

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

**December 2, 2014
6:00 PM**

A G E N D A

- I. CALL TO ORDER OF PUBLIC HEARING ON PAY 15 LEVY**
- II. ROLL CALL**
- III. APPROVAL OF THE ORDER OF THE AGENDA**
- IV. OLD BUSINESS**
 - A. Administrative Presentation on the Pay 15 Levy
- V. PUBLIC HEARING**
- VI. ADJOURNMENT**

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Public Hearing on Proposed Pay15 Levy

Board of Education

Marie Schrul

Chief Financial Officer

December 2, 2014



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 14 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
- Pay15 school levy funds the 2015-2016 school year



Pay 15 Levy Process



	Date	Action
✓	September 9	COB discusses Pay15 levy
✓	September 11	MDE provides preliminary calculations
✓	September 16	COB discusses Pay15 levy calculations
✓	September 23	BOE sets ceiling for Pay15 levy
✓	September 29	JPTAC (Joint Property Tax Advisory Committee) adopts joint levy
✓	September 30	SPPS provides Pay15 levy ceiling data to Ramsey County and MDE
✓	October 1 – November 15	Ramsey County calculates taxes and prepares tax statements
✓	November 14	Ramsey County mails tax statements
	December 2	SPPS holds public hearing
	December 16	BOE certifies Pay15 levy
	December 31	SPPS certifies Pay15 levy to Ramsey County

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Pay15 Levy Proposal



	Certified Pay14	Pay15 Levy Ceiling	Difference
General Fund Levy	\$91,272,110	\$96,574,604	\$5,302,494
Community Service Levy	\$3,457,227	\$3,435,950	(\$21,277)
Debt Service Levy	\$40,327,197	\$36,396,560	(\$3,930,637)
Total – All Levies	\$135,056,534	\$136,407,114	\$1,350,580
Percent Change			1.0%



Q&A Review

Why do school boards levy?

- To provide revenues that help fund cost of staff (salary and benefits), school supplies, utilities, OPEB, health and safety projects and other expenses
- Schools can only levy what is authorized by law



Q&A Review

What factors impact school levies?

- Changes in state formulas for funding schools
- Equalization factors
- State changes to pension contributions
- Selling bonds
- Enrollment



Q&A Review

Why is the school board proposing a 1% increase in the levy?

- Costs continue to rise for the district
- 6 • Second year of phase in of Alternative Facilities “Pay As You Go” levy
- OPEB costs are increasing
- Statutory increases for pension contributions



Q&A Review



Assuming no increase in market value, what is the tax impact of the 1% levy increase proposal?

Home Estimated Market Value	Pay 2014 ISD 625 Property Taxes	Estimated Pay 2015 ISD 625 Property Taxes	Estimated Change in School Tax
75,000	312.81	296.01	(16.80)
100,000	472.19	444.60	(27.59)
145,000 [median]	762.63	715.29	(47.34)
200,000	1,118.13	1,046.60	(71.53)
300,000	1,764.07	1,648.60	(115.47)
400,000	2,410.01	2,250.6	(159.41)
500,000	3,019.52	2,819.60	(199.92)

This information is prepared by Ramsey County, Property Records and Revenue



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Recommendation

The Pay15 levy of \$136,407,114 supports:

- The continuation of Strong Schools, Strong Communities 2.0 strategic plan of Achievement, Alignment and Sustainability
- Continued referendum commitments
- Reduction of long term debt
- Maintaining high bond ratings
- Compliance with federal and state obligations

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Board of Education Hears from the Public

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