### Preliminary Education Fund Outlook for FY 2025 - House FY24 BAA, Gov. FY25 Budget, Updated School Budget Data

**30-Jan-24**

#### (millions of dollars)

<table>
<thead>
<tr>
<th></th>
<th>FY2023</th>
<th>FY2024</th>
<th>FY2025 Forecast</th>
<th>FY2025 Forecast</th>
<th>FY2025 Forecast</th>
<th>FY2025 Forecast</th>
<th>Various modeling scenarios</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>Average Homestead Property Tax¹</td>
<td>$3,386</td>
<td>$3,111</td>
<td>$1,383</td>
<td>$1,311</td>
<td>$1,466</td>
<td>$1,406</td>
</tr>
<tr>
<td>b</td>
<td>Average Tax Rate on Household Income²</td>
<td>3.23%</td>
<td>2.33%</td>
<td>2.72%</td>
<td>2.72%</td>
<td>2.58%</td>
<td>2.88%</td>
</tr>
<tr>
<td>c</td>
<td>Uniform Non-Homestead Property Tax Rate</td>
<td>1.466</td>
<td>1.391</td>
<td>1.493</td>
<td>1.467</td>
<td>1.546</td>
<td>1.391</td>
</tr>
<tr>
<td>d</td>
<td>Property Yield Per Pupil³</td>
<td>$13,314</td>
<td>$15,443</td>
<td>$7,103</td>
<td>$10,009</td>
<td>$10,250</td>
<td>$9,442</td>
</tr>
<tr>
<td>e</td>
<td>Income Yield Per Pupil³</td>
<td>$35,948</td>
<td>$37,537</td>
<td>$10,140</td>
<td>$10,140</td>
<td>$9,568</td>
<td>$9,709</td>
</tr>
<tr>
<td>f</td>
<td>Total Long Term Average Daily Membership (LTADMe)</td>
<td>85,806</td>
<td>84,009</td>
<td>83,433</td>
<td>83,433</td>
<td>83,433</td>
<td>83,433</td>
</tr>
<tr>
<td>g</td>
<td>Total Long Term Weighted Average Daily Membership (LTWADMe)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>142,810</td>
<td>142,810</td>
<td>142,810</td>
</tr>
<tr>
<td>h</td>
<td>Average Percentage Bill Change Compared to Prior Year (HS/Inc/NHS)</td>
<td>Uniform: 4.27%</td>
<td>Uniform: 20.56%</td>
<td>Uniform: 20.56%</td>
<td>Uniform: 14.30%</td>
<td>Uniform: 27.06%</td>
<td>Uniform: 27.06%</td>
</tr>
<tr>
<td>i</td>
<td>Statewide Education Spending Growth</td>
<td>6.2%</td>
<td>8.0%</td>
<td>4.4%</td>
<td>4.4%</td>
<td>14.8%</td>
<td>14.8%</td>
</tr>
<tr>
<td>j</td>
<td>Statewide Grand List Growth</td>
<td>7.5%</td>
<td>9.7%</td>
<td>14.3%</td>
<td>14.3%</td>
<td>14.3%</td>
<td>14.3%</td>
</tr>
</tbody>
</table>

#### Sources:

1a. Homestead Education Property Tax
1b. Property Tax Credit
1c. H.542 - State education property tax abatement
2. Non-Homestead Education Property Tax
3. Sales & Use Tax⁴
4. Purchase & Use Tax - one-third of total
5. Meals & Rooms Tax - one-quarter of total
6. Lottery Transfer
7. Medicaid Transfer
8. Other Sources (Wind & Solar, Fund Interest)
9. Total Sources

#### Appropriations:

10. Education Payment
11. Special Education Aid
12. BAA - One-time Census Block Grant Adjustment
13. State-Placed Students
14. Transportation Aid
15. Technical Education Aid
16. Small School Support
17. Essential Early Education Aid
18. Flexible Pathways
19. Universal School Meals
20. English Learners Services
21. PCB Remediation Grants
22. VSTRS Pension Normal Cost
22a. Modifications made to the postretirement adjustments
23. VSTRS OPEB Normal Cost
24. One-time COLA payment
25. Other Uses (Accounting & Auditing, CMF transfer, Financial Systems)
26. Total Uses

#### Allocation of Revenue:

27. Revenue Surplus/(Deficit)
28. Prior-Year Revenues
29. Transfer (to)/from Stabilization Reserve
30. Transfer (to)/from Additional Reserves
31. BAA - One-time transfer to afterschool special fund
32. Transfer (to)/from Unreserved/Unallocated

#### Stabilization Reserve:

33. Prior-Year Stabilization Reserve
34. Current Year Stabilization Reserve
35. Percent of Prior-Year Net Appropriations
36. Reserve Target

#### Additional Reserve:

37. Current Year Reserve for Future COLA provisions
37a. Use of Current-Year Reserve for Future COLA provisions
38. Current-Year Tax Rate Offset Reserve
38a. Use of Tax Rate Offset Reserve towards FY25 tax rates

#### Available Funds:

39. Prior-Year Unreserved/Unallocated
40. Current Year Unreserved/Unallocated

#### 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.
4. The HIC Rec. BAA does not include the transfer of cannabis revenues and afterschool appropriation to a special fund. This outlook reflects the House Rec BAA for afterschool and does not reflect Gov Rec BAA for afterschool.

Prepared by JFO
1/30/2024
VT LEG #374112 v.1