



Tax Rate Calculation 101

May 2, 2023

Our Strategic Plan Guides our work

Our Vision

- **A rock solid education for a lifetime of discovery**

Our Mission

- **To build a community of curious learners that empowers student voice and exploration through education, character development, and perseverance, so our students can take on the world's greatest challenges**



Components that factor into the tax rate...part 1

1) Total BUUSD Expenses	55,615,633-only thing you control
2) Less Local Revenues	15,970,237
3) Education Spending	39,645,397-This is what your tax rate is calculated on...
4) FY24 Equalized Pupils-	2,205.25
5) Education Spending per Equalized Pupil FY24	\$17,978 <i>Est. State Average: \$20,155</i>



Components that factor into the tax rate...part 2

6) EdSpendPupil/\$15,477 (property yield)	1.162
7) BC CLA BT CLA	82.76% 95.87%
8) Barre City Homestead Rate Barre Town Homestead Rate	1.403-Increase of 8.5 cents over last year 1.211-Increase of 3.5 cents over last year

Component details...EXPENSES

- 1) **TOTAL EXPENSES:** These are the general fund expenses plus any grant funded expenses.

General Fund Expenses = **\$49,615,633**, increased by 5%

or \$2,361,300 from FY23

Grant Fund Expenses = \$6,000.000

TOTAL EXPENSES: \$55,615,633

THIS IS THE NUMBER YOU SEE ON THE BALLOT



Component details...REVENUES

2) **REVENUE:** This includes general fund revenues

(sending school tuition, census based grant (special ed. Act 173),

extraordinary reimbursement, interest, transportation state aid, miscellaneous

General Fund Revenues = \$9,970,237-using \$700,000 from tax stabilization reserve

Grant Fund Revenues = \$6,000,000

TOTAL REVENUES: \$15,970,237



Budget component details...EDUCATION SPENDING

3) EDUCATION SPENDING: Expenses less revenues. This is the amount that the EDUCATION FUND must support.

WHAT IS THE EDUCATION FUND?

- Property taxes contribute 67% of the total Education Fund revenues, broken down as follows: \$429M (26%) from the Homestead Property Tax (YOUR TAXES)!
- Non-homestead property taxes \$673M (41%) these are businesses and second-home owners

Only the homestead property tax rate is affected by local school board spending.

Other Revenue Sources:

- 100% of Vermont's Sales and Use Tax is now dedicated to the Education Fund (\$416M) -33% of
- Vehicle Purchase and Use Tax (\$38M) -25% of
- Meals/Rooms and Alcohol Tax is now dedicated to the Education Fund (\$45M) -
- 100% of lottery revenue (\$26M)



Budget component details...Equalized Pupils

4) EQUALIZED PUPILS: Equalized pupils are based on **two years of Average Daily Membership data (ADM)**. The ADM is the full-time equivalent number of resident students whose education is paid for by the district of residence, from the 11th day through the 30th day of the school year. This is a weighted count based on students identified as qualifying for free reduced lunch, ELL, early education, and secondary education.

This will change in FY25 to a new weighting method.

Budget component details...Education Spending Per Pupil

5) EDUCATION SPENDING PER EQUALIZED PUPILS: Divide equalized pupils by the total expenses less revenues.

$$2205.25/39,645,397 = \$17,978$$

THIS IS THE PER PUPIL SPENDING YOU SEE ON THE BALLOT.

ESTIMATED FY24 State Average: \$20,155



Budget component details...Property Yield

6) EDUCATION SPENDING PER EQUALIZED PUPILS: Divide equalized pupils by the tax commissioners announced property yield (15,479). We will know this number toward the end of the legislative session, soon.

$$17978 / 15477 = 1.16$$

Budget component details...CLA

7) **CLA:** “Common Level of Appraisal.” It is a method of ensuring that each town is paying its fair share of education property tax to the state’s Education Fund.

Divide equalized tax rate by CLA.

$$1.16 / 82.76\% = 1.403 \text{ ADJUSTED TAX RATE}$$

$$1.16 / 95.87\% = 1.211 \text{ ADJUSTED TAX RATE}$$



Budget component details...TAX RATE

8) HOMESTEAD TAX RATE: The tax rates are applied per \$100 of property valuation.

1.40 TAX RATE for BC, Increase of 8.5 cents

1.21 TAX RATE for BT, Increase of 3.5 cents

Here's a recap...

BC TAX RATE CALCULATION

$$\begin{aligned} 55,615,633 - 15,970,237 &= \\ 39,645,397 / 2,205.25 &= \\ 17,978 / 15,477 &= \\ 1.162 / 82.76\% &= \end{aligned}$$

1.40

Here's a recap...

BT TAX RATE CALCULATION

$$55,615,633 - 15,790,237 =$$

$$39,645,396 / 2,205.25 =$$

$$17,978 / 15,477 =$$

$$1.162 / 95.87% =$$

1.21

A Few Words on Tax Stabilization...

How does the board determine how much tax stabilization funds “surplus” to assign to the budget?

Stabilization is the key word. Keeping taxes as level funded as possible is always the goal. It helps taxpayers to budget accordingly and prevents spikes in tax rates due to factors beyond the board's control.

**Thank you for spending the time to
learn more about our budget!**



Please help your friends and neighbors get out to vote.