



Saint Paul Public Schools

Special Meeting

Tuesday, December 5, 2017 6:00 PM

**SAINT PAUL PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 625**

BOARD OF EDUCATION



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Director



ADMINISTRATION
Dr. Joe Gothard
Superintendent

BOARD OF EDUCATION COMMITTEES

Committee of the Board – Zuki Ellis, Vice Chair

SPPS VISION STATEMENT

Imagine every student
Inspired, challenged, and cared for by exceptional educators
Imagine your family
Welcomed, respected, and valued by exceptional schools
Imagine our community
United, strengthened, and prepared for an exceptional future
Saint Paul Public Schools: Where imagination meets destination

MISSION of the Saint Paul Public Schools – PREMIER EDUCATION FOR ALL

Long-Range Goals Adopted by the Board:

HIGH ACHIEVEMENT

Learners will meet the highest district and state standards through a learning journey that is academically rich and rigorous.

MEANINGFUL CONNECTIONS

Learners will understand the relationship between their lives and the lives of others, and the relevance of their educational experiences to their roles in society.

RESPECTFUL ENVIRONMENT

The learning environment will be safe, nurturing and equitable for our diverse learners.

**INDEPENDENT SCHOOL DISTRICT NO. 625
Saint Paul, Minnesota
SPECIAL MEETING OF THE BOARD OF EDUCATION
Administration Building
360 Colborne Street**

**December 5, 2017
6:00 PM**

A G E N D A

- I. CALL TO ORDER**
- II. ROLL CALL**
- III. APPROVAL OF THE ORDER OF THE MAIN AGENDA**
- IV. OLD BUSINESS**
 - A. Administration Presentation on the Pay18 Levy
- V. PUBLIC HEARING**
- VI. ADJOURNMENT**



Public Hearing on Proposed Pay18 Levy

Board of Education

Marie Schrul
Chief Financial Officer
December 5, 2017



Purpose



- State statute requires all local governments (cities, counties and school districts) to hold a public hearing prior to finalizing their levy authority and allow for public comment
- The hearing must follow the release of the proposed tax notices from the county (mailed on November 11 this year)
- The notice provides information on estimated taxes as well as market value and other homestead adjustments



The Basics



- School levy authority is established in law
- School budgets are a combination of state, federal and local funding, including the voter approved referendum
- Unlike cities and counties, Pay18 school levy funds the 2018-2019 school year
- Levies are approximately 20% of SPPS budget
- Districts receive payments after the May and October County collections
- Levy can only move down after October 1



Why Do School Boards Levy?

- To provide revenue that funds the cost of staff (salary and benefits), OPEB & pension obligations, debt service, facilities projects including: health and safety, maintenance, and new construction, community education programs and other expenses
- Schools can only levy what is authorized by law



Factors Impacting St. Paul Levy



- Overall estimated market values are up 9.8% from prior year and may reach 2008 levels
- Double digit increases for a number of commercial, industrial and apartment properties
- Residential more moderate—areas of higher increases: Thomas/Dale, North End, Greater East Side, West 7th
- School portion of fiscal disparities aid increasing \$449,739 or 1.4%
- Changes to St. Paul Right of Way (ROW)/Street maintenance program



Factors Impacting School Levies



- Changes in pupil counts
- Legislative changes to education formulas
- Referendum inflationary increase
- Pension contribution changes required by law
- OPEB obligations
- Employment changes that drive severance and unemployment levies
- Capital bonding, refunding of bonds, abatements, long term maintenance, health and safety projects, lease costs

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SPPS Levy Categories



- **Operating:** general levies that support school functions, including referendum, integration, operating capital, career/tech, transition, safe schools and abatement adjustments
- **Pension/Other Post Employment Benefits (OPEB)/Contractual Obligations**
- **Facilities:** includes health and safety, deferred maintenance, new construction and abatements
- **Community Service:** community education programs, learning readiness, after school, ECFE

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Proposed Pay18 Levy



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Levy Category	Certified Pay 17 Levy	Proposed Pay18 Levy	Difference
Operating	\$47,134,881	\$50,250,404	\$3,115,523
Pension/OPEB/Contractual	37,545,435	38,930,211	1,384,775
Facilities	59,983,176	62,657,568	2,674,392
Community Service	<u>3,406,163</u>	<u>3,626,763</u>	<u>220,600</u>
Total – All Levy Categories	\$148,069,656	\$155,464,946	\$7,395,290
Percent Change			4.99%

Pay 18 Final MDE Levy data as of 11/21/17



Estimated Annual Property Tax Impact Home from 2017 to 2018



Assuming a 0% Increase in Market Value

Home Estimated Market Value	Estimated change at 4.0% Ceiling	Estimated change at Max Levy 4.99%
\$75,000	\$ (14.17)	\$ (9.92)
100,000	(22.08)	(15.30)
173,900	(45.79)	(31.46)
200,000	(54.19)	(37.19)
300,000	(86.30)	(59.06)
400,000	(118.41)	(80.94)
500,000	(148.42)	(101.44)

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Source: Ramsey County
 Median home market value is \$173,900
 12/5/17



Estimated Annual Property Tax Impact Home from 2017 to 2018 Assuming a 7.7% Increase in Market Value

Home Estimated Market Value	Estimated change at 4.0% Ceiling	Estimated change at Max Levy 4.99%
\$75,000	\$ 6.23	\$ 10.48
100,000	19.37	26.15
173,900	22.11	40.44
200,000	28.86	45.86
300,000	38.20	65.44
400,000	47.68	85.15
500,000	22.90	69.88

Source: Ramsey County
 Median home market value is \$173,900
 12/5/17



Estimated Annual Property Tax Impact Commercial/Industrial from 2017 to 2018



Assuming a 17.5% Increase in Market Value

Commercial/ Industrial Estimated Market Value	Estimated change at 4.0% Ceiling	Estimated change at Max Levy 4.99%
200,000	\$ (5.00)	\$ 15.64
466,750*	(24.17)	30.27
500,000	(26.67)	31.84
1,000,000	(62.63)	58.99

Source: Ramsey County

*Median commercial/industrial market value is \$466,750



Pay 18 Levy Calendar



	Date	Action
X	August-early September	District submits levy information to MDE
X	September 8	MDE provides preliminary calculations
X	September 12	COB discusses Pay18 levy
X	September 19	BOE sets ceiling for Pay18 levy
X	September 25	JPTAC (Joint Property Tax Advisory Committee) adopts joint advisory joint levy resolution
X	September 30	SPPS provides Pay18 levy ceiling data to Ramsey County and MDE. Cities and Counties also certify by this date.
X	October 1 – November 10	Ramsey County calculates taxes and prepares tax statements
X	November 11 – November 23	Ramsey County mails tax statements
	December 5	TNT Public Hearing at 6:00 pm & COB meeting
	December 19	BOE certifies Pay18 levy
	December 31	SPPS certifies Pay18 levy to Ramsey County

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Board of Education Hears from the Public

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