

Proposed Foundation Formulas: Dollar Equivalents for the Base and Weights

Senate Committee on Finance

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May 13, 2025



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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



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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:

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



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**.”

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



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



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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
CTE	0.00	\$0
Total LTWADM Generated		122,955
Total EOP		\$1,908,432,283

The Administration's Foundation Formula

The Enhanced Evidence-Based Model Presented May 1, 2025



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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 variable weight rather than grant; small school weight is available to all schools with fewer than 250 pupils (no sparsity requirement)
- Does 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 career 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: $(-.0021 * \text{enrollment}) + 0.4158$	Varies
Sparsity, <36 people per sq mile	0.00	\$0
Sparsity, <55 people per sq mile	0.00	\$0
CTE	1.00	\$14,683
Total LTWADM Generated**		120,654
Total EOP**		\$1,771,557,778

*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



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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)



Note: to read the full AOE memo:

<https://legislature.vermont.gov/Documents/2026/Workgroups/Senate%20Education/Bills/H.454/Witness%20Documents/H.454~Zoie%20Saunders~Enhanced%20Evidence%20Based%20Model~5-1-2025.pdf>

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The “As Recommended by the Senate Committee on Education” Foundation Formula

H.454 As Recommended by Senate Education



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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 implemented if the district has sparsity <55)	0.21	\$3,123
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
CTE	0.00	\$0
Total LTWADM Generated		126,433
Total EOP		\$1,880,056,694

*single proxy EL weight was included in Drs Kolbe & Baker’s memo; it was used for JFO modeling due to data privacy; the tiered EL weights would be used if H.454 “As Recommended by the Senate Committee on Education” was implemented



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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:
 - <https://lifo.vermont.gov/subjects/education/education-fund-outlooks>
 - https://lifo.vermont.gov/assets/Uploads/e11b031427/Final-Report-Weighting-Study-Task-Force-12_17_21.pdf
 - https://lifo.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
- Picus Odden Evidence-Based report:
 - https://lifo.vermont.gov/assets/Publications/Education/Picus_Odden_Vermont_Adequacy_Study_10152024.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>
- May 1, 2025 AOE Testimony :
 - <https://legislature.vermont.gov/Documents/2026/Workgroups/Senate%20Education/Bills/H.454/Witness%20Documents/H.454~Zoie%20Saunders~Enhanced%20Evidence%20Based%20Model~5-1-2025.pdf>

