

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

**November 12, 2019
5:00 PM**

A G E N D A

I. CALL TO ORDER

A. Introductions

II. AGENDA

A. Superintendent's Announcements

B. SEAB Report

C. Pay20 Levy Update

1. Introduction

2. Presentation

3. Discussion

4. Action (TBD)

D. Report on Council of the Great City Schools Annual Fall Conference

1. Introduction

2. Presentation

3. Discussion

4. Action (TBD)

III. ADJOURNMENT



Pay20 Levy Update

Committee of the Board

Marie Schrul, Chief Financial Officer

November 12, 2019

Purpose

To provide an update on the Pay20 Levy and final steps in the certification process and how it relates to FY2020-21 budget planning

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Levy Basics and Impacts

School 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
- Pay20 school levy funds the 2020-21 school year
- Districts receive payments after the May and October collections from the County
- Levy can only move down after October 1

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Factors Impacting School Levies

- Changes in tax base (increases often result in less state aid for equalized formulas)
- Legislative changes to education formulas
- Referendum inflationary increase
- ● Pension contribution changes required by law
- Other Post Employment Benefits (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

Factors Impacting the St. Paul Levy

- Overall, St. Paul's estimated market values and tax capacity are up 6.4%, values well above the Pay 2008 peak
- Market values are increasing in the double digits for 35% of homes, 40% of apartments, and 37% of commercial/industrial properties
- Thomas-Dale/Frogstown, Dayton's Bluff, Payne/Phalen, North End, and West Seventh are all areas with higher increases in residential market values
- City, County and School portion of fiscal disparities aid increased. District increased by \$6.13 million.



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Proposed Levy

Pay20 Levy Ceiling Set at 9/24/19 BOE

Levy Category	Certified Pay19 Levy	SPPS Proposed Pay20 Levy Ceiling	Difference
Operating	\$ 71,112,468.34	\$71,690,324.75	\$577,856.41
6 Pension/OPEB/Contractual	39,544,457.62	37,860,071.32	(1,684,386.30)
Facilities	64,258,911.32	74,393,597.20	10,134,685.88
Community Service	<u>3,779,160.32</u>	<u>3,685,753.77</u>	<u>(93,406.55)</u>
Total - All Levy Categories	\$ 178,694,997.60	\$187,629,747.04	\$8,934,749.44
Percent Change			5.0%

Estimated Annual Property Tax Impact | Home from 2019 to 2020 (assuming a 0% increase in market value)

Estimated Home Market Value	Estimated Change at 5.0%
\$ 75,000	(\$19.46)
100,000	(25.07)
199,800	(47.28)
300,000	(69.57)
400,000	(91.84)
500,000	(114.67)

Source: Ramsey County
Median home market value is \$199,800

Estimated Annual Property Tax Impact | Home from 2019 to 2020 (assuming a 7.3% increase in market value)

Estimated Home Market Value	Estimated Change at 5.0%
\$ 75,000	\$2.67
100,000	16.99
199,800	36.10
300,000	55.86
400,000	75.29
500,000	79.23

Source: Ramsey County
Median home market value is \$199,800

Estimated Annual Property Tax Impact | Commercial/Industrial from 2019 to 2020 (assuming a 6.0% increase in market value)

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Estimated Commercial/Industrial Market Value	Estimated Change at 5.0%
\$ 200,000	(\$52.07)
500,000	(135.00)
525,000	(142.05)
1,000,000	(273.68)

Source: Ramsey County

*Median commercial/industrial market value is \$525,000

What Happens Next?

- **November**

- 12th: Ramsey County mails tax statements

- **December**

- 3rd: Truth in Taxation Hearing
- 17th: Board of Education certifies final Pay20 levy
 - The certification sets approximately 20% of the revenue for the FY2020-21 budget (July 1, 2020 – June 30, 2021)

Pay20 Levy Calendar

	Date	Action
X	August-early September	District submits levy information to MN Department of Education (MDE)
X	September 6	MDE provides preliminary calculations
X	September 10	COB Meeting: Finance and Levy 101 Work-session
X	September 17	BOE Meeting: Present proposed Pay20 Levy
X	September 23	JPTAC (Joint Property Tax Advisory Committee) adopts joint advisory joint levy resolution
14 X	September 24	SPPS sets Pay20 levy ceiling at special BOE
X	October 1	SPPS provides Pay20 levy ceiling 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 3	Public Hearing on Proposed Tax Levy
	December 17	BOE meeting to certify the Pay20 levy
	December 30	SPPS certifies Pay20 levy to Ramsey County

After Pay20 Levy Certification:

- Planning for upcoming bond and Certificates of Participation sales in January 2020
- Continue to monitor District's enrollment projections as levy revenue is calculated based on this data
- Continue planning for FY2020-21 budget (FY21 budget process is highlighted next)

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New FY21 Budget Process Architecture

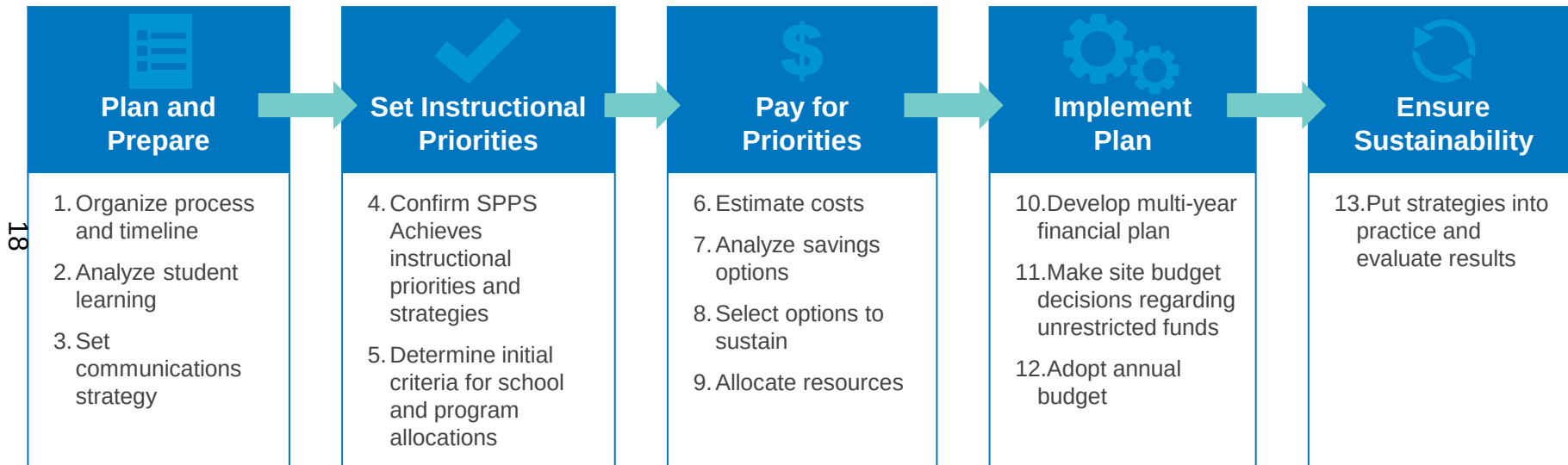
- Adopted from Government Finance Officers Association best practices
 - [Smarter School Spending](#)
- Partnership between Academics, Programs, and Finance to develop a budget supporting the SPPS Strategic Plan

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Coming Together to Inform the FY21 Budget



SPPS Budget Process for FY21





Questions?