

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

December 1, 2015
4:30 PM

A G E N D A

I. CALL TO ORDER

A. Introductions

II. AGENDA

A. Levy Update

1. Introduction

2. Presentation

2

3. Discussion

4. Action (Acceptance of Report)

B. Facilities Master Plan Update

1. Introduction

2. Presentation

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3. Discussion

4. Action (Approval/Acceptance of 2015 Facilities Master Plan)

C. Standing Item: Policy Update

D. Standing Item: PLTT Update

E. Standing Item: SSSC 2.0 Update

F. Work Session

1. Board Check-In

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III. ADJOURNMENT



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Public Hearing on Proposed Pay16 Levy

Board of Education

Marie Schrul

Chief Financial Officer

December 1, 2015

Purpose

- State statute requires all local governments (cities, counties and school districts) to hold a public hearing prior to finalizing their levy authority and allow for public comment
- The hearing must follow the release of the proposed tax notices from the county (mailed on November 13 this year)
- The notice provides information on estimated taxes as well as market value and other homestead adjustments

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, the Pay16 school levy funds the 2016-2017 school year that will be adopted next June
- Based on last year, levies comprise 20% of school budget

What is Driving Levy Changes?

- Tax base growth results in less state aid for nearly all equalized levies—largest factor for operating category
- Statutory Pension contribution increase of \$1.6 million and OPEB increase of \$1.3 million
- Changes in Debt, and other Facility formulas, including \$15 million in bond sale and new long term facilities maintenance (LTFM) category
- Enrollment projection updates



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

Pay16 Levy Proposal

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Levy Category	Certified Pay 15 Levy	Proposed Pay16 Levy	Difference
Operating	\$45,652,773	\$47,242,112	\$1,589,339
Pension/OPEB/Contractual	33,156,451	36,133,492	2,977,041
Facilities	54,161,940	54,572,087	410,147
Community Service	<u>3,435,950</u>	<u>3,260,938</u>	<u>(175,012)</u>
Total – All Levy Categories	\$136,407,114	\$141,208,630	\$4,801,515
Percent Change			3.52%



Estimated Annual Property Tax Impact

3.52% Levy Increase

(assuming a 4.5% increase in market value)



Home Estimated Market Value	Pay 2015 ISD 625 Property Taxes	Estimated Pay 2016 ISD 625 Property Taxes	Estimated Change in School Tax
75,000	282.21	295.82	13.61
100,000	417.65	444.75	27.10
151,500 [median]	715.07	755.37	40.30
200,000	995.25	1,048.17	52.92
300,000	1,572.84	1,651.59	78.75
400,000	2,150.44	2,255.01	104.57
500,000	2,703.10	2,825.16	122.06

This information is prepared by Ramsey County, Property Records and Revenue



Estimated Annual Property Tax Impact Commercial/Industrial 3.52% Levy Increase (assuming no change in market value)



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Commercial/Industrial Estimated Market Value	Pay 2015 ISD 625 Property Taxes	Estimated Pay 2016 ISD 625 Property Taxes	Estimated Change in School Tax
100,000	572.65	594.04	21.39
200,000	1,218.40	1,264.42	46.02
500,000	3,374.05	3,502.48	128.43
1,000,000	6,967.38	7,232.72	265.34

This information is prepared by Ramsey County, Property Records and Revenue

Q&A Review

Why do school boards levy?

- To provide revenue that helps fund cost of staff (salary and benefits), school supplies, OPEB & pension obligations, health and safety projects, facilities maintenance, debt service obligations and other expenses
- Schools can only levy what is authorized by law



Q&A Review



What factors impact school levies?

- Changes in tax base
- Legislative changes to formulas and equalization factors
- Pension contribution changes required by law
- 11 • Capital bonding, refunding of bonds, abatements, health and safety projects, lease costs
- Employment changes that drive severance and unemployment levies
- OPEB obligations
- Fiscal disparities & Tax increment financing (TIF) changes

Pay 16 Levy Calendar

	Date	Action
✓	August-early September	District submits levy information to MDE
✓	September 7	MDE provides preliminary calculations
✓	September 8	COB discusses Pay16 levy
✓	September 22	BOE sets ceiling for Pay16 levy
✓	September 28	JPTAC (Joint Property Tax Advisory Committee) adopts joint levy
✓	September 30	SPPS provides Pay16 levy ceiling data to Ramsey County and MDE
✓	October 1 – November 15	Ramsey County calculates taxes and prepares tax statements
✓	November 13 estimated	Ramsey County mails tax statements
	December 1	SPPS holds public hearing
	December 15	BOE certifies Pay16 levy
	December 31	SPPS certifies Pay16 levy to Ramsey County

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Board of Education Hears from the Public

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Facilities Master Planning *for 21st Century Learning*

Tom Parent, AIA, LEED AP
Director, Facilities Department



Agenda

- Overview of FMP outcomes
- Financial Implications of FMP
- Board of Education Actions



Facilities Master Plan - Planning Process

May 2014 – December 2015



PHASE 1 May – August 2014



Gathering and STUDYING IMPORTANT DATA that will impact the district's plans for improving all of its buildings and land



PHASE 2: May - December 2014



ESTABLISHING THE STANDARDS the district will use to decide which improvement projects to do first



PHASE 3: January – June 2015



SCHOOLS and other district buildings DEVELOP THEIR OWN PLANS on how to improve their buildings



PHASE 4: June - December 2015



FINALIZING THE DISTRICT'S PLAN for making building and land improvements; sharing the plan with families, students, staff, partners and community



Facilities Master Plan

VISION

We envision versatile, equitable, healthy environments that balance the factors creating authentic, engaging, and personalized learning experiences to sustain our academic mission and deepen connections to our communities and world.



SSSC & Facilities Master Plan



Achievement: Provide school design and construction that meets evolving educational needs of students.



Alignment: Align funding, planning and processes to provide equitable access to facilities funding across the district.



Sustainability: Coordinate facility projects to be more efficient and decrease costs.



Major FMP Outcomes



Engagement Efforts

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"I felt as though I made a difference and had an opportunity to voice my opinions."
- Student participant



Short-Term Capacity Issues

Areas of critical focus due to known growth / demand:

- Several **community-centered** elementary schools
 - Have **sustained** demand, space availability, and efficiency in growth and operation
- Grades 6-8, overall, particularly in Area A



6-8 Solutions

Outcomes

- Ruled out additional K-8 schools
- Options:
 - Build a new middle school or
 - Convert elementary school to middle school (May require construction of new elementary school)

Schedule

- Currently internally assessing academic outcomes of all options
- 2016: Public discussion of all viable options
- 2019: Solution will be in place



Long-term growth needs

Future areas of focus to accommodate sustained growth and alignment to educational models:

- Creative Arts K-12 pathway
- Sustained popularity draws from across city
- Better align grade deliniation at Linwood
Monroe dual campus (PreK & 4th to lower
campus), also helps Grade 6-8 issue



Hamline, Galtier, Jie Ming

Outcomes

- Galtier and Hamline cannot fill enrollment based on current programming and projections
- Jie Ming continues to add a grade per year, plus larger Kindergarten classes
- **SY 2017-18 cannot fit Jie Ming and Hamline in same building**

Schedule

- Currently discussing options with stakeholders
- 2016: expect final decision on all three programs



PreKindergarten

Future areas of focus to accommodate programmatic growth and legislative opportunities:

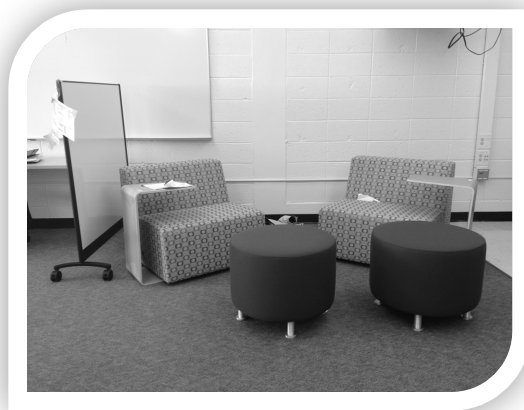
- Steady growth in number of PreK classrooms
- PreK / Early Learning Hubs as centers of program growth at select sites
- At best, at the end of the FMP SPPS would have the space for 50% of the 4 year olds in the City in an all-day service model.



Administrative Space

Vacate all lease space used for professional staff

- Reduce overall non-school area by approximately **40,000 square feet**
- Eliminated lease costs fund any costs necessary to accommodate additional staff in existing SPPS spaces
- Increase efficiency of existing operations
 - Reduce the footprint of the Nutrition Center by 1/3 while enhancing preparation capacity
 - Logical and efficient adjacencies and support



Widespread Outcomes





Provide a variety of sizes and layouts of learning space for different teaching and learning styles. Each school should have a variety of spaces to serve different purposes and group sizes, and that can be arranged in a variety of ways.

Varied Space



Create a clear, identifiable main entry with direct access to the main office. If students do not use this entry when they take buses, student entry to be identifiable and welcoming.

Clear Main Entry



Outdoor environments can add valuable space for learning, and help students make connections between their studies and the physical environment. Each site will strive to have at least three types of outdoor learning settings: gardens, small and large gathering spaces and outdoor "classrooms."

Outdoor Learning Settings



Rooms that house people should have windows for connection to the outside and for natural light. Designs must consider security and control of light, glare and heat gain/loss. Incorporate windows to other spaces for distribution of light and visual connections.



Daylighting and Views



Building design must be appropriate to the student age. Schools will recognize and respect their learners' physical, intellectual and emotional characteristics. Compliance with the ADA for both students and adults is critical.

Appropriately Scaled Space



Design learning environments to address short and longer term modifications in response to educational program – hourly/daily and longer term/yearly changes in use.

Flexible/Adaptable Space



A student's social development is part of their education and growth. The school facility will provide formal and informal spaces for class groups and students to gather, and to interact and study in safe, manageable forums.

Student Gathering Space



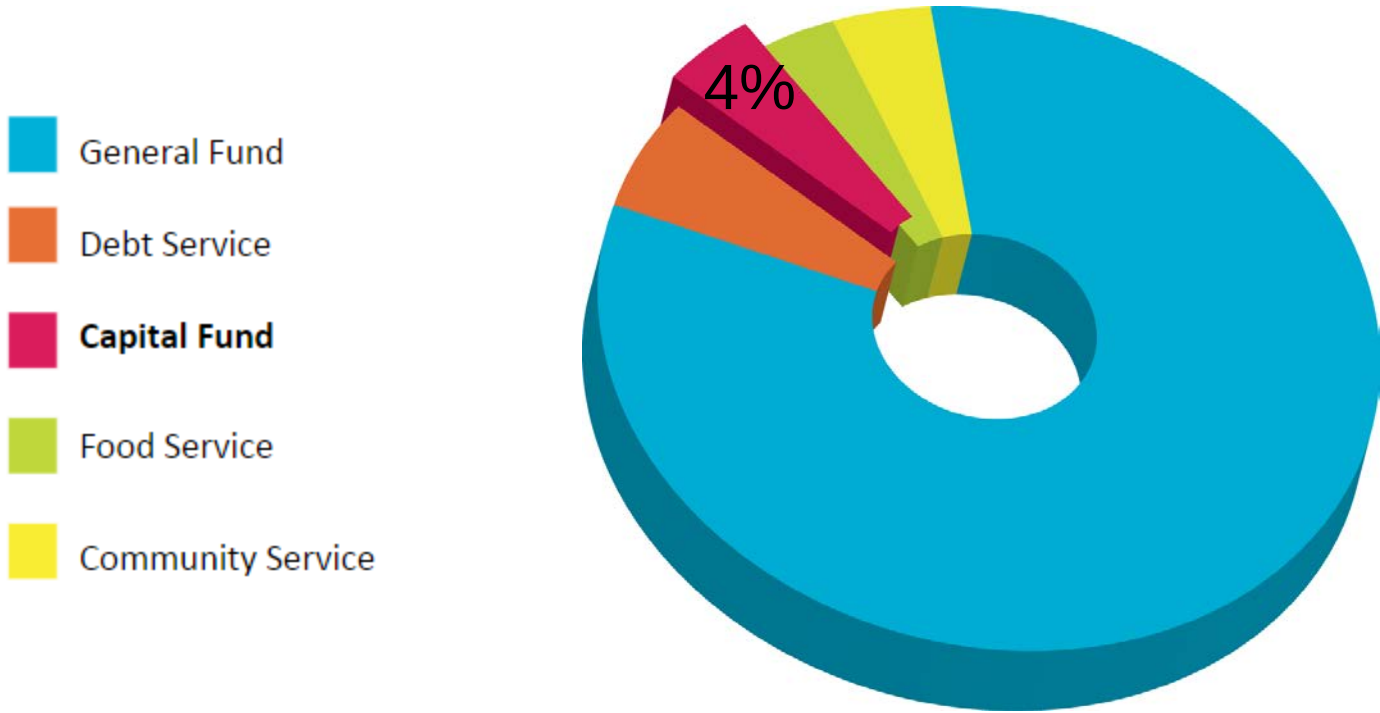
Provide space in each facility to support all students with special needs. Space is needed both to facilitate inclusion within the classroom and for special services in specific settings. Design an atmosphere conducive to learning, in or near other learning spaces, to meet the student's special physical, sensory, and emotional needs. Meet standards for other learning space (daylight, views, acoustics, etc.)

Specialized Services Space

Financial Stewardship



SPPS total Revenue FY 2016: \$680 million



Traditional Funding Paradigm

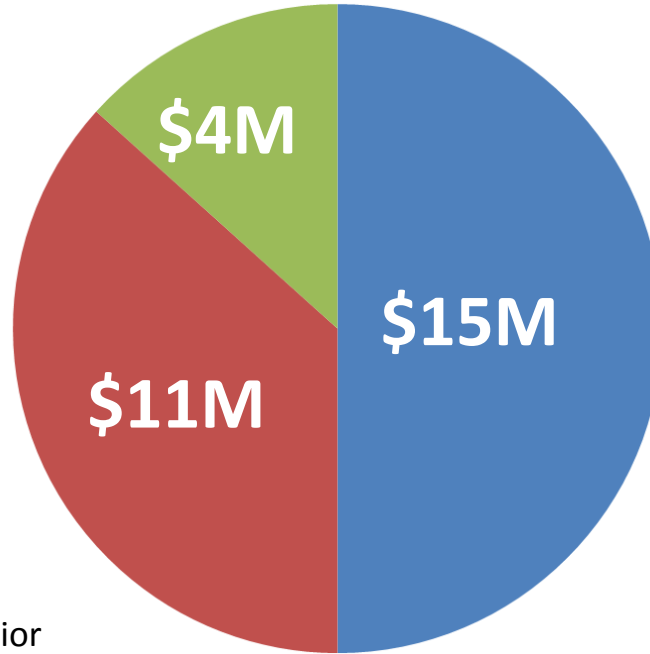
\$30M Annually (approx)

Health & Safety Levy

- Health & Safety Projects
- Restricted Funding
- MDE Approval
- Planned in 1-year intervals, 18-mos prior

Alternative Facilities Levy

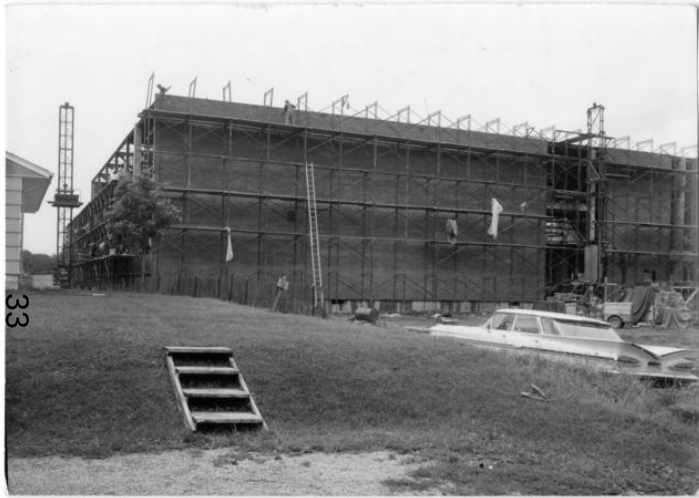
- Deferred Maintenance
- Restricted Funding
- MDE Approval
- Planned in 2-year intervals, 12-mos prior
- 10-year list required



Capital Bonds

- Betterment of School Facilities
- Restricted Funding
- BOE Approval
- MDE Approval if combined into projects over \$500k
- Planned in 1-year intervals, 18-mos prior

Facility Maintenance & Improvement Needs



Johnson High School Construction - 1964
Minnesota Historical Society

- Proactive Facility Condition monitoring and an aggressive Major Repair / Replacement program only speaks to maintaining assets we currently own.
- Targeted improvements are critical to academics:
 - Program expansion / alignment
 - e.g. Career & technical education
 - Improvements to meet academic needs (white boards, digital network improvement, appropriate spaces, etc)
 - Acoustic improvements
- Targeted improvements are critical to the function of our buildings and long term financial stewardship:
 - Expanded fire suppression systems
 - Building Automation Systems & energy improvements

A Balanced Funding Framework

- Development of a continuously updated Major Repair / Replacement (MRR) program with dependable, consistent funding that averages **2% - 4% of Current Replacement Value (CRV)** of entire portfolio annually
- Targeted, efficient **capital improvements** to support academics and building function, **identified 3-5 years** in advance of need, funded distinctly from MRR
- Preventative and demand maintenance operations funding in order to **realize best performance and lowest life cycle** cost of building systems



Humboldt High School - 1915

Photo by Charles Gibson
Minnesota Historical Society



Open World Learning - 2015

Image from Google Maps



Facilities Funding going forward

- **Current funding streams allow SPPS** to identify the appropriate funding levels for our needs balanced with our overall financial health
- Needs and funds **will ebb and flow**, but need to average within industry best practice range for Major Repair / Replacement
 - Close coordination with debt schedules
- **Other facets:**
 - Standing matching **grant opportunities**
 - Energy **Improvement Revolving Loan Fund**

**If we built SPPS
as it is today:
± \$2.1 Billion**



Five-Year Facilities Maintenance and Capital Plan



New Planning & Implementation Process

Every year, **Board of Education** reviews and accepts 5 years of major projects based on criteria and priorities set at **FMP Committee's** annual meeting(s). Projects will be inclusive of all funding sources.

Year 1 > Year 2 > Year 3 > Year 4 > Year 5 > Year 6 > Year 7 > Year 8 > Year 9 > Year 10

Year 2 > Year 3 > Year 4 > Year 5 > Year 6 > Year 7 > Year 8 > Year 9 > Year 10

Year 3 > Year 4 > Year 5 > Year 6 > Year 7 > Year 8 > Year 9 > Year 10

Year 4 > Year 5 > Year 6 > Year 7 > Year 8 > Year 9 > Year 10

Year 5 > Year 6 > Year 7 > Year 8 > Year 9 > Year 10

Year 6 > Year 7 > Year 8 > Year 9 > Year 10



FMP Committee Charge

- Give community perspective and input on FMP priorities
- Synthesize district strategic direction and how it impacts FMP decisions
- Recommend formal changes to SPPS

Facilities Master Plan



Johnson High School (John A Johnson Achievement Plus Elementary)
Photo by Charles Gibson, 1916
Minnesota Historical Society



FY16 Capital Bonds



FY16 Capital Bonds

- **Start of work on large scale projects**
 - Approximately 8 sites, largely due to alignment to enrollment
 - Will require additional year funding to complete
- **Alignment to current LTFM opportunities**
 - Johnson Sr
 - Linwood Monroe Upper
- **Technology Improvements**
 - **Critical Building System and Network Infrastructure**
 - WAN improvements, Building Automation Systems, etc
 - **Continued roll-out of Instructional A/V**
 - White Boards, Interactive Projectors, video distribution, etc



BOE Actions



Board of Education Actions

December 2015

- **Create Long Term Facilities Maintenance & Capital Structure**
 - Ensure SPPS continually has a **five-year** capital plan, with specific projects and budgets defined
- **Accept the 2015 Facilities Master Plan**
 - Exclusively digital, dynamic content
- **Approval of the FY16 Capital Bonds**
 - Annual approval, disconnected from other funding vehicles for the last time

March 2016 (and annually thereafter)

- **Accept Five-year Facilities Maintenance and Capital Implementation Plan (FY17-FY22)**
 - Appended every year - it's a rolling plan
- **Approve annual revenue structures**
 - LTFM, Capital Bonds, Certificates of Participation, grants, etc



Thank you!

Facilities contact information

651-744-1800

facilities@spps.org

<http://facilities.spps.org/fmp>



De-briefing Committee of the Board.

Reflection:

This can be done as a writing reflection and/or small groups de-brief and then share whole group.

1. How did you find yourself showing up in this presentation? Use language from CCAR protocol.
2. What is your role in supporting this effort?
3. What questions/and or concerns do you have regarding this effort (implementation, design, etc.)?
4. In what ways and to what extent is this effort aligned with our SSSC 2.0 focus area: Racial Equity, College and Career Readiness, Personalized Learning, etc.