

Preliminary Education Fund Outlook for FY 2025 - House FY24 BAA, Gov Rec. FY25 Budget, Updated School Budget Data

a	b	c	d	e	f
		Previously presented modeling			
		FY2024	FY2025	FY2025	FY2025
		BAA	Dec. 1 Outlook	Modeling for 1/30/24 W+Ms (Including cap)	Modeling 2/8/24 W+Ms (Includes: new transition, updated FY 24 reversion and FY25 cat. aid)
(millions of dollars)					
a	Average Homestead Property Tax Rate ¹	\$1.311	\$1.359	\$1.383	\$1.376
b	Average Tax Rate on Household Income ²	2.33%	2.67%	2.72%	2.70%
c	Uniform Non-Homestead Property Tax Rate	1.391	\$1.442	1.493	1.460
d	Property Yield Per Pupil ³	\$15,443	\$9,452	\$7,103	\$9,769
e	Income Yield Per Pupil ²	\$17,537	\$10,300	\$10,140	\$10,191
f	Total Long Term Average Daily Membership (LTADM)	84,009	83,433	83,433	83,433
g	Total Long Term Weighted Average Daily Membership (LTWADM)	-	141,190	142,810	142,810
h	Average Percentage Bill Change Compared to Prior Year (HS/Inc/NHS)	Uniform 4.27%	Uniform 18.50%	HS, Inc: 20.59%, NHS: 22.70%	Uniform 19.99%
i	Statewide Education Spending Growth		12.0%		14.8%
j	Statewide Education Grand List Growth	9.7%	14.3%	14.3%	14.3%
Sources					
1a	Homestead Education Property Tax ³	668.2	789.3	799.9	806.0
1b	Property Tax Credit	(155.0)	(158.3)	(158.3)	(158.3)
1c	H.541 - State education property tax abatement	(1.1)	-	-	-
2	Non-Homestead Education Property Tax	792.2	924.9	957.6	936.4
3	Sales & Use Tax ⁴	593.6	597.4	606.9	606.9
4	Purchase & Use Tax - one-third of total	47.2	50.9	49.1	49.1
5	Meals & Rooms Tax - one-quarter of total	59.9	62.2	61.5	61.5
6	Lottery Transfer	34.9	33.0	35.7	35.7
7	Medicaid Transfer	10.8	11.2	11.2	11.2
8	Other Sources (Wind & Solar, Fund Interest)	10.2	8.9	8.5	8.5
9	Total Sources	2,060.9	2,319.5	2,372.1	2,357.0
Appropriations					
10	Education Payment	1,711.1	1,916.0	1,954.4	1,954.4
11	Special Education Aid	229.8	249.1	264.6	264.6
11a.	BAA - One-time Census Block Grant Adjustment	1.9	-	-	-
12	State-Placed Students	19.0	20.0	20.0	20.0
13	Transportation Aid	23.5	25.3	25.3	25.3
14	Technical Education Aid	17.0	17.1	17.9	17.1
15	Small School Support	8.3	3.0	3.0	1.8
16	Essential Early Education Aid	8.4	8.7	8.7	8.7
17	Flexible Pathways	9.3	8.6	9.8	8.6
18	Universal School Meals	24.0	26.5	26.5	24.0
19	English Learners Services	-	3.0	3.0	2.3
20	Afterschool grants ⁴	4.0	-	8.1	8.1
21	PCB Remediation Grants	29.7	-	-	-
22	VSTRS Pension Normal Cost	33.1	37.8	36.0	36.0
22a.	Modifications made to the postretirement adjustments	9.3	-	-	-
23	VSTRS OPEB Normal Cost	15.4	21.6	19.1	19.1
24	One-time COLA payment	3.0	-	-	-
25	Other Uses (Accounting & Auditing, CMF transfer, Financial Systems)	4.8	3.5	4.9	4.9
26	Total Uses	2,151.8	2,347.0	2,398.9	2,395.0
Allocation of Revenue					
27	Revenue Surplus/(Deficit)	(90.9)	(27.5)	(26.8)	(38.0)
28	Prior-Year Reversions	9.7	-	-	-
29	Transfer (to)/from Stabilization Reserve	(5.2)	(8.6)	(9.0)	(9.0)
30	Transfer (to)/from Additional Reserves	(13.0)	13.0	13.0	13.0
31	BAA - One-time transfer to afterschool special fund	(2.8)	-	-	-
32	Transfer (to)/from Unreserved/Unallocated	102.2	23.1	22.8	34.0
Stabilization Reserve					
33	Prior-Year Stabilization Reserve	41.8	47.0	47.0	47.0
34	Current-Year Stabilization Reserve	47.0	55.6	56.1	56.1
35	Percent of Prior-Year Net Appropriations	5%	5%	5%	5%
36	Reserve Target	47.0	55.6	56.1	56.1
Additional Reserve					
37	Current-Year Reserve for Future COLA provisions	9.1	9.1	-	-
37a.	Use of Current-Year Reserve for Future COLA provisions	(9.1)	-	-	-
38	Current-Year Tax Rate Offset Reserve	13.0	13.0	13.0	13.0
38a.	Use of Tax Rate Offset Reserve towards FY25 tax rates	-	(13.0)	(13.0)	(13.0)
Available Funds					
39	Prior-Year Unreserved/Unallocated	137.25	23.82	23.22	35.04
40	Current-Year Unreserved/Unallocated	35.04	0.76	0.37	1.02

Notes: 1.) Homestead rates have been capped to reflect the 5% district level cap limitation in Act 127.
 2.) Income yield and rates are calculated without the 5% rate cap limitation in Act 127.
 3.) FY 2025 will be the first year with the elimination of the equalization ratio from Act 127. As such, the FY 2025 property yield and income yield cannot be directly compared to prior years' yields.
 4.) The HAC Rec. BAA does not include the transfer of cannabis revenues and afterschool appropriation to a special fund. This outlook reflects the House Rec BAA for afterschool and does not reflect Gov Rec BAA for afterschool.