senate File 4350 which would make our construction project -- a new elementary school and a remodel on the existing elementary to house other programs -- eligible for sales tax exemption/rebate. We cannot overestimate the importance of SF4350 and the companion house bill (HF4381) for our district's project.

A large portion of the property within ISD 115 boundaries is non-taxable. This includes land owned by the Chippewa National Forest, the Leech Lake Band of Ojibwe, and other federal entities. When a referendum is proposed, the tax impact on the remaining property owners is at a significantly higher percentage than other districts of our size. In the fall of 2022, the community voted to authorize bond sales to fund construction of a new elementary and to remodel the existing elementary to house Area Learning Center (ALC) programs, two Federal Setting 4 Special Education programs, the Early Childhood program (EC/School Readiness/VPK/ECFE/ECSE), the Leech Lake Area Boys and Girls Club, district office services and other community-based programs.

The existing elementary was built in the mid-1960s, with some additions/remodels done in the mid-1990s. The building is structurally sound, however, has been home to Pre-K 4 programming, and the needed remodeling to convert to young adult services is extensive. The budget from the bond sales for this remodel was originally \$550,000. This would include converting two sets of bathrooms to suit older students and putting in secure doors/entrances. We know that whenever a remodel project of older buildings begins, deficiencies are uncovered that were not originally known -- things like the presence of moisture, or mold, or faulty wiring, or asbestos. The buildings' technology infrastructure also needs updates to handle the greater amount of technology use that happens with older students. We also know that our taxpayers are at their limits in terms of what can be tolerated.

The ALC and Boys and Girls Club of Leech Lake programs have been operating in the district's oldest building, where ventilation is substandard; where there are frequently infestations of box-elder beetles and the occasional mouse; where asbestos tile and wrapped pipes exist; where each room has a window air conditioner that is inefficient; where wind rattles and blows through windows; and where the furniture is from the 1960s. We wish to provide the ALC students and staff, our Special Education students and staff, and the Boys and Girls Club students and staff the more modern, healthy and safe environment they deserve. The recapture of sales tax through the Cass Lake-Bena Independent School District refundable exemption provision for construction materials for certain projects as outlined in SF4350 would allow the district to truly modernize the existing elementary building prior to it housing these important programs, rather

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than the minimal work that the budget originally allowed, without asking our taxpayers for additional help.

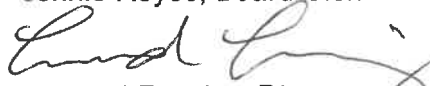
Our overall budget is \$43,453,430. The construction budget, less 'soft costs' is \$35,405,149. Of the construction budget, 40% of costs are taxable materials (\$14,162,059); by our calculations, this could result in a bit over \$1 million in sales taxes. Being able to apply that dollar amount now, while we are actively working with contractors, would allow us to accomplish more with the same amount of money, saving on additional mobilization costs and inflationary costs.


Thank you again for considering Senate File 4350. Thank you to Senator Green for sponsoring this bill.

Sincerely,



Millie Baird, Board Chair


Jennie Reyes, Board Clerk


Leonard Fineday, Director


Jolyn Donnell, Board Treasurer


Dave Yates, Board Vice Chair


Terri Finn-Goggeley, Director

Jamie Mitchell, Director
