

Governor Scott's Education Transformation Proposal

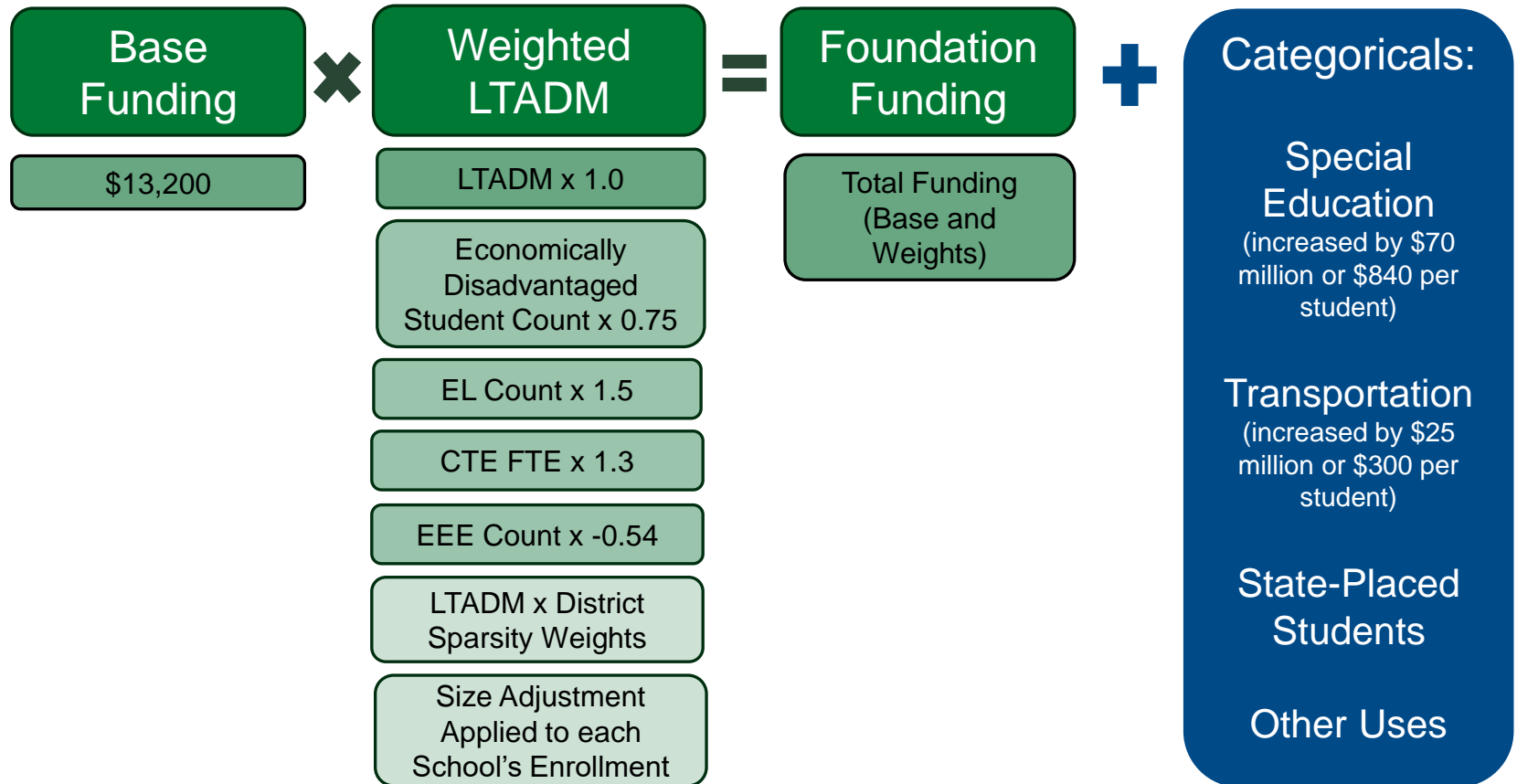
FUNDING FORMULA FOLLOW UP

Recap of Common Questions We Heard Last Week

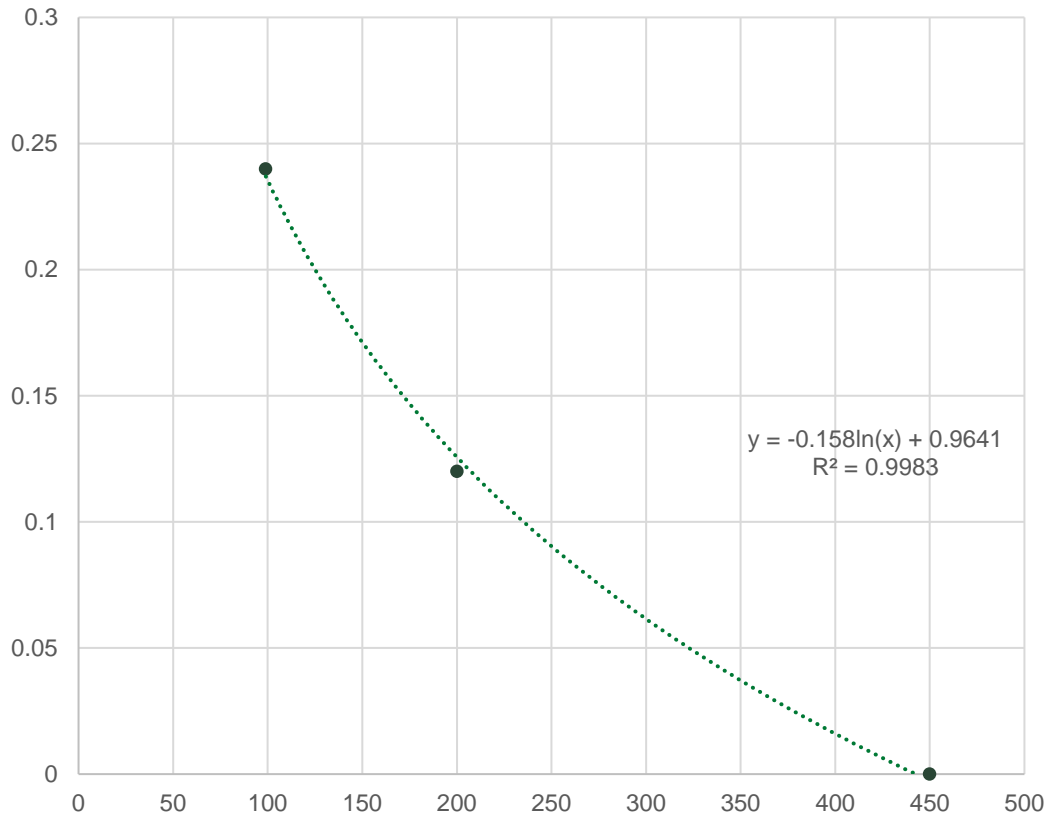
- How is the funding formula is applied?
 - How does the CTE funding model and the size adjustment formula work?
 - What is the breakdown of recommended funding per student?
- How does recommended funding compare to FY25 Ed Spend for current districts?
 - Are any districts spending the recommended amount?
- Where do estimated cost savings come from?

Review of Proposed Funding Formula

Summary: Proposed Funding Formula



Size Adjustment Formula



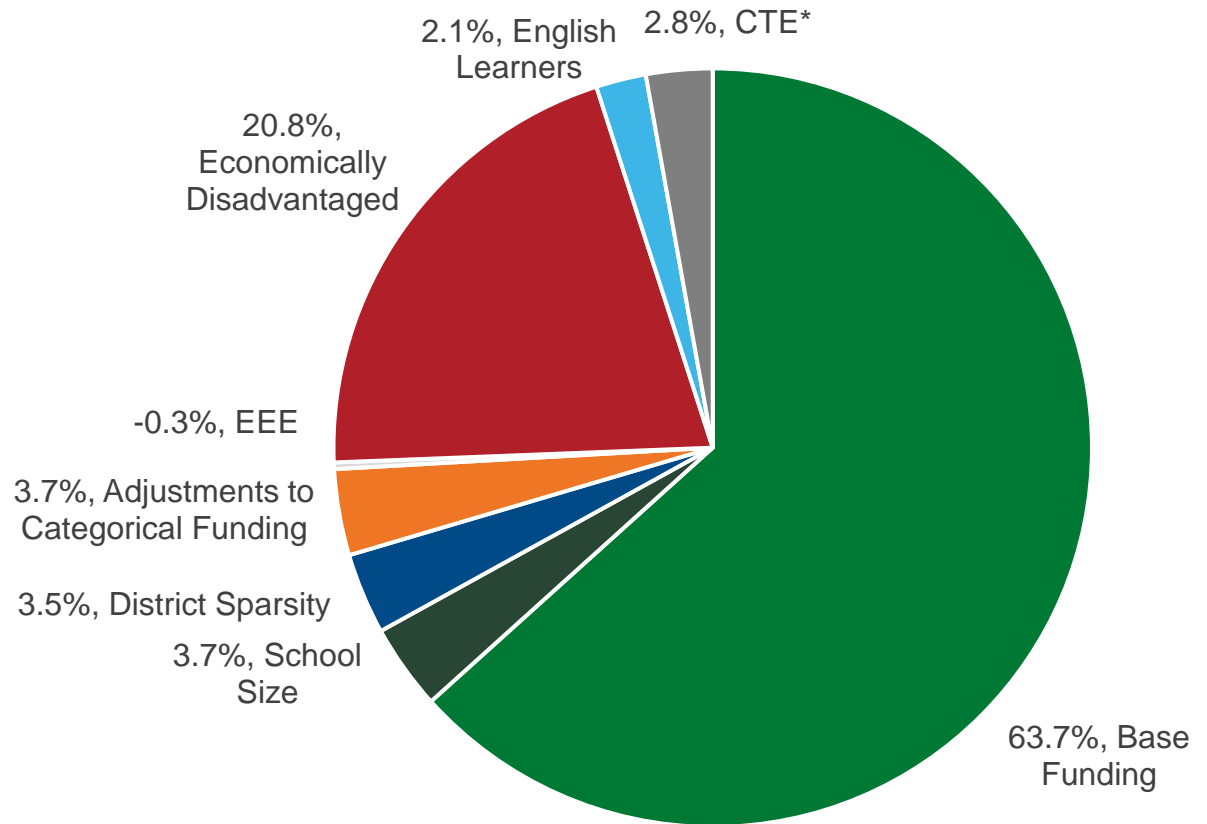
School Enrollment	Weight Using Size Adjustment Formula	Additional Funding Generated Per Student
50	0.35	\$4,565.88
100	0.24	\$3,120.26
200	0.13	\$1,674.63
250	0.09	\$1,209.24
300	0.06	\$828.99
450	0.00	\$0.00
600	0.00	\$0.00

Applying Foundation Formula, Differences by School Size

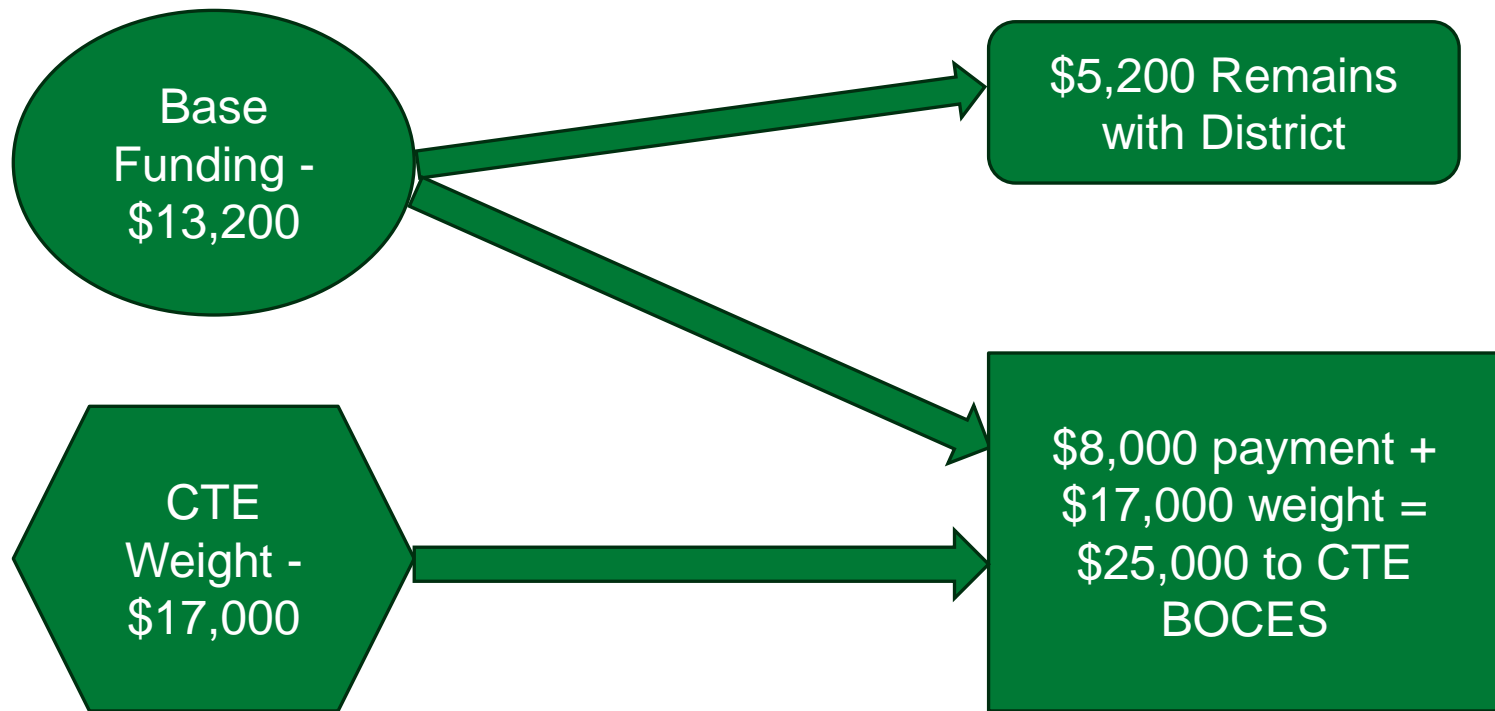
	50 Students	100 Students	200 Students	300 Students	400 Students	500 Students	Statewide Average
Step 1: Adjusting for School Scale							
Base Funding	\$13,200	\$13,200	\$13,200	\$13,200	\$13,200	\$13,200	\$13,200
School Size	\$4,566	\$3,120	\$1,675	\$829	\$229	\$0	\$758
Subtotal: Size-Adjusted Base Funding	\$17,766	\$16,320	\$14,875	\$14,029	\$13,429	\$13,200	\$13,958
Step 2: Adjusting for District Characteristics							
District Sparsity	\$721	\$721	\$721	\$721	\$721	\$721	\$721
Subtotal: Size/District Characteristic Adjusted Base Funding	\$18,487	\$17,041	\$15,596	\$14,750	\$14,150	\$13,921	\$14,679
Step 3: Adjusting for Student Need							
EEE	-\$59	-\$59	-\$59	-\$59	-\$59	-\$59	-\$59
Economically Disadvantaged	\$4,306	\$4,306	\$4,306	\$4,306	\$4,306	\$4,306	\$4,306
English Learners	\$445	\$445	\$445	\$445	\$445	\$445	\$445
CTE (<i>incl. here for comparison purposes</i>)	\$590	\$590	\$590	\$590	\$590	\$590	\$590
Subtotal: Per Pupil Foundation Funding	\$23,768	\$22,323	\$20,877	\$20,032	\$19,432	\$19,203	\$19,961
Step 4: Accounting for Differences in Proposed Categorical Funding							
Adjustments to Categorical Funding	\$765	\$765	\$765	\$765	\$765	\$765	\$765
Total Per Pupil Funding with Categorical Funding Changes	\$24,533	\$23,088	\$21,642	\$20,797	\$20,197	\$19,968	\$20,726

Breakdown of Statewide Average Recommended Funding

The statewide average recommended funding is \$20,726 per student



Funding per CTE FTE



FY25 Comparison, Current Districts

Comparison of “Base” Funding

	Recommended		Current (FY25)	
	Base in Foundation Formula	Total Funding per LTWADM Accounting for Categorical Adjustments	Ed Spend per Recommended LTWADM	Per Pupil Spending (PPS) Ed Spend per Current Act 127 LTWADM
Statewide Average	\$13,200	\$13,706	\$14,918	\$13,169
By District Size				
Group 1 (Less than 180 students)	\$13,200	\$13,714	\$14,924	\$13,444
Group 2 (180-349 LTADM)	\$13,200	\$13,699	\$14,822	\$13,262
Group 3 (350-929 LTADM)	\$13,200	\$13,668	\$14,692	\$13,172
Group 4 (930+ LTADM)	\$13,200	\$13,721	\$14,911	\$13,170
By District Need				
Low (Less than 39% FRL)	\$13,200	\$13,808	\$15,649	\$14,038
Mod. (39-53.9 % FRL)	\$13,200	\$13,660	\$15,303	\$13,707
High (54%+ FRL)	\$13,200	\$13,638	\$13,668	\$12,139

Foundation formula sets same base for all districts, and minimal variation after accounting for categorical adjustments. High degree of variability in “base” FY25 Ed Spend by district (using either recommended or current Act 127 weights)

Comparison of Total Funding Recommended to FY25 Ed Spend

	Total Funding/ LTADM	FY25 Ed Spend/ LTADM	% Difference
Statewide Average	\$20,726	\$22,558	-8%
By District Size			
Group 1 (Less than 180 LTADM)	\$22,221	\$24,141	-8%
Group 2 (180-349 LTADM)	\$22,115	\$23,884	-7%
Group 3 (350-929 LTADM)	\$21,862	\$23,328	-6%
Group 4 (930+ LTADM)	\$20,339	\$22,011	-8%
By District Need			
Low (Less than 39% FRL)	\$19,223	\$21,781	-12%
Moderate (39-53.9 % FRL)	\$21,932	\$24,585	-11%
High (54%+ FRL)	\$23,556	\$23,621	0%

While overall net reduction statewide, recommended Total Funding per LTADM is estimated to be higher than FY25 Ed Spending per LTADM in 36 districts (30%)

Overall Spending in Future State

Overall Spending in Future State

- Foundation formula based on desired future state using an evidence-based model of what the research says is needed to support student success, adjusted for Vermont context and priorities
- Resource estimates developed from scratch vs. starting with current and making reductions to get cost savings
- Represents the recommended amount of funding that the state, and Vermonters collectively, should be responsible for providing; does not include any additional local funding
- Differences between recommended and current spending differ widely by community due to existing variations in spending, with no change/increases in about a third of communities (often high need)
- Local communities will decide how to use funding

Overall Spending in Future State, continued

- While difficult to quantify specific cost savings, operating fewer districts and setting education quality standards (like minimum class sizes) is expected to:
 - Lower administrative overhead at the district level, both by reducing the number of districts with separate central offices and having districts that operate at an efficient scale
 - Improve staffing efficiencies by being able to share staff across schools in a district and achieve evidence-based class sizes
 - Over time, “right sizing” workforce will help address ongoing staffing shortages and ensure qualified teacher in every classroom
 - Reduce costs in purchasing and centralized service contracts and fees
 - Increase equity between districts in terms of student need, community property wealth, and spending
- Will require a period of transition

Questions?

