

INDEPENDENT SCHOOL DISTRICT NO. 625
Saint Paul, Minnesota
SPECIAL MEETING OF THE BOARD OF EDUCATION
Administration Building
360 Colborne Street
Saint Paul, Minnesota 55102

September 27, 2024
11:00 AM

A G E N D A

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **APPROVAL OF THE ORDER OF THE MAIN AGENDA**
4. **2025-2026 SCHOOL YEAR PRELIMINARY PROPERTY TAX LEVY CERTIFICATION**
 - A. BAI_ Pay 25 Property Tax Levy Certification 2
 - B. Board Book 24 Pay 25 Preliminary Levy Certification Presentation 3
 - C. Levy Cert. Maximum Levy Authority Pay 25 21
 - D. Pay 25 Levy Summary Page 22
5. **ADJOURNMENT**

#BoldSubject#

**INDEPENDENT SCHOOL DISTRICT NO. 625
BOARD OF EDUCATION
SAINT PAUL PUBLIC SCHOOLS**

DATE: September 27, 2024

TOPIC: 2025-2026 School Year Preliminary Property Tax Levy Certification

A. PERTINENT FACTS:

1. Attached is the preliminary levy certification from the Minnesota Department of Education. The notices of proposed property taxes will be sent to taxpayers in November.
2. On an annual basis, Minnesota school districts are required to certify the district preliminary property tax levy on later than September 30.
3. The School Board will discuss the levy and budget at the School Board meeting on Tuesday, December 3rd, and is scheduled to adopt the final property tax levy at the December 17th meeting.
4. The recommendation is for the School Board to set the Pay 25 levy at the maximum allowable amount to accommodate flexibility and any adjustments that might occur before the final levy is certified in December 2024.
5. The information shared today is presented by Tom Sager Executive Chief of Financial Services.

B. RECOMMENDATION:

The Administration recommends that the School Board take action to certify the maximum allowable levy for taxes payable in 2025 as presented and recommends the School Board to set the required annual Truth in Taxation Hearing date for Tuesday December 3, 2024 at 6:00 PM.



Levy Presentation

Tom Sager, Executive Chief of Financial Services

September 27, 2024

Today's Purpose

- Provide 24 Pay 25 annual levy background
- Adopt Maximum Allowable Levy and Set Truth in Taxation Hearing Date
- Provide Levy Schedule

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The Basics

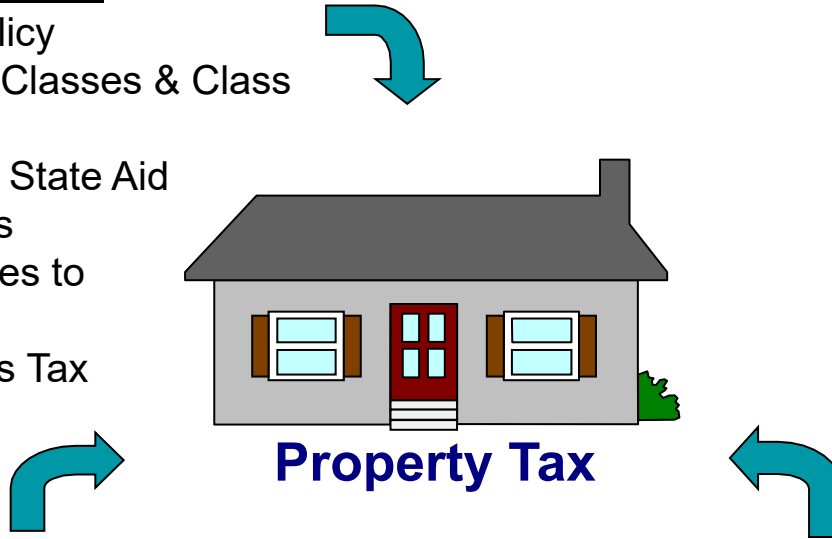
- School levy authority is established in law
- Pay 25 school levy funds are for the 2025-2026 school year
- Local property taxes account for approximately 20 percent of SPPS budget

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Who Determines Your Property Tax?

State Legislature

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



Taxing Jurisdictions

- Determines Levy Amount

County Assessor

- Determines Market Value
- Assigns Property Class

Major Factors Impacting Property Taxes

- Property tax levies from City, County, and School District.
- Any additional money available to reduce the local tax burden, such as credits, State aids, fiscal disparity distribution.
- The home's market value relative to other homes or compared to other types of property.
- Other increases to the tax base that are not the result of inflationary or deflationary changes to the values of individual properties, such as:
 - New construction
 - Property going from exempt to taxable
 - Decertified tax increment financing districts
- Legislative changes

Factors Impacting School Levies

- Changes in tax base
- Number of students served
- Approved inflationary increases to referendums
- Pension contribution changes required by law and 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

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Major Levy Categories

- **General Fund:** Includes voter approve referendum, operating capital, retiree health insurance, pensions, unemployment, A & I, lease levy, LTFM.
- **Community Service:** Includes Community Ed, ECFE, School Aged Care, and ABE.
- **General Debt Service:** Includes debt service revenue for bond payment schedules.
- **OPEB Debt Service:** SPPS does not have any revenue in this area.

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Levy Recap

Levy Category	Certified Pay 24 Levy	SPPS Proposed Pay 25 Levy	Difference
General Operating	\$137,621,012.47	\$152,301,361.27	\$14,680,348.80
Community Service	\$3,375,073.27	\$3,398,591.30	\$23,518.03
General Debt Service	\$63,636,371.05	\$65,232,244.45	\$1,595,873.40
OPEB Debt Service			
Total – All Levy Categories	\$204,632,456.79	\$220,932,197.02	\$16,299,740.23
Percent Change			7.97%

Key Drivers of the Pay 2025 SPPS Levy

- Higher enrollment count compared to what was used last year.
- Fewer negative adjustments on this levy compared to the Pay 2024 levy. “Return to normal.”
- Employee Pension Contributions
- Continued investment in SPPS Builds initiative as outlined and Board approved in July 2024

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SPPS' Five Year Trend For Annual Property Tax Levy

- In the past five levy cycles, the SPPS total levy has increased on average 3.6 percent per year.
- The Consumer Price Index (Inflation) for this same period has averaged 4.5 percent per year.

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Total Property Taxes Per Student

School System	Total Property Taxes Per Student
Minneapolis	\$7,844
White Bear Lake	\$6,854
Roseville	\$6,138
St. Paul	\$6,083
South Washington County	\$5,451
Rosemount Apple Valley Eagan	\$4,263
State Wide	\$3,933
Centennial	\$3,898
Anoka Hennepin	\$3,301

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Source: Minnesota Department of Educational Financial Profiles - 2023

Property Taxes as a Percent of Total Budget

School System	Total District Revenue from Property Taxes
White Bear Lake	33.44%
South Washington County	29.78%
Minneapolis	29.39%
Roseville	28.65%
Rosemount Apple Valley Eagan	24.85%
Saint Paul	23.85%
Centennial	22.25%
State Wide	20.97%
Anoka Hennepin	19.38%

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Source: Minnesota Department of Educational Financial Profiles - 2023

Property Taxes as a Percent of General Fund

School System	General Fund Revenue from Property Taxes
White Bear Lake	25.17%
South Washington County	24.78%
Roseville	23.33%
Rosemount Apple Valley Eagan	23.02%
Minneapolis	21.98%
Saint Paul	20.42%
Anoka Hennepin	18.31%
Centennial	16.64%
State Wide	16.18%

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Source: Minnesota Department of Educational Financial Profiles - 2023

Debt Service Tax Revenue Per Student

School System	Debt Service Revenue per Pupil Served
Minneapolis	\$3,446
White Bear Lake	\$2,853
South Washington County	\$1,769
Roseville	\$1,737
Saint Paul	\$1,653
Centennial	\$1,481
State Wide	\$1,456
Rosemount Apple Valley Eagan	\$622
Anoka Hennepin	\$358

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Source: Minnesota Department of Educational Financial Profiles - 2023

MDE's Calculations...

The levy amounts presented today may be different than the amount presented at Truth and Taxation on December 3 at 6:00pm.

Why?

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MDE continues a detail review to ensure accuracy in the levy system:

- Adjustments from prior Levy Cycles
- Adjustments as we prepare for Audit (CTE, Integration, etc.)
- Adjustments submitted by Ramsey County

Pay 25 Levy Calendar

	Date	Action
X	August-early September	District submits levy information to MDE
X	September 8	Preliminary run by MDE
X	September 23	JPTAC Meeting
X	September 27	Special Board Meeting to Authorize Pay 25 Levy
	October 1	Submit data to Ramsey County and MDE. Cities and Counties also certify by this date. ¹⁸
	October 1 – November 10	Ramsey County calculates taxes and prepares tax statements
	November 12	Anticipated Ramsey County mailing of tax statements
	December 3	Proposed Date for Public Truth in Taxation Hearing
	December 17	BOE certifies Pay 25 levy
	December 30	SPPS certifies Pay 25 levy to Ramsey County

Today's Requested Action

- Set the date for the Truth in Taxation and Budget Hearing for December 3 at 6:00 p.m. (COB meeting that evening)
- Approve the maximum amount authorized by MDE for the 24 Pay 25 property tax levy.
- This will provide the District with the greatest flexibility as MDE makes adjustments ahead of the final certification in December.

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Thank you

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Minnesota Department of Education
Levy Limitation and Certification Report
2024 Payable 2025

District Number-Type: 0625-01
District Name: Saint Paul Public Schools
Home County: Ramsey County

Date Printed: 9/25/24
Limits Updated: 9/24/24
Proposed Submitted: 9/25/24

LIMIT

PROPOSED

SUBTOTALS BY LEVY CATEGORY

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GENERAL - RMV VOTER
GENERAL - RMV OTHER
GENERAL - NTC VOTER
GENERAL - NTC OTHER
COMMUNITY SERVICE - NTC OTHER
GENERAL DEBT - NTC VOTER
GENERAL DEBT - NTC OTHER
OPEB DEBT - NTC VOTER
OPEB DEBT - NTC OTHER

The School Board has voted to certify the MAXIMUM levy authority.

After October 1st, the county auditor should consult the Minnesota Department of Education (MDE) website for the district's current levy limitation and use this amount for the Truth in Taxation notices.

SUBTOTALS BY FUND

GENERAL FUND
COMMUNITY SERVICES FUND
GENERAL DEBT SERVICE FUND
OPEB/PENSION DEBT SERVICE FUND

If there is a change to the district's levy limitation after October 1st, the county will be notified by MDE via email. Before finalizing tax computations for the Truth in Taxation notices, counties should double check the MDE website to be sure no changes have been made to the district's levy limitation that the county is not already aware of through this email process.

SUBTOTALS BY TAX BASE

REFERENDUM MARKET VALUE
NET TAX CAPACITY

SUBTOTALS BY TRUTH IN TAXATION CATEGORY

VOTER APPROVED
OTHER

TOTAL LEVY

TOTAL LEVY

The school district must submit the completed original of this form to the home county auditor by September 30, 2024. A duplicate form must be submitted to Minnesota Department of Education, School Finance Division, 400 NE Stinson Blvd., Minneapolis, MN 55413, by October 7, 2024.

The certified levy listed above is the levy voted by the school board for taxes payable in 2025.

Signature of School Board Clerk

Date of Certification

LVYLIM06250125 MINNESOTA DEPARTMENT OF EDUCATION
DISTRICT NO. 0625 TYPE 01 LEVY LIMITATION AND CERTIFICATION
DISTRICT NAME Saint Paul Public Schools 2024 PAYABLE 2025
ECU REGION 11 Ramsey County

I. COMPUTATION OF 2024 PAYABLE 2025 LEVY LIMITATION BY FUND (BEFORE COUNTY AUDITOR ADJUSTMENTS):

FUND	INITIAL LEVY LIMITATION	LIMITATION ADJUSTMENTS	ABATEMENT ADJUSTMENTS	OFFSET ADJUSTMENTS	TAC/MAX EFF ADJUSTMENT	MAXIMUM LEVY LIMITATION
GEN-RMV VOTER-EXEMP	40,426,027.77	1,306,045.41	N/A			41,732,073.18
GEN-RMV OTHER-EXEMP	33,022,461.81	1,364,790.42	N/A			34,387,252.23
GEN-NTC VOTER-EXEMP			N/A			
GEN-NTC OTHER-GENED	N/A	N/A	N/A	N/A	N/A	N/A
GEN-NTC OTHER-EXEMP	77,436,106.36	4,669,151.07-	3,415,080.57			76,182,035.86
TOTAL GENERAL	150,884,595.94	1,998,315.24-	3,415,080.57			152,301,361.27
COM SERV-EXEMP	3,261,650.61	57,990.48	78,950.21			3,398,591.30
DEBT-VOTER-NONEXEMP						
DEBT-OTHER-NONEXEMP	67,995,797.24	3,894,901.07-	1,131,348.28			65,232,244.45
TOTAL DEBT SERV	67,995,797.24	3,894,901.07-	1,131,348.28			65,232,244.45
OPEB-VOTER-NONEXEMP						
OPEB-OTHER-NONEXEMP						
TOTAL OPEB/PENSION						
TOTAL	222,142,043.79	5,835,225.83-	4,625,379.06			220,932,197.02

II. COMPARISON OF 2023 PAYABLE 2024 LEVY LIMITATION WITH 2024 PAYABLE 2025 LEVY LIMITATION (BEFORE COUNTY AUDITOR ADJUSTMENTS):

FUND	2023 PAY 2024 LIMITATION	2024 PAY 2025 LIMITATION	INCREASE (DECREASE)	PERCENT CHANGE
GENERAL	137,621,012.47	152,301,361.27	14,680,348.80	10.67
COMMUNITY SERVICE	3,375,073.27	3,398,591.30	23,518.03	.70
GENERAL DEBT SERVICE	63,636,371.05	65,232,244.45	1,595,873.40	2.51
OPEB DEBT SERVICE				
TOTAL	204,632,456.79	220,932,197.02	16,299,740.23	7.97

III. COMPARISON OF 2023 PAYABLE 2024 CERTIFIED LEVY PLUS COUNTY AUDITOR ADJUSTMENTS WITH 2024 PAYABLE 2025 CERTIFIED LEVY PLUS COUNTY AUDITOR ADJUSTMENTS:

FUND	2023 PAY 2024 CERTIFIED LEVY + ADJUSTMENTS	2024 PAY 2025 CERTIFIED LEVY + ADJUSTMENTS	INCREASE (DECREASE)	PERCENT CHANGE
GENERAL	137,621,012.47			
COMMUNITY SERVICE	3,375,073.27			
GENERAL DEBT SERVICE	63,636,371.05			
OP&B DEBT SERVICE				
TOTAL AFTER ADJUSTMENTS	204,632,456.79			