

Splitting Tax Revenues Across the Three Major Funds

Senate Committee on Transportation

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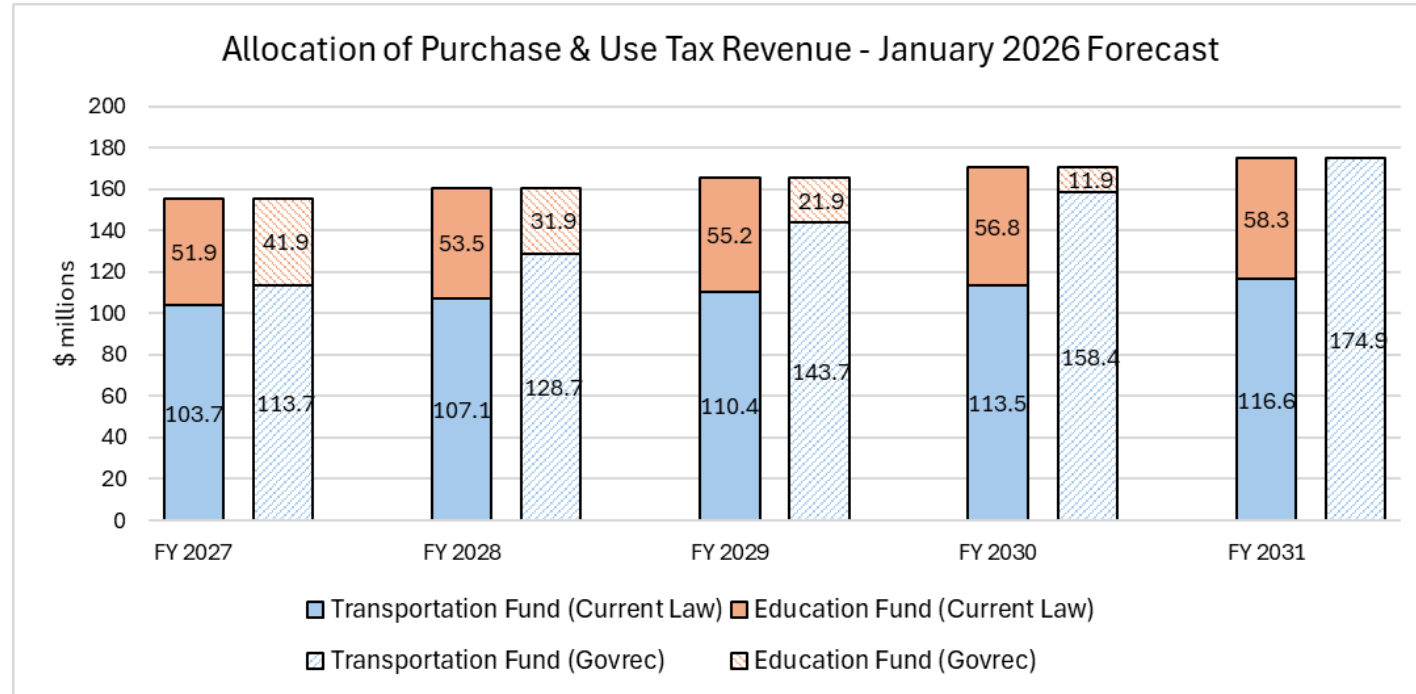


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Govrec Proposal

- Phase down P&U revenue to Education Fund by \$10 million per year, beginning in FY 2027. Fully phase P&U to Transportation Fund by FY 2031.
- Proposal “caps” the amount of P&U to the Ed Fund and steps the cap down each year, so T-Fund captures all growth in P&U revenues.
- Backfills the Ed Fund with \$10 million transfer from General Fund in FY 2027.
- Ed Fund “hole” in future years after FY 2027. Hole would be “filled” through property taxes by default unless backfilled from another source or otherwise offset.

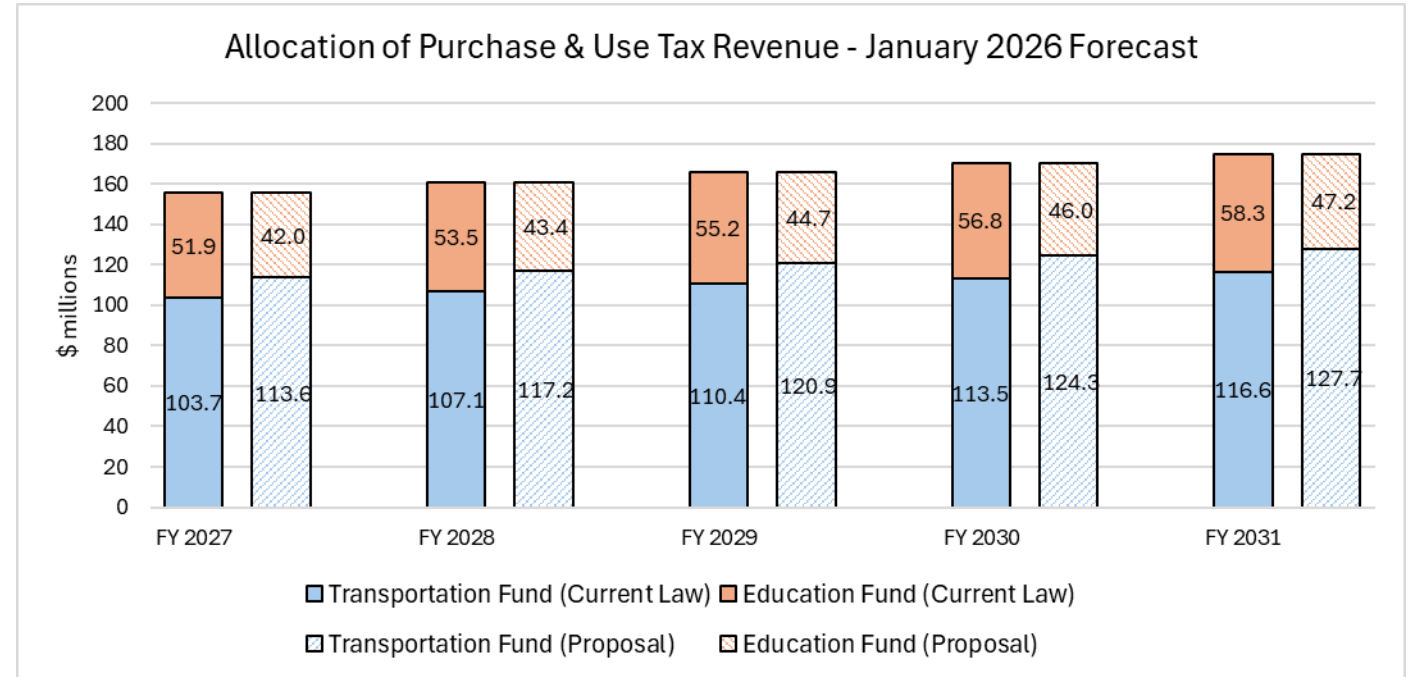


		Net Impact (\$ millions)				
		FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
P&U	Transportation Fund	10.0	21.6	33.3	44.9	58.3
P&U	Education Fund	(10.0)	(21.6)	(33.3)	(44.9)	(58.3)
tsfr fr GF	Education Fund	10.0				
tsfr to EF	General Fund	(10.0)				
	Net Education Fund Impact	-	(21.6)	(33.3)	(44.9)	(58.3)



Alternative Scenario in Misc Tax Bill (H.933)

- Change P&U allocation to shift the approximate equivalent of \$10 million from the Education Fund to the Transportation Fund.
 - EF – from 33.3% to **27%**
 - TF – from 66.7% to **73%**
- Backfill the Ed Fund by changing the Meals & Rooms allocation by the approximate equivalent of \$10 million.
 - EF – from 25% to **29%**
 - GF – from 69% to **65%**
- Avoids creating a “hole” in the Ed Fund after FY 2027 because the ongoing P&U shift would be backfilled on an ongoing basis. Net impact to Ed Fund would be very close to neutral.
- General Fund would lose M&R revenue on an ongoing basis.
- T-Fund would retain a larger share of P&U on an ongoing basis.



		Net Impacts (\$ millions)				
		FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
P&U	Transportation Fund	9.9	10.1	10.5	10.8	11.1
P&U	Education Fund	(9.9)	(10.1)	(10.5)	(10.8)	(11.1)
M&R	Education Fund	10.8	11.1	11.5	12.0	12.4
M&R	General Fund	(10.8)	(11.1)	(11.5)	(12.0)	(12.4)
Net Education Fund Impact		0.9	1.0	1.0	1.2	1.3

