

Education Fund Outlook - May 2022 w/ updated school budgets

Parameters of the model:

- a.) Include the bills of H.716 (as recommended by the Senate Committee on Finance), S.11 (As passed the Senate), and S.286 (As passed by the General Assembly)**

H.716 (Miscellaneous Education Bill): This bill shifts \$6 million within the Education Fund from the Education Payment to Special Education Aid. This bill also appropriates \$712,500 from the Education Fund in FY 2023 to the Agency of Education for the purpose of funding the Peer Review Support Grant

S.11 (As passed out of the Senate): This bill includes a \$10 million appropriation for one-time CTE construction and rehab learning program from the Education Fund

S.286 (Pension Bill): This bill includes \$7.8 million in savings on normal cost of teachers pension, and a \$15 million in new on-going appropriation for normal cost of teachers OPEB

- b.) Include \$29 million in funding for S.100 (Universal School Meals) as an appropriation**
- c.) Include an additional reserve for \$45 million in funding for PCB assessment and mitigation**
- d.) Apply \$2.5 million to lowering tax rates**
- e.) Leave the remaining funds on the bottom line**

Education Fund Outlook -May 2022 w/ updated school budgets as of May 05, 2022

(millions of dollars)		FY2021	FY2022	FY2023	FY2023
		Actual	Projected	H.737 as passed the House	As discussed May 5, approx. \$2.5 million to tax rates
a	Average Homestead Property Tax Rate	\$1.538	\$1.523	\$1.369	\$1.403
b	Average Tax Rate on Household Income	2.50%	2.50%	2.29%	2.35%
c	Uniform Non-Homestead Property Tax Rate	\$1.628	1.612	1.449	\$1.485
d	Property Yield Per Equalized Pupil	\$10,998	\$11,317	\$13,472	\$13,144
e	Income Yield Per Equalized Pupil	\$13,535	\$13,770	\$16,146	\$15,736
f	Equalized Pupil Count	87,304	86,944	85,806	85,806
g	Statewide Education Spending Growth	3.9%	1.3%	5.4%	5.4%
h	Statewide Education Grand List Growth	2.7%	3.0%	7.5%	7.5%
Sources					
1a	Homestead Education Property Tax	633.7	649.3	627.5	643.2
1b	Property Tax Credit	(171.5)	(172.0)	(170.0)	(170.0)
2	Non-Homestead Education Property Tax	735.2	747.7	718.6	736.5
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	1,876.6	1,910.1
Appropriations					
10	Education Payment	1,483.7	1,502.0	1,572.5	1,572.5
10 a.	H.716 - Misc Ed Bill, Special Education			(6.0)	(6.0)
11	Special Education Aid	223.7	229.0	214.1	214.1
11 a.	H.716 - Misc Ed Bill, Special Education			6.0	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	30.5	25.5
14 a.	H.703 - One-Time CTE construction and rehab learning program			15.0	
14b.	S.11 - One-Time CTE construction and rehab learning program				10.0
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	8.4	8.4
18	Teachers' Pensions (Normal Cost Only)	6.9	37.6	33.0	33.0
18 a.	S.286: COLA and Teacher Contribution savings			(7.8)	(7.8)
19	S.286 NEW: On-going Normal Cost of Teacher's OPEB			15.1	15.1
20	Other Uses (Accounting & Auditing, Financial Systems)	3.4	3.4	3.4	3.4
21	S.100 - Funding of Universal School Meals				29.0
22	H.716 - Misc Ed Bill, One-time Peer Review Support Grant Program				0.7
23	Total Uses	1,794.5	1,848.3	1,931.9	1,956.6
Allocation of Revenue Surplus/(Deficit)					
23	Revenue Surplus/(Deficit)	34.0	56.4	(55.3)	(46.5)
24	Prior-Year Reversions	(14)	(11.7)	0.0	0.0
25	Transfer to/(from) Stabilization Reserve	5.2	1.1	2.9	2.9
26	Transfer to/(from) additional Reserve	14.0		-	-
27	Transfer to/(from) Unreserved/Unallocated	28.7	67.0	(58.2)	(49.4)
Stabilization Reserve					
28	Prior-Year Stabilization Reserve	33.0	38.2	38.2	39.3
29	Current-Year Stabilization Reserve	38.2	39.3	42.2	42.2
30	Percent of Prior-Year Net Appropriations	5%	5%	5%	5%
31	Reserve Target	38.2	39.3	42.2	42.2
Additional Reserve					
32	Additional Reserve for Other Post Employment Benefits	14.0	14.0		
32 a.	Prefund of Normal Cost of Teacher's OPEB using reserved funds		(13.3)		
33	Additional Reserve for Universal School Meals Transition			36.0	
34	Additional Reserve for PCB assessment and mitigation				45.0
Available Funds					
35	Prior-Year Unreserved/Unallocated	0.0	28.7	95.7	95.7
36	Current-Year Unreserved/Unallocated	28.7	95.7	1.5	1.3

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, the Special Education adjustment in H.716 is modelled at a high level and not at a district level.