

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

| (millions of dollars) | FY2024 | Previously presented modeling | | |
|--|---------------|-------------------------------|--|---|
| | | BAA | FY2025 Modeling for 1/30/24 W+Ms (Including cap) | FY2025 Modeling without the 5% cap and data updates |
| a Average Homestead Property Tax Rate ¹ | \$1.311 | | \$1.383 | \$1.376 |
| b Average Tax Rate on Household Income ² | 2.33% | | 2.72% | 2.70% |
| c Uniform Non-Homestead Property Tax Rate | \$1.391 | | \$1.493 | \$1.460 |
| d Property Yield Per Pupil ³ | \$15,443 | | \$7,103 | \$9,775 |
| e Income Yield Per Pupil ³ | \$17,537 | | \$10,140 | \$10,191 |
| f Total Long Term Average Daily Membership (LTADM) | 84,009 | | 83,433 | 83,433 |
| g Total Long Term Weighted Average Daily Membership (LTWADM) | - | | 142,810 | 142,810 |
| h Average Percentage Bill Change Compared to Prior Year (HS/Inc/NHS) | Uniform 4.27% | | HS, In: 20.59%, NHS:22.70% | Uniform 19.99% |
| i Statewide Education Spending Growth | 8.0% | | 14.8% | 14.8% |
| j Statewide Education Grand List Growth | 9.7% | | 14.3% | 14.3% |
| Sources | | | | |
| 1a Homestead Education Property Tax ³ | 668.2 | | 799.9 | 805.7 |
| 1b Property Tax Credit | (155.0) | | (158.3) | (158.3) |
| 1c H.541 - State education property tax abatement | (1.1) | | - | - |
| 2 Non-Homestead Education Property Tax | 792.2 | | 957.6 | 936.4 |
| 3 Sales & Use Tax ⁴ | 593.6 | | 606.9 | 606.9 |
| 4 Purchase & Use Tax - one-third of total | 47.2 | | 49.1 | 49.1 |
| 5 Meals & Rooms Tax - one-quarter of total | 59.9 | | 61.5 | 61.5 |
| 6 Lottery Transfer | 34.9 | | 35.7 | 35.7 |
| 7 Medicaid Transfer | 10.8 | | 11.2 | 11.2 |
| 8 Other Sources (Wind & Solar, Fund Interest) | 10.2 | | 8.5 | 8.5 |
| 9 Total Sources | 2,060.9 | | 2,372.1 | 2,356.8 |
| Appropriations | | | | |
| 10 Education Payment | 1,711.1 | | 1,954.4 | 1,954.4 |
| 11 Special Education Aid | 229.8 | | 264.6 | 264.6 |
| 11a. BAA - One-time Census Block Grant Adjustment | 1.9 | | - | - |
| 12 State-Placed Students | 19.0 | | 20.0 | 20.0 |
| 13 Transportation Aid | 23.5 | | 25.3 | 25.3 |
| 14 Technical Education Aid | 17.0 | | 17.9 | 17.1 |
| 15 Small School Support | 8.3 | | 3.0 | 1.8 |
| 16 Essential Early Education Aid | 8.4 | | 8.7 | 8.7 |
| 17 Flexible Pathways | 9.3 | | 9.8 | 8.6 |
| 18 Universal School Meals | 24.0 | | 26.5 | 24.0 |
| 19 English Learners Services | - | | 3.0 | 2.3 |
| 20 Afterschool grants ⁴ | 4.0 | | 8.1 | 8.1 |
| 21 PCB Remediation Grants | 29.7 | | - | - |
| 22 VSTRS Pension Normal Cost | 33.1 | | 36.0 | 36.0 |
| 22a. Modifications made to the postretirement adjustments | 9.3 | | - | - |
| 23 VSTRS OPEB Normal Cost | 15.4 | | 19.1 | 19.1 |
| 24 One-time COLA payment | 3.0 | | - | - |
| 25 Other Uses (Accounting & Auditing, CMF transfer, Financial Systems) | 4.8 | | 4.9 | 4.9 |
| 26 Total Uses | 2,151.8 | | 2,398.9 | 2,395.0 |
| Allocation of Revenue | | | | |
| 27 Revenue Surplus/(Deficit) | (90.9) | | (26.8) | (38.2) |
| 28 Prior-Year Reversions | 9.7 | | - | - |
| 29 Transfer (to)/from Stabilization Reserve | (5.2) | | (9.0) | (9.0) |
| 30 Transfer (to)/from Additional Reserves | (13.0) | | 13.0 | 13.0 |
| 31 BAA - One-time transfer to afterschool special fund | (2.8) | | - | - |
| 32 Transfer (to)/from Unreserved/Unallocated | 102.2 | | 22.8 | 34.3 |
| Stabilization Reserve | | | | |
| 33 Prior-Year Stabilization Reserve | 41.8 | | 47.0 | 47.0 |
| 34 Current-Year Stabilization Reserve | 47.0 | | 56.1 | 56.1 |
| 35 Percent of Prior-Year Net Appropriations | 5% | | 5% | 5% |
| 36 Reserve Target | 47.0 | | 56.1 | 56.1 |
| Additional Reserve | | | | |
| 37 Current-Year Reserve for Future COLA provisions | 9.1 | | - | - |
| 37a. Use of Current-Year Reserve for Future COLA provisions | (9.1) | | - | - |
| 38 Current-Year Tax Rate Offset Reserve | 13.0 | | 13.0 | 13.0 |
| 38a. Use of Tax Rate Offset Reserve towards FY25 tax rates | - | | (13.0) | (13.0) |
| Available Funds | | | | |
| 39 Prior-Year Unreserved/Unallocated | 137.25 | | 23.22 | 35.04 |
| 40 Current-Year Unreserved/Unallocated | 35.04 | | 0.37 | 0.78 |

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 HAC 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.