

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

**December 3, 2024
6:00 PM**

A G E N D A

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. APPROVAL OF THE ORDER OF THE MAIN AGENDA**
- 4. PAY25 LEVY: PRESENTATION OF PROPOSAL**
- 5. PUBLIC TESTIMONY**
- 6. ADJOURNMENT**

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#BoldSubject#



Saint Paul
PUBLIC SCHOOLS

Truth in Taxation Hearing Pay 25 Levy Information

Special Meeting of the Board of Education
December 3, 2024

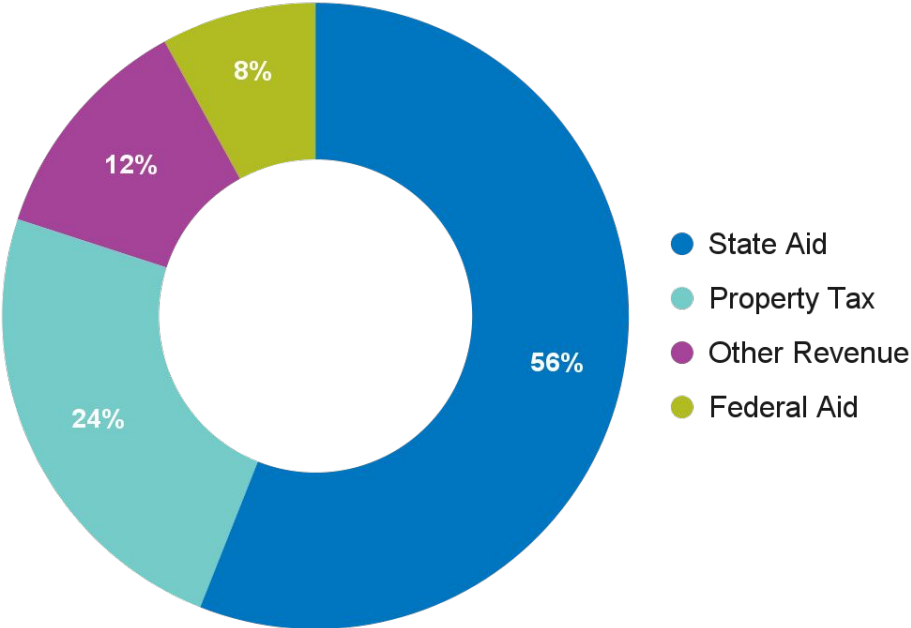
Tom Sager, Executive Chief of Financial Services

The Basics

- School levy authority is established in law
- The proposed school levy funds the 2025-26 school year. The FY 26 budget will be adopted in June 2025.
- Most districts certify what Minnesota Department of Education³ (MDE) authorizes in September.
- Levies contribute to approximately 20% to 25% of SPPS budget.
- School districts are required to include budget information in the Truth in Taxation meeting

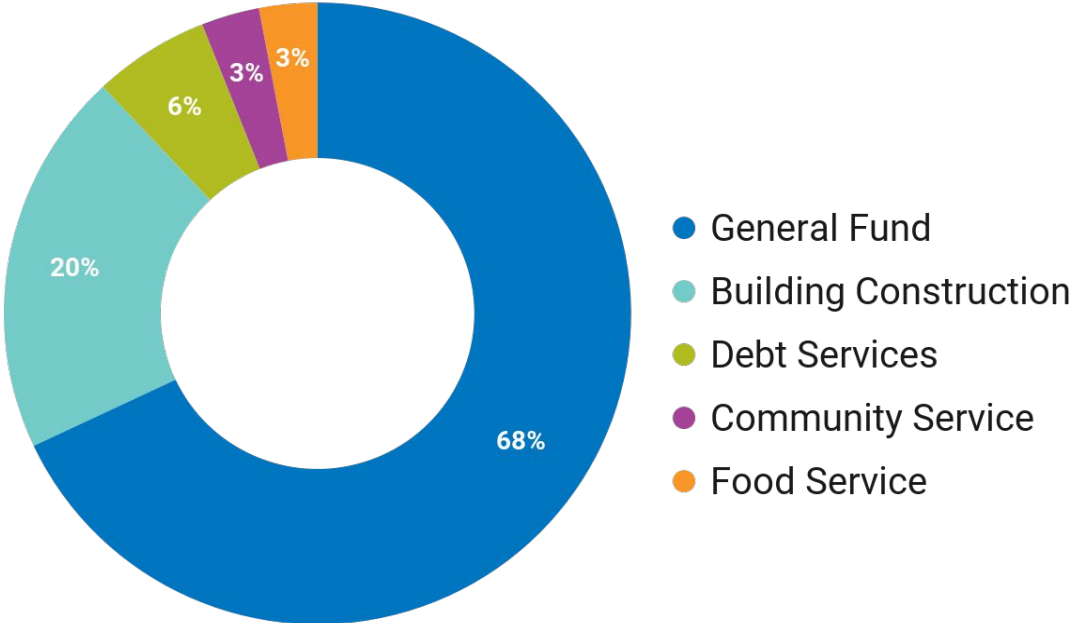
All Funds: Revenue by Source

Total Budgeted 2024-25 Revenues: \$879,507,280

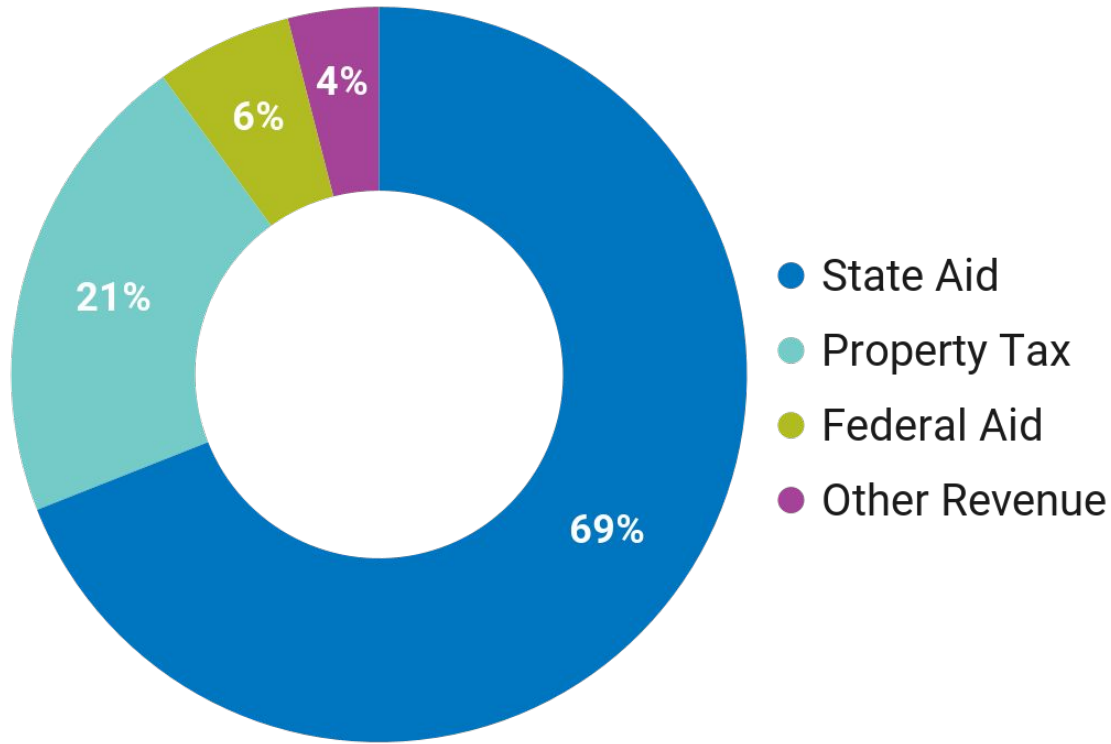


All Funds: Expenditure by Fund

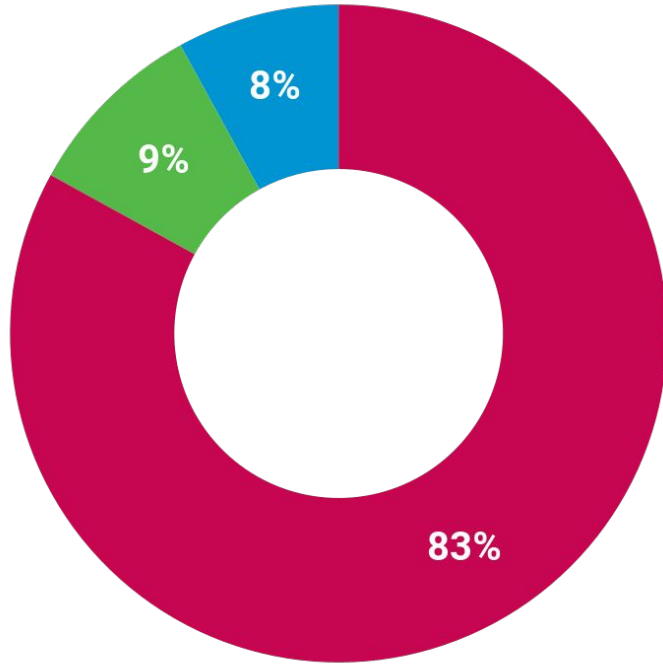
Total Budgeted 2024-25 Expenditures \$1,037,035,565



2024-25 General Fund Revenue Sources \$670,482,201



2024-2025 General Fund Expenditures \$707,485,812



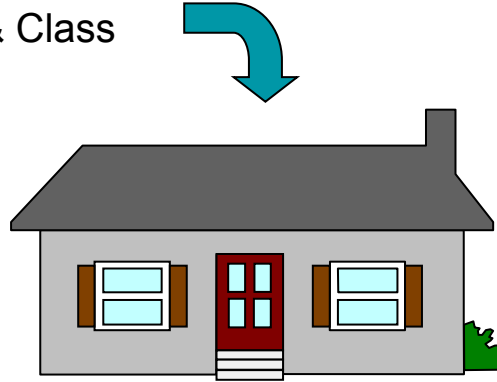
- School and Student Programs & Services
- Administrative Support Services
- Maintenance and Operations

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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



Property 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

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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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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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	\$65,148,489.78	\$1,512,118.73 ₂
OPEB Debt Service			
Total – All Levy Categories	\$204,632,456.79	\$220,848,442.35	\$16,215,985.56
Percent Change			7.92%

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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Property Tax Impact

Property Value Increase
0%

Types of Property	Pay 2024 Value	Pay 2025 Est. Value	Property Value Increase		\$ Change	% Change
			Pay 2024	Pay 2025		
Residential Homestead	\$121,400	\$121,400	\$497	\$518	\$21	4.17%
	169,900	169,900	743	789	46	6.18% ¹⁴
	218,500	218,500	989	1,060	72	7.27%
	267,300	267,300	1,236	1,333	98	7.89%
	315,600	315,600	1,481	1,604	123	8.31%
	412,700	412,700	1,972	2,147	174	8.83%
	509,800	509,800	2,445	2,697	253	10.33%

Property Tax Impact

Types of Property	Pay 2024 Value	Pay 2025 Est. Value	Pay 2024	Pay 2025	\$ Change	% Change
Residential Homestead (Value Increase 2.99%)	\$121,400	\$125,000	\$497	\$538	\$41	8.20%
	169,900	175,000	743	817	75	10.04%
	218,500	225,000	989	1,097	108	10.95%
	267,300	275,300	1,236	1,378	142	11.51%
	315,600	325,000	1,481	1,656	175	11.85%
	412,700	425,000	1,972	2,215	243	12.31%
	509,800	525,000	2,445	2,794	349	14.28%

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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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Local School District Levies

District Name	Home Value	Total Levy
Minneapolis	266,300	\$853
Anoka-Hennepin	266,300	\$913
North St. Paul- Maplewood	266,300	\$1,160
Roseville	266,300	\$1,203
Rosemount-Apple Valley-East	266,300	\$1,246
St. Paul	266,300	\$1,261
White Bear Lake	266,300	\$1,307
South St. Paul	266,300	\$1,545
South Washington County	266,300	\$1,564
Group Average		\$1,236

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

Child Tax Credit

- MN families may qualify for a Child Tax Credit of \$1,750 per qualifying child with no limit on the number of children claimed. They can receive a refund even if they do not owe tax.
- If a qualifying child is older than 17, filers may not claim them²² for the Child Tax Credit, but may be able to claim them for the Credit for Qualifying Older Children.
- For more information, visit MDR's [Child Tax Credit webpage](#).

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
X	October 1	Submit data to Ramsey County and MDE. Cities and Counties also certify by this date. ²³
X	October 1 – November 10	Ramsey County calculates taxes and prepares tax statements
X	November 12	Anticipated Ramsey County mailing of tax statements
	December 3	Date for Public Truth in Taxation Hearing
	December 19	BOE certifies Pay 25 levy
	December 30	SPPS certifies Pay 25 levy to Ramsey County



Saint Paul
PUBLIC SCHOOLS

Truth in Taxation Hearing

Thank you