Foundation Formula Scenario Applied to Current Districts

Senate Committee on Education
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The Joint Fiscal Office (JFO) is a nonpartisan legislative office dedicated to producing unbiased fiscal analysis – this presentation is meant to provide information for legislative consideration, not to provide policy recommendations

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

Underlying Assumptions

- The modeling uses fiscal year 2025 data and Current Law districts
- Models were built to hold total education payment at fiscal year 2025 levels
  - 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-2.1:
  - H.454 weights*, constrained to current Education Payment with added pupil grade weights and restricted sparsity eligibility, *applied to Current Law districts*
    - (Grades 6-8 receive 0.08, grades 9-12 receive 0.12)

**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.*

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
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 mile	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 Current Law Districts
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 mile	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

Scenarios Applied to VSBA Regions vs Current Law Districts

- Applying the weights in Scenario B-2 to Current Law districts increases the LTWADM from Sparsity, resulting in a lower base (Scenario B-2.1)

Table 1: Foundation Formula Scenarios	***B-2***	***B-2.1***
Base + Weight Categories	**H.454 Weights, Constrained to Current Education Payment with Added Pupil Grade Weights and Restricted Sparsity Eligibility, Applied to *VSBA Districts***	**H.454 Weights, Constrained to Current Education Payment with Added Pupil Grade Weights and Restricted Sparsity Eligibility, Applied to *Current Law Districts***
Base	$14,653	$14,561
FPL	1.02	1.02
EL	1.39	1.39
Grades 6-8	0.08	0.08
Grades 9-12	0.12	0.12
Small school,<100	0.21	0.21
Small school, 101-250	0.00	0.00
Sparsity, <36 people per sq mile	0.13	0.13
Sparsity, 36 to <55 people per sq mile	0.00	0.00
Sparsity, 55 to <100 people per sq mile	0.00	0.00
Total LTWADM Generated	128,352	129,154
Total Funding Generated	$1,880,735,184	$1,880,607,682

Overview of Spending Analysis by Current Law Districts

Scenario B-2.1 Applied to Districts, Sorted by County

- The greatest relative *increase* occurs in Bennington County (+23.8%)
- The greatest relative *decrease* occurs in Addison County (-13.7%)
- Please note:
  - Sparsity is determined at the district level, not the county level
  - School districts have been sorted based on the counties listed in Agency of Education (AOE) data

Table 2: Districts, Sorted by Counties	Sum of FY25 Ed Spend	LTWADM	Estimated Education Opportunity Payment	Sum of $ Change	Relative % Change
Addison	$102,049,046	6,050	$88,090,183	-$13,958,863	-13.7%
Bennington	$75,104,222	6,385	$92,972,666	$17,868,444	23.8%
Caledonia	$101,720,571	6,880	$100,181,442	-$1,539,129	-1.5%
Chittenden	$465,122,110	30,663	$446,489,893	-$18,632,217	-4.0%
Essex	$30,071,956	2,132	$31,039,807	$967,851	3.2%
Franklin	$172,393,810	12,960	$188,714,963	$16,321,153	9.5%
Grand Isle	$21,443,771	1,285	$18,705,130	-$2,738,641	-12.8%
Lamoille	$78,647,695	5,403	$78,670,562	$22,867	0.0%
Orange	$71,062,916	4,907	$71,444,637	$381,721	0.5%
Orleans	$87,785,868	6,371	$92,771,206	$4,985,338	5.7%
Rutland	$195,743,987	14,214	$206,964,279	$11,220,292	5.7%
Washington	$173,663,212	12,048	$175,430,000	$1,766,788	1.0%
Windham	$124,147,241	8,056	$117,310,482	-$6,836,759	-5.5%
Windsor	$181,685,022	11,800	$171,822,430	-$9,862,592	-5.4%
Grand Total	$1,880,641,427	129,154	$1,880,607,682	-$33,745	0.0%

Considerations

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- 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?

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