

# Education Fund Outlook - Town Meeting Update - Additional Revenue Projection 3/29/18

(millions of dollars)

	FY2018 After Budget Adjustment	FY2019 Projections	FY2019 Additional Revenue
a Average Homestead Property Tax Rate	\$1.500	\$1.554	\$1.500
b Average Tax Rate on Household Income	2.55%	2.58%	2.55%
c Uniform Non-Homestead Property Tax Rate	\$1.535	\$1.591	\$1.535
d Property Yield Per Equalized Pupil	\$10,160	\$9,832	\$10,227
Income Yield Per Equalized Pupil	\$11,990	\$11,880	\$12,030
e Total Equalized Pupil Count	87,744	88,359	88,359
f Statewide Education Grand List Growth Rate	1.4%	1.4%	1.4%
g Statewide Education Spending Growth Rate	3.1%	1.6%	1.6%

## Sources (actual)

1 Homestead Education Tax	587.5	619.6	597.1
Property Tax Adjustment	(173.0)	(176.4)	(176.4)
2 Non-Homestead Education Tax	641.3	677.5	653.6
3 Sales & Use Tax	136.9	144.3	144.3
4 Purchase & Use Tax	35.8	37.3	37.3
5 General Fund Transfer	314.7	322.9	322.9
One-Time Additional General Fund Transfer	3.3	-	-
Supplemental Property Tax Relief Fund Transfer	-	-	-
6 Lottery Transfer	25.2	25.6	25.6
7 Medicaid Transfer	8.6	8.6	8.6
8 Other Sources (Wind & Solar, Other)	1.5	1.6	1.6
Additional Revenue			46.3
<b>9 Total Sources</b>	<b>1,581.8</b>	<b>1,661.0</b>	<b>1,660.9</b>

## Uses (appropriations)

10 Education Payment	1,352.2	1,372.3	1,372.3
Recapture of VEHI Teachers' Health Care Savings	(8.4)	(4.5)	(4.5)
11 Special Education Aid	180.7	189.2	189.2
12 State-Placed Students	16.7	16.7	16.7
13 Transportation Aid	18.7	19.2	19.2
14 Technical Education Aid	13.6	13.9	13.9
15 Small School Support	7.6	7.6	7.6
16 Essential Early Education Aid	6.4	6.6	6.6
17 Adult Education & Literacy	2.7	3.0	3.0
18 Flexible Pathways	7.9	7.3	7.3
19 Community HS of Vermont (Corrections)	3.2	3.3	3.3
20 Renter Rebate (General Government) - EF share only	7.7	7.9	7.9
21 Reappraisal & Listing (General Government)	3.5	3.3	3.3
22 Teachers' Pensions - normal cost only	7.9	7.7	7.7
23 Other Uses (Accounting & Auditing, Other)	1.4	1.1	1.1
<b>24 Total Uses</b>	<b>1,621.8</b>	<b>1,654.6</b>	<b>1,654.6</b>

## Allocation of Revenue Surplus/(Deficit)

25 Revenue Surplus/(Deficit)	(40.0)	6.3	6.3
26 Prior-Year Reversions (adjusted)	(8.5)	-	-
27 Transfer to/(from) Stabilization Reserve	(5.1)	6.3	6.3
28 Transfer to/(from) Unreserved/Unallocated	(26.4)	-	-

## Stabilization Reserve

29 Prior-Year Stabilization Reserve	33.5	28.4	28.4
30 Current-Year Stabilization Reserve	28.4	34.7	34.7
31 Percent of Prior-Year Net Appropriations	4.2%	5.0%	5.0%
32 Maximum Reserve Target @ 5.0%	34.1	35.0	35.0
33 Minimum Reserve Target @ 3.5%	23.9	24.5	24.5

## Available Funds

34 Prior-Year Unreserved/Unallocated	26.4	-	-
35 Current-Year Unreserved/Unallocated	-	-	-

<sup>1</sup> 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.