

# Education Funding

## Vermont School Funding 101

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Paul Cillo

Stephanie Yu

**Mission:** To conduct research, perform fiscal analysis, disseminate information, and develop policies that apply the powers of government to improving the well being of ordinary citizens, especially the most vulnerable.

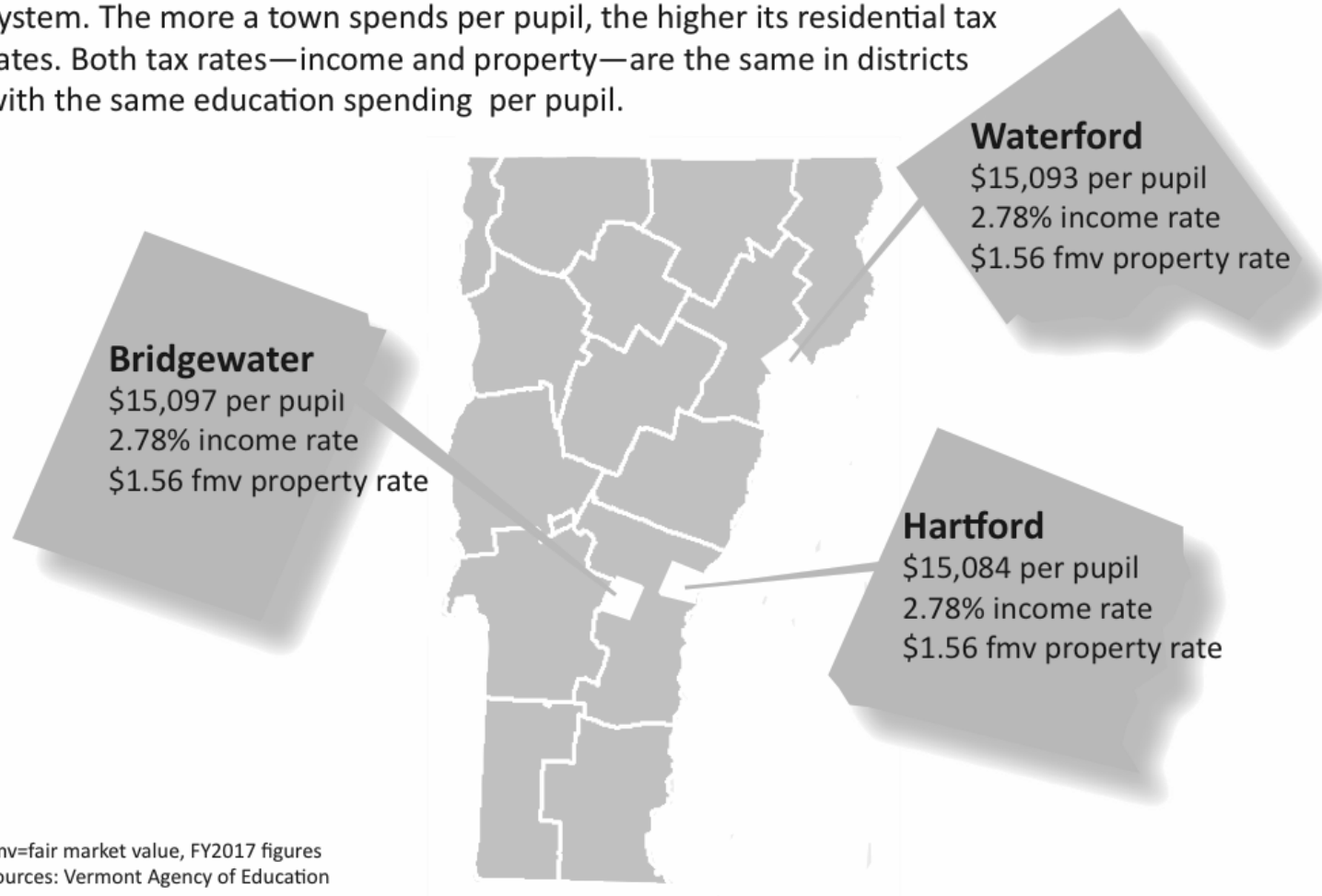
[www.publicassets.org](http://www.publicassets.org)

# Vermont's School Funding System

- Fairnessfortaxpayers:
  - All similarly situated individuals and businesses are treated the same.
- Local control:
  - Local voters decide how much to spend
  - Districts with higher per pupil spending have proportionally higher tax rates.
- Fairness for students:
  - Tax rates are determined by local spending decisions.
  - All districts draw on the same statewide tax base.
  - Tax rates are the same in communities with the same spending per pupil.

## Towns With Equal Per-Pupil Spending Have Equal Tax Rates

The principle of taxpayer equity is built into Vermont's education funding system. The more a town spends per pupil, the higher its residential tax rates. Both tax rates—income and property—are the same in districts with the same education spending per pupil.



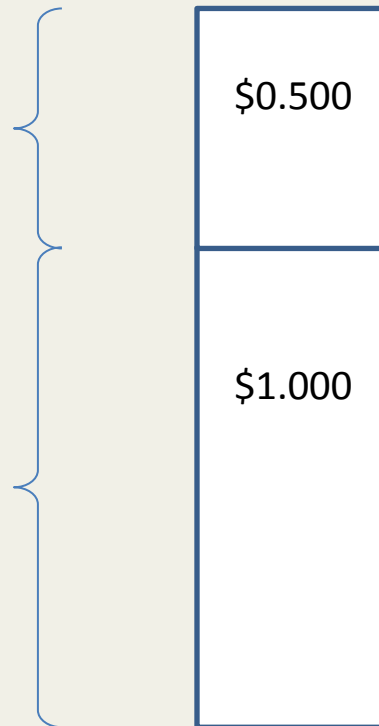
fmv=fair market value, FY2017 figures  
 Sources: Vermont Agency of Education

## FY2017

Total Education  
Spending per pupil  
\$14,551

50% above base  
\$4,850

Base amount  
\$9,701



Total Homestead Tax Rate  
\$1.500

# Chittenden County Towns FY2017

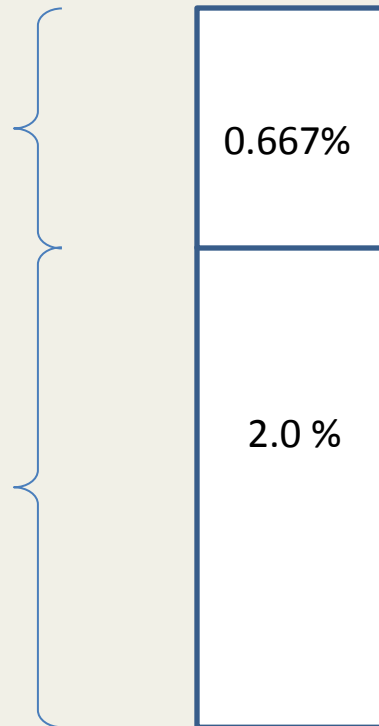
|            | Per Pupil Spending | Equalized Homestead Rate | Income Rate |
|------------|--------------------|--------------------------|-------------|
| St. George | \$16,570           | 1.71                     | 3.05%       |
| Charlotte  | \$15,477           | 1.60                     | 2.85%       |
| Westford   | \$15,033           | 1.55                     | 2.77%       |
| Hinesburg  | \$14,699           | 1.52                     | 2.70%       |
| Williston  | \$14,353           | 1.48                     | 2.64%       |
| Shelburne  | \$14,344           | 1.48                     | 2.64%       |
| Burlington | \$14,133           | 1.46                     | 2.60%       |

## FY2017

Total Education  
Spending per pupil  
\$14,550

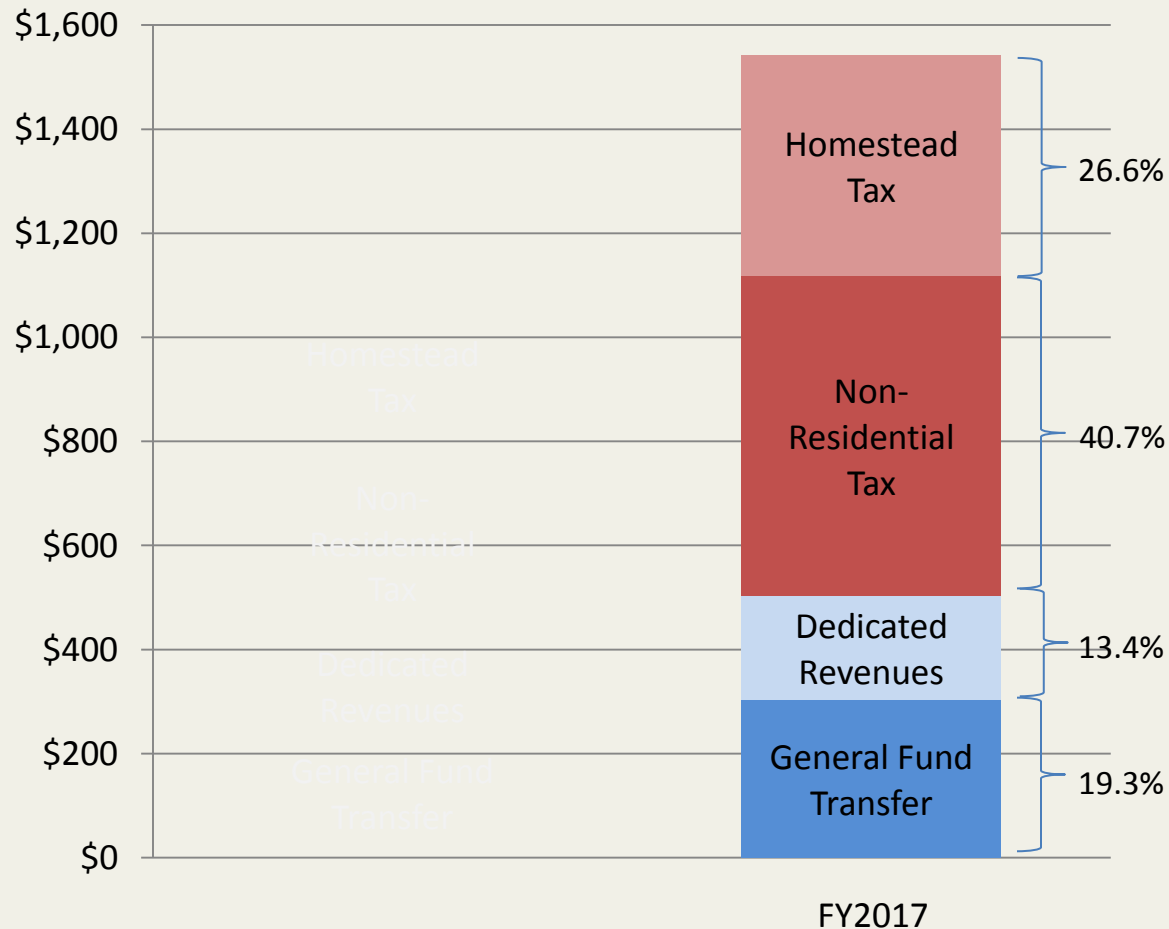
.33% above base  
\$3,680

Base amount  
\$10,870



Total Homestead Tax Rate  
2.667%

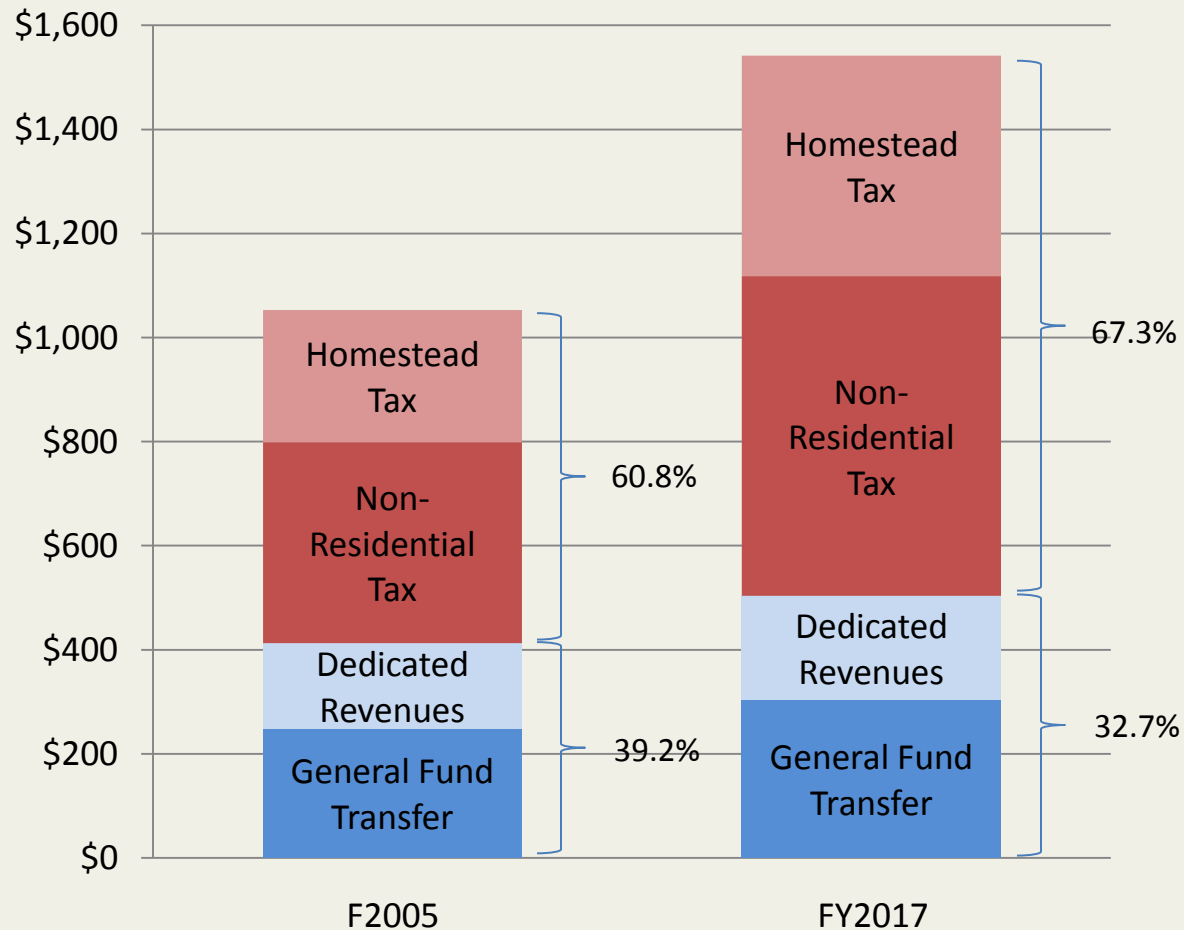
## Majority of education funds come from property owners





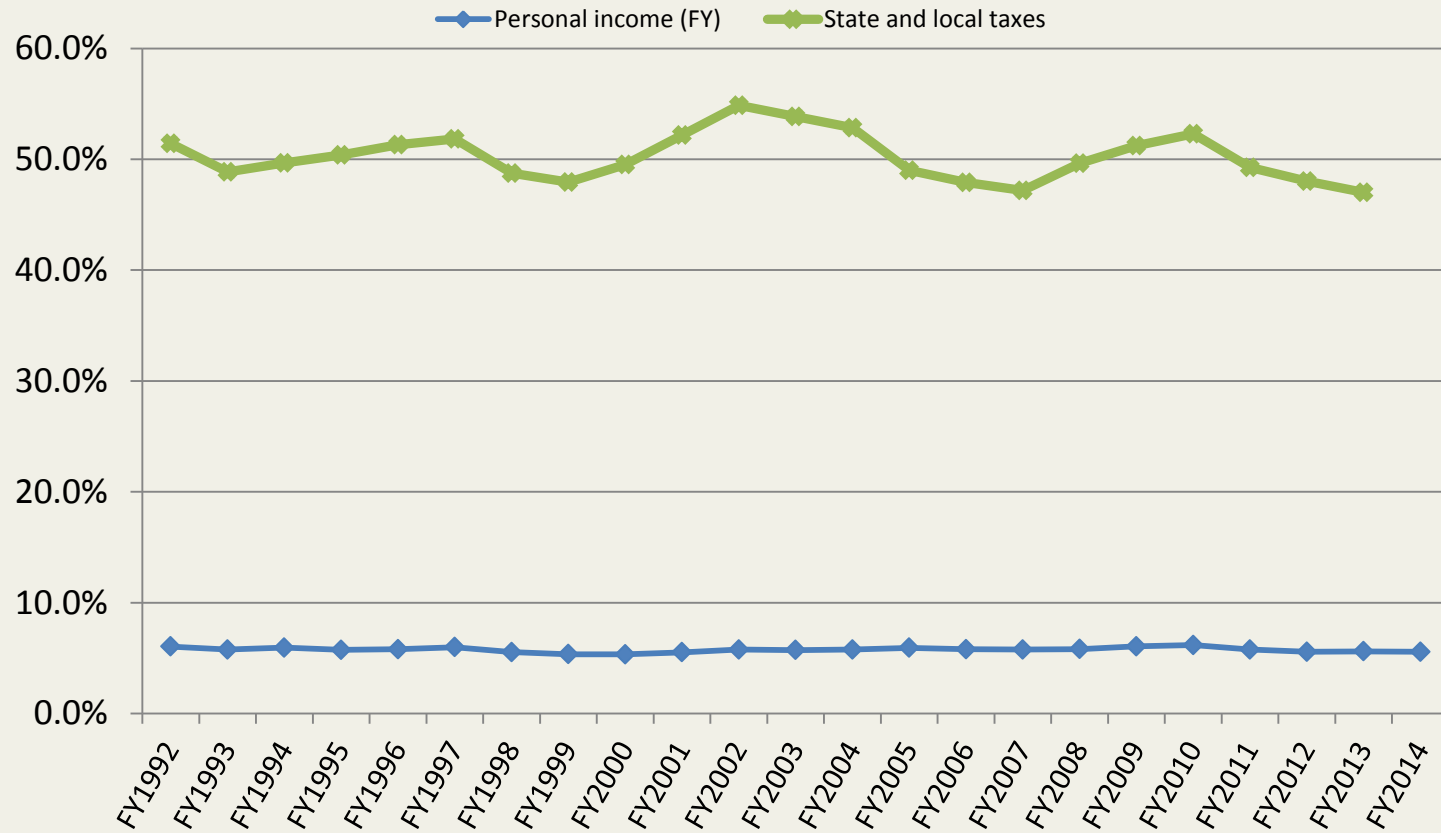
# General Fund share of education support has been shrinking

If General Fund support remained constant, property taxes would be \$102 million less



## Education spending: steady for more than 20 years

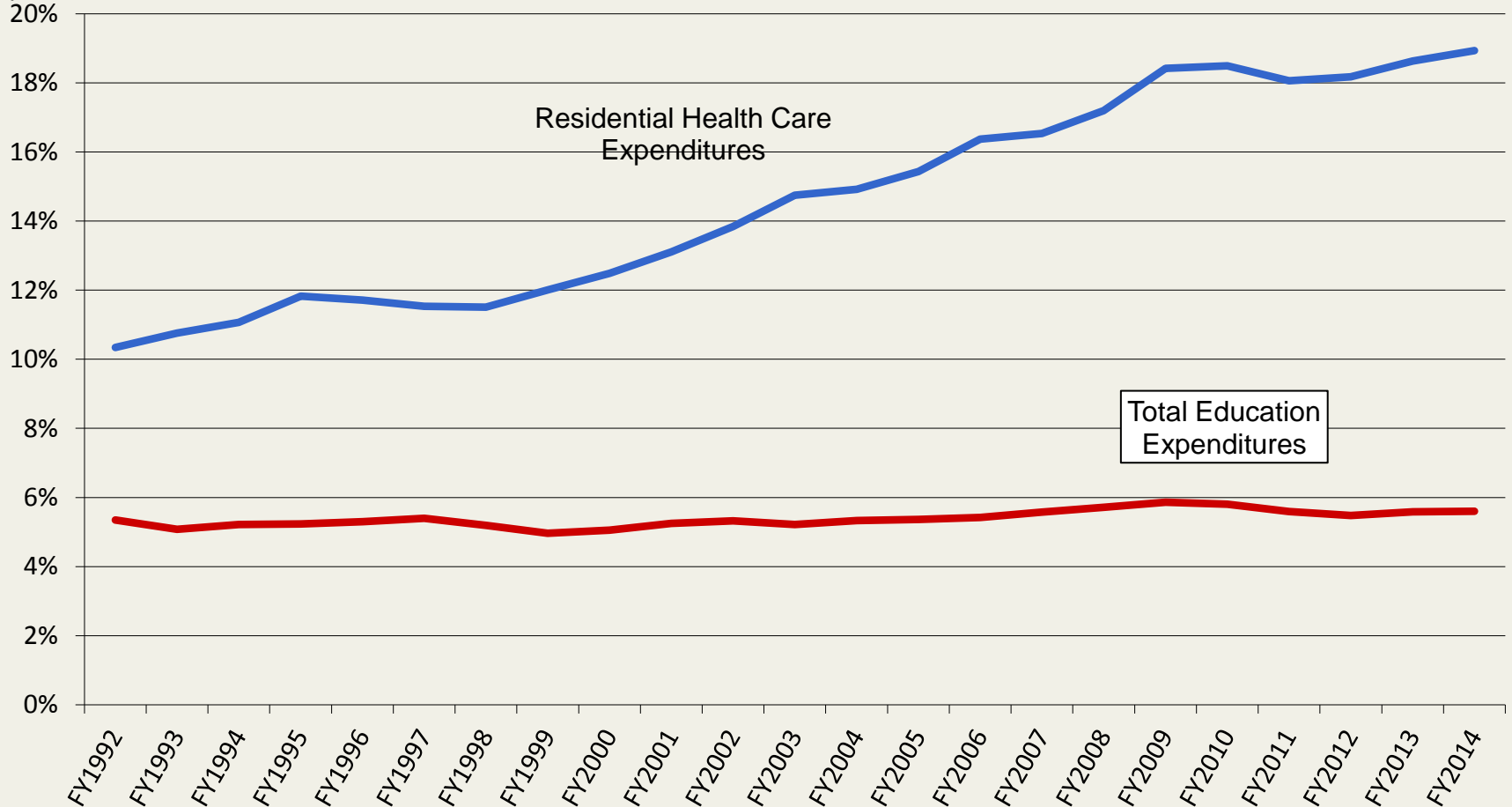
Education spending as a percentage of personal income, state and local taxes



Data source: U.S. Bureau of Economic Analysis, U.S. Census, Vermont Public School Finance Data

# Unsustainable vs. Sustainable Growth

Residential health care expenditures and total pre-K to 12 education expenditures as a percentage of gross state product



# Vermont school taxes are still regressive

## Homestead taxes as a percentage of income

