

Choosing Example Districts: The six unified school districts used in the following examples would have had a single FY17 tax rate shared by all towns in the district if it wasn't for each town's CLA. They are clear examples of the effect we have been asked to examine and try to mitigate. Some of these six districts were formed since Act 46 and some were formed before that. There are other merged school districts in Vermont, but they don't share a common base tax rate because they either: are not operational yet, are modified (one or more towns has a different arrangement for some grade level), or are impacted by a statutory provision that does not allow a merging town's tax rate to change by more than 5% from year to year. To better understand the fundamental issue, districts that fit any of those descriptions will not be used as examples. Those special situations will need to be addressed as part of any policy proposal, but the six districts below are the most useful examples for this phase of the committee's work.

Scenario #1: If the town ratio is between a 95% and 105% level of appraisal, do not apply the town CLA, otherwise apply it.

Unified School District	Town Ratio	95 to 105?	CLA Applied	District Rate	Final HS Tax Rate	\$250k Home Impact
Mountain Towns						
Peru	97.94	Y		1.58	1.58	
Weston	94.97	N	95.89	1.58	1.65	\$ 170.00
Landgrove	99.99	Y		1.58	1.58	
Londonderry	101.38	Y		1.58	1.58	
Elmore-Morristown						
Morristown	101.68	Y		1.45	1.45	
Elmore	108.11	N	105.91	1.45	1.37	\$ (200.00)
Blue Mountain						
Groton	110.04	N	108.96	1.63	1.49	\$ (330.00)
Ryegate	106.04	N	104.25	1.63	1.56	\$ (170.00)
Wells River	105.61	N	104.02	1.63	1.56	\$ (160.00)
Twinfield						
Marshfield	94.75	N	95.11	1.64	1.73	\$ 210.00
Plainfield	95.63	Y		1.64	1.64	
Waits River						
Corinth	109.73	N	110.23	1.42	1.29	\$ (330.00)
Topsham	111.60	N	111.79	1.42	1.27	\$ (370.00)
Miller's Run						
Sheffield	102.14	Y		1.68	1.68	
Wheelock	110.99	N	108.88	1.68	1.54	\$ (340.00)
Other VT towns	54% of towns have a town ratio between 95% and 105% and so would not have a CLA applied in this scenario.					

Scenario #2: If the 90% confidence interval for the CLA¹ overlaps the interval from a 95% to 105% level of appraisal do not apply the town CLA, otherwise apply it. (Consistent with IAAO Standards section 11.1: Level of Appraisal)

Unified School District	FY17 CLA	90% CI Lo	90% CI Hi	Overlaps 95 to 105?	CLA Applied	District Rate	Final HS Tax Rate	\$250k Home Impact
Mountain Towns								
Peru	98.83	98.12	99.54	Y		1.58	1.58	
Weston	95.89	92.95	98.83	Y		1.58	1.58	
Landgrove	101.54	98.66	104.42	Y		1.58	1.58	
Londonderry	100.86	98.73	102.99	Y		1.58	1.58	
Elmore-Morristown								
Morristown	104.05	102.55	105.55	Y		1.45	1.45	
Elmore	105.91	104.34	107.48	Y		1.45	1.45	
Blue Mountain								
Groton	108.96	105.60	112.32	N	108.96	1.63	1.49	\$ (330.00)
Ryegate	104.25	99.21	109.29	Y		1.63	1.63	
Wells River	104.02	101.47	106.57	Y		1.63	1.63	
Twinfield								
Marshfield	95.11	92.62	97.60	Y		1.64	1.64	
Plainfield	97.05	94.66	99.44	Y		1.64	1.64	
Waits River Valley USD								
Corinth	110.23	106.32	114.14	N	110.23	1.42	1.29	\$ (330.00)
Topsham	111.79	108.33	115.25	N	111.79	1.42	1.27	\$ (370.00)
Millers Run								
Sheffield	102.01	98.52	105.50	Y		1.68	1.68	
Wheelock	108.88	106.24	111.52	N	108.88	1.68	1.54	\$ (340.00)
Other VT towns	76% of towns have a confidence interval that overlaps 95% to 105% and so would not have a CLA applied in this scenario.							

¹ The equalization study does not currently produce any measure of statistical error for the CLA since it is weighted statistic. Without an estimate of error, it is impossible to compute a confidence interval. For the purposes of this committee, a weighted error estimate was derived based on conversations with Bill Smith and review of industry protocol. The figures in this table are good-faith estimates derived for the purposes of this committee's exploratory work. The procedure for finding the error around the CLA would need further research, refinement, and peer review if it were to be implemented.

Scenario #3: Treat all the towns in a merged district as a single unit for the purposes of the equalization study (the way the unorganized towns and gores of Essex county are treated now).

Unified School District	Town Property Value (Millions)	District Rate	Town CLA Actual FY17	Final HS Tax Rate Actual FY17	District Rate	District CLA Model FY17	Final HS Tax Rate Model FY17	\$250k Home Impact
Mountain Towns								
Peru	213	1.58	98.83	1.60	1.58	98.94	1.60	\$ -
Weston	197	1.58	95.89	1.65	1.58	98.94	1.60	\$ (125.00)
Landgrove	107	1.58	101.54	1.56	1.58	98.94	1.60	\$ 100.00
Londonderry	419	1.58	100.86	1.57	1.58	98.94	1.60	\$ 75.00
Elmore-Morristown								
Morristown	606	1.45	104.05	1.39	1.45	104.66	1.38	\$ (25.00)
Elmore	158	1.45	105.91	1.37	1.45	104.66	1.38	\$ 25.00
Blue Mountain								
Groton	119	1.63	108.96	1.49	1.63	105.92	1.54	\$ 125.00
Ryegate	129	1.63	104.25	1.56	1.63	105.92	1.54	\$ (50.00)
Wells River	29	1.63	104.02	1.56	1.63	105.92	1.54	\$ (50.00)
Twinfield								
Marshfield	118	1.64	95.11	1.73	1.64	97.72	1.68	\$ (125.00)
Plainfield	115	1.64	97.05	1.69	1.64	97.72	1.68	\$ (25.00)
Waits River								
Corinth	148	1.42	110.23	1.29	1.42	110.80	1.28	\$ (25.00)
Topsham	106	1.42	111.79	1.27	1.42	110.80	1.28	\$ 25.00
Miller's Run								
Sheffield	57	1.68	102.01	1.65	1.68	104.62	1.61	\$ (100.00)
Wheelock	61	1.68	108.88	1.54	1.68	104.62	1.61	\$ 175.00