

INDEPENDENT SCHOOL DISTRICT NO. 625
Saint Paul Public Schools (SPPS)
MINUTES OF THE SPECIAL BOARD OF EDUCATION MEETING
December 1, 2009

I. CALL TO ORDER

The meeting was called to order at 6:03 p.m.

II. ROLL CALL

PRESENT: Ms. Varro, Mr. Brodrick, Ms. Street-Stewart, Ms. Carroll, Mr. Hardy, Ms. Kong-Thao, Ms. O'Connell, Interim Superintendent Kelly, Ms. Polsfuss, Assistant Clerk

III. NEW BUSINESS

A. Presentation of Pay 10 Tax Levy

The Chair thanked the audience for taking the time to attend the public hearing on the school district portion of the Pay 10 tax levy. She stated one of the primary jobs of the Board of Education is to balance the educational needs of the city's children against the property tax impact. The District cut \$25.1 million from this year's budget, including \$10 million in direct funding to schools and \$15.1 million in cuts to centrally funded programs, district administration and the excess fund balance. The District is facing a shortfall of approximately \$23 to \$28 million in its budget for the 2010-11 school year. The Board will make the required reductions to live within its means and balance the budget for 2010-11.

She went on to state that as state and federal demands and expectations accelerate and their support declines, SPPS is committed to making the critical decisions necessary to maximize resources and obtain the most effective educational results for all students. Stakeholders will be included as early as possible in the development of the 2010-11 budget. She then turned the meeting over to the administration for a brief presentation on the Pay 2010 Levy.

The Chief Financial Officer outlined the information supplied by the Ramsey County, Property Records and Revenue Department. Outlining who determines the property taxes, major factors that influence the 2010 property tax, the process to appeal an individual estimated market value in Ramsey County and information on property tax refunds.

He then went on to provide general information on the property tax levy:

- The property tax levy laws are established by the Legislature of the State of Minnesota
- Board of Education set the overall levy for school districts
- The 2010 levy will be paid by taxpayers in May and October of 2010
- The proceeds of the 2010 levy provide funds for the 2010-11 school year, and
- Calculations for individual property taxes are administered by Ramsey County.

Minnesota law changed this year so each taxing jurisdiction holds its own hearing. SPPS continues to work with the City and County to reduce the impact overall.

SPPS levies because the State does not provide all of the general education expense requirements (equity, transition, integration, operating capital, etc.). Mandates from the State and Federal governments require additional funding (alternative maintenance). The levy also provides for leased space support, health care support, pension support and operating costs.

The proposed taxes payable in 2010 for SPPS are \$110,238,530.00, which represents a 3.05% increase; this is in line with inflation. The reason the levy has increased is due primarily to Other Post Employment Benefits (OPEB) and the principal and interest payments made on district bonds. The proposed 2010 levy is the smallest growth in the last five years for the District. The Board is mindful of the tough economic times and seeks to keep the levy reasonable and for the first time established a ceiling lower than the authorized maximum.

Several other considerations were listed for the deficit facing the district:

- Enrollment is declining, the district was designed to handle 45,000 students; there are currently approximately 38,000 students. Enrollment is expected to decline an additional 2,500 students over the next several years.
- The District must ensure that every child in St. Paul receives an education that prepares them for a great future. There are high expectations for schools, teachers and students and it is the District's responsibility to meet them.

Changes to accomplish and meet these responsibilities cannot be done through business as usual. That is why the community and stakeholders were engaged in forums around issues like Large Scale System Change. Several themes and actions emerged:

- Use of American Rescue and Recovery Act (ARRA) to implement academic improvements
- Temporary closure of two schools beginning school year 2010-11
- Continued discussion around the school choice theme

Since the District receives most of its money from the State, the shortfall is predicted to continue.

B. Public Comment on Pay 10 Levy

1. Patrick Boylan – spoke to debt and the levy amount
2. John Faltesek – spoke to the general cost per student and the new Superintendent

The Chair called for additional comment, as there were no additional speakers she called for a motion to adjourn.

IV. ADJOURNMENT

MOTION: Ms. Carroll moved the meeting adjourn; motion seconded by Mr. Hardy.

The motion passed with the following roll call vote:

Ms. Varro	Yes
Mr. Brodrick	Yes
Ms. Street-Stewart	Yes
Ms. Carroll	Yes
Mr. Hardy	Yes
Ms. Kong-Thao	Yes
Ms. O'Connell	Yes

The meeting adjourned at 6:20 p.m.

For clarity and to facilitate research, these minutes reflect the order of the Agenda and not necessarily the time during the meeting the items were discussed.

Prepared and submitted by
Marilyn Polsfuss
Assistant Clerk, St. Paul Public Schools Board of Education