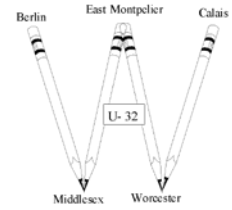


Washington Central Unified Union School District

WCUUSD exists to nurture and inspire in all students the passion, creativity and power to contribute to their local and global communities.

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Jennifer Miller-Arsenault
Interim Superintendent



TO: WCUUSD Finance Committee & School Board
FROM: Susanne Gann, WCUUSD Business Administrator
RE: FY 23 Tax Rate Projections – Draft #3
DATE: January 6, 2022

Review: The December 1 letter from the Tax Commissioner provided some preliminary estimates for the property yield and tax rate based upon a 4.74% average expected growth in per pupil spending across the state. The Commissioner reported \$90 million in forecasted unreserved/unallocated funds from FY 2021-2022. The Governor and Administration would like to see half of this surplus, \$45 million, returned to property taxpayers and the other half reinvested into our students and used for one-time school capital construction costs. The final Homestead Property Yield will be set by the legislature.

For FY 2022-2023, the excess spending threshold is in its second year of a two-year moratorium, but the state has provided us the calculation that would have been utilized to develop the excess spending amount based upon the New England Economic Project cumulative price index as of November 18, 2021 (NEEP CPI). The State Excess Spending Per Equalized Pupil is \$19,977.

Update: At the end of December, the Department of Taxes notified us of the results of the Property Valuation and Review (PVR)'s 2021 equalization study. With this notification came the local Common Level of Appraisal to use to calculate the estimated tax rates for each town. A CLA greater than 100% will result in a downward adjustment of tax rates, and a CLA less than 100% will result in upward adjustment. Berlin and Worcester saw the largest reduction in their CLA.

Common Level of Appraisal Change from FY 2021-2022 to FY 2022-2023

Towns	CLA 21-22	CLA 22-23	CLA Reduction
Berlin	108.77%	94.91%	-13.86%
Calais	93.93%	87.66%	-6.27%
East Montpelier	94.18%	89.97%	-4.21%
Middlesex	95.89%	89.89%	-6.00%
Worcester	99.55%	90.65%	-8.90%

FY 23 Tax Rate Projections – Draft #3

The AOE provided us with a number for equalized pupils; however, it did not take into account early college students. For this calculation 10 pupils were added to the AOE # to adjust for early college students, estimating equalized pupils at 1,423.57. The AOE has indicated we should have their frozen equalized pupil count next week.

Summary: Tax rate calculations for the Tax Commissioner’s Scenario A and B are provided here. Scenario A uses all \$90 million of the forecasted unreserved/unallocated funds from FY 2021-2022 to reduce the tax rate. Scenario B is the most conservative approach, assuming the legislature will not apply any of the funds to reduce the tax rate. The Tax Commissioner did not provide a property yield for any other possible application of the forecasted unreserved/unallocated funds.

FY 23 Tax Rate Projections – Draft #3

FY 2022-2023 Budget Draft #3 – Scenario A (Uses \$90 million of Ed Fund Balance)
Property Yield per \$1.00 Tax Rate = \$13,846

Towns	Common Level of Appraisal	Post Legislative Session Tax Rates FY 21-22	Estimated Tax Rates FY 22-23	Increase (Decrease)
Berlin	94.91%	\$1.577	\$1.541	(\$0.036)
Calais	87.66%	\$1.826	\$1.668	(\$0.158)
East Montpelier	89.97%	\$1.822	\$1.625	(\$0.197)
Middlesex	89.89%	\$1.789	\$1.627	(\$0.162)
Worcester	90.65%	\$1.723	\$1.613	(\$0.110)

Each Town starts with an equalized tax rate of \$1.4622 and an equalized tax rate decrease of \$.253. The local Common Level of Appraisal affects the actual tax rate, which is why the amounts differ by Town.

FY 2022-2023 Budget Draft #3 – Scenario B (Uses \$0 of Ed Fund Balance)
Property Yield per \$1.00 Tax Rate = \$12,937

Towns	Common Level of Appraisal	Post Legislative Session Tax Rates FY 21-22	Estimated Tax Rates FY 22-23	Increase (Decrease)
Berlin	94.91%	\$1.577	\$1.649	\$0.072
Calais	87.66%	\$1.826	\$1.785	(\$0.041)
East Montpelier	89.97%	\$1.822	\$1.739	(\$0.083)
Middlesex	89.89%	\$1.789	\$1.741	(\$0.048)
Worcester	90.65%	\$1.723	\$1.726	\$0.003

Each Town starts with an equalized tax rate of \$1.5649 and an equalized tax rate decrease of \$.151. The local Common Level of Appraisal affects the actual tax rate, which is why the amounts differ by Town.