

DRAFT: Governor's Proposal: Includes (1) Flat Rates (2) Income Sensivity Proposal (Governor Letter re H.924 and H.911 - 5/22/18) (3) Does not book savings - see line 37 (4) Assumes \$9.8M of one-time FY18 (H.924); and \$45.2M of one-time in FY19

Education Fund Outlook: FY2017 to FY2020 (millions of dollars)					
	FY2017	FY2018 After BAA	FY2019	FY2020	Growth Assumptions
Preliminary estimates - not for general distribution					
a Average Homestead Property Tax Rate	\$1.527	\$1.500	\$1.500	\$1.500	per Governor
b Uniform Non-Homestead Property Tax Rate	\$1.535	\$1.535	\$1.535	\$1.535	per Governor
c Total Equalized Pupil Count	88,982	87,745*	88,359	87,475	Annual Decline: 1%
d Statewide Education Grand List Growth	1.67%	1.34%	1.35%	2.10%	Consensus forecast FY20-23: 2.1%, 2.9%, 3.6%, 4.4% FY24 - 4.4%

Sources (actual)

1 Homestead Education Property Tax	586.8	584.5	597.7	607.2	Includes reduction of housesite value for incomes under \$90,000 from \$500,000 to \$400,000 in FY19, reduction of housesite value for incomes above \$90,000 from 250,000 to 200,000 in FY20.
1a Property Tax Adjustment	(170.1)	(173.0)	(174.6)	(164.1)	
2 Non-Homestead Education Tax	632.8	646.3	653.7	667.2	
3 Purchase & Use Tax	34.4	35.8	37.3	38.7	FY19 - FY23: Consensus forecast - January 2018, FY24: 2.5%
4 General Fund Transfer	305.9	318.0	322.9	332.2	(Inflated by NIPA Forecast FY19-FY21, FY22-FY24: NIPA average FY18-FY21) + Statutory additional 0.1%
4a One-Time GF Transfer		9.8	45.2		FY19 Transfer - H.924 C.1000(d)(4)
5 Sales & Use Tax	131.8	136.9	144.3	147.4	FY19 - FY23: Consensus forecast - January 2018, FY24: 2.5%
6 Lottery Transfer	25.5	25.2	25.6	25.8	FY19 - FY23: Consensus forecast - January 2018, FY24: 2.5%
7 Medicaid Transfer	10.6	8.6	8.6	8.6	
8 Other Sources (Wind & Solar, Other)	1.4	1.5	1.6	1.7	
9 Total Sources	1,559.1	1,593.6	1,662.3	1,664.7	

Uses (appropriations)

10 Education Payment	1,311.0	1,352.2	1,375.0	1,410.0	Inflated by CAGR: FY14 to FY18: 2.63%
11 Recapture of Teachers' Health Care Savings	-	(8.4)	(4.5)	-	Act 85 of 2017 Sec. H.6
12 Special Education Aid	180.7	188.7	197.2	203.1	4% Annual Growth
13 State-Placed Students	16.7	14.7	15.7	15.7	
14 Transportation Aid	18.2	18.7	19.2	19.7	Inflated by CAGR: FY14 to FY19
15 Technical Education Aid	13.5	13.6	13.9	14.0	Inflated by CAGR: FY14 to FY19
16 Small School Support	7.7	7.6	7.6	7.6	Act 46 - Limited Availability
17 Essential Early Education Aid	6.4	6.4	6.6	6.7	Inflated by CAGR: FY14 to FY19
18 Adult Education & Literacy	1.8	2.7	3.0	3.0	Inflated by CAGR: FY14 to FY19
19 Flexible Pathways	6.1	7.2	7.4	8.3	Inflated by CAGR: FY14 to FY19
20 Community HS of Vermont (Corrections)	3.1	3.2	3.3	3.5	Inflated by CAGR: FY14 to FY19
21 Renter Rebate (General Govt) - EF share	8.0	7.7	7.9	8.2	Inflated by CAGR: FY14 to FY19
22 Reappraisal & Listing (General Govt)	3.4	3.5	3.3	3.3	Inflated by CAGR: FY14 to FY19
23 Teachers' Pensions - normal cost	-	7.9	7.7	7.7	May decline
24 Other Uses (Accounting fees, Other)	1.1	1.4	1.1	1.1	
25 Total Uses	1,577.7	1,627.0	1,664.4	1,711.9	

Allocation of Revenue Surplus/Deficit

27 Revenue Surplus/(Deficit)	(18.6)	(33.4)	(2.1)	(47.2)	
28 Prior-Year Reversion	(12.0)	(8.5)	(2.0)	-	
29 Transfer to/(from) Stabilization Reserve	0.9	0.6	0.9	0.8	
30 Transfer to/(from) Deficit	(7.5)	(25.5)	(1.0)	(48.0)	

Stabilization Reserve

31 Prior-Year Stabilization Reserve	32.6	33.5	34.1	35.0	
32 Current-Year Stabilization Reserve	33.5	34.1	35.0	35.8	
33 Percent of Prior-Year Net Appropriations	5.0%	5.0%	5.0%	5.0%	
34 Reserve @5.0%	33.5	34.1	35.0	35.8	Inflated at growth rate of prior-year total uses
35 Minimum Reserve Target @3.5%		23.9	24.5	25.1	Inflated at growth rate of prior-year total uses

36 Prior-Year Deficit	33.9	26.4	0.9	(0.0)	
37 Current-Year Deficit	26.4	0.9	(0.0)	(48.0)	FY20 deficit may be offset by (1) rate increases (2) additional one-time funds (3) education savings

* In FY18 largely due to the issues surrounding counting Pre-k children the equalized pupil used to set the tax rates was reduced. FY18 equalized pupils = 88,082.39