

Preliminary Education Fund Outlook for FY2023
Emergency Board Meeting July 28, 2022

<i>(millions of dollars)</i>		FY2021	FY2022	FY2023
		<i>Actual</i>	<i>Actual</i>	<i>Forecast</i>
a	Average Homestead Property Tax Rate	\$1.538	\$1.523	\$1.385
b	Average Tax Rate on Household Income	2.50%	2.50%	2.32%
c	Uniform Non-Homestead Property Tax Rate	\$1.628	\$1.612	\$1.466
d	Property Yield Per Equalized Pupil	\$10,998	\$11,317	\$13,314
e	Income Yield Per Equalized Pupil	\$13,535	\$13,770	\$15,948
f	Equalized Pupil Count	87,304	86,944	85,806
g	Statewide Education Spending Growth	3.9%	1.3%	5.4%
h	Statewide Education Grand List Growth	2.7%	3.0%	7.5%
Sources				
1a	Homestead Education Property Tax	633.7	648.7	635.0
1b	Property Tax Credit	(171.5)	(172.3)	(170.0)
2	Non-Homestead Education Property Tax	735.2	752.4	727.1
3	Sales & Use Tax	507.6	545.2	563.2
4	Purchase & Use Tax - <i>one-third of total</i>	44.7	45.7	47.1
5	Meals & Rooms Tax - <i>one-quarter of total</i>	36.0	54.2	57.1
6	Lottery Transfer	32.5	30.8	31.8
7	Medicaid Transfer	7.4	11.5	10.2
8	Other Sources (Wind & Solar, Fund Interest)	2.9	3.6	2.5
9	Total Sources	1,828.5	1,919.7	1,903.6
Appropriations				
10	Education Payment	1,483.7	1,502.0	1,572.5
11	Special Education Aid	223.7	229.0	214.1
12	State-Placed Students	18.0	17.0	17.5
13	Transportation Aid	20.5	20.5	21.8
14	Technical Education Aid	14.8	17.2	30.5
15	One-Time CTE construction and rehab learning program	-	-	15.0
16	Small School Support	8.2	8.1	8.1
17	Essential Early Education Aid	7.0	7.1	7.5
18	Flexible Pathways	8.3	8.2	8.4
19	Teachers' Pensions (Normal Cost Only)	6.9	37.6	33.0
20	On-going Normal Cost of Teacher's OPEB	-	-	15.1
21	Universal School Meals	-	-	29.0
22	Other Uses (Accounting & Auditing, Financial Systems)	3.4	3.4	3.4
23	Total Uses¹	1,794.5	1,850.1	1,960.9
Allocation of Revenue Surplus/(Deficit)				
24	Revenue Surplus/(Deficit)	34.0	69.6	(57.3)
25	Prior-Year Reversions	(14)	(11.7)	0.0
26	Transfer to/(from) Stabilization Reserve	5.2	1.1	2.9
27	Transfer to/(from) additional Reserve	14.0	22.0	-
28	Transfer to/(from) Unreserved/Unallocated ²	28.7	58.2	(60.2)
Stabilization Reserve				
29	Prior-Year Stabilization Reserve	33.0	38.2	39.3
30	Current-Year Stabilization Reserve	38.2	39.3	42.2
31	Percent of Prior-Year Net Appropriations	5%	5%	5%
32	Reserve Target	38.2	39.3	42.2
Additional Reserve				
33	Additional Reserve for Other Post Employment Benefits	14.0	14.0	-
33 a.	<i>Prefund of Normal Cost of Teacher's OPEB using reserved funds</i>	-	(13.3)	-
34	PCB Reserve	-	22.0	32.0
Available Funds				
35	Prior-Year Unreserved/Unallocated ³	0.0	28.7	76.9
36	Current-Year Unreserved/Unallocated	28.7	86.9	16.8
36 a.	<i>Designation of FY22 funds for FY23 uses</i>	-	64.0	-
36 b.	<i>Current-Year Unreserved/Unallocated and Undesignated, Prior to PCB Designation</i>	-	22.9	16.8
36 c.	<i>Transfer to PCB Reserve</i>	-	10.0	-
37	Final Current-Year Unreserved/Unallocated and Undesignated (Post PCB Transfer) ⁴	-	12.9	16.8

Notes :

- 1.) Lines 10 - 23: The amounts listed for appropriations reflect updated estimated requirements. FY23 appropriations will need to be adjusted in the Budget Adjustment Bill.
- 2.) Line 28: This number is prior to additional designations and reserves.
- 3.) Line 35: The FY23 number is prior to its designations established in FY2022.
- 4.) After accounting for reserves, allocations, and designations, FY22 has a total of \$22.9 million that remains unreserved/unallocated/undesignated. In accordance with Act 178 (2022), \$10 million is transferred to the PCB reserve, and \$12.9 million remains unreserved/unallocated/undesignated.