

**INDEPENDENT SCHOOL DISTRICT NO. 625  
Saint Paul, Minnesota  
SPECIAL MEETING OF THE BOARD OF EDUCATION  
Administration Building  
360 Colborne Street  
Saint Paul, Minnesota 55102**

**September 29, 2023  
11:00 AM**

**A G E N D A**

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **APPROVAL OF THE ORDER OF THE MAIN AGENDA**
4. **2024-2025 SCHOOL YEAR PRELIMINARY PROPERTY TAX LEXY  
CERTIFICATION** **2**
5. **ADJOURNMENT**

#BoldSubject#

**INDEPENDENT SCHOOL DISTRICT NO. 625  
BOARD OF EDUCATION  
SAINT PAUL PUBLIC SCHOOLS**

**DATE:** September 29, 2023

**TOPIC:** 2024-2025 School Year Preliminary Property Tax Levy Certification

**A. PERTINENT FACTS:**

1. Attached is the preliminary levy certification from the Minnesota Department of Education. The notices of proposed property taxes will be sent to taxpayers in November.
2. On an annual basis, Minnesota school districts are required to certify the district preliminary property tax levy on later than September 30.
3. The School Board will discuss the levy and budget at the School Board meeting on Tuesday, December 5th, and is scheduled to adopt the final property tax levy at the December 19th meeting.
4. The recommendation is for the School Board to set the Pay 24 levy at the maximum allowable amount to accommodate any adjustments that might occur before the final levy is certified in December 2023.
5. The information shared tonight is presented by Jim Grathwol, Legislative Liaison, and Tom Sager Executive Chief of Financial Services.

**B. RECOMMENDATION:**

The Administration recommends that the School Board take action to certify the maximum allowable levy for taxes payable in 2024 as presented and recommends the School Board to set the required annual Truth in Taxation Hearing date for Tuesday December 5, 2023 at 6:00 PM.



**Saint Paul**  
PUBLIC SCHOOLS

# Levy Presentation

Jim Grathwol, Legislative Liaison and Tom Sager, Executive Chief of Financial Services

September 29, 2023

# Today's Purpose

- Provide 23 Pay 24 annual levy background
- Adopt Maximum Allowable Levy and Set Truth in Taxation Hearing Date
- Provide Levy Schedule

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# The Basics

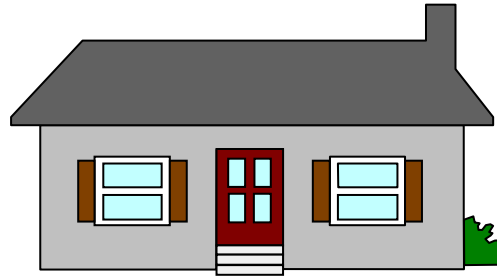
- School levy authority is established in law
- Pay 24 school levy funds are for the 2024-2025 school year
- Local property taxes account for approximately 20% of SPPS budget

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# Who Determines Your Property Tax?

## State Legislature

- Sets Property Tax Policy
- Establishes Property Classes & Class Rates
- Determines Levels of State Aid
- Sets School Formulas
- Underfunded Mandates to Local Governments
- Levies State Business Tax



## Property Tax

## Taxing Jurisdictions

- Determines Levy Amount

## County Assessor

- Determines Market Value
- Assigns Property Class

# Major Factors Impacting Property Taxes

- Property tax levies from City, County, and School District.
- Any additional money available to reduce the local tax burden, such as credits, State aids, fiscal disparity distribution.
- The home's market value relative to other homes or compared to other types of property.
- Other increases to the tax base that are not the result of inflationary or deflationary changes to the values of individual properties, such as:
  - New construction
  - Property going from exempt to taxable
  - Decertified tax increment financing districts
- Legislative changes

# Factors Impacting School Levies

- Changes in tax base
- Number of students served
- Approved inflationary increases to referendums
- Pension contribution changes required by law and 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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# Major Levy Categories

- **General Operating** –fund school operations, including referendum, integration, transition, operating, career tech
- **Pension/OPEB/Contractual**—retiree health insurance, pensions, severance, unemployment
- **Facilities**, includes debt service for bonds, lease levy, health and safety, long term facilities maintenance
- **Community Service**, includes community ed, ECFE, adult handicap disabled

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# Levy Recap

Levy Category	Certified Pay 23 Levy	SPPS Proposed Pay 24 Levy	Difference
General Operating	\$78,737,396	\$80,853,752	\$2,480,356
Pension/OPEB/Contractual	\$38,005,327	\$37,882,242	\$(123,085)
Facilities	\$81,042,617	\$82,400,063	\$1,357,446 <sub>10</sub>
Community Service	\$3,610,908	\$3,375,073	\$(235,835)
<b>Total – All Levy Categories</b>	<b>\$201,032,248</b>	<b>\$204,511,130</b>	<b>\$3,478,882</b>
<b>Percent Change</b>			<b>1.73%</b>

# SPPS's Five Year Trend For Annual Property Tax Levy

- In the past five levy cycles, the SPPS total levy has increased on average 2.9 percent per year.
- The Consumer Price Index (Inflation) for this same period has averaged 4.9 percent per year.

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# Property Taxes as a Percent of General Fund

School System	General Fund Revenue from Property Taxes
State Wide	16.11%
South Washington County	23.88%
Rosemount Apple Valley Eagan	23.39%
Minneapolis	21.45%
Saint Paul	19.75%
Anoka Hennepin	18.33%
Centennial	17.38%

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Source: Minnesota Department of Educational Financial Profiles - 2022

# Debt Service Tax Revenue Per Student

School System	Debt Service Revenue per Pupil Served
State Wide	\$1,447
Minneapolis	\$2,995
South Washington County	\$1,724
Saint Paul	\$1,479
Centennial	\$1,469
Rosemount Apple Valley Eagan	\$610
Anoka Hennepin	\$401

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Source: Minnesota Department of Educational Financial Profiles - 2022

# MDE's Calculations...

The levy amounts presented today may be different than the amount presented at Truth and Taxation on December 5th at 6:00pm.

Why?

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MDE continues a detail review to ensure accuracy in the levy system:

- Adjustments from prior Levy Cycles
- Adjustments as we prepare for Audit (CTE, Integration, etc.)
- Adjustments submitted by Ramsey County

# Pay 24 Levy Calendar

Date	Action
X	August-early September District submits levy information to MDE
X	September 8 Preliminary run by MDE
X	September 28th JPTAC Meeting
X	September 29th Special Board Meeting to Authorize Pay24 Levy
	October 1 Submit data to Ramsey County and MDE. Cities and Counties also certify by this date. <span style="float: right;">15</span>
	October 1 – November 10 Ramsey County calculates taxes and prepares tax statements
	November 12 Anticipated Ramsey County mailing of tax statements
	December 5 Proposed Date for Public Truth in Tazation Hearing
	December 19 BOE certifies Pay 24 levy
	December 30 SPPS certifies Pay24 levy to Ramsey County

# Tonight's Requested Action

- Set the date for the Truth in Taxation and Budget Hearing for December 5 at 6:00 p.m. (COB meeting that evening)
- Approve the maximum amount authorized by MDE for the 23 Pay 24 property tax levy.
- This will provide the District with the greatest flexibility as MDE makes adjustments ahead of the final certification in December.

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# Thank you

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I. COMPUTATION OF 2023 PAYABLE 2024 LEVY LIMITATION BY FUND (BEFORE COUNTY AUDITOR ADJUSTMENTS):

FUND	INITIAL LEVY LIMITATION	LIMITATION ADJUSTMENTS	ABATEMENT ADJUSTMENTS	OFFSET ADJUSTMENTS	TAC/MAX EFF ADJUSTMENT	MAXIMUM LEVY LIMITATION
GEN-RMV VOTER-EXEMP	37,824,585.24	899,331.63	N/A			38,723,916.87
GEN-RMV OTHER-EXEMP	31,438,562.77	1,777,923.61-	N/A			29,660,639.16
GEN-NTC VOTER-EXEMP			N/A			
GEN-NTC OTHER-GENED	N/A	N/A	N/A			
GEN-NTC OTHER-EXEMP	73,034,684.59	5,060,836.98-	1,136,679.34	N/A		69,110,526.95
TOTAL GENERAL	142,297,832.60	5,939,428.96-	1,136,679.34			137,495,082.98
COM SERV-EXEMP	3,385,341.81	43,333.63-	33,065.09			3,375,073.27
DEBT-VOTER-NONEXEMP	64,077,309.27	885,023.62-	448,688.33			63,640,973.98
DEBT-OTHER-NONEXEMP	64,077,309.27	885,023.62-	448,688.33			63,640,973.98
TOTAL DEBT SERV	64,077,309.27	885,023.62-	448,688.33			63,640,973.98
OPB-VOTER-NONEXEMP						
OPB-OTHER-NONEXEMP						
TOTAL OPB/PENSTON						
TOTAL	209,760,483.68	6,867,786.21-	1,618,432.76			204,511,130.23

II. COMPARISON OF 2022 PAYABLE 2023 LEVY LIMITATION WITH 2023 PAYABLE 2024 LEVY LIMITATION (BEFORE COUNTY AUDITOR ADJUSTMENTS):

FUND	2022 PAY 2023 LIMITATION	2023 PAY 2024 LIMITATION	INCREASE (DECREASE)	PERCENT CHANGE
GENERAL	144,890,504.02	137,495,082.98	7,395,421.04-	5.10-
COMMUNITY SERVICE	3,610,907.95	3,375,073.27	235,834.68-	6.53-
GENERAL DEBT SERVICE	52,530,836.17	63,640,973.98	11,110,137.81	21.15
OPB DEBT SERVICE				
TOTAL	201,032,248.14	204,511,130.23	3,478,882.09	1.73

III. COMPARISON OF 2022 PAYABLE 2023 CERTIFIED LEVY PLUS COUNTY AUDITOR ADJUSTMENTS WITH 2023 PAYABLE 2024 CERTIFIED LEVY PLUS COUNTY AUDITOR ADJUSTMENTS:

FUND	2022 PAY 2023 CERTIFIED LEVY + ADJUSTMENTS	2023 PAY 2024 CERTIFIED LEVY + ADJUSTMENTS	INCREASE (DECREASE)	PERCENT CHANGE
GENERAL	144,890,504.02	144,890,504.02		
COMMUNITY SERVICE	3,610,907.95	3,610,907.95		
GENERAL DEBT SERVICE	52,530,836.17	52,530,836.17		
OPB DEBT SERVICE				
TOTAL AFTER ADJUSTMENTS	201,032,248.14	201,032,248.14		

Minnesota Department of Education  
 Levy Limitation and Certification Report  
 2023 Payable 2024

District Number-Type: 0625-01  
 District Name: Saint Paul Public Schools  
 Home County: RAMSEY

Date Printed: 9/27/23  
 Limits Updated: 9/27/23  
 Proposed Submitted: 9/27/23

	LIMIT	PROPOSED
<b>SUBTOTALS BY LEVY CATEGORY</b>		
GENERAL - RMV VOTER	<p>The School Board has voted to certify the MAXIMUM levy authority.</p> <p>After October 1st, the county auditor should consult the Minnesota Department of Education (MDE) website for the district's current levy limitation and use this amount for the Truth in Taxation notices.</p>	19
GENERAL - RMV OTHER		
GENERAL - NTC VOTER		
GENERAL - NTC OTHER		
COMMUNITY SERVICE - NTC OTHER		
GENERAL DEBT - NTC VOTER		
GENERAL DEBT - NTC OTHER		
OPEB DEBT - NTC VOTER		
OPEB DEBT - NTC OTHER		
<b>SUBTOTALS BY FUND</b>		
GENERAL FUND	<p>If there is a change to the district's levy limitation after October 1st, the county will be notified by MDE via email. Before finalizing tax computations for the Truth in Taxation notices, counties should double check the MDE website to be sure no changes have been made to the district's levy limitation that the county is not already aware of through this email process.</p>	
COMMUNITY SERVICES FUND		
GENERAL DEBT SERVICE FUND		
OPEB/PENSION DEBT SERVICE FUND		
<b>SUBTOTALS BY TAX BASE</b>		
REFERENDUM MARKET VALUE		
NET TAX CAPACITY		
<b>SUBTOTALS BY TRUTH IN TAXATION CATEGORY</b>		
VOTER APPROVED		
OTHER		
<b>TOTAL LEVY</b>		
TOTAL LEVY		

The school district must submit the completed original of this form to the home county auditor by September 30, 2023. A duplicate form must be submitted to Minnesota Department of Education, School Finance Division, 400 NE Stinson Blvd., Minneapolis, MN 55413, by October 7, 2023.

The certified levy listed above is the levy voted by the school board for taxes payable in 2024.

Signature of School Board Clerk \_\_\_\_\_

Date of Certification \_\_\_\_\_