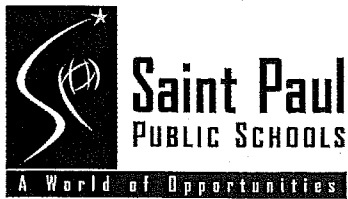


INDEPENDENT SCHOOL DISTRICT NO. 625
Saint Paul, Minnesota
SPECIAL MEETING OF THE BOARD OF EDUCATION
Administration Building
360 Colborne Street

December 1, 2010
6:30 PM

A G E N D A

I. CALL TO ORDER	
II. HANDOUT MATERIALS	
A. Frequently Asked Questions About the School Levy	2
B. Who Determines Your Property Taxes?	6
III. MINUTES OF THE MEETING	11
IV. PRESENTATION ON THE LEVY	12
V. HEARING	
VI. ADJOURNMENT	



Residents are welcome to attend
the Saint Paul Public Schools
Board of Education meeting
on the Levy on
Tuesday, November 30, 2010
at 6:30 p.m. at the Administration
Building, 360 Colborne Street

Frequently Asked Questions About the School Levy November 17, 2010

What is the impact of the levy?

The net increase of the combined school district, city and county levy is 2.8 percent.

The individual levies that make up the net increase are:

- School district = 9.4 percent
- City of St. Paul = zero percent
- Ramsey County = 2.7 percent

Adding the percentages together will give residents an inaccurate net increase, so it is important that the numbers not be added together.

Basic Levy Background Information

- Ramsey County and the state of Minnesota have the final say on property tax levels for homes within the school district's boundaries.
- Schools, unlike cities and counties, have no discretionary levy authority.
- Several general education schools levies have aid penalties. If the school district does not levy for the state authorized amount, state aid is also reduced and that results in cuts to classrooms.
- School levies make up only a portion (18 percent in 2010) of the total school budget. Increases in levies do not translate to increases in the overall budget. In fact, even with the levy increase, the overall budget will go down.
- School levies are based on a number of factors, including property wealth of the homes, the number of students enrolled, the state's match for the levy and the total amount of state aid.
- During the past eight years, the state of Minnesota has significantly shifted the obligation of funding public education to property taxes. This has led to a total statewide property tax increase of nearly \$3 billion since 2002.

Why is the school portion of the levy going up by 9.4 percent?

The state of Minnesota calculates how much a school district can levy for the following school year. It includes levies for general education, community education, including early childhood programs, and debt service (payments for bonds to maintain and improve facilities).

What is driving the levy increase?

Much of the proposed increase is related to adjustments designed to save money for Saint Paul's taxpayers in the long-term.

The majority of the levy increase, \$6 million, is due to increases in **debt service related to facilities**. Saint Paul Public Schools has nearly 100 educational facilities. The average age of most buildings is over 50 years old.

- Of that \$6 million, slightly more than \$4 million is a result of refinancing \$129 million in bonds to take advantage of lower interest rates and the interest and principle payments for bonds sold to maintain and improve facilities so they are safe, accessible and educationally sound.
- The other \$2 million is a result of an adjustment the state made last year that reduced the school district levy by the same amount.

The second factor is related to **retiree health insurance costs** that the school district inherited years ago. This accounts for \$3.6 million. This employee benefit existed before the school district was an independent school district for employees. The district has discontinued these benefits and, with the cooperation of the state and our employees, is implementing a more fiscally prudent strategy to fund the remaining obligations.

- The district successfully negotiated to eliminate this employee benefit in 1996 for retirees and also cut the early retiree benefit in the last contract. The school district uses this levy money to pay for a portion of the cost for retirees under the old obligations, so that it doesn't have to come out of the classroom.
- The state raised the levy cap this year so that districts could levy the actual amounts of their retiree obligations if they had eliminated the retiree health benefit for all future retirees, which the Saint Paul Public Schools has done.

The third factor is a result of increased **re-employment insurance** as a result of staff layoffs. This accounts for slightly less than \$1 million.

What is Saint Paul Public Schools doing to live within its means?

The School Board has taken many steps to ensure that instructional dollars will provide a good return on investment.

- In 2009, the school district cut 236 full time equivalent (FTE) positions; more than 1,200 FTEs have been cut in the last 10 years.
- The school district's general fund budget has been reduced each of the last four years. Even with the referendum that passed in 2006 for the 2007-08 school year, the adopted 2010-11 general fund budget is nearly identical to what was spent during 2006-07 school year.
- Central administration was streamlined and reorganized to reduce redundancies.
- Eight school programs were matched up and co-located into four building locations.
- Two schools have been relocated to allow their popular programs to better meet the needs of students and enroll more students, resulting in increased revenue.
- The school district has maintained its AAA Standard and Poor's and Aa2 Moody's credit ratings.
- Seven school buildings have been temporarily closed and the district has moved out of leased space, and continues to do so, as leases expire.
- The school district kept its referendum commitments, which support essential programs at all grade levels, including:
 - Half-day, pre-kindergarten for more than 900 four-year-olds
 - Early childhood education
 - All-day kindergarten at every elementary school
 - Targeted resources to middle and high schools
 - ESL services and special education

Why can't the school district have a zero percent levy increase like the city?

Local government levies tend to fluctuate for many reasons, including action by the state and property values. For example, due to actions by the Governor, the Legislature and changes in property value, the city's levy has fluctuated in the previous three years, including increases of 15.1 percent, 8.5 percent and 6 percent.

Under current law, the city is expected to receive \$10.3 million in local government aid, which was built into their budget assumptions.

The State is facing nearly a \$6 billion deficit. The new majorities have stated that they are going to balance the budget without raising taxes, which translates into substantial proposed cuts in state funding. There is no scheduled increase in the general education formula, and the state has borrowed funds and delayed both property tax and aid payments to schools as a way of balancing the state budget. Districts like Saint Paul Public Schools that receive designated funding for students in poverty, English Language Learners and special education and integration programs have been disproportionately impacted in the past.

We will continue to do everything we can to work with our legislature and Governor to ensure adequate resources for the students of Saint Paul, because they are the future of our state. At the same time, we must continue to be conservative with our budgeting, which means we will continue to plan for decreasing resources and make the most of what we have.

Does a substantial reduction in the school levy equal a substantial change in a homeowner's property tax?

No, a reduction of the school levy does not result in a proportional reduction in property taxes since school districts are just one leg of the three-legged stool, including the city and county that makes up a homeowner's property taxes.

If the school district reduced the levy to 5 percent, it would only change taxes on a low-value home by 0.05 percent and on a high-value home by 1.8 percent.

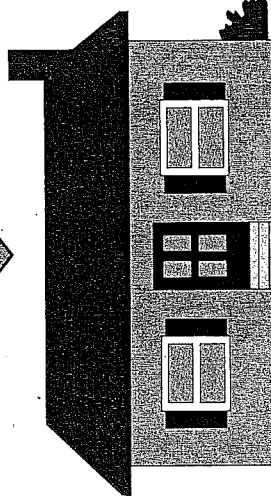
For more information about school levy or Saint Paul Public Schools, please call the Office of Communications at 651-767-8100.

www.spps.org

Who Determines Your Property Tax?

State Legislature

- Sets Property Tax Policy
- Establishes Property Classes & Class Rates
- Determines Levels of State Aid
- Underfunded Mandates to Local Governments
- Levies State Business Tax



Property Tax

Taxing Jurisdictions

- Determines Levy Amount

County Assessor

- Determines Market Value
- Assigns Property Class

Estimated Percentage Change in 2011 Property Tax On Median Value Single Family Properties (as of 11/15/10)

City	School	Payable 2010			Median % Change In Value	Estimated % Change in Tax on Median Valued Home				Estimated Change From 2010 Total Tax
		City Median Taxable Value	City Median Taxable Value	City Median Taxable Value		County	City	School	Other	Total
Arden Hills	621	\$278,800	\$276,000		-1.0%	7.8%	7.6%	2.4%	4.3%	5.6%
	623	"	"		"	7.9%	7.7%	3.1%	4.4%	6.2%
Falcon Heights	623	264,200	254,550		-3.7%	4.7%	0.3%	0.2%	5.4%	2.5%
Gem Lake	624	270,800	256,700		-5.2%	2.7%	4.0%	8.2%	-0.9%	4.6%
Lauderdale	623	186,150	187,600		0.8%	10.7%	3.3%	5.0%	11.5%	7.4%
Little Canada	623	228,000	222,300		-2.5%	6.5%	13.5%	1.5%	10.0%	6.7%
	624	"	"		"	6.3%	13.3%	11.7%	9.8%	9.7%
Maplewood	622	205,400	195,100		-5.0%	3.2%	4.1%	1.4%	6.6%	3.1%
	623	"	"		"	3.2%	4.2%	-1.3%	6.7%	2.5%
	624	"	"		"	3.1%	4.1%	8.7%	6.5%	5.3%
Mounds View	621	186,300	176,300		-5.4%	2.4%	-4.3%	-2.5%	-0.2%	-1.2%
New Brighton	282	224,600	218,100		-2.9%	5.7%	3.0%	8.5%	2.3%	5.9%
	621	"	"		"	5.6%	2.8%	0.3%	2.2%	3.0%
North Oaks	621	592,300	576,650		-2.6%	5.3%	4.5%	0.2%	1.6%	3.0%
	624	"	"		"	5.3%	4.5%	10.5%	1.6%	7.0%
North St. Paul	622	180,000	167,150		-7.1%	0.4%	-2.2%	-1.2%	1.5%	-0.7%
Roseville	621	223,900	214,200		-4.3%	3.8%	5.1%	-1.3%	0.2%	2.2%
	623	"	"		"	4.0%	5.3%	-0.6%	0.4%	2.7%
St. Anthony	282	246,800	231,100		-6.4%	1.5%	0.5%	4.3%	-1.9%	1.9%
St. Paul	625	168,100	155,500		-7.5%	0.5%	-3.4%	8.1%	-0.3%	1.8%
Shoreview	621	262,200	249,350		-4.9%	3.1%	6.4%	-1.9%	0.0%	1.9%
	623	"	"		"	3.2%	6.5%	-1.1%	0.1%	2.5%
Spring Lake Park	621	191,350	181,300		-5.3%	2.5%	-5.0%	-2.4%	-0.1%	-1.6%
Vadnais Heights	621	245,300	230,600		-6.0%	1.7%	1.2%	-3.2%	-1.9%	-0.3%
	624	"	"		"	1.7%	1.3%	7.3%	5.1%	3.8%
White Bear Lake	624	196,200	186,450		-5.0%	3.1%	3.5%	8.9%	6.5%	5.5%
White Bear Town	624	241,400	226,700		-6.1%	1.8%	20.1%	7.3%	5.2%	6.8%
										183

**Median Taxable Market Value of Residential Property
By St. Paul Planning District
Taxes Payable Year 2010 to Estimated 2011**

Planning District	Values as of: For Taxes Payable In:	Median Taxable Home Market Values			Estimated		
		01/02/09 2010	01/02/10 2011	% Change From '10 - '11	P2010 Final Taxes	P2011 Estimated Taxes	% Change From '10 - '11
1. Sunray/Battlecreek/Highwood		\$158,800	\$149,500	-5.9%	\$1,911	\$1,988	4.0%
2. Greater East Side		141,500	125,100	-11.6%	1,662	1,603	-3.5%
3. West Side		155,600	147,500	-5.2%	1,865	1,956	4.9%
4. Dayton's Bluff		123,450	105,400	-14.6%	1,404	1,292	-8.0%
5. Payne/Phalen		141,300	116,700	-17.4%	1,660	1,470	-11.4%
6. North End		135,800	114,000	-16.1%	1,581	1,427	-9.7%
7. Thomas Dale		113,000	96,500	-14.6%	1,253	1,151	-8.1%
8. Summit/University		188,700	176,800	-6.3%	2,341	2,419	3.3%
9. West Seventh		166,500	155,850	-6.4%	2,022	2,089	3.3%
10. Como		206,100	198,400	-3.7%	2,592	2,760	6.5%
11. Hamline/Midway		173,100	160,100	-7.5%	2,117	2,155	1.8%
12. St. Anthony Park		264,700	252,100	-4.8%	3,434	3,608	5.1%
13. Merriam Park/Snellington/Hamlin		259,500	247,400	-4.7%	3,359	3,534	5.2%
14. Macalester/Groveland		262,900	259,600	-1.3%	3,408	3,726	9.3%
15. Highland		268,000	257,800	-3.8%	3,482	3,698	6.2%
16. Summit Hill		353,400	343,650	-2.8%	4,710	5,054	7.3%
17. Downtown		141,600	140,200	-1.0%	1,664	1,841	10.6%

*Notes: Tax rates and taxes will be slightly higher for the small portion of the City located in the Ramsey/Washington Metro Watershed District.

Assumptions:		2010 Levy	Proposed 2011 Levy	Levy Change	% Change
County Levy		\$259,971,049	\$ 267,120,252	\$ 7,149,203	2.7%
City Levy		94,609,221	94,609,221	-	0.0%
ISD 625 Levy		111,692,236	122,230,862	10,538,626	9.4%
Regional Rail Authority Levy		19,938,811	19,938,811	-	0.0%
St. Paul HRA		3,178,148	3,178,148	-	0.0%

Process to Appeal Your Estimated Market Value in Ramsey County

**Spring 2010
(Past)**

March - June
Appeal 2010
values for taxes
payable
in 2011

April 30
Last day to
submit a pay
2010 appeal to
MN Tax Court

End of June
Board of Appeals
and Equalization
meets.
Last chance for a
formal appeal for
a 2010 value
(payable 2011)
other than
MN Tax Court

Present

**Proposed Budget
Meeting**
The meeting on the
proposed budget is a
Public Forum to allow
taxpayers to voice
opinions about local
government budgets as
they impact 2011 taxes.

The time has passed to discuss
individual valuations for
taxes payable 2011 with the
property tax appraiser for
your area*.

Your only option to appeal your
value for taxes payable in 2011
is by filing an appeal with the
MN Tax Court.

If you purchased your home
in the past year, and the
sale meets strict Abatement
policy standards, you may be
eligible for an administrative
adjustment.

* At this time you may start
discussions with a property
appraiser to review existing data
on your property which affects
the 2011 assessment (payable
2012). Contact us for an interior
review of your property at
651-266-2000

**January 2011
(Future)**

**2011
Assessment
(payable
2012)**

The assessor
calculates your
2011 Estimated
Market Value
through
analysis of
recent market
data.

**Spring 2011
(Future)**

March 16, 2011

Payable 2011 Tax Statements and
2011 (payable 2012) Value Notices mailed to taxpayers

**March 16 to June 10
Informal Appeals**

Begins with mailing of
value notices on
March 16th. An appraiser
will schedule a time to visit
your property to verify data
characteristics. Within this
informal appeal window,
we hold Open Book
Meetings. These meetings
will be scheduled from
April 2 to April 4, 2011.

Property owners wishing
further appeal can submit
written application to
the Board of Appeal and
Equalization (BOE).
The BOE appeal
application must be
submitted by May 6, 2011

**June 13 to
June 24, 2011
BOE Meets**

Board of Appeals and
Equalization (BOE)
meets. At this time
the homeowner is
responsible to support
their opinion of value.

A neutral board,
consisting of realtors,
appraisers, and
homeowners, will
review the supporting
information provided
by the County and the
homeowner. Their final
reconciliation of value
can only be challenged
in MN Tax Court.

**May 6 to June 10, 2011
Administrative Open Books**

If you miss the date to file with the BOE, an
Administrative Open Book appeal can still be done,
but MN Tax Court is the only outlet to appeal the
newly reconciled value.

We are here

After the BOE closes on June 24, 2011,
the only option to appeal is MN Tax Court
(until the process begins again next spring)

Programs that may Reduce Your Property Taxes

Refunds /Deferrals Available

1. Some homeowners will qualify for a **Special Property Tax Refund**. There is **No Income Limit** for this refund.
2. Homeowners, with household income under \$99,240, can apply for a **Regular Property Tax Refund**. Higher income limits apply if you have dependents or if you are a senior or disabled.
3. Senior Citizens may qualify to defer a portion of their homestead property taxes to a later time.

For details on these
Property Tax Refund
and deferral opportunities,

go to:
www.taxes.state.mn.us
or call (651) 296-3781

Market Value Exclusion on Homestead Property of Disabled Veterans
If you are a disabled veteran with a 70-100% service disability, you may be eligible for a market value exclusion. This will reduce property taxes for the homestead of qualifying disabled veterans. Application qualifications and deadlines apply.

Homestead Applications Due December 15, 2010

You must contact your County Assessor to file a homestead application if one of the following applies:

- You are a new owner.
- You have changed your marital status.
- You have changed your name.
- You have changed residence or mailing address.
- You have added or removed an owner.

If you sell, move, or for any reason no longer qualify for the homestead classification, you are required to notify the County Assessor within 30 days of the change in homestead status.

Special Homestead Classification (IR) for Persons who are Blind or Permanently and Totally Disabled – If you own and occupy a home and are 100% disabled or legally blind, you may qualify for this program. This is in addition to the benefit provided to regular homesteads and will reduce your property taxes. Application qualifications and deadlines apply.

For information on any of these topics, go to: www.co.ramsey.mn.us/prt
call, 651-266-2000, or
Email: AskPropertyTaxandRecords@co.ramsey.mn.us

INDEPENDENT SCHOOL DISTRICT NO. 625
Saint Paul, Minnesota
SPECIAL BOARD OF EDUCATION HEARING ON THE PAY 11 PROPERTY TAX LEVY
NOVEMBER 30, 2010

I. CALL TO ORDER

The hearing was called to order at 6:30 p.m. by Board Chair Street-Stewart. Following an explanation of the purpose of the meeting she stated one of the primary jobs of the Board of Education is to balance the educational needs of St. Paul's children with the property tax impact. The District has cut \$27.2 million from the 10-11 budget, including over \$10 million in direct funding to schools and \$17.2 million in cuts to centrally funded programs, district administration and excess fund balance. She went on to state the District is facing a shortfall of approximately \$23 to \$28 million in its budget in the 2011-12 school year.

She then turned the meeting over to the Chief Business Officer who noted the State of Minnesota has authorized SPPS to levy a maximum of \$122.2 million which is a 9.4% increase from the Pay10 District Levy. He then presented a PowerPoint presentation which highlighted the following points:

A. Why does SPPS levy?

He noted that some levies contain penalties impacting SPPS if not levied fully.

B. General information on the property tax levy.

The Chief Business Officer noted Spring is the time for stakeholders to affect their individual property tax assessments. The Ramsey County materials provides information about refunds and assessments.

C. Points of interest on the Pay11 proposed levy including three reasons for the levy increase.

The Board Chair then provided information on the process for the public hearing and turned the microphone over to those of the community in attendance. Fifteen individuals out of the approximately 35 in attendance spoke to the proposed levy.

2. ADJOURNMENT

The hearing was adjourned at 7:12 p.m.

Respectfully submitted,

Marilyn Polsfuss
Assistant Clerk



Saint Paul Public Schools Public Hearing 2010 Proposed Property Tax Levy

Special Board of Education Meeting

November 30, 2010

Michael A. Baumann
Chief Business Officer

Why Does SPPS Levy?



- State funding does not provide all of General Education expense requirements (Equity, Transition, Integration, Operating Capital, etc.)
- Mandates from the State and Federal governments require additional funding (alternative maintenance)
- Leased space support
- Health Care support
- Pension support
- Operating costs

Some levies contain penalties if not levied fully

Property Tax Levy (General Information)



- Property Tax Levy laws are established by the Legislature of the State of Minnesota.
- Boards of Education set the overall Levy for School Districts up to the maximum set by the State.
- The 2011 Levy will be paid by taxpayers in May and October of 2011.
- The proceeds of the 2011 Levy provide funds for the 2011-12 school year.
- Calculations for individual property taxes are administered by Ramsey County.

Property Tax Levy (General Information)



- MN law was changed last year so each taxing jurisdiction (Ramsey County, City of St. Paul, SPPS) holds its own hearing. SPPS is holding its hearing tonight to hear from you.
- The Board of Education will certify the Pay11 levy at its meeting on December 14, 2010.
- SPPS continues to work with the City and County to reduce overall impact.
- Spring is the time for stakeholders to affect their individual property tax assessments. See your packets for Ramsey County information about refunds and assessments.

Property Tax Levy Proposal (Comparison Pay10 to Pay101)



Fund	Final Pay 10	Proposed Pay 11	Percent Change
General	\$72,209,685	\$76,688,599	6.2%
Community Service	\$3,668,391	\$3,571,836	-2.6%
Debt	\$35,814,161	\$41,970,427	17.2%
Total	\$111,692,237	\$122,230,862	9.4%

Board of Education proposed **ceiling** for property tax levy is \$122.2 million or 9.4%

Pay 11 Proposed Levy

(Points of Interest)

- Three reasons for levy increase:
 - OPEB (Other Post Employment Benefits) – a levy to help cover the costs of retiree health insurance. District continues to take steps to control these costs
 - Debt levy – costs and adjustments to maintain our building infrastructure
 - Re-employment Insurance – from staff layoffs

Board of Education Hears from the Public