

Preliminary Education Fund Outlook for FY 2025 - Emergency Board

Sources reflect the January 2024 Consensus Revenue Forecast

(millions of dollars)		FY2023	FY2024	FY2025
		Actual	Gov. Rec. BAA	Forecast
a	Average Homestead Property Tax Rate ¹	\$1.386	\$1.311	\$1.350
b	Average Tax Rate on Household Income ²	2.32%	2.33%	2.63%
c	Uniform Non-Homestead Property Tax Rate	1.466	\$1.391	\$1.432
d	Property Yield Per Pupil ³	\$13,314	\$15,443	\$9,629
e	Income Yield Per Pupil ³	\$15,948	\$17,537	\$10,481
f	Total Long Term Average Daily Membership (LTADM)	85,806	84,009	83,433
g	Total Long Term Weighted Average Daily Membership (LTWADM)	-	-	141,190
h	Average Percentage Bill Change Compared to Prior Year (HS/Inc/NHS)	-	Uniform 4.27%	Uniform 17.30%
i	Statewide Education Spending Growth	6.2%	8.0%	12.0%
j	Statewide Education Grand List Growth	7.5%	9.7%	14.3%
Sources				
1a	Homestead Education Property Tax ³	628.3	668.2	784.7
1b	Property Tax Credit	(163.7)	(155.0)	(158.3)
2	Non-Homestead Education Property Tax	738.9	792.2	918.5
3	Sales & Use Tax	584.0	589.6	598.8
4	Purchase & Use Tax - one-third of total	47.4	47.2	49.1
5	Meals & Rooms Tax - one-quarter of total	59.4	59.9	61.5
6	Lottery Transfer	32.1	34.9	35.7
7	Medicaid Transfer	10.3	10.8	11.2
8	Other Sources (Wind & Solar, Fund Interest)	9.0	10.2	8.5
9	Total Sources	1,945.9	2,058.0	2,309.6
Appropriations				
10	Education Payment	1,576.5	1,711.1	1,916.0
11	Special Education Aid	208.1	229.8	249.1
11a.	BAA - One-time Census Block Grant Adjustment	-	1.9	-
12	State-Placed Students	17.5	19.0	20.0
13	Transportation Aid	21.8	23.5	25.3
14	Technical Education Aid	31.3	17.0	17.1
15	Small School Support	8.2	8.3	3.0
16	Essential Early Education Aid	7.5	8.4	8.7
17	Flexible Pathways	8.3	9.3	8.6
18	Universal School Meals	29.0	29.0	26.5
19	English Learners Services	-	-	3.0
21	PCB Remediation Grants	-	29.7	-
22	VSTRS Pension Normal Cost	33.4	33.1	36.0
23	VSTRS OPEB Normal Cost	15.1	15.4	19.1
24	One-time COLA payment	-	3.0	-
25	Other Uses (Accounting & Auditing, CMF transfer, Financial Systems)	3.4	4.8	4.9
26	Total Uses	1,961.2	2,143.4	2,337.4
Allocation of Revenue				
27	Revenue Surplus/(Deficit)	(15.3)	(85.4)	(27.8)
28	Prior-Year Reversions	45.5	2.9	-
29	Transfer (to)/from Stabilization Reserve	(2.5)	(5.2)	(8.6)
30	Transfer (to)/from Additional Reserves	32.0	(22.1)	13.0
31	BAA - One-time transfer to afterschool special func	-	(2.8)	-
32	Transfer (to)/from Unreserved/Unallocated	(59.7)	112.7	23.4
Stabilization Reserve				
33	Prior-Year Stabilization Reserve	39.3	41.8	47.0
34	Current-Year Stabilization Reserve	41.8	47.0	55.6
35	Percent of Prior-Year Net Appropriations	5%	5%	5%
36	Reserve Target	41.8	47.0	55.6
Additional Reserve				
37	Current-Year Reserve for Future COLA provisions	-	9.1	9.1
38	Current-Year Tax Rate Offset Reserve	-	13.0	13.0
38a.	Use of Tax Rate Offset Reserve towards FY25 tax rates	-	-	(13.0)
Available Funds				
39	Prior-Year Unreserved/Unallocated	77.58	137.25	24.56
40	Current-Year Unreserved/Unallocated	137.25	24.56	1.19

Notes: 1.) Homestead rates have been capped to reflect the 5% district level cap limitation in Act 127.
 2.) Income yield and rates are calculated without the 5% rate cap limitation in Act 127.
 3.) FY 2025 will be the first year with the elimination of the equalization ratio from Act 127. As such, the FY 2025 property yield and income yield cannot be directly compared to prior years' yields.

Prepared by JFO

1/18/2024