

Preliminary Education Fund Outlook - as of July 21, 2017

(millions of dollars)

	FY2017 Final	FY2018 Projections
a Base Homestead Property Tax Rate	\$1.00	\$1.00
<i>Average Homestead Property Tax Rate</i>	<i>\$1.527</i>	<i>\$1.505</i>
b Base Tax Rate on Household Income	2.0%	2.0%
<i>Average Tax Rate on Household Income</i>	<i>2.70%</i>	<i>2.57%</i>
c Uniform Non-Homestead Property Tax Rate	\$1.535	\$1.535
d Property Yield Per Equalized Pupil	\$9,701	\$10,160
Income Yield Per Equalized Pupil	\$10,870	\$11,990
e Total Equalized Pupil Count	88,982	87,684
f Statewide Education Grand List Growth Rate	1.4%	1.4%
g Actual Statewide Education Spending Growth Rate	1.4%	3.4%

Sources (actual)

1 Homestead Education Tax	586.5	587.5	^{1, 2}
Income Sensitivity Adjustment	(162.0)	(164.1)	
Homeowner Rebate - EF share only	(7.3)	(7.2)	
2 Non-Homestead Education Tax	632.9	641.3	²
3 Sales & Use Tax (EF allocation increases from 35% to 36% in FY2019)	131.8	136.8	
4 Purchase & Use Tax	34.4	35.4	
5 General Fund Transfer	303.6	314.7	
One-Time Additional General Fund Transfer	-	3.3	
Supplemental Property Tax Relief Fund Transfer	2.3	-	
6 Lottery Transfer	25.5	25.3	
7 Medicaid Transfer	10.6	8.6	
8 Other Sources (Wind & Solar, Other)	1.0	1.1	
9 Total Sources	1,559.2	1,582.7	

Uses (appropriations)

10 Education Payment	1,311.0	1,352.2	
VEHI Teachers' Health Care Savings (65% in FY2018; remainder in FY2019)	-	(8.5)	
11 Special Education Aid	180.7	180.7	
12 State-Placed Students	16.7	16.7	
13 Transportation Aid	18.2	18.7	
14 Technical Education Aid	13.5	13.6	
15 Small School Support	7.7	7.6	
16 Essential Early Education Aid	6.4	6.4	
17 Adult Education & Literacy	1.8	2.7	
18 Flexible Pathways	6.1	7.2	
19 Community HS of Vermont (Corrections)	3.1	3.2	
20 Renter Rebate (General Government) - EF share only	8.0	7.4	
21 Reappraisal & Listing (General Government)	3.4	3.5	
22 Teachers' Pensions - Normal Cost	-	7.9	
23 Other Uses (Accounting & Auditing, Other)	1.1	1.2	
24 Total Uses	1,577.9	1,620.6	

Allocation of Revenue Surplus/(Deficit)

25 Revenue Surplus/(Deficit)	(18.6)	(37.9)	
26 Prior-Year Reversions	(12.0)	(2.7)	³
27 Transfer to/(from) Stabilization Reserve	0.8	(8.8)	
28 Transfer to/(from) Unreserved/Unallocated	(7.5)	(26.4)	

Stabilization Reserve

29 Prior-Year Stabilization Reserve	32.6	33.5
30 Current-Year Stabilization Reserve	33.5	24.7
31 Percent of Prior-Year Net Appropriations	5.0%	3.6%
32 Maximum Reserve Target @ 5.0%	33.5	34.1
33 Minimum Reserve Target @ 3.5%	23.4	23.9

Available Funds

34 Prior-Year Unreserved/Unallocated	33.9	26.4
35 Current-Year Unreserved/Unallocated	26.4	-

¹ Act 46 merger incentives lower homestead taxes by \$10.1 million in eligible school districts in FY2018.

² Incremental property tax revenue to TIF district debt: FY2016 - \$4.2M; FY2017 - \$6.3M; FY2018 - \$7.4M; FY2019 - \$8.1M.

³ AOE's May 2017 estimate of the amount of the FY2017 appropriation for the education payment (line 10) to be reverted to the EF in FY2018.