

Education Fund Outlook - House and Senate May 1, 2018

(millions of dollars)

Preliminary estimates - subject to change - not for general distribution.

FY19 education spending data as of April 18, 2018. 93% of budgets submitted to AOE.

	FY2017 Final	FY2018 Estimates	FY2019 House Updated	FY2019 Senate Finance
a Base Homestead Property Tax Rate	\$1.00	\$1.000	\$1.000	\$1.000
<i>Average Homestead Property Tax Rate</i>	\$1.527	\$1.500	\$1.410	\$1.555
b Base Tax Rate on Household Income	2.00%	2.00%	1.66%	2.00%
<i>Average Tax Rate on Household Income</i>	2.70%	2.55%	2.34%	2.57%
c Uniform Non-Homestead Property Tax Rate	\$1.535	\$1.535	\$1.591	\$1.606
d Property Yield Per Equalized Pupil	\$9,701	\$10,160	\$8,355	\$9,863
Income Yield Per Equalized Pupil	\$10,870	\$11,990	\$8,355	\$11,920
e Base Spending Amount	NA	NA	\$11,916	NA
f Total Equalized Pupil Count	88,982	Recount	88,359	88,359
g Statewide Education Grand List Growth Rate	1.4%	1.4%	1.4%	1.4%
h Statewide Education Spending Growth Rate	1.4%	3.1%	1.8%	1.8%

Sources (actual)

1a Homestead Education Tax Raised on Yield	586.8	584.5	166.7	618.0
1b Base Homestead Property Tax Rate	NA	NA	396.6	NA
1c Property Tax Adjustment	(170.1)	(173.0)	(175.0)	(175.0)
2 Non-Homestead Education Tax	632.8	646.3	677.5	683.9
3 Education Income Tax	NA	NA	59.0	NA
4 Sales & Use Tax	131.8	136.9	400.9	144.3
5 Purchase & Use Tax	34.4	35.8	37.3	37.3
6 Meals & Rooms Tax	NA	NA	44.6	NA
7 General Fund Transfer	303.6	314.7	-	322.9
7a One-Time Additional General Fund Transfer	-	3.3	-	-
7b Contingent One-Time General Fund Transfer	2.3	8.6	-	-
8 Lottery Transfer	25.5	25.2	25.6	25.6
9 Medicaid Transfer	10.6	8.6	8.6	8.6
10 Other Sources (Wind & Solar, Other)	1.4	1.5	1.6	1.6
11 Total Sources	1,559.1	1,592.4	1,643.2	1,667.2

Uses (appropriations)

12 Education Payment	1,311.0	1,352.2	1,375.0	1,375.0
<i>Recapture of VEHI Teachers' Health Care Savings</i>	-	(8.4)	(4.5)	(4.5)
13 Special Education Aid	180.7	188.7	197.2	197.2
14 State-Placed Students	16.7	14.7	15.7	15.7
15 Transportation Aid	18.2	18.7	19.2	19.2
16 Technical Education Aid	13.5	13.6	13.9	13.9
17 Small School Support	7.7	7.6	7.6	7.6
18 Essential Early Education Aid	6.4	6.4	6.6	6.6
19 Adult Education & Literacy	1.8	2.7	NA	3.0
20 Flexible Pathways	6.1	7.2	NA	8.0
21 Community HS of Vermont (Corrections)	3.1	3.2	NA	3.3
22 Renter Rebate (General Government) - EF share only	8.0	7.7	NA	7.9
23 Reappraisal & Listing (General Government)	3.4	3.5	3.3	3.3
24 Teachers' Pensions - normal cost only	-	7.9	7.7	7.7
25 Other Uses (Accounting & Auditing, Other)	1.1	1.4	1.3	1.1
26 Total Uses	1,577.7	1,627.0	1,643.0	1,665.0

Allocation of Revenue Surplus/(Deficit)

27 Revenue Surplus/(Deficit)	(18.6)	(34.6)	0.2	2.2
28 Prior-Year Reversions (<i>adjusted</i>)	(12.0)	(8.5)	(1.0)	(1.0)
29 Transfer to/(from) Stabilization Reserve	0.9	0.3	1.2	1.2
30 Transfer to/(from) Unreserved/Unallocated	(7.5)	(26.4)	-	2.0

Stabilization Reserve

31 Prior-Year Stabilization Reserve	32.6	33.5	33.8	33.8
32 Current-Year Stabilization Reserve	33.5	33.8	35.0	35.0
33 Percent of Prior-Year Net Appropriations	5.0%	5.0%	5.0%	5.0%
34 Maximum Reserve Target @ 5.0%	33.5	34.1	35.0	35.0
35 Minimum Reserve Target @ 3.5%	23.4	23.9	24.5	24.5

Available Funds

36 Prior-Year Unreserved/Unallocated	33.9	26.4	-	-
37 Current-Year Unreserved/Unallocated	26.4	-	-	2.0

¹ Act 46 merger incentives lower homestead taxes in eligible school districts by \$2.5 million in FY2017, \$10.1 million in FY2018, and \$14.0 million in FY2019. The forgone homestead tax revenue is offset by lowering the yields, which raises education tax rates.