

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

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

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 |

| | | | | |
|----------------------------------------------|--------|-------|---------|--------|
| 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 |

Available Funds

| | | | | |
|----------------------------------------|------|-----|---------|--------|
| 30 Prior-Year Unreserved/Unallocated | 19.4 | 0.0 | 0.0 | 0.0 |
| 31 Current-Year Unreserved/Unallocated | 0.0 | 0.0 | (156.0) | (33.2) |

* 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

** 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.