### Education Fund Outlook for FY2020 - Conference Committee Report on H.536

(millions of dollars)

<table>
<thead>
<tr>
<th></th>
<th>FY2019 Estimated</th>
<th>FY2020 House</th>
<th>FY2020 Senate</th>
<th>FY2020 Conference Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>a Average Homestead Property Tax Rate</td>
<td>$1.499</td>
<td>$1.505</td>
<td>$1.518</td>
<td>$1.512</td>
</tr>
<tr>
<td>b Average Tax Rate on Household Income</td>
<td>2.48%</td>
<td>2.46%</td>
<td>2.48%</td>
<td>2.47%</td>
</tr>
<tr>
<td>c Uniform Non-Homestead Property Tax Rate</td>
<td>$1.580</td>
<td>$1.587</td>
<td>$1.600</td>
<td>$1.594</td>
</tr>
<tr>
<td>d Property Yield Per Equalized Pupil</td>
<td>$10,220</td>
<td>$10,699</td>
<td>$10,610</td>
<td>$10,648</td>
</tr>
<tr>
<td>e Income Yield Per Equalized Pupil</td>
<td>$12,380</td>
<td>$13,148</td>
<td>$13,033</td>
<td>$13,081</td>
</tr>
<tr>
<td>f Total Equalized Pupil Count</td>
<td>88,359</td>
<td>87,827</td>
<td>87,827</td>
<td>87,827</td>
</tr>
</tbody>
</table>

### Sources

1a Homestead Education Tax | $597.8 | $612.9 | $618.0 | $615.8 |
1b Property Tax Adjustment | (165.3) | (168.0) | (168.0) | (168.0) |
2 Non-Homestead Education Tax | 672.8 | 690.6 | 696.2 | 693.6 |
3 Sales & Use Tax | 415.1 | 444.2 | 443.0 | 443.0 |
4 Purchase & Use Tax - one-third of total | 38.0 | 38.5 | 38.5 | 38.5 |
5 Meals & Rooms Tax - one-quarter of total | 45.4 | 47.8 | 47.8 | 47.8 |
6 Lottery Transfer | 28.2 | 28.5 | 28.5 | 28.5 |
7 Medicaid Transfer | 9.6 | 9.2 | 9.2 | 9.2 |
8 Other Sources (Wind & Solar, Fund Interest) | 3.0 | 4.4 | 4.4 | 4.4 |
9 Total Sources | 1,644.6 | 1,708.1 | 1,717.7 | 1,712.8 |

### Appropriations

10 Education Payment | 1,372.9 | 1,428.8 | 1,428.8 | 1,428.8 |
11 Special Education Aid | 198.5 | 213.0 | 213.0 | 213.0 |
12 State-Placed Students | 20.4 | 18.0 | 18.0 | 18.0 |
13 Transportation Aid | 19.2 | 19.8 | 19.8 | 19.8 |
14 Technical Education Aid | 13.9 | 14.2 | 14.2 | 14.2 |
15 Small School Support | 7.8 | 8.2 | 8.2 | 8.4 |
16 Essential Early Education Aid | 6.6 | 6.8 | 6.8 | 6.8 |
17 Flexible Pathways | 7.3 | 7.7 | 7.7 | 7.7 |
18 Teachers’ Pensions (Normal Cost Only) | 7.7 | 6.8 | 6.8 | 6.8 |
19 Other Uses (Accounting & Auditing, Other) | 1.0 | 3.4 | 3.4 | 3.4 |
20 Total Uses | 1,655.4 | 1,726.5 | 1,726.5 | 1,726.5 |

### Allocation of Revenue Surplus/(Deficit)

21 Revenue Surplus/(Deficit) | (10.8) | (18.5) | (8.9) | (13.7) |
22 Prior-Year Reversions | (10.9) |
23 Transfer to/(from) Stabilization Reserve | 2.4 | 0.5 | 0.5 | 0.5 |
24 Transfer to/(from) Unreserved/Unallocated | (2.3) | (19.0) | (9.4) | (14.2) |

### Stabilization Reserve

25 Prior-Year Stabilization Reserve | 34.6 | 37.0 | 37.0 | 37.0 |
26 Current-Year Stabilization Reserve | 37.0 | 37.5 | 37.5 | 37.5 |
27 Percent of Prior-Year Net Appropriations | 5.0% | 5.0% | 5.0% | 5.0% |
28 Reserve Target | 37.0 | 37.5 | 37.5 | 37.5 |

### Available Funds

29 Prior-Year Unreserved/Unallocated | 21.2 | 19.0 | 19.0 | 19.0 |
30 Current-Year Unreserved/Unallocated | 19.0 | - | 9.6 | 4.6 |

**Note on selected education property tax expenditures:**

- a Act 46 Merger Incentives | (13.0) | (11.0) |
- b Tax Increment Financing | (5.7) | NA |
- c Use Value Appraisal | (46.9) | NA |

Prepared by the Joint Fiscal Office

5/23/2019

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