

**MEETING MINUTES
COMMITTEE OF THE BOARD MEETING
September 11, 2018**

PRESENT: Board of Education: S. Marchese, J. Schumacher, J. Foster, J. Brodrick, M, Vanderwert, Z. Ellis, M. Xiong

Staff: Superintendent Gothard, H. Kilgore, C. Long, L. Sayles-Adams, T. Battle, J. Turner, L. Cathey, M. Schrul, J. Engen, A. Collins, H. Ott, K. Wilcox-Harris, S. Akyea, A. Schilling, Y. Vang, G. Ghere, B. Natala, L. Erickson, S. Carlstrom, K. Randall, C. Baker, E. Agbamu, S. Dahlke

Other: J. Verges, T. Lonetree, L. Pantoja, J. Kopp, J. McClure

I. CALL TO ORDER

The meeting was called to order at 4:34 p.m.

II. AGENDA

A. Superintendent's Announcements

Superintendent Gothard began the meeting with a thank you to everyone for a great opening the new school year. He noted that he has been out to schools, and in interacting with students, families, and staff, they are happy and engaged, and look forward to a new school year. He noted the construction that took place throughout the summer and a special thanks to all those who worked on or are still working on those projects. Como Senior and Humboldt are the middle of major renovations, and they are being staged in a very student safety-focused manner. A special thanks went out to Transportation for their help in ensuring our students to go schools and homes safely. They trafficked a lot of calls, questions, and concerns, and we thank them for all their work in making sure our students are well-cared for. Superintendent Gothard noted that he is pleased with the start of the school year and is excited for the future. In visiting schools, he is again reminded of our mission in SPPS – to see the students in PreK who are nervous for their very first day to the seniors who are wondering what they will do next year. It is incredible to be a part of SPPS, and he thanked the Board of Education, staff, and parents and families for a job well done in starting the school year for 2018-2019.

He also provided an update on the referendum for 2018. Site teams are organizing with staff and parents as an opportunity to share information. A community team will provide information to parents, families, and community members. Trainings are scheduled and we are working diligently with schools and with those who would like to help. This is a community that cares and in times like this, we need to be focused in the work we do. November 6th will be an important day for the community and for the future of education in Saint Paul Public Schools.

Director Brodrick noted that the Superintendent has done a great job to let schools know that we appreciate their flexibility, especially in those schools where construction is not complete. This Board should send the message to buildings and staff to thank them for their help and flexibility.

B. 5Essentials for Improvement Update

Superintendent Gothard then introduced Dr. Kate Wilcox-Harris, Chief Academic Officer; Dr. Stacey Gray Akyea, Director of Research, Evaluation, and Assessment; and Andrew Collins,

Assistant Superintendent to present the information and results of the the 5Essentials for Improvement.

Description

- The 5Essentials Survey is a research-based diagnostic tool designed to identify a school's strengths and areas of opportunity on the five essential factors that drive school improvement. 5Essentials Leadership Development builds leadership team capacity to improve the practices that are critical to driving school improvement.
 - The survey has been administered to more than 5 million students, teachers, and parents.
 - School improvement framework built from research on organizational factors that matter most in promoting improvement.
 - Analyzed at scale across the state of Illinois and used by nearly 6000 schools.

Key Research Findings

- 10x more likely to improve student outcomes if strong on three or more Essentials than schools weak on three or more
- Less than 10% chance of improving student outcomes over time when a sustained weakness exists

5Essentials Framework

- Ambitious Instruction
 - Classes are challenging and engaging
- Effective Leaders
 - Principals and teachers implement a shared vision for success
- Collaborative Teachers
 - Teachers collaborate to promote professional growth
- Involved Families
 - The entire staff builds strong external relationships
- Supportive Environment
 - The school is safe, demanding, and supportive

Example Report

- An example of a school's report was shown, with graphics information in each of the 5Essentials, and if it was very strong, strong, neutral, weak, or very weak. An overview of the score is also provided at this level.

Implementation in SPPS

- Six years of 5Essentials data: 2013-2018
- Initiated in context of previous SPPS "Principal Survey"
- Addition of supplemental items requested by SPPS
- Survey participants: Teachers, Staff/Support
- Timing of Survey Administration: Release of Results
- Surveying students in grades 4 & 5
- Leadership changes over the six-year grant

Application: Principal Coaching

- One Essential – Deep Dive
 - Example: Instructional Leadership – Support and Feedback
 - Provides me with useful feedback to improve my teacher?
 - Provides me with the support I need to improve my teaching?
 - What do we mean by this?

Next Steps

- Implement in 2018-2019 as owners of the tool

- Explore how to use the tool in additional relevant ways
- Determine association between being “well organized for improvement” and the increase in long-term student outcomes

QUESTIONS/DISCUSSION:

- What year did the supplemental questions begin? Response: In 2013 we started, and at the beginning, we requested supplemental questions. The worry was that we were taking a pre--packed survey and not making it our own. The first year we started adding supplemental questions.
- How does this intersect with other evaluative mechanisms? How is its consistency with others? Are they consistent with what this is asking for, and how so? How do you keep a consistent message that doesn't get them caught in crosshairs of different evaluative structures? Response: In thinking about the timeline when this is offered, and from a principal perspective, there is a fall check-in, winter check-in, their self evaluation, and then final evaluation. They won't have results because the window opens in November for 5Es each year. The results are at end of January and are used at the spring check in. It's data in terms of organizing. In the feedback, if it's using language like that, in some cases from a perspective of conversations with leaderships, school continuous improvement plan, and collaboration of teachers, the overlay of themes of quality professional development and teacher to teacher trust, it impacts those. For buildings to have a data point that they factor into the context; this is one data point, but it matters from how do we make sense of it. There are action steps, and creating that coherence creates that harmony. There's an idea of looking at strategic leadership and how it affects instructional leadership is that intersection. The idea of how assistant superintendents work with principals is more than this survey, and there are opportunities for other ways to discern this information
- Would it be possible to see the results year by year of this survey? Response: Yes, that information can be provided. Paraprofessionals are included in the recipients of this survey, we get district level report. Also, to build on the question on principals' evaluation, it is not used in principals or teacher evaluations. If there was any result or answer to compromise anonymity, it would be redacted. There is extreme attention to ensure it does not highlight any one person's response. We do have all the data. We are data-rich and information-poor, and that will be an improvement step. We try to focus on two questions to get the trajectory that we need.
- What is the sense of it's effectiveness? Has it helped us improve our schools? Response: Administration wants this tool to be helpful. It is as individual as our principals and our buildings. It is as deep as our capacity and support to go. It creates great conversations about what is really get traction for school in a more authentic way. Participants in the survey feel they have offered their voice. There is cross-checking and validation in this survey. They talk about the questions that help teachers work well together and principles work to encourage teacher collaboration, which is beneficial to our schools and allows teachers to enjoy what they do. The supplemental questions reponses also go back to the schools.
- How do we drill down to the individual teacher in reporting out on the survey? Response. There will be a measure that is included with the participant's responses. Then the question becomes now what? What do we do about it? Then begins the planning. Part of this is identifying, and the beneficial part is in planning and addressing it. Teachers can then talk about it together. Dialogue is in most buildings, and work in Adaptive Schools also complements this work to give structure to discuss the troubling pieces. Adaptive Schools is giving us tools. Coaching in this tool. McKnight has been generous in coaching in professional development and weak areas.
 - The Board felt it was great the paraprofessionals are involved, because often times TA s and EAs feel that no one listened to them. They did give us feedback early on that they wanted to answer well, and if it didn't pertain to them that they could skip it so it would be authentic. That is a very sensitive insight.
- Individual teachers when the data is shared with the building, it gives a general sense of responses across the building. When looking at the leading themes those are the dominant elements that encourage principals to dive into. It will not be taking the entire survey and be able to clarify it in one meeting. If it's coming through that some things aren't working, it provides indicators. It is in the depths of conversations, that we develop norms about developing norms as a community in the power is, and the change of growth.

- In the Next Steps, it was mentioned that since we are now owning this tool, it will be \$1000 per building, how does that work? Response: The central office is covering that cost.
- In effectiveness, if the data from the 5Essentials isn't used toward evaluations but guides principals and teachers to create School Continuous Improvement Plans (SCIP), is there a way to track the schools how they use the data to guide and plan their SCIP and these are the improvements we've seen from the data. Are we able to track per schools, and ask if they use this tool and then plan out SCIP, and within the last 3 years, we've seen improvements? Response. In terms of the context, there is the 5Es, a three year trend in responses. One challenge that exists is the response rate of 51.0 percent and to all licensed staff, if there's a high amount of turnover, and a lower response rate, one concerns is that it could be entirely different cohort of people. That is a limitation, and how to work proactively to get highest response rate. Staff mobility happens, but what can we do to offset.
- For the schools with more 50% participation, can we pinpoint if they used this tools and then able to develop goals for SCIP, and from there we have seen this result? Response: It depends on how they use it. Because it's a school-wide comprehensive tool and in perception, they would use is in their needs assessment for the building. Sometimes it is very surface, and look at see needs and based on all pieces of data including 5Es, we'd like to focus on one. We wouldn't necessarily be able to associate changes with how they used the 5Essentials but could link to use in their SCIP and if they were implementing the SCIP as they wrote it, monitoring, and improving instruction. That would be the link. We would be looking at the association, check that they used several sources to identify needs across the building and build from there. This is a foundation building block. Over time, we can see changes in buildings and we can liken that to practical changes in the buildings so that incrementally we can see changes happen.
- In talking about the 50% response, that is an average across the system? Response: It is higher across the district, but needs to be 50% to be able to receive the report. The response rate for the District it was range across buildings, generally across it is in the 60% range district-wide.
- Is there a correlation between schools that have higher response rates and the health and the how those schools what the responses are in terms of positive feelings on the school? Response. The first is that we talk about generalization and response rates. We could have 80% of people responding, but that doesn't mean that 80% represents all across the building. It is a high response rate and is meaningful with the information. the response rate and the higher response rate does not equate to representation across the building. It's one perspective of what's happening in a building. It's designed to catch individual responses and in context of everyone else's response. Ideally, it's looking at how we all respond, and that's how the analysis is delivered. Part is built in to catch the lower responses .
- The Board asked if Superintendent Gothard has experience with this tool and how it will be used in determining the strategic plan? Response: There are more tools right now than ever before. We get real time data that is analyzed. We have to interpret or use it, and a lot of the work is done. We need to be careful in 6 years of trend data, there is value in sticking with this in how we want it to fit in our work moving forward. There are a lot of questions within the survey, which has its own concerns. The question is what we want to do with this information, and how to help our long term student outcomes. It is important data.
- Do you see the data year to year for each school? Who sees that? Response: There is a website where the results are housed at the University of Chicago. Each school has a log-in and see their school and prior years of their school. At the district level, there are several that have access and summarized report of the trends back to 12-13. The reports are extensive. They revamped their drill down capacity is great to look at each essential over time and how they have changed.
- When is this done and how much planning are we doing as staff with results in March? Response: The survey window for this year is November 7 – December 8th. Staff usually take the survey together. Often times the principal will leave the room for staff to take the survey. The results go through leadership development. That goes to UEI, and then is uploaded, and reports are here with senior leaders in February. Last year, there was an order for the superintendent to see the results first, then senior leaders, then assistant superintendents, school improvement teams in the February release. Then principals receive in beginning of March, and that's the SCIP planning season. It does give them time. It's like a treasure hunt in looking back over time to see the

changes. Schools look in one area, and try to unpack that. It also helps the needs assessments. There is a concerted effort to look at needs in the schools and focus on one or two. The leadership team sees the results as well.

- How does aligning this in our schools with achievement with outcomes? Is it possible to have a really happy, test high in school, score low in achievement. How do we think about that? Response: This tool will not improve student outcomes, it will help to coach principals to improve student outcomes, inform our leaders of a culture in buildings around achievement. We don't have the ability to get the results and change instantaneously. That's the greatest use right there, and principals to allow them to look for patterns and trends.
 - We are trying to create the conditions to improve, and there is evidence they will, but we can't be that surgical in tracking? It is difficult in the variables in our environments, different principals, staff, students. There will always be other factors, and that's why looking for 3, 4 or 5 high impact ways to dig into practice through PD or with all principals.
- It would be helpful in these different instruments and how instructions must be different for those learners. What tools have identified that we will continue to use. Response: Dr. Gothard noted that there is discussion around that in start, stop, and sustain, and determine what we will use going forward across the board. We only want to use tools good for kids and staff. We don't have financial resources to do everything everywhere. To know if impactful is important. Action teams are working on process on way to look at everything we do and make decisions around that.
- It was also highlighted that the average response rate is about 68%-70-% but ranges. Schools can't submit for complete survey without at least 50% because of the anonymity.
- Over the past 6 years have we looked at why certain buildings don't respond to the survey? Why is that? It was grant funded, and we are now covering the expense as a district. How can we support schools with less participation to increase? Response: It's unacceptable that there isn't a higher response rate, and how high have we had expectations. We have a high response rate from students, and we also need to acknowledge that administration has changed. It has moved to leadership development, and there have been changes in the champions of this work. We have created a chart to assign responsibilities to each team. UEI sends out reminders. They send reminders to everyone. How are we showing that this is a priority to us and to our schools? Schools want to know how students respond; surveys start in 6th grade. In other districts, 4th and 5th graders are surveyed. It's about what's going well in schools.
- It sounds like there are different perspectives in including students. The suggested response rate is higher? Response: Schools take the survey in a classroom setting, and as long as in attendance, students are expected to take it. Staff may use a staff meeting, and it's about a 40 minute survey and it includes the supplemental questions. The Board noted that it is important to get a broad response from students.
- What is the correlation with this and MN Student Survey? How are they referenced together, and are they consistent? How do you use those 2 sets of data for secondary schools? Response: Triangulation. We do have a correspondence, and can report back on where they overlap or where there are gaps.
- The Board appreciated the metaphor this survey in relation to gardening. This survey doesn't give us weather, how well the farmer or gardener is using the soil, or the methods. It is one layer of a more complicated discussion. Given the tremendous quantity of information, how to not get over focused, and miss the other levels that are significant and important, how do they till the soil and affect the crops? This survey will not give us outcomes, but it will give us the environment, and put in place, and note that items that we need to look closely. In a world full of data, it's important to determine what level of data to focus on.
- The Board noted that it takes us back to the tools we are using and the merits behind them.

C. Budget Process Update

Superintendent Gothard then introduced Marie Schrul, Chief Financial Offer, to provide an update on the budget process.

FY20 Budget Timeline

- A step-by-step plan was presented of the FY2019-2020 Budget Development Timeline, beginning in August with the Pay 19 Summer Levy input, and ending on June 18th with the Final FY20 Budget Adoption by the Board of Education.

Changes for FY20

- Board Budget Workshops:
 - Workshops scheduled to update the Board on fiscal matters related to the budget process
 - Examples include: fiscal forecast, budgetary rollout information, detailed allocation information & discussion
- Public Budget Hearings:
 - Public budget hearings will be scheduled to allow community to give input on budget
- BFAC Meetings:
 - Committee will meet from September-January

QUESTIONS/DISCUSSION:

- Will that will include extensive information on the Facilities Master Plan? There are other board members that would like to see reaction and appreciation for what we've done so far. People are noticing and at those sites. Will there be a list of the queue of what's coming next because that's what people are interested in. There's a concern that we still haven't figured out how to provide for smaller projects that in reality many times have a more tremendous payback in terms of public relations and communities being happy. The question is not only what are we going to get, but when are we going to get it?
- We spend money on capital projects. We also have ability to levy money to maintain what we have. In talking about the public, and a particular school community, they are appreciate of anything that happens at their school. They also notice maintenance. We have heard more complaints, particularly in athletics, when we are not doing a good job of maintaining the facilities. These are the kinds of things we need to work on. This is a big issue. Response: There were four points. Yes, we are working on closing current project balances. A few projects have been in the queue for a while. We have been working with Facilities in project balances. There will be an update on where we currently sit and what is in in the queue next. Things need to be planned in order to be in those areas of maintenance. We can give more information in an update. We are working with the executive board for October or November to go over the next phase of the Facilities Master Plan, that will carry us out 3 years. Regarding the small projects, there is no such thing every thing turns into a large project that we are not going out to do a small project impacts the ability to. looking at them on a case by case situation. In general maintenance, that is something Facilities and Finance are working together on to look at budgets, as well as LTFM budgets to see what is the budget amount, what's leftover, and income level, and where we can move around. In the general fund, we are competing with other funding projects, including teachers and transportation. That will be prepared in the upcoming months.
- It was noted that with the legislative year, there will be assumptions and set to the side, including the title programs.
- Does this look, seem or feel different in this timeline? Response from the Board: Spring Break is April 5th, and in the past, we've had budget come into schools after spring break. Is this significantly earlier than they were? Yes, it is much earlier.
- Enrollment plays into this, negotiations, costing in general, criteria. There are a lot of pieces unknown in a budget, and the more we can make decisions upfront and agree, the key is to do them jointly as a team, and have one process.
- The timing of this earlier is helpful and we can get information to the Board and to the community helps in terms of transparency. The point around the allocation criteria and what we will fund. As you have it laid out here, that's very soon. That's a significant moment in the process in resources allocated and priorities. It needs to be tied to the strategic plan initiatives. There needs to be detail in the plan to cost out what needs to be used and where. The second part is that because out of that

flows decisions, what we're doing here is not rolling over years past, and moving back. There isn't as much of a change as hoped in something along the lines of zero based budget, but that might be more drastic to be one in future years. We would hope to move towards that decisions to fuel the things that need to be done.

- Folks in the community have raised where are the onramps for understanding the allocation, but to get something onto the agenda. In the October-November timeframe is through the BFAC, it is a tall order to get that group to focus on concrete to provide feedback early enough in the process. It's ambitious to have recommendations in January. I suspect it will be more time do that? More fluid. Also folks from the PACS that have ideas or needs, where do we bring those forward to be considered? The Board noted that the budget is the development of administrations process of recommendation to the board that is then approved. It is preferred to have Administration lead the way, and to have the process needs integrity and to let administration develop it, except that to say it is being done in a way faithful to the process. Board members want to be available to the community when they bring concerns. Response: For the sake of space and time, this is a very concise process outline. Each one of these tasks and dates could be unpacked into much more detail. It is dynamic and builds on more of another. It will lead to us being able to take recommendations from the community and relate them to the strategic plan. The budget hearings could be looked at a more formalized process. There needs to be an understanding and we need to be intentional of how we communicate. We all know the challenges that we face. Right now, we can only guess what the outcome of the legislative session will provide us, and the general election on November 6th.
- From the budget finance committee, that started as a place where people brought concerns on what we should be spending money one, we tried to mesh that with a process to consider. Toward the end of the summer with a separate understanding of how those with ideas on how we should be spending, that should be a part of strategic plan and not budget. We need to understand that process and how we evaluate and spending the money and informs the Board as well. the idea of having folks come together to talk about what that budget process looks like and recommendations for process, but not ideas on what we should be budgeting. Those are placed in strategic planning and how we're going to spend the money. Also to have a regular process year after year with the public to be invited, so they can make recommendations and to understand how we can keep members and access community members understandings, and ideas, and how to do the process better. The strategic plan will host a community engagement in annual ways, talking about how things are going. Hopefully this BFAC and the strategic plan sets in place an understanding of regular committees and when they meet, and how we can use them to support the strategic plan. It's important we are clear around the expectations and what we are asking them to do, respecting their time, and implementing a process that is predictable each year.
- The Board also noted that ideas could be used from the Mayor's budget process.
- It was also noted the important to equip building leaders to work with communities and to be available for presentations and input process.
- The Board also noted that it is important to loop back to the community on the BFAC recommendations and input.
- Is October 15 too early for enrollment? Response: There are initial conversations about enrollment. The initial, very high level, information is available October 1st and we look at the deviation of 150-200 students, and look at the big picture for projected revenue by school and grade. Trends are looked at, and initial projections.
- It was also noted that in BFAC, one request was around community input, and to talk about as a group about engaging BFAC in a process around a budget process or development, and charge them with a different way of looking at community input and recommendations for different ways of doing the budget process, including zero-based budgeting and other methods used in other school districts. The goal is to have the teams have final recommendations at the end of December, meet as a group, and recommend in early January.
- Who is on the BFAC, and what is their mission? Response: BFAC is 2 year old. It is formally posted on the District website, and the goal is to have a diverse representation of Saint Paul and as members have joined, they have also added additional representation from the community, and it has grown to be a larger group with about 40-45 members. It is posted on the Business Office website under BFAC. A group of staff and board members compile a list of people that would represent parents,

businesses, and a diverse group of people, and also people that have expressed interest in the past. Most participants voiced their interest in being on the BFAC because they had an interest in the budget priorities, instead of the budget process. It would be helpful to be clear about the difference in process and priorities. Priorities live within the strategic plan.

- The Board also noted that many times people on the BFAC are so intense about SPPS, that the topics did drift within the BFAC meeting. It behooves us to look for those conversations to happen at another time and to call it something different, because those point are valuable to hear. It is an opportunity for us.
- The Board also noted that the BFAC needs to be looked at as a 2.0 or 3.0 version, and to look at the expectations and structure of that group. Director Marchese commended Treasurer Schumacher with chairing the meetings.
- The importance of community engagement outside of BFAC was expressed, and to look at the ways the Board receives the information with input from Administration. Community engagement is a main part of the strategic plan.
- There is a recommended structure to BFAC. It would be implemented with the committee we have this year and going forward.

D. Proposed Pay 19 Levy

Chief Schrul then went to present the Proposed Pay 19 Levy to provide information to the Committee of the Board regarding the Pay 19 levy calculations to determine the maximum levy ceiling.

Planning Assumptions (staff estimate)

- All figures in this report are based on Administration's best estimates, using the statutory authorized amounts
- MDE provided preliminary Pay19 levy calculations on Sept. 7 and Sept. 10
- MDE continues to make adjustments to the SPPS numbers through September
- Most districts certify their maximum levy

Why Do School Board Levy?

- To provide revenue that funds the cost of staff (salary and benefits), OPEB & pension obligations, debt service, facilities projects including: health and safety, maintenance, and new construction
- Community education programs and other expenses
- Schools can only levy what is authorized by law

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, Pay19 school levy funds the 2019-2020 school year
- Levies contribute to approximately 20% of SPPS budget *
- Levy can only move down after October 1

Who Determines Your Property Tax?

- State Legislature
- Taxing Jurisdiction
- County Assessor

Major Factors Impacting Property Taxes

- Is the property tax levy going up, down, or staying the same?
- Is there additional money available to reduce the local tax burden?
 - State aids (local government aid, county aid, or school equalization aid)
 - Fiscal disparity distribution

- How is a home's market value changing relative to other homes or compared to other types of property?
- Are there increases to the tax base that are not the result of inflationary or deflationary changes to the values of individual properties?
 - New construction
 - Property going from exempt to taxable
 - Decertified tax increment financing districts
- Are there legislative changes?

Factors Impacting Saint Paul Levy

- Overall estimated market values are up 7.6% from prior year with values now above Pay 2008 Levy Peak
- Market values are increasing in the double digits for a number of apartment properties while residential, commercial and industrial increases are generally more moderate. This will cause shifting of taxes paid last year by residential, commercial and industrial properties to apartment properties.
- Thomas/Dale, Dayton's Bluff, Payne/Phalen and the West Side are all areas with higher increases in residential market values.
- Properties in St. Paul increased slightly more in value than the suburbs which will shift some county taxes from the suburbs to St. Paul.
- School portion of fiscal disparities aid increasing \$343,169 or 1.1%

Factors Impacting School Levies

- Changes in tax base
- 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
- Operating Levies

SPPS Levy Categories

- **Operating:** general levies that support school functions, including referendum, integration, operating capital, career/tech, transition, safe schools and abatement adjustments
- **Pension/Other Post Employment Benefits (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 Pay19 Levy Ceiling

Levy Category	Certified Pay18 Levy	SPPS Estimated Pay19 Levy Ceiling as of 9/10/18	Difference
Operating	\$ 50,250,404	\$ 72,560,222*	\$ 22,309,818*
Pension/OPEB/Contractual	38,930,211	39,544,458	614,247
Facilities	62,657,568	65,626,147	2,968,579
Community Service	3,626,763	3,229,160	(397,603)
Total – All Levy Categories	\$ 155,464,946	\$ 180,959,987	\$ 25,495,041

Percent Change			16.4%
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*The SPPS estimated Pay19 Levy Ceiling amount includes the \$18.6m funding request to increase the Operating Levy in November 2018.

Estimated Annual Property Tax Impact Home from 2018 to 2019

Assuming a 0% Increase in Market Value

- The estimated annual property tax impact for a home from 2018 to 2019 was reviewed, with the estimated change at a 16.4% ceiling of \$115.85 on a median home market value of \$186,200.

Estimated Annual Property Tax Impact Home from 2018 to 2019

Assuming a 7.1% Increase in Market Value

- The estimated annual property tax impact for a home from 2018 to 2019 was reviewed, with the estimated change at a 16.4% ceiling of \$184.76 on a median home market value of \$186,200.

Estimated Annual Property Tax Impact Commercial from 2018 to 2019

Assuming a 6.1% Increase in Market Value

- The estimated annual property tax impact for a commercial/industrial property from 2018 to 2019 was reviewed, with the estimated change at a 16.4% ceiling of \$305.88 on a median commercial/industrial market value of \$495,450.

Pay 19 Levy Calendar

- The Pay 19 Levy Calendar was reviewed, with the BOE certifying the Pay19 Levy on December 18th, and SPPS certifying the Pay19 Levy to Ramsey County on December 28th.

Requested Action

- Recommend certifying maximum Pay19 levy ceiling as authorized by MDE at September 18 BOE meeting (if MDE has all numbers available)
- A tentative BOE meeting on 9/25/18 may be scheduled at 6pm to certify the Pay19 Levy ceiling
- Set the date for the Taxation and Budget Hearing for December 4th at 6pm (COB meeting that evening)

QUESTIONS/DISCUSSION:

- Do we have flexibility in terms of facilities projects maintenance and new construction? Do we have any flexibility to spend more than we do on maintenance opposed to construction? Response: It's what you authorize and put in for debt issuance. We'd have to work with the state and a formal process. We have put in what we issues for the COPs and bonds. On the LTFM funding, there's an amount issued by the state. That did change a little over last year. There are details around that. We can only levy what the State authorizes. We are being mindful of the cost with the FMP and we're also being mindful of debt schedules we have out there and balancing that with other debt. We're trying to contain those costs from rising above. If we see opportunity to issue, we will do that. We also need to balance the taxpayer impact.
- If we do decide that we needed more employees in terms of Facilities and Trades, and we know that if we make that decision, that will come from General Fund. Is there a way to negotiate with the State to get relief for general fund and get money paid for by the levy? Response: The formula for deferred maintenance is the LTFM funding, and funds that we cannot use for custodial services – only building maintenance like tuck-pointing roofs. It is very prescriptive on what we can use. The other funds we can use for custodial services is the capital operating levy, but that is also limited on a per pupil basis.
- A board member stressed his concern on the current facilities and maintaining them, as opposed to only focusing on building new facilities. A building will stand longer if it is maintained.
- When we certify, that maximum would not include that \$18.6M. There are also changes to our referendum market value with the tax base and inflation, which is up about 2.2%.
- Just to be clear, if we had a current levy and there were inflationary increases, those are wrapped into there. Because this a repeal and replace, should there be a different number because the old

levy goes away and the new levy replaces it? The inflationary increase to the old levy isn't applicable because it's gone? Response: Because we have to certify what is currently in law, they will make the adjustment based on the results of the election. If the referendum failed, we still certify the existing referendum, and includes the inflationary adjustment.

- The difference is \$18.6M increase in referendum, also includes the increase if inflationary adjustment to the existing levy. In the event it failed, it would be \$3.7M increase, and if it succeeds the \$3.7M doesn't happen? Why would we include inflationary adjustment to levy that's gone? Response: Because it is revoke and replace. The current referendum would still exist.
- For the purpose of current referendum levy and law, you built in \$3.7M. For the purpose of what it would look like without current referendum and replace the current referendum, isn't it just \$18.6M? Response: It isn't only replace, it's an increase. It's on top of the current. Some of this isn't new additional revenue, for referendum tier 1 and tier 2 get state aid based on property valuation. They have gone up; part of increase is partly of less state aid for tier 1 and tier 2. Not all translates to new revenue. It means the aid and levy split is diff because tax base has grown. We are backing off revenue from state. In tier 2, which has less state aid, and as base grown, we have less state aid. In recession, we received more state aid because tax base decreased. A chunk of this is because tax base has improved, and we receive less state equalization.
- In the absence of the referendum, it would be a 4.4% change levy max. Is that what you will ask us to approve? Response: It will be in that range. We are working with the State on that number.
- What would that number be in absence of the referendum? Response: There would be a \$49 increase for the average property owner or \$11/month. That impact with the 4.4% is a -\$89.

III. ADJOURNMENT

It was motioned to adjourn the meeting at 7:34 p.m. The motion passed by acclaim.

IV. WORK SESSION

The Board conducted a work session on a recap of the onboarding session with SEAB members and Board Members, and the schedule of SEAB members at the upcoming Committee of the Board and Regular Meetings of the Board of Education, as well as moving forward with SEAB.

Respectfully submitted,
Sarah Dahlke
Assistant Clerk