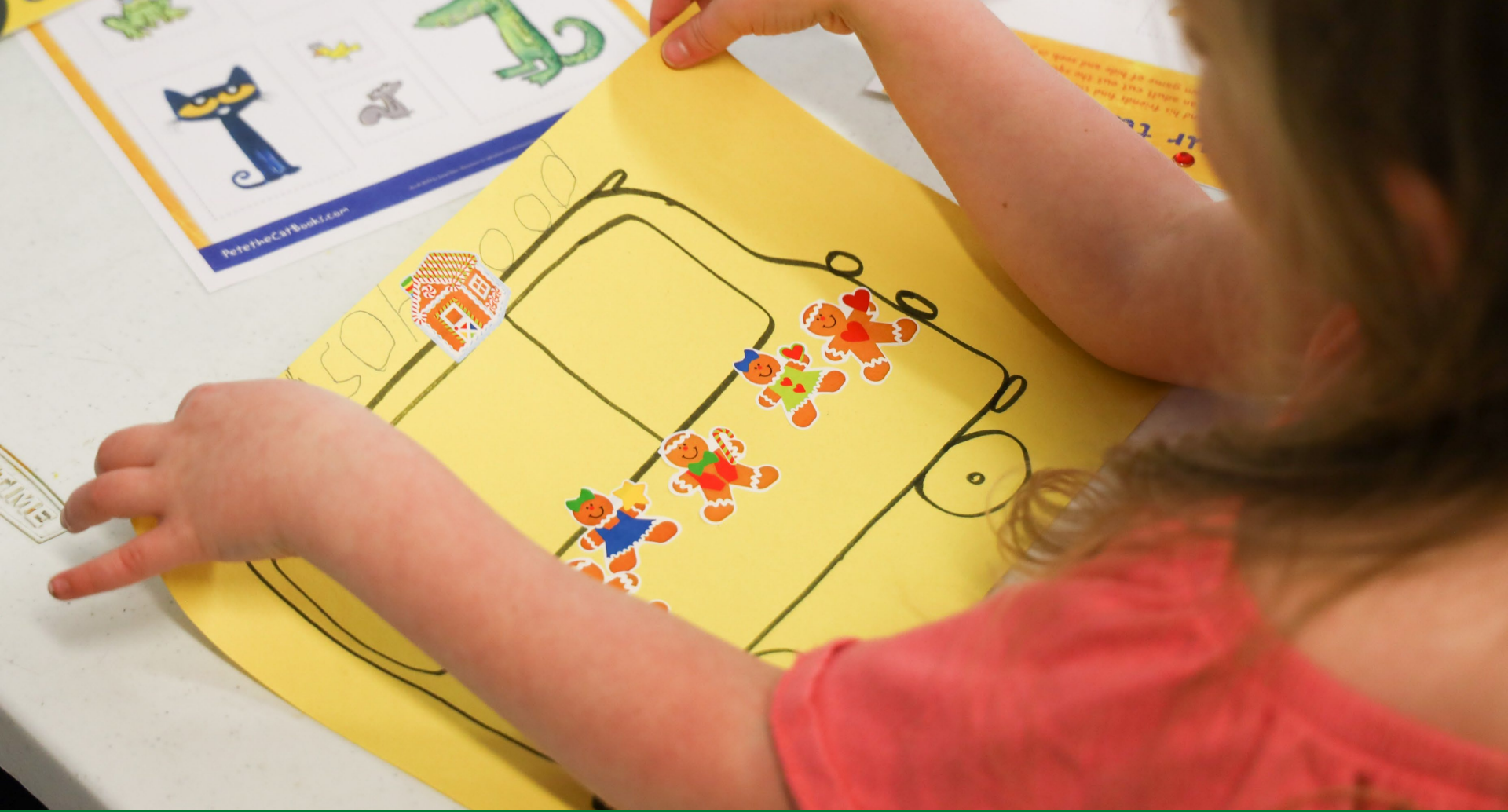


Fiscal Year 2024 Education Fund Recommendation

February 24, 2023



Overview of Education Fund

Structure and Funding Sources

- Education spending = local budgets – offsetting revenue
- Education Funding Revenue Sources
 - Nonhomestead Education Property Tax (39%)
 - Sales and Use Tax (28%)
 - Income adjusted Homestead Education Property Tax (25%)
 - Meals and Rooms Tax (3%)
 - Purchase and Use Tax (2%)
 - Other sources (3%)

Education Fund Cost Drivers

1. Vermont's publicly funded student population has been declining.
2. Vermont is maintaining most of the public and independent schools we had at our peak (e.g., overhead costs associated with buildings and administration have not changed significantly).
3. The number of teachers and staff has decreased, but not consistent with the loss in the number of students (student-to-teacher ratios and student-to-school ratios are small).
4. Therefore, Vermont has fewer students, approximately the same number of schools, and proportionally more overhead to support on a per-pupil basis.
5. As a result, Vermont generally delivers education through smaller schools, particularly at the elementary level, than other states.

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Year Over Year Changes

Year-over-year changes in Education Fund Expenses in millions:

Education Fund Expenses	FY20 (Final)	FY21 (Final)	FY22 (Final)	FY23 (Anticipated)	FY24 (Projection)
Expenses (millions)	\$1,726	\$1,794	\$1,850	\$1,961	\$2,0708
Year over Year Change	4.29%	3.94%	3.12%	6.01%	5.96%

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What Vermonters Buy With Education Fund Dollars

General Category	Education Fund per ADM	Percent of Total
Net Education Payment	\$ 18,830.0	80.2%
Special Education Aid	\$ 2,555.3	10.9%
State-Placed Students	\$ 208.9	0.9%
Transportation Aid	\$ 260.2	1.1%
Technical Education Aid	\$ 364.0	1.6%
Small School Support	\$ 96.7	0.4%
Essential Early Education Aid	\$ 89.5	0.4%
Flexible Pathways	\$ 100.3	0.4%
Teachers' Pensions	\$ 393.9	1.7%
On-going normal costs teachers OPEB	\$ 180.2	0.8%
Universal School Meals	\$ 346.1	1.5%
Other Uses	\$ 40.6	0.2%

ADM = Average Daily Membership

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Carryforward and Reversions

Carryforwards

Section	FY 2022 Appropriation	Carryforward	% of FY 2022 Appropriation
B.502 Special Education	\$208,073,400	\$31,274,455	15.03%
B.503 State Placed Students	\$17,500,000	\$5,000,000	28.57%
B.505 Education Spending Grant	\$1,561,661,000	\$1,000,000	.06%
B.507 Small School Grant	\$8,200,000	\$150,000	1.83%
B.511 Technical Education	\$16,253,900	\$412,724	2.54%
B.504.1 Flexible Pathways	\$8,221,500	\$1,479,833	18.00%
Total	\$1,819,909,800	\$39,317,012	2.16%

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Reversions

Ed. Fund Reversions	FY18	FY19	FY20	FY21	FY22
Finance and Admin.	\$0	\$0	\$115,260	\$950,950	\$1,607,145
Act 173 of 2018 Sec. 9(H)	\$0	\$0	\$2,401	\$0	\$0
Special Ed.	\$0	\$87,051	\$5,770,436	\$5,824,529	\$27,333,400
State Placed Students	\$0	\$161,178	\$3,303,708	\$4,106,772	\$1,443,542
Education Payment	\$8,443,806	\$5,692,154	\$1,907,842	\$0	\$11,754,134
Transportation	\$97,030	\$489	\$0	\$0	\$0
Small Schools	\$109,928	\$20,167	\$596,191	\$614,965	\$34,348
Capital Debt Service	\$25,000	\$0	\$0	\$0	\$0
Essential Early Education	\$89,451	\$19,276	\$360,491	\$41,296	\$0
Flexible Pathways	\$637,263	\$1,274,807	\$0	\$1,579,282	\$1,843,901
Career Technical Education	\$160,914	\$1,042,705	\$1,713,671	\$1,841,126	\$1,497,300
Grand Total	\$9,563,392	\$8,297,827	\$13,770,000	\$14,958,919	\$45,513,770

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Statewide Ed Fund Appropriations

B.502 Special Education Formula Grants

Source of Funds	FY 2023 Appropriation	FY 2024 Recommend	Change FY23 to FY24
Extraordinary Reimbursement Grant	\$24,000,000	\$26,000,000	\$2,000,000
Act 173 Census Block Grant	\$180,000,000	\$196,000,000	\$16,000,000
I-Team & Regional Specialist Grant	\$1,222,300	\$1,259,000	\$36,700
Hearing Impaired Grant	\$1,074,000	\$1,106,200	\$32,200
Visually Impaired Grant	\$653,800	\$673,400	\$19,600
BEST Grant	\$646,600	\$666,000	\$19,400
Act 230 Training Grant	\$476,700	\$491,000	\$14,300

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B.503 State-Placed Students

State Placed Students Source of Funds	FY 2023 Appropriation	FY 2024 Recommend	Change FY23 to FY24
LEA Reimbursement Grant	\$8,280,000	\$8,500,000	\$220,000
Indiv. Residential Placement Grant	\$8,800,000	\$10,000,000	\$1,200,000
Special Services Grant	\$220,000	\$250,000	\$30,000
Regular Education Tuition Grant	\$200,000	\$250,000	\$50,000

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B.504 Adult Education and Literacy

Adult Ed & Literacy Source of Funds	FY 2023 Appropriation	FY 2024 Recommend	Change FY23 to FY24
General Fund	\$3,496,850	\$3,496,850	\$0
Federal Funds	\$916,050	\$916,050	\$0
Adult Education & Literacy Grant	\$2,623,850	\$2,623,850	\$0
Adult Diploma Grant	\$873,000	\$873,000	\$0
Total Grants	\$4,412,900	\$4,412,900	\$0
Total Federal Funds	\$916,050	\$916,050	\$0
Total All Sources	\$4,412,900	\$4,412,900	\$0

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B.504.1 Flexible Pathways

Flexible Pathways Source of Funds	FY 2023 Appropriation	FY 2024 Recommend	Change FY23 to FY24
General Fund (A)	\$921,500	\$921,500	\$0
Education Fund (B)	\$8,221,500	\$9,221,500	\$1,000,000
Dual Enrollment Grant	\$921,500	\$921,500	\$0
High School Completion for SU/SDs Grant	\$2,100,000	\$1,900,000	(\$200,000)
Dual Enrollment Grant	\$921,500	\$921,500	\$0
Early College Grant	\$3,000,000	\$3,400,000	\$400,000
Vermont Academy of Science Grant	\$0	\$600,000	\$600,000
Secondary School Reform Grant	\$400,000	\$400,000	\$0
Vermont Virtual Grant	\$1,800,000	\$2,000,000	\$200,000
Total Education Fund	\$8,221,500	\$9,221,500	\$1,000,000
Total All Sources	\$9,143,000	\$10,143,000	\$1,000,000

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B.505 Statewide Education Spending Grant

Statewide Education Spending Sources	FY 2023 Appropriation	FY 2024 Recommend	Change FY23 to FY24
Education Spending Grant	\$1,560,710,000	\$1,710,972,468	\$150,262,468
Tech FTEs Not Enrolled Grant	\$500,000	\$500,000	\$0
Driver Education Grant	\$451,000	\$451,000	\$0
Total Education Fund	\$1,561,661,000	\$1,711,923,468	\$150,262,468

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Transportation and Small School Support

B.506 - Transportation

Transportation Spending Sources	FY 2023 Appropriation	FY 2024 Recommend	Change FY23 to FY24
Grants	\$21,786,000	\$23,520,000	\$1,734,000
Total Education Fund	\$21,786,000	\$23,520,000	\$1,734,000

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B.506 – Small School Support Grants

Small School Support Spending Sources	FY 2023 Appropriation	FY 2024 Recommend	Change FY23 to FY24
Grants	\$8,200,000	\$8,300,000	\$100,000
Education Fund	\$8,200,000	\$8,300,000	\$100,000

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B.510 Essential Early Education

Essential Early Education Spending Sources	FY 2023 Appropriation	FY 2024 Recommend	Change FY23 to FY24
Grants	\$7,511,638	\$8,350,389	\$838,751
Education Fund	\$7,511,638	\$8,350,389	\$838,751

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B.511 Technical Education

Technical Education Spending Sources	FY 2023 Appropriation	FY 2024 Recommend	Change FY23 to FY24
Grants	\$16,253,900	\$17,030,400	\$776,500
Education Fund	\$16,253,900	\$17,030,400	\$776,500
Tech. Ed. Tuition Reduction Grant	\$10,418,600	\$10,939,500	\$520,900
Tech. Ed. Salary Assistance Grant	\$2,721,600	\$2,857,700	\$136,100
Tech. Ed. Transportation Grant	\$2,257,400	\$2,370,300	\$112,900
Youth Leadership Grant	\$131,300	\$137,900	\$6,600
Innovative Program Development Grant	\$725,000	\$725,000	\$0
Total Grants	\$16,253,900	\$17,030,400	\$776,500
Total Education Fund	\$16,253,900	\$17,030,400	\$776,500

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