

Basic Homestead Tax Rate Derivation

FY2022

1.	Expenditures	5,003,200		
2.	- Offsetting Revenues	250,000		
3.	Education Spending	4,753,200		
Calculation of Household income percentage				
4.	÷ Equalized Pupils	300.00		
5.	Ed Spend / EqPup	15,844.00	→	15,844.00
6.	÷ Property yield per \$1.00 rate	11,317	Income yield	13,770
7.	Equalized Homestead Rate	1.4000		115.06%
8.	÷ CLA	93.00%	Base income percent	2.00%
9.	Actual Homestead Rate	1.5054		2.30% = Household income percentage (HIP)

Line notes:

1. Expenditures are all dollars a school district plans to spend - i.e., the budget - plus any deficit or obligation to a regional CTE school district.

2. Local revenues are money the school district already has or is owed: federal dollars, state aid for special education, transportation, small schools, tuitions, surplus, interest bearing accounts, private donations, etc.

3. Education spending is the amount that needs to be raised by education property taxes, augmented by other Education Fund revenues if necessary.

4. Equalized pupils are a two-year weighted average.

5. Education spending per equalized pupil determines the education homestead tax rate.

6. The property yield is set annually by the Legislature and is used to determine the equalized tax rate. In FY2022, for every \$11,317 a district spends per equalized pupil, its equalized homestead tax rate will be \$1.00.

7. Equalized homestead tax rate is the rate a district would have if all properties were assessed at fair market value.

8. Common level of appraisal (CLA) is the ratio of the town's listed values versus the State's listed value. The State's listed value is comprised of actual sales, generally averaged over three years. The State's fair market value is the equalized education grand list.

9. Actual homestead rate is the education tax rate seen on a property tax bill of a resident homeowner.

Homestead Tax Rate Derivation Union Members

		Local Elementary School District	Union High School District		
		<u>FY2022</u>	<u>FY2022</u>		
1.	Expenditures	5,003,200	15,667,300		
2.	- <u>Offsetting Revenues</u>	<u>250,000</u>	<u>2,200,000</u>		
3.	Education Spending	4,753,200	13,467,300		
Calculation of Household income percentage					
4.	÷ <u>Equalized Pupils</u>	<u>300.00</u>	<u>700.00</u>		
5.	Ed Spend / EqPup	15,844.00	19,239.00	→	
				Elem Dist	UHSD
				15,844.00	19,239.00
6.	÷ <u>Property yield per \$1.00 rate</u>	<u>11,317</u>	11,317	Income yield	
7.	Equalized Homestead Rate	1.4000	1.7000		
				<u>13,770</u>	<u>13,770</u>
				115.06%	139.72%
				Base income percent	
				<u>2.00%</u>	<u>2.00%</u>
				2.30%	2.79%
8.	x <u>Percent equalized pupils</u>	<u>60.00%</u>	<u>40.00%</u>		
9.	Actual rate attributable to local school district	0.8400	0.6800	Income percentage attributable to local school district	
				<u>60.00%</u>	<u>40.00%</u>
				1.38%	1.12%
10.	Total Eq Homestead Rate	1.5200		Total income percentage	
11.	÷ <u>CLA</u>	<u>93.00%</u>			
12.	Actual Homestead Rate	1.6344		2.50%	= Household income percentage (HIP)

**Basic Homestead Tax Rate Derivation:
Change the CLA**

FY2022

1.	Expenditures	5,003,200	5,003,200	
2. -	<u>Offsetting Revenues</u>	<u>250,000</u>	<u>250,000</u>	
3.	Education Spending	4,753,200	4,753,200	
4. ÷	<u>Equalized Pupils</u>	<u>300.00</u>	<u>300.00</u>	
5.	Ed Spend / EqPup	15,844.00	15,844.00	
6. ÷	<u>Property yield per \$1.00 rate</u>	<u>11,317</u>	<u>11,317</u>	
7.	Equalized Homestead Rate	1.4000	1.4000	
8. ÷	<u>CLA</u>	<u>93.00%</u>	<u>85.00%</u>	←
9.	Actual Homestead Rate	1.5054	1.6471	←

Line notes:

1. Expenditures are all dollars a school district plans to spend - i.e., the budget.
2. Local revenues are money the school district already has or is owed:
federal dollars, state aid for special education, transportation, small schools, tuitions, surplus, interest bearing accounts, private donations, etc.
3. Education spending is the amount that needs to be raised by education property taxes, augmented by other Education Fund revenues.
4. Equalized pupils are a two-year weighted average.
5. Education spending per equalized pupil determines the education homestead tax rate.
6. The property yield is set annually by the Legislature and is used to determine the equalized tax rate. In FY2020, for every \$10,648 a district spends per equalized pupil, its equalized homestead tax rate will be \$1.00.
7. Equalized homestead tax rate is the rate a district would have if all properties were assessed at fair market value.
8. Common level of appraisal (CLA) is the ratio of the town's listed values versus the State's listed value. The State's listed value is comprised of actual sales, generally averaged over three years. The State's fair market value is the equalized education grand list.
9. Actual homestead rate is the education tax rate seen on a property tax bill of a resident homeowner.

**Basic Homestead Tax Rate Derivation:
Change the Property Yield**

FY2022

1.	Expenditures	5,003,200	5,003,200	
2. -	<u>Offsetting Revenues</u>	<u>250,000</u>	<u>250,000</u>	
3.	Education Spending	4,753,200	4,753,200	
4. ÷	<u>Equalized Pupils</u>	<u>300.00</u>	<u>300.00</u>	
5.	Ed Spend / EqPup	15,844.00	15,844.00	
6. ÷	<u>Property yield per \$1.00 rate</u>	<u>11,317</u>	<u>11,400</u>	←
7.	Equalized Homestead Rate	1.4000	1.3898	←
8. ÷	<u>CLA</u>	<u>93.00%</u>	<u>93.00%</u>	
9.	Actual Homestead Rate	1.5054	1.4944	←

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federal dollars, state aid for special education, transportation, small schools, tuitions, surplus, interest bearing accounts, private donations, etc.

3. Education spending is the amount that needs to be raised by education property taxes, augmented by other Education Fund revenues.

4. Equalized pupils are a two-year weighted average.

5. Education spending per equalized pupil determines the education homestead tax rate.

6. The property yield is set annually by the Legislature and is used to determine the equalized tax rate. In FY2020, for every \$10,648 a district spends per equalized pupil, its equalized homestead tax rate will be \$1.00.

7. Equalized homestead tax rate is the rate a district would have if all properties were assessed at fair market value.

8. Common level of appraisal (CLA) is the ratio of the town's listed values versus the State's listed value. The State's listed value is comprised of actual sales, generally averaged over three years. The State's fair market value is the equalized education grand list.

9. Actual homestead rate is the education tax rate seen on a property tax bill of a resident homeowner.

**Basic Homestead Tax Rate Derivation:
Change Equalized Pupils**

FY2022

1.	Expenditures	5,003,200	5,003,200	
2. -	<u>Offsetting Revenues</u>	<u>250,000</u>	<u>250,000</u>	
3.	Education Spending	4,753,200	4,753,200	
4. ÷	<u>Equalized Pupils</u>	<u>300.00</u>	<u>310.00</u>	←
5.	Ed Spend / EqPup	15,844.00	15,332.90	←
6. ÷	<u>Property yield per \$1.00 rate</u>	<u>11,317</u>	<u>11,317</u>	
7.	Equalized Homestead Rate	1.4000	1.3549	←
8. ÷	<u>CLA</u>	<u>93.00%</u>	<u>93.00%</u>	
9.	Actual Homestead Rate	1.5054	1.4568	←

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3. Education spending is the amount that needs to be raised by education property taxes, augmented by other Education Fund revenues.

4. Equalized pupils are a two-year weighted average.

5. Education spending per equalized pupil determines the education homestead tax rate.

6. The property yield is set annually by the Legislature and is used to determine the equalized tax rate. In FY2020, for every \$10,648 a district spends per equalized pupil, its equalized homestead tax rate will be \$1.00.

7. Equalized homestead tax rate is the rate a district would have if all properties were assessed at fair market value.

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9. Actual homestead rate is the education tax rate seen on a property tax bill of a resident homeowner.
