



## ***Board Memo***

**TO: Burlington School Board of Commissioners**  
**FROM: Executive Director of Finance Nathan Lavery**  
**SUBJECT: FY21 Tax Rate Estimates**  
**DATE: January 3, 2020**

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The following tax rate estimates represent the most current information available from the Department of Taxes and the Agency of Education. These variables are subject to change, and typically do change (even after budgets have been adopted and voted by communities).

<b>Scenario</b>	<b>Baseline</b>	<b>Low</b>	<b>Medium</b>	<b>High</b>
New Investments	\$0	\$499k	\$1.236m	\$1.996m
Total Ed. Spending Increase	\$3.5m	\$4.0m	\$4.8m	\$5.5m
Property Tax Rate Increase	8.52%	9.31%	10.47%	11.66%
Income Yield Rate Increase	4.29%	5.05%	6.16%	7.31%

### **Variables Impacting Tax Rate Calculations**

Dollar Yield: The amount of spending the Education Fund could support with a tax rate of \$1.00 per \$100 of assessed value. The Tax Commissioner's December 1 letter forecasted an increase in the Dollar Yield. This is helpful in terms of keeping tax rates low.

Education Spending: A number unique to each school district that represents the amount of money needed from the Education Fund. A higher budget increases Education Spending, which puts upward pressure on the tax rate.

Equalized Pupils: A weighted number of pupils that considers factors such as poverty and English Learners. Burlington's number of Equalized Pupils is expected to decrease by over 50 pupils, putting upward pressure on the tax rate.

Common Level of Appraisal: A measure of the assessed value relative to the market value of property in each community. Burlington's CLA decreased by 2.88 percentage points, which puts upward pressure on the tax rate.

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