

Education Fund Outlook - March 2022 w/ updated school budgets as of March 17, 2022

| (millions of dollars) | | FY2021 | FY2022 | FY2023 |
|--|---|----------------|----------------|---|
| | | Actual | Projected | As proposed March 17, \$36 million to tax rates |
| a | Average Homestead Property Tax Rate | \$1.538 | \$1.523 | \$1.369 |
| b | Average Tax Rate on Household Income | 2.50% | 2.50% | 2.29% |
| c | Uniform Non-Homestead Property Tax Rate | \$1.628 | 1.612 | \$1.449 |
| d | Property Yield Per Equalized Pupil | \$10,998 | \$11,317 | \$13,472 |
| e | Income Yield Per Equalized Pupil | \$13,535 | \$13,770 | \$16,146 |
| f | Equalized Pupil Count | 87,304 | 86,944 | 85,806 |
| g | Statewide Education Spending Growth | 3.9% | 1.3% | 5.4% |
| h | Statewide Education Grand List Growth | 2.7% | 3.0% | 7.5% |
| Sources | | | | |
| 1a | Homestead Education Property Tax | 633.7 | 649.3 | 627.5 |
| 1b | Property Tax Credit | (171.5) | (172.0) | (170.0) |
| 2 | Non-Homestead Education Property Tax | 735.2 | 747.7 | 718.6 |
| 3 | Sales & Use Tax | 507.6 | 538.7 | 556.1 |
| 4 | Purchase & Use Tax - one-third of total | 44.7 | 47.1 | 47.5 |
| 5 | Meals & Rooms Tax - one-quarter of total | 36.0 | 49.4 | 51.6 |
| 6 | Lottery Transfer | 32.5 | 32.3 | 32.9 |
| 7 | Medicaid Transfer | 7.4 | 10.0 | 10.2 |
| 8 | Other Sources (Wind & Solar, Fund Interest) | 2.9 | 2.2 | 2.2 |
| 9 | Total Sources | 1828.5 | 1904.7 | 1876.648 |
| Appropriations | | | | |
| 10 | Education Payment | 1,483.7 | 1,502.0 | 1,572.5 |
| 10 a. | H.716 - Misc Ed Bill, Special Education | | | (6.0) |
| 11 | Special Education Aid | 223.7 | 229.0 | 214.1 |
| 11 a. | H.716 - Misc Ed Bill, Special Education | | | 6.0 |
| 12 | State-Placed Students | 18.0 | 17.0 | 17.5 |
| 13 | Transportation Aid | 20.5 | 20.5 | 21.8 |
| 14 | Technical Education Aid | 14.8 | 15.5 | 30.5 |
| 14 a. | H.703 - One-Time CTE construction and rehab learning program | | | 15.0 |
| 15 | Small School Support | 8.2 | 8.1 | 8.1 |
| 16 | Essential Early Education Aid | 7.0 | 7.1 | 7.5 |
| 17 | Flexible Pathways | 8.3 | 8.2 | 8.4 |
| 18 | Teachers' Pensions (Normal Cost Only) | 6.9 | 37.6 | 33.0 |
| 18 a. | S.286: COLA and Teacher Contribution savings | | | (7.8) |
| 19 | S.286 NEW: On-going Normal Cost of Teacher's OPEB | | | 15.1 |
| 20 | Other Uses (Accounting & Auditing, Financial Systems) | 3.4 | 3.4 | 3.4 |
| 21 | Total Uses | 1,794.5 | 1,848.3 | 1,931.9 |
| Allocation of Revenue Surplus/(Deficit) | | | | |
| 22 | Revenue Surplus/(Deficit) | 34.0 | 56.4 | (55.3) |
| 23 | Prior-Year Reversions | (14) | (11.7) | 0.0 |
| 24 | Transfer to/(from) Stabilization Reserve | 5.2 | 1.1 | 2.9 |
| 25 | Transfer to/(from) additional Reserve | 14.0 | | - |
| 26 | Transfer to/(from) Unreserved/Unallocated | 28.7 | 67.0 | (58.2) |
| Stabilization Reserve | | | | |
| 27 | Prior-Year Stabilization Reserve | 33.0 | 38.2 | 39.3 |
| 28 | Current-Year Stabilization Reserve | 38.2 | 39.3 | 42.2 |
| 29 | Percent of Prior-Year Net Appropriations | 5% | 5% | 5% |
| 30 | Reserve Target | 38.2 | 39.3 | 42.2 |
| Additional Reserve | | | | |
| 31 | Additional Reserve for Other Post Employment Benefits | 14.0 | 14.0 | 0.7 |
| 31 a. | Prefund of Normal Cost of Teacher's OPEB using reserved funds | | | (13.3) |
| 32 | Additional Reserve for Universal School Meals Transition | | | 36.0 |
| Available Funds | | | | |
| 33 | Prior-Year Unreserved/Unallocated | 0.0 | 28.7 | 95.7 |
| 34 | Current-Year Unreserved/Unallocated | 28.7 | 95.7 | 1.5 |

Notes: Line 19 is a new ongoing cost to Education Fund. It is to fund Normal Cost Teachers' Other Post Employment Benefits.

Due to data restrictions, H.716 is modelled at a high level and not at a district level. H.716 shifts dollars within the Education Fund, but does not change total education budget. Because overall appropriations within the yield model are not changing, the difference on the yield is estimated to be negligible.