Proposed Foundation Formulas: Dollar Equivalents for the Base and Weights

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Outline of talk

- Foundation Formula Overview
- Proposed Foundation Formulas:
 - H.454 As Passed by the House
 - As Proposed by the Administration (Enhanced EB Model)
 - H.454 As Recommended by the Senate Committee on Education
- Considerations



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
 - Pupil weight abbreviations:
 - FPL: Federal Poverty Level Students experiencing economic disadvantage
 - EL: English Learner students
- The modeling presented today uses various bases and weights to generate a funding amount under current law districts

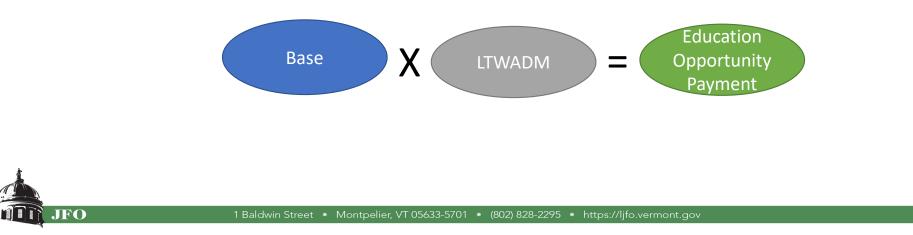


Overview of Foundation Formulas



Foundation Formula Funding Calculation

- Broadly, foundation formulas apply a calculated base and various weights, typically based on students' characteristics, to a student population to determine funding to a school or district
- This funding is the Education Opportunity Payment (EOP)
 - The EOP is calculated as follows:



Two Models Used Throughout Policy Discussions

- Evidence-Based Approach
 - "...assumes a different governance structure and operational practices than what is currently in place in the state. School and district adjustments are applied to the base amount to account differences between settings, including to address existing school sizes."
- Education Cost Function Modeling Approach
 - "...spending necessary to provide an adequate education, assuming Vermont's existing governance structure and scale."
- Because of these differences, "...the base spending amounts are not directly comparable."

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Note: https://ljfo.vermont.gov/assets/Subjects/H-454-As-recommended-by-House-Ways-and-Means-Draft-4-1/clarification-memo-APA-and-UVM-4_25_25a.pdf
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Assumptions for all Modeling in this Presentation

- Dollars are presented as fiscal year 2025 estimates
 - Some models utilize fiscal year 2024 data, inflated to fiscal year 2025
 - The "As Recommended" by the Senate Committee on Education model uses fiscal year 2025 actuals
- The models are focused on the Education Opportunity Payment (EOP) and do not include:
 - Special Education
 - Supplemental Spending
 - Other Categorical Aid



The "As Passed by the House" Foundation Formula

H.454 As Passed by the House, based on Education Cost Function Model



Dollars Generated by the Base and Weights in H.454 As Passed by the House

- Base and weights modeled by Kolbe and Baker using the Education Cost Function
- Modeled using a single EL proxy weight*
 - H.454 "As Passed by the House" would use the tiered EL weights if implemented
- Sparsity and small school supports are provided via grants rather than weights
 - A school must be considered "small by necessity" to receive a small schools grant
- Does not include any weights for grades or CTE

H454 As Passed by the House	Weight	\$ amount
Base	N/A	\$15,033
Weight Categories:		
FPL	1.02	\$15,334
EL - single proxy weight	1.39	\$20,896
EL tiered weight:		
Level 1	2.11	\$31,720
Levels 2/3	1.41	\$21,197
Level 4	1.20	\$18,040
Levels 5/6	0.12	\$1,804
Newcomer/SLIFE	0.42	\$6,314
Grades 6-8	0.00	\$0
Grades 9-12	0.00	\$0
Small school,<100 (Grant; only if small by necessity)	0.21	\$3,157
Small School 100-249	0.00	\$0
Sparsity, <36 people per sq mile (Grant)	0.13	\$1,954
Sparsity, <55 people per sq mile (Grant)	0.13	\$1,954
СТЕ	0.00	\$0
Total LTWADM Generated		122,955
Total EOP	<u>\$1,908,432,283</u>	



*single EL proxy weight was included in Drs. Kolbe & Baker's memo; it was used for JFO modeling due to data privacy

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The Administration's Foundation Formula

The Enhanced Evidence-Based Model Presented May 1, 2025



Dollars Generated by the Base and Weights As Proposed by the Administration's "Enhanced EB"

- Modeled using the Evidence-Based approach
- Modeled using a single EL weight*
- Small schools receive a <u>variable weight</u> rather than grant; small school weight is available to all schools with fewer than 250 pupils (no sparsity requirement)
- <u>Does</u> include grade weights (college and career readiness)
- *Does not* include sparsity
- Is paired with significant policy decisions (continued next slide)

Administration's Enhanced EB model	Weight	\$ amount
Base	N/A	\$14,683
Weight Categories:		
FPL	0.75	\$11,012
EL (single weight)	1.40	\$20,556
Grades 6-8 (college and caree readiness)	0.02	\$294
Grades 9-12 (college and career readiness)	0.10	\$1,468
Small school,<100	0.21	\$3,083
Small School 100-249	Formula: (0021 * enrollment) + 0.4158	Varies
Sparsity, <36 people per sq mile	0.00	\$0
Sparsity, <55 people per sq mile	0.00	
CTE	1.00	\$14,683
Total LTWADM Generated**		120,654
Total EOP**		<u>\$1,771,557,778</u>



*presented and modeled using a single weight as shown in Table 1 of the May 1, 2025 AOE memo

*the LTWADM and total EOP are presented as estimated by the AOE; does not include the costs covered outside of the base and weights



Enhanced EB Model Considerations

- Enhanced EB model uses an assumption of consolidated districts which differ from Vermont's current educational landscape (prototypical districts)
- Paired with significant policy decisions such as:
 - Special Education being delivered as categorical aid but using tiered weights to calculate total funding
 - 100% Transportation reimbursement (current law is 50%)
 - Eliminating some categorical aids that are intended to be covered by the foundation formula (includes Essential Early Education Aid, Flexible Pathways, Technical Education Aid)



The "As Recommended by the Senate Committee on Education" Foundation Formula

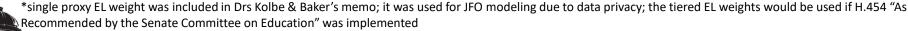
H.454 As Recommended by Senate Education



Dollars Generated by the Base and Weights in H.454 As Recommended by the Senate Committee on Education

- Modeled using the single EL weight*
- Small schools are weights rather than grants
- Small school weight is *flat* and available *only* to schools considered "sparse"
 - Sparse in this sense equates to a school residing within a district with <55 people per square land mile
- *Does* include grade weights
- *Does not* include a CTE weight

As Recommended by Senate Education	Weight	\$ amount
Base	N/A	\$14,870
Weight Categories:		
FPL	1.02	\$15,167
EL - single proxy weight	1.40	\$20,818
EL tiered weight:		
Level 1	2.11	\$31,376
Levels 2/3	1.41	\$20,967
Level 4	1.20	\$17,844
Levels 5/6	0.12	\$1,784
Newcomer/SLIFE	0.42	\$6,245
Grades 6-8	0.02	\$297
Grades 9-12	0.10	\$1,487
Small school,<100		
(Only implimented if the district has	0.21	\$3,123
sparsity <55)		
Small School 100-249	0.00	\$0
Sparsity, <36 people per sq mile	0.00	\$0
Sparsity, <55 people per sq mile	0.00	\$0
СТЕ	0.00	\$0
Total LTWADM Generated	126,433	
Total EOP	<u>\$1,880,056,694</u>	





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Further Considerations

- These estimates only reflect how different base and weight decisions would affect funding under their proposals
 - Other policy considerations that are integral to the implementation of these proposals are not fully discussed here
- Different district configurations would result in different estimates
- These tables only consider the Education Opportunity Payment
- These tables do not include supplemental district spending nor categorical aid
 - Supplemental district spending would likely have impacts on the Education Fund and property tax rates



Questions?



Resources

- JFO Website:
 - <u>https://ljfo.vermont.gov/subjects/education/education-fund-outlooks</u>
 - <u>https://ljfo.vermont.gov/assets/Uploads/e11b031427/Final-Report-Weighting-Study-Task-Force-12_17_21.pdf</u>
 - <u>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</u>
- Picus Odden Evidence-Based report:
 - <u>https://ljfo.vermont.gov/assets/Publications/Education/Picus_Odden_Vermont_Adequacy_Study_10152024.pdf</u>
- January 30, 2025 Kolbe Testimony:
 - https://legislature.vermont.gov/Documents/2026/Workgroups/House%20Ways%20and%20 Means/Bills/H.454/Education%20Finance/W~Tammy%20Kolbe~Design%20Considerations%2 0%20Establishing%20a%20Foundation%20Formula%20for%20Vermont~1-30-2025.pdf
- May 1, 2025 AOE Testimony :
 - <u>https://legislature.vermont.gov/Documents/2026/Workgroups/Senate%20Education/Bills/H.454/Witness%20</u> Documents/H.454~Zoie%20Saunders~Enhanced%20Evidence%20Based%20Model~5-1-2025.pdf



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