

Updated Act 46 Study Committee Appendix C6 - Washington West Supervisory Union
Act 46 Homestead Tax Projections – at **May 20, 2016**

Blended tax projections (HUHS and Local School District for each town) are created using a set of estimates for purposes of comparative illustration. The estimates do not account for legislative changes, policy decisions or management decisions, now or over time. Tax Projections include:

1. No Governance Change – Do Nothing, Status Quo until state consolidates SU effective FY20-21
2. Accelerated Merger effective July 1, 2017 (FY2018)
3. State consolidates SU into Unified Union in FY2020-2021, all incentives forfeited

Preliminary Key Assumptions used in each of the model projections include:

- A. Education Spending – An increase of 3% per year, over the FY2017 Base Year, is used for each district and the consolidated unified union with the following adjustments:
 - a. The Small School Grants for Fayston and Moretown at the FY2017 budgeted amount is retained for the accelerated merger projections.
 - b. Efficiency Savings of \$100K annually in accelerated merger projections FY2019-FY2020 with an additional \$300K annually in FY2021 forward
 - c. The retirement of current long term debt for Moretown, Waterbury-Duxbury Union and Harwood Union scheduled for FY2017 has been considered and the associated FY2017 principal and interest removed from education spending in FY2018 and beyond. The retirement of long term debt scheduled for Warren and Duxbury has been considered and the associated FY2018 principal and interest removed from education spending in FY2019 and beyond.
 - d. Warren’s deficit of an estimated \$260K is funded over four years in the “Do Nothing” model and retired in FY2018 in the “Accelerated Merger”.
 - e. Principal and Interest payments associated with anticipated debt for facility improvements at the Warren School have been based on \$2.55 M, with the first principal payment in FY2018. Per the Articles of Association, if Warren votes to join the Unified Union, the Unified union will assume \$2.55 M of approved debt.

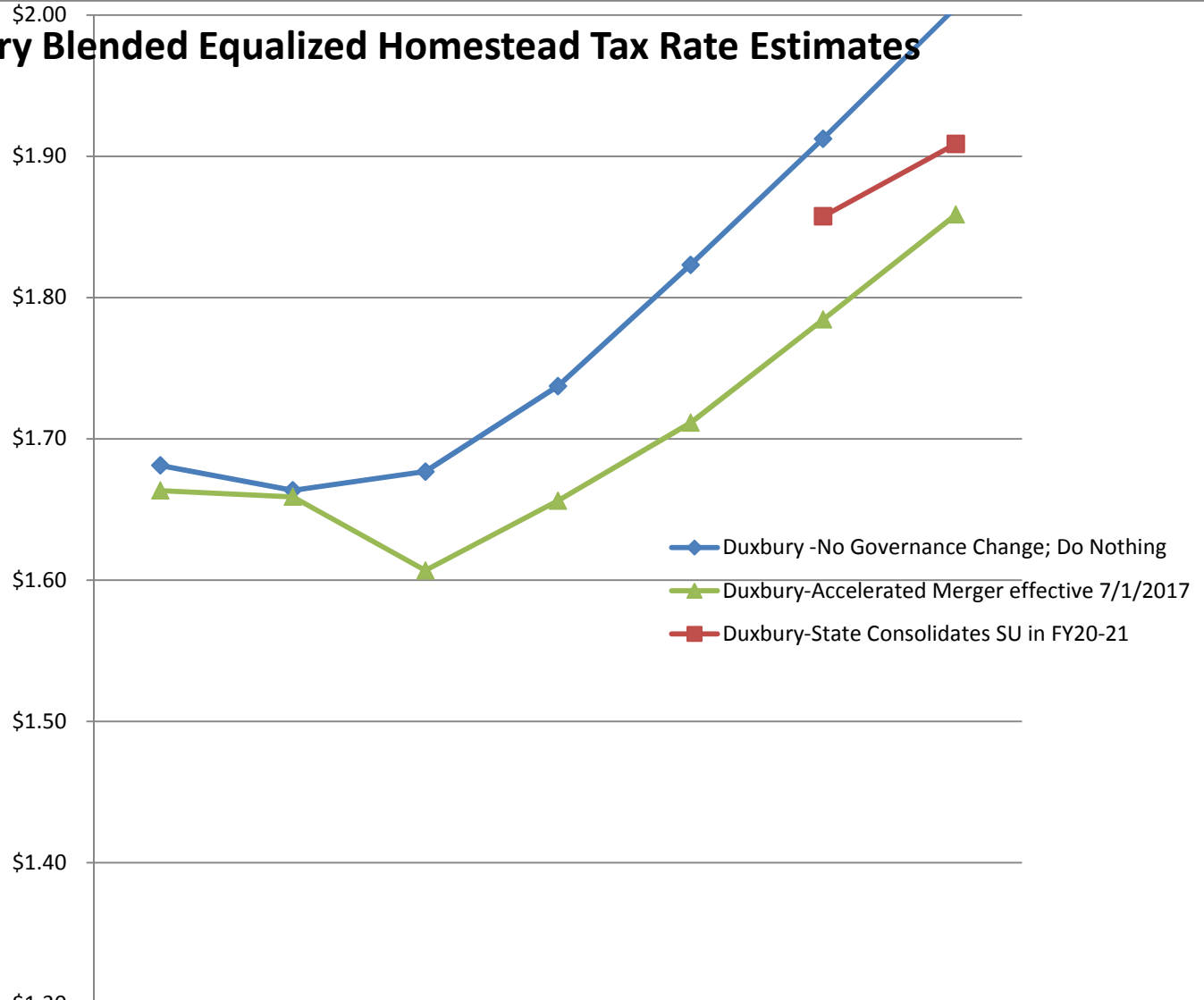
- B. Equalized Pupil Count is based on the average change in each district over the last three years, FY2015 to FY2017. Equalized Pupils used in the projections are summarized

Equalized Pupils for Tax Projections	Fayston		Moretown		Waitsfield		Warren		Waterbury-Duxb		HUHS		Total WWSU	
	Value	% Change	Value	% Change	Value	% Change	Value	% Change	Value	% Change	Value	% Change	Value	% Change
FY2018	94.11	0.1%	109.43	1.6%	126.17	-0.9%	148.26	0.4%	656.12	-0.1%	687.26	-2.8%	1,821.37	-1.0%
FY2019	94.21	0.1%	111.18	1.6%	125.04	-0.9%	148.85	0.4%	655.47	-0.1%	668.02	-2.8%	1,802.77	-1.0%
FY2020	94.30	0.1%	112.96	1.6%	123.91	-0.9%	149.45	0.4%	654.81	-0.1%	649.31	-2.8%	1,784.75	-1.0%
FY2021	94.40	0.1%	114.77	1.6%	122.80	-0.9%	150.05	0.4%	654.16	-0.1%	631.13	-2.8%	1,767.30	-1.0%
FY2022	94.49	0.1%	116.61	1.6%	121.69	-0.9%	150.65	0.4%	653.50	-0.1%	613.46	-2.8%	1,750.40	-1.0%

below:

- C. The Yield is based on \$9,701 (as determined by the legislature) for FY2017 and increased by 1% per year.
- D. The Excess Spending Threshold for FY2018 is based on 121% of the FY2015 Average Statewide cost per equalized pupil spending adjusted by the inflation factor as estimated by the AOE, and is \$17,931 per equalized pupil for FY2018. The excess spending threshold is increased 1% per year thereafter, for purposes of estimating tax rates FY2018 to FY2022.
- E. The “Do Nothing” projections assume the same allocation of percentage of students in HUHS and Local School District(s) as in FY2016-2017 in the models with no merger.
- F. The Accelerated Merger projections include the tax reduction incentive of \$.10 in FY2018, \$.08 in FY2019, \$.06 in FY2020, \$.04 in FY2021 and \$.02 in FY2022.
- G. Lastly, the detailed assumptions used to generate the tax rate estimates, are assumptions only, based on our best knowledge at this time.

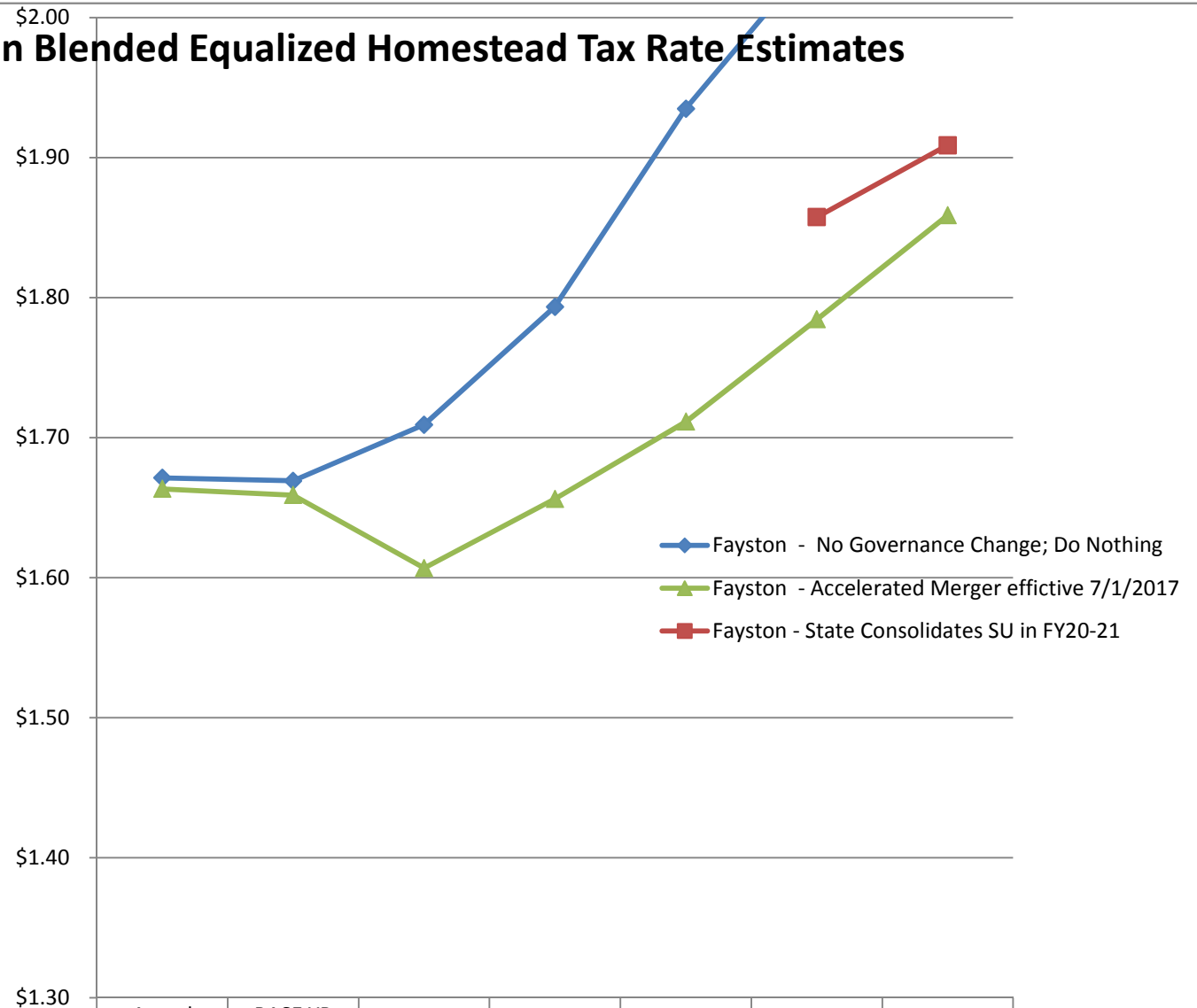
Duxbury Blended Equalized Homestead Tax Rate Estimates



Notes: Considers debt retiring in FY2018

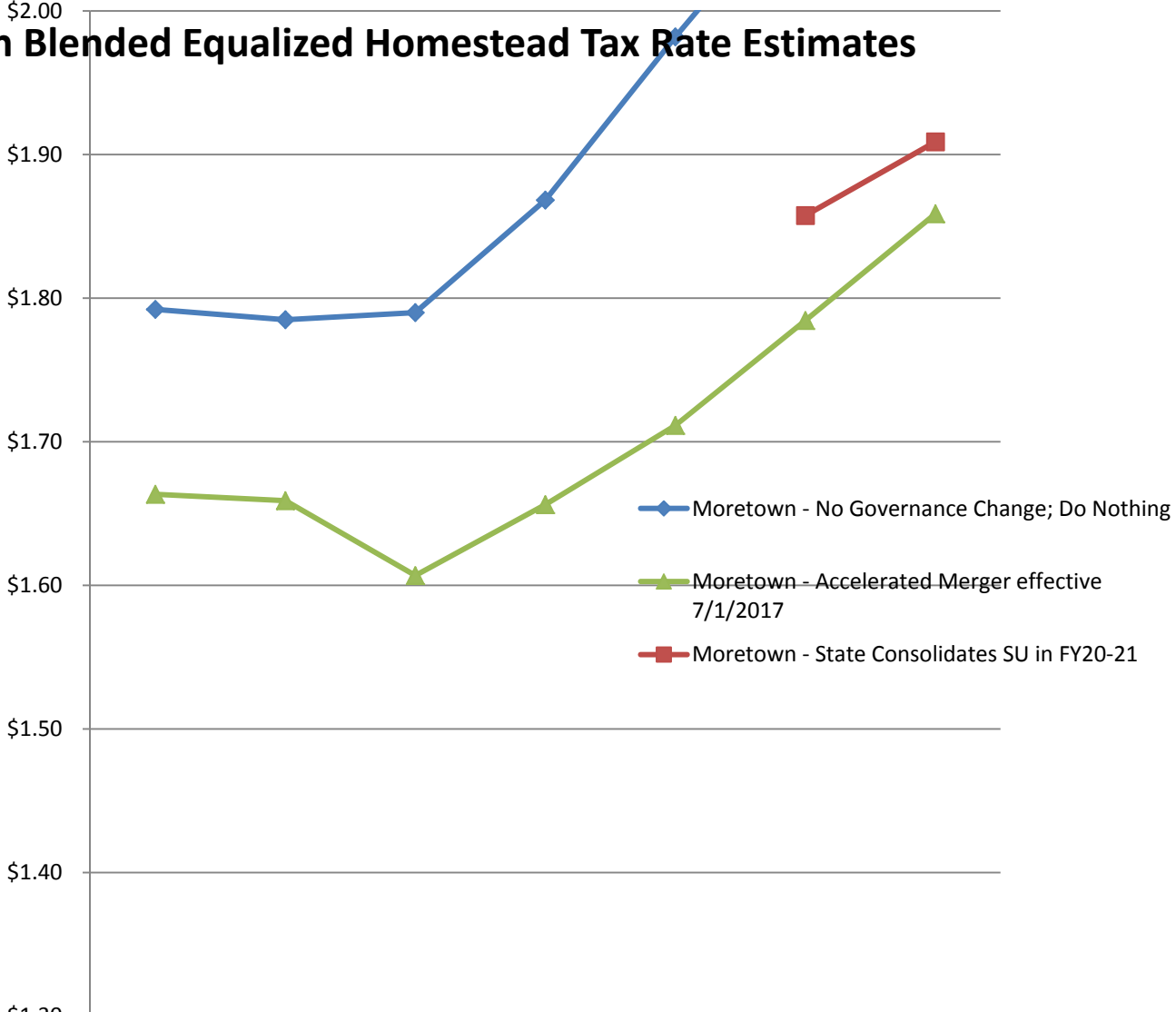
	Actual FY 2015-16	BASE YR FY16-17	FY17-18	FY18-19	19-20	20-21	21-22
Duxbury -No Governance Change; Do Nothing	\$1.68	\$1.66	\$1.68	\$1.74	\$1.82	\$1.91	\$2.01
Duxbury-Accelerated Merger effective 7/1/2017	\$1.66	\$1.66	\$1.61	\$1.66	\$1.71	\$1.78	\$1.86
Duxbury-State Consolidates SU in FY20-21						\$1.86	\$1.91

Fayston Blended Equalized Homestead Tax Rate Estimates



	Actual FY 2015-16	BASE YR FY16-17	FY17-18	FY18-19	19-20	20-21	21-22
Fayston - No Governance Change; Do Nothing	\$1.67	\$1.67	\$1.71	\$1.79	\$1.93	\$2.05	\$2.16
Fayston - Accelerated Merger effective 7/1/2017	\$1.66	\$1.66	\$1.61	\$1.66	\$1.71	\$1.78	\$1.86
Fayston - State Consolidates SU in FY20-21						\$1.86	\$1.91

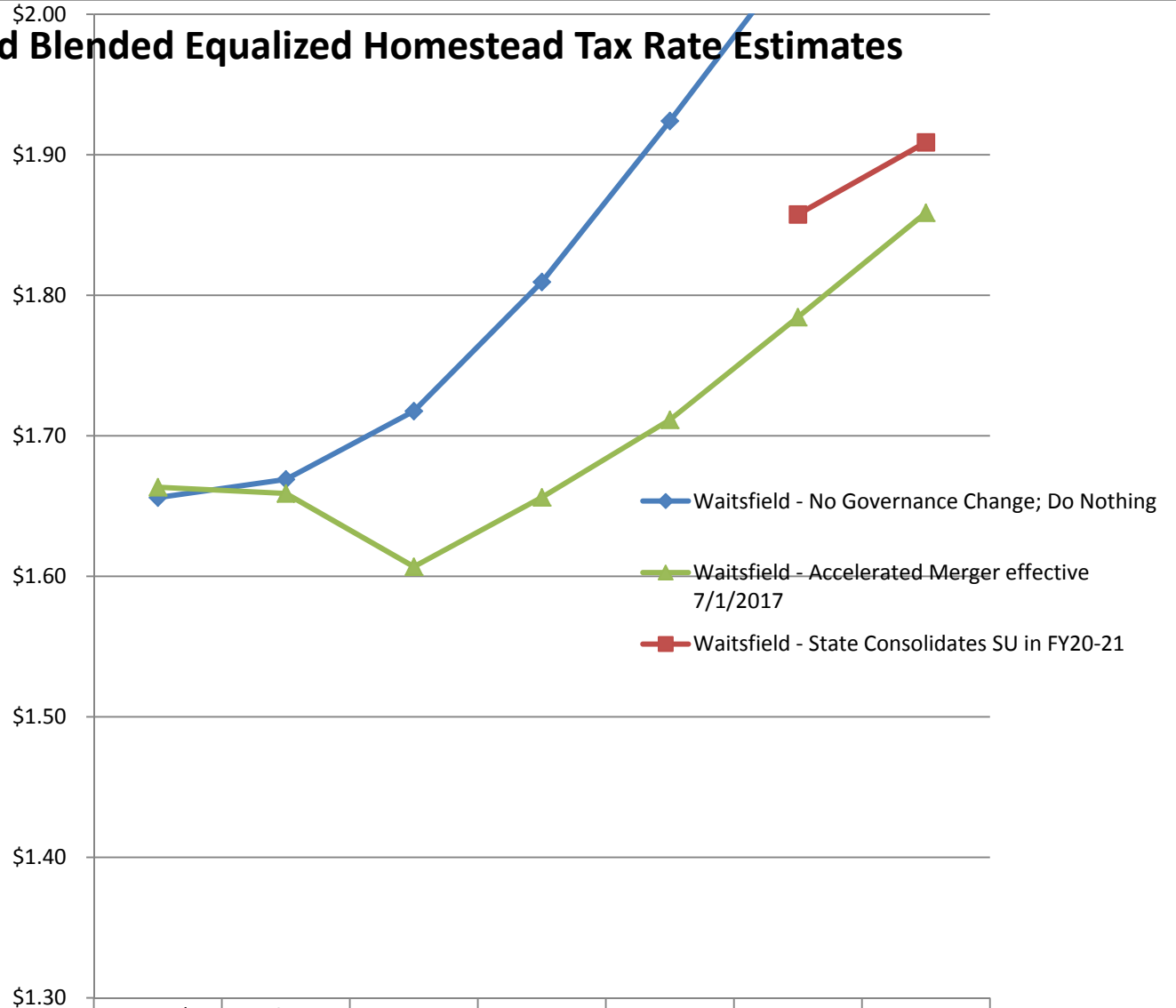
Moretown Blended Equalized Homestead Tax Rate Estimates



Notes: Considers debt retiring in FY2017

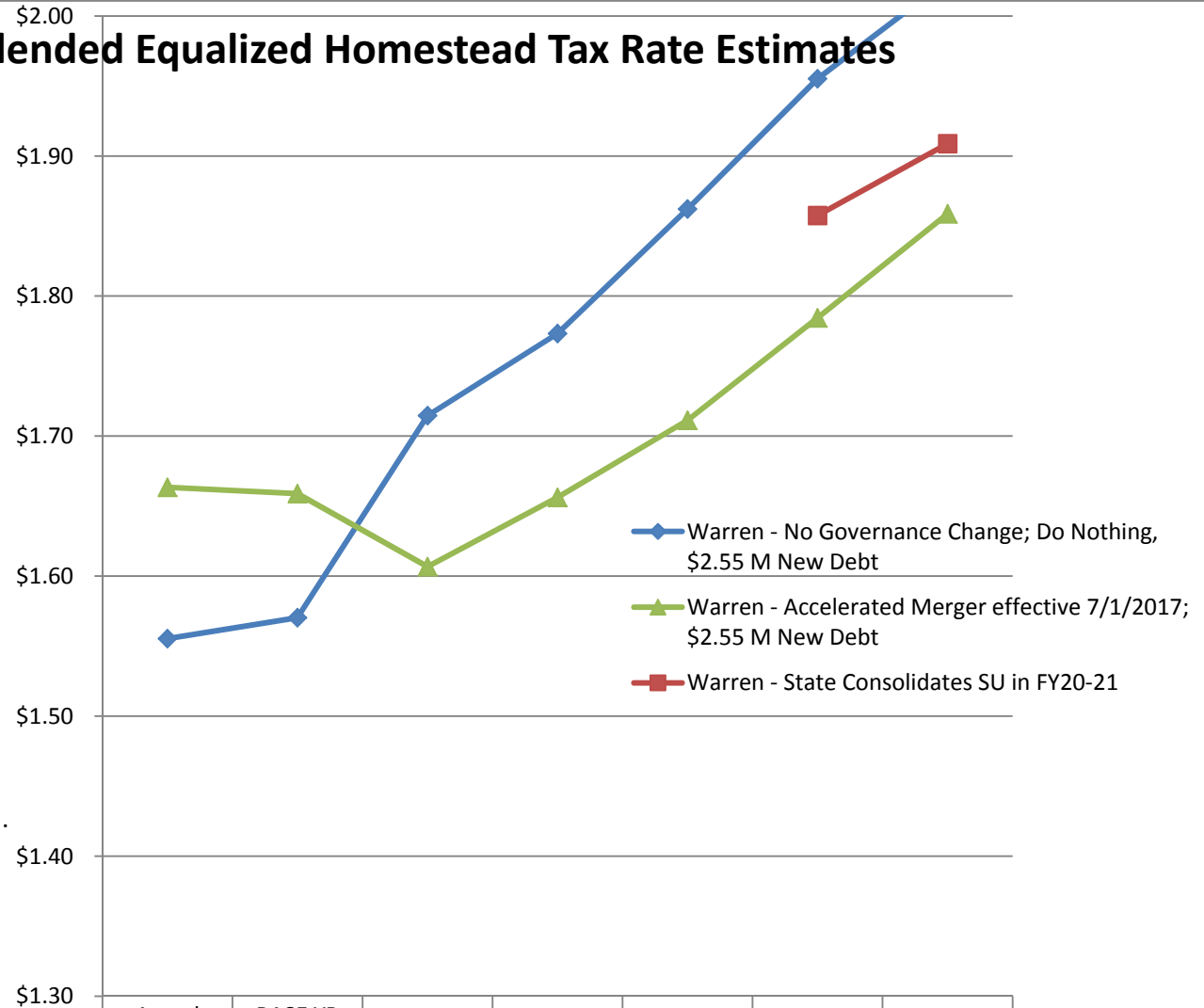
	Actual FY 2015-16	BASE YR FY16-17	FY17-18	FY18-19	19-20	20-21	21-22
Moretown - No Governance Change; Do Nothing	\$1.79	\$1.78	\$1.79	\$1.87	\$1.98	\$2.09	\$2.20
Moretown - Accelerated Merger effective 7/1/2017	\$1.66	\$1.66	\$1.61	\$1.66	\$1.71	\$1.78	\$1.86
Moretown - State Consolidates SU in FY20-21						\$1.86	\$1.91

Waitsfield Blended Equalized Homestead Tax Rate Estimates



	Actual FY 2015-16	BASE YR FY16-17	FY17-18	FY18-19	19-20	20-21	21-22
Waitsfield - No Governance Change; Do Nothing	\$1.66	\$1.67	\$1.72	\$1.81	\$1.92	\$2.04	\$2.18
Waitsfield - Accelerated Merger effective 7/1/2017	\$1.66	\$1.66	\$1.61	\$1.66	\$1.71	\$1.78	\$1.86
Waitsfield - State Consolidates SU in FY20-21						\$1.86	\$1.91

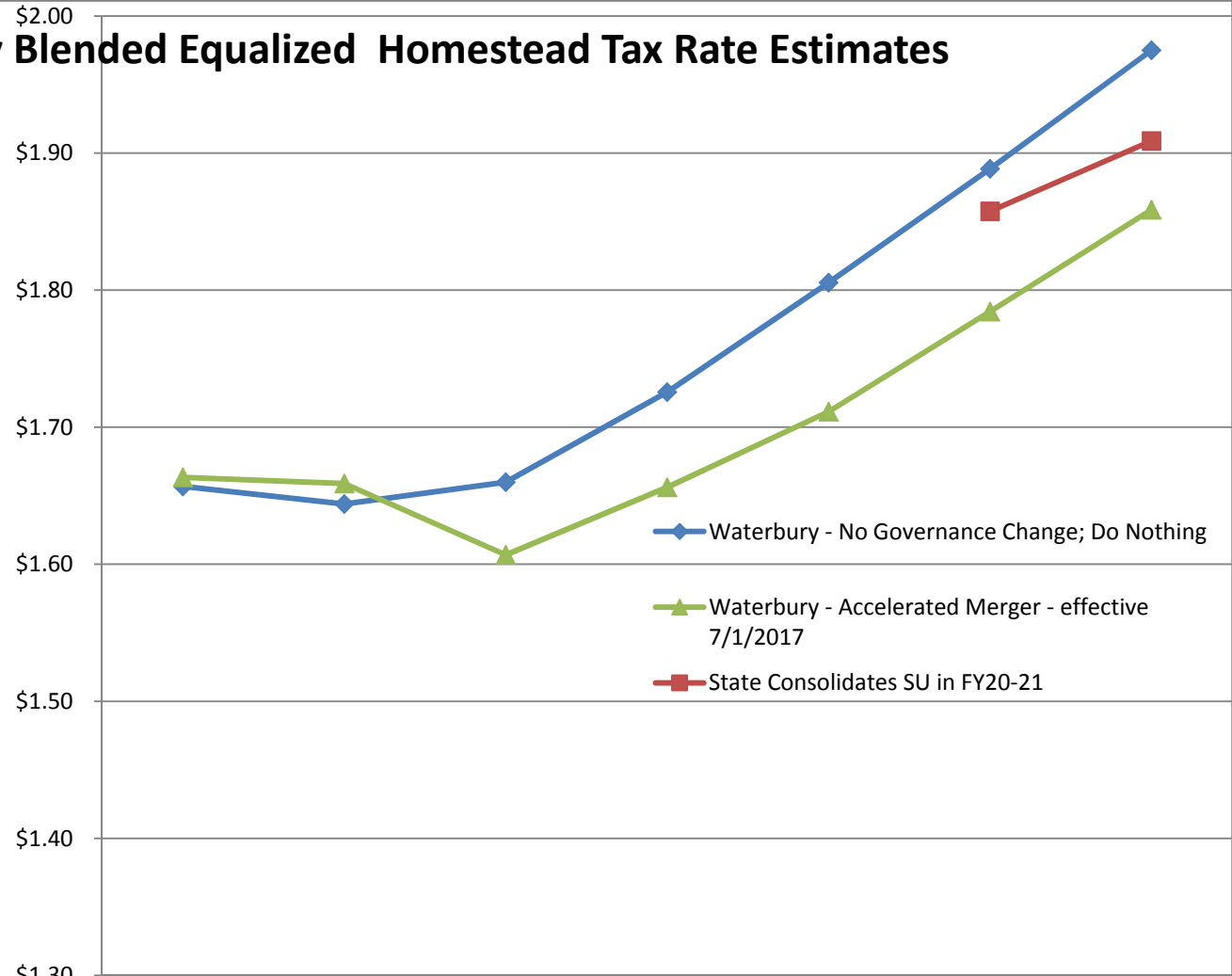
Warren Blended Equalized Homestead Tax Rate Estimates



- 1) Includes classroom addition debt retiring in FY2018.
- 2) General Fund deficit retired over 4 yrs in No Governance Change and 1 year, FY2018, in Accelerated.

	Actual FY 2015-16	BASE YR FY16-17	FY17-18	FY18-19	19-20	20-21	21-22
Warren - No Governance Change; Do Nothing, \$2.55 M New Debt	\$1.56	\$1.57	\$1.71	\$1.77	\$1.86	\$1.96	\$2.03
Warren - Accelerated Merger effective 7/1/2017; \$2.55 M New Debt	\$1.66	\$1.66	\$1.61	\$1.66	\$1.71	\$1.78	\$1.86
Warren - State Consolidates SU in FY20-21						\$1.86	\$1.91

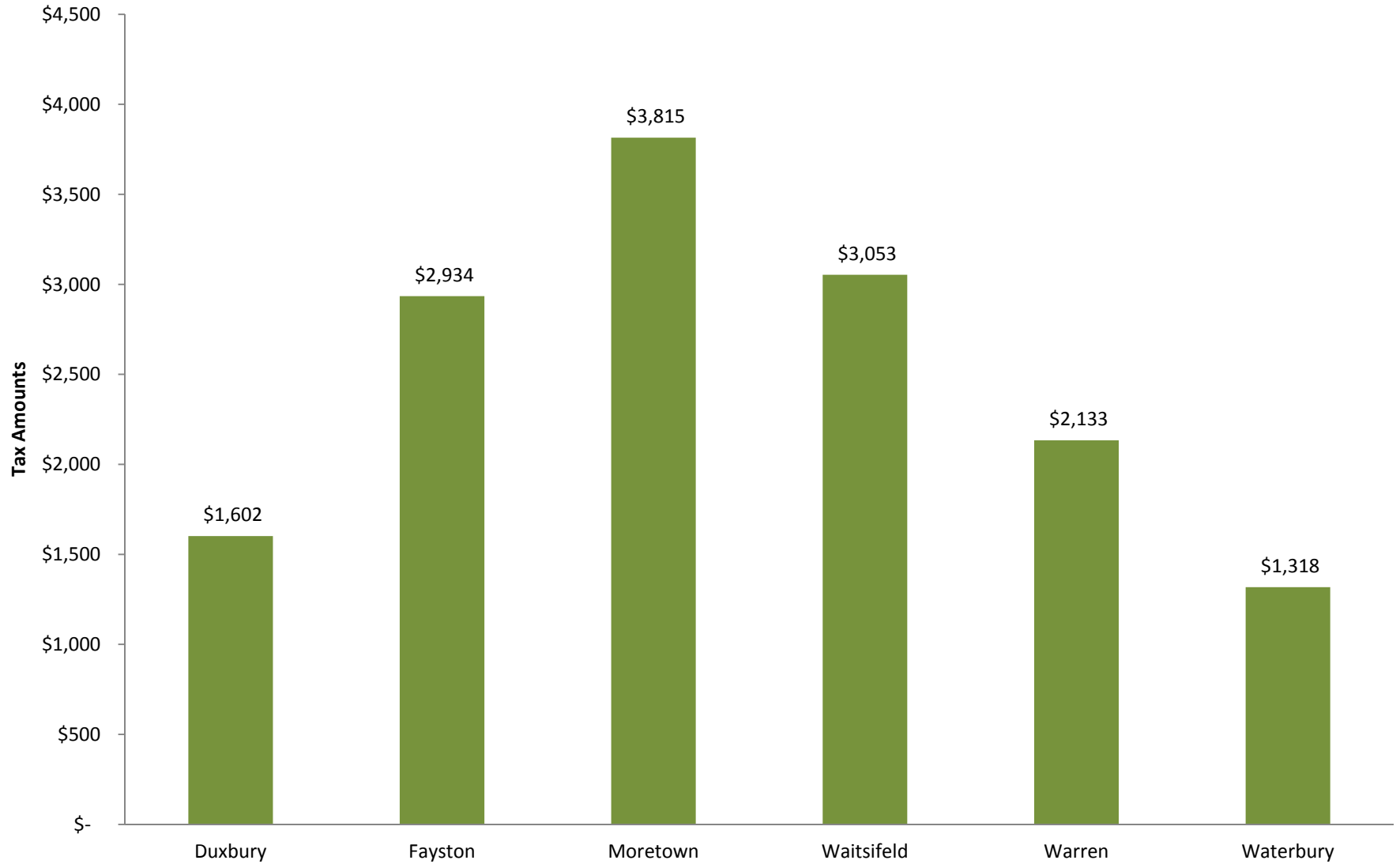
Waterbury Blended Equalized Homestead Tax Rate Estimates



Notes: Considers debt for CB construction retiring in FY2017

	Actual FY 2015-16	BASE YR FY16-17	FY17-18	FY18-19	19-20	20-21	21-22
Waterbury - No Governance Change; Do Nothing	\$1.66	\$1.64	\$1.66	\$1.73	\$1.81	\$1.89	\$1.98
Waterbury - Accelerated Merger - effective 7/1/2017	\$1.66	\$1.66	\$1.61	\$1.66	\$1.71	\$1.78	\$1.86
State Consolidates SU in FY20-21						\$1.86	\$1.91

Average, Estimated 5-Year Tax Savings on a \$300K Home Updated 5-20-2016



Summary Tax Rate Change Table - **Updated 5-20-2016**

Equalized Homestead Tax Rate		FY2017	Tax Rate After CLA			Accelerated Savings/Year \$300,000 Homestead
No Change	Accelerated		CLA	No Change	Accelerated	

<u>FY2017</u>						
Duxbury	\$ 1.66	NA	100.77%	\$ 1.65	NA	NA
Fayston	\$ 1.67	NA	105.27%	\$ 1.59	NA	NA
Moretown	\$ 1.78	NA	103.33%	\$ 1.73	NA	NA
Waitsifeld	\$ 1.67	NA	103.47%	\$ 1.61	NA	NA
Warren	\$ 1.57	NA	100.33%	\$ 1.57	NA	NA
Waterbury	\$ 1.64	NA	99.52%	\$ 1.65	NA	NA

<u>FY2018</u>						
Duxbury	\$ 1.68	\$ 1.61	100.77%	\$ 1.66	\$ 1.59	\$ (0.07) \$ (209)
Fayston	\$ 1.71	\$ 1.61	105.27%	\$ 1.62	\$ 1.53	\$ (0.10) \$ (292)
Moretown	\$ 1.79	\$ 1.61	103.33%	\$ 1.73	\$ 1.55	\$ (0.18) \$ (532)
Waitsifeld	\$ 1.72	\$ 1.61	103.47%	\$ 1.66	\$ 1.55	\$ (0.11) \$ (321)
Warren	\$ 1.71	\$ 1.61	100.33%	\$ 1.71	\$ 1.60	\$ (0.11) \$ (322)
Waterbury	\$ 1.66	\$ 1.61	99.52%	\$ 1.67	\$ 1.61	\$ (0.05) \$ (160)

<u>FY2019</u>						
Duxbury	\$ 1.74	\$ 1.66	100.77%	\$ 1.72	\$ 1.64	\$ (0.08) \$ (242)
Fayston	\$ 1.79	\$ 1.66	105.27%	\$ 1.70	\$ 1.57	\$ (0.13) \$ (391)
Moretown	\$ 1.87	\$ 1.66	103.33%	\$ 1.81	\$ 1.60	\$ (0.21) \$ (616)
Waitsifeld	\$ 1.81	\$ 1.66	103.47%	\$ 1.75	\$ 1.60	\$ (0.15) \$ (444)
Warren	\$ 1.77	\$ 1.66	100.33%	\$ 1.77	\$ 1.65	\$ (0.12) \$ (350)
Waterbury	\$ 1.73	\$ 1.66	99.52%	\$ 1.73	\$ 1.66	\$ (0.07) \$ (209)

<u>FY2020</u>						
Duxbury	\$ 1.82	\$ 1.71	100.77%	\$ 1.81	\$ 1.70	\$ (0.11) \$ (333)
Fayston	\$ 1.93	\$ 1.71	105.27%	\$ 1.84	\$ 1.63	\$ (0.21) \$ (637)
Moretown	\$ 1.98	\$ 1.71	103.33%	\$ 1.92	\$ 1.66	\$ (0.26) \$ (786)
Waitsifeld	\$ 1.92	\$ 1.71	103.47%	\$ 1.86	\$ 1.65	\$ (0.21) \$ (617)
Warren	\$ 1.86	\$ 1.71	100.33%	\$ 1.86	\$ 1.71	\$ (0.15) \$ (451)
Waterbury	\$ 1.81	\$ 1.71	99.52%	\$ 1.81	\$ 1.72	\$ (0.09) \$ (284)

<u>FY2021</u>						
Duxbury	\$ 1.91	\$ 1.78	100.77%	\$ 1.90	\$ 1.77	\$ (0.13) \$ (381)
Fayston	\$ 2.05	\$ 1.78	105.27%	\$ 1.94	\$ 1.70	\$ (0.25) \$ (747)
Moretown	\$ 2.09	\$ 1.78	103.33%	\$ 2.02	\$ 1.73	\$ (0.30) \$ (885)
Waitsifeld	\$ 2.04	\$ 1.78	103.47%	\$ 1.98	\$ 1.72	\$ (0.25) \$ (752)
Warren	\$ 1.96	\$ 1.78	100.33%	\$ 1.95	\$ 1.78	\$ (0.17) \$ (511)
Waterbury	\$ 1.89	\$ 1.78	99.52%	\$ 1.90	\$ 1.79	\$ (0.10) \$ (314)

<u>FY2022</u>						
Duxbury	\$ 2.01	\$ 1.86	100.77%	\$ 1.99	\$ 1.84	\$ (0.15) \$ (437)
Fayston	\$ 2.16	\$ 1.86	105.27%	\$ 2.05	\$ 1.77	\$ (0.29) \$ (867)
Moretown	\$ 2.20	\$ 1.86	103.33%	\$ 2.13	\$ 1.80	\$ (0.33) \$ (996)
Waitsifeld	\$ 2.18	\$ 1.86	103.47%	\$ 2.10	\$ 1.80	\$ (0.31) \$ (919)
Warren	\$ 2.03	\$ 1.86	100.33%	\$ 2.02	\$ 1.85	\$ (0.17) \$ (499)
Waterbury	\$ 1.98	\$ 1.86	99.52%	\$ 1.98	\$ 1.87	\$ (0.12) \$ (351)

Estimated Savings over 5 years
\$ (1,602)
\$ (2,934)
\$ (3,815)
\$ (3,053)
\$ (2,133)
\$ (1,318)