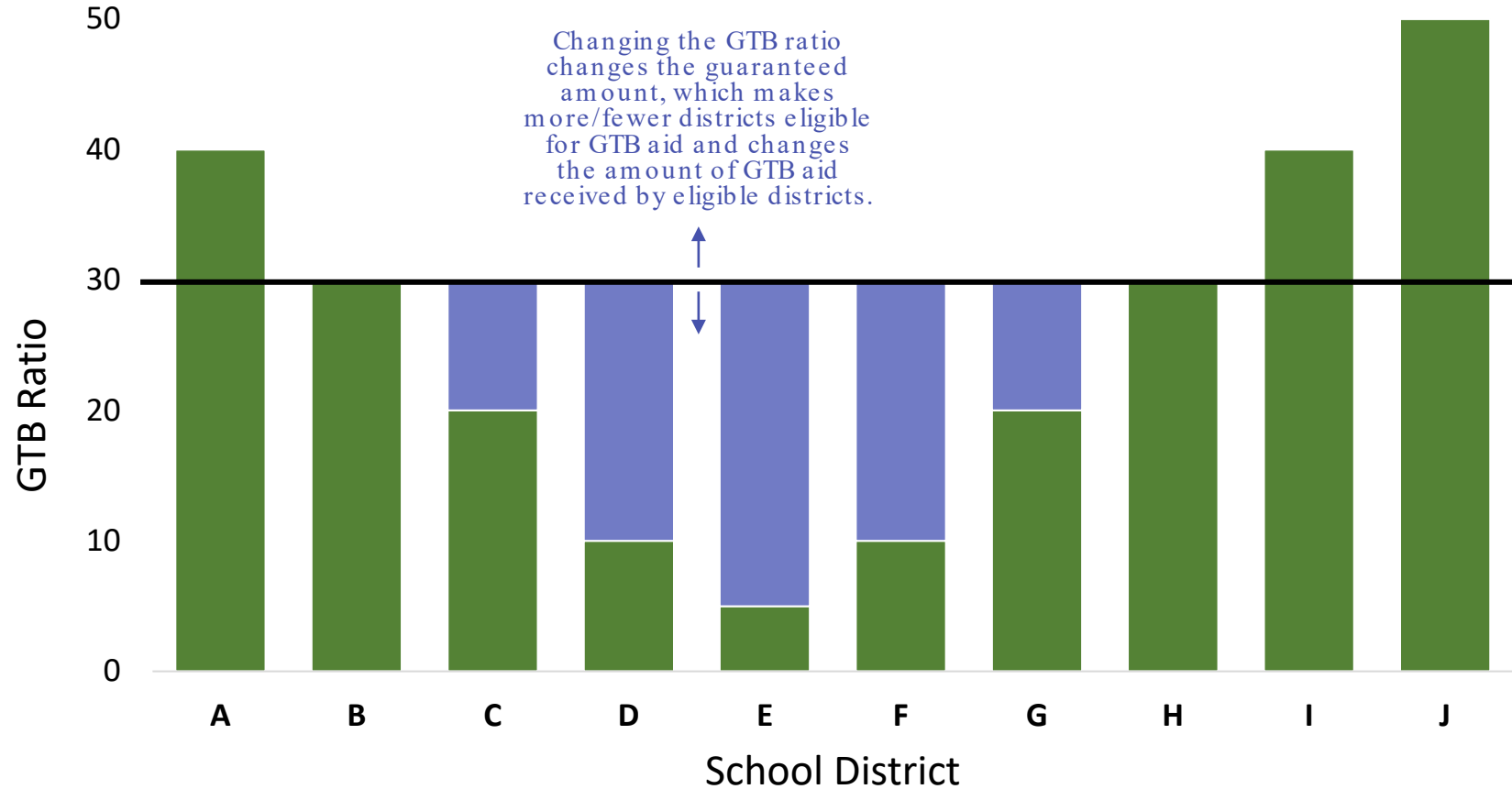




Guaranteed Tax Base (GTB) Aid

GTB aid equalizes districts' revenue-generating capacity by providing a **state GTB aid subsidy** for districts with less property tax wealth to bring their **revenue-generating capacity (based on the district GTB ratio)** to a **guaranteed amount**



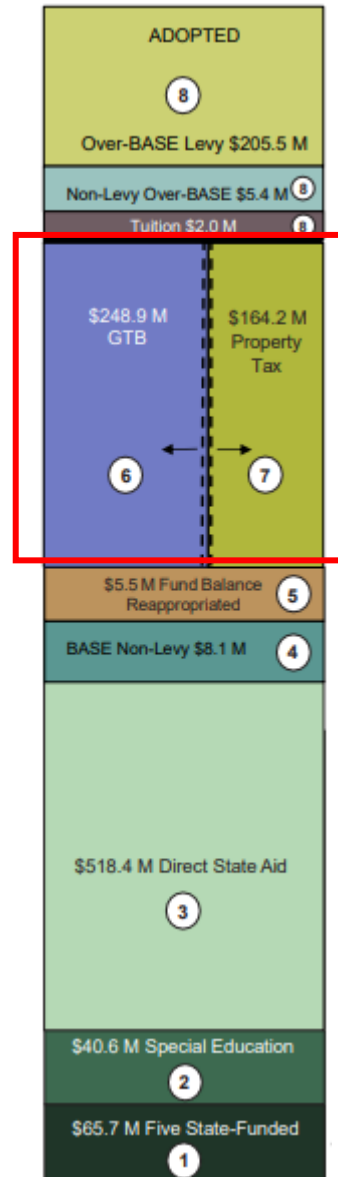
A district's **revenue-generating capacity** is measured as a ratio of the district's property wealth (taxable value) to its local funding needs and costs (sometimes ANB, but in our district general fund formula, the GTB area).

Countywide BASE mill equalization (PD 54)

PD 54 replaces school district BASE levies with a countywide levy to fund the same part of a district's BASE budget.

This will equalize the BASE property tax burden throughout a county and eliminate BASE mill variability within the county. State guaranteed tax base (GTB) aid for low-wealth counties will then reduce BASE mill variability among the counties.

This is a very similar approach to the way RET contribution costs are funded – costs are pooled countywide and funded through a countywide tax.

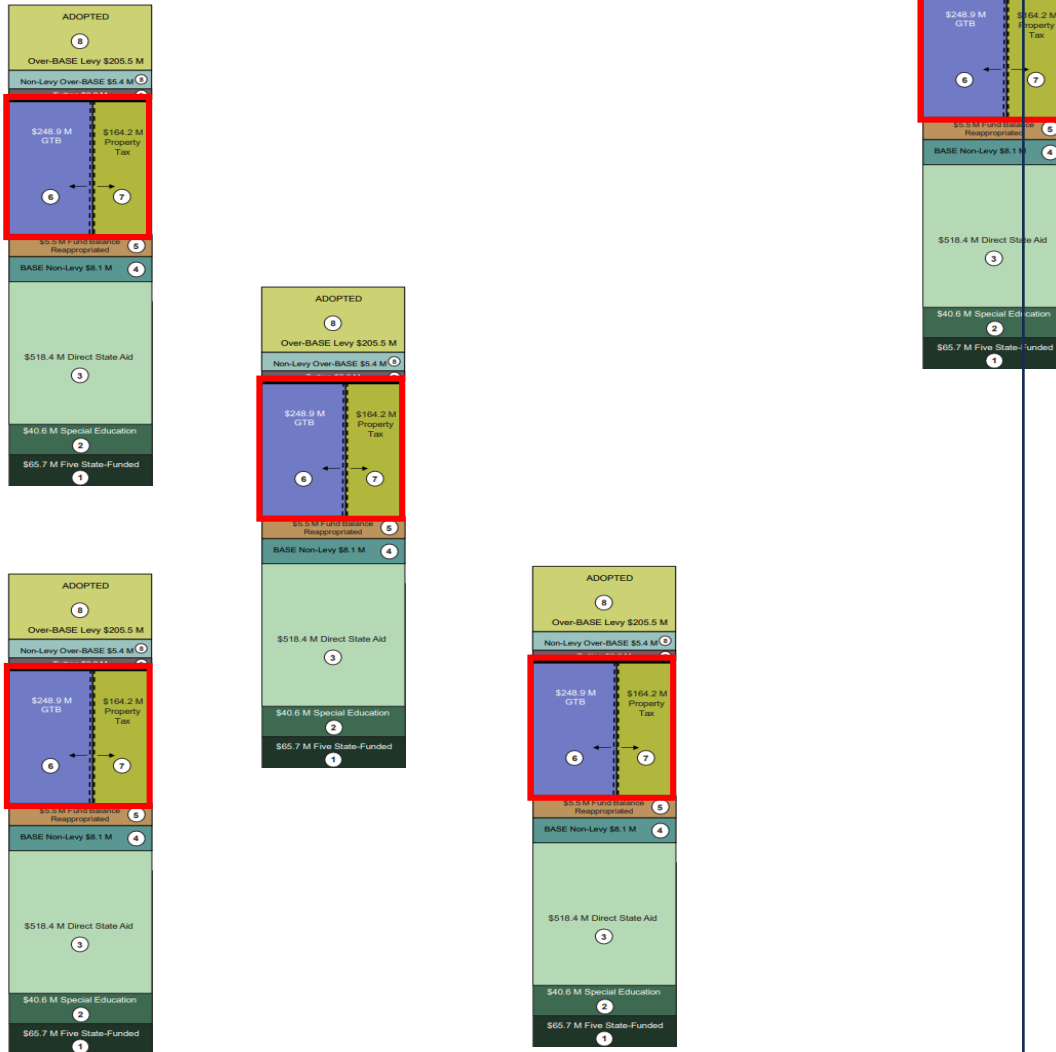


The proposed countywide BASE levy does not change the dynamic for overBASE budgets or voted district levies to fund them.

Calling this area a district's **“BASE funding levy requirement”** – that area of its BASE budget not funded by the state, fund balance reappropriated (FRB), or nonlevy revenue (NLR).

Basically, maintain current dynamics for FRB and for coal gross proceeds (that money “chases” local mills and reduces them). For O&G, PD 54 removes complex requirements to allocate to BASE; trustees are given increased flexibility to use.

County A



For joint districts crossing county lines, the BASE funding need is proportionally split based on the ANB in each county (just like we do with joint districts for countywide RET levies).

The BASE funding need of all districts within a county is summed and the new “countywide levy for BASE funding support” raises the required money.

Eligible counties will receive a state GTB subsidy per mill equalizing their ability to generate revenue and lowering mills (just like we do currently for BASE GTB for eligible districts).

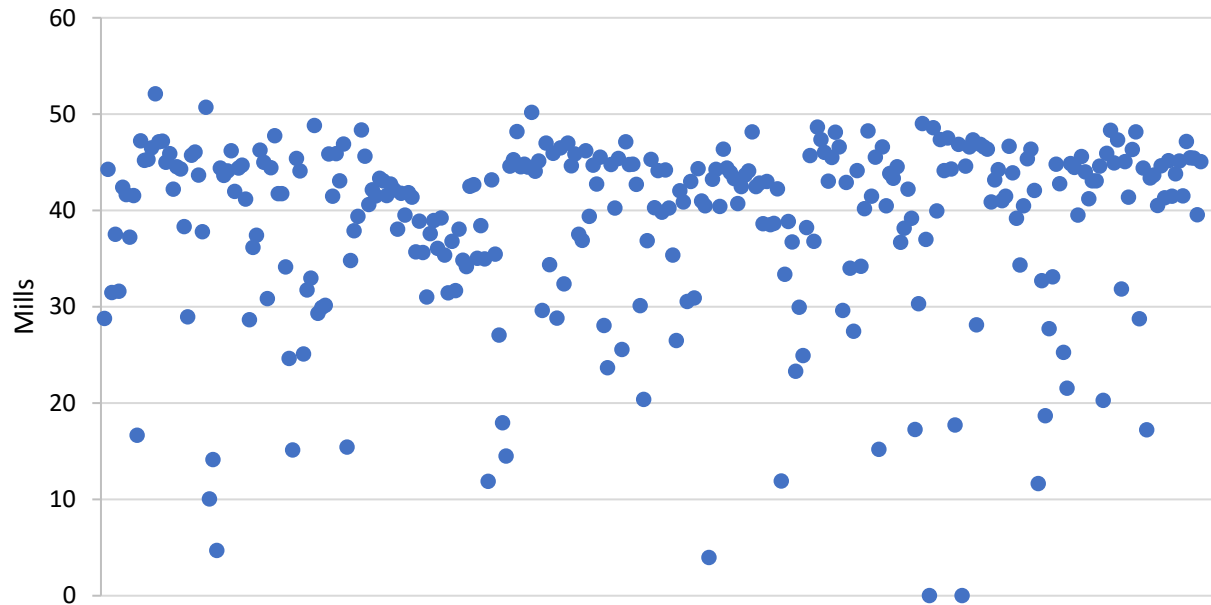
GTB will be based on the county’s taxable value (TV) compared to the sum of the GTB areas of all districts in the county (same formula as used currently for BASE GTB).

This change will result in state GTB aid being distributed differently and targeted on low-property-wealth counties.

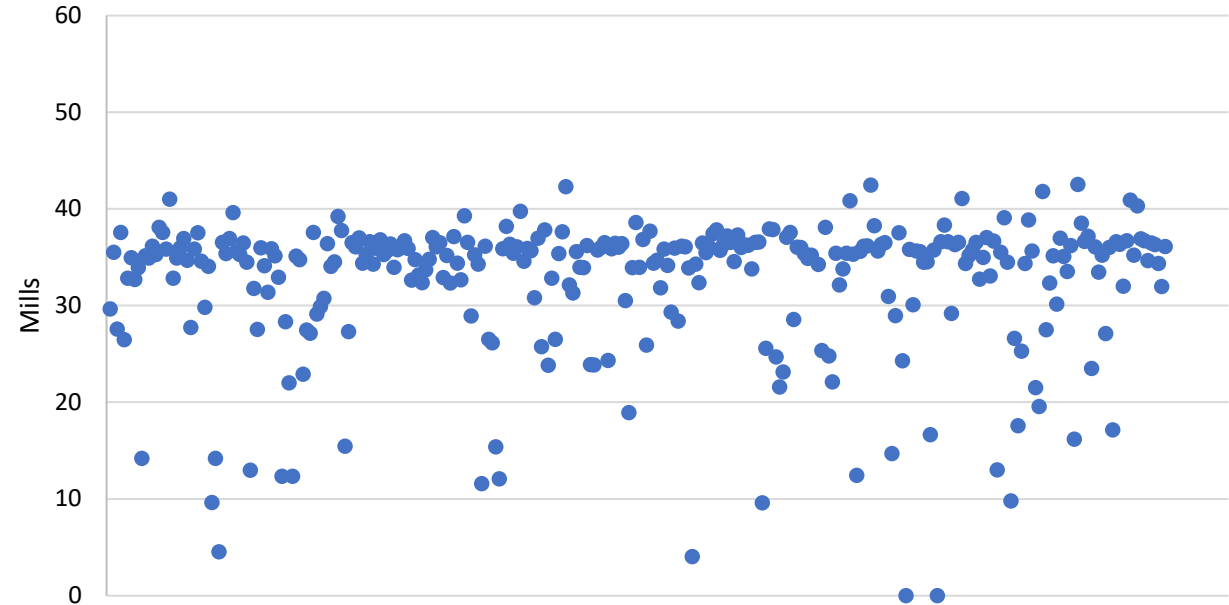
In FY2025, the **district general fund** GTB formula will self-correct for a lag in taxable values and will **decrease local BASE levies (non-voted)** in the district general fund by ~\$30M as compared to FY2024.

*Note that this effect is separate from the ~\$33M decrease to local levies in the **school retirement fund** from HB 587.

Current Law - Total BASE Mills (FY 2024)



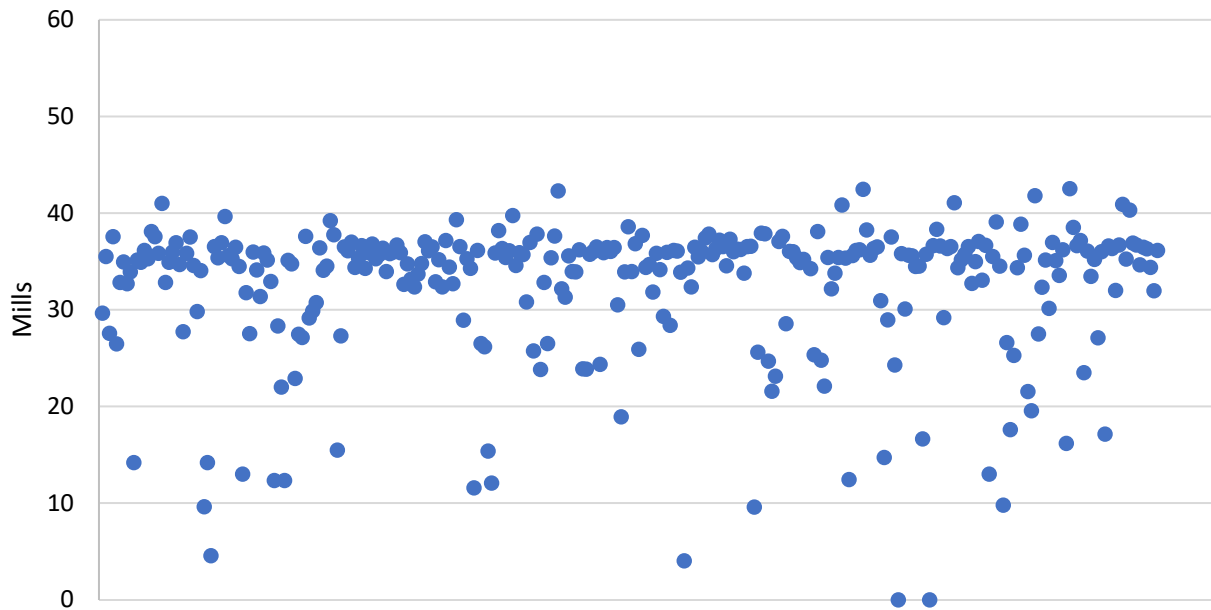
Current Law - Total BASE Mills (FY 2025)



Each point on these scatterplots represents the total school district general fund BASE mills for an overlapped elementary & high school district area or for a K-12 district.

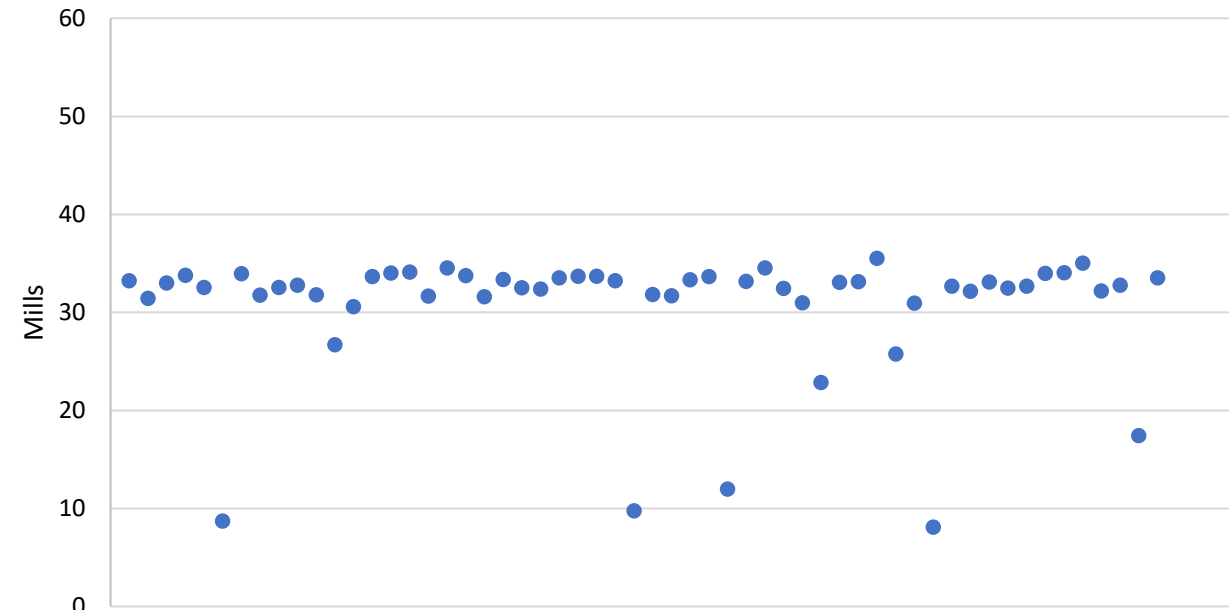
Proposed legislation (PD 54) to equalize **local BASE levies (non-voted)** at the **county level** would decrease the variability of these mills.

Current Law - Total BASE Mills (FY 2025)



Each point on the scatterplot represents the total school district general fund BASE mills for an overlapped elementary & high school district area or for a K-12 district.

Proposed Legislation - Countywide BASE Mills (FY 2025)



Each point on the scatterplot represents the total countywide general fund BASE mills for a county.

Note that these calculations are preliminary