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

September 11, 2018
4:30 PM

A G E N D A

I. **CALL TO ORDER**
   A. Introductions
II. **AGENDA**
   A. Superintendent's Announcements
   B. 5 Essentials for Improvement Update
      1. Introduction
      2. Presentation 2
      3. Discussion
   C. Budget Process
      1. Introduction
      2. Presentation 12
      3. Discussion
   D. Proposed Pay 19 Levy
      1. Introduction
      2. Presentation 17
      3. Discussion
III. **ADJOURNMENT**
IV. **WORK SESSION**
   A. Update on the Work of Board and SEAB

5Essentials for Improvement Update

Committee of the Board - September 11, 2018

Andrew Collins Stacey Gray Akyea Kate Wilcox-Harris

Purpose

Provide an overview of the 5Essentials:

- Description
- Implementation
- Application

Description

The 5Essentials Survey is a research-based diagnostic tool **designed to identify a school's strengths and areas of opportunity** on the five essential factors that drive school improvement. 5Essentials Leadership Development builds leadership team capacity to improve the practices that are critical to driving school improvement



The survey has been administered to more than 5 million students, teachers, and parents



School improvement framework built from research on organizational factors that matter most in promoting improvement



Analyzed at scale across the state of Illinois and used by nearly 6000 schools

Key Research Findings

10x vs. **<10%**

More likely to improve student outcomes if strong on three or more Essentials than schools weak on three or more

Chance of improving student outcomes over time when a sustained weakness exists

5Essentials Framework

Ambitious Instruction
Classes are challenging and engaging

Effective Leaders
Principals and teachers implement a shared vision for success

Collaborative Teachers
Teachers collaborate to promote professional growth

Involved Families
The entire staff builds strong external relationships

Supportive Environment
The school is safe, demanding, and supportive



Example Elementary School

Elementary School (K/PK-8)
123 Main Street, Anytown, OH 44111

5Essentials Survey | Parent Survey



For 2016, Example Elementary is well-organized for improvement

The overall performance score is comprised of each of the 5Essential scores. Schools that are at or above benchmark on 3 or more essentials are 10 times more likely to improve than schools that are below the benchmark.

About the Survey

THE 5ESSENTIALS

How is Example Elementary performing in each of the 5Essentials?

ALL MEASURES

How is Example Elementary performing across all measures?

Implementation in SPPS

- Six years of 5Essentials data: 2013-2018
- Initiated in context of previous SPPS “Principal Survey”
- Addition of supplemental items requested by SPPS
- Survey participants: Teachers, Staff/Support
- Timing of Survey Administration: Release of Results
- Surveying students in grades 4 & 5
- Leadership changes over the six-year grant

Application: Principal Coaching

One Essential - Deep Dive

Example: Instructional Leadership - Support and feedback

- Provides me with *useful feedback* to improve my teaching?
- Provides me with the *support* I need to improve my teaching?

What do we mean by this?

Next Steps

- Implement in 2018-19 as owners of the tool
- Explore how to use the tool in additional relevant ways
- Determine association between being “well organized for improvement” and the increase in long-term student outcomes



Saint Paul Public Schools
A World of Opportunities

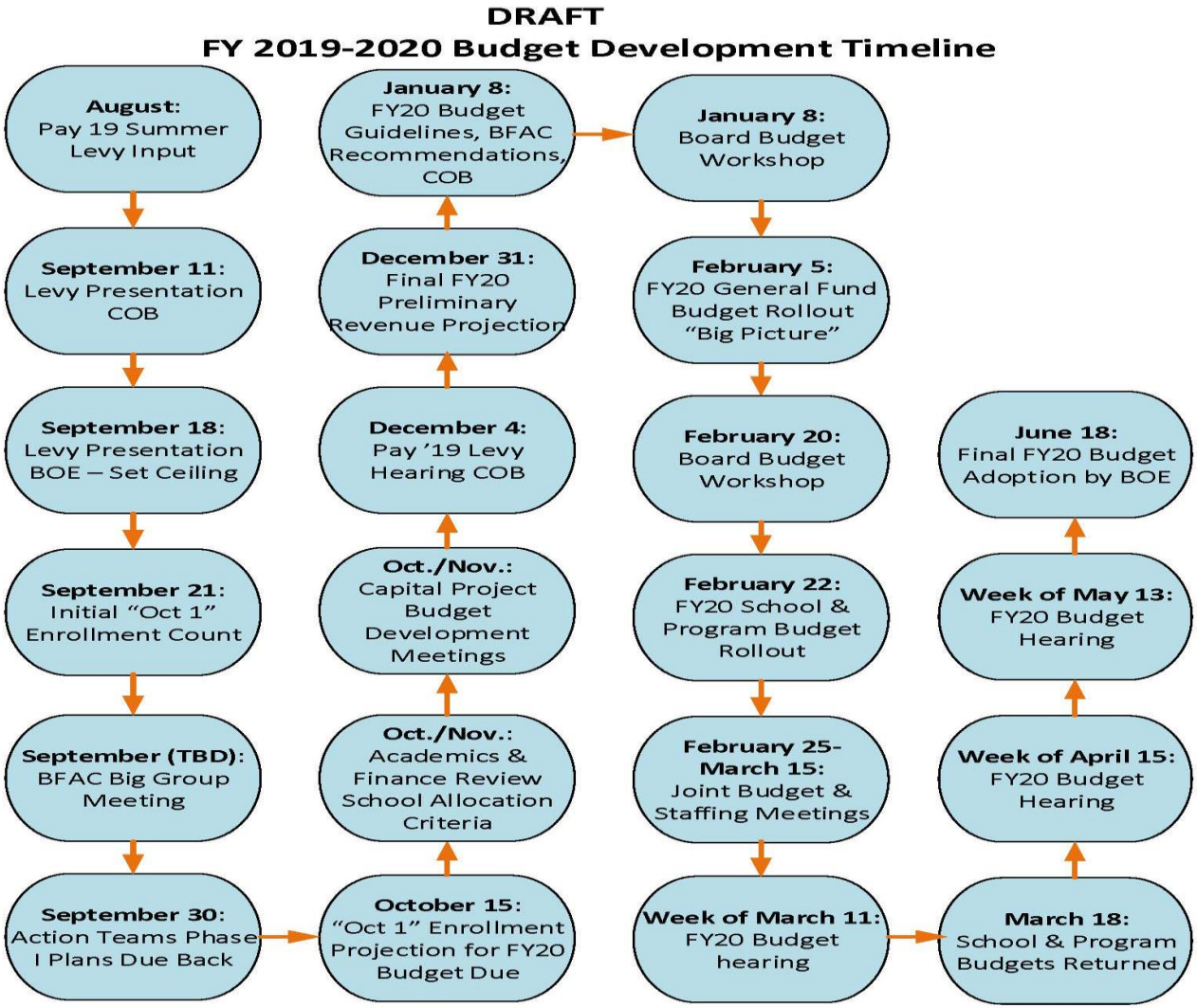
FY2019-20 Budget Development Process
Committee of the Board

Marie Schrul
Chief Financial Officer
September 11, 2018

Purpose

To provide information to the Committee of the Board regarding the FY20 Budget Development Process

FY20 Budget Timeline



Changes for FY20

- Board Budget Workshops:
  - –Workshops scheduled to update the Board on fiscal matters related to the budget process
  - –Examples include: fiscal forecast, budgetary rollout information, detailed allocation information & discussion
- Public Budget Hearings:
  - –Public budget hearings will be scheduled to allow community to give input on budget
- BFAC Meetings:
  - –Committee will meet from September-January

Questions

Proposed Pay 19 Levy
Committee of the Board

Marie Schrul
Chief Financial Officer
September 11, 2018

Purpose

To provide information to the Committee of the Board regarding the Pay 19 levy calculations to determine the maximum levy ceiling

Agenda

- Planning Assumptions
- Levy Basics
- Factors Impacting Levies
- Estimated Pay19 Levy Ceiling
- Estimated Property Tax Impact
- Levy Process/Calendar
- Requested Actions
- Questions

Planning Assumptions
(staff estimate)

- All figures in this report are based on Administration's best estimates, using the statutory authorized amounts
- MDE provided preliminary Pay19 levy calculations on Sept. 7 and Sept. 10
- MDE continues to make adjustments to the SPPS numbers through September
- Most districts certify their maximum levy

Why Do School Boards Levy?

- To provide revenue that funds the cost of staff (salary and benefits), OPEB & 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

The Basics

- School levy authority is established in law
- School budgets are a combination of state, federal and local funding, including the voter approved referendum
- Unlike cities and counties, Pay19 school levy funds the 2019-2020 school year
- Levies contribute to approximately 20% of SPPS budget *
- 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

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 (local government aid, county aid, or school equalization aid)
    - 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?

Factors Impacting St. Paul Levy

- Overall estimated market values are up 7.6% from prior year with values now above Pay 2008 Levy Peak.
- Market values are increasing in the double digits for a number of apartment properties while residential, commercial and industrial increases are generally more moderate. This will cause shifting of taxes paid last year by residential, commercial and industrial properties to apartment properties.
- Thomas/Dale, Dayton's Bluff, Payne/Phalen and the West Side are all areas with higher increases in residential market values. Properties in St. Paul increased slightly more in value than the suburbs which will shift some county taxes from the suburbs to St. Paul.
- School portion of fiscal disparities aid increasing $343,169 or 1.1%

Factors Impacting School Levies

- Changes in tax base
- Legislative changes to education formulas
- Referendum inflationary increase
- Pension contribution changes required by law
- 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
- Operating Levies

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 and abatements
- **Community Service**: community education programs, learning readiness, after school, ECFE

Proposed Pay19 Levy Ceiling

Levy Category	Certified Pay18 Levy	SPPS Estimated Pay19 Levy Ceiling as of 9/10/18	Difference
Operating	$50,250,404	$72,560,222*	$22,309,818*
Pension/OPEB/Contractual	38,930,211	39,544,458	614,247
Facilities	62,657,568	65,626,147	2,968,579
Community Service	3,626,763	3,229,160	(397,603)
Total – All Levy Categories	$155,464,946	$180,959,987	$25,495,041
Percent Change			16.4%

*The SPPS estimated Pay19 Levy Ceiling amount includes the $18.6m funding request to increase the Operating Levy in November 2018.

Estimated Annual Property Tax Impact Home from 2018 to 2019

Assuming a 0% Increase in Market Value

Home Estimated Market Value	Estimated Change at 16.4% Ceiling
$75,000	$ 50.49
100,000	65.25
186,200	115.85
200,000	123.93
300,000	182.61
400,000	241.30
500,000	301.36

Source: Ramsey County

*Median home market value is $186,200, Estimate includes increase of Operating levy

Estimated Annual Property Tax Impact Home from 2018 to 2019

Assuming a 7.1% Increase in Market Value

Home Estimated Market Value	Estimated Change at 16.4% Ceiling
$75,000	$ 68.95
100,000	102.27
186,200	184.76
200,000	198.49
300,000	294.19
400,000	389.89
500,000	475.25

Source: Ramsey County

*Median home market value is $186,200, Estimate includes increase of Operating levy

Estimated Annual Property Tax Impact Commercial/Industrial from 2018 to 2019 Assuming a 6.1% Increase in Market Value

Commercial/ Industrial Estimated Market Value	Estimated change at 16.4% Ceiling
200,000	$ 129.40
495,450*	305.88
500,000	308.64
1,000,000	607.81

Source: Ramsey County

*Median commercial/industrial market value is $495,450, Estimate includes increase of Operating levy

Pay 19 Levy Calendar

	Date	Action
X	August-early Sept	District submits levy information to MDE
X	September 7	MDE provides preliminary calculations
X	September 11	COB discusses Pay19 levy
	September 18	BOE sets ceiling for Pay19 levy (pending final MDE calculations)
	September 24	JPTAC (Joint Property Tax Advisory Committee) adopts joint levy resolution
	September 25	Tentative BOE to set Pay19 levy ceiling
	October 1	SPPS provides Pay19 levy ceiling data to Ramsey County and MDE.
	Oct 7 – Oct 22	SPPS mails notice of referendum to each taxpayer in the district
	November 6	General Election/Operating Levy (Referendum) increase vote
	November 7	MDE adjusts the Pay19 levy ceiling based on Nov 6 election results
	Oct 1 – Nov 10	Ramsey County calculates taxes and prepares tax statements
	November 15	Anticipated Ramsey County mailing of tax statements
	December 4	Proposed Date for Public Hearing
	December 18	BOE certifies Pay19 levy
	December 28	SPPS certifies Pay19 levy to Ramsey County

Requested Action

- Recommend certifying maximum Pay19 levy ceiling as authorized by MDE at September 18 BOE meeting (if MDE has all numbers available)
- A tentative BOE meeting on 9/25/18 may be scheduled at 6pm to certify the Pay19 Levy ceiling
- Set the date for the Taxation and Budget Hearing for December 4th at 6pm (COB meeting that evening)

Questions