

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

**December 7, 2021
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. PAY22 LEVY: PRESENTATION OF PROPOSAL**
- V. PUBLIC TESTIMONY**
- VI. ADJOURNMENT**

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#BoldSubject#



Public Hearing Proposed Pay22 Levy

Board of Education Meeting
Marie Schrul, Chief Financial Officer
December 7, 2021

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 tax³ notices from the county
- The notice provides information on estimated taxes as well as market value and other homestead adjustments



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Levy Basics and Impacts

The Levy Basics

- School levy authority is established in law
- School budgets are a combination of state, federal and local funding, including the voter approved referendum
- The Pay22 school levy funds the 2022-23 school year⁵
- Levies contribute to approximately 22% of SPPS budget
- Districts receive payments after the May and October collections from the County
- Levy can only move down after October 1

Why Do School Boards Levy?

- To provide revenue that funds the operating costs for the school district which include: staff (salary and benefits), Other Post Employment Benefits & 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

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Factors Impacting 2022 School Levies

- Changes in tax base – increases often result in less state aid
- Legislative changes to education formulas
- Referendum inflationary increase
- Pension contribution changes required by law
- OPEB (other post employment benefit) obligations
- Employment changes that drive severance and unemployment levies
- Capital bonding, refunding of bonds, abatements, long term facilities maintenance (LTFM), health and safety projects

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Factors Impacting the 2022 St. Paul Levy

- Overall, St. Paul's estimated market values are up 3.8% from the prior year, with values now \$6.6 billion above the Pay 2008 Peak
- Dayton's Bluff, Payne-Phalen, Greater East Side, Sunray-Battle Creek and North End are areas with higher increases in residential market values
- School district fiscal disparities aid increased by 4.25%, or \$1,650,477

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

Source: Ramsey County



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Proposed Levy

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, abatements, debt service
- **Community Service:** community education programs, Early Childhood Family Education (ECFE), School Age Care

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Proposed Pay22 Levy

Levy Category	Certified Pay21 Levy	SPPS Proposed Pay22 Levy	Difference
Operating	\$74,575,918.38	\$80,169,761.20	\$5,593,842.82
Pension/OPEB/Contractual	43,190,748.07	44,246,697.80	1,055,949.73
Facilities	74,609,060.94	74,297,022.16	(312,038.78) ¹²
Community Service	<u>4,212,526.87</u>	<u>4,074,563.87</u>	<u>(137,963.00)</u>
Total - All Levy Categories	\$196,588,254.26	\$202,788,045.03	\$6,199,790.77
Percent Change			3.15%

Estimated Annual Property Tax Impact | Home from 2021 to 2022

(assuming a 6.0% increase in market value)

Pay 2021 Estimated Home Market Value	Pay 2022 Estimated Home Market Value	Estimated Change at 1.0%	Estimated Change at 2.0%	Estimated Change at 3.15%
\$75,000	\$ 79,500	\$22	\$25	\$29
\$100,000	106,000	\$29	\$34	\$40
\$215,800	228,700	\$53	\$67	\$83
\$300,000	318,000	\$71	\$91	\$115
\$400,000	424,000	\$88	\$116	\$149
\$500,000	530,000	\$130	\$166	\$207

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Source: Ramsey County
Median home market value is \$228,700

Estimated Annual Property Tax Impact | Commercial/Industrial from 2021 to 2022

(assuming a 0.8% decrease in market value)

Pay 2021 Estimated Commercial/Industrial Market Value	Pay 2022 Estimated Commercial/Industrial Market Value	Estimated Change at 1.0%	Estimated Change at 2.0%	Estimated Change at 3.15%
\$200,000	\$198,400	(\$86)	(\$72)	(\$56)
\$486,600	483,000	(\$241)	(\$202)	(\$157)
\$500,000	496,000	(\$250)	(\$210)	(\$163)
\$1,000,000	992,000	(\$523)	(\$439)	(\$343)

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Source: Ramsey County
Median commercial/industrial market value is \$483,000

Estimated Annual Property Tax Impact | Apartment from 2021 to 2022 (assuming a 0.4% increase in market value)

Pay 2021 Estimated Commercial/Industrial Market Value	Pay 2022 Estimated Commercial/Industrial Market Value	Estimated Change at 1.0%	Estimated Change at 2.0%	Estimated Change at 3.15%
\$700,000	\$ 702,800	(\$99)	(\$41)	\$27
\$1,024,000	\$1,028,100	(\$145)	(\$59)	\$39
\$1,500,000	\$1,506,000	(\$212)	(\$87)	\$58
\$2,000,000	\$2,008,000	(\$283)	(\$116)	\$77

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Source: Ramsey County
Median commercial/industrial market value is \$1,028,100

Pay22 Levy Calendar

	Date	Action
X	August-early September	District submits levy information to MDE
X	September 8	MDE provides preliminary calculations
X	September 14	COB Meeting - School Finance & Levy 101
X	September 21	BOE Meeting - Pay22 Levy Update
X	September 27	JPTAC (Joint Property Tax Advisory Committee) adopts joint advisory joint levy resolution
X	September 27	Special BOE Meeting - BOE sets ceiling for Pay22 levy
X	September 30	SPPS provides Pay22 levy ceiling data to Ramsey County and MDE
X	Beginning October 1	Ramsey County calculates taxes and prepares tax statements
X	November 10 – 24	Ramsey County mails tax statements
X	December 7	TNT Hearing - SPPS holds truth in taxation hearing (note: COB meeting that evening)
	December 14	BOE meeting - BOE certifies Pay22 levy
	December 28	SPPS certifies Pay22 levy to Ramsey County

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Board of Education Hears from the Public