These equalized education tax rates (EETR) and their respective ranks for final 2003-04 and unaudited 2004-05 data present the relative educational effort of each town on three different levels.  The three sets of percentages reflect the local share of the following: the minimum expenditure requirement (MER); the MER plus special education and public and mandated nonpublic pupil transportation; and all current expenditures.  The decision to isolate educational effort in three parts was made for several reasons. First, the Education Cost Sharing (ECS) grant formula is directly tied to the MER, which has as one of its goals the equalization of effort among all towns.  The MER effort figures can be use to monitor progress in that area.  The second measure is an effort to create a picture of comparable local effort for all major mandated programs (MER/special education/transportation).  This was done by measuring the sum of local effort for the MER and the local share of special education and pupil transportation.  The third level of analysis looks to capture a total effort that goes beyond the mandated amounts to include expenditures above the MER.

The focus is on current public elementary and secondary expenditures excluding adult education, nonpublic expenditures (except for mandated nonpublic transportation), state and federal prepayment grants, and most construction and debt service expenditures.

Since town mill rates are based on different assessment ratios and schedules for valuation, an equalized property wealth measure was needed to provide comparability among towns.  The State Office of Policy and Management computes a measure called the equalized net grand list (ENGL), which represents the value of taxable real and personal property at 100 percent fair market value.  For each year of data, the ENGL used was that upon which taxes were levied for the general expenses of the town for that year. Per capita income (PCI) and median household income (MHI) are used because the income from which taxes are paid has an important effect on town taxing capacity, and these factors are critical components of the major state education funding formulas.

**HPCI = Highest Town Per Capita Income**

**HMHI = Highest Town Median Household Income**

**Income Adjustment Factor (IAF) = (((PCI / HPCI) + (MHI / HMHI)) / 2)**

**Property Wealth = ENGL x IAF**

Commencing in 1995-96, the state's major grant in support of special education was consolidated with the ECS grant.  Therefore, the special education and regular education (MER) portions of post-1994-95 ECS must be isolated and appropriately attributed to the various EETRs.  For the purposes of the EETRs, this is done by identifying the relationship between the 1994-95 Regular Special Education and ECS entitlements.

**1994-95 Base Revenue = 1994-95 Regular Special Education Entitlement + 1994-95 ECS Entitlement**

**ECS Special Education Portion Percentage (ECS-SEPP) =**
**1994-95 Regular Special Education Entitlement  / 1994-95 Base Revenue**

**Current Year ECS Special Education Portion = ECS-SEPP x Current Year ECS Entitlement**

For example, in the attached report, an EETR of 4 in Column 1, Minimum Expenditure Requirement, means that for every $1,000 of property wealth, $4.00 was raised to meet the MER.  The rank in the adjacent column reflects a town's effort compared to all other towns, with 1 being the highest effort and 169 being the lowest.   The same relationship holds true for Columns 2 and 3, MER/Special Education/Transportation and All Current Expenditures.  Listed below are examples of how figures in the three categories are computed.  These examples are based on a district with the following characteristics:

| | | | | | |
|---|---|---|---|---|---|
| ENGL | = | 500,000,000 | Local Share of Special Education Expenditures = | | 3,500,000 |
| IAF | = | .50 | Local Share of Transportation Expenditures | = | 1,500,000 |
| Property Wealth | = | 250,000,000 | Regular Program Expenditures (RPE) | = | 20,000,000 |
| ECS Grant | = | 6,250,000 | | | |
| ECS-SEPP | = | .20 | | | |
| ECS - Special Ed | = | 1,250,000 | | | |
| ECS - Regular Ed | = | 5,000,000 | | | |
| MER | = | 15,000,000 | | | |

### Example 1 - MER:

| | | | |
|---|---|---|---|
| Local Effort: | MER - ECS-Regular Ed   [15,000,000 - 5,000,000] | = | $10,000,000 |
| Percentage Rate: | Local Effort / Property Wealth   [10,000,000 / 250,000,000] | = | 4.0 mills |

### Example 2 - MER/Special Education/Transportation Programs:

| | | | |
|---|---|---|---|
| Local Effort: | MER - ECS-Regular Ed + Local Share of Special Ed Expenditures + Local Share of  Transportation Expenditures [15,000,000 - 5,000,000 + 3,500,000 + 1,500,000] | = | $15,000,000 |
| Percentage Rate: | Local Effort / Property Wealth   [15,000,000 / 250,000,000] | = | 6.0 mills |

### Example 3 - All Current Expenditures:

| | | | |
|---|---|---|---|
| Local Effort: | RPE - ECS-Regular Ed + Local Share of Special Ed Expenditures + Local Share of Transportation Expenditures [20,000,000 - 5,000,000 + 3,500,000 + 1,500,000] | = | $20,000,000 |
| Percentage Rate: | Local Effort / Property Wealth   [20,000,000 / 250,000,000] | = | 8.0 mills |