

# Proposed Foundation Formulas: Dollar Equivalents for the Base and Weights

Senate Committee on Finance

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# Outline of talk

- Foundation formula overview
- Proposed foundation formulas:
  - H.454 As Recommended by the Senate Committee on Education
  - H.454 As Recommended by the Senate Committee on Education  
with the Addition of a CTE Weight
- 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



# Modeling Assumptions

- Dollars are presented as fiscal year 2025 estimates
  - The presented models use fiscal year 2025 actuals (Education Payment)
- The models are focused on the Education Opportunity Payment (EOP) and do not include:
  - Special Education
  - Supplemental Spending
  - Other Categorical Aid



# 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 nor Sparsity 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
<b>Total LTWADM Generated</b>		<b>126,433</b>
<b>Total EOP</b>		<b>\$1,880,056,694</b>

\*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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# The As Recommended by Senate Education Model with CTE Foundation Formula

H.454 As Recommended by Senate Education, with the Addition of a CTE Weight



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# Dollars Generated by the Base and Weights in H.454 As Recommended by the Senate Committee on Education, with the Addition of a CTE Weight

- 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 include a CTE weight\*\*
- Does not include Sparsity

Scenario D	Weight	\$ amount
Base	N/A	\$14,541
Weight Categories:		
FPL	1.02	\$14,832
EL - single proxy weight	1.40	\$20,357
EL tiered weight:		
Level 1	2.11	\$30,682
Levels 2/3	1.41	\$20,503
Level 4	1.20	\$17,449
Levels 5/6	0.12	\$1,745
Newcomer/SLIFE	0.42	\$6,107
Grades 6-8	0.02	\$291
Grades 9-12	0.10	\$1,454
Small school, <100 (Only implimented if the district has sparsity <55)	0.21	\$3,054
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
Sparsity, <100 people per sq mile	0.00	\$0
CTE	1.00	\$14,541
<b>Total LTWADM Generated</b>		<b>129,298</b>
<b>Total EOP</b>		<b>\$1,880,117,774</b>

\*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.

\*\*total CTE FTE figure used in modeling is the same as used by APA; the use of a different figure would impact these estimates.



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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?



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# Appendix



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# 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:

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



# 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](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)



# 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
<b>Total LTWADM Generated</b>		<b>122,955</b>
<b>Total EOP</b>		<b>\$1,908,432,283</b>



\*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



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

- Modeled using the Evidence-Based approach
- Modeled using a single EL weight\*
- Small schools receive a flat or variable weight rather than grant; small school weight is determined by size and is available to all schools with fewer than 200 pupils (no sparsity requirement)\*\*
  - Schools with <100 pupils receive the flat 0.21; schools with 100-200 pupils utilize the variable weight formula
- Does include grade weights (college and career readiness) and CTE
- Does not include sparsity
- Is paired with significant policy decisions

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 100-200	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
<b>Total LTWADM Generated***</b>		<b>120,654</b>
<b>Total EOP***</b>		<b>\$1,771,557,778</b>

\*presented and modeled using a single weight as shown in Table 1 of the May 1, 2025 AOE [memo](#)

\*\*the formula range of 100-200 is as presented by APA. Modeling utilized a range of 100-198 pupils

\*\*\*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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# 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/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](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](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>

