

# Calculating a Cap of “Excess Spending”

House Committee on Ways and Means  
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# Outline

- Review of data and Vermont School Boards Association (VSBA) Regions
- Calculating a Cap in “Excess Spending”
- Analysis of Percentage “Caps” Across VSBA Regions
- Considerations of Calculating a Cap in “Excess Spending”



# Review of Data and Vermont School Boards Association (VSBA) Regions



# A Few Notes

- This analysis looks at fiscal year 2025 data according to the VSBA regions
- Fiscal year 2025 education spending has been used to give a sense of scale to a certain percentage of spending
  - This does not mean that the foundation amount would equal fiscal year 2025 education spending



# VSBA Regions

- 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

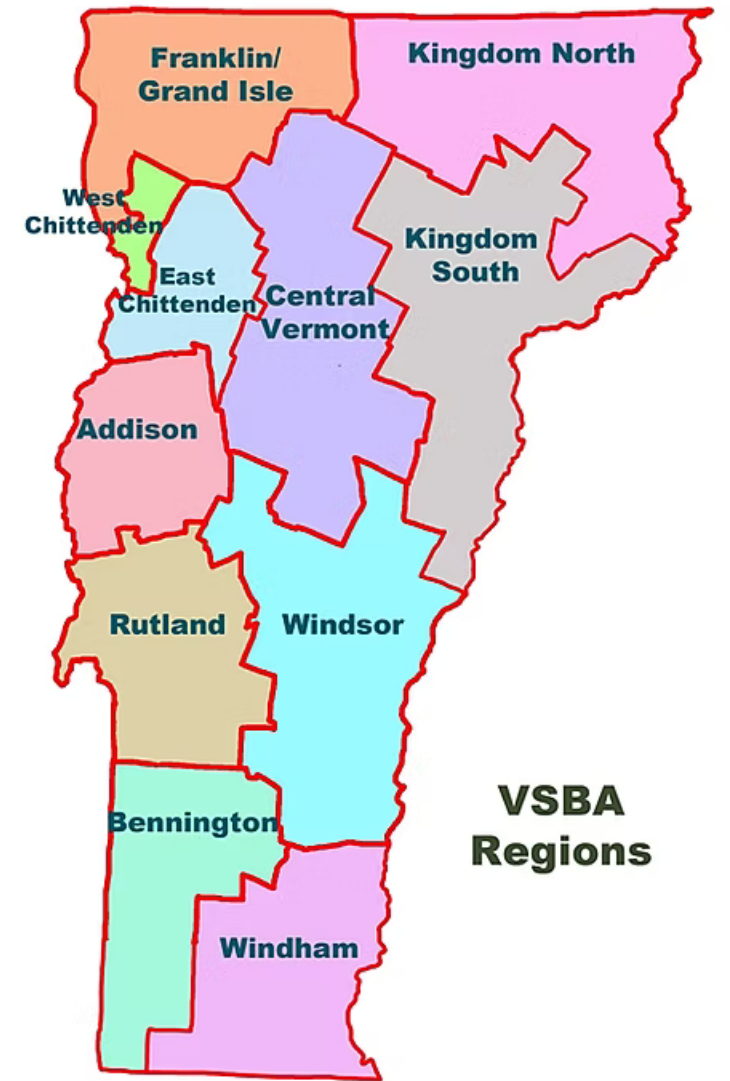
**KINGDOM SOUTH**  
 Caledonia Central SU  
 Kingdom East SD  
 Orange East SU  
 Orleans Southwest SU  
 St. Johnsbury SD  
 Rivendell Interstate SD

**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 Education Spending per LT ADM

- Under current law, we generally examine education spending per *weighted* pupil (e.g. LT WADM)
  - This table does not include current-law weights because a foundation formula would likely use other weights that are calculated for a foundation formula, not a taxing capacity formula
- Fiscal year 25 Education Spending per LT ADM is less varied than when solely analyzing Education Spending or LT ADM

VSBA Regions	FY25 Ed Spending	FY25 LT ADM	FY25 Ed Spending per LT ADM
Addison	\$96,075,639	4,044	\$23,758
Bennington	\$110,166,370	5,467	\$20,149
Central Vermont	\$261,350,574	11,936	\$21,897
Eastern Chittenden	\$212,607,055	10,347	\$20,548
Franklin/Grand Isle	\$193,837,581	9,122	\$21,249
Kingdom North	\$97,536,027	4,117	\$23,693
Kingdom South	\$180,132,808	7,372	\$24,436
Rutland	\$152,579,010	7,112	\$21,453
Western Chittenden	\$252,515,055	10,591	\$23,842
Windham	\$128,321,639	5,121	\$25,056
Windsor	\$192,486,470	8,138	\$23,651
<b>Total</b>	<b>\$1,877,608,228</b>	<b>83,368</b>	<b>\$22,522</b>



# Calculating a Cap on “Excess Spending”





# Calculating an Excess Spending Cap

- When considering a foundation formula, one policy question is:
  - Are school districts permitted to spend above the foundation formula?
  - And if so – is there a cap?
- If there is a cap on how much districts can spend above, the further policy questions are:
  - What is it? And how is it calculated?
- There are multiple ways a cap could be calculated
  - For example, it could be based on a district's funding amount or a district's student population



# Spending Above the Educational Opportunity Payment in Draft 1.1

- Draft 1.1 creates a system where all school districts can decide to raise up to 10% of their Educational Opportunity Payment (EOP)\*
  - Recall that the EOP is calculated by multiplying the base amount by the district's weighted pupil count
- For example, if a district's total EOP is \$100,000,000, it could spend *up to* \$10,000,000 in “excess spending”

*\*Note: the proposed language can be found on page 22 and page 23 of the Education Finance Proposal Draft 1.1.*



# Analysis of Percentage Caps Across VSBA Regions



# Percentages of Education Spending

- One way to calculate a cap is to allow a certain percentage above the foundation amount
  - This is included in Draft 1.1 of the Education Finance Proposal
- While Education Spending is not equal to a foundation amount, the following table shows a sense of scale to certain percentages



# Percentages of Education Spending

VSBA Regions	FY25 Ed Spending	5% of FY25 Ed Spending	10% of FY25 Ed Spending	20% of FY25 Ed Spending
Addison	\$96,076,000	\$4,804,000	\$9,608,000	\$19,215,000
Bennington	\$110,166,000	\$5,508,000	\$11,017,000	\$22,033,000
Central Vermont	\$261,351,000	\$13,068,000	\$26,135,000	\$52,270,000
Eastern Chittenden	\$212,607,000	\$10,630,000	\$21,261,000	\$42,521,000
Franklin/Grand Isle	\$193,838,000	\$9,692,000	\$19,384,000	\$38,768,000
Kingdom North	\$97,536,000	\$4,877,000	\$9,754,000	\$19,507,000
Kingdom South	\$180,133,000	\$9,007,000	\$18,013,000	\$36,027,000
Rutland	\$152,579,000	\$7,629,000	\$15,258,000	\$30,516,000
Western Chittenden	\$252,515,000	\$12,626,000	\$25,252,000	\$50,503,000
Windham	\$128,322,000	\$6,416,000	\$12,832,000	\$25,664,000
Windsor	\$192,486,000	\$9,624,000	\$19,249,000	\$38,497,000
<b>Total</b>	<b>\$1,877,608,000</b>	<b>\$93,880,000</b>	<b>\$187,761,000</b>	<b>\$375,522,000</b>

Note: numbers have been rounded to the nearest \$1,000.



# Considerations of Calculating a Cap in “Excess Spending”



# Considerations of Spending Above the EOP

- There are different ways to calculate a cap for spending above the EOP
  - The way the cap is calculated will impact the amount of “excess spending” districts are permitted to raise
- Calculating the cap based on the EOP would factor in the weighted pupil count
  - This means that districts with a higher weighted student count would be able to raise more excess spending overall than districts with a lower weighted student count
- Calculating the cap based on the pupil count would not factor in pupil weights
  - This means that districts with the same pupil count would be able to raise the same excess spending, regardless of differences in their weighted pupil count



# Questions?





# Resources

- Education Finance Proposal, Draft 1.1
  - <https://legislature.vermont.gov/Documents/2026/Workgroups/House%20Ways%20and%20Means/Bills/DR%20HWM%20Education%20Finance/W~Jon%20Gray~House%20Ways%20and%20Means%20Education%20Finance%20Proposal,%20Draft%201.1~3-28-2025.pdf>
- Grand List and Pupil Analysis of Vermont School Boards Association (VSBA) Regions
  - <https://legislature.vermont.gov/Documents/2026/Workgroups/House%20Ways%20and%20Means/Education%20Finance/Grand%20List%20Analysis/W~Julia%20Richter~Grand%20List%20and%20Pupil%20Analysis%20of%20Vermont%20School%20Board%20Association%20Regions~2-18-2025.pdf>

