

Vermont Education Finance Cost Analysis

Senate Committee on Education

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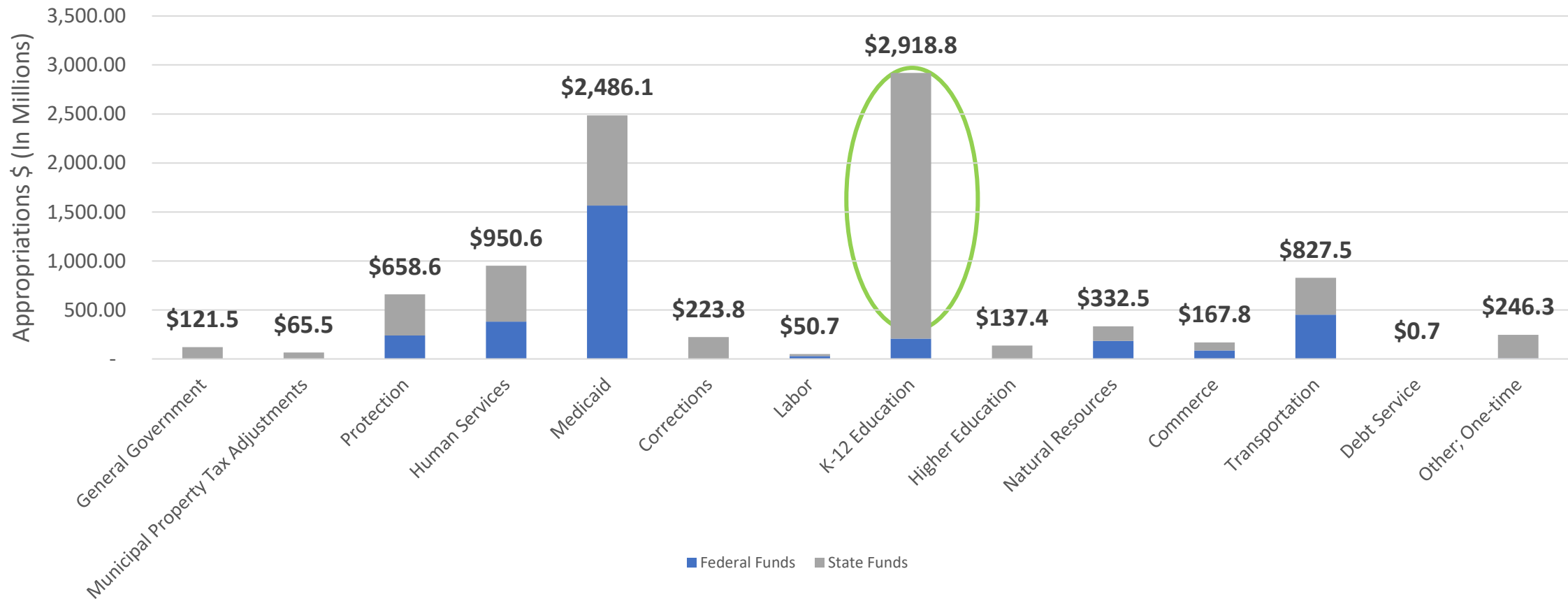


Outline

- Education Fund costs and revenues over time
- Education Fund costs and pupils over time
- Distribution of per (weighted) pupil spending in fiscal year 2026
- Student-to Staff ratios



Fiscal Year 2026 Appropriations by Area of Government – \$9.2 Billion (unduplicated)

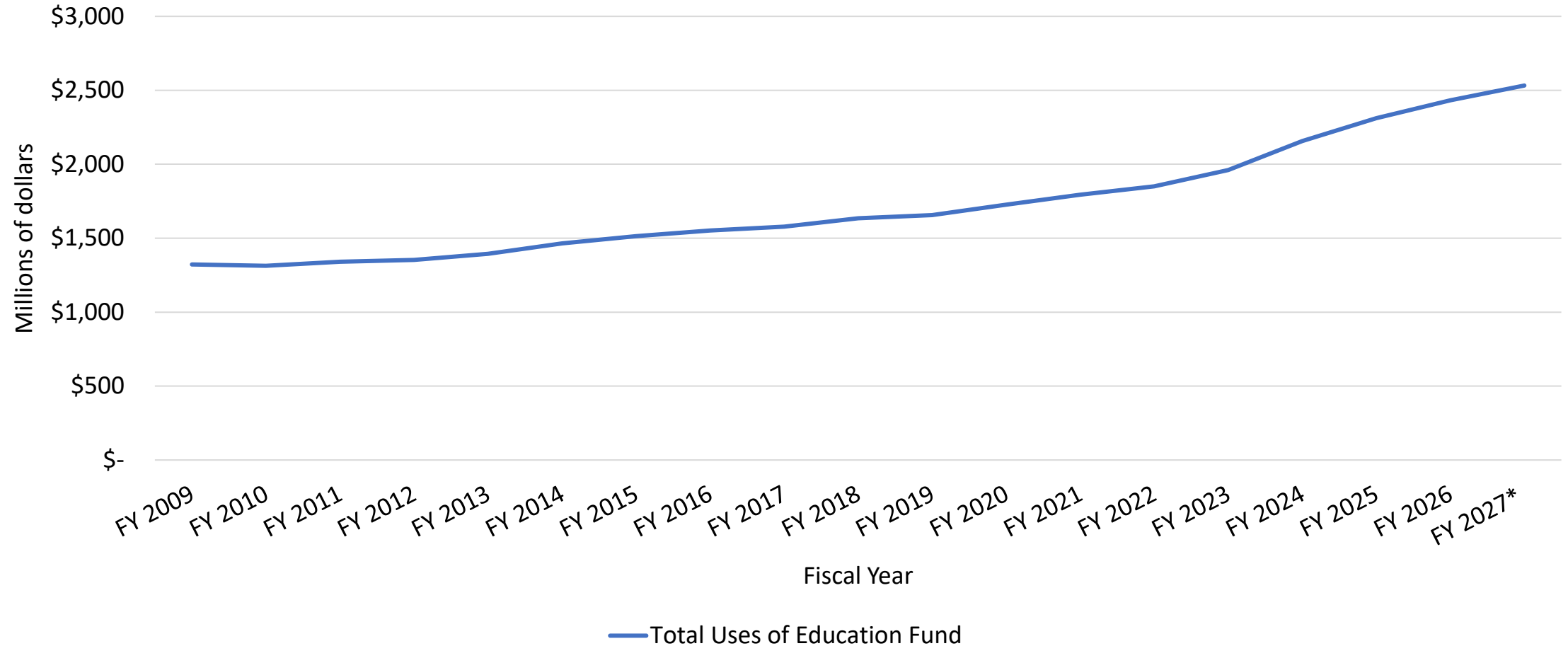


Education Fund Costs and Revenues Over Time



Total Uses of Education Fund Over Time

(not adjusted for inflation)



Growth in Education Fund Non-Property Tax Revenues

- Education Fund non-property tax revenues are growing at a slower rate than Education Fund uses

**TABLE 3 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE EDUCATION FUND¹ REVENUE FORECAST UPDATE**
(Partial Education Fund Total - Includes Source General and Transportation Fund Allocations Only)
Consensus JFO and Administration Forecast - January 2026

CURRENT LAW BASIS

Source: General and Transportation

Fund taxes allocated to or associated with the Education Fund only

	FY2022	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%	FY2027	%	FY2028	%	FY2029	%	FY2030	%	FY2031	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
GENERAL FUND																				
Meals and Rooms	\$54.2	50.8%	\$59.4	9.6%	\$61.5	3.5%	\$71.6	16.3%	\$73.6	2.8%	\$76.0	3.3%	\$78.7	3.6%	\$81.8	3.8%	\$85.0	4.0%	\$88.3	3.8%
Sales & Use ²	\$545.2	7.4%	\$584.0	7.1%	\$595.2	1.9%	\$609.7	2.4%	\$625.0	2.5%	\$640.9	2.5%	\$658.7	2.8%	\$678.4	3.0%	\$698.2	2.9%	\$717.7	2.8%
Interest	\$0.3	169.1%	\$5.8	1892%	\$5.8	0.3%	\$2.5	-57.6%	\$1.5	-38.9%	\$1.1	-26.7%	\$1.3	18.2%	\$1.4	7.7%	\$1.4	0.0%	\$1.4	0.0%
Lottery	\$30.8	-5.2%	\$32.1	4.3%	\$36.0	12.1%	\$30.6	-14.9%	\$32.0	4.5%	\$33.4	4.4%	\$34.7	3.9%	\$36.0	3.7%	\$37.3	3.6%	\$38.6	3.5%
TRANSPORTATION FUND																				
Purchase and Use ³	\$45.7	2.3%	\$47.4	3.7%	\$48.3	1.9%	\$48.3	0.1%	\$50.0	3.4%	\$51.9	3.7%	\$53.5	3.2%	\$55.2	3.1%	\$56.8	2.8%	\$58.3	2.7%
TOTAL EDUCATION FUND	\$676.2	8.9%	\$728.77	7.8%	\$746.8	2.5%	\$762.7	2.1%	\$782.1	2.5%	\$803.3	2.7%	\$827.0	2.9%	\$852.8	3.1%	\$878.7	3.0%	\$904.3	2.9%

1) Includes only General and Transportation Fund taxes allocated to the Education Fund.

This Table excludes all Education Fund property taxes, which are updated in October/November of each year and are the largest Education Fund tax sources.

2) Includes Telecommunications Tax; Includes \$1.25M transfer to T-Fund in FY08 for prior Jet Fuel Tax processing errors;

Transfer percentage from the General Fund increases from 33.3% to 35.0% effective in FY14 and to 100.0% beginning in FY19;

Includes Cannabis Sales tax revenues beginning in FY23 and the first 8-1/2 months of FY24, but then excludes them in FY25 and beyond

3) Includes Motor Vehicle Rental revenues, restated

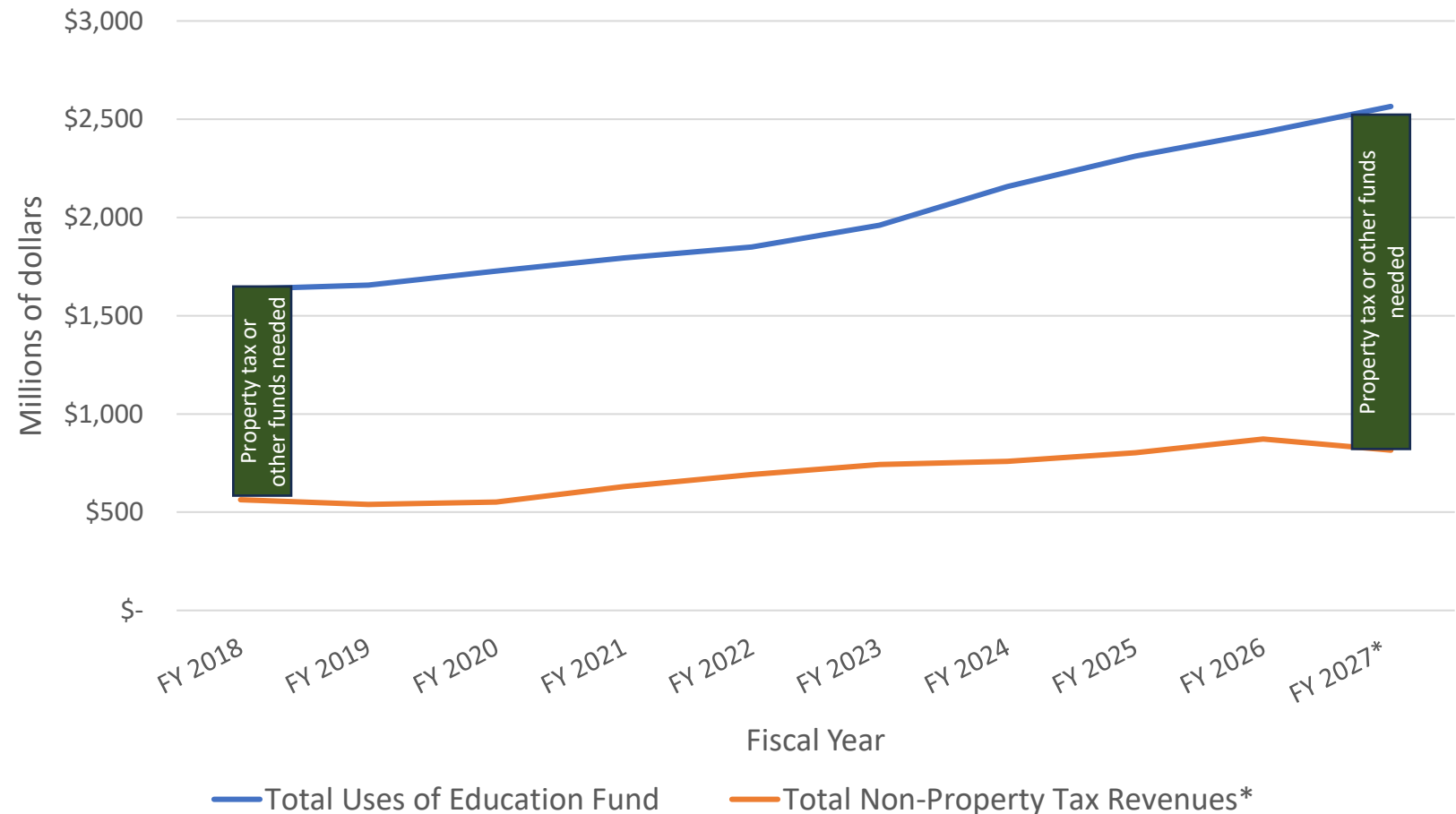
Source: [2026 January Economic Review and Revenue Forecast](#)



Education Fund's Total Uses and Total Non-Property Tax Revenues Over Time

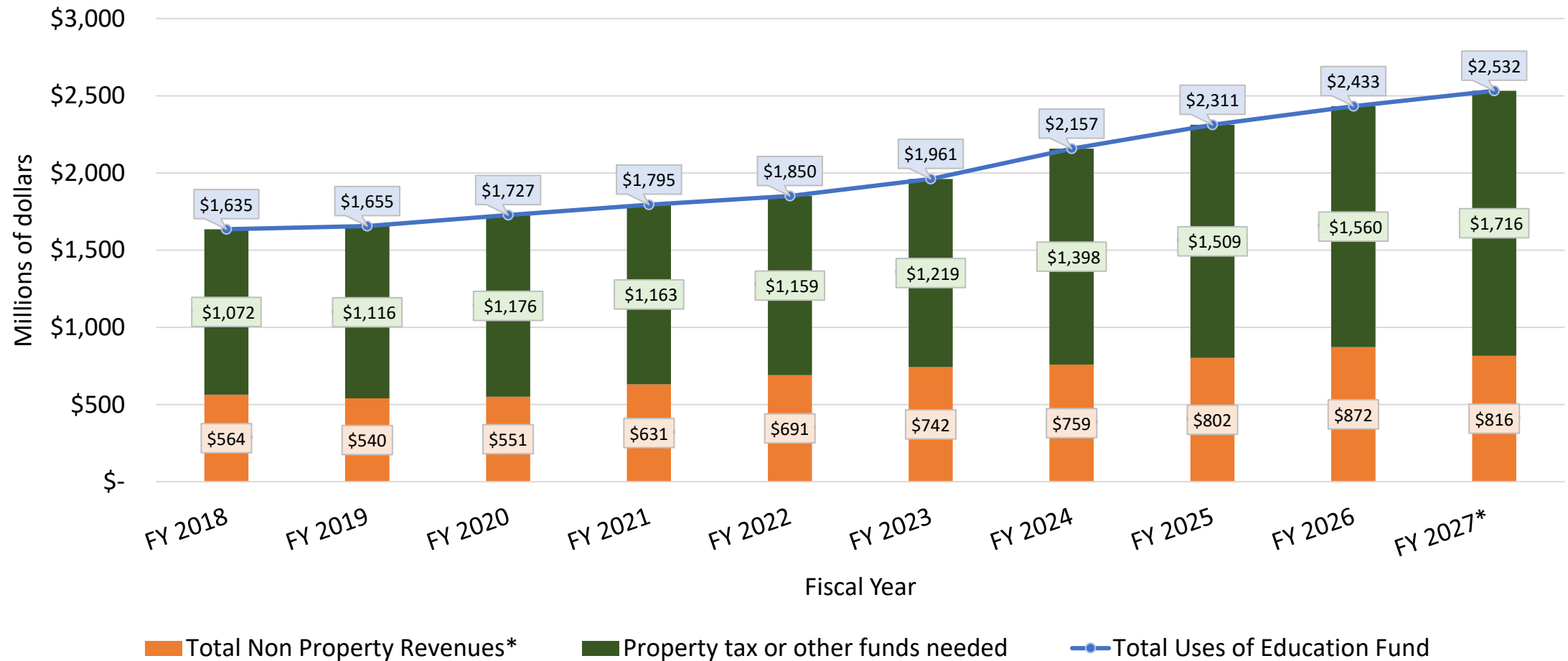
(not adjusted for inflation)

- As Education Fund uses grow at a faster pace than total non-property tax revenues, property taxes (or other funds) must make up a larger share of Education Fund revenues



Education Fund's Total Uses and Total Non-Property Tax Revenues Over Time

(not adjusted for inflation)



*notes: 1) fiscal year 2027 amounts are projections. 2) total non-property tax revenues in fiscal years 2025 and 2026 include one-time General Fund transfers.

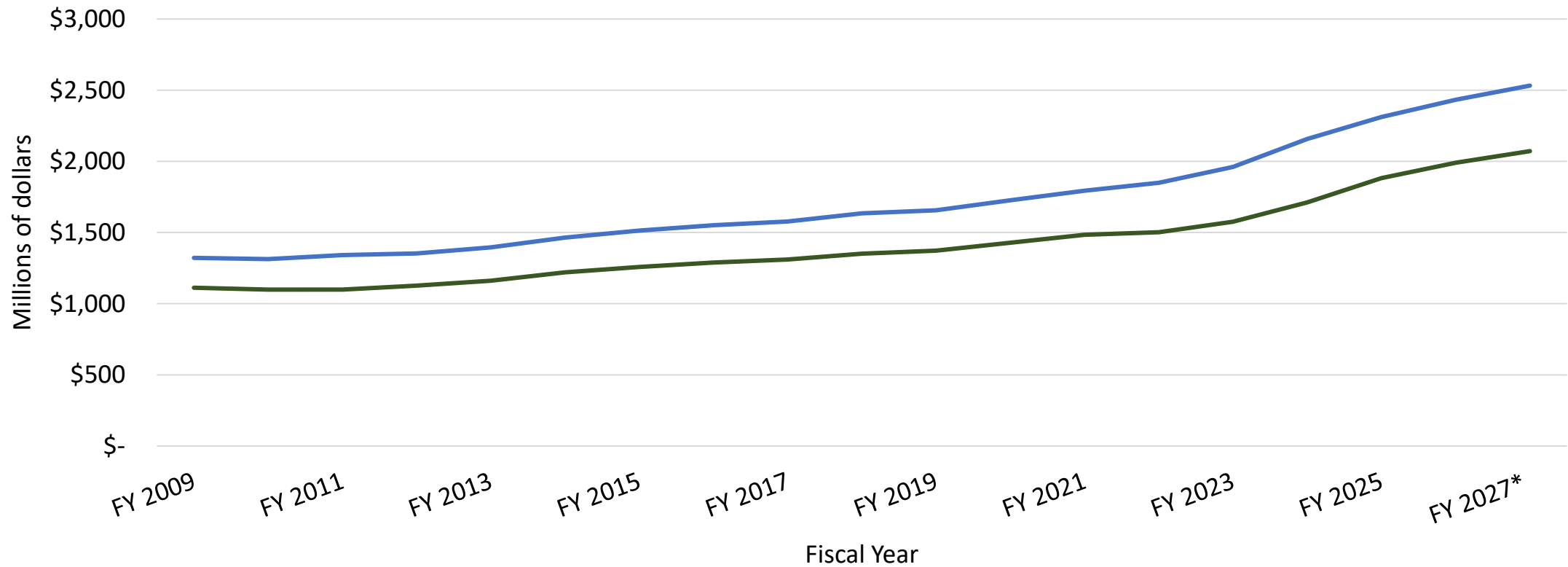


Education Fund Costs and Pupils Over Time



Education Fund Total Uses and Education Payment Over Time

(not adjusted for inflation)



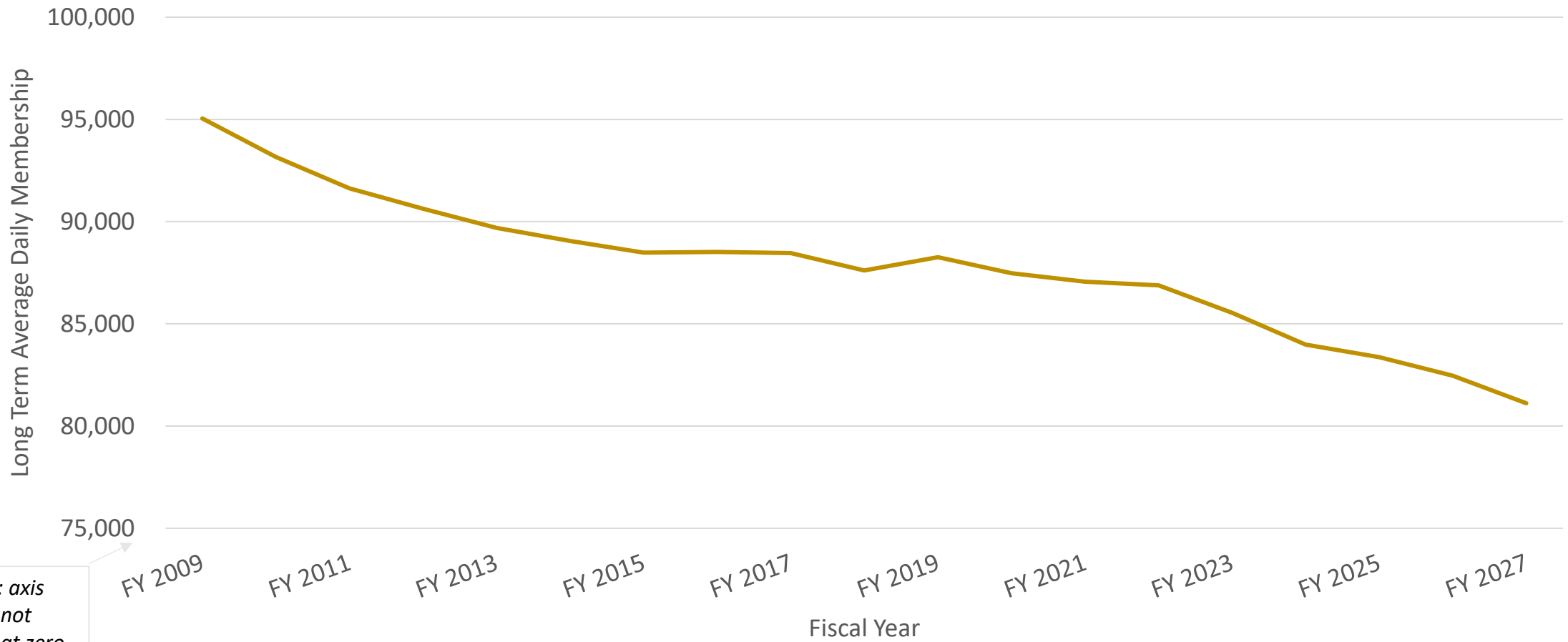
— Total Uses of Education Fund — Education Payment

*note: fiscal year 2027 amounts are projections.



Pupil Count Over Time

(as counted by Long-Term Average Daily Membership (LTADM))

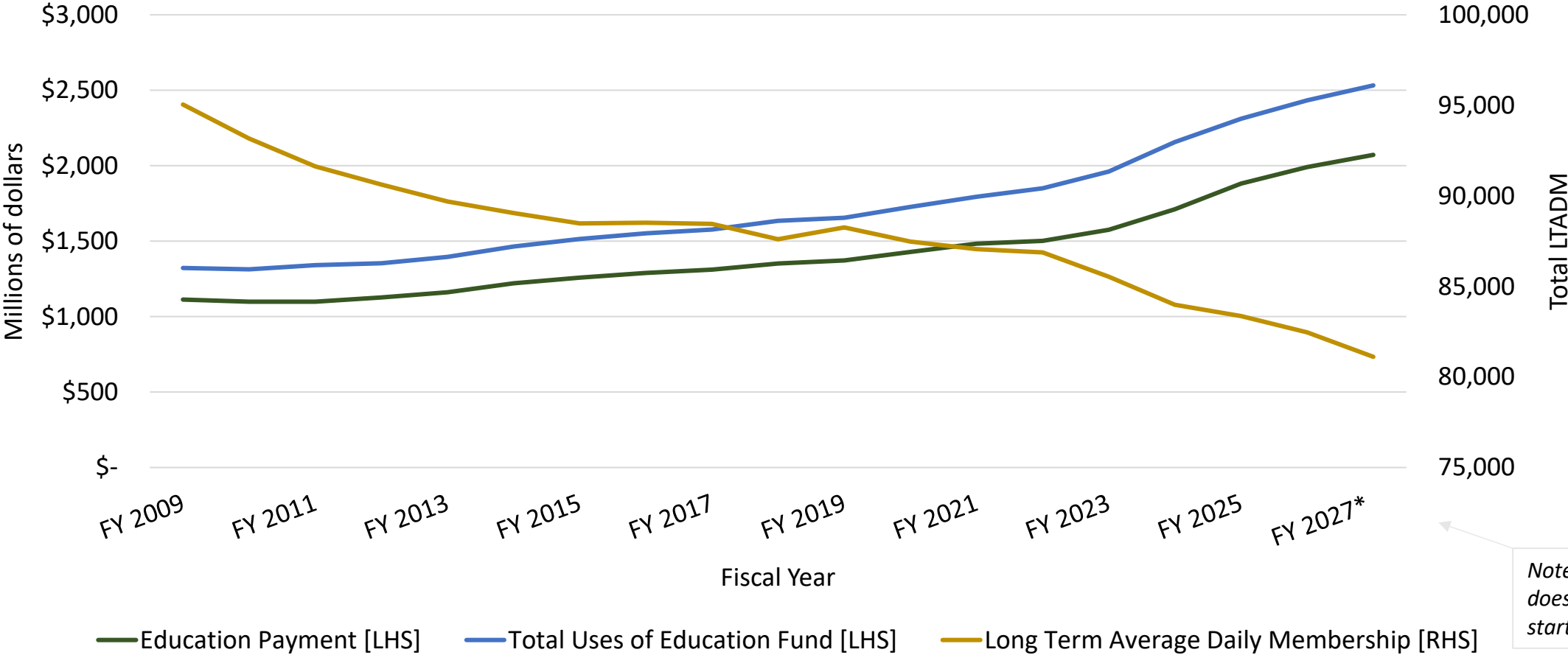


Note: axis does not start at zero.



Education Fund Total Uses, Education Payment, and Pupil Count Over Time

(not adjusted for inflation; as counted by LTADM)



*note: fiscal year 2027 amounts are projections.



Distribution of Per (Weighted) Pupil Spending in Fiscal Year 2026



There Are Multiple Inputs That Impact the Calculation of Per (Weighted) Pupil Spending

- “**Per pupil spending**” is a technical term that is defined as Education Spending divided by Long-Term **Weighted** Average Daily Membership (LTWADM)
 - **LTWADM** is the total weighted pupil count
 - This captures the total number of students as well as their weighting categories
 - In fiscal year 2026, Vermont had a total LTWADM of 142,564
 - **Education spending** is a school district’s total budget minus its offsetting revenues
 - In fiscal year 2026, \$1.99 billion was appropriated for the sum of all education spending, referred to as the “education payment”
- Because of multiple inputs, higher per (weighted) pupil spending could be a function of increased education spending, lower LTWADM, or both



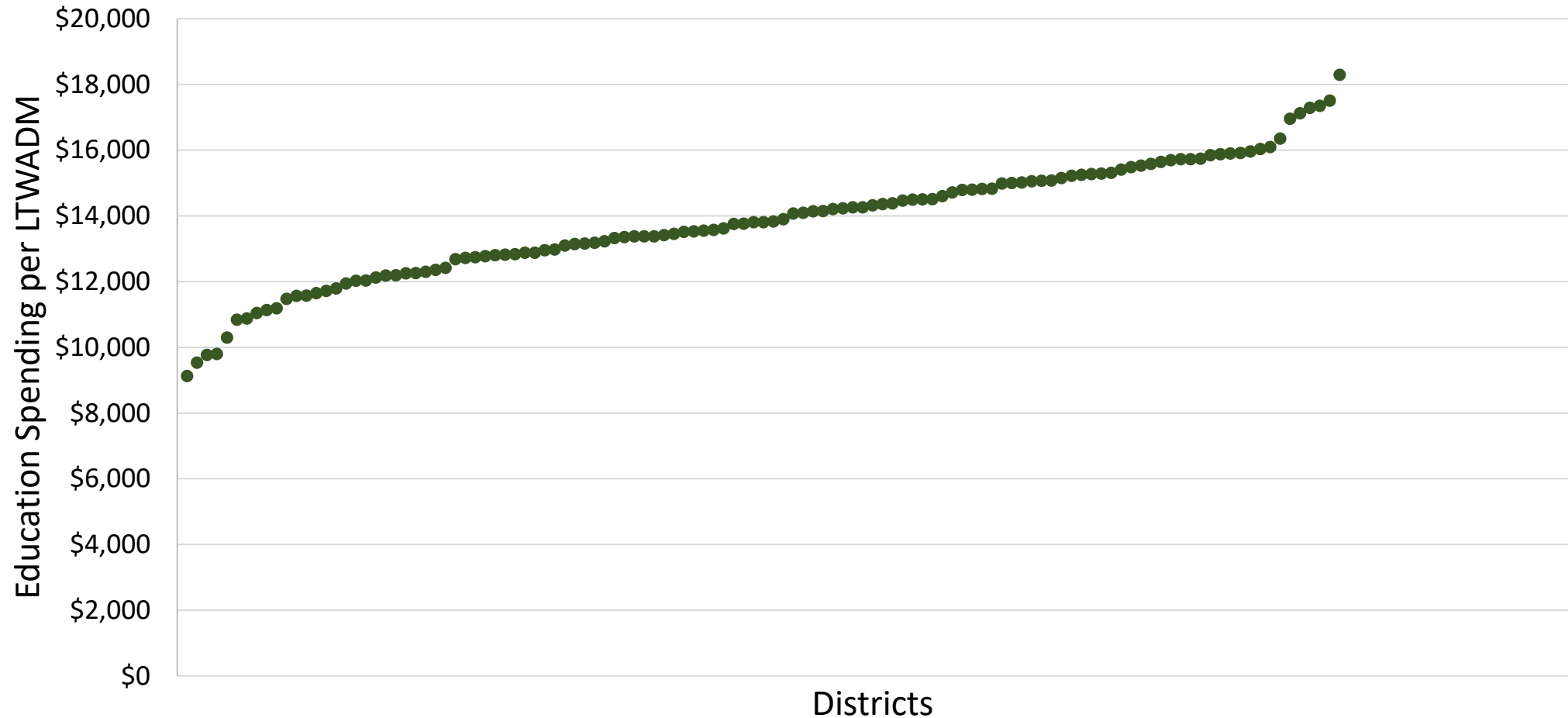
Fiscal Year 2026 Per Pupil Spending

- Statute requires the December 1 Letter to include the range of per (weighted) pupil spending:
 - The December 1 Letter stated: *“[f]or the current 2025-2026 school year (FY26), the range of per (weighted) pupil spending among districts that operate at least one school is \$10,846.46 to \$19,089.92”*

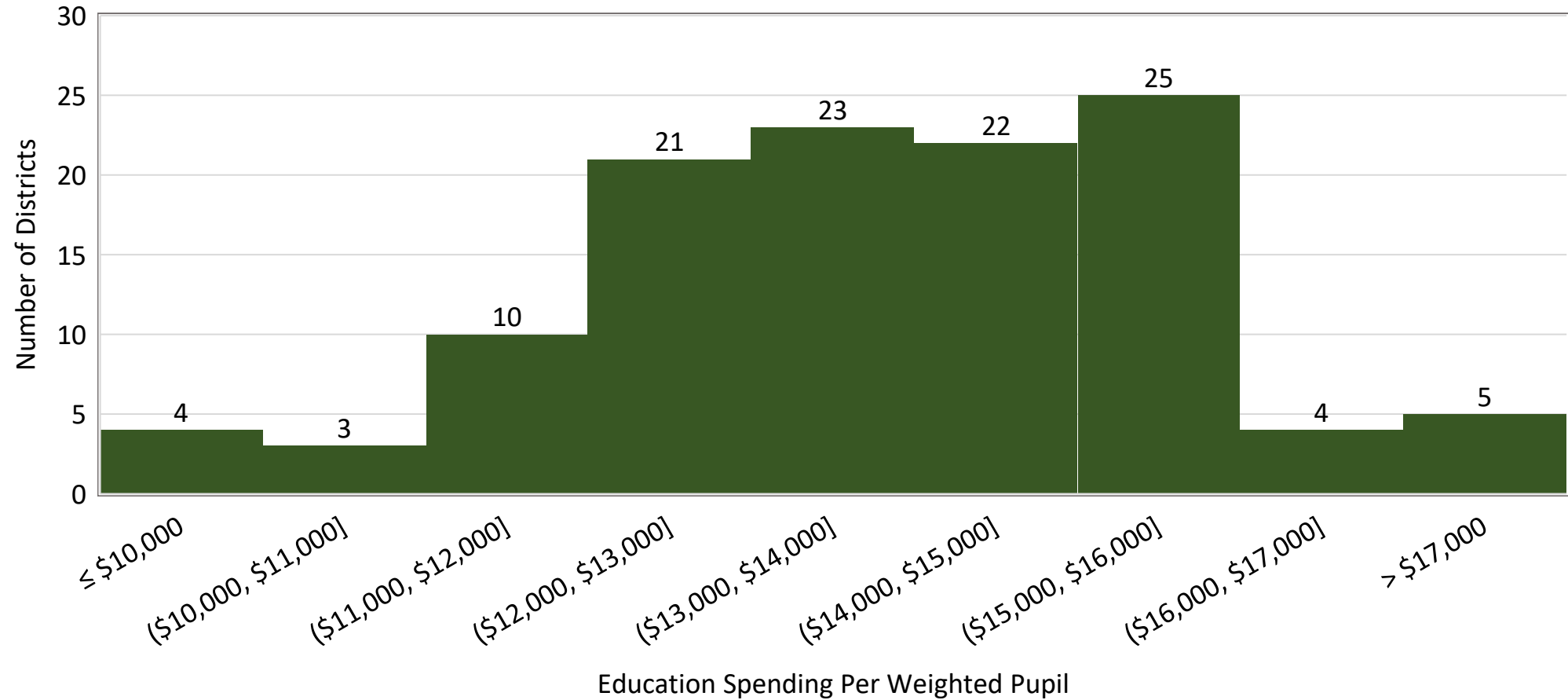


**Note: the range of per pupil spending in the December 1 Letter includes adjustments for excess spending.*

Fiscal Year 2026 District Education Spending Per Weighted Pupil



Distribution of Fiscal Year 2026 District Education Spending Per Weighted Pupil



Student to Staff Ratio



Student to Staff Ratio

- The student to staff ratio is defined as the average number of students per staff member
- In the fall of 2022, Vermont had the lowest ratio – more staff per student – than any other state in the country

	Count	National Rank
US Average	7.3	-
Connecticut	5.1	3
Maine	4.7	2
Massachusetts	6.4	13
New Hampshire	5.4	6
New York	5.9	9
Rhode Island	6.6	16
Vermont	4.4	1

*Note: student to staff ratio data is from the National Center for Education Statistics, Table 213.5. https://nces.ed.gov/programs/digest/current_tables.asp



Questions?

