

Preliminary Education Fund Outlook - Current Law

(millions of dollars)

	FY2009 Actual	FY2010 Appropriated	FY2011 Projected
a Base Homestead Tax Rate	\$0.87	\$0.86	\$0.86
b Uniform Non-Homestead Tax Rate	\$1.36	\$1.35	\$1.35
c Base Rate on Household Income	1.80%	1.80%	1.80%
d Household Income Limit	\$90,000	\$90,000	\$90,000
e Housesite Value Limit if Over Household Income Limit	\$200,000	\$200,000	\$200,000
f Base Education Amount Per Pupil	\$8,210	\$8,544	\$8,544
g Equalized Pupil Count	95,676	94,107	92,631
h Education Grand List Growth Rate	9.7%	6.9%	1.8%
i Education Spending Growth Rate	5.0%	2.0%	2.0%

Sources

1 Homestead Education Tax	472.2	489.5	531.2
1a Homestead Property Tax Adjustment	(119.5)	(141.6)	(167.8)
2 Non-Homestead Education Tax	524.1	558.2	557.1
3 Sales & Use Tax	107.1	103.5	107.1
4 Purchase & Use Tax	22.0	22.0	23.1
5 General Fund Transfer	291.8	240.8	239.2
6 Lottery Transfer	20.9	20.8	21.3
7 Medicaid Transfer	0.0	0.0	6.4
8 Vermont Yankee Education Tax	2.0	2.0	2.0
9 Total Sources	1,320.6	1,295.2	1,319.6

Uses

10 Education Payment	1,112.3	1,098.9	1,118.7
11 Special Education	142.5	142.5	142.7
12 State-Placed Students	16.4	15.9	18.9
13 Transportation	15.0	15.5	15.8
14 Technical Education	12.4	12.8	13.4
15 Small Schools	6.6	7.0	7.3
16 EEE Block Grant	5.5	5.7	5.9
17 Early Education Initiative	-	1.1	1.1
18 Capital Debt	0.2	0.2	0.1
19 Adult Education & Literacy	2.3	3.0	3.0
20 Renter Rebate (EF share only - 70% of total)	5.6	5.9	6.2
21 Reappraisal & Listing Payment	3.3	3.5	3.7
22 Other (EF interest; Other)	(0.3)	(0.1)	(0.1)
23 Total Uses	1,321.7	1,311.8	1,336.7

Fund Balance

24 Current Year Revenue Surplus/(Deficit)	(1.1)	(16.6)	(17.2)
25 Prior Year Fund Balance	41.5	42.4	25.8
26 Spending Authority Surplus/(Deficit)	2.0	0.0	0.0
27 Non-Operating Transfers	0.0	0.0	0.0
28 Current Year Fund Balance	42.4	25.8	8.7

Stabilization Reserve

29 Revenue Surplus/(Deficit) & Non-Operating Transfers	(1.1)	(16.6)	(17.2)
30 Prior Year Reversions	(3.6)	(3.5)	0.0
31 Transfer to/(from) Stabilization Reserve	1.7	(6.5)	(17.2)
32 Transfer to/(from) Unreserved/Unallocated	0.8	(6.6)	0.0
33 Stabilization Reserve	31.1	24.6	7.4
34 Percent of Prior Year Net Appropriations	5.0%	4.1%	1.2%
35 Maximum Reserve Target @ 5.0%	31.1	29.8	30.0
36 Minimum Reserve Target @ 3.5%	21.8	20.9	21.0

37 Available for education tax rate reduction	6.6	0.0	0.0
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Calculation of the base tax rate on household income in FY2011

	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011
Homestead tax rate	\$1.10	\$1.05	\$1.02	\$0.95	\$0.87	\$0.87	\$0.86	\$0.88
Actual	2.00%	1.90%	1.85%	1.80%	1.80%	1.80%	1.80%	1.80%
Calculated	2.00%	1.91%	1.85%	1.73%	1.58%	1.58%	1.56%	1.60%

Calculation of the base education amount in FY2011

	S&LG Price Index	% Change from FY2005	Statutory Adjustment	Increase Ove Prior Year	Actua Base Amount
FY2005 *	96.9				
FY2006	102.9				
FY2007	107.8				
FY2008	113.9				
FY2009	116.6				\$8,210
FY2010	117.9				\$8,544
FY2011	120.5	24.4%	0.1%		\$8,463

* FY2005 is the base year; base payment implemented at \$6,800 per equalized pupil