Saint Paul Public Schools

COB Meeting

Wednesday, November 8, 2017 4:30 PM
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

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

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.
I. CALL TO ORDER

II. AGENDA
   A. Superintendent's Update
   B. Standing Item: SEAB Update
   C. Final FY17 Budget Revision
      1. Introduction
      2. Presentation
      3. Discussion
   D. Pay18 Levy Update
      1. Introduction
      2. Presentation
      3. Discussion
   E. Legislative Update
      1. Introduction
      2. Presentation
      3. Discussion
   F. Facilities Vendor Diversity
      1. Introduction
      2. Presentation
      3. Discussion
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
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)

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. General Fully Financed Increase</td>
<td>$1,569,071</td>
</tr>
<tr>
<td>2. Community Service Fully Financed Increase</td>
<td>$554,343</td>
</tr>
<tr>
<td>Description</td>
<td>Amount</td>
</tr>
<tr>
<td>-------------------------------------------------------</td>
<td>-----------</td>
</tr>
<tr>
<td>Nutrition Services Fuel Up to Play Grant</td>
<td>$30,000</td>
</tr>
</tbody>
</table>
## FY17 Final Budget Revision
(All Funds - Revenue Changes)

<table>
<thead>
<tr>
<th>Funds</th>
<th>Adopted Budget</th>
<th>Previous Revision</th>
<th>Final Revision</th>
<th>Revised Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$518,180,440</td>
<td>$604,000</td>
<td>0</td>
<td>$518,784,440</td>
</tr>
<tr>
<td>General Fully Financed</td>
<td>42,881,752</td>
<td>13,476,500</td>
<td>1,569,071</td>
<td>57,927,323</td>
</tr>
<tr>
<td>Food Service</td>
<td>28,846,700</td>
<td>15,300</td>
<td>30,000</td>
<td>28,892,000</td>
</tr>
<tr>
<td>Community Service</td>
<td>23,387,295</td>
<td>0</td>
<td>0</td>
<td>23,387,295</td>
</tr>
<tr>
<td>Community Service Fully Financed</td>
<td>6,041,846</td>
<td>988,821</td>
<td>554,343</td>
<td>7,585,010</td>
</tr>
<tr>
<td>Building Construction</td>
<td>45,862,122</td>
<td>0</td>
<td>0</td>
<td>45,862,122</td>
</tr>
<tr>
<td>Debt Service</td>
<td>38,940,000</td>
<td>0</td>
<td>0</td>
<td>38,940,000</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>$704,140,155</strong></td>
<td><strong>$15,084,621</strong></td>
<td><strong>$2,153,414</strong></td>
<td><strong>721,378,190</strong></td>
</tr>
</tbody>
</table>
## FY17 Final Budget Revision
(All Funds - Expenditure Changes)

<table>
<thead>
<tr>
<th>Funds</th>
<th>Adopted Budget</th>
<th>Previous Revision</th>
<th>Final Revision</th>
<th>Revised Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$518,180,440</td>
<td>$3,786,642</td>
<td>$7,962,479</td>
<td>$529,929,561</td>
</tr>
<tr>
<td>General Fully Financed</td>
<td>42,881,752</td>
<td>13,476,500</td>
<td>1,569,071</td>
<td>57,927,323</td>
</tr>
<tr>
<td>Food Service</td>
<td>28,846,700</td>
<td>15,300</td>
<td>30,000</td>
<td>28,892,000</td>
</tr>
<tr>
<td>Community Service</td>
<td>23,783,689</td>
<td>0</td>
<td>0</td>
<td>23,783,689</td>
</tr>
<tr>
<td>Community Service Fully Financed</td>
<td>6,041,846</td>
<td>988,821</td>
<td>554,343</td>
<td>7,585,010</td>
</tr>
<tr>
<td>Building Construction</td>
<td>44,448,000</td>
<td>0</td>
<td>(7,416,499)</td>
<td>37,031,501</td>
</tr>
<tr>
<td>Debt Service</td>
<td>51,669,000</td>
<td>0</td>
<td>0</td>
<td>51,669,000</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td><strong>$715,851,427</strong></td>
<td><strong>$18,267,263</strong></td>
<td><strong>$2,699,394</strong></td>
<td><strong>$736,818,064</strong></td>
</tr>
</tbody>
</table>
FY17 Final Budget Revision

Recommendation:

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

<table>
<thead>
<tr>
<th>Levy Category</th>
<th>Certified Pay 17 Levy</th>
<th>Estimated Maximum Pay18 Levy Ceiling as of 10/2/17</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating</td>
<td>$47,134,881</td>
<td>$50,250,404</td>
<td>$3,115,523</td>
</tr>
<tr>
<td>Pension/OPEB/Contractual</td>
<td>37,545,435</td>
<td>38,930,211</td>
<td>1,384,775</td>
</tr>
<tr>
<td>Facilities</td>
<td>59,983,176</td>
<td>62,657,568</td>
<td>2,674,392</td>
</tr>
<tr>
<td>Community Service</td>
<td>3,406,163</td>
<td>3,626,763</td>
<td>220,600</td>
</tr>
<tr>
<td>Total – All Levy Categories</td>
<td>$148,069,656</td>
<td>$155,464,946</td>
<td>$7,395,290</td>
</tr>
<tr>
<td>Percent Change</td>
<td></td>
<td></td>
<td>4.99%</td>
</tr>
</tbody>
</table>
Estimated Annual Property Tax Impact
Home from 2017 to 2018
Assuming a 0% Increase in Market Value

<table>
<thead>
<tr>
<th>Home Estimated Market Value</th>
<th>Estimated change at 4.0% Ceiling</th>
<th>Estimated change at Max Levy 4.99%</th>
</tr>
</thead>
<tbody>
<tr>
<td>$75,000</td>
<td>$ (14.17)</td>
<td>$ (9.92)</td>
</tr>
<tr>
<td>100,000</td>
<td>(22.08)</td>
<td>(15.30)</td>
</tr>
<tr>
<td>173,900</td>
<td>(45.79)</td>
<td>(31.46)</td>
</tr>
<tr>
<td>200,000</td>
<td>(54.19)</td>
<td>(37.19)</td>
</tr>
<tr>
<td>300,000</td>
<td>(86.30)</td>
<td>(59.06)</td>
</tr>
<tr>
<td>400,000</td>
<td>(118.41)</td>
<td>(80.94)</td>
</tr>
<tr>
<td>500,000</td>
<td>(148.42)</td>
<td>(101.44)</td>
</tr>
</tbody>
</table>

Source: Ramsey County
Median home market value is $173,900
Estimated Annual Property Tax Impact
Home from 2017 to 2018
Assuming a 7.7% Increase in Market Value

<table>
<thead>
<tr>
<th>Home Estimated Market Value</th>
<th>Estimated change at 4.0% Ceiling</th>
<th>Estimated change at Max Levy 4.99%</th>
</tr>
</thead>
<tbody>
<tr>
<td>$75,000</td>
<td>$ 6.23</td>
<td>$ 10.48</td>
</tr>
<tr>
<td>100,000</td>
<td>19.37</td>
<td>26.15</td>
</tr>
<tr>
<td>173,900</td>
<td>22.11</td>
<td>40.44</td>
</tr>
<tr>
<td>200,000</td>
<td>28.86</td>
<td>45.86</td>
</tr>
<tr>
<td>300,000</td>
<td>38.20</td>
<td>65.44</td>
</tr>
<tr>
<td>400,000</td>
<td>47.68</td>
<td>85.15</td>
</tr>
<tr>
<td>500,000</td>
<td>22.90</td>
<td>69.88</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Commercial/Industrial Estimated Market Value</th>
<th>Estimated change at 4.0% Ceiling</th>
<th>Estimated change at Max Levy 4.99%</th>
</tr>
</thead>
<tbody>
<tr>
<td>200,000</td>
<td>$ (5.00)</td>
<td>$ 15.64</td>
</tr>
<tr>
<td>466,750*</td>
<td>(24.17)</td>
<td>30.27</td>
</tr>
<tr>
<td>500,000</td>
<td>(26.67)</td>
<td>31.84</td>
</tr>
<tr>
<td>1,000,000</td>
<td>(62.63)</td>
<td>58.99</td>
</tr>
</tbody>
</table>

Source: Ramsey County
*Median commercial/industrial market value is $466,750
# Pay 18 Levy Calendar

<table>
<thead>
<tr>
<th>Date</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>X August-early September</td>
<td>District submits levy information to MDE</td>
</tr>
<tr>
<td>X September 8</td>
<td>MDE provides preliminary calculations</td>
</tr>
<tr>
<td>X September 12</td>
<td>COB discusses Pay18 levy</td>
</tr>
<tr>
<td>X September 19</td>
<td>BOE sets ceiling for Pay18 levy</td>
</tr>
<tr>
<td>X September 25</td>
<td>JPTAC (Joint Property Tax Advisory Committee) adopts joint advisory joint levy resolution</td>
</tr>
<tr>
<td>X September 30</td>
<td>SPPS provides Pay18 levy ceiling data to Ramsey County and MDE. Cities and Counties also certify by this date.</td>
</tr>
<tr>
<td>October 1 – November 10</td>
<td>Ramsey County calculates taxes and prepares tax statements</td>
</tr>
<tr>
<td>November 11 – November 23</td>
<td>Ramsey County mails tax statements</td>
</tr>
<tr>
<td>December 5</td>
<td>TNT Public Hearing at 6:00 pm &amp; COB meeting</td>
</tr>
<tr>
<td>December 19</td>
<td>BOE certifies Pay18 levy</td>
</tr>
<tr>
<td>December 31</td>
<td>SPPS certifies Pay18 levy to Ramsey County</td>
</tr>
</tbody>
</table>
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)
Questions
Proposed SPPS 2018 Legislative Agenda

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
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
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
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 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
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
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.
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

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 Advisory Council - CAC
- Evaluate existing programs
- Assess community expectations

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

- **Start Initiative**
  - August 1, 2017

- **Focus on precedents, look for alignment opportunities. Oct. 16 – Jan. 1**

- **1st Draft of SPPS Program**
  - Feb. 1, 2018

- **Review with CAC and Legal**

- **2nd Draft of SPPS Program**
  - May 1, 2018

- **SPPS Program Recommendation to Board of Education**
  - July 31, 2018

**Community Advisory Council Meets Monthly (Oct. 16, 2017 – June 8, 2018)**
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  |  spps.org/fmp