

Administrative Proposal - May 22, 2018: Line numbers adjusted to enable direct comparisons to JFO's 5-year Forecast

FY18-FY23 EF Outlook Projections

(millions of dollars)

Updated 5/22/2018 2:00 pm

DRAFT

This five year projection assumes all EF outlook items continue to grow as normal and identifies the "Gap" needed to keep average equalized tax rates flat from FY18

	FY2017 Final	FY2018 Before Year- End Closeout	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	Assumptions
a Average Homestead Property Tax Rate	\$1.527	\$1.500	\$1.500	\$1.500	\$1.500	\$1.500	\$1.500	\$1.500	Consensus JFO, Admin GL Forecast: 2.1%, 2.9%, 3.6%, 4.4%
b Uniform Non-Homestead Property Tax Rate	\$1.535	\$1.535	\$1.535	\$1.535	\$1.535	\$1.535	\$1.535	\$1.535	Consensus JFO, Admin GL Forecast: 2.1%, 2.9%, 3.6%, 4.4%

Sources (actual)

1 Homestead Education Property Tax	586.8	584.5	598.0	610.5	628.4	650.8	679.6		Set to produce flat avg. equalized HS tax rate from FY18
1a Property Tax Adjustment (EF Portion)	(170.1)	(173.0)	(176.4)	(177.4)	(179.6)	(183.3)	(188.2)		Assumes flat HS rate and consensus GL growth
2 Non-Homestead Education Tax	632.8	646.3	653.7	667.5	687.0	711.6	743.0		Set to produce flat avg. equalized NR tax rate from FY18
3 Purchase & Use Tax	34.4	35.8	37.3	38.7	39.6	40.7	41.9		Jan. 18 Consensus Forecast
5 General Fund Transfer	305.9	318.0	322.9	332.2	340.1	350.2	359.8		Consensus Forecast NIPA (thru FY21), then avg. And +.1%
5a One-Time GF Transfer to EF - H.924 C.1000(d)(4)		9.8							
6 Sales & Use Tax	131.8	136.9	144.3	147.4	150.1	153.6	157.8		Jan. 18 Consensus Forecast
7 Lottery Transfer	25.5	25.2	25.6	25.8	26.0	26.1	26.2		Jan. 18 Consensus Forecast
8 Medicaid Transfer	10.6	8.6	9.6	9.6	9.6	9.6	9.6		FLAT from FY19
9 Other Sources (Wind & Solar, Other)	1.4	1.5	1.6	1.7	1.8	1.9	2.0		\$.1M per year
10 Total Sources	1,559.1	1,593.6	1,616.6	1,656.0	1,703.0	1,761.2	1,831.7	1,889.8	FY24 is FY19-FY23 CAGR * FY23

Uses (appropriations)

11 Education Payment	1,311.0	1,352.2	1,375.0	1,410.7	1,447.3	1,484.9	1,523.5	1,563.1	FY15-FY18 CAGR (2.597%) (FY19 dropped as low year)
12 <i>Capture of Teachers' Health Care Savings</i>	-	(8.4)	(4.5)	-	-	-	-	-	<i>none after FY19</i>
"GAP": \$ Needed to Fill to Keep Rates Flat			(45.5)	(57.9)	(55.1)	(44.6)	(22.9)	(14.3)	See "Cost Containment & Investment" Tab
13 Special Education Aid	180.7	188.7	197.2	205.1	211.2	219.7	228.4	236.9	From AoE (except FY24)
14 State-Placed Students	16.7	14.7	15.7	16.7	16.7	16.7	16.7	16.7	FLAT from FY17
15 Transportation Aid	18.2	18.7	19.2	19.7	20.3	20.9	21.4	22.0	FY15-FY19 CAGR (2.788%)
16 Technical Education Aid	13.5	13.6	13.9	13.9	13.9	13.9	13.9	13.9	FLAT from FY19
17 Small School Support	7.7	7.6	7.6	7.6	7.6	7.6	7.6	7.6	FLAT from FY19
18 Essential Early Education Aid	6.4	6.4	6.6	6.7	6.8	6.9	7.1	7.2	FY15-FY19 CAGR (1.170%)
19 Adult Education & Literacy	1.8	2.7	3.0	3.0	3.0	3.0	3.0	3.0	FLAT from FY19
20 Flexible Pathways	6.1	7.2	7.4	8.1	8.7	9.4	10.0	10.7	FY17-FY19 AVG Growth = \$.65M
21 Community HS of Vermont (Corrections)	3.1	3.2	3.3	3.3	3.3	3.3	3.3	3.3	FLAT from FY19
22 Renter Rebate (General Govt) - EF share	8.0	7.7	7.9	8.1	8.3	8.5	8.7	8.7	FY18-FY19 Increase (\$.2M) continued
23 Reappraisal & Listing (General Govt)	3.4	3.5	3.3	3.4	3.4	3.4	3.4	3.4	FLAT from FY17
24 Teachers' Pensions - normal cost	-	7.9	7.7	7.8	7.8	7.8	7.8	7.8	FY18, FY19 AVG Amount = \$.78M
25 Other Uses (Accounting fees, Other)	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	FLAT from FY19
26 Total Uses	1,577.7	1,626.8	1,618.9	1,657.3	1,704.4	1,762.5	1,833.0	1,891.1	

Allocation of Revenue Surplus/(Deficit)

27 Revenue Surplus/(Deficit)	(18.6)	(33.2)	(2.3)	(1.3)	(1.3)	(1.3)	(1.3)	(1.3)	Total sources minus total uses
28 Prior-Year Reversions (<i>adjusted</i>)	(12.0)	(8.5)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)	Flat from FY19 (-\$.20M)
29 Transfer to/(from) Stabilization Reserve	0.9	0.6	0.9	0.7	0.7	0.7	0.7	0.7	To maintain at 5%
30 Transfer to/(from) Unreserved/Unallocated	1.6	(26.4)	(1.2)	0.0	(0.0)	0.0	0.0	0.0	

Stabilization Reserve

31 Prior-Year Stabilization Reserve	32.6	33.5	34.1	35.0	35.7	36.4	37.1	37.8	
32 Current-Year Stabilization Reserve	33.5	34.1	35.0	35.7	36.4	37.1	37.8	38.5	Assume \$.7M increase necessary per year
33 Percent of Prior-Year Net Appropriations	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	
34 Maximum Reserve Target @ 5.0%	33.5	34.1	35.0	35.7	36.4	37.1	37.8	38.5	Assume \$14M Net Appropriation increase per year
Minimum Reserve Target @ 3.5%	23.4	23.9	24.5	25.0	25.5	26.0	26.5	27.0	Moves with line 33

Available Funds

35 Prior-Year Unreserved/Unallocated	33.9	26.4	1.2	(0.0)	0.0	(0.0)	(0.0)	(0.0)	
36 Current-Year Unreserved/Unallocated	26.4	1.2	(0.0)	0.0	(0.0)	(0.0)	(0.0)	0.0	