

## H.480 - Conference Committee Report

### Preliminary estimates - subject to change

<b>New Revenues:</b>	<b>FY04: \$32.6M; FY05: \$50.1M</b>
<b>Base Education Payment:</b>	<b>\$6,800 in FY2005; \$6,970 in FY2006; \$7,144 in FY2007</b>
<b>Nonresidential Education Tax Rate:</b>	<b>\$1.59</b>
<b>Homestead Education Tax Rate:</b>	<b>\$1.10 with adjustment based on spending</b>
<b>Additional Homestead Acreage:</b>	<b>\$10 per acre up to 5 acres (or education tax if lower)</b>
<b>\$15K Homestead Exemption:</b>	<b>Up to \$47K household income</b>
<b>Growth in Education Spending:</b>	<b>4.5% in FY2004; 4.75% thereafter</b>

### Education Fund Outlook

(millions of dollars)

SWPT at \$1.10  
Block at \$5,810  
Yield at \$45.20

FY2003 equivalent statewide average  
residential tax prior to spending  
increases:  
\$1.35                      \$1.35

Sources	FY2003	FY2004	FY2005	FY2006
	Actual	Transition	H.480	
1 Statewide Property Tax	453.2	489.8	-	-
2 Local Share Property Tax	231.9	269.9	-	-
3 NonResidential Education Tax (net of collection fee)	-	-	362.4	382.5
4 Residential Education Tax (net of collection fee)	-	-	368.4	392.5
5 Income Sensitivity - SWPT / Homestead Tax Adjustment	(49.5)	(55.0)	(80.4)	(84.5)
6 Income Sensitivity - Local Share	(28.1)	(32.1)	-	-
7 Rent-Restricted Affordable Housing Credit	-	-	(0.4)	(0.4)
8 "Excess Spending" Penalty (50% of estimate in FY06)	-	-	-	0.3
9 Act 60 Taxes (2% purchase & use only beginning in FY2005)	69.2	72.5	28.2	29.2
10 Telecommunications Tax - effective 10/1/03 (to GF in FY2005)	-	3.7	-	-
11 Sales Tax - effective 10/1/03 (one-third of total sales tax)	-	-	100.2	104.2
12 Lottery Receipts with Powerball	16.3	18.9	18.5	18.6
13 GF Transfer	245.7	239.5	249.3	258.0
14 Additional GF Transfer (sales tax effective 10/1/03)	-	28.9	-	-
15 SPED Medicaid	8.2	8.2	8.2	8.2
16 Vermont Yankee	1.0	1.0	1.9	1.9
17 Interest	0.2	0.2	0.2	0.2
18 Reversions	3.0	-	-	-
19 <b>Total Sources</b>	<b>951.1</b>	<b>1,045.5</b>	<b>1,056.5</b>	<b>1,110.9</b>
<b>Uses</b>				
20 General State Support Grant	569.9	587.0	-	-
21 Education Payments	-	-	904.2	947.1
22 Adult Diploma / VAST - Block Grant	-	-	0.7	0.7
23 Adult Basic Ed - Block Grant	-	0.4	0.4	0.4
24 Tech Center Grant for Unenrolled Students (e.g., homeschoolers)	-	-	0.4	0.4
25 Local Share Payments	203.8	237.8	-	-
26 Support for Predictable Yield	29.3	27.0	-	-
27 SPED Mainstream Block Grant	27.2	27.7	28.5	29.3
28 EEE Block Grant	4.1	4.3	4.4	4.5
29 Pupil Count Adjustment for Rapidly Growing School Districts	-	-	0.4	0.4
30 Special Education (assumes 6.5% growth after FY2004)	69.8	74.7	79.5	85.8
31 Homeowners & Renters Rebate	8.9	9.4	11.6	12.6
32 Capital Debt	3.2	2.1	1.2	1.1
33 Small Schools	4.8	5.0	5.1	5.3
34 State-Placed Students	9.9	10.7	11.4	12.2
35 Technical Education	7.9	8.2	8.4	8.7
36 Transportation	12.7	12.9	13.2	13.5
37 Reappraisal and Listing	2.2	2.3	2.2	2.2
38 Administrative Costs - Tax Department	-	0.7	-	-
39 Cost Containment - SPED	-	-	-	-
40 Short-Term Borrowing	0.2	0.2	0.2	0.2
41 <b>Total Uses</b>	<b>953.9</b>	<b>1,010.4</b>	<b>1,071.8</b>	<b>1,124.3</b>
<b>Fund Balance</b>				
42 <b>Operating Result</b>	<b>(2.8)</b>	<b>35.1</b>	<b>(15.3)</b>	<b>(13.4)</b>
43 Carryforward	14.2	11.4	46.5	31.2
44 <b>Fund Balance</b>	<b>11.4</b>	<b>46.5</b>	<b>31.2</b>	<b>17.7</b>
45 <b>Undesignated Reserve</b>	<b>-</b>	<b>23.2</b>	<b>6.3</b>	<b>-</b>
46 Reserve Percent	2.6%	5.0%	6.3%	3.5%
Statutory Maximum (5.0%)	22.1	23.3	24.9	25.6
Statutory Minimum (3.5%)	15.4	16.3	17.4	17.9