

Education Fund Outlook for FY 2027

Ways and Means modeling scenarios with updated data

February 17, 2026

	a. (millions of dollars)	FY 2026 Preliminary - BAA	b. FY 2027 Updated GL and LTWADM data, Dec. 1 assumptions	c. FY 2027 Applying \$104.9M of one-time GF to uniformly lower property taxes	d. FY 2027 Applying \$104.9M of one-time GF to homestead	e. FY 2027 Applying \$104.9M of one-time GF to nonhomestead	f. FY 2027 Applying \$104.9M of one-time GF to increase PTC by 78%	g. FY 2027 Applying 1/3 of \$104.9M of one-time GF to uniformly lower property taxes, and reserving the remainder	h. FY 2027 Applying 1/3 of \$104.9M of one-time GF to lower HS property taxes, and reserving the remainder	i. FY 2027 Applying 1/3 of \$104.9M of one-time GF to lower HS property taxes and increase PTCs, and reserving the remainder
a. Average Homestead Property Tax Rate ¹		\$1,593	\$1,662	\$1,568	\$1,458	\$1,662	\$1,662	\$1,631	\$1,593	\$1,627
b. Average Tax Rate on Household Income		2.27%	2.43%	2.29%	2.13%	2.43%	2.43%	2.38%	2.33%	2.38%
c. Uniform Nonhomestead Property Tax Rate ³		\$1,703	\$1,776	\$1,676	\$1,776	\$1,592	\$1,776	\$1,743	\$1,776	\$1,776
d. Property Yield Per Pupil ¹		\$8,596	\$8,896	\$9,415	\$10,112	\$8,896	\$8,896	\$9,060	\$9,270	\$9,080
e. Income Yield Per Pupil ¹		\$12,172	\$12,168	\$12,959	\$14,270	\$12,168	\$12,168	\$12,406	\$12,725	\$12,430
f. Total Long Term Weighted Average Daily Membership (LTWADM)		142,564	141,298	141,298	141,298	141,298	141,298	141,298	141,298	141,298
g. Average Percentage Bill Change Compared to Prior Year (HS/Inc/NHS)		Uniform: 1.1%	Uniform: 11.9%	Uniform: 5.8%	HS, Inc: -1.8%; NHS: 11.9%	HS, Inc: 11.9%; NHS: 0.3%	Uniform: 11.9%, PTC 78%	Uniform: 9.8%	HS, Inc: 7.3%; NHS: 11.9%	HS, Inc: 9.6%; NHS: 11.9%, PTC 13%
h. Statewide Education Spending Growth ¹		5.5%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%
i. Statewide Education Grand List Growth		14.1%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%
j. Statewide Adjustment		72.4%	70.3%	70.3%	70.3%	70.3%	70.3%	70.3%	70.3%	70.3%
Sources										
1a Homestead Education Property Tax ²		765.4	850.1	802.0	745.3	850.1	850.1	834.3	814.9	832.5
1b Property Tax Credit		(141.1)	(134.2)	(134.2)	(134.2)	(134.2)	(239.1)	(134.2)	(134.2)	(151.7)
2 Nonhomestead Education Property Tax ²		903.3	1015.0	957.8	1,015.0	909.8	1,015.0	996.1	1,015.0	1,015.0
3 Sales & Use Tax		625.0	640.9	640.9	640.9	640.9	640.9	640.9	640.9	640.9
4 Purchase & Use Tax - one-third of total		50.0	51.9	51.9	51.9	51.9	51.9	51.9	51.9	51.9
5 Meals & Rooms Tax - one-quarter of total		73.6	76.0	76.0	76.0	76.0	76.0	76.0	76.0	76.0
6 Lottery Transfer		32.0	33.4	33.4	33.4	33.4	33.4	33.4	33.4	33.4
7 Medicaid Transfer		9.0	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5
8 One-time GF transfer		77.8	-	104.9	104.9	104.9	104.9	104.9	104.9	104.9
9 Other Sources (Wind & Solar, Fund Interest)		5.0	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3
10 Total Sources		2,400.0	2,546.9	2,546.6	2,547.0	2,546.7	2,546.9	2,617.2	2,616.6	2,616.6
Appropriations										
11 Education Payment		1,991.1	2,104.7	2,104.7	2,104.7	2,104.7	2,104.7	2,104.7	2,104.7	2,104.7
12 Special Education Aid		270.7	276.7	276.7	276.7	276.7	276.7	276.7	276.7	276.7
13 State-Placed Students		17.2	18.3	18.3	18.3	18.3	18.3	18.3	18.3	18.3
14 Transportation Aid		26.1	26.9	26.9	26.9	26.9	26.9	26.9	26.9	26.9
15 Technical Education Aid		18.7	19.6	19.6	19.6	19.6	19.6	19.6	19.6	19.6
16 Small School Support/Merger Support		1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
17 Essential Early Education Aid		9.0	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6
18 Flexible Pathways		10.6	10.8	10.8	10.8	10.8	10.8	10.8	10.8	10.8
19 Universal School Meals		17.5	18.3	18.3	18.3	18.3	18.3	18.3	18.3	18.3
20 English Learners Services		2.3	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
21 VSTRS Pension Normal Cost		38.8	42.2	42.2	42.2	42.2	42.2	42.2	42.2	42.2
23 VSTRS OPEB Normal Cost		22.0	28.2	28.2	28.2	28.2	28.2	28.2	28.2	28.2
24 Other Uses (Accounting & Auditing, CMF transfer, Financial Systems)		5.7	5.4	5.4	5.4	5.4	5.4	5.4	5.4	5.4
25 Total Uses		2,431.5	2,565.0	2,565.0	2,565.0	2,565.0	2,565.0	2,565.0	2,565.0	2,565.0
Allocation of Revenue										
26 Revenue Surplus/(Deficit)		(31.5)	(18.1)	(18.4)	(18.0)	(18.3)	(18.1)	52.2	51.6	51.7
27 Prior-year Reversions		13.2	0.0	0.0	-	-	-	-	-	-
28 Transfer (to)/from Stabilization Reserve		(2.5)	(3.7)	(3.7)	(3.7)	(3.7)	(3.7)	(3.7)	(3.7)	(3.7)
29 Transfer (to)/from Additional Reserves		-	-	-	0.0	0.0	0.0	(69.9)	(69.9)	(69.9)
30 Transfer (to)/from Unreserved/Unallocated		20.7	21.8	22.2	21.8	22.1	21.8	21.5	22.0	22.0
Stabilization Reserve										
31 Prior-year Stabilization Reserve		52.1	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5
32 Current-year Stabilization Reserve		54.5	58.3	58.3	58.3	58.3	58.3	58.3	58.3	58.3
33 Percent of Prior-year Net Appropriations		5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
34 Reserve Target		54.5	58.3	58.3	58.3	58.3	58.3	58.3	58.3	58.3
Additional Reserve										
35 Tax Rate Offset Reserve		-	-	-	-	-	-	69.9	69.9	69.9
Available Funds										
36 Prior-year Unreserved/Unallocated		43.07	22.33	22.33	22.33	22.33	22.33	22.33	22.33	22.33
37 Current-year Unreserved/Unallocated		22.33	0.52	0.18	0.58	0.26	0.52	0.84	0.29	0.33

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.

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Prepared by IFO