

**Preliminary Education Fund Outlook - Town Meeting Update**  
(millions of dollars)

|   | FY2016<br>Final | FY2017<br>After BAA | FY2018<br>Projections |
|---|-----------------|---------------------|-----------------------|
| a Base Homestead Property Tax Rate                | \$0.99          | \$1.00              | \$1.00                |
| <i>Average Homestead Property Tax Rate</i>        | \$1.525         | \$1.527             | \$1.520               |
| b Uniform Non-Residential Property Tax Rate       | \$1.535         | \$1.535             | \$1.555               |
| c Base Tax Rate on Household Income               | 1.80%           | 2.00%               | 2.00%                 |
| <i>Average Tax Rate on Household Income</i>       | 2.74%           | 2.70%               | 2.60%                 |
| d Base Education Amount Per Equalized Pupil       | \$9,459         |                     |                       |
| e Property Yield Per Equalized Pupil              |                 | \$9,701             | \$10,077              |
| Income Yield Per Equalized Pupil                  |                 | \$10,870            | \$11,851              |
| f Total Equalized Pupil Count                     | 89,163          | 88,982              | 87,684                |
| g Statewide Education Grand List Growth Rate      | 0.8%            | 1.4%                | 1.4%                  |
| h Actual Statewide Education Spending Growth Rate | 2.8%            | 1.4%                | 3.4%                  |

**Sources**

|  |                            |                |                |
|--|----------------------------|----------------|----------------|
| 1 Homestead Education Tax <sup>1</sup>               | 578.6                      | 586.3          | 593.1          |
| 1a Income Sensitivity Adjustment                     | (157.8)                    | (164.2)        | (164.1)        |
| 1b Homeowner Rebate - EF share only*                 | <i>Included in line 1a</i> | (7.3)          | (7.2)          |
| 2 Non-Homestead Education Tax                        | 630.7                      | 634.5          | 649.6          |
| 3 Sales & Use Tax                                    | 129.8                      | 133.7          | 138.8          |
| 4 Purchase & Use Tax (see note)                      | 33.4                       | 34.4           | 35.6           |
| 5 General Fund Transfer                              | 303.3                      | 303.6          | 314.7          |
| 5a Supplemental Property Tax Relief                  | -                          | 2.3            | -              |
| 6 Lottery Transfer                                   | 26.4                       | 24.6           | 24.8           |
| 7 Medicaid Transfer                                  | 9.6                        | 9.6            | 9.6            |
| 8 Other Sources (Wind & Solar, Fund Interest, Other) | 1.3                        | 1.1            | 1.6            |
| <b>9 Total Sources</b>                               | <b>1,555.3</b>             | <b>1,558.6</b> | <b>1,596.5</b> |

**Uses (appropriations)**

|  |                |                |                |
|--|----------------|----------------|----------------|
| 10 Education Payment <sup>2</sup>                  | 1,290.5        | 1,311.0        | 1,352.2        |
| 11 Special Education                               | 179.8          | 180.7          | 180.7          |
| 12 State-Placed Students                           | 16.4           | 16.7           | 16.7           |
| 13 Transportation                                  | 17.7           | 18.2           | 18.7           |
| 14 Technical Education                             | 13.3           | 13.5           | 13.6           |
| 15 Small Schools                                   | 7.6            | 7.7            | 7.6            |
| 16 Essential Early Education                       | 6.4            | 6.4            | 6.4            |
| 17 Adult Education & Literacy                      | 5.8            | 1.8            | 3.1            |
| 18 Flexible Pathways                               |                | 6.1            | 7.2            |
| 19 Community HS of Vermont (Corrections)           | 3.9            | 3.1            | 3.4            |
| 20 Renter Rebate (General Gov't) - EF share only** | 6.5            | 8.0            | 7.4            |
| 21 Reappraisal & Listing (General Gov't)           | 3.7            | 3.4            | 3.5            |
| 22 Other Uses (Accounting & Auditing, Other)       | 1.1            | 1.1            | 1.1            |
| <b>23 Total Uses</b>                               | <b>1,552.7</b> | <b>1,577.7</b> | <b>1,621.7</b> |

**Allocation of Revenue Surplus/(Deficit)**

|  |            |               |               |
|--|------------|---------------|---------------|
| 24 <b>Revenue Surplus/(Deficit)</b>          | <b>2.6</b> | <b>(19.1)</b> | <b>(25.2)</b> |
| 25 Prior-Year Reversions                     | (16.8)     | (12.0)        | -             |
| 26 Transfer to/(from) Stabilization Reserve  | 0.6        | 0.8           | 0.8           |
| 27 Transfer to/(from) Unreserved/Unallocated | 18.8       | (7.8)         | (26.0)        |

**Stabilization Reserve**

|   |      |      |      |
|---|------|------|------|
| 28 Prior-Year Stabilization Reserve         | 32.0 | 32.6 | 33.3 |
| 29 Current-Year Stabilization Reserve       | 32.6 | 33.3 | 34.1 |
| 30 Percent of Prior-Year Net Appropriations | 5.0% | 5.0% | 5.0% |
| 31 Maximum Reserve Target @ 5.0%            | 32.6 | 33.3 | 34.1 |
| 32 Minimum Reserve Target @ 3.5%            | 22.8 | 23.3 | 23.9 |

**Available Funds**

|  |      |      |      |
|--|------|------|------|
| 33 Prior-Year Unreserved/Unallocated   | 15.1 | 33.9 | 26.1 |
| 34 Current-Year Unreserved/Unallocated | 33.9 | 26.1 | 0.1  |

\* GF share of homeowner rebate: 16.9 16.2 16.9

\*\* GF share of renter rebate: 2.9 3.4 3.1

<sup>2</sup> Act 46 merger incentives lower homestead tax revenues by \$10.1 million.

<sup>3</sup> FY2018 education payment is estimated based on board-approved budgets in 199 school districts.