

Education Fund Outlook for FY 2027
Consensus forecast for the December 1 Letter

December 1, 2025

(millions of dollars)		FY 2025 Actual	FY 2026 Preliminary	FY 2027 Projected
a	Average Homestead Property Tax Rate ¹	\$1,303	\$1,593	\$1,670
b	Average Tax Rate on Household Income	2.33%	2.27%	2.43%
c	Uniform Nonhomestead Property Tax Rate ¹	\$1,391	\$1,703	\$1,785
d	Property Yield Per Pupil ¹	\$9,893	\$8,596	\$8,849
e	Income Yield Per Pupil ¹	\$10,110	\$12,172	\$12,154
f	Total Long Term Weighted Average Daily Membership (LTWADM)	142,810	142,564	141,273
g	Average Percentage Bill Change Compared to Prior Year (HS/Inc/NHS)	Uniform: 13.8%	Uniform: 1.1%	Uniform: 11.9%
h	Statewide Education Spending Growth	10.7%	5.5%	5.8%
i	Statewide Education Grand List Growth	14.3%	14.1%	10.4%
j	Statewide Adjustment	100.0%	72.4%	70.0%
Sources				
1a	Homestead Education Property Tax ²	759.3	765.4	853.8
1b	Property Tax Credit	(167.3)	(141.1)	(134.2)
2	Nonhomestead Education Property Tax ²	896.6	903.3	1,012.9
3	Sales & Use Tax	609.7	622.3	638.0
4	Purchase & Use Tax - one-third of total	48.3	49.6	51.2
5	Meals & Rooms Tax - one-quarter of total	71.6	75.0	77.3
6	Lottery Transfer	30.6	33.8	35.3
7	Medicaid Transfer	11.0	9.0	9.5
8	One-time GF transfer	25.0	77.8	-
9	Other Sources (Wind & Solar, Fund Interest)	6.2	5.0	4.4
10	Total Sources	2,291.1	2,400.1	2,548.2
Appropriations				
11	Education Payment	1,882.3	1,991.1	2,104.7
12	Special Education Aid	264.6	270.7	276.7
13	State-Placed Students	19.0	17.2	18.3
14	Transportation Aid	25.3	26.1	26.9
15	Technical Education Aid	17.9	18.7	19.6
16	Small School Support/Merger Support	1.8	1.8	1.8
17	Essential Early Education Aid	8.7	9.0	9.6
18	Flexible Pathways	10.7	10.6	10.8
19	Universal School Meals	17.5	18.5	18.3
20	English Learners Services	2.3	2.3	2.5
21	VSTRS Pension Normal Cost	36.0	38.8	42.2
23	VSTRS OPEB Normal Cost	19.1	22.0	28.2
24	Other Uses (Accounting & Auditing, CMF transfer, Financial Systems)	6.2	5.7	5.4
25	Total Uses	2,311.4	2,432.5	2,565.0
Allocation of Revenue				
26	Revenue Surplus/(Deficit)	(20.3)	(32.4)	(16.8)
27	Prior-year Reversions	24.3	13.2	-
28	Transfer (to)/from Stabilization Reserve	(5.0)	(2.5)	(3.7)
29	Transfer (to)/from Additional Reserves	13.0	-	0.0
30	Transfer (to)/from Unreserved/Unallocated	(12.0)	21.7	20.6
Stabilization Reserve				
31	Prior-year Stabilization Reserve	47.0	52.1	54.5
32	Current-year Stabilization Reserve	52.1	54.5	58.3
33	Percent of Prior-year Net Appropriations	5.0%	5.0%	5.0%
34	Reserve Target	52.1	54.5	58.3
Additional Reserve				
35	Current-year Tax Rate Offset Reserve	13.0	-	-
36a.	Use of Tax Rate Offset Reserve Towards FY 2025 Tax Rates ³	(13.0)	-	-
Available Funds				
36	Prior-year Unreserved/Unallocated	31.09	43.07	21.38
37	Current-year Unreserved/Unallocated	43.07	21.38	0.82

Notes: 1) FY 2026 is the first year with the Statewide Adjustment CLA, so FY 2025 property rates and yields are not directly comparable to prior years.

2) Property tax amounts for FY 2025 and FY 2026 reflect amounts in the year they were collected.

3) The Outlook assumes a technical correction in the FY 2026 BAA to unreserve the \$13 million of the Tax Rate Offset Reserve within the Education Fund.