

**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**

**September 27, 2021
4:30 PM**

A G E N D A

- I. CALL TO ORDER**
- II. ROLL CALL**
- III. APPROVAL OF THE ORDER OF THE MAIN AGENDA**
- IV. PROPOSED PAY22 LEVY**
- V. ADJOURNMENT**

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#BoldSubject#



Saint Paul
PUBLIC SCHOOLS

Proposed Pay22 Levy

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Special Board of Education Meeting

Marie Schrul, Chief Financial Officer

September 27, 2021

Purpose

- To certify the proposed Pay22 Levy ceiling

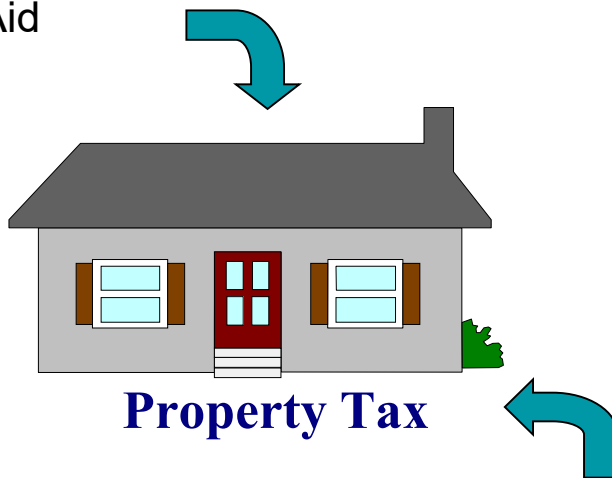
The Levy Basics

- School levy authority is established in law
- School budgets are a combination of state, federal and local funding, including the voter approved referendum
- Pay22 school levy funds the 2022-23 school year⁴
- Districts receive payments after the May and October collections from the County
- Levy can only move down after October 1

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



Taxing Jurisdictions

- Determines Levy Amount

County Assessor

- Determines Market Value
- Assigns Property Class

Source: Ramsey County

September – “Setting the Ceiling”

- The Board of Education must certify a levy “ceiling” or “maximum” amount that the District can levy for
- Based on calculations provided by the Minnesota Department of Education(MDE) early to mid-September ⁶
- Must be certified by September 30 and provided to Ramsey County and MDE
- Levy can only move down after October 1

Planning Assumptions (staff estimates)

- All figures in this report are based on Administration's best estimates, using the statutory authorized amounts
- The Minnesota Department of Education (MDE) provided updated Pay22 levy calculations on September 24, 2021,
- MDE may continue to make adjustments to the SPPS numbers through September

Factors Impacting 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 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

Proposed Pay22 Levy Ceiling

Levy Category	Certified Pay21 Levy	SPPS Proposed Pay22 Levy Ceiling	Difference
Operating	\$74,575,918	\$80,169,761	\$5,593,843
Pension/OPEB/Contractual	43,190,748	44,246,698	1,055,950
Facilities	74,609,061	74,297,022	(312,039) ¹⁰
Community Service	<u>4,212,527</u>	<u>4,074,564</u>	<u>(137,963)</u>
Total - All Levy Categories	\$196,588,254	\$202,788,045	\$6,199,791
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% Ceiling	Estimated Change at 2.0% Ceiling	Estimated Change at 3.0% Ceiling
\$75,000	\$ 79,500	\$13	\$25	\$28
\$100,000	106,000	\$18	\$34	\$39
\$215,800	228,700	\$34	\$65	\$79
\$300,000	318,000	\$47	\$89	\$109
\$400,000	424,000	\$57	\$113	\$141
\$500,000	530,000	\$93	\$162	\$197

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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% increase in market value)

Pay 2021 Estimated Commercial/Industrial Market Value	Pay 2022 Estimated Commercial/Industrial Market Value	Estimated Change at 1.0% Ceiling	Estimated Change at 2.0% Ceiling	Estimated Change at 3.0% Ceiling
\$200,000	\$ 201,600	(\$66)	(\$51)	(\$37)
\$479,200	483,000	(\$190)	(\$151)	(\$112)
\$500,000	504,000	(\$199)	(\$158)	(\$117)
\$1,000,000	1,008,000	(\$420)	(\$335)	(\$250)

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

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
	September 30	SPPS provides Pay22 levy ceiling data to Ramsey County and MDE
	Beginning October 1	Ramsey County calculates taxes and prepares tax statements
	November 10 – 24	Ramsey County mails tax statements
	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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Requested BOE Action

- To certify the Proposed Pay22 Levy ceiling as maximum
- To certify the date for the Taxation and Budget Hearing for December 7th at 6:00 p.m. (COB meeting that evening)

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Questions?