

Foundation Formula Scenario Applied to Current Districts

Senate Committee on Education
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Remember...

- The fiscal year 2025 Education Payment is \$1.88 billion
- Long-Term Weighted Average Daily Membership (LTWADM) is the weighted student count that drives funding to a district in a foundation formula
- The modeling presented today uses various weights to generate different base amounts under different districts
- Pupil weight abbreviations presented here:
 - FPL: Federal Poverty Level – Students experiencing economic disadvantage
 - EL: English Learner students



Overview of Modeling



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Underlying Assumptions

- The modeling uses fiscal year 2025 data and current law districts
- Models were built to hold the total education payment at the fiscal year 2025 level
 - In fiscal year 2025, the education payment was \$1.88 billion
- Weights direct a certain proportion of the designated base, not a target dollar amount
 - All weights are additive



Modeled Scenarios

- Scenarios apply different bases and weights that could be included in a foundation formula, while maintaining an overall cost of \$1.88 billion
- Scenario B-2.2:
 - H.454 weights*, constrained to current Education Payment with added pupil grade weights and *eliminated sparsity*, applied to current law districts
 - (Grades 6-8 receive 0.08, grades 9-12 receive 0.12)
 - Small school weight is maintained for schools in a district with sparsity <55



*Note: because of data constraints the modeling assumes a flat EL weight, rather than the tiered EL weights included in H.454. To reflect policy decisions, the analysis does not include Special Education weights.

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Scenario B-2

H.454 Weights, Constrained to Current Education Payment with Added Pupil Grade Weights and Restricted Sparsity Eligibility, Applied to VSBA Regions

- Retains everything from Scenario B-1
- Restricts sparsity eligibility
 - Applies the small school weight to small schools in districts with fewer than 55 people per square mile

Base + Weight Categories	H.454 Weights, Constrained to Current Education Payment with Added Pupil Grade Weights and Restricted Sparsity Eligibility, Applied to VSBA Districts
Base	\$14,653
FPL	1.02
EL	1.39
Grades 6-8	0.08
Grades 9-12	0.12
Small school, <100	0.21
Small school, 101-250	0.00
Sparsity, <36 people per sq	0.13
Sparsity, 36 to <55 people per sq mile	0.00
Sparsity, 55 to <100 people per sq mile	0.00
Total LTWADM Generated	128,352
Total Funding Generated	\$1,880,735,184



Scenario B-2.1

H.454 Weights, Constrained to Current Education Payment with Added Pupil Grade Weights and Restricted Sparsity Eligibility, Applied to Current Law Districts

- Retains everything from Scenario B-2
- Applies the weights to current law districts, resulting in a new base

Base + Weight Categories	H.454 Weights, Constrained to Current Education Payment with Added Pupil Grade Weights and Restricted Sparsity Eligibility, Applied to <u>Current Law Districts</u>
Base	\$14,561
FPL	1.02
EL	1.39
Grades 6-8	0.08
Grades 9-12	0.12
Small school, <100	0.21
Small school, 101-250	0.00
Sparsity, <36 people per sq	0.13
Sparsity, 36 to <55 people per sq mile	0.00
Sparsity, 55 to <100 people per sq mile	0.00
Total LTWADM Generated	129,154
Total Funding Generated	\$1,880,607,682



Scenario B-2.2

H.454 Weights, Constrained to Current Education Payment with Added Pupil Grade Weights and Eliminated Sparsity, Applied to Current Law Districts

- Retains everything from Scenario B-2.1
- Eliminates the sparsity weight

Base + Weight Categories	H.454 Weights, Constrained to Current Education Payment with Added Pupil Grade Weights and <u>Elimination of Sparsity</u> , Applied to <i>Current Law Districts</i>
Base	\$14,698
FPL	1.02
EL	1.39
Grades 6-8	0.08
Grades 9-12	0.12
Small school, <100	0.21
Small school, 101-250	0.00
Sparsity, <36 people per sq	0.00
Sparsity, 36 to <55 people per sq mile	0.00
Sparsity, 55 to <100 people per sq mile	0.00
Total LTWADM Generated	127,951
Total Funding Generated	<u>\$1,880,616,509</u>



Scenarios Applied to VSBA Regions and Current Law Districts

- Applying the weights in Scenario B-2.1 to current law districts and eliminating sparsity, results in a higher base (Scenario B-2.2)

Base + Weight Categories	H.454 Weights, Constrained to Current Education Payment with Added Pupil Grade Weights and Restricted Sparsity Eligibility, Applied to <i>VSBA Districts</i>	H.454 Weights, Constrained to Current Education Payment with Added Pupil Grade Weights and Restricted Sparsity Eligibility, Applied to <u>Current Law Districts</u>	H.454 Weights, Constrained to Current Education Payment with Added Pupil Grade Weights and <u>Elimination of Sparsity, Applied to Current Law Districts</u>
Base	\$14,653	\$14,561	\$14,698
FPL	1.02	1.02	1.02
EL	1.39	1.39	1.39
Grades 6-8	0.08	0.08	0.08
Grades 9-12	0.12	0.12	0.12
Small school, <100	0.21	0.21	0.21
Small school, 101-250	0.00	0.00	0.00
Sparsity, <36 people per sq	0.13	0.13	0.00
Sparsity, 36 to <55 people per sq mile	0.00	0.00	0.00
Sparsity, 55 to <100 people per sq mile	0.00	0.00	0.00
Total LTWADM Generated	128,352	129,154	127,951
Total Funding Generated	<u>\$1,880,735,184</u>	<u>\$1,880,607,682</u>	<u>\$1,880,616,509</u>



Overview of Spending Analysis by Current Law Districts



Scenario B-2.2 Applied to Districts, Sorted by County

- The greatest relative *increase* occurs in Bennington County (+13.5%)
- The greatest relative *decrease* occurs in Addison County (-13.7%)
- Please note:
 - School districts have been sorted based on the counties listed in Agency of Education (AOE) data except for below
 - Taconic and Green Regional USD was moved from Rutland County to Bennington County

	Sum of FY25 Ed Spend	LTWADM	Estimated Education Opportunity Payment	Sum of \$ Change	Relative % Change
Addison	\$102,049,046	5,990	\$88,042,482	-\$14,006,564	-13.7%
Bennington	\$111,091,023	8,576	\$126,050,953	\$14,959,930	13.5%
Caledonia	\$101,720,571	6,742	\$99,097,105	-\$2,623,466	-2.6%
Chittenden	\$465,122,110	30,663	\$450,683,137	-\$14,438,973	-3.1%
Essex	\$30,071,956	2,056	\$30,220,202	\$148,246	0.5%
Franklin	\$172,393,810	12,790	\$187,992,576	\$15,598,766	9.0%
Grand Isle	\$21,443,771	1,285	\$18,881,121	-\$2,562,650	-12.0%
Lamoille	\$78,647,695	5,403	\$79,410,750	\$763,055	1.0%
Orange	\$71,062,916	4,758	\$69,932,499	-\$1,130,417	-1.6%
Orleans	\$87,785,868	6,164	\$90,599,489	\$2,813,621	3.2%
Rutland	\$159,757,186	11,877	\$174,568,227	\$14,811,041	9.3%
Washington	\$173,663,212	12,048	\$177,080,568	\$3,417,356	2.0%
Windham	\$124,147,241	7,968	\$117,120,421	-\$7,026,820	-5.7%
Windsor	\$181,685,022	11,630	\$170,936,979	-\$10,748,043	-5.9%
Grand Total	\$1,880,641,427	\$127,951	\$1,880,616,509	-\$24,918	0.0%



Considerations



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Considerations

- These estimates only reflect how different base and weight decisions would affect funding under the constraint of the current Education Payment
- They don't reflect any other research on appropriate funding levels
- Different district configurations would result in different estimates
- Like the analysis we performed for the House proposal, this only considers the Education Opportunity Payment
- It does not include supplemental district spending or categorical aid
 - Supplemental district spending would likely have impacts on the Education Fund and property tax rates



Questions?



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Please Turn to the Provided Handout



Resources

- JFO Website:
 - <https://ljfo.vermont.gov/subjects/education/education-fund-outlooks>
 - https://ljfo.vermont.gov/assets/Uploads/e11b031427/Final-Report-Weighting-Study-Task-Force-12_17_21.pdf
 - 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
- January 30, 2025 Kolbe Testimony:
 - <https://legislature.vermont.gov/Documents/2026/Workgroups/House%20Ways%20and%20Means/Bills/H.454/Education%20Finance/W~Tammy%20Kolbe~Design%20Considerations%20-%20Establishing%20a%20Foundation%20Formula%20for%20Vermont~1-30-2025.pdf>

