STATE TAX ESTIMATE CALCULATIONS EXPLANATION

**STEP ONE:** We begin our 2020/2021 calculations with the GENERAL FUND BUDGET of $16,691,679. Add to the budget the Medicaid, CFP and other grant expenditures for total expenditures of $17,265,781 for all operations.

**STEP TWO:** We deduct from the GENERAL FUND BUDGET all of the spending that is offset by any STATE and LOCAL REVENUES and PRIOR YEAR AUDITED GENERAL FUND BALANCE. As well, deduct the Special Grant revenues. What remains is our ESTIMATED EDUCATION SPENDING number of $12,470,133. This is the amount that will be raised through the state education fund. Not all of this amount will actually be raised locally.

**STEP THREE:** Each year the state tells us our EQUALIZED PUPIL COUNT. This is a two year average number of students enrolled in the district during the 20 days falling between the 11th to the 30 days of the first full month in the school year. There are weighted factors that further qualify the EQUALIZED PUPIL COUNT. It is because of these factors that our total number of equalized pupils contains a fractional student! This year the number is 675.52. We then must take the ESTIMATED EDUCATION SPENDING figure ($12,470,133) and divide it by the EQUALIZED PUPIL COUNT to reach our EDUCATION SPENDING PER EQUALIZED PUPIL amount rounded off to $18,460.

**STEP FOUR:** The Excess Spending Threshold provided by the State is $18,756. If our net EDUCATION SPENDING PER EQUALIZED PUPIL exceeds this threshold, a penalty would apply and increase the tax rate. Our EDUCATION SPENDING PER EQUALIZED PUPIL figure is below the cost containment threshold, so no penalty is incurred.

**STEP FIVE:** We then divide the EDUCATION SPENDING PER EQUALIZED PUPIL of $18,460 by the state-determined base called the PROPERTY YIELD. This PROPERTY YIELD for 2020-21 is estimated to be $10,998. When we do this equation, we get the ADJUSTMENT FOR SPENDING ABOVE STATE BASE of 167.849%.

**STEP SIX:** The DISTRICT SPENDING ADJUSTMENT is then applied to adjust the state legislature’s yet-to-be determined EDUCATION TAX RATE (an estimated $1.00 per $100). Now, we take the Education Tax Rate times the District Spending Adjustment (1.00 x 167.849%) to determine the EQUALIZED HOMESTEAD RATE of $1.6785.

**STEP SEVEN:** Once we have the EQUALIZED HOMESTEAD RATE, we consider each town's current COMMON LEVEL OF APPRAISAL (CLA) This number is the state’s determination of the difference between the GRAND LIST VALUE of each towns taxable properties and how they would be valued if a town reappraisal were completed today. This year Bradford's CLA is 97.90% -that is, the State estimates that the town's taxable property is undervalued by 2.1% This year Newbury's CLA is 101.63% -that is, the State estimates that the town's taxable property is overvalued by 1.63%. When we divide the EQUALIZED HOMESTEAD RATE by the CLA, we reach the ACTUAL HOMESTEAD RATE of $1.7145 per $100 (or, $1,714.50 for a $100,000 homestead) for Bradford and $1.6516 per $100 (or $1,651.60 for a $100,000 homestead) for Newbury.

Note: This calculation provides for a tax rate BEFORE income sensitivity provisions allowed per statute.