

Education Fund Outlook for FY2021 - House Ways and Means, March 10, 2020

<i>(millions of dollars)</i>	FY2019 Actual	FY2020 BAA + Jan Forecast	FY2021 Current Law: Dec. 1 Yields	FY2021 House W&M Proposal
<i>Education Spending is based on board approved budgets as of Feb. 26, 2020, 92 (77%) districts submitted budgets.</i>				
a Average Homestead Property Tax Rate	\$1.499	\$1.510	\$1.558	\$1.543
b Average Tax Rate on Household Income	2.48%	2.47%	2.55%	2.51%
c Uniform Non-Homestead Property Tax Rate	\$1.580	\$1.594	\$1.654	\$1.629
d Property Yield Per Equalized Pupil	\$10,220	\$10,648	\$10,883	\$10,990
e Income Yield Per Equalized Pupil	\$12,380	\$13,081	\$13,396	\$13,526
f Total Equalized Pupil Count	88,359	87,839	87,303	87,303

Sources

1a Homestead Education Tax	594.9	614.6	647.2	640.9
1b Property Tax Adjustment	(165.9)	(168.0)	(171.5)	(171.5)
2 Non-Homestead Education Tax	676.7	693.6	744.3	733.1
3 Sales & Use Tax	412.5	441.4	454.6	454.6
4 Purchase & Use Tax - <i>one-third of total</i>	37.3	38.4	39.2	39.2
5 Meals & Rooms Tax - <i>one-quarter of total</i>	45.5	47.9	49.9	49.9
6 Lottery Transfer	29.5	29.2	29.9	29.9
7 Medicaid Transfer	11.3	9.2	10.0	10.0
8 Other Sources (Wind & Solar, Fund Interest)	3.4	4.9	3.1	3.1
9 Total Sources	1,645.0	1,711.2	1806.7	1789.2

Appropriations

10 Education Payment*	1,372.9	1,428.8	1,489.0	1,489.5
11 Special Education Aid	198.5	213.0	223.7	223.7
12 State-Placed Students	20.4	18.0	18.0	18.0
13 Transportation Aid	19.2	19.8	20.5	20.5
14 Technical Education Aid	13.9	14.2	14.8	14.8
15 Small School Support	7.8	8.4	8.2	8.2
16 Essential Early Education Aid	6.6	6.8	7.0	7.0
17 Flexible Pathways	7.3	7.7	8.3	8.3
18 Teachers' Pensions (Normal Cost Only)	7.7	6.8	6.9	6.9
19 Other Uses (Accounting & Auditing, Financial Systems)	1.0	3.367	3.4	3.4
20 Total Uses	1,655.4	1,726.7	1,799.8	1,800.3

Allocation of Revenue Surplus/(Deficit)

21 Revenue Surplus/(Deficit)	(10.4)	(15.5)	6.9	(11.1)
22 Prior-Year Reversions	(10.9)	(8.3)		
23 Transfer to/(from) Stabilization Reserve	2.4	(0.7)	1.7	1.7
24 Transfer to/(from) Unreserved/Unallocated	(1.8)	(6.5)	5.3	(12.7)

Stabilization Reserve

25 Prior-Year Stabilization Reserve	34.6	37.0	36.4	36.4
26 Current-Year Stabilization Reserve	37.0	36.4	38.0	38.0
27 Percent of Prior-Year Net Appropriations	5.0%	5.0%	5.0%	5.0%
28 Reserve Target	37.0	36.4	38.0	38.0

Available Funds

29 Prior-Year Unreserved/Unallocated	21.2	19.4	12.9	12.9	**
30 Current-Year Unreserved/Unallocated	19.4	12.9	18.2	0.2	

Note on selected education property tax expenditures:

a Act 46 Merger Incentives	(13.0)	(11.1)	(7.4)	(7.4)
b Tax Increment Financing	(5.7)	(5.5)	(6.0)	(6.0)
c Use Value Appraisal	(46.9)	(47.6)		

*Includes 0.951 M for Driver's Ed and Technical Ed FTEs and in the HWM Proposal 0.474M for technical overpayment corrections

**Act 46 of 2019, Commissioner shall disregard any undesignated surplus in the Education Fund when making recommendations for fiscal year 2021 under 32 V.S.A. §5402b.