

Education Fund Outlook for FY 2024 - February 2023

February 28, 2023

| Column: | | a. | b. | c. |
|--|--|---------------------|---|--|
| (millions of dollars) | | FY2023 Projected | FY2024 Incl. Gov. Rec. Cat. Aid, Universal School Meals, Tax Reserve | FY2024 Incl. Gov. Rec. Cat. Aid, Expanded S&U Tax, USM, Tax Reserve |
| a | Average Homestead Property Tax Rate | \$1.386 | \$1.339 | \$1.323 |
| b | Average Tax Rate on Household Income | 2.32% | 2.37% | 2.34% |
| c | Uniform Non-Homestead Property Tax Rate | \$1.466 | \$1.420 | \$1.404 |
| d | Property Yield Per Equalized Pupil | \$13,314 | \$15,112 | \$15,290 |
| e | Income Yield Per Equalized Pupil | \$15,948 | \$17,159 | \$17,372 |
| f | Average Percentage Bill Change Compared To Prior Year | | 6.23% | 5.01% |
| g | Equalized Pupil Count | 85,806 | 84,890 | 84,890 |
| h | Statewide Education Spending Growth | 6.2% | 8.5% | 8.5% |
| i | Statewide Education Grand List Growth | 7.5% | 9.7% | 9.7% |
| Sources | | | | |
| 1a | Homestead Education Property Tax | 635.0 | 681.8 | 673.9 |
| 1b | Property Tax Credit | (164.0) | (151.0) | (151.0) |
| 2 | Non-Homestead Education Property Tax | 727.1 | 800.0 | 791.0 |
| 3 | Sales & Use Tax | 589.3 | 576.0 | 576.0 |
| 3a. | <i>Sales and Use Tax on Prewritten Software Accessed Remotely</i> | - | - | 16.9 |
| 4 | Purchase & Use Tax - one-third of total | 48.6 | 49.4 | 49.4 |
| 5 | Meals & Rooms Tax - one-quarter of total | 58.1 | 58.9 | 58.9 |
| 6 | Lottery Transfer | 31.1 | 32.1 | 32.1 |
| 7 | Medicaid Transfer | 10.2 | 10.8 | 10.8 |
| 8 | Other Sources (Wind & Solar, Fund Interest) | 3.8 | 3.5 | 3.5 |
| 9 | Total Sources | 1,939.2 | 2,061.5 | 2,061.4 |
| Appropriations | | | | |
| 10 | Education Payment | 1,577.6 | 1,711.9 | 1,711.9 |
| 11 | Special Education Aid | 208.1 | 226.2 | 226.2 |
| 12 | State-Placed Students | 17.5 | 19.0 | 19.0 |
| 13 | Transportation Aid | 21.8 | 23.5 | 23.5 |
| 14 | Technical Education Aid | 31.3 | 17.0 | 17.0 |
| 15 | Small School Support | 8.2 | 8.3 | 8.3 |
| 16 | Essential Early Education Aid | 7.5 | 8.4 | 8.4 |
| 17 | Flexible Pathways | 8.3 | 9.3 | 9.3 |
| 18 | Teachers' Pensions (Normal Cost Only) | 33.4 | 33.1 | 33.1 |
| 19 | On-going Normal Cost of Teacher's OPEB | 15.1 | 15.4 | 15.4 |
| 20 | <i>Universal School Meals</i> | 29.0 | 29.0 | 29.0 |
| 21 | Other Uses (Accounting & Auditing, Financial Systems) | 3.4 | 3.5 | 3.5 |
| 22 | Total Uses | 1,961.2 | 2,104.6 | 2,104.6 |
| Allocation of Revenue Surplus/(Deficit) | | | | |
| 23 | Revenue Surplus/(Deficit) | (22.0) | (43.1) | (43.2) |
| 24 | Prior-Year Reversions | (45.5) | 0.0 | 0.0 |
| 25 | Transfer to/(from) Stabilization Reserve | 2.5 | 4.9 | 4.9 |
| 26 | Transfer to/(from) additional Reserve | - | 50.0 | 50.0 |
| 27 | Transfer to/(from) Unreserved/Unallocated | 21.0 | (98.0) | (98.1) |
| Stabilization Reserve | | | | |
| 28 | Prior-Year Stabilization Reserve | 39.3 | 41.8 | 41.8 |
| 29 | Current-Year Stabilization Reserve | 41.8 | 46.7 | 46.7 |
| 30 | Percent of Prior-Year Net Appropriations | 5% | 5% | 5% |
| 31 | Reserve Target | 41.8 | 46.7 | 46.7 |
| Additional Reserve | | | | |
| 32 | Additional Reserve for Other Post Employment Benefits | - | - | - |
| 32 a. | <i>Prefund of Normal Cost of Teacher's OPEB using reserved funds</i> | - | - | - |
| 33 | PCB Reserve | 32.0 | 29.5 | 29.5 |
| 33 a. | <i>Disbursement of PCB funds by the Emergency Boara</i> | (2.5) | - | - |
| 34 | <i>Tax Rate Offset Reserve</i> | | 50.0 | 50.0 |
| Available Funds | | | | |
| 35 | Prior-Year Unreserved/Unallocated | 77.6 | 98.58 | 98.58 |
| 36 | Current-Year Unreserved/Unallocated | 98.58 | 0.6 | 0.5 |

Notes:

- The FY23 special education appropriation does not reflect all special education funds to be expended due to funds that have been carry-forward from AOE.
- Shaded purple italicized lines reflect policy proposals for FY 2024, and do not reflect current law. The FY 2024 estimate for Universal School Meals will be refined in coming months with additional data.

Prepared by JFO

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