

Education Fund Outlook for FY 2022
Governor Recommended Budget and BAA

January 22, 2026

| (millions of dollars) | | FY 2026 Preliminary - BAA | FY 2027 Emergency Board Update | FY 2027 Gov Rec |
|------------------------------|--|------------------------------|--------------------------------------|--------------------|
| | | | | |
| a | Average Homestead Property Tax Rate ¹ | \$1,593 | \$1,669 | \$1,575 |
| b | Average Tax Rate on Household Income | 2.27% | 2.43% | 2.29% |
| c | Uniform Nonhomestead Property Tax Rate ¹ | \$1,703 | \$1,784 | \$1,683 |
| d | Property Yield Per Pupil ¹ | \$8,596 | \$8,853 | \$9,373 |
| e | Income Yield Per Pupil ¹ | \$12,172 | \$12,160 | \$12,969 |
| 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: 5.5% |
| 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 | 853.4 | 804.8 |
| 1b | Property Tax Credit | (141.1) | (134.2) | (134.2) |
| 2 | Nonhomestead Education Property Tax ² | 903.3 | 1012.3 | 955.0 |
| 3 | Sales & Use Tax | 625.0 | 640.9 | 640.9 |
| 4 | Purchase & Use Tax - <i>Decrease of revenue below one-third of total</i> | 50.0 | 51.9 | 41.9 |
| 5 | Meals & Rooms Tax - <i>one-quarter of total</i> | 73.6 | 76.0 | 76.0 |
| 6 | Lottery Transfer | 32.0 | 33.4 | 33.4 |
| 7 | Medicaid Transfer | 9.0 | 9.5 | 9.5 |
| 8 | One-time GF transfer to decrease property taxes | 77.8 | - | 104.9 |
| 9 | One-time GF transfer to backfill Purchase & Use phasedown | - | - | 10.0 |
| 10 | Other Sources (Wind & Solar, Fund Interest) | 5.0 | 4.3 | 4.3 |
| 11 | Total Sources | 2,400.0 | 2,547.5 | 2,546.5 |
| Appropriations | | | | |
| 12 | Education Payment | 1,991.1 | 2,104.7 | 2,104.7 |
| 13 | Special Education Aid | 270.7 | 276.7 | 276.7 |
| 14 | State-Placed Students | 17.2 | 18.3 | 18.3 |
| 15 | Transportation Aid | 26.1 | 26.9 | 26.9 |
| 16 | Technical Education Aid | 18.7 | 19.6 | 19.6 |
| 17 | Small School Support/Merger Support | 1.8 | 1.8 | 1.8 |
| 18 | Essential Early Education Aid | 9.0 | 9.6 | 9.6 |
| 19 | Flexible Pathways | 10.6 | 10.8 | 10.8 |
| 20 | Universal School Meals | 17.5 | 18.3 | 18.3 |
| 21 | English Learners Services | 2.3 | 2.5 | 2.5 |
| 22 | 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 | 2,431.5 | 2,565.0 | 2,565.0 |
| Allocation of Revenue | | | | |
| 26 | Revenue Surplus/(Deficit) | (31.5) | (17.5) | (18.5) |
| 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 | 20.7 | 21.2 | 22.2 |
| 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 | 21.33 | 22.33 |
| 36 | Current-year Unreserved/Unallocated | 22.33 | 0.11 | 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 22, 2026
Prepared by JFO