

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.