

An Annotated Guide to the Education Fund Outlook

The Education Fund Outlook (EF Outlook) is a summary sheet used to track the revenues, expenditures, and balances within Vermont's statewide Education Fund (EF).

Last updated: January 2026

<div>EF Outlook</div> <div>(millions of dollars)</div> <div>With the exception of the summary lines (a - j), all amounts are in the EF Outlook are reported in millions of dollars</div>			Fiscal Years				
			FY20XX	FY20XX	FY20XX		
Line #	Actual Row in EF Outlook	Relevant Notes and Description	Actual	Preliminary	Projected		
a	Average Homestead Property Tax Rate	<div>These are <u>statewide</u> average tax rates. Towns' tax rates differ from these averages because they are adjusted based on local spending decisions.</div> <div>These are <u>set annually</u> by the General Assembly.</div> <div>This is the equalized, uniform nonhomestead property tax rate.</div> <div>The higher the statewide property yield, the lower homesteaded property tax rates.</div> <div>The higher the statewide income yield, the lower the income tax rate used to calculate the property tax credit.</div> <div>Total Long-Term Weighted Average Daily Membership (LTWADM) reflects the statewide number of students after incorporating the pupil weights introduced under Act 127 (2022).</div> <div>This is the estimated <u>statewide</u> average percentage change in tax bills.</div> <div>This reflects the statewide growth in education spending compared to the prior year (see line 11).</div> <div>This reflects the statewide growth in Grand List values compared to the prior year.</div> <div>This reflects the statewide average common level of appraisal used as the statewide adjustment.</div>	Amounts reflect actual summaries for the relevant fiscal year.	Amounts reflect the fiscal year's current projection. Includes both actuals and estimates, as the fiscal year has not closed.	Amounts are projected based on the latest forecasts and estimates.		
b	Average Tax Rate on Household Income						
c	Uniform Nonhomestead Property Tax Rate						
d	Property Yield Per Pupil						
e	Income Yield Per Pupil						
f	Total Long-Term Weighted Average Daily Membership (LTWADM)						
g	Average Percentage Bill Change Compared to Prior Year						
h	Statewide Education Spending Growth						
i	Statewide Education Grand List Growth						
j	Statewide Adjustment						
Sources		Lines 1a - 9 reflect all revenue sources for the Education Fund in a given fiscal year					
1a	Homestead Education Property Tax	Total amount raised from the Homestead Property Tax	Amounts reflect actual revenues for the relevant fiscal year.	Amounts reflect the fiscal year's current projection. Includes both actuals and estimates, as the fiscal year has not closed.	Amounts correspond with latest forecasts, estimates, and policy decisions. Figures are calculated by economists, JFO, Dept. of Taxes, and AOE.		
1b	Property Tax Credit	Total Property Tax Credits issued statewide. Property Tax Credits are considered a negative revenue.					
2	Nonhomestead Education Property Tax	Total amount raised from nonhomestead property tax.					
3	Sales & Use Tax	Non-property tax revenue sources				All revenue from statewide Sales & Use Tax is deposited into EF.	
4	Purchase & Use Tax (33.3%)						One third of statewide Purchase & Use Tax is deposited into EF.
5	Meals & Rooms Tax (25%)						One quarter of statewide Meals & Rooms Tax is deposited into EF, as well as 100% of the short-term rental surcharge (3%) introduced under Act 183.
6	Lottery Transfer						All net proceeds from State lotteries and multi-jurisdictional lottery games is deposited into EF
7	Medicaid Transfer						Earned federal receipts for qualified services provided to Medicaid enrolled students.
8	One-time General Fund (GF) transfer						A one-time transfer of funds from the GF to the EF. Is not mandated and may not occur regularly.
9	Other Sources (Wind & Solar, Fund Interest)						Other revenue sources that reflect less than 1% of EF revenues.
10	Total Sources	The sum of lines 1a through line 9					
Appropriations		Lines 11 - 23 reflect all appropriations from the Education Fund in a given fiscal year					
11	Education Payment	Total education spending for all school districts statewide. Calculated as the sum of all school district budgets less all offsetting revenues.	Amounts reflect actual appropriations for the relevant fiscal year.	Amounts reflect the fiscal year's current projection. Includes both actuals and estimates, as the fiscal year has not closed.	Amounts correspond with latest forecasts, estimates, and policy decisions. Figures are calculated by economists, JFO, Dept. of Taxes, and AOE.		
12	Special Education Aid	Aid for special education costs from the census block grant and other special education support.					
13	State Placed Students	Aid to provide education for students placed outside of guardians' district of residence.					
14	Transportation Aid	Aid to provide 50% of prior year transportation costs for school districts.					
15	Technical Education Aid	Aid to CTE centers based on statutory formulas and policy decisions.					
16	Small School Support/Merger Support	Aid to small schools based on statutory provisions and merger decisions.					
17	Essential Early Education Aid	Aid for preschool special education services based on a statutory formula.					
18	Flexible Pathways	Aid for programs including Dual Enrollment and Early College.					
19	Universal School Meals	Aid for the funding of breakfast and lunch meals to all publicly-funded students.					
20	English Learners Services	Aid for the instruction of English Learners (EL) and related services.					
21	VSTRS Pension Normal Cost	Normal cost of teachers' pension system.					
22	VSTRS OPEB Normal Cost	Normal cost of teachers' Other Post Employment Benefits (OPEB) - subsidized retirement health care.					
23	Other Uses (Accounting & Auditing, CMF transfer, Financial Systems)	Administrative costs associated with managing the Education Fund.					
24	Total Uses	The sum of line 11 through line 23.					
Allocation of Revenue Surplus/(Deficit)		Lines 25 - 28 provide an overview of how the Education Fund comes into balance through transfers to/(from) reserves and unallocated funds					
25	Revenue Surplus/(Deficit)	Net revenue, calculated as line 10 minus line 24.	Amounts reflect actuals for the relevant fiscal year.	Amounts reflect the fiscal year's current projection. Includes both actuals and estimates, as the fiscal year has not closed.	Amounts reflect current estimates, forecasts, and policy decisions.		
26	Prior Year Reversions	Unspent/unobligated balances from prior fiscal years that revert back to the Education Fund.					
27	Transfer to/(from) Stabilization Reserve	Funds transferred to line 31 to ensure Stabilization Reserve meets statutory requirement.					
28	Transfer to/(from) Additional Reserves	Funds transferred to Additional Reserves (lines 36 and 36a).					
29	Transfer to/(from) Unreserved/Unallocated	Funds transferred to line 38. Calculated as net revenue and reversions (lines 25 and 26) minus transfers to reserves (lines 27 and 28).					
Stabilization Reserve							
30	Prior Year Stabilization Reserve	Funds in Stabilization Reserve in the prior fiscal year.	Amounts reflect actuals for the relevant fiscal year.	Amounts reflect the fiscal year's current projection. Includes both actuals and estimates.	Amounts reflect current estimates, forecasts, and policy decisions.		
31	Current Year Stabilization Reserve	Funds in Stabilization Reserve in the current fiscal year (reflects funds transferred in line 27).					
32	Percent of Prior Year Net Appropriations	Stabilization Reserve funding generally equals 5% of prior year EF appropriations minus funds distributed from municipalities to school districts.					
33	Reserve Target	Amount required in stabilization reserve to meet the 5% target.					
Additional Reserves							
36	Current Year Tax Rate Offset Reserve	Sometimes the General Assembly will establish dedicated reserves for specific purposes. These reserves are often restricted for specific use at a later date. These reserves are carried on the EF Outlook until they are liquidated.					
36a	Use of Tax Rate Offset Reserve Towards FY2025 Tax Rates	Liquidating funds previously reserved to offset property tax rates.					
Available Funds							
37	Prior Year Unreserved/Unallocated	Balance in the EF at the close of the prior fiscal year. Carried forward into the next year as available funds.	Amounts reflect actuals.	Amounts reflect a mix of actuals and estimates.	Amounts reflect current estimates.		
38	Current Year Unreserved/Unallocated	Funds available in the Education Fund after accounting for all else. Calculated as line 29 plus line 37.					

Notes:

- Line numbers will change to reflect policy changes. While line numbers change, the layout of the EF Outlook stays consistent with the layout presented in this document.