

The Pipeline

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SPECIAL EDITION

Impact of a Single Taxing District

Introduction:

On several occasions this year, suggestions have been made to make a fundamental change to the Chariho Act through legislative action. The net effect of such action would create a single "taxing district" to fund the Chariho School District. This proposed legislative action would circumvent the provisions for making changes to the Chariho Act that have been in place since the founding of the Chariho School District, thereby bypassing both the school committee and the voters of the three Chariho towns. It is important to understand both the facts surrounding the funding of Chariho and the effects of possible changes.

Impact on Charlestown of Using a Single Taxing District for Chariho Funding Current Student Enrollment Based System 2014-15 Chariho Budget

Under the current funding formula each town contributes roughly 1/3 of the school budget after State Aid. The following figures include debt service.

	Share <u>Before</u> State Aid	Share <u>After</u> State Aid	
Charlestown	\$ 14,312,928	\$ 12,601,321	
Richmond	\$ 18,329,949	\$ 13,134,524	
Hopkinton	\$ 18,271,091	\$ 12,656,630	
Total Chariho Budget	\$ 50,913,968	\$ 38,392,475	Charlestown's share of budget is 32.82%

Proposed Single Taxing District Based System 2014-15 Chariho Budget

The proposed system would change the funding formula from student enrollment of each town to the total assessed property value for each town.

	2013 Total Assessed Property Value	Percentage of Property Value	
Charlestown	\$ 2,408,181,574	56.79%	
Richmond	\$ 886,694,237	20.91%	
Hopkinton	\$ 945,765,307	22.30%	
	\$ 4,240,641,118	100.00%	
	Share <u>Before</u> State Aid	Share <u>After</u> State Aid	
Charlestown	\$ 28,782,353	\$ 27,070,746	Increase of \$14,469,425
Richmond	\$ 10,715,857	\$ 5,520,432	Decrease of \$7,614,092
Hopkinton	\$ 11,415,758	\$ 5,801,297	Decrease of \$6,855,333
Total Chariho Budget	\$ 50,913,968	\$ 38,392,475	Charlestown's share of the Budget is 70.51%

Under a Single Taxing District Based System the impact on Charlestown Homeowner Taxes would be an increase of 54.63%.

Home Value	Proposed Tax Rate \$9.90	Single Taxing District Rate \$15.29	
\$ 200,000	\$ 1,980	\$ 3,058	
\$ 300,000	\$ 2,970	\$ 4,587	
\$ 500,000	\$ 4,950	\$ 7,645	
\$ 750,000	\$ 7,425	\$ 11,467	

Continued...

Conclusion

If a single Taxing District were to be implemented, it would result in a dramatic increase in the Charlestown Budget and the Home Owners' Property Tax.

Charlestown's School Budget share would increase by \$14,469,425 and its overall Town Budget would increase from \$26,486,145 to \$40,955,570. That results in a 54.63% increase to the Charlestown Budget. The property tax rate under a single taxing district would add an additional \$5.39 to the current proposed rate of \$9.90, meaning the new rate per \$1,000 of property value would rise to \$15.29.

Currently, the contributions to the Chariho School Budget after State Aid are about equal with each of the three towns paying approximately 1/3 of the cost. If a Single Taxing District is implemented, the burden to fund the Chariho School District shifts dramatically to Charlestown. Essentially, this results in Charlestown subsidizing the school budget for Richmond and Hopkinton.

The Charlestown Ad Hoc Chariho Withdrawal Committee believes the current funding formula is fair to all three towns and complies with the Chariho Act. The Single District Funding Formula is neither fair nor ethical. We recommend to Charlestown residents, and future elected officials, that if a Single Taxing District were passed without Charlestown's consent or through legislative action, Charlestown should consider school options outside of Chariho.



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