

**Education Fund Outlook for FY 2025  
Emergency Board Meeting July 30, 2024**

<i>(millions of dollars)</i>		<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>
		<b>Actual</b>	<b>Actual</b>	<b>Projected</b>
a	Average Homestead Property Tax Rate	\$1.386	\$1.311	\$1.311
b	Average Tax Rate on Household Income	2.32%	2.33%	2.56%
c	Uniform Non-Homestead Property Tax Rate	1.466	\$1.391	\$1.391
d	Property Yield Per Pupil <sup>1</sup>	\$13,314	\$15,443	\$9,893
e	Income Yield Per Pupil <sup>1</sup>	\$15,948	\$17,537	\$10,110
f	Total Long Term Average Daily Membership (LTADM)	85,806	84,009	83,433
g	Total Long Term Weighted Average Daily Membership (LTWADM)	-	-	142,810
h	Average Percentage Bill Change Compared to Prior Year (HS/Inc/NHS)	-	Uniform: 4.3%	Uniform: 13.8%
i	Statewide Education Spending Growth	6.2%	8.0%	10.7%
j	Statewide Education Grand List Growth	7.5%	9.7%	14.3%
<b>Sources</b>				
1a	Homestead Education Property Tax	628.3	663.4	751.3
1b	Property Tax Credit	(163.7)	(155.3)	(158.3)
1c	One-time Property Tax Credit Increase	-	-	(20.6)
2	Non-Homestead Education Property Tax	738.9	792.3	897.3
3	Sales & Use Tax <sup>2</sup>	584.0	595.2	606.3
4	Purchase & Use Tax - one-third of total	47.4	48.3	49.4
5	Meals & Rooms Tax - one-quarter of total <sup>3</sup>	59.4	61.5	72.1
6	Lottery Transfer	32.1	36.0	36.5
7	Medicaid Transfer	10.3	8.6	11.2
8	One-time GF transfer	-	-	25.0
9	Other Sources (Wind & Solar, Fund Interest)	9.0	9.0	7.8
10	<b>Total Sources</b>	<b>1,945.9</b>	<b>2,058.9</b>	<b>2,278.1</b>
<b>Appropriations</b>				
11	Education Payment <sup>4</sup>	1,576.5	1,711.1	1,892.3
11a.	E-Board Release of Funds for PCB remediation	1.1	-	-
12	Special Education Aid <sup>5</sup>	208.1	235.3	264.6
13	State-Placed Students	17.5	19.0	20.0
14	Transportation Aid	21.8	23.5	25.3
15	Technical Education Aid	31.3	17.0	17.9
16	Small School Support	8.2	8.3	1.8
17	Essential Early Education Aid	7.5	8.4	8.7
18	Flexible Pathways	8.3	9.3	10.4
19	Universal School Meals <sup>6</sup>	29.0	24.0	20.4
20	English Learners Services	-	-	2.3
21	PCB Remediation Grants	-	29.7	-
22	VSTRS Pension Normal Cost <sup>7</sup>	33.4	42.5	36.0
23	VSTRS OPEB Normal Cost	15.1	15.4	19.1
24	One-time COLA payment	-	3.0	-
25	H.874 - Community Schools	-	-	1.1
26	Other Uses (Accounting & Auditing, CMF transfer, Financial Systems)	3.4	4.8	4.9
27	<b>Total Uses</b>	<b>1,961.2</b>	<b>2,151.3</b>	<b>2,324.7</b>
<b>Allocation of Revenue</b>				
28	Revenue Surplus/(Deficit)	(15.3)	(92.4)	(46.7)
29	Prior-Year Reversions	45.5	9.7	-
30	Transfer (to)/from Stabilization Reserve <sup>8</sup>	(2.5)	(5.2)	1.2
31	Transfer (to)/from Additional Reserves	32.0	(13.0)	13.0
32	BAA - One-time transfer to afterschool special fund	-	(2.8)	-
33	Transfer (to)/from Unreserved/Unallocated	(59.7)	103.8	33.5
<b>Stabilization Reserve</b>				
34	Prior-Year Stabilization Reserve	39.3	41.8	47.0
35	Current-Year Stabilization Reserve	41.8	47.0	45.8
36	Percent of Prior-Year Net Appropriations	5.0%	5.0%	4.4%
37	Reserve Target	41.8	47.0	52.3
<b>Additional Reserve</b>				
38	Current-Year Reserve for Future COLA provisions	-	9.1	-
38a.	Use of Current-Year Reserve for Future COLA provisions	-	(9.1)	-
39	Current-Year Tax Rate Offset Reserve	-	13.0	13.0
39a.	Use of Tax Rate Offset Reserve towards FY25 tax rates	-	-	(13.0)
<b>Available Funds</b>				
40	Prior-Year Unreserved/Unallocated	77.58	137.25	33.49
41	Current-Year Unreserved/Unallocated	137.25	33.49	0.00

Notes: 1) FY 2025 is 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.

2) FY 2025 Sales and Use Tax revenue forecast includes Cloud Tax.

3) FY 2025 Meals and Rooms Tax revenue forecast includes the 3% surcharge on short term rentals that will be fully dedicated to the Education Fund.

4) FY 2025 Education Fund Payment reflects best available data used in the calculation of the yields and rates.

5) FY 2024 Special Education Appropriation includes the one-time census block grant adjustment of \$1.9 million and the \$3.565 million ERR.

6) FY2024 Universal School Meals amount reflects estimated cost intended to be included in the budget.

7) FY2024 Pension Normal Cost amount Includes the one-time BAA transfer to the Vermont Teachers' Retirement Fund.

8) For FY 2025, \$1.2 million is estimated to be transferred from the Stabilization Reserve in order for the Education Fund to not be in deficit.

Prepared by JFO  
7/30/2024