

Excess Spending Threshold and Estimated Impact of Weights

Aug-21 Analysis based on original weighting study

FY22 Excess Spending Threshold	\$ 18,789	Ed. Spending/ Equalized Pupil
FY22 Estimate of Tax Revenue	\$ 1,812,020	*moratorium per Act 59

	Total	decreased capacity	increased capacity
Districts over the Threshold	16	7, 44%	9, 56%
Districts within \$500 of Threshold	36	14, 39%	22, 61%

Notes

In FY22, the excess spending threshold has a value of \$18,789 per equalized pupil and there are 16 districts that exceed the excess spending threshold. About 60% of the districts that are over the threshold, or within \$500 of the threshold, will have increased capacity.

In FY22 the estimated tax revenue generated by this penalty is about \$1.8 million. However, there is a moratorium on this penalty for FY22 and FY23 per the enabling legislation for the Task for on the Implementation of the Pupil Weighting Factors Report, Act 59.

DRAFT: FY20 Weighting Study Education Spending and School Size Analysis

Calculations are illustrative - if implemented calculations would be performed by the Agency of Education

6/28/2021

Introduction: The 2019 Legislative Pupil Weighting Factors (PWF) Report produced a new set of weights for the Vermont Equalized Pupil formula that is used to calculate local property tax rates, which fund the education system statewide. The new weights compared to current law result in school districts with "Increase Weighting" meaning they would increase from current law and "Decrease Weighting" meaning they would decrease from current law. Assumptions for the analysis are on page 8.

Statistics on the Change in Tax Rate (if education spending remained constant):

Largest Increase	\$	0.52
Average Increase	\$	0.16
Largest Decrease	\$	(0.53)
Average Decrease	\$	(0.18)

Districts Overall:	Increase Capacity	Decreased Capacity	Increase Capacity %	Decrease Capacity %
Change in homestead tax rate	76	40	65%	34%

Education Spending Quartiles:

Significantly Below Aver.	(< \$15,635)	20	10	67%	33%
Below Average	(\$15,636-\$16,657)	20	15	57%	43%
Above Average	(\$16,658-\$18,174)	19	6	76%	24%
Significantly Above Aver	(greater than \$18,175)	17	9	63%	33%

