



# **Saint Paul Public Schools**

## **COB Meeting**

**Wednesday, November 8, 2017 4:30 PM**

**SAINT PAUL PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 625**

**BOARD OF EDUCATION**



**Jon Schumacher**  
*Chair*



**Zuki Ellis**  
*Vice Chair*



**Mary Vanderwert**  
*Clerk*



**Steven Marchese**  
*Treasurer*



**John Brodrick**  
*Director*



**Jeanelle Foster**  
*Director*



**Chue Vue**  
*Director*



**ADMINISTRATION**  
**Dr. Joe Gothard**  
*Superintendent*

**BOARD OF EDUCATION COMMITTEES**

**Committee of the Board – Zuki Ellis, Vice Chair**

**SPPS VISION STATEMENT**

*Imagine every student*  
Inspired, challenged, and cared for by exceptional educators  
*Imagine your family*  
Welcomed, respected, and valued by exceptional schools  
*Imagine our community*  
United, strengthened, and prepared for an exceptional future  
**Saint Paul Public Schools: Where imagination meets destination**

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**MISSION of the Saint Paul Public Schools – PREMIER EDUCATION FOR ALL**

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**Long-Range Goals Adopted by the Board:**

**HIGH ACHIEVEMENT**

**Learners will meet the highest district and state standards through a learning journey that is academically rich and rigorous.**

**MEANINGFUL CONNECTIONS**

**Learners will understand the relationship between their lives and the lives of others, and the relevance of their educational experiences to their roles in society.**

**RESPECTFUL ENVIRONMENT**

**The learning environment will be safe, nurturing and equitable for our diverse learners.**

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

**November 8, 2017**  
**4:30 PM**

**A G E N D A**

**I. CALL TO ORDER**

**II. AGENDA**

- A. Superintendent's Update
- B. Standing Item: SEAB Update
- C. Final FY17 Budget Revision 5
  - 1. Introduction
  - 2. Presentation
  - 3. Discussion
  - 4. Action (Acceptance of the Report)
- D. Pay18 Levy Update 15
  - 1. Introduction
  - 2. Presentation
  - 3. Discussion
  - 4. Action (Acceptance of the Report)
- E. Legislative Update 29
  - 1. Introduction
  - 2. Presentation
  - 3. Discussion
  - 4. Action (Acceptance of the Report)
- F. Facilities Vendor Diversity 42
  - 1. Introduction
  - 2. Presentation
  - 3. Discussion
  - 4. Action (Acceptance of the Report)

### **III. ADJOURNMENT**

### **IV. WORK SESSION**

A. MacBook Lease Update



# Final Budget Revision

## Fiscal Year 2016-17

Marie Schrul  
Chief Financial Officer  
November 8, 2017



# Purpose



To present information regarding the Fiscal Year  
2016-17 final budget revisions

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# Agenda



- General Fund
  - Assigned Fund Balance Re-appropriation
  - Fund 06 to Fund 01 Transfer for Facilities LTFM funding
- Revenue and Expenditure Changes
- Total All Funds
- Questions



# FY17 General Fund Final Budget Revision

(Fund Balance Re-appropriations & Transfers)

Program	Amount	Description
Technology Services	700,000	FY16 assigned fund balance re-appropriation for non-salary expenditures (infrastructure) for Technology Services
Facilities – LTFM	7,416,499	Budget transfer from Fund 06 to Fund 01 for Long Term Facilities Maintenance (LTFM) project expenditures that are less than \$2 million per site.





# FY17 Fully Financed Funds Final Budget Revision (Revenue and Expenditure Changes)

- Revision on Fully Financed reflects the approval of grants under \$500,000 that were not adopted in FY17 as well as revisions to adopted grants

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	Description	Amount
1.	General Fully Financed Increase	\$1,569,071
2.	Community Service Fully Financed Increase	\$ 554,343



# FY17 Final Budget Revision (All Funds Revenue Changes)



	Description	Amount
1.	Nutrition Services Fuel Up to Play Grant	\$30,000



# FY17 Final Budget Revision

## (All Funds - Revenue Changes)



Funds	Adopted Budget	Previous Revision	Final Revision	Revised Budget
General Fund	\$518,180,440	\$604,000	0	\$518,784,440
General Fully Financed	42,881,752	13,476,500	1,569,071	57,927,323
Food Service	28,846,700	15,300	30,000	28,892,000
Community Service	23,387,295	0	0	23,387,295
Community Service Fully Financed	6,041,846	988,821	554,343	7,585,010
Building Construction	45,862,122	0	0	45,862,122
Debt Service	38,940,000	0	0	38,940,000
<b>Total Revenue</b>	<b>\$704,140,155</b>	<b>\$15,084,621</b>	<b>\$2,153,414</b>	<b>721,378,190</b>



# FY17 Final Budget Revision

## (All Funds - Expenditure Changes)



Funds	Adopted Budget	Previous Revision	Final Revision	Revised Budget
General Fund	\$518,180,440	\$3,786,642	\$7,962,479	\$529,929,561
General Fully Financed	42,881,752	13,476,500	1,569,071	57,927,323
Food Service	28,846,700	15,300	30,000	28,892,000
Community Service	23,783,689	0	0	23,783,689
Community Service Fully Financed	6,041,846	988,821	554,343	7,585,010
Building Construction	44,448,000	0	(7,416,499)	37,031,501
Debt Service	51,669,000	0	0	51,669,000
<b>Total Expenditures</b>	<b>\$715,851,427</b>	<b>\$18,267,263</b>	<b>\$2,699,394</b>	<b>\$736,818,064</b>



# FY17 Final Budget Revision



Recommendation:

To approve the Fiscal Year 2016-17 final budget revision  
as presented

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# FY17 Final Budget Revision



## Questions?



# Pay18 Levy Update

## Committee of the Board

Marie Schrul, Chief Financial Officer

November 8, 2017



# Purpose



To update the Committee of the Board on the  
Pay 18 levy process



# 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, Pay18 school levy funds the 2018-2019 school year
- Levies are approximately 20% of SPPS budget
- Districts receive payments after the May and October County collections
- Levy can only move down after October 1



# Planning Assumptions

(staff estimate)



- All figures in this report are based on Administration's best estimates, using the statutory authorized amounts
- MDE provided updated Pay18 levy calculations on October 2
- SPPS certified the maximum levy ceiling at the September 19 BOE meeting

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# Factors Impacting St. Paul Levy

- Overall estimated market values are up 9.8% from prior year and may reach 2008 levels
- Double digit increases for a number of commercial, industrial and apartment properties
- Residential more moderate—areas of higher increases: Thomas/Dale, North End, Greater East Side, West 7th
- School portion of fiscal disparities aid increasing \$449,739 or 1.4%
- Changes to St. Paul Right of Way (ROW)/Street maintenance program

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# Factors Impacting School Levies



- Changes in pupil counts
- 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

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# SPPS Levy Categories

- **Operating:** general levies that support school functions, including referendum, integration, operating capital, career/tech, transition, safe schools and abatement adjustments
- **Pension/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 Pay18 Levy Ceiling

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Levy Category	Certified Pay 17 Levy	Estimated Maximum Pay18 Levy Ceiling as of 10/2/17	Difference
Operating	\$47,134,881	\$50,250,404	\$3,115,523
Pension/OPEB/Contractual	37,545,435	38,930,211	1,384,775
Facilities	59,983,176	62,657,568	2,674,392
Community Service	<u>3,406,163</u>	<u>3,626,763</u>	<u>220,600</u>
Total – All Levy Categories	\$148,069,656	\$155,464,946	\$7,395,290
Percent Change			4.99%

# Estimated Annual Property Tax Impact Home from 2017 to 2018

## Assuming a 0% Increase in Market Value

Home Estimated Market Value	Estimated change at 4.0% Ceiling	Estimated change at Max Levy 4.99%
\$75,000	\$ (14.17)	\$ (9.92)
100,000	(22.08)	(15.30)
173,900	(45.79)	(31.46)
200,000	(54.19)	(37.19)
300,000	(86.30)	(59.06)
400,000	(118.41)	(80.94)
500,000	(148.42)	(101.44)

Source: Ramsey County  
Median home market value is \$173,900  
11/08/17

# Estimated Annual Property Tax Impact Home from 2017 to 2018 Assuming a 7.7% Increase in Market Value

Home Estimated Market Value	Estimated change at 4.0% Ceiling	Estimated change at Max Levy 4.99%
\$75,000	\$ 6.23	\$ 10.48
100,000	19.37	26.15
173,900	22.11	40.44
200,000	28.86	45.86
300,000	38.20	65.44
400,000	47.68	85.15
500,000	22.90	69.88

Source: Ramsey County  
Median home market value is \$173,900

11/08/17





# Estimated Annual Property Tax Impact Commercial/Industrial from 2017 to 2018



Assuming a 17.5% Increase in Market Value

Commercial/ Industrial Estimated Market Value	Estimated change at 4.0% Ceiling	Estimated change at Max Levy 4.99%
200,000	\$ (5.00)	\$ 15.64
466,750*	(24.17)	30.27
500,000	(26.67)	31.84
1,000,000	(62.63)	58.99

Source: Ramsey County

\*Median commercial/industrial market value is \$466,750



# Pay 18 Levy Calendar



	Date	Action
X	August-early September	District submits levy information to MDE
X	September 8	MDE provides preliminary calculations
X	September 12	COB discusses Pay18 levy
X	September 19	BOE sets ceiling for Pay18 levy
X	September 25	JPTAC (Joint Property Tax Advisory Committee) adopts joint advisory joint levy resolution
X	September 30	SPPS provides Pay18 levy ceiling data to Ramsey County and MDE. Cities and Counties also certify by this date.
	October 1 – November 10	Ramsey County calculates taxes and prepares tax statements
	November 11 – November 23	Ramsey County mails tax statements
	December 5	TNT Public Hearing at 6:00 pm & COB meeting
	December 19	BOE certifies Pay18 levy
	December 31	SPPS certifies Pay18 levy to Ramsey County

# Action Taken on 9/19/17

- Approved “maximum” Pay18 levy ceiling over Pay17 as reported by the Minnesota Department of Education (MDE) of 4.99%
- Set the Truth in Taxation (TNT) hearing date for Tuesday, December 5, 2017 at 6:00 pm (time certain) at 360 Colborne (COB meeting that evening)

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# Questions

# Proposed SPPS 2018 Legislative Agenda

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SPPS Committee of the Board Meeting  
November 8, 2017

*Mary Gilbert Dougherty, Legislative Liaison*



# 2018 MN Legislative Session Overview

- Governor Dayton's last session
- Legislative veto lawsuit is unresolved
- Only House members up for election. DFL needs 11 House seats to take majority
- Constitutional offices, 8 congressional seats, and Klobuchar seat on the ballot
- Supplemental budget year: focus on bonding
- November forecast will dictate Governor's recommendations

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# SPPS 2018 Legislative Agenda Topics

The proposed legislative agenda includes the following:

- Focus on mandates
- Stabilize funding for pre-K
- Expand local control
- Pension reform
- Increase supports for at-risk families
- Ensure funding support and flexibility in testing



# Fund Mandates

- Phase out state special education cross-subsidy and maximize Medical Assistance (MA) reimbursement
- Fund Teacher Development and Evaluation (TD&E) and include principals
- Establish plan to update English Learner categorical formula to reduce cross-subsidy and meet SLIFE (student with limited interrupted formal education) needs

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# Phase Out Special Education Cross-Subsidy

- The SPPS cross-subsidy for special education is over \$900 per pupil
- The statewide cross-subsidy will rise to \$656 million by FY19
- Modify regular and excess cost formula to better recognize the cost and concentration of special education students and tuition billing, and phase out cross-subsidy

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# Special Education (continued)

- State should maximize Medical Assistance (MA) reimbursement for health related services in IEP's, as well as 504 plans and other health related services
- All care and treatment summer programs should be eligible for extended time revenue
- All level four treatment programs should be treated equally



# Teacher Development

- Provide ongoing teacher development revenue for for TD&E mandate for non-Qcomp districts; include principals
- Increase base funding for teacher residency program to obtain teacher license, especially in high need areas
- Provide incentives for teachers with professional development plans to meet new HLC requirements

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# Stabilize Pre-K Funding

- Provide ongoing funding for voluntary pre-kindergarten in the base (new VPK funding is for two years only)
- Maintain commissioner authority for Pathway II scholarships
- Establish separate region for St. Paul and Minneapolis
- Simplify application process to allow for direct certification



# Expand Local Control

- Permit renewal of existing referendum levies with board approval
- Allow boards to opt out of new state mandates that are not funded



# Pension Reform

- Adopt pension reform legislation, passed last session, that included both funding and reform for St. Paul Teacher Retirement Association
- Funding should come from state department budget and not K-12 target



# Increase Supports for At-Risk Families

- Provide support for programs that support highly mobile, foster, and homeless children and families
- Add funding for Full Service Community Schools and support services grants
- Increase funding for school-linked mental health grants



# Testing

Require state to:

- Pay directly for annual administration of ACT test
- Provide flexibility for districts to administer assessments in the way that is most efficient for them (e.g. paper and pencil, online)
- Shorten the MCA's
- Require that testing vendors provide assurances that upgrades are aligned and functioning to device operating systems





# Questions



# Vendor Diversity and Workforce Participation

**Jackie Turner**

Chief Operations Officer

**Tom Parent, AIA, LEED AP**

Director, Facilities Department

**Monika Watkins**

Manager of Capital Project  
Delivery, Facilities  
Department

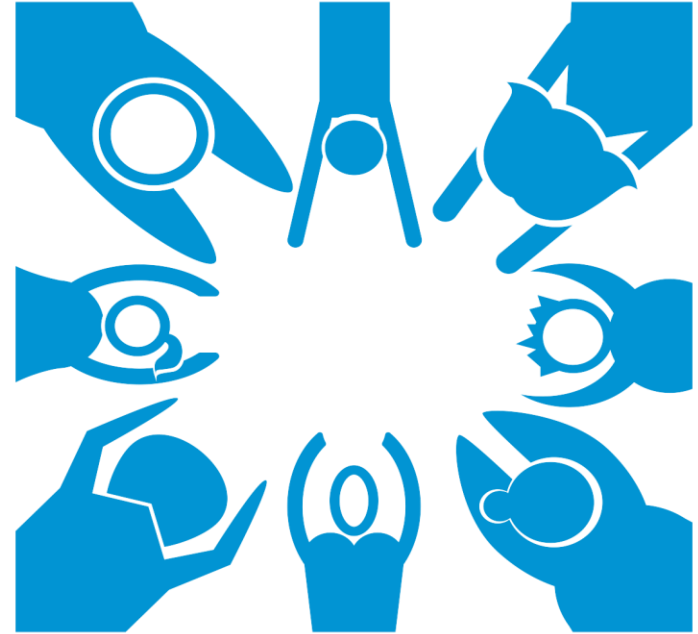
*Committee of the Board: November 8, 2017*

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# Agenda

- Goal
- Definitions
- Group structure and members
- Process description
- Timeline
- Insights to date
- Next steps



# Goal

Proactively create an environment through policies and procedures that will cultivate and sustain a more diverse workforce of construction suppliers/vendors that is reflective of the diversity of Saint Paul Public Schools.

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# Definitions

**Vendor Diversity:** A proactive business program to include historically underutilized businesses in order to have our supplier pool reflect our community.

**Workforce Participation:** A program to ensure that the people working on our jobsites reflect the diversity of our community.



# Community Advisory Council

## Members

- Represent diversity
- Business Advocate, Business Inclusion
- Representatives overseeing similar programs
- Community Action Partnership (nonprofit)
- Contractors, Suppliers
- Trades, Labor Union
- Compliance, Financial, Legal
- Facilities Dept. and Purchasing leaders

# Group Structure

## Policy development and implementation supervisor

- BOE updates and input

## Community Advisory Council - CAC

- Evaluate existing programs
- Assess community expectations

## Program development

- Evaluate impact on district policies
- Analyze legal constraints

## Program implementation

- Research and evaluate
- Collect and interpret CAC input
- Formulate changes
- Analyze cost
- Recommend actions

## Community outreach advisor

- Recommend CAC members
- Facilitate CAC meetings
- Assess diversity in current construction contracts

# Process - Part I: Research and Analysis

## SPPS Opportunities

Review:

- Existing Policies
- Current Procurement Systems

## SPPS Policy Targets

- Workforce Utilization
- Minority
- Female
- Small Business
- Local
- Internships
- Other

## Existing Programs

Review:

- Vendor Diversity
- Workforce Participation



# Joint Disparity Study



- Determine whether there are disparities between availability and utilization
- Complete first quarter of 2018

# Process - Part II: Synthesis and Recommendations

## SPPS

- Current Procurement Systems change
- Policies Impact
- Cost

## Tools: Exterior Programs

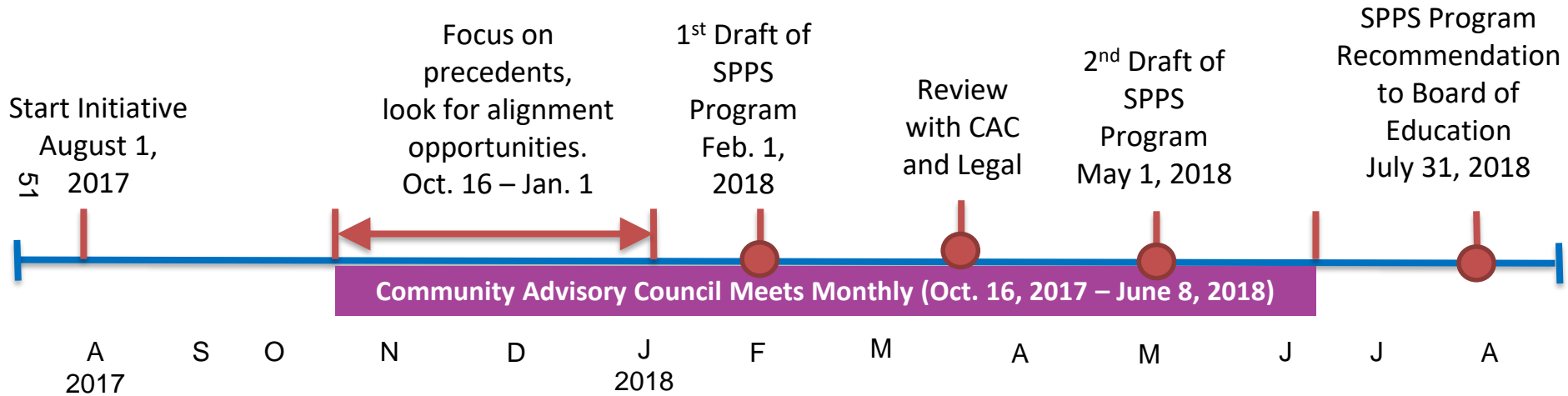
- Role in SPPS procurement / compliance metrics

## Recommendations to BOE

Final report:

- Data analysis
- Program impact on district policies
- Program legal constraints
- Conclusions and recommendation

# Vendor Diversity & Workforce Participation: Community Advisory Council Timeline



# Insights to date:

- Review of SPPS procurement with Community Advisory Council
- Communication with potential vendors

# Next steps:

- Review of programs
- Policies
- Tools



# QUESTIONS?

## Facilities Department

651-744-1800 | [facilities@spps.org](mailto:facilities@spps.org) | [spps.org/fmp](https://spps.org/fmp)

