Vermont School Funding

The Education Fund and how it works

March 29, 2022

Stephanie Yu

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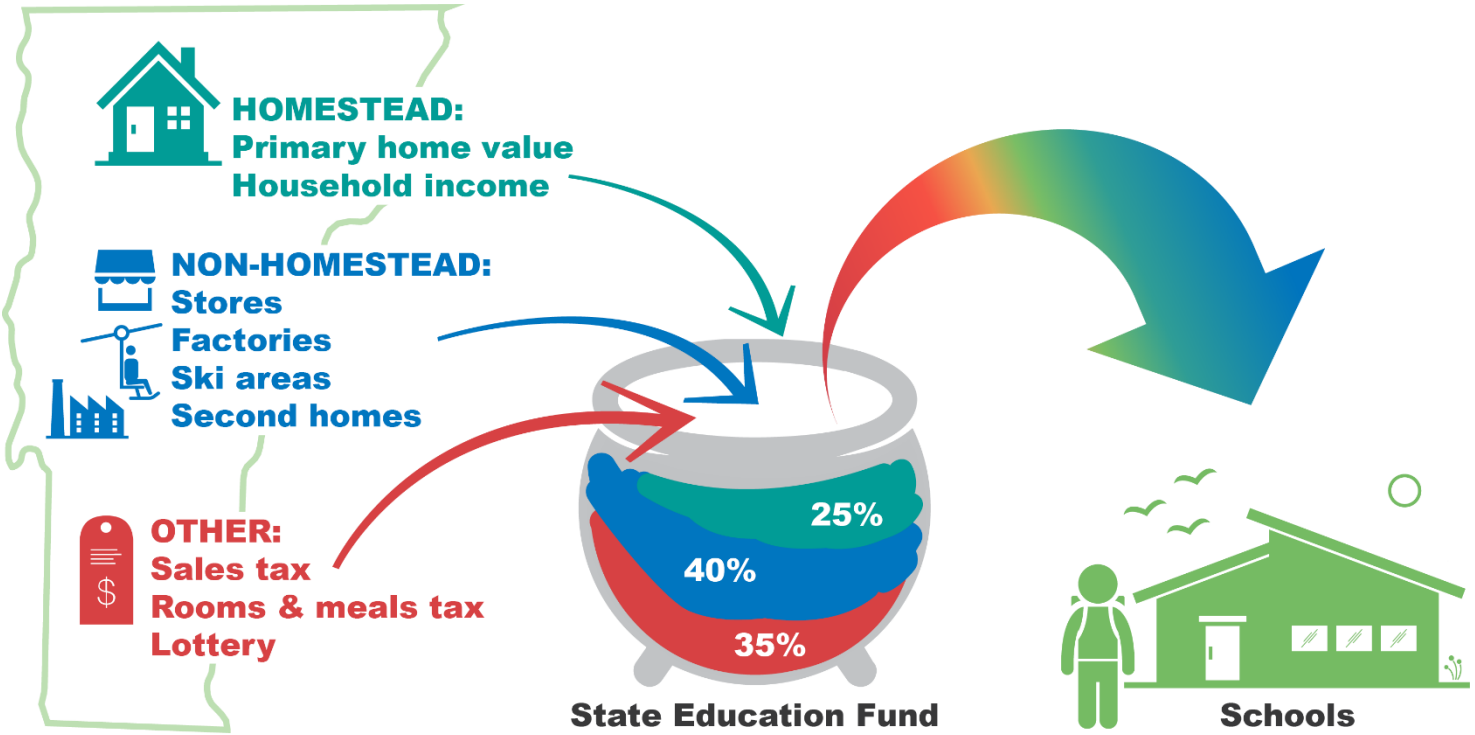
All school taxes go into a single pot—the state Education Fund

Resources available to a school are not based on the dollars generated by the community



Data source: Joint Fiscal Office

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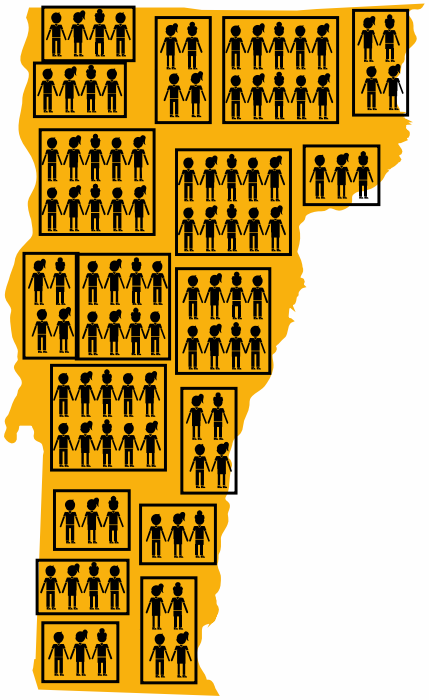
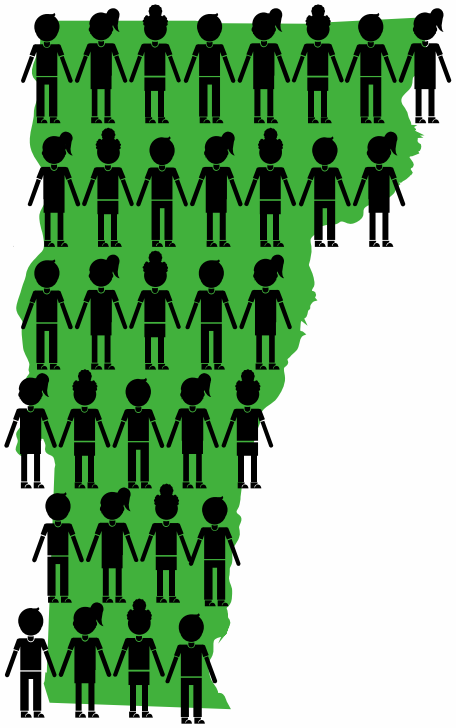
We all have a stake in every child's future

Before Act 60 'our kids' meant the kids in our own town



Since Act 60 'our kids' includes all the children in Vermont



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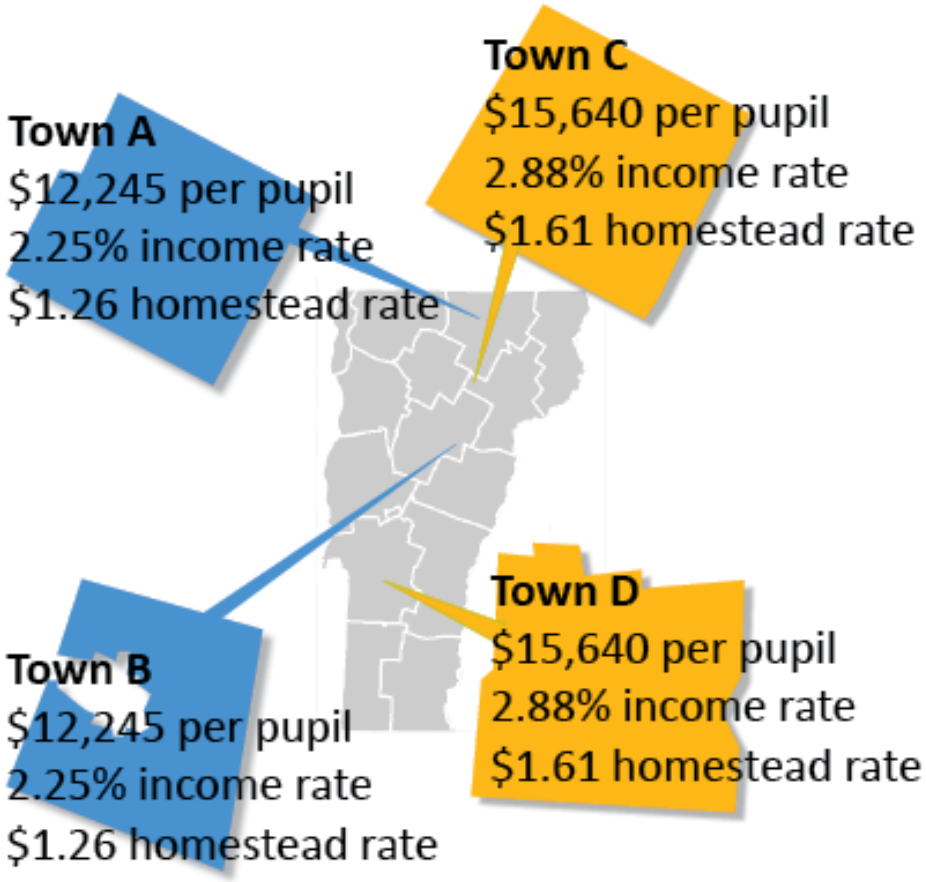
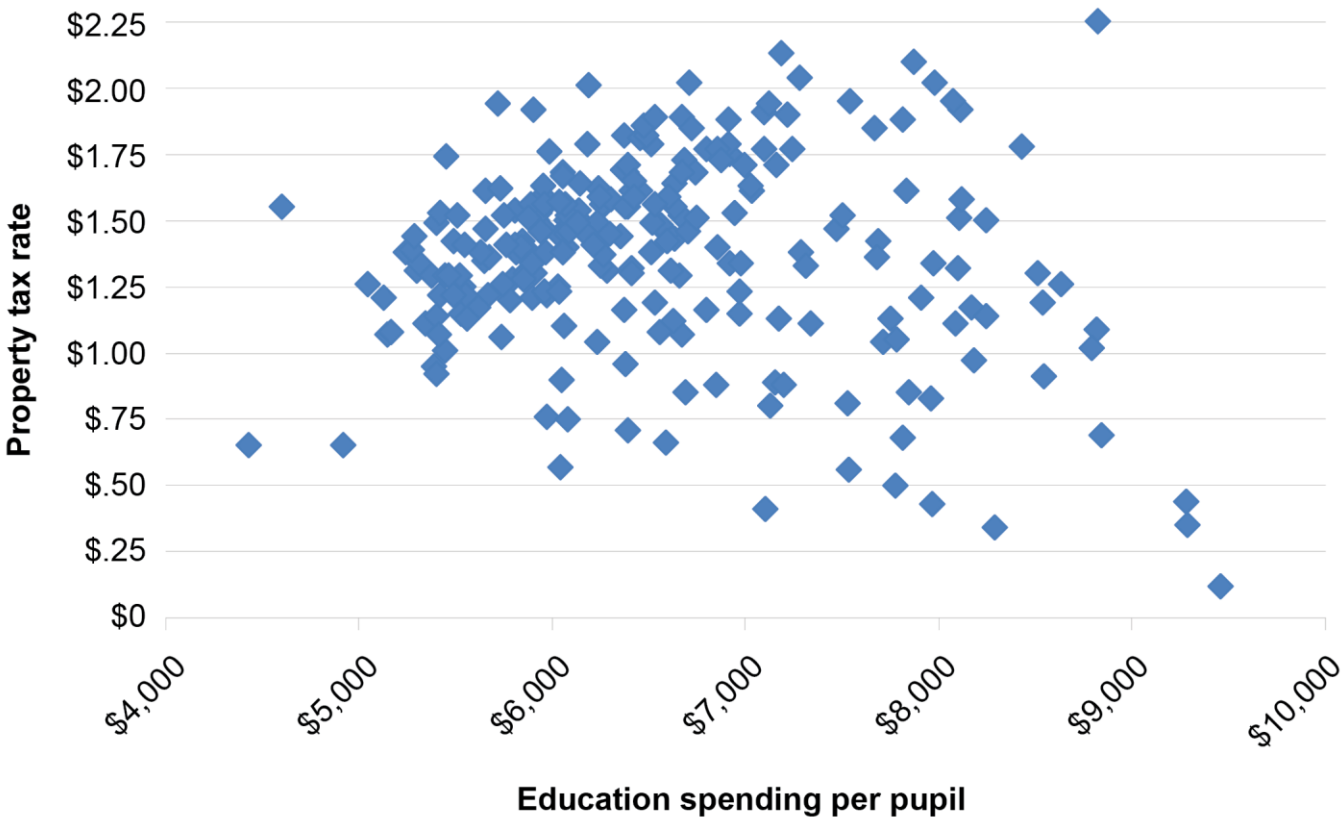
Fairness for taxpayers

Same spending per pupil, same tax rates



Before Act 60:
Little correlation between taxes and spending Per pupil spending and equalized school property tax rates, by town, FY1997



Data source: Vermont Agency of Education

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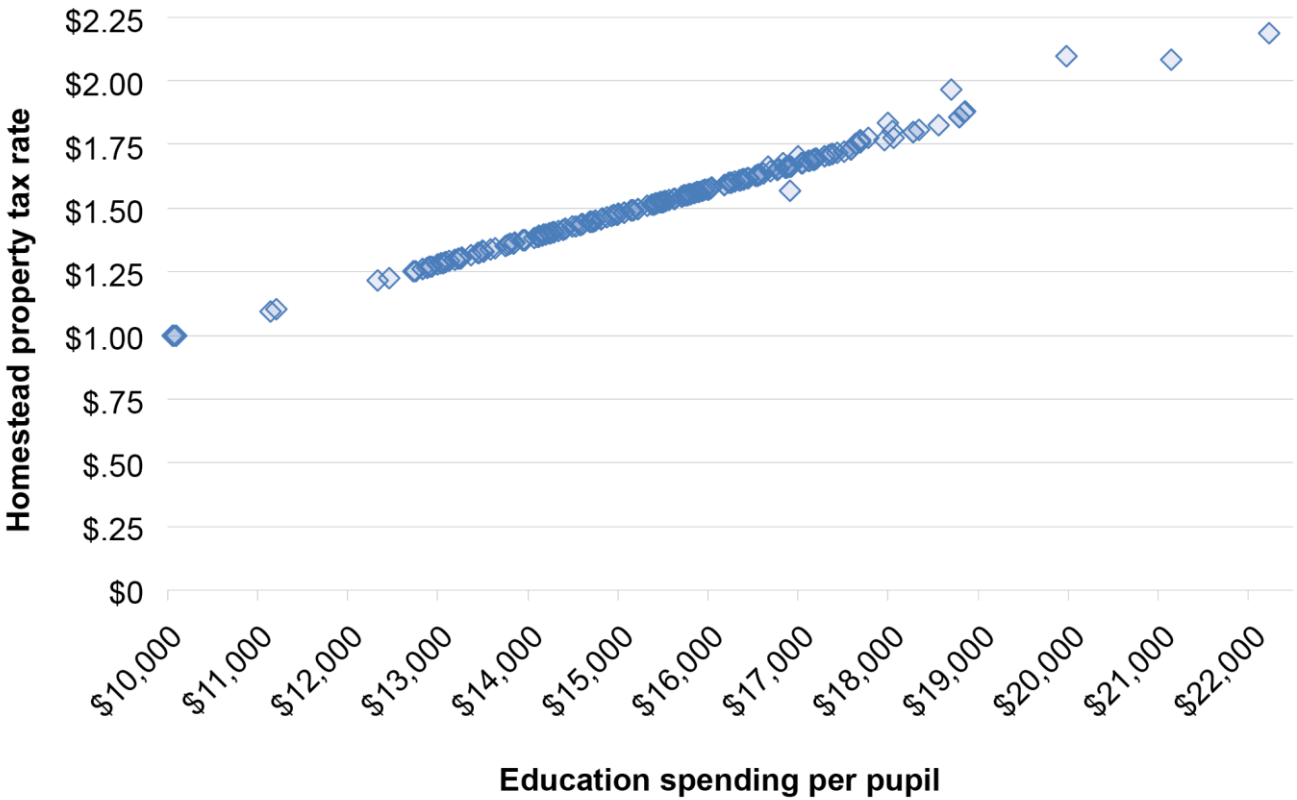
After Act 60/68:
Towns with the same spending per pupil have the same tax rates Per pupil spending and equalized school property tax rates, by town, FY2018



Data source: Vermont Agency of Education
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Two parallel systems

The way it is now

2/3 of Vermonters pay homestead taxes based on income

Household income: **$90,000** or less

Some Vermonters pay based on both

Household income: **$90,000-$136,000**

1/3 of Vermonters pay based on property value

Household income: **$136,000 +**

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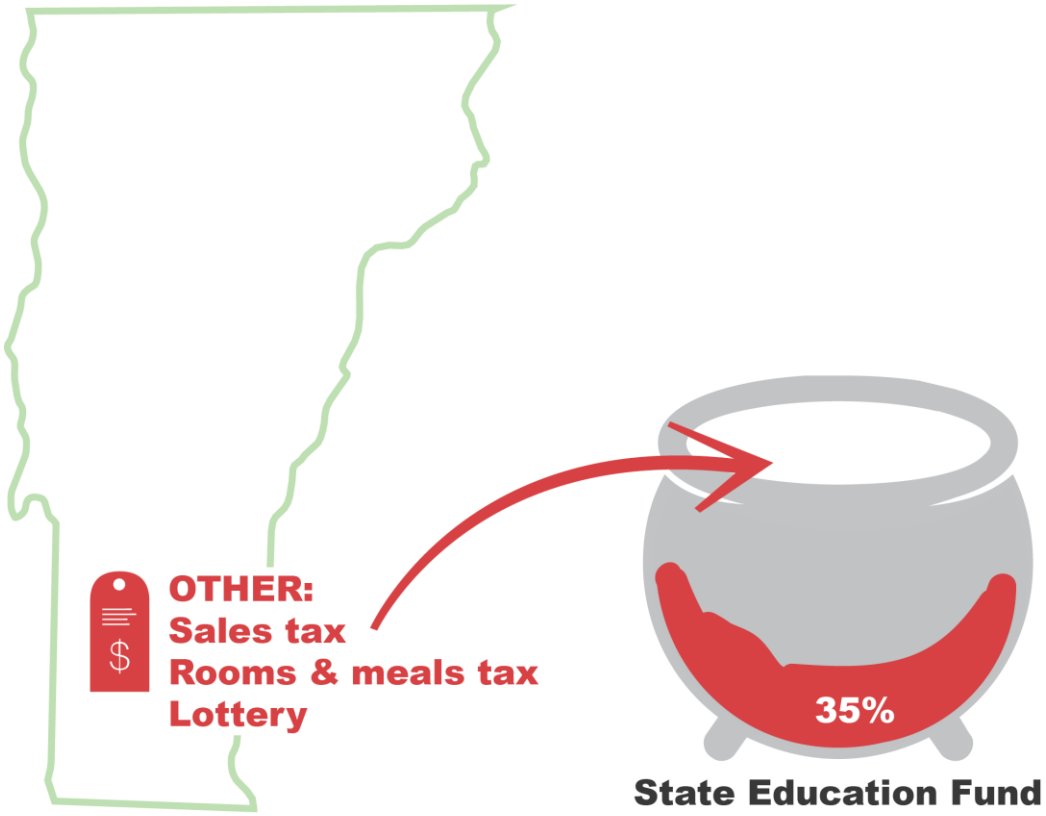
Sales and other dedicated taxes are the base of the Education Fund pot



Data source: Joint Fiscal Office

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