

Attached is a PDF showing how equalized pupils (eqpups) and tax rates are modeled to change, based on S.287 as passed by Senate Finance. The bill proposes to implement new weights and weighting factors over a 5-year period by using a transition of averaged eqpups with prior year counts, as outlined in Sec. 11 of the bill. These are estimates only and do not reflect what will actually occur. Caveats to the data and modeling are at the end.

While an ELL weight of 2.49 was used, the bill also proposes additional ELL grants for some districts to offset the cost of hiring ELL instructors, either part or full-time. The ELL grants are provided to districts with ELL students of 25 or fewer, in the amounts of \$25,000 for 1 to 5 ELL students and \$50,000 for 6 to 25. The ELL grants are fully implemented in year 1 of the modeling and are not phased in. The reductions in ed spending from these grants are reflected on the tax rates shown on pages 3 & 4.

While columns are labeled as Year 1, Year 2, etc., data used are from FY16 through FY20 for the averaging. The FY20 counts were used for the outyears and reflect the new weights and weighting factors. Years averaged are as follows:

- Year 1 – average of FY16, FY17, FY18, FY19, and FY20
- Year 2 – average of FY17, FY18, FY19, FY20, and FY20
- Year 3 – average of FY18, FY19, FY20, FY20, and FY20
- Year 4 – average of FY19, FY20, FY20, and FY20
- Year 5 – average of FY20, FY20, and FY20

FY20 counts using the new weights were used multiple times for the outyears, as attempting to project counts on a district-by-district basis is fairly inaccurate, even when going from known years to the following year, let alone for future years further out. Therefore, as the outyears progress towards Year 5, the averages for any single district trend towards the FY20 count for that district.

What the columns are:

- a. Columns 1-7 are eqpup counts and columns 8-14 are the district tax rates.
- b. Columns 1 and 8 are current law (eqpups and tax rates, respectively).
- c. Columns 2-5 and 9-12 are the phase in years.
- d. Columns 6 and 13 are the full implementation in Year 5.
- e. Columns 7 and 14 compare full implementation to current law (col 6 minus col 1 and col 13 minus col 8, respectively).

Caveats:

1. "Original" FY20 data in terms of tax rates and in some cases, equalized pupils or education spending, are not the numbers that were actually used in FY20.
  - a. FY20 tax rates were calculated without any remaining Act 46 tax rate incentives.
  - b. The maximum allowable annual tax rate change of +/- 5.0% for a town, as provided by Act 46 as towns transitioned to new unified rates, was not used.
  - c. A new and higher yield was calculated to account for the changed tax rates.
  - d. The new yield meant that none of the tax rates shown as FY20 rates in the model (i.e., "original" FY20 rates) were the FY20 rates that were actually used.
  - e. In three districts, minor changes to education spending or equalized pupil counts were made to reflect data corrections or late governance changes not captured in FY20.
2. Years of eqpups used:

- a. FY16, FY17, FY18, & FY19 are the actual eqpups used those years were calculated under current law.
  - b. Data for FY20 eqpups were rerun using the new weights as recommended by the Weighting Task Force, including an ELL weight of 2.49.
  - c. FY20 eqpup counts were used unchanged for the outyears, meaning they were used as the new counts for years 2, 3, 4, & 5.
3. Education spending was presumed to be constant at the FY20 level, after adjusting for any applicable ELL grants.
4. The yield was held constant for the transition years, whereas in reality, it would change annually since tax rates change.