

**INDEPENDENT SCHOOL DISTRICT NO. 625
Saint Paul, Minnesota
SPECIAL MEETING OF THE BOARD OF EDUCATION
360 Colborne & Online at <https://spps.eduvision.tv/LiveEvents>
360 Colborne Street
Saint Paul, Minnesota 55102**

**December 6, 2022
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. PAY23 LEVY: PRESENTATION OF PROPOSAL**
- V. PUBLIC TESTIMONY**
- VI. ADJOURNMENT**

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#BoldSubject#



Saint Paul
PUBLIC SCHOOLS

Truth in Taxation Hearing Pay23 Levy Information

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Special Meeting of the Board of Education
December 6, 2022

Tom Sager, Executive Chief of Financial Services

The Basics

- School levy authority is established in law
- Unlike cities and counties, the proposed school levy funds the 2023-24 school year; the budget will be adopted in June 2023
- Most districts certify what Minnesota Department of Education (MDE) authorizes in September
- Levy can only go down after October 1
- Levies contribute to approximately 22% of SPPS (Saint Paul Public Schools) budget
- School districts are required to include budget information in the Truth in Taxation meeting

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Division of School Finance
400 NE Stinson Blvd.
Minneapolis, MN 55413

District Revenues and Expenditures Budget for Fiscal Year (FY) 2022 and FY 2023

ED-00110-45

General Information: Minnesota Statutes 2021, section 123B.10, requires that every school board shall publish the subject data of this report.

District Name: Saint Paul Public Schools						District Number: 0625	
Fund	FY 2022 Beginning Fund Balances	FY 2022 Actual Revenues and Transfers In	FY 2022 Actual Expenditures and Transfers Out	June 30, 2022 Actual Fund Balances	FY 2023 Budget Revenues and Transfers In	FY 2023 Budget Expenditures and Transfers Out	June 30, 2023 Projected Fund Balances
General Fund/Restricted	\$ 4,409,076	\$ 128,268,783	\$ 126,904,981	\$ 5,772,878	\$ 123,930,224	\$ 122,371,054	\$ 7,332,048
General Fund/Other	\$ 72,031,486	\$ 605,164,687	\$ 569,819,864	\$ 107,376,309	\$ 595,298,700	\$ 596,857,870	\$ 105,817,139
Food Service Fund	\$ 15,623,835	\$ 33,522,012	\$ 36,080,685	\$ 13,065,162	\$ 30,519,035	\$ 33,405,175	\$ 10,179,022
Community Service Fund	\$ 5,984,675	\$ 31,037,827	\$ 26,698,563	\$ 10,323,939	\$ 30,684,954	\$ 30,687,841	\$ 10,321,052
Building Construction Fund	\$ 89,744,139	\$ 63,275,195	\$ 29,937,053	\$ 123,082,281	\$ 71,000,000	\$ 73,752,699	\$ 120,329,582
Debt Service Fund	\$ 43,704,507	\$ 61,419,614	\$ 59,765,374	\$ 45,358,747	\$ 50,946,515	\$ 51,953,103	\$ 44,352,159
Trust Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Internal Service Fund	\$ 2,088,566			\$ 2,856,889			\$ -
* OPEB Revocable Trust Fund	\$ 51,900,848	\$ (3,924,420)	\$ 254,291	\$ 47,722,137	\$ -	\$ -	\$ 47,722,137
OPEB Irrevocable Trust Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
OPEB Debt Service Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total - All Funds	\$ 285,487,132	\$ 918,763,698	\$ 849,460,811	\$ 355,558,342	\$ 902,379,428	\$ 909,027,742	\$ 346,053,139
Long-Term Debt		Current Statutory Operating Debt per Minnesota Statutes 2021, section 123B.81					
Outstanding July 1, 2021	\$ 561,223,536	Amount of General Fund Deficit, if any, in excess of 2.5% of expenditures 06/30/2022					
Plus: New Issues	\$ 66,785,000						
Less: Redeemed Issues	\$ 42,463,536	Cost per student - Average Daily Membership (ADM) 06/30/2022					
Outstanding June 30, 2022	\$ 585,545,000						
Short-Term Debt		Total Operating Expenditures					
Certificates of Indebtedness	\$ -	FY 2022 Total ADM Served + Tuitioned Out ADM + Adjusted Extended ADM					
Other Short-Term Indebtedness	\$ -	FY 2022 Operating Cost per ADM					

The complete budget may be inspected upon request to the superintendent.

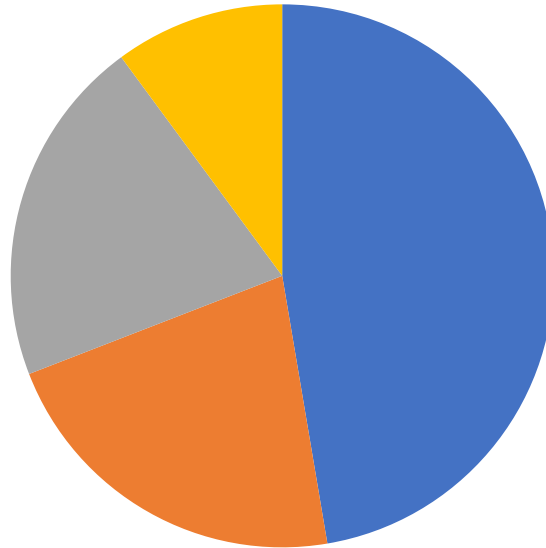
Comments:

Preliminary as of November 30, 2022

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All Funds: Revenue by Source

Total Budgeted 2022-23 Revenues: \$902,379,428

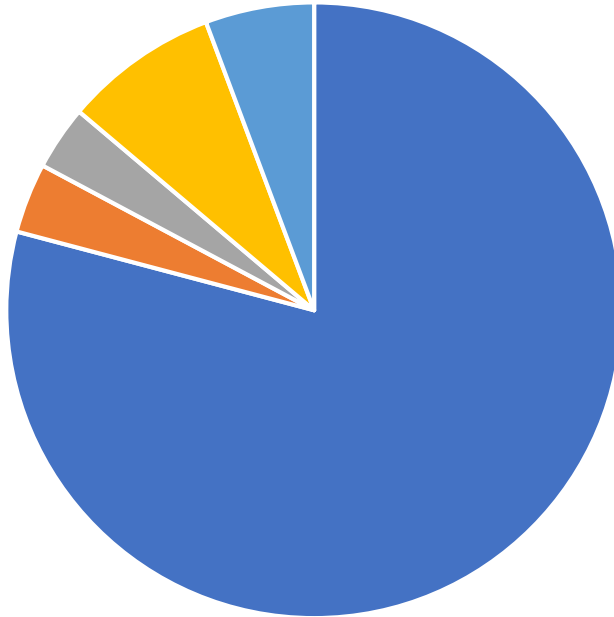


- State Aid 47%
- Property Tax 22%
- Federal Aid 21%
- Other Revenue 10%

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All Funds: Expenditure by Fund

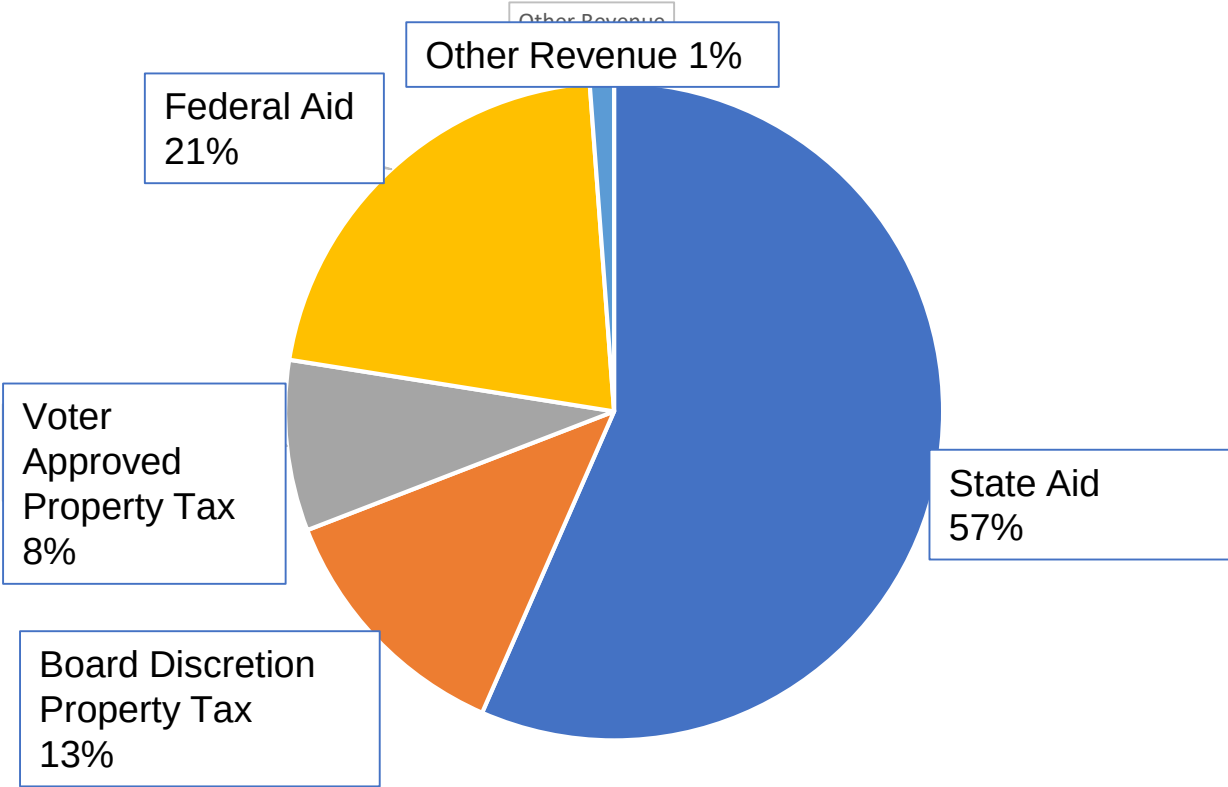
Total Budgeted 2022-23 Expenditures \$909,027,742



- General Fund 79%
- Food Service 4%
- Community Service 3%
- Building Construction 8%
- Debt Service 6%

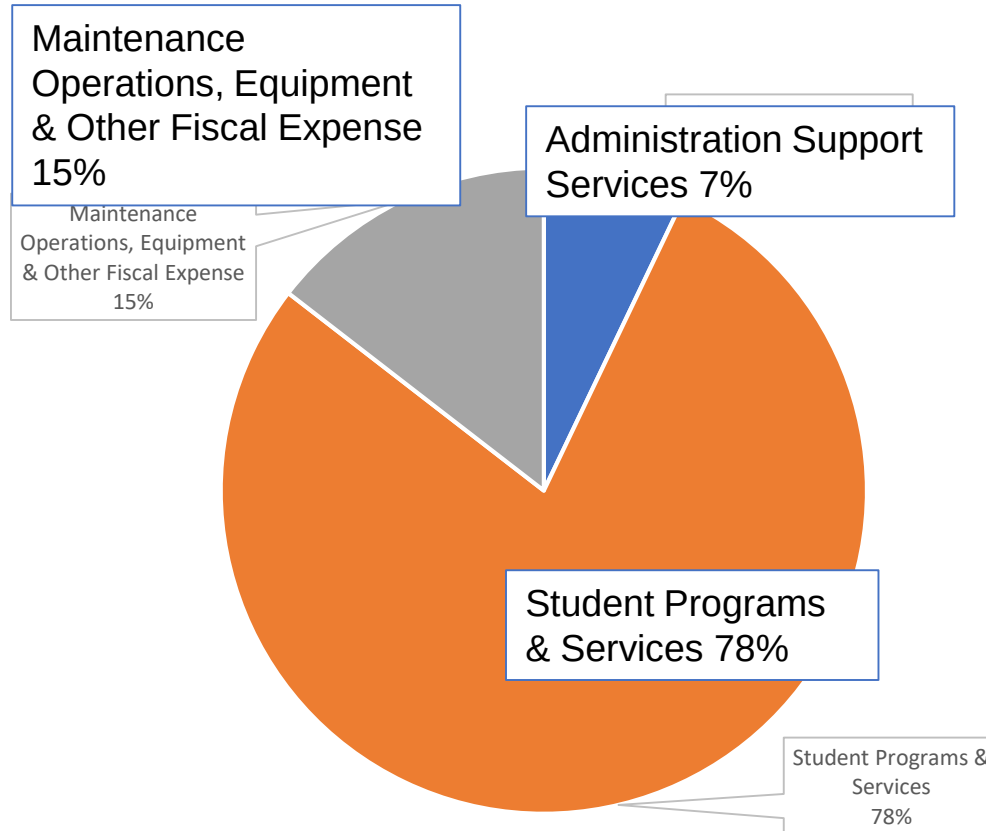
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2022-23 General Fund Revenue Sources \$719,228,924



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2022-23 General Fund Expenditures \$719,228,924



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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

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Major Factors Impacting Property Taxes

- Is the property tax levy going up, down or staying the same?
- Is there additional money available to reduce the local tax burden?
 - State aids or fiscal disparity distribution
- How is a home's market value changing relative to other homes or compared to other types of property?
- Are there increases to the tax base that are not the result of inflationary or deflationary changes to the values of individual properties?
 - New construction
 - Property going from exempt to taxable
 - Decertified tax increment financing districts
- Are there legislative changes?

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Factors Impacting St. Paul Levy

- Overall St. Paul's aggregate changes to 2022 assessed values are up 11.76%
- SunRay, Battle Creek, Greater East Side, Dayton's Bluff, Payne/Phalen, Thomas Dale, Summit University, Hamline-Midway are all areas with higher increases in residential market values
- Fiscal disparities aid is going down slightly

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Factors Impacting School Levies

- Changes in tax base – an increase often results in less state equalization aid
- Approved inflationary increases to referendums
- Pension contribution changes required by law
- Other post employment 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

- **Operating** - fund school operations, including referendum, integration, transition, operating, career tech
- **Pension/Other Post Employment Benefits (OPEB)/ Contractual** - retiree health insurance, pensions, severance, ¹³ unemployment
- **Facilities** - includes debt service for bond, lease levy, health and safety, long term facilities maintenance
- **Community Service** - includes community education, Early Childhood Family Education (ECFE), adult handicap disabled

Levy Recap

Levy Category	Certified Pay22 Levy	SPPS Proposed Pay23 Levy Ceiling	Difference
Operating	\$80,169,761	\$78,373,396	\$(1,796,365)
Pension/OPEB/Contractual	44,246,698	38,005,327	(6,241,371)
Facilities	74,297,022	81,042,617	6,745,595
Community Service	<u>4,074,564</u>	<u>3,610,908</u>	<u>(463,656)</u>
Total – All Levy Categories	\$202,788,045	\$201,032,248	\$(1,755,797)
Percent Change			(0.87)%

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Estimated Annual Property Tax Impact | Home from 2022 to 2023

(assuming a 16% increase in market value)

Pay 2022 Estimated Home Market Value	Pay 2023 Estimated Home Market Value	Estimated Change at -0.87% Ceiling
\$ 79,500	\$92,220	\$31
106,000	122,960	38
228,700	266,300	76
318,000	368,880	94
424,000	491,840	102
530,000	614,800	195

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Source: Ramsey County

Median home market value is \$266,300

Estimated Annual Property Tax Impact | Apartment from 2022 to 2023

(assuming a 14% increase in market value)

Pay 2022 Estimated Apartment Market Value	Pay 2023 Estimated Apartment Market Value	Estimated Change at -0.87 % Ceiling
\$ 498,000	\$567,720	\$95
1,025,300	1,127,550	(41)
1,494,000	1,703,160	286
1,992,000	2,270,880	380

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Source: Ramsey County

Median apartment market value is \$1,127,550

Estimated Annual Property Tax Impact | Commercial/Industrial from 2022 to 2023

(assuming a 4% increase in market value)

Pay 2022 Estimated Commercial/Industrial Market Value	Pay 2023 Estimated Commercial/Industrial Market Value	Estimated Change at -0.87% Ceiling
\$ 201,600	\$209,664	\$(68)
480,400	500,900	(173)
504,000	524,160	(190)
1,008,000	1,048,320	(394)

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Source: Ramsey County

Median commercial/industrial market value is \$500,900

Pay 23 Levy Calendar

	Date	Action
X	August-early September	District submits levy information to MDE
X	September ?	Preliminary run by MDE
X	September 28th	JPTAC (Joint Property Tax Advisory Committee) Meeting – adopts joint levy
X	September 28th	Special Board Meeting to Authorize Pay23 Levy 18
X	October 1	Submit 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 12	Anticipated Ramsey County mailing of tax statements
	December 6	Date for Public Hearing
	December 13	Board of Education (BOE) certifies Pay23 levy
	December 30	SPPS certifies Pay23 levy to Ramsey County



Truth in Taxation Hearing

Thank you