

Education Fund Outlook for FY 2027
Emergency Board Update Using Updated Revenue Forecast

January 16, 2026

(millions of dollars)		FY 2026	FY 2027	FY 2027
		Preliminary	December 1 Letter	Emergency Board Update
a Average Homestead Property Tax Rate ¹		\$1,593	\$1,670	\$1,669
b Average Tax Rate on Household Income		2.27%	2.43%	2.43%
c Uniform Nonhomestead Property Tax Rate ¹		\$1,703	\$1,785	\$1,784
d Property Yield Per Pupil ¹		\$8,596	\$8,849	\$8,853
e Income Yield Per Pupil ¹		\$12,172	\$12,154	\$12,160
f Total Long Term Weighted Average Daily Membership (LTWADM)		142,564	141,273	141,273
g Average Percentage Bill Change Compared to Prior Year (HS/Inc/NHS)		Uniform: 1.1%	Uniform: 11.9%	Uniform: 11.9%
h Statewide Education Spending Growth		5.5%	5.8%	5.8%
i Statewide Education Grand List Growth		14.1%	10.4%	10.4%
j Statewide Adjustment		72.4%	70.0%	70.0%

Sources

1a Homestead Education Property Tax ²		765.4	853.8	853.4
1b Property Tax Credit		(141.1)	(134.2)	(134.2)
2 Nonhomestead Education Property Tax ²		903.3	1012.9	1,012.3
3 Sales & Use Tax		625.0	638.0	640.9
4 Purchase & Use Tax - <i>one-third of total</i>		50.0	51.2	51.9
5 Meals & Rooms Tax - <i>one-quarter of total</i>		73.6	77.3	76.0
6 Lottery Transfer		32.0	35.3	33.4
7 Medicaid Transfer		9.0	9.5	9.5
8 One-time GF transfer		77.8	-	-
9 Other Sources (Wind & Solar, Fund Interest)		5.0	4.4	4.3
10 Total Sources		2,400.0	2,548.2	2,547.5

Appropriations

11 Education Payment		1,991.1	2,104.7	2,104.7
12 Special Education Aid		270.7	276.7	276.7
13 State-Placed Students		17.2	18.3	18.3
14 Transportation Aid		26.1	26.9	26.9
15 Technical Education Aid		18.7	19.6	19.6
16 Small School Support/Merger Support		1.8	1.8	1.8
17 Essential Early Education Aid		9.0	9.6	9.6
18 Flexible Pathways		10.6	10.8	10.8
19 Universal School Meals		18.5	18.3	18.3
20 English Learners Services		2.3	2.5	2.5
21 VSTRS Pension Normal Cost		38.8	42.2	42.2
23 VSTRS OPEB Normal Cost		22.0	28.2	28.2
24 Other Uses (Accounting & Auditing, CMF transfer, Financial Systems)		5.7	5.4	5.4
25 Total Uses		2,432.5	2,565.0	2,565.0

Allocation of Revenue

26 Revenue Surplus/(Deficit)		(32.5)	(16.8)	(17.5)
27 Prior-year Reversions		13.2	0.0	-
28 Transfer (to)/from Stabilization Reserve		(2.5)	(3.7)	(3.7)
29 Transfer (to)/from Additional Reserves		-	-	0.0
30 Transfer (to)/from Unreserved/Unallocated		21.7	20.6	21.2

Stabilization Reserve

31 Prior-year Stabilization Reserve		52.1	54.5	54.5
32 Current-year Stabilization Reserve		54.5	58.3	58.3
33 Percent of Prior-year Net Appropriations		5.0%	5.0%	5.0%
34 Reserve Target		54.5	58.3	58.3

Available Funds

35 Prior-year Unreserved/Unallocated		43.07	21.38	21.33
36 Current-year Unreserved/Unallocated		21.33	0.82	0.11

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.

January 16, 2026
Prepared by JFO