

Education Fund Outlook for FY 2024 - March 2023

<i>(millions of dollars)</i>		FY2022	FY2023	FY2024
		<i>Actual</i>	<i>Projected</i>	<i>Updated post town meeting Incl. Proportional Dec. 1 yields and rates, USM, COLA one-time (\$3.0M), Tax Reserve (\$22M)</i>
a	Average Homestead Property Tax Rate	\$1.523	\$1.386	\$1.308
b	Average Tax Rate on Household Income	2.50%	2.32%	2.31%
c	Uniform Non-Homestead Property Tax Rate	1.612	\$1.466	\$1.388
d	Property Yield Per Equalized Pupil	\$11,317	\$13,314	\$15,477
e	Income Yield Per Equalized Pupil	\$13,770	\$15,948	\$17,577
f	Equalized Pupil Count	86,944	85,806	84,415
g	Average Percentage Bill Change Compared to Prior Year			3.84%
h	Statewide Education Spending Growth	1.3%	6.2%	8.0%
i	Statewide Education Grand List Growth	3.0%	7.5%	9.7%
<b>Sources</b>				
1a	Homestead Education Property Tax	648.7	635.0	666.8
1b	Property Tax Credit	(172.3)	(164.0)	(151.0)
2	Non-Homestead Education Property Tax	752.3	727.1	781.1
3	Sales & Use Tax	545.2	589.3	576.0
4	Purchase & Use Tax - <i>one-third of total</i>	45.7	48.6	49.4
5	Meals & Rooms Tax - <i>one-quarter of total</i>	54.2	58.1	58.9
6	Lottery Transfer	30.8	31.1	32.1
7	Medicaid Transfer	11.5	10.2	10.8
8	Other Sources (Wind & Solar, Fund Interest)	3.6	3.8	4.2
9	<b>Total Sources</b>	<b>1,919.7</b>	<b>1,939.2</b>	<b>2,028.2</b>
<b>Appropriations</b>				
10	Education Payment	1,502.1	1,577.6	1,703.3
11	Special Education Aid	229.0	208.1	226.2
12	State-Placed Students	17.0	17.5	19.0
13	Transportation Aid	20.5	21.8	23.5
14	Technical Education Aid	17.2	31.3	17.0
15	Small School Support	8.1	8.2	8.3
16	Essential Early Education Aid	7.1	7.5	8.4
17	Flexible Pathways	8.2	8.3	9.3
18	Universal School Meals	-	29.0	29.0
19	Teachers' Pensions (Normal Cost Only)	37.6	33.4	33.1
20	On-going Normal Cost of Teacher's OPEB	-	15.1	15.4
21	<i>One-time COLA payment</i>	-	-	3.0
22	Other Uses (Accounting & Auditing, Financial Systems)	3.4	3.4	3.5
23	<b>Total Uses</b>	<b>1,850.1</b>	<b>1,961.2</b>	<b>2,099.0</b>
<b>Allocation of Revenue Surplus/(Deficit)</b>				
24	Revenue Surplus/(Deficit)	69.6	(22.0)	(70.8)
25	Prior-Year Reversions	(11.7)	(45.5)	0.0
26	Transfer to/(from) Stabilization Reserve	1.1	2.5	4.9
27	Transfer to/(from) additional Reserve	32.0	-	22.0
28	Transfer to/(from) Unreserved/Unallocated	48.3	21.0	(97.7)
<b>Stabilization Reserve</b>				
29	Prior-Year Stabilization Reserve	38.2	39.3	41.8
30	Current-Year Stabilization Reserve	39.3	41.8	46.7
31	Percent of Prior-Year Net Appropriations	5%	5%	5%
32	Reserve Target	39.3	41.8	46.7
<b>Additional Reserve</b>				
33	Additional Reserve for Other Post Employment Benefits	14.0	-	-
33 a.	<i>Prefund of Normal Cost of Teacher's OPEB using reserved funds</i>	(13.3)	-	-
34	PCB Reserve	32.0	32.0	29.5
34 a.	<i>Disbursement of PCB funds by the Emergency Board</i>	-	(2.5)	-
35	Tax Rate Offset Reserve			22.0
<b>Available Funds</b>				
36	Prior-Year Unreserved/Unallocated	28.7	77.6	98.58
37	Current-Year Unreserved/Unallocated	78	98.58	0.9

Notes:

- 1) The FY23 special education appropriation does not reflect all special education funds to be expended due to funds that have been carry-forward from AOE.
- 2) Shaded purple italicized lines reflect policy proposals for FY 2024, and do not reflect current law.

Prepared by JFO

3/24/2023