

Vermont

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FUNDING PRIORITIES FOR P-12 AND HIGHER EDUCATION

The Vermont legislature passed a balanced budget in 2020 despite expecting a deficit due to this ongoing COVID-19 pandemic. The state expected an extra \$70 million in non-property tax revenues over the previous year. The increase was surprising given the pandemic and that the state initially predicted a deficit which has turned into a projected \$18.6 million surplus. That surplus led the state to only raise property taxes by 3%, much less than the original projected 9% increase. The education portion of the \$6.83 billion budget amounts to \$2.3 billion for pre-K education. This portion includes pension obligations for the \$6.83 billion budget or 34%. Higher education spending was \$93.5 million, or one percent of the state budget. Public K-12 school district per-pupil spending is \$20,222 (State of Vermont Agency of Education, 2021).

CHANGES TO FUNDING FORMULA FOR P-12

The Vermont legislature established the joint legislative fiscal office in 2020. This office's task force (the Task Force on the Implementation of the Pupil Weighting Factors Report) is charged with proposing an overhaul to the way the state funds K-12 education. The state currently uses a weighted funding formula to calculate school district spending levels, including extra funding for students who require additional support.

The legislature's task force was created following a 2019 report by researchers at two universities and the American Institutes of Research on pupil weights in Vermont's education funding formula (Kolbe, Baker, Atchison, & Levin, 2019). The report found that the state's funding weights were considered "outdated" by interested parties. The researchers also concluded that the weights are 1) not empirically derived and 2) substantially insufficient for socioeconomically disadvantaged students, English learners, and rural students. The lawmakers are required to produce a final report on their findings by December 15, 2021, following public hearings in September and October (Joint Legislative Fiscal Office, 2021).

PRESSING STATE ISSUES AFFECTING P-12

School districts may struggle with double-digit increases in health insurance premiums during the budget season for the next school year. The Vermont Education Health Initiative (VEHI), a nonprofit group that delivers health insurance coverage to public school employees, proposed premium rate increases with the state, which stretch from 8.3% to 18.5%. The proposed overall rate

increase for active employees for the 2021-22 fiscal year is 9.8%. VEHI provides health insurance to public schools and some private schools. VEHI plans cover a total of 42,000 people (Duffort, 2020).

There is also a growing secession and merger movement among several towns in Vermont. In January of 2020, five towns voted on whether to secede from their local unified school districts. Three towns voted against the measure, while two voted to secede. While these secessions still need to be approved by the Vermont State Board of Education, they could have serious implications for per-pupil funding in the newly formed independent school districts, including the loss of some select state grants. This is a trend worth following as other towns have already started discussions on their own secession plans.

REFERENCES

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