

An Overview of Act 73's Foundation Formula

Senate Committee on Education

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Overview of Foundation Formulas



Remember...

- Long-Term Weighted Average Daily Membership (LTWADM) is the weighted student count that drives funding to a district in a foundation formula
 - Pupil weight abbreviations:
 - FPL: Federal Poverty Level – Students experiencing economic disadvantage
 - EL: English Learner students
 - SpEd: Special Education students
- Under Act 73, weights are additive



Foundation Formula Funding Calculation

- Broadly, foundation formulas apply a base and weights, typically based on students' characteristics, to a student population to determine funding to a school or district
 - Foundation funding is calculated as follows:

$$\text{Base} \times \text{LTWADM} = \text{Education Opportunity Payment}$$



Overview of Act 73's Foundation Formula



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Act 73 As Enacted

- Base amount of \$15,033 per LTADM
 - Student may also receive weights based on their demographics
- Weights:
 - Weights are based on the Kolbe & Baker memo from April 3, 2025
 - Replaces special education census block grant with tiered weights
 - Act 73 implements Small School and Sparsity as grants**

Pupil Weighting Categories and Weights in Act 73

General Pupil Weighting Category	Specific Pupil Weighting Categories*	Weighting Amount
PreK student	Student enrolled in PreK	-0.54
English Learner (EL) <i>(Across levels, English language proficiency weights are mutually exclusive. Newcomer or SLIFE weights are additive to level weights.)</i>	English language proficiency – Level 1	2.11
	English language proficiency – Level 2 or 3	1.41
	English language proficiency – Level 4	1.20
	English language proficiency – Level 5 or 6	0.12
	Newcomer or SLIFE	0.42
Child with a disability <i>(Disability weights are mutually exclusive. Disability weights are applicable to students enrolled in grades kindergarten through 12.)</i>	Category A	0.79
	Category B	1.89
	Category C	2.49
Student from economically disadvantaged backgrounds	Family at or below 185 percent of Federal Poverty Level (FPL)	1.02

*Section 35 of the Act includes definitions for each of these specific weighting categories.

**Sparsity and small school support was previously provided as a weight. See next slide for further detail.

Note: for further detail on the memo, please visit https://ljfo.vermont.gov/assets/Subjects/H-454-As-recommended-by-House-Ways-and-Means-Draft-4-1/weighting-update-memo-to-JFO-revised-4_8_25.pdf



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Act 73 As Enacted (continued)

- Act 73 implements Small School and Sparsity as support grants:
- Small Schools support grant criteria:
 1. Their average enrollment over two years is fewer than 100 pupils
 2. They are considered “small by necessity” (currently undefined)*
- Sparse School support grant criteria:
 1. The school is in a city, town, or village with a population of fewer than 55 people per square mile
 2. The school is deemed “sparse by necessity” (currently undefined)*

Support Grant Categories and Amounts in Act 73

Support Grant Category	Specific Support Grant Criteria	Grant Amount
Small School support grant	<ul style="list-style-type: none">• School with fewer than 100 enrolled pupils (based on two-year average)• Is “small by necessity”	\$3,157 per pupil (two-year average enrollment)
Sparse School support grant	<ul style="list-style-type: none">• School is in a sparse location• Is “sparse by necessity”	\$1,954 per pupil (two-year average enrollment)

**Both “small by necessity” and “sparse by necessity” need to be defined by the Agency of Education:*

<https://education.vermont.gov/sites/aoe/files/documents/SBE%20Small%20Sparse%20presentation.pdf>

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Considerations

- These tables do not include supplemental district spending or categorical aid
 - Recall, districts will be able to spend above their foundation formula amount if approved by local voters
 - 10% above the base amount from 2029-2033;
 - Decreases by 1% per year until reaching 5% in 2038
- Outstanding questions remain
 - CTE
 - PreK
 - Potential school district redistricting



Questions?

