

Education Fund Outlook for FY2020 - House Ways & Means Proposal

March 19, 2019

(millions of dollars)

| | FY2019 BAA BAA | FY2020 New Revenue |
|--|-------------------|-----------------------|
| a Average Homestead Property Tax Rate | \$1.499 | \$1.501 |
| b Average Tax Rate on Household Income | 2.48% | 2.45% |
| c Uniform Non-Homestead Property Tax Rate | \$1.580 | \$1.582 |
| d Property Yield Per Equalized Pupil | \$10,220 | \$10,705 |
| e Income Yield Per Equalized Pupil | \$12,380 | \$13,164 |
| f Total Equalized Pupil Count | 88,359 | 87,773 |
| g Statewide Education Grand List Growth Rate | 1.40% | 2.26% |
| h Statewide Education Spending Growth Rate | 1.70% | 3.87% |

Sources

| | | | |
|---|----------------|-----------------|------------------------------|
| 1a Homestead Education Tax | 597.8 | 610.5 | |
| 1b Property Tax Adjustment | (165.3) | (168.0) | |
| 2 Non-Homestead Education Tax | 672.8 | 688.4 | |
| 3 Sales & Use Tax | 415.1 | 438.7 | \$9.15M Market Place |
| 4 Purchase & Use Tax | 38.0 | 38.5 | |
| 5 Meals & Rooms Tax | 45.4 | 47.8 | \$3.71M OTC (25% EF \$0.93M) |
| 6 Lottery Transfer | 28.2 | 28.5 | |
| 7 Medicaid Transfer | 9.6 | 9.2 | |
| 8 Other Sources (Wind & Solar Taxes, Fund Interest) | 3.0 | 5.1 | \$2.1M Sup Prop Relief Fund |
| 9 Total Sources | 1,644.6 | 1,698.65 | |

Appropriations

| | | | |
|--|----------------|----------------|------------------------------|
| 10 Education Payment | 1,372.9 | 1,426.1 | |
| 11 Special Education Aid | 198.5 | 213.0 | |
| 12 State-Placed Students | 15.7 | 16.5 | |
| 13 Transportation Aid | 19.2 | 19.8 | |
| 14 Technical Education Aid | 13.9 | 14.2 | |
| 15 Small School Support | 7.6 | 8.2 | |
| 16 Essential Early Education Aid | 6.6 | 6.8 | |
| 17 Flexible Pathways | 7.3 | 7.7 | |
| 18 Teachers' Pensions (Normal Cost Only) | 7.7 | 6.8 | |
| 19 Other Uses (Accounting & Auditing, Other) | 1.0 | 2.8 | \$1.7M AOE Financial Systems |
| 20 Total Uses | 1,650.5 | 1,721.8 | |

Allocation of Revenue Surplus/(Deficit)

| | | |
|--|--------|--------|
| 21 Revenue Surplus/(Deficit) | (5.9) | (23.1) |
| 22 Prior-Year Reversions | (10.9) | NA |
| 23 Transfer to/(from) Stabilization Reserve | 2.4 | 0.5 |
| 24 Transfer to/(from) Unreserved/Unallocated | 2.6 | (23.6) |

Stabilization Reserve

| | | |
|---|------|------|
| 25 Prior-Year Stabilization Reserve | 34.6 | 37.0 |
| 26 Current-Year Stabilization Reserve | 37.0 | 37.5 |
| 27 Percent of Prior-Year Net Appropriations | 5.0% | 5.0% |
| 28 Reserve Target | 37.0 | 37.5 |

Available Funds

| | | |
|--|------|------|
| 29 Prior-Year Unreserved/Unallocated | 21.2 | 23.9 |
| 30 Current-Year Unreserved/Unallocated | 23.9 | 0.3 |

NA - Not available at this time.

Note on selected education property tax expenditures:

| | | |
|----------------------------|--------|--------|
| a Act 46 Merger Incentives | (13.0) | (10.9) |
| b Tax Increment Financing | (5.7) | NA |
| c Use Value Appraisal | (46.9) | NA |