

Current Law Compared to Beck Proposal - FY2019 based on December 1st Consensus

(millions of dollars)

| | Current Law | Beck Proposal |
|--|-------------|---------------|
| a Average Homestead Property Tax Rate | \$1.594 | \$1.519 |
| b Average Tax Rate on Household Income | 2.65% | NA |
| c Uniform Non-Homestead Property Tax Rate | \$1.627 | \$1.627 |
| d Base Education Payment | NA | \$12,982 |
| e Property Yield Per Equalized Pupil | \$9,842 | \$4,450 |
| Income Yield Per Equalized Pupil | \$11,862 | NA |
| f Total Equalized Pupil Count | 87,427 | 87,427 |
| g Statewide Education Grand List Growth Rate | 1.4% | 1.4% |
| h Statewide Education Spending Growth Rate | 3.5% | 3.5% |

Retained for property tax relief:

| | |
|----|-------------|
| EF | 6.2 |
| GF | <u>16.5</u> |
| | 22.7 |

Sources (actual)

| | | |
|---|----------------|----------------|
| 1 Base Homestead Education Property Tax | NA | 198.2 |
| Homestead Education Tax Based on Yield | 634.1 | 265.8 |
| Property Tax Adjustment and Rebate | (176.4) | (6.4) |
| 2 Non-Homestead Education Tax | 693.4 | 693.4 |
| 3 Sales & Use Tax | 144.1 | 400.3 |
| 4 Purchase & Use Tax | 36.5 | 36.5 |
| 5 General Fund Transfer | 322.9 | 66.7 |
| 6 Lottery Transfer | 25.6 | 25.6 |
| 7 Medicaid Transfer | 8.6 | 8.6 |
| 8 Other Sources (Wind & Solar, Other) | 1.1 | 1.1 |
| 9 Total Sources | 1,689.9 | 1,689.9 |

Applies yield only to spending in excess of base payment

Repeals adjustment; retains EF share of rebate

Dedicates 100% of sales & use tax to EF

Replaces GF transfer with \$256.2 million GF sales & use tax

Uses (appropriations)

| | | |
|---|----------------|----------------|
| 10 Education Payment | 1,398.5 | 1,398.5 |
| Recapture of Teachers' Health Care Savings | (4.5) | (4.5) |
| 11 Special Education Aid | 189.2 | 189.2 |
| 12 State-Placed Students | 16.7 | 16.7 |
| 13 Transportation Aid | 19.2 | 19.2 |
| 14 Technical Education Aid | 13.9 | 13.9 |
| 15 Small School Support | 7.6 | 7.6 |
| 16 Essential Early Education Aid | 6.6 | 6.6 |
| 17 Adult Education & Literacy | 3.0 | 3.0 |
| 18 Flexible Pathways | 7.4 | 7.4 |
| 19 Community HS of Vermont (Corrections) | 3.3 | 3.3 |
| 20 Renter Rebate (General Government) - EF share on | 7.9 | 7.9 |
| 21 Reappraisal & Listing (General Government) | 3.3 | 3.3 |
| 22 Teachers' Pensions - normal cost only | 7.7 | 7.7 |
| 23 Other Uses (Accounting & Auditing, Other) | 1.1 | 1.1 |
| 24 Total Uses | 1,681.0 | 1,681.0 |

Maintains all current-law uses

Allocation of Revenue Surplus/(Deficit)

| | | |
|--|------------|------------|
| 25 Revenue Surplus/(Deficit) | 8.9 | 8.9 |
| 26 Prior-Year Reversions (<i>adjusted</i>) | - | - |
| 27 Transfer to/(from) Stabilization Reserve | 8.9 | 8.9 |
| 28 Transfer to/(from) Unreserved/Unallocated | | |

Stabilization Reserve

| | | |
|---|------|------|
| 29 Prior-Year Stabilization Reserve | 26.1 | 26.1 |
| 30 Current-Year Stabilization Reserve | 35.0 | 35.0 |
| 31 Percent of Prior-Year Net Appropriations | 5.0% | 5.0% |
| 32 Maximum Reserve Target @ 5.0% | 35.0 | 35.0 |
| 33 Minimum Reserve Target @ 3.5% | 24.5 | 24.5 |