

HOW DID WE END UP HERE?

VERMONT'S EDUCATION SPENDING CRISIS



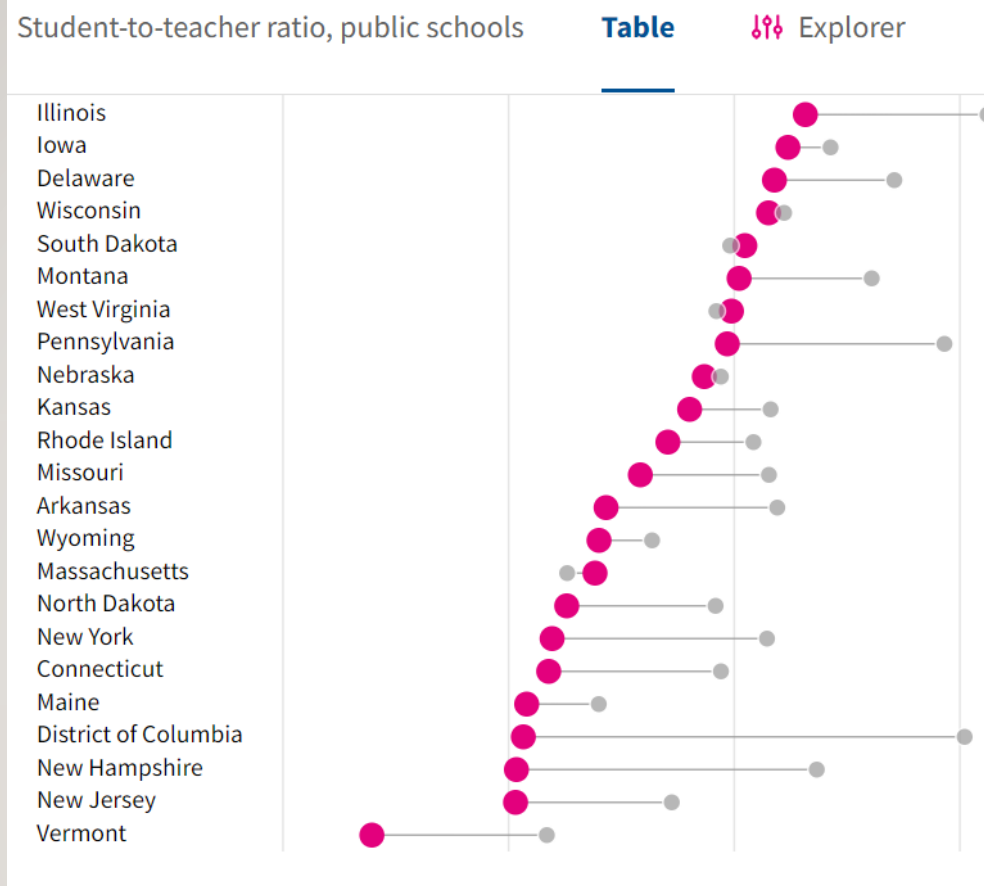
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CONTRIBUTING FACTORS

- Over \$200,000,000 in new spending projected for FY2025.
- Impacts of Act 127 and the incentives it created.
- Reductions in federal funds and consumption tax surpluses.
- Lack of transparency and accountability in the property tax system.
- Excess carrying capacity in the system.

FEWEST STUDENTS PER TEACHER

10.8

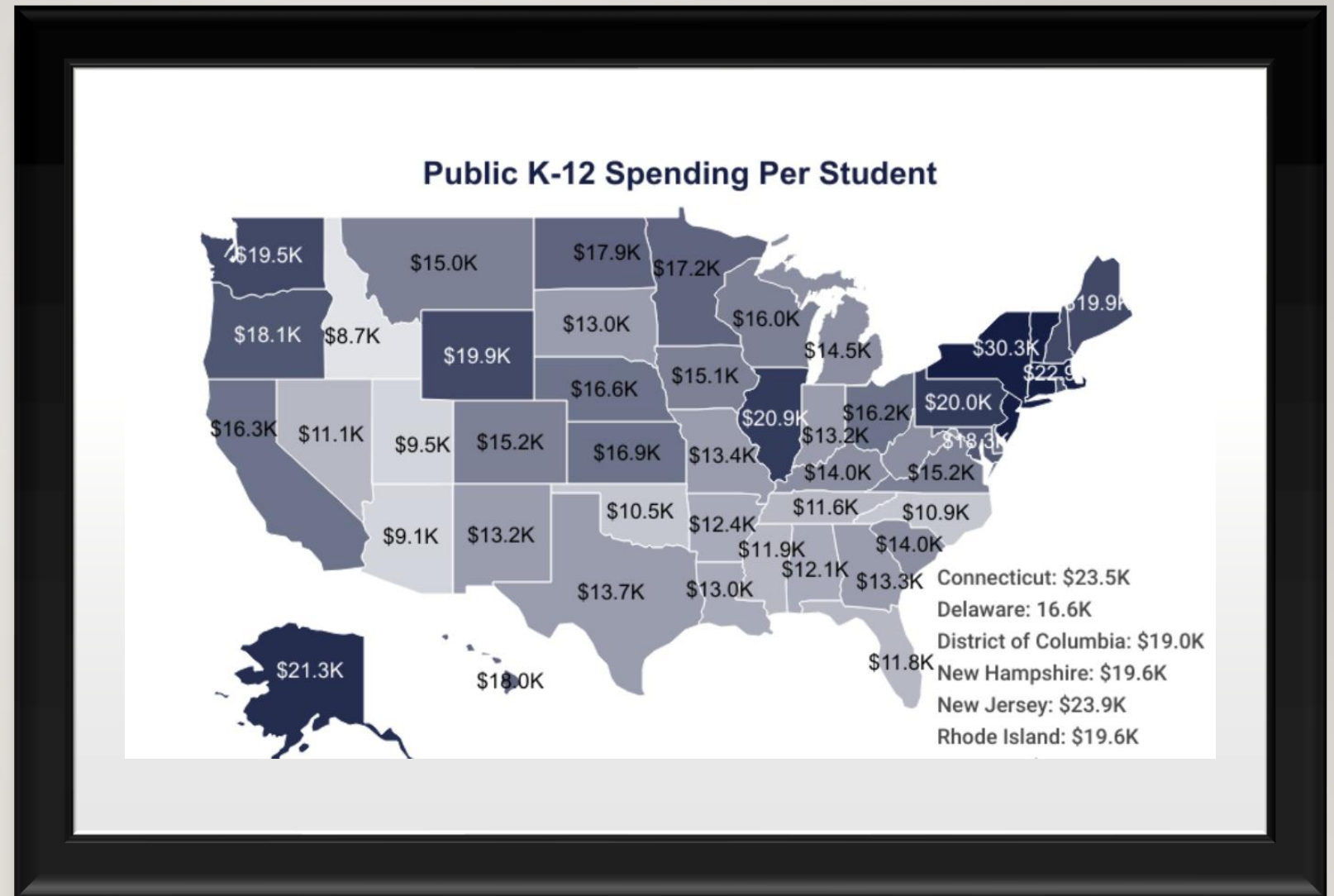


VERMONT STUDENT/TEACHER RATIOS

Source: [USAFACTS.org](https://usafacts.org)

2ND HIGHEST
COST PER
STUDENT

\$24,666



WHAT'S BEEN TRIED

1) **Consolidation**
Act 46 focused on School Districts

2) **External Revenue**
Consumption taxes

3) **Block Grants**
Targeted at special education spending

4) **Excess Spending Penalties**
Penalize large increases in spending

RECOMMENDATIONS

Study all spending incentives in the system. Find ways to increase accountability & transparency.

Set staffing targets and parameters for RIFs.

Look towards consolidating administrative structures & stabilizing tax bases.

OTHER CONSIDERATIONS

- We should also look at performance incentives to improve outcomes.
- Avoid new revenues where possible. Particularly those that are more regressive than our property tax system.
- Common chart of accounts and audits.
- Examine potential for block grants to cover unfunded mandates.

QUESTIONS?

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