

DRAFT proposal

Education Fund Outlook - March 2022 w/ updated school budgets

<i>(millions of dollars)</i>		FY2021	FY2022	FY2023	FY2023
		<i>Actual</i>	<i>Projected</i>	<i>Projected as of E-Board Jan 2022</i>	<i>As proposed March 15, \$36 million to tax rates</i>
a	Average Homestead Property Tax Rate	\$1.538	\$1.523	\$1.294	\$1.368
b	Average Tax Rate on Household Income	2.50%	2.50%	2.17%	2.29%
c	Uniform Non-Homestead Property Tax Rate	\$1.628	1.612	\$1.370	\$1.448
d	Property Yield Per Equalized Pupil	\$10,998	\$11,317	\$14,001	\$13,477
e	Income Yield Per Equalized Pupil	\$13,535	\$13,770	\$16,938	\$16,153
f	Equalized Pupil Count	87,304	86,944	86,596	85,806
g	Statewide Education Spending Growth	3.9%	1.3%	4.3%	5.4%
h	Statewide Education Grand List Growth	2.7%	3.0%	7.6%	7.5%
Sources					
1a	Homestead Education Property Tax	633.7	649.3	591.6	627.1
1b	Property Tax Credit	(171.5)	(172.0)	(170.0)	(170.0)
2	Non-Homestead Education Property Tax	735.2	747.7	679.7	718.1
3	Sales & Use Tax	507.6	538.7	556.1	556.1
4	Purchase & Use Tax - one-third of total	44.7	47.1	47.5	47.5
5	Meals & Rooms Tax - one-quarter of total	36.0	49.4	51.6	51.6
6	Lottery Transfer	32.5	32.3	32.9	32.9
7	Medicaid Transfer	7.4	10.0	10.2	10.2
8	Other Sources (Wind & Solar, Fund Interest)	2.9	2.2	2.2	2.2
9	Total Sources	1,828.5	1,904.7	1,801.8	1,875.7
Appropriations					
10	Education Payment	1,483.7	1,502.0	1,561.7	1,572.0
10 a.	<i>H.716 - Misc Ed Bill, Special Education</i>				(6.0)
11	Special Education Aid	223.7	229.0	208.1	214.1
11 a.	<i>H.716 - Misc Ed Bill, Special Education</i>				6.0
12	State-Placed Students	18.0	17.0	17.5	17.5
13	Transportation Aid	20.5	20.5	21.8	21.8
14	Technical Education Aid	14.8	15.5	15.5	30.5
14 a.	<i>H.703 - One-Time CTE construction and rehab learning program</i>				15.0
15	Small School Support	8.2	8.1	8.1	8.1
16	Essential Early Education Aid	7.0	7.1	7.5	7.5
17	Flexible Pathways	8.3	8.2	9.3	8.4
18	Teachers' Pensions (Normal Cost Only)	6.9	37.6	40.8	33.0
18 a.	<i>S.286: COLA and Teacher Contribution savings</i>				(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	3.4
21	Total Uses	1,794.5	1,848.3	1,893.7	1,931.4
Allocation of Revenue Surplus/(Deficit)					
22	Revenue Surplus/(Deficit)	34.0	56.4	(91.9)	(55.7)
23	Prior-Year Reversions	(14)	(11.7)	-	0.0
24	Transfer to/(from) Stabilization Reserve	5.2	1.1	2.9	2.9
25	Transfer to/(from) additional Reserve	14.0	-	-	-
26	Transfer to/(from) Unreserved/Unallocated	28.7	67.0	(94.8)	(58.6)
Stabilization Reserve					
27	Prior-Year Stabilization Reserve	33.0	38.2	39.3	39.3
28	Current-Year Stabilization Reserve	38.2	39.3	42.2	42.2
29	Percent of Prior-Year Net Appropriations	5%	5%	5%	5%
30	Reserve Target	38.2	39.3	42.2	42.2
Additional Reserve					
31	Additional Reserve for Other Post Employment Benefits	14.0	14.0	14.0	0.7
31 a.	<i>Prefund of Normal Cost of Teacher's OPEB using reserved funds</i>				(13.3)
32	Additional Reserve for Universal School Meals Transition				36.0
Available Funds					
32	Prior-Year Unreserved/Unallocated	0.0	28.7	95.7	95.7
33	Current-Year Unreserved/Unallocated	28.7	95.7	0.8	1.1

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.