

## Preliminary Education Fund Outlook - Conference Committee Report on H.509

(millions)

	FY2017	FY2018 Projections		
		House	Senate	Conference
a Base Homestead Property Tax Rate	\$1.000	\$1.000	\$1.000	\$1.000
Average Homestead Property Tax Rate	\$1.527	\$1.520	\$1.527	\$1.505
b Uniform Non-Residential Property Tax Rate	\$1.535	\$1.555	\$1.563	\$1.555
c Base Tax Rate on Household Income	2.00%	2.00%	2.00%	2.00%
Average Tax Rate on Household Income	2.70%	2.60%	2.60%	2.57%
e Property Yield Per Equalized Pupil	\$9,701	\$10,077	\$10,015	\$10,160
Income Yield Per Equalized Pupil	\$10,870	\$11,851	\$11,820	\$11,990
f Total Equalized Pupil Count	88,982	87,684	87,684	87,684
g Statewide Education Grand List Growth Rate	1.4%	1.4%	1.4%	1.4%
h Actual Statewide Education Spending Growth Rate	1.4%	3.4%	3.4%	3.4%

### Sources

1 Homestead Education Tax <sup>1</sup>	586.3	593.1	596.0	587.5
1a Income Sensitivity Adjustment	(164.2)	(164.1)	(164.1)	(164.1)
1b Homeowner Rebate - EF share only	(7.3)	(7.2)	(7.2)	(7.2)
2 Non-Homestead Education Tax	634.5	649.6	652.9	649.6
3 Sales & Use Tax <sup>2</sup>	133.7	138.8	138.8	139.4
4 Purchase & Use Tax	34.4	35.6	35.6	35.6
5 General Fund Transfer	303.6	314.7	314.7	314.7
5a One-Time Additional General Fund Transfer	-	-	-	3.3
5b Supplemental Property Tax Relief	2.3	-	-	-
6 Lottery Transfer	24.6	24.8	24.8	24.8
7 Medicaid Transfer	9.6	9.6	6.6	8.6
8 Other Sources	1.1	1.6	1.6	1.6
<b>9 Total Sources</b>	<b>1,558.6</b>	<b>1,596.5</b>	<b>1,599.7</b>	<b>1,593.8</b>

### Uses (appropriations)

10 Education Payment <sup>3</sup>	1,311.0	1,352.2	1,352.2	1,352.2
11 Special Education	180.7	180.7	180.7	180.7
12 State-Placed Students	16.7	16.7	16.7	16.7
13 Transportation	18.2	18.7	18.7	18.7
14 Technical Education	13.5	13.6	13.6	13.6
15 Small Schools	7.7	7.6	7.6	7.6
16 Essential Early Education	6.4	6.4	6.4	6.4
17 Adult Education & Literacy	1.8	3.1	2.7	2.7
18 Flexible Pathways	6.1	7.2	7.2	7.2
19 Community HS of Vermont (Corrections)	3.1	3.2	3.4	3.2
20 Renter Rebate (General Gov't) - EF share only	8.0	7.4	7.4	7.4
21 Reappraisal & Listing (General Gov't)	3.4	3.5	3.5	3.5
22 Teachers' Pensions - Normal Cost	-	-	7.9	7.9
23 Other Uses (Accounting & Auditing, Other)	1.1	1.1	1.1	1.1
<b>24 Total Uses</b>	<b>1,577.7</b>	<b>1,621.6</b>	<b>1,629.3</b>	<b>1,629.1</b>

### Allocation of Revenue Surplus/(Deficit)

<b>25 Revenue Surplus/(Deficit)</b>	<b>(19.1)</b>	<b>(25.1)</b>	<b>(29.5)</b>	<b>(35.3)</b>
26 Prior-Year Reversions	(12.0)	-	-	-
27 Transfer to/(from) Stabilization Reserve	0.8	0.8	(3.4)	(9.2)
28 Transfer to/(from) Unreserved/Unallocated	(7.8)	(25.9)	(26.1)	(26.1)

### Stabilization Reserve

29 Prior-Year Stabilization Reserve	32.6	33.3	33.3	33.3
30 Current-Year Stabilization Reserve	33.3	34.1	29.9	24.1
31 Percent of Prior-Year Net Appropriations	5.0%	5.0%	4.4%	3.5%
32 Maximum Reserve Target @ 5.0%	33.3	34.1	34.1	34.1
33 Minimum Reserve Target @ 3.5%	23.3	23.9	23.9	23.9

### Available Funds

34 Prior-Year Unreserved/Unallocated	33.9	26.1	26.1	26.1
35 Current-Year Unreserved/Unallocated	26.1	0.2	-	-

<sup>1</sup> Act 46 merger incentives lower homestead taxes by \$10.1 million in eligible districts; average homestead tax rates include these incentives.

<sup>2</sup> Beginning in FY2019, the sales tax allocation to the Education Fund increases from 35% to 36%.

<sup>3</sup> Foregone education tax revenue due to Tax Increment Financing (TIF) Districts: FY2017 - \$6.3M; FY2018 - \$7.4M.