

**INDEPENDENT SCHOOL DISTRICT NO. 625
Saint Paul, Minnesota**

**MINUTES OF THE SPECIAL MEETING OF THE BOARD OF EDUCATION
FOR A PUBLIC HEARING ON THE PAY25 LEVY**

December 3, 2024

1. CALL TO ORDER

The meeting was called to order at 6:00 p.m.

2. ROLL CALL

PRESENT: Director Ward, Director Vue, Director Allen, Director Carrillo, Director Franco, Director Valliant, Director Henderson

Superintendent Thein

Mr. Long, General Counsel and Ms. Dahlke, Assistant Clerk

3. APPROVAL OF THE ORDER OF THE MAIN AGENDA

MOTION: Director Henderson moved the Board approve the Order of the Main Agenda as published. The motion was seconded by Director Carrillo.

The motion passed with the following roll call vote:

Director Ward	Yes
Director Vue	Yes
Director Allen	Yes
Director Carrillo	Yes
Director Franco	Yes
Director Valliant	Yes
Director Henderson	Yes

4. OLD BUSINESS

A. Pay25 Levy: Presentation of Proposal

Superintendent Thein then welcomed Tom Sager, Executive Chief of Financial Services, to provide the presentation on the Pay25 Levy Information. The basics of school levy authority were reviewed, including:

- School levy authority is established in law
- The proposed school levy funds the 2025-2026 school year. The FY26 budget will be adopted in June 2025
- Most districts certify what Minnesota Department of Education (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

The next slides in the presentation included details on All Funds: Revenue by Source, as well as All Funds: Expenditure by Fund. The 2024-2025 General Fund Revenue Sources of \$670,482,201 were also reviewed, as well as the 2024-2025 General Fund Expenditures of \$707,485,812. Graphs were shown for each depicting the specifics in the overall budget.

Information was also presented on the determination of property tax, including the state legislature, taxing jurisdictions, and the county assessor. Major factors impacting property taxes were also reviewed, as well as major levy categories. Factors impacting school levies were also reviewed.

A levy recap showed the levy category, certified Pay25 levy, SPPS proposed Pay25 levy, and the difference. The percent change is 7.92%.

The key drivers of the Pay25 SPPS levy were also reviewed, and included higher enrollment count compared to what was used last year, fewer negative adjustments on this levy compared to the Pay 2024 levy, employee pension contributions, and continued investment in SPPS Builds initiative as outlined and Board approved in July 2024.

The estimated annual property tax impacts to both homes, as well as commercial/industrial, based on increases in market value were also shown. Details on the SPPS' five-year trend for annual property tax levy were also shared, including that in the past five levy cycles, the SPPS total levy has increased on average 3.6 percent per year; and the Consumer Price Index (Inflation) for this same period has averaged 4.5 percent per year. A comparison chart of local school district levies was also presented, as well as a comparison of total property taxes per student in neighboring school systems, and property taxes as a percent of total budget for neighboring school systems. The property taxes as a percent of the general fund and debt service tax revenue per student comparisons were also shown. Details on the child tax credit were also presented.

Finally, the Pay25 Levy Calendar was also reviewed, with the certification of the Pay25 levy by the Board of Education to be voted on at the December 19, 2024 Special Regular Meeting, followed by the certification of the Pay25 levy to Ramsey County by December 30, 2024.

QUESTIONS/DISCUSSION:

- Director Ward noted the ways in which the District arrived at the tax levy and that it is set at the maximum amount that the Minnesota Department of Education will allow, and that the vast majority of districts to certify the maximum levy that MDE sets for them, and requested further details on the expectations.
- Why do so few districts certify less than the maximum amount? Response: They would then have less revenue for operations. It was also noted that there will also be information presented at the Committee of the Board meeting pertaining to the funding gap.
- Director Carrillo requested clarification on the levy of the dollar amount as opposed to the levy percentage. He also noted the comparison chart and that Minneapolis Public Schools recently approved a referendum.
- Director Carrillo also noted that a referendum would be brought before the community for a vote. It is not based on the consumer price index, and the earning potential of our citizens hasn't increased as much as pricing. We need to fund our schools and take care of our community, and need to meet in the middle. We're not seeing to tax the base on consumer price index, but formulas in legislation that allows the school district to levy.
- Director Franco requested information on the utilities increases, as well as contracts with bargaining units and wage increase amounts. Response: Those will be considered and built into the FY26 budget, and part of the increase is to debt service, as well as OPEB liabilities. Pupil count was also noted in the determination of the levy.
- It was also noted that the levy provides for increases for real costs and those that need to be made up – this is not for new projects.

5. PUBLIC HEARING

- Peter Hendricks
- Karen Cox
- Tom Riggs
- Luke Aslesen
- Jane Prince
- Michelle Davis
- Charlene Chan-Muelbauer
- Greg Bleese
- Brian Dobie

6. ADJOURNMENT

MOTION: Director Henderson moved to adjourn the meeting. The motion was seconded by Director Valliant

The motion passed with the following roll call vote:

Director Ward	Yes
Director Vue	Yes
Director Allen	Yes
Director Carrillo	Yes
Director Franco	Yes
Director Valliant	Yes
Director Henderson	Yes

The meeting adjourned at 6:56 p.m.

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

Prepared and submitted by
Sarah Dahlke
Assistant Clerk,
St. Paul Public Schools Board of Education