

# Preliminary Education Fund Outlook

(millions of dollars)

|   | FY2015                                     | FY2016        | FY2017         |                |
|---|--|---------------|----------------|----------------|
|   | Final                                      | Preliminary   | Projections    |                |
| <b>S. 233 with some revenue/cost updates with 187 budgets and 2% increase in ES otherwise</b> |  |               |                |                |
| a   | Base Homestead Property Tax Rate           | \$0.98        | \$0.99         | \$1.00         |
|   | <i>Average Homestead Property Tax Rate</i> | <i>\$1.50</i> | <i>\$1.525</i> | <i>\$1.529</i> |
| b   | Uniform Non-Residential Property Tax Rate  | \$1.52        | \$1.535        | \$1.531        |
| c   | Base Tax Rate on Household Income          | 1.8%          | 1.8%           |                |
| d   | Base Education Amount Per Equalized Pupil  | \$9,285       | \$9,459        |                |
|   | Property Yield Per Equalized Pupil         |               |                | \$9,701        |
|   | 2% Income Yield Per Equalized Pupil        |               |                | \$10,870       |
| e   | Total Equalized Pupil Count                | 89,257        | 89,163         | 88,982         |
| f   | Statewide Education Grand List Growth Rate | -0.5%         | 0.3%           | 1.7%           |
| g   | Statewide Education Spending Growth Rate   |               |                | 1.61%          |

## Sources

|    |  |                             |                |                |
|----|--|-----------------------------|----------------|----------------|
| 1  | Homestead Education Tax                          | 573.6                       | 588.4          | 598.2          |
| 1a | Income Sensitivity Adjustment                    | (151.1)                     | (158.8)        | (164.2)        |
| 1b | Homeowner Rebate - <i>EF share only*</i>         | <i>Included in line 1a.</i> | <i>(7.5)</i>   | <i>(7.3)</i>   |
| 2  | Non-Homestead Education Tax                      | 603.4                       | 616.5          | 619.2          |
| 3  | Sales & Use Tax                                  | 127.6                       | 132.4          | 137.2          |
| 4  | Purchase & Use Tax                               | 32.4                        | 34.1           | 35.6           |
| 5  | General Fund Transfer                            | 295.8                       | 303.3          | 303.6          |
| 5a | Transfer from Rainy Day Reserve                  |                             |                | 2.3            |
| 5b | Property Tax Relief Fund Transfer                | 1.8                         |                |                |
| 6  | Lottery Transfer                                 | 22.8                        | 23.6           | 23.7           |
| 7  | Medicaid Transfer                                | 7.6                         | 6.0            | 6.0            |
| 8  | Other Sources (Wind & Solar Property Tax, Other) | 1.1                         | 1.1            | 1.1            |
| 9  | <b>Total Sources</b>                             | <b>1,515.1</b>              | <b>1,539.1</b> | <b>1,555.4</b> |

## Uses

|    |  |                |                |                |
|----|--|----------------|----------------|----------------|
| 10 | Education Payment                                      | 1,258.5        | 1,289.6        | 1,309.5        |
| 11 | Special Education                                      | 173.3          | 179.8          | 180.8          |
| 12 | State-Placed Students                                  | 16.9           | 16.4           | 16.7           |
| 13 | Transportation   | 17.2           | 17.7           | 18.2           |
| 14 | Technical Education                                    | 13.7           | 13.3           | 13.5           |
| 15 | Small Schools  | 7.7            | 7.6            | 7.7            |
| 16 | Essential Early Education                              | 6.3            | 6.4            | 6.4            |
| 17 | Adult Education & Literacy                             | 5.8            | 5.8            | 6.6            |
| 18 | Community HS of Vermont (Corrections)                  | 3.8            | 3.9            | 3.1            |
| 19 | Renter Rebate (General Gov't) - <i>EF share only**</i> | 6.6            | 6.5            | 7.3            |
| 20 | Reappraisal & Listing (General Gov't)                  | 3.3            | 3.7            | 3.4            |
| 21 | Other Uses (Accounting & Auditing, Other)              | 1.3            | 1.1            | 1.1            |
| 22 | <b>Total Uses</b>                                      | <b>1,514.3</b> | <b>1,551.8</b> | <b>1,574.3</b> |

## Allocation of Revenue Surplus/(Deficit)

|    |   |            |               |               |
|----|---|------------|---------------|---------------|
| 23 | <b>Revenue Surplus/(Deficit)</b>          | <b>0.9</b> | <b>(12.7)</b> | <b>(18.9)</b> |
| 24 | Prior-Year Reversions                     | (5.9)      | (16.8)        | 0.0           |
| 25 | Transfer to/(from) Stabilization Reserve  | 1.7        | 0.5           | 0.8           |
| 26 | Transfer to/(from) Unreserved/Unallocated | 5.1        | 3.6           | (19.7)        |

## Stabilization Reserve

|    |   |              |              |              |
|----|---|--------------|--------------|--------------|
| 27 | Prior-Year Stabilization Reserve                | 30.3         | 32.0         | 32.5         |
| 28 | Current-Year Stabilization Reserve              | 32.0         | 32.5         | 33.3         |
| 29 | <i>Percent of Prior-Year Net Appropriations</i> | <i>5.00%</i> | <i>5.00%</i> | <i>5.00%</i> |
| 30 | Maximum Reserve Target @ 5.0%                   | 32.0         | 32.5         | 33.3         |
| 31 | Minimum Reserve Target @ 3.5%                   | 22.4         | 22.8         | 23.3         |

## Available Funds

|    |                                     |      |      |      |
|----|-------------------------------------|------|------|------|
| 32 | Prior-Year Unreserved/Unallocated   | 10.0 | 16.1 | 19.7 |
| 33 | Current-Year Unreserved/Unallocated | 16.1 | 19.7 | 0.0  |

\* GF share of homeowner rebate: 14.6 16.9 16.2  
 \*\* GF share of renter rebate: 2.8 2.9 3.1

Estimate of N districts over threshold 40  
 Estimate of spending penalty 1.0