

H.480 as passed by the Senate

Preliminary estimates - subject to change

Nonresidential education tax rate:	\$1.60 increasing at 2 cents/year (half statewide average homestead rate increase)
Homestead education tax rate - up to 2 acres:	\$1.17 with adjustment based on spending (\$1.10 minimum); income sensitized
Homestead education tax rate - over 2 acres:	\$1.17 with adjustment based on spending (\$1.10 minimum); not income sensitized
\$15K homestead exemption:	Homesteads with household income under \$47K

Education Fund Outlook

(millions of dollars)

SWPT at \$1.10

Block at \$5,810

Yield at \$45.20

Sources	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Actual	Transition Year	H.480 as passed by the Senate		
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)	-	-	364.4	389.5	407.6
4 Homestead Education Tax - up to 2 acres (net of collection fee)	-	-	345.1	379.5	406.7
4a Homestead Education Tax - over 2 acres (net of collection fee)	-	-	33.6	37.9	40.9
5 Income Sensitivity - SWPT / Homestead Tax Adjustment	(49.5)	(55.0)	(82.9)	(88.6)	(95.7)
6 Income Sensitivity - Local Share	(28.1)	(32.1)	-	-	-
7 Rent-Restricted Affordable Housing Credit	-	-	(0.4)	(0.4)	(0.4)
8 "Excess Spending" Penalty	-	-	-	0.3	0.8
9 Dedicated Sales Tax (2 of 5 cents)	-	-	105.7	109.9	114.2
10 Act 60 Taxes (Purchase&Use only after FY2004)	69.2	72.5	28.2	29.2	30.4
11 Telecom / Meals&Rooms Tax Increases (to GF after FY2004)	-	7.7	-	-	-
12 Lottery Receipts with Powerball (subject to legislative action)	16.3	18.9	18.5	18.6	18.8
13 GF Transfer (assumes 3.4% growth rate after FY2005)	245.7	260.5	225.2	232.9	240.8
14 SPED Medicaid	8.2	7.4	7.4	7.4	7.4
15 Vermont Yankee (subject to legislative action)	1.0	1.0	1.9	1.9	1.9
16 Interest	0.2	0.2	0.2	0.2	0.2
17 Reversions	3.0	-	-	-	-
18 Total Sources	951.1	1,040.8	1,046.9	1,118.3	1,173.6

Uses

19 General State Support Grant (\$159 per pupil increase in FY2004)	569.9	587.0	-	-	-
20a Adult Basic Education Block Grant	-	0.4	0.4	0.4	0.4
20b Adult Diploma / VAST Block Grant	-	-	0.7	0.7	0.7
20c Tech Center Block Grant for Homeschoolers	-	-	0.4	0.4	0.4
20 Local Share Payments	203.8	237.8	-	-	-
21 Support for Predictable Yield	29.3	29.6	-	-	-
22 Education Payments	-	-	901.7	947.5	995.0
23 SPED Mainstream Block Grant	27.2	27.7	28.5	29.3	30.1
24 EEE Block Grant	4.1	4.2	4.3	4.4	4.6
25 Special Education (assumes 6.5% growth after FY2004)	69.8	74.7	79.5	85.8	92.5
26 Homeowners & Renters Rebate	8.9	9.4	9.0	9.3	10.1
27 Capital Debt	3.2	2.1	1.2	1.1	1.0
28 Small Schools	4.8	5.0	5.1	5.3	5.4
29 State-Placed Students	9.9	10.7	11.4	12.2	13.1
30 Technical Education	7.9	8.2	8.4	8.7	8.9
31 Transportation	12.7	12.9	13.2	13.5	13.8
32 Reappraisal and Listing	2.2	2.3	2.2	2.2	2.2
33 Cost Containment - SPED	-	0.3	0.3	0.3	0.3
34 Administrative Costs - Tax Department	-	0.7	-	-	-
35 Short-term Borrowing	0.2	0.2	0.2	0.2	0.2
36 Total Uses	953.9	1,013.2	1,066.6	1,121.3	1,178.7

Fund Balance

37 Operating Result	(2.8)	27.6	(19.7)	(3.0)	(5.0)
38 Carryforward	14.2	11.4	39.0	19.3	16.3
39 Fund Balance	11.4	39.0	19.3	16.3	11.2
40 Undesignated Reserve	-	15.7	-	-	-
41 Reserve Percent	2.6%	5.0%	3.9%	3.2%	2.1%
Statutory Maximum (5.0%)	22.1	23.3	24.9	25.6	26.3
Statutory Minimum (3.5%)	15.4	16.3	17.4	17.9	18.4