

Comparison of Education Spending and Education Opportunity Payments in Draft 1.1 of the H.454 Strike-all Amendment

House Committee on Ways and Means
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JFO

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Outline

- Basis of analysis
- Calculation of Education Opportunity Payments
- Calculation of sparsity and small school grants
- Analysis of education spending and proposed education opportunity payments



Vermont's Education Spending

- “Education spending” is a technical term used in Vermont education finance
 - Refers to all funds a school district has in its local budget, net of offsetting revenues (e.g., State and Federal categorical aid, prior year surplus or deficits, district reserves, etc.)
- Statewide aggregate education spending is referred to as the “Education Payment”
- In fiscal year 2025, the Education Payment is approximately \$1.88 billion



Vermont's Long-term Average Daily Membership (LT ADM)

- Long-term Average Daily Membership (LT ADM) is the average of a district's Average Daily Membership (ADM) over two years, plus the full-time equivalent of State-placed students for the past two years
- Fiscal year 2025 LT ADM is 83,368
- LT ADM has declined over time



VSBA Regions

- The Vermont School Boards Association (VSBA) divides the state into 11 regions “for organization and administrative purposes, [...] generally organized around the following counties”

ADDISON

Addison Central SD
Addison Northwest SD
Lincoln SD
Mt. Abraham USD
Patricia Hannaford Car. Ctr.

BENNINGTON

Bennington-Rutland SU
Southwest Vt Reg. Tech Ctr.
Southwest Vermont SU

CENTRAL VT

Barre UUSD
Central Vermont SU
Central Vermont Career Center
Harwood UUSD
Lamoille North SU
Lamoille South SU
Montpelier-Roxbury SD
Orange Southwest SD
Washington Central UUSD

EASTERN CHITTENDEN

Champlain Valley SD
Essex-Westford SD
Mt Mansfield UUSD

FRANKLIN/GRAND ISLE

Franklin Northeast SU
Franklin West SU
Grand Isle SU
Maple Run USD
Missisquoi Valley SD

KINGDOM NORTH

Essex North SU
North Country SU
Orleans Central SU

KINGDOM SOUTH

Caledonia Central SU
Kingdom East SD
Orange East SU
Orleans Southwest SU
St. Johnsbury SD
Rivendell Interstate SD

RUTLAND

Greater Rutland County SU
Mill River UUSD
Rutland City SD
Rutland Northeast SU
Slate Valley USD

WESTERN CHITTENDEN

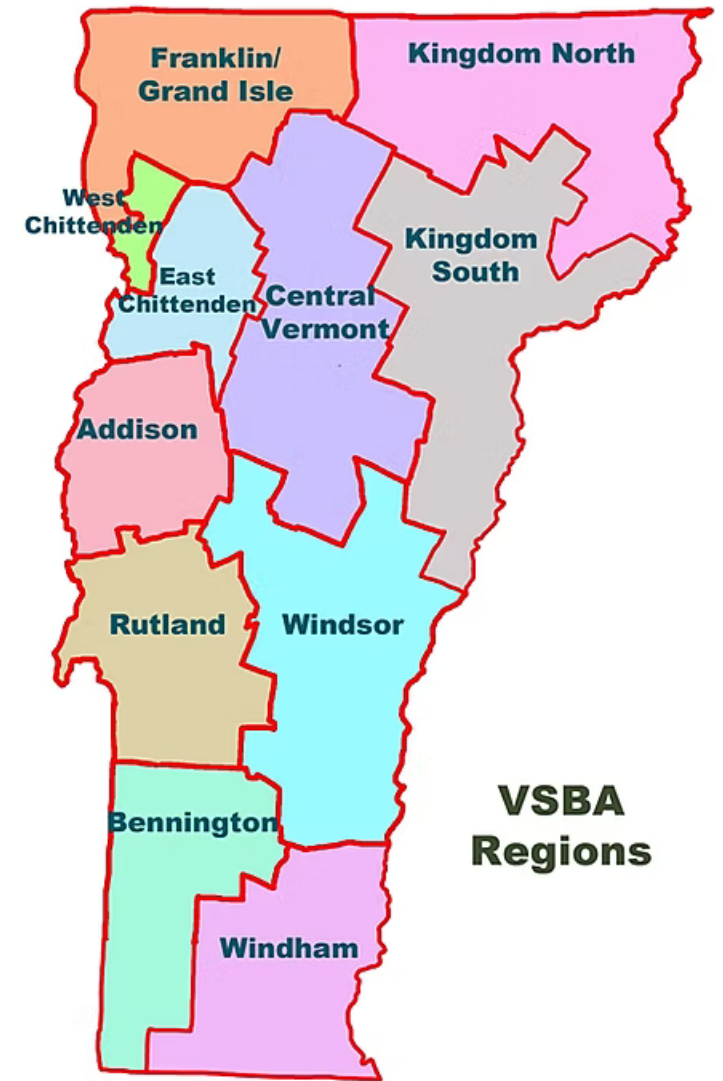
Burlington SD
Colchester SD
Milton SD
South Burlington SD
Winooski SD

WINDHAM

Windham Central SU
Windham Northeast SU
Windham Southeast SU
Windham Southwest SU

WINDSOR

Hartford SD
Mountain Views SU
River Valley Tech Ctr
SAU 70
Springfield SD
Two Rivers SU
White River Valley SU
Windsor Southeast SU



VSBA Regions' Total LT ADM

- The share of the state's LT ADM varies across VSBA's Regions
 - “Addison” has the lowest percentage of total LT ADM at 5%
 - “Central Vermont” has the highest percentage of total LT ADM at 14%

VSBA Regions	FY2025 LT ADM	Percentage of State's LT ADM
Addison	4,044	5%
Bennington	5,467	7%
Central Vermont	11,936	14%
Eastern Chittenden	10,347	12%
Franklin/Grand Isle	9,122	11%
Kingdom North	4,117	5%
Kingdom South	7,372	9%
Rutland	7,112	9%
Western Chittenden	10,591	13%
Windham	5,121	6%
Windsor	8,138	10%
Total	83,368	100%



Calculation of Education Opportunity Payments and Sparsity and Small School Grants



Calculation of Education Opportunity Payments and Sparsity and Small School Grants

- Draft 1.1 of the amendment uses cost adjustments and weights outlined in Kolbe's April 3, 2025, memo for the purposes of calculating a district's Education Opportunity Payment
- If a school district qualifies, it would also receive Sparsity and Small Schools grants corresponding with the cost adjustments in the memo



Calculation of a District's Education Opportunity Payment

- The Education Opportunity Payment would be calculated by multiplying the base amount of \$15,033 by the district's LT ADM
- Weighting categories would include students experiencing economic disadvantage and English Learners (EL)

Exhibit 2. Base Cost Per Student, Cost Adjustments, and Student Weights for Vermont (FY2025)

	Cost Adjustments Identified in 2019 Pupil Weighting Study	FY2025 Dollars ^{/1}	Student Weights
Base cost per student ^{/2}		\$15,033	
Cost adjustments			
Student Needs	Students experiencing economic disadvantage ^{/3}	\$15,334	1.02
	English Learners ^{/4}	\$20,896	1.39
School Enrollment ^{/5}	<100 students	\$3,157	0.21
	101-250 students*	\$0	No weight
Population Density	<36 persons per square mile ^{/6}		
	36 to <55	\$1,954	0.13
	55 to <100*	\$0	No weight
Grade Range	% Middle grades enrollment (grades 6-8) *	\$0	No weight
	% Secondary grades enrollment (grades 9-12) *	\$0	No weight

*Notes a cost adjustment that is weighted in Vermont's current education funding formula, but for which a weight is no longer needed based on the updated analyses.



Calculation of a District's Sparsity and Small School Grant

- If a district had a population of less than 55 people per square mile, it would be eligible for a sparsity grant
 - This would be calculated by multiplying the district's LT ADM by \$1,954
- If a district was eligible for a sparsity grant, it would also be eligible of a small school grant applied only to its students enrolled in a small school
 - This would be calculated by multiplying the enrollment in district schools with fewer than 100 students by \$3,157

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Analysis of Education Spending and Proposed Education Opportunity Payments



Estimated Overall Cost of the Education Opportunity Payment and Grants

- The following **preliminary** analysis estimates the Education Opportunity Payment, sparsity grant, and the small school grant in fiscal year 2025
- Due to data constraints, the analysis **neither** estimates the weights of Special Education nor tiered English Learners
- The analysis assumes the VSBA Regions as districts
 - District boundaries will significantly impact funding allocation and the relative change between current law and the proposed funding formula



Fiscal Year 2025 Estimated Overall Education Opportunity Payment, Sparsity Grant, and Small School Grant

VSBA Regions	FY25 Estimated EOP	FY25 Estimated Sparsity Grant	FY25 Estimated Small School Grant	Total Estimated FY25 Education Opportunity Payment, Sparsity Grant, and Small School Grant
Addison	\$80,341,630	\$0	\$0	\$80,341,630
Bennington	\$125,476,452	\$10,683,475	\$358,288	\$136,518,216
Central Vermont	\$263,341,484	\$0	\$0	\$263,341,484
Eastern Chittenden	\$196,814,637	\$0	\$0	\$196,814,637
Franklin/Grand Isle	\$204,631,240	\$0	\$0	\$204,631,240
Kingdom North	\$99,878,434	\$8,043,875	\$1,305,451	\$109,227,761
Kingdom South	\$169,556,827	\$14,403,970	\$1,714,251	\$185,675,047
Rutland	\$164,560,910	\$0	\$0	\$164,560,910
Western Chittenden	\$247,976,437	\$0	\$0	\$247,976,437
Windham	\$118,535,718	\$10,007,098	\$1,789,987	\$130,332,803
Windsor	\$177,267,221	\$15,902,609	\$2,165,702	\$195,335,532
Total	\$1,848,380,989	\$59,041,028	\$7,333,679	\$1,914,755,697



Comparison of Fiscal Year 2025 Education Spending and Fiscal Year 2025 Total Education Opportunity Payment, Sparsity Grant, and Small School Grant

- Eight of the VSBA regions would experience an estimated increase in funding compared to education spending, while three would experience an estimated decrease
- Overall, spending would increase across the state by an estimated 2%

VSBA Regions	FY25 Education Spending	FY25 Estimated Total Education Opportunity Payment and Grants	Difference in spending	Relative difference
Addison	\$96,075,639	\$80,341,630	-\$15,734,009	-16%
Bennington	\$110,166,370	\$136,518,216	\$26,351,846	24%
Central Vermont	\$261,350,574	\$263,341,484	\$1,990,910	1%
Eastern Chittenden	\$212,607,055	\$196,814,637	-\$15,792,418	-7%
Franklin/Grand Isle	\$193,837,581	\$204,631,240	\$10,793,659	6%
Kingdom North	\$97,536,027	\$109,227,761	\$11,691,734	12%
Kingdom South	\$180,132,808	\$185,675,047	\$5,542,239	3%
Rutland	\$152,579,010	\$164,560,910	\$11,981,900	8%
Western Chittenden	\$252,515,055	\$247,976,437	-\$4,538,618	-2%
Windham	\$128,321,639	\$130,332,803	\$2,011,164	2%
Windsor	\$192,486,470	\$195,335,532	\$2,849,062	1%
Total	\$1,877,608,228	\$1,914,755,697	\$37,147,469	2%



Considerations



Considerations

- The allocation of funding will vary significantly dependent on district boundaries
- This analysis uses data for fiscal year 2025 and does not address changes to student counts or circumstances in future years
 - Student circumstances and counts will change in future years; those changes are unlikely to be uniform across the state
- There are multiple ways to examine policy and funding changes
 - School district configurations impact relative differences in funding
 - This analysis neither reviewed spending per pupil nor weighted pupil



Questions?



Resources

- Kolbe and Baker April 3, 2025, Memo, “*Updated cost estimates and recommended weights for a student-based funding formula in Vermont*”:
 - <https://legislature.vermont.gov/Documents/2026/Workgroups/House%20Ways%20and%20Means/Bills/DR%20HWM%20Education%20Finance/W~Tammy%20Kolbe~Weighting%20Update%20Memo~4-3-2025.pdf>

