### Preliminary Education Fund Outlook for FY2021 - Updated Revenue Forecast May 18, 2020

<table>
<thead>
<tr>
<th>(millions of dollars)</th>
<th>FY2020</th>
<th>FY2021</th>
<th>Example - with use of CRF/ESSER funds to cover $100M of education payment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Updated revenue forecast - May 18th</td>
<td>Current law tax rates based on voted spending</td>
<td>&quot;pre-COVID&quot; Tax Rates</td>
</tr>
<tr>
<td>a Average Homestead Property Tax Rate</td>
<td>$1.510</td>
<td>$1.716</td>
<td>$1.542</td>
</tr>
<tr>
<td>b Average Tax Rate on Household Income</td>
<td>2.47%</td>
<td>2.78%</td>
<td>2.51%</td>
</tr>
<tr>
<td>c Uniform Non-Homestead Property Tax Rate</td>
<td>$1.594</td>
<td>$1.811</td>
<td>$1.628</td>
</tr>
<tr>
<td>e Property Yield Per Equalized Pupil</td>
<td>$10,648</td>
<td>$9,872</td>
<td>$10,998</td>
</tr>
<tr>
<td>f Income Yield Per Equalized Pupil</td>
<td>$13,081</td>
<td>$12,114</td>
<td>$13,535</td>
</tr>
<tr>
<td>g Total Equalized Pupil Count</td>
<td>87,839</td>
<td>87,303</td>
<td>87,303</td>
</tr>
</tbody>
</table>

**Sources**

1a Homestead Education Property Tax | 609.1 | 712.9 | 640.4 | 640.4 |
1b Property Tax Credit | $(168.0) | $(171.5) | $(171.5) | $(171.5) |
2 Non-Homestead Education Tax | 700.0 | 815.1 | 732.6 | 732.6 |
4 Sales & Use Tax* | 407.2 | 384.3 | 383.3 | 383.3 |
5 Purchase & Use Tax - one-third of total | 32.5 | 31.6 | 31.6 | 31.6 |
6 Meals & Rooms Tax - one-quarter of total | 39.6 | 32.7 | 32.7 | 32.7 |
7 Lottery Transfer | 22.9 | 25.2 | 25.2 | 25.2 |
8 Medicaid Transfer | 9.2 | 10.0 | 10.0 | 10.0 |
9 Other Sources (Wind & Solar, Fund Interest) | 4.9 | 2.6 | 2.6 | 2.6 |
10 Total Sources | $1,657.4 | $1,842.9 | $1,686.9 | $1,686.9 |

**Appropriations**

11 Education Payment | $1,428.8 | $1,489.5 | $1,489.5 | $1,489.5 |
11a COVID CRF/ESSER Adjustment | | | $(100.0) | |
12 Special Education Aid | 213.0 | 223.7 | 223.7 | 223.7 |
13 State-Placed Students | 18.0 | 18.0 | 18.0 | 18.0 |
14 Transportation Aid | 19.8 | 20.5 | 20.5 | 20.5 |
15 Technical Education Aid | 14.2 | 14.8 | 14.8 | 14.8 |
16 Small School Support | 8.4 | 8.2 | 8.2 | 8.2 |
17 Essential Early Education Aid | 6.8 | 7.0 | 7.0 | 7.0 |
18 Flexible Pathways | 7.7 | 8.3 | 8.3 | 8.3 |
19 Teachers’ Pensions (Normal Cost Only) | 6.8 | 6.9 | 6.9 | 6.9 |
20 Other Uses (Accounting & Auditing, Financial Systems) | 3.4 | 3.4 | 3.4 | 3.4 |
21 Total Uses | $1,726.7 | $1,800.3 | $1,800.3 | $1,700.3 |

**Available Funds**

22 Revenue Surplus/(Deficit) | $(69.3) | 42.6 | $(113.4) | $(13.4) |
23 Prior-Year Reversions | $(8.3) | 0.0 | 0.0 | 0.0 |
24 Transfer to/(from) Stabilization Reserve | $(41.6) | 42.6 | 42.6 | 19.8 |
25 Transfer to/(from) Unreserved/Unallocated | $(19.4) | 0.0 | $(156.0) | $(33.2) |
26 Prior-Year Stabilization Reserve | 37.0 | (4.6) | (4.6) | (4.6) |
27 Current-Year Stabilization Reserve | (4.6) | 38.0 | 38.0 | 15.2 |
28 Percent of Prior-Year Net Appropriations | -0.6% | 5.0% | 5.0% | 2.0% |
29 Reserve Target | 36.4 | 38.0 | 38.0 | 38.0 |

20 **Businesses may defer sales & use and meals & rooms taxes until May 25th. This analysis assumes that all of this deferred revenue is collected and remitted to the State in FY20.**

* Sales tax revenues are reduced by $1M in the misc. tax bill (H.954) - use tax safe harbor tables are reduced to reflect increased collection of sales tax from online vendors.