
TESTIMONY

Testimony To: Senate Committee on Education

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Subject: Enhanced Evidence Based Model

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Enhanced Evidence Based Model

The previously proposed Adjusted EB model represents the cost of providing an adequate education in Vermont **assuming changes in governance and operational practices**. The intention is not that this is a prescriptive model for how funds need to be used, but a method of generating the total funding that should be distributed to districts, who will then have discretion over how funds should be best used to meet the needs of their students and communities.

Based on feedback from the field and the Senate Education Committee, and to better align with state education quality objectives, the following changes are recommended to **enhance the Adjusted EB model while ensuring that the full cost of the education system does not increase** (Education Payment and all education categoricals):

- Increase **average** salaries by 10 percent for instructional staff positions (teachers, interventionists, instructional coaches)
- Decrease the average elementary school size at the base level to 300 students (does not mean all elementary schools will serve 300 students, but rather that this is the point of efficiency in Vermont)
(Decrease average class sizes for grades 4-12. Keep 15:1 in grades K-3 and reduce average class sizes to 18:1 in grades 4-5 and 23:1 in grades 6-12; responsive to VSA recommendations)
- Increase staffing to allow for robust Multi-Tiered Systems of Support (MTSS) implementation (response to feedback from Policy Sprint Teams):
 - 1 additional interventionist per base school (at least 2 total)
 - 1 MTSS/Assessment Coordinator per base school
- Fund all full-time preschool students, including those in Early Special Education (previously excluded from modeling) as a 1.0 ADM
- Adjust funding for necessarily small schools to a .21 weight for less than 100 students, tapered down to no weight at 250 students.



- Eliminate the district sparsity adjustment assuming larger, more equal districts to allow for more dollars to address school size.
- Separately identify secondary school resources for college and career readiness (CCR) to be provided through a CCR weight for middle (.02) and high school (.10) students including:
 - 1.0 CCR teacher in middle school, 2.0 CCR teacher in high school
 - 1.0 CCR Counselor and 1.0 Work-based Learning Coordinator in high school
 - \$25 per middle school and \$50 per high school student for CTE materials
 - \$345 per high school student for flexible pathways
- Reduce the EL weight to 1.4, generates similar amount of funding per EL student as originally proposed in adjusted EB model due to the increase in the base amount (*tiered weights for EL could be used, but are not modeled at this time*)
- Reduce the CTE Center weight to 1.0, recognizing increased base amount and that these students would also receive the high school CCR weight
- Maintain weight of 0.75 economically disadvantaged students which would generate additional dollars on higher base amount.

These changes result in an **Enhanced EB base amount of \$14,683** and the weights shown in Table 1.

Table 1: Summary of Enhanced EB Base and Weights

Base	\$14,683
Weights	
Economically Disadvantaged	0.75
English Learners (EL)	1.40
College and Career Readiness, Grades 6-8	0.02
College and Career Readiness, Grades- 9-12	0.10
CTE Centers	1.00
School Size	
Less than 100 students	0.21
100-249 students	Gradually decrease weight from 0.21 to 0.0 using this formula: $(-0.0021 * enrollment) + 0.4158$
250 students and above	No size adjustment

Using the Enhanced EB base and weights above, results in a Foundation Formula Payment amount of \$1.77 billion in FY25 dollars, or -6 percent less than the FY25 Education Payment. Available funding is then recommended to be redirected into existing categorical funds and to provide funding for a transitional funding period between FY27-FY31, results in a less than -1 percent difference compared to current cost of the system. The following recommendations are offered for categorical funding:

- **Funded through Foundation Formula (so no longer needing a separate categorical):**
 - Technical Education via CTE Center weight
 - Flexible Pathways via CCR weight
 - English Learners Services via EL weight
 - Small schools via Small Schools weight
- **Keep funding at current categorical funding level:**
 - State-Place Students
 - PCB Remediation Grants
 - VSTRS Pension Normal Cost
 - VSTRS OPEB Normal Cost
 - Other Uses (Accounting & Auditing, CMF transfer, Financial Systems)
 - Universal School Meals

- **Increase categorical funding for:**
 - Special Education: in place of current Special Education Aid, fund special education using the tiered weights of 0.79 for Category A, 1.89 for Category B, and 2.49 for Category C. Generates \$372.0 million when applied to Enhanced EB base.
 - Transportation: currently transportation is reimbursed up to 50% of costs, so recommend increasing to reimburse up to 100% of costs- estimated at an additional \$25 million. The objective is to account for the full cost of the current system. Policy decisions will be needed to determine eligibility.

- **Provide additional categorical funding for:**
 - Transitional Funding to phase in reductions and gains over a four-year period of time, by comparing by district the amount of funding generated under the Foundation Formula compared to the district's Ed Payment in FY25.
 - If a district's FY25 Ed Payment was **higher** than the amount that would be generated using Foundation Formula the district would their Foundation Formula amount **plus** receive hold harmless funding that would gradually be reduced:
 - FY28: the district would receive 80% of the difference
 - FY29: the district would receive 60% of the difference
 - FY30: the district would receive 40% of the difference
 - FY31: the district would receive 20% of the difference
 - FY32: the district would receive no additional hold harmless funding, and only receive the Foundation Formula amount
 - If a district's FY25 Ed Payment was **lower** than the amount that would be generated using Foundation Formula the district would receive their FY25 Ed Payment Amount and additional funding that would gradually increase over time:
 - FY28: the district would receive 20% of the difference
 - FY29: the district would receive 40% of the difference
 - FY30: the district would receive 60% of the difference
 - FY31: the district would receive 80% of the difference
 - FY32: the district would receive the full Foundation Formula amount
 - Using this phased approach for both increases and reductions allows implementation to happen **without** increasing the total cost of the system.

Table 2: Total Cost of Education Funding System as Proposed, Excluding Transitional Funding

Appropriations (millions of dollars)	FY25 Appropriations	Enhanced EB Model
Education Payment/Education Opportunity Payment	1,882.3	1,771.6
Special Education Aid	264.6	372.0
State-Placed Students	19.0	20.0
Transportation Aid	25.3	50.0
Technical Education Aid	17.9	0.0
Small School Support/Merger Support	1.8	0.0
Essential Early Education Aid	8.7	0.0
Flexible Pathways	10.7	0.0
Universal School Meals	17.5	17.5
English Learners Services	2.3	0.0
PCB Remediation Grants	-	-
VSTRS Pension Normal Cost	36.0	36.0
VSTRS OPEB Normal Cost	19.1	19.1
One-time COLA payment	-	-
Other Uses (Accounting & Auditing, CMF transfer, Financial Systems)	6.0	6.0
Total Uses	2,311.2	2,292.2

Table 3: Transitional Funding (FY28-FY32)

Year	Net Hold Harmless Funding (in millions)	Total System Cost (in millions)	% Difference
FY28	4.9	\$2,297.1	-0.6%
FY29	3.7	\$2,295.9	-0.7%
FY30	2.4	\$2,294.6	-0.7%
FY31	1.2	\$2,293.4	-0.8%
FY32	0.0	\$2,292.2	-0.8%

Table 4: By District Comparison- Estimated Difference Between FY25 Ed Payment and Comparable Recommended Funding (in millions).

This analysis includes Ed Payment, new special education dollars, new transportation dollars but excludes categoricals that are funded through the foundation formula. This also excludes hold harmless funding to ease the transition (available for 4 years). Additional dollars that will be available in the system include categorical grants that have been held constant.

VSBA Region	Total Funding Comparable to FY25 Ed Payment	FY25 Ed Payment	% Difference
Addison	\$85.0	\$96.1	-11%
Central VT	\$263.0	\$261.4	1%
Bennington	\$124.0	\$113.2	10%
Western Chittenden	\$247.4	\$252.5	-2%
Kingdom South	\$168.2	\$180.1	-7%
Eastern Chittenden	\$205.5	\$212.6	-3%
Kingdom North	\$97.5	\$97.5	0%
Franklin/Grand Isle	\$203.6	\$193.8	5%
Rutland	\$162.3	\$152.6	6%
Windsor	\$177.1	\$192.5	-8%
Windham	\$116.7	\$128.3	-9%