

**Education Fund Outlook for FY2020 - HWM Proposals**

**March 12, 2019**

(millions of dollars)

	<b>FY2018 Actual</b>	<b>FY2019 BAA</b>	<b>FY2020 Current Law Projections (3/1)</b>	<b>FY2020 New Revenue (+/\$10.5M)</b>	<b>FY2020 22% Meals &amp; Rooms (-/\$5.7M)</b>
a Average Homestead Property Tax Rate	\$1.500	\$1.499	\$1.512	\$1.500	\$1.507
b Average Tax Rate on Household Income	2.55%	2.48%	2.47%	2.45%	2.46%
c Uniform Non-Homestead Property Tax Rate	\$1.535	\$1.580	\$1.594	\$1.582	\$1.589
d Property Yield Per Equalized Pupil	\$10,160	\$10,220	\$10,565	\$10,655	\$10,605
e Income Yield Per Equalized Pupil	\$11,990	\$12,380	\$13,046	\$13,163	\$13,098
f Total Equalized Pupil Count	87,745	88,359	87,773	87,773	87,773
g Statewide Education Grand List Growth Rate	1.40%	1.40%	2.26%	2.26%	2.26%
h Statewide Education Spending Growth Rate	3.40%	1.70%	3.87%	3.87%	3.87%

**Sources**

1a Homestead Education Tax	586.7	597.8	615.4	610.3	613.2	
1b Property Tax Adjustment	(172.2)	(165.3)	(168.0)	(168.0)	(168.0)	
2 Non-Homestead Education Tax	644.4	672.8	693.6	688.4	691.4	
3 Sales & Use Tax	139.2	415.1	429.5	438.7	438.7	\$9.15M Market Place
4 Purchase & Use Tax	36.5	38.0	38.5	38.5	38.5	
5 Meals & Rooms Tax - 25%		45.4	46.9	47.8	42.1	\$3.71M OTC (25% EF \$0.93M)
6 Base General Fund Transfer	314.7					
6a Additional GF Transfer - 2017 Act 85	3.3					
6b Additional GF Transfers - 2018 Act 11*	30.2					
7 Lottery Transfer	27.1	28.2	28.5	28.5	28.5	
8 Medicaid Transfer	10.2	9.6	9.2	9.2	9.2	
9 Other Sources (Wind & Solar Taxes, Fund Interest)	2.7	3.0	3.0	5.1	5.1	\$2.1M Education Financial Systems Fund
<b>10 Total Sources</b>	<b>1,622.9</b>	<b>1,644.6</b>	<b>1,696.6</b>	<b>1,698.5</b>	<b>1,698.6</b>	

**Appropriations**

11 Education Payment	1,352.2	1,372.9	1,426.1	1,426.1	1,426.1	
12 Special Education Aid	188.7	198.5	213.0	213.0	213.0	
13 State-Placed Students	14.7	15.7	16.5	16.5	16.5	
14 Transportation Aid	18.7	19.2	19.8	19.8	19.8	
15 Technical Education Aid	13.6	13.9	14.2	14.2	14.2	
16 Small School Support	7.6	7.6	8.2	8.2	8.2	
17 Essential Early Education Aid	6.4	6.6	6.8	6.8	6.8	
18 Flexible Pathways	7.2	7.3	7.7	7.7	7.7	
19 Teachers' Pensions (Normal Cost Only)	7.9	7.7	6.8	6.8	6.8	
20 Other Uses (Accounting & Auditing, Other)	1.4	1.0	1.1	2.8	2.8	\$1.7M AOE Financial Systems
21 Adult Education & Literacy	2.7					
22 Community HS of Vermont	3.2					
23 Renter Rebate	7.7					
24 Reappraisal & Listing	3.5					
<b>25 Total Uses</b>	<b>1,635.4</b>	<b>1,650.5</b>	<b>1,720.0</b>	<b>1,721.7</b>	<b>1,721.7</b>	

**Allocation of Revenue Surplus/(Deficit)**

26 Revenue Surplus/(Deficit)	(12.6)	(5.9)	(23.4)	(23.3)	(23.2)
27 Prior-Year Reversions ( <i>adjusted</i> )	(8.5)	(10.9)			
28 Transfer to/(from) Stabilization Reserve	1.2	2.4	0.5	0.5	0.5
29 Transfer to/(from) Unreserved/Unallocated	(5.2)	2.6	(23.9)	(23.8)	(23.7)

**Stabilization Reserve**

30 Prior-Year Stabilization Reserve	33.5	34.6	37.0	37.0	37.0
31 Current-Year Stabilization Reserve	34.6	37.0	37.5	37.5	37.5
32 Percent of Prior-Year Net Appropriations	5.0%	5.0%	5.0%	5.0%	5.0%
33 Reserve Target	34.6	37.0	37.5	37.5	37.5

**Available Funds**

34 Prior-Year Unreserved/Unallocated	26.5	21.2	23.9	23.9	23.9
35 Current-Year Unreserved/Unallocated	21.2	23.9	-	0.1	0.2

\* In FY2019 and FY2020 the estimated cost of Act 46 merger incentives is \$13M and \$9M, respectively.