



Vermont Legislative Research Service

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Vermont Education Expenditures

The states of New England differ in population, educational needs, and how they utilize education revenue. In this report we examine the proportion of education funds spent in various categories over time and between states with the hope to provide insights to guide decisions on education financing. This is particularly important when comparing metrics such as the performance of schools, which has decreased in Vermont in previous years.¹

Methodology

We analyzed education expenditures in Vermont for the fiscal years of 2013, 2019, 2021, and 2023 and compared them to those of other New England states including Maine, New Hampshire, and Massachusetts. We obtained data for fiscal years 2013, 2019, and 2021 from the National Center for Education Statistics website. Since expenditure data was only available through 2021,² we obtained data for fiscal year 2023 directly from the states. We obtained data for Vermont and Massachusetts via email from the Vermont Agency of Education and the Massachusetts Department of Elementary and Secondary Education (this data has been submitted to United States Census Bureau but had not been published on the National Center for Education Statistics website at the time of this report). We contacted Maine and New Hampshire to request their 2023 data but at the time of writing this report, neither state was able to provide us with data formatted in a comparable manner with the other data sets utilized. All data used consist of the actual dollar values reported each year, not adjusted for inflation.

In our analysis of statewide education expenditures, we utilized the following sections and respective subsections from the US Census Bureau Annual Survey of School System Finances covering the major education expenditures.³

¹ State of Vermont Agency of Education, “Vermont Agency of Education Annual Report, February 24, 2023,” accessed November 4, 2024,

<https://education.vermont.gov/sites/aoe/files/documents/edu-annual-report-agency-of-education-SY2023.pdf>.

² National Center for Education Statistics, “Elementary and Secondary Information System,” accessed November 3, 2024, <https://nces.ed.gov/ccd/elsi/>.

³ United States Census Bureau, “Annual Survey of School System Finances,” accessed November 4, 2024, <https://www.census.gov/programs-surveys/school-finance/technical-documentation/questionnaires/2022.html>.

- **Current expenditures (part II)⁴**
 - instruction
 - student support services
 - instructional staff support services
 - general administration support services
 - school administration support services
 - student transportation support services
 - other support services
 - food services
 - enterprise operations
 - community services
 - adult education
 - salaries
 - wages
 - employee benefits
 - contracts
 - rent
 - insurance
 - utilities
 - maintenance services
 - printing
 - tuition paid to private schools
 - purchase of food
 - purchase of supplies
 - purchase of materials
- **Capital outlay expenditures (part III)**
 - construction
 - land and existing structures
 - instructional equipment
 - all other equipment
 - interest on school system indebtedness
 - payments to state and local governments for tuition to post-secondary education institutions
 - payments to state and local governments for repayment of loans
- **Other expenditures by local education agencies (part IV, line 4)**
 - interest on school system indebtedness
 - payments to state and local governments for tuition to post-secondary education institutions and the repayment of loans
- **Debt spending (part VI, line 3)**
 - debt retired during the fiscal year

It appears that part IV lines one, two, and three, part V, part VI lines one, two, and four, and parts VII, VIII, IX, and X can either be categorized as revenue or are already counted as

⁴ Each heading and “part” correspond to sections of the survey where listed categories are explained in further detail. United States Census Bureau, “Annual Survey of School System Finances.”

expenditures in parts I through IV, and therefore were excluded from this analysis. We used the following categories to total expenditures for each year for each state based on the 2023 Annual Survey of School System Finances, which indicates which lines of the survey account for specific expenditures by states.

- instruction (E13),
- support services (E17, E07, E08, E09, V40, V45, V90),
- elementary through secondary noninstructional programs (E11, V60, V65),
- nonelementary through secondary instructional programs (V70, V75, V80),
- capital outlay expenditures (F12, G15, K09, K10),
- payments to state and local governments (L12, M12),
- and interest and debt (I86, 31F).

Although the description of payments to state and local governments (L12, M12) mentions the repayment of loans, Maine was the only state to report data in these categories and accounted for a maximum of 0.06% of total expenditures calculated across the three years analyzed. In addition, the repayment of loans is not the only aspect of payments to state and local governments. For these reasons, these categories were analyzed separately and may represent a portion of debt payments for Maine. The graphs below reflect the proportions of total expenditures calculated, where a total is defined as the sum of the categories we determined to be representative of state education expenditures as listed above. It is also important to note that several districts across these four states did not report spending in certain categories, which may affect data outcomes. The effects of the COVID-19 pandemic may have influenced the data collected for fiscal year 2021, and possibly to a lesser degree fiscal year 2023, regarding changes in educational expenditures and increased federal relief funding. Throughout 2020-2024, Elementary and Secondary School Emergency Relief (ESSER) funding from the federal government contributed approximately \$31 million through ESSER I, \$127 million through ESSER II, and \$285 million through ESSER III to the Vermont Agency of Education, with the stipulation that at least 90% of the funds be allocated to local education agencies.⁵

⁵ State of Vermont Agency of Education, “Elementary and Secondary School Emergency Relief (ESSER) Fund Hub,” accessed November 3, 2024, <https://education.vermont.gov/elementary-and-secondary-school-emergency-relief-esser-fund-hub#:~:text=The%20state%20of%20Vermont%20received,to%20the%20COVID%2D19%20pandemic.>

Results

In Table 1 we present the expenditures that we calculated for each state and year. In the figures that follow the table we present the proportion of these totals that were spent in different areas of school finance.

Table 1: Calculated Expenditure Totals				
	Vermont	Massachusetts	New Hampshire	Maine
2013	\$1,623,463,000	\$14,593,003,000	\$2,797,397,000	\$2,559,679,000
2019	\$1,860,829,000	\$14,635,622,000	\$3,308,248,000	\$2,944,230,000
2021	\$1,990,295,000	\$21,241,367,000	\$3,441,287,000	\$3,535,213,000
2023	\$2,216,152,598	\$20,706,901,549	No data available	No data available

The figures below show the percentages of each budget spent on our defined categories and can be utilized in conjunction with Table 1 to calculate expenditure for their respective categories. For example: in 2023 approximately 53% of educational expenditures in Vermont were devoted to instruction (see Figure 1), and our calculated total educational expenditure for Vermont in 2023 was \$2,216,152,598 (see Table 1). Therefore, it can be calculated that in 2023 Vermont spent approximately \$1,174,560,876 on instruction (the specific amount reported was \$1,166,454,799). In addition, the differences in percentages spent by each state on specific categories can be put into perspective with similar calculations utilizing Table 1 and Figure 1. Say one wanted to know what Vermont would have spent on instruction in 2023 if it had allocated its funding like Massachusetts did: in 2023 approximately 61% of educational expenditures in Massachusetts were devoted to instruction (see Figure 1), and using the same total expenditure in Vermont for 2023 as before (see Table 1) it can be calculated that Vermont would have spent approximately \$1,351,853,084 on instruction, which would be over \$185,000,000 more than it actually did in 2023.

As can be seen in Figure 1, in 2013, 2019, and 2021, Vermont spent a smaller percentage of their budget on instruction than New Hampshire and a larger percentage than Maine. The percentage of education expenditures devoted to instruction in Vermont was 54.83% in 2013, which increased to 55.37% in 2019, then decreased to 54.27% in 2021, and decreased again to 52.63% in 2023.

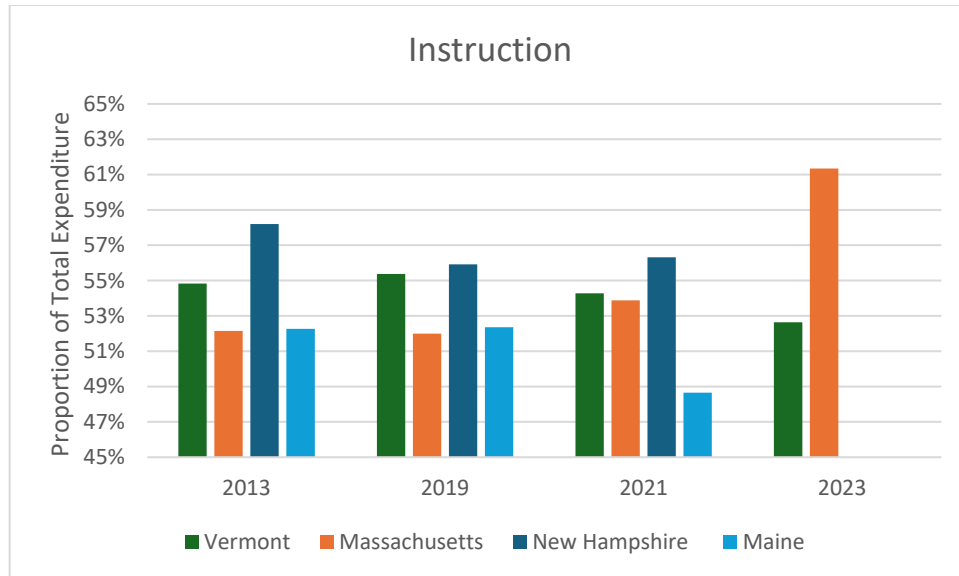


Figure 1: Percent of expenditures devoted to instruction by state and year.

As can be seen in Figure 2, Vermont spent the largest percentage of their budget each year on support services out of all states analyzed. The percentage of education expenditures devoted to support services in Vermont has increased over the 10-year period from 34.90% in 2013 to 36.11% in 2019, 36.57% in 2021, and then 36.88% in 2023.

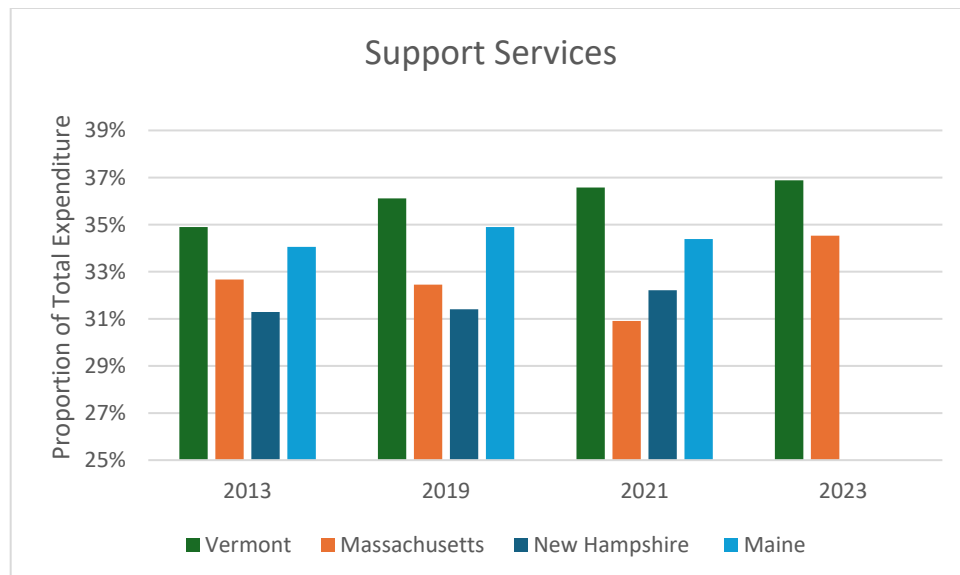


Figure 2: Percent of expenditures devoted to support services by state each year.

As can be seen in Figure 3, Vermont demonstrated a consistent increase in the percentage of education expenditures devoted to Elementary-Secondary Noninstructional Programs. In 2013, noninstructional programs accounted for 2.82%, with a similar allocation of 2.80% in 2019 and 2.83% in 2021. However, by 2023, this percentage increased to 3.54%.

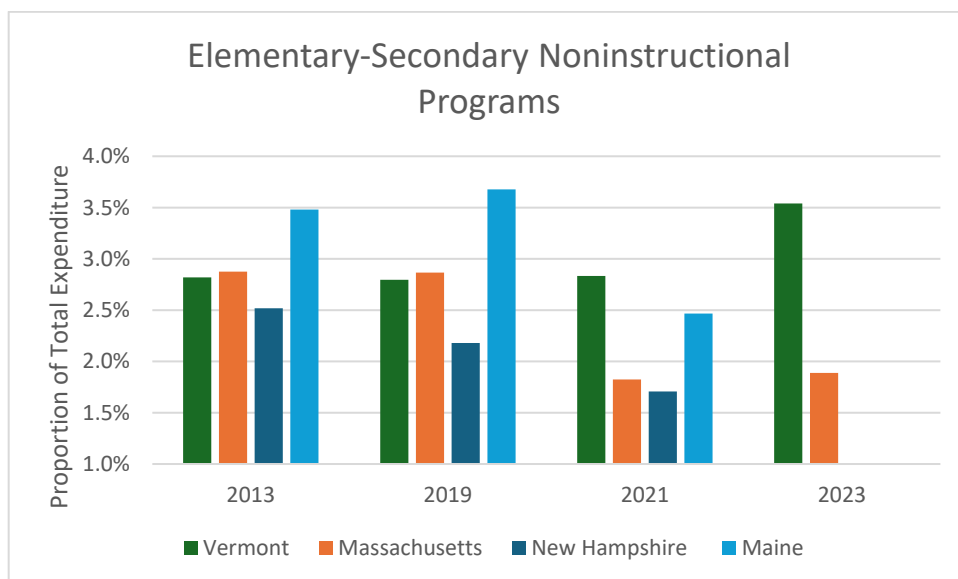


Figure 3: Percent of expenditures devoted to elementary through secondary noninstructional programs by state each year.

In Figure 4, it can be seen that Vermont generally devoted the smallest percentage of total education expenditures to Nonelementary-Secondary Programs each year compared to other spending categories. In 2013, these programs accounted for 2.82%, which decreased to 0.63% in 2019 and to 0.46% in 2021, before increasing to 0.53% in 2023.

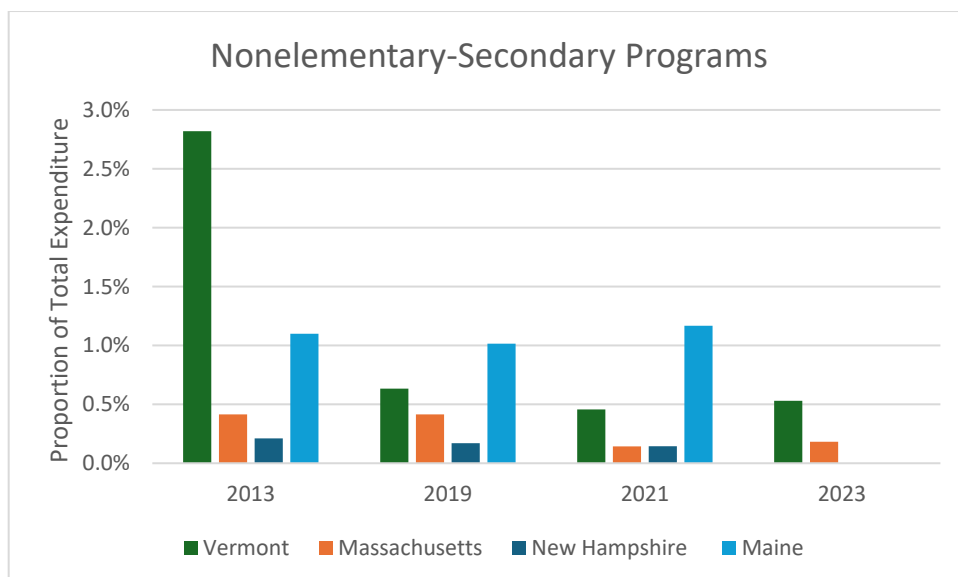


Figure 4: Percent of expenditures devoted to nonelementary through secondary programs by state each year.

As shown in Figure 5, Vermont spent a smaller percentage on capital outlay than Massachusetts in 2013, 2019, and 2021, but a larger percentage than Massachusetts in 2023. Vermont devoted 3.45% to capital outlay in 2013, which decreased to 2.99% in 2019, increased to 4.10% in 2021, and increased again to 4.86% in 2023.

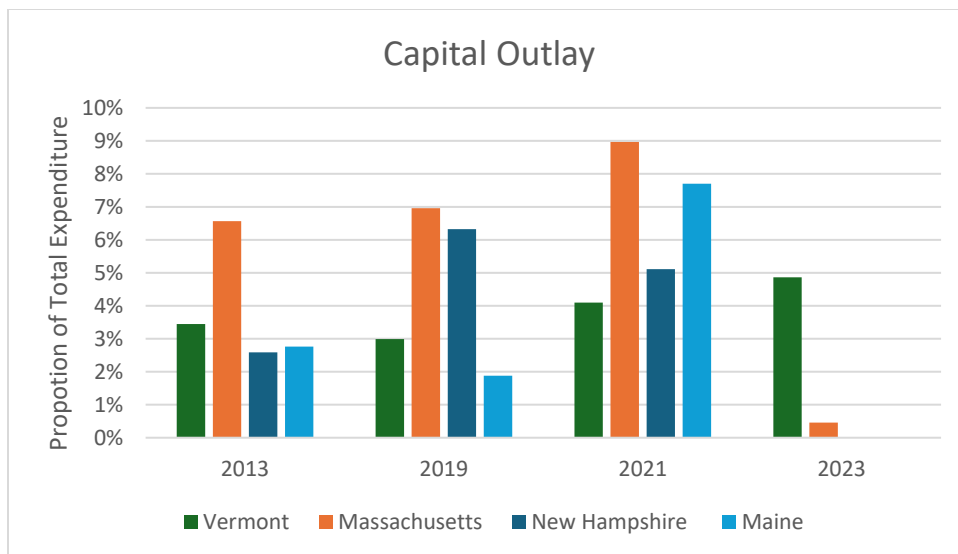


Figure 5: Percent of expenditures devoted to capital outlay by state each year.

As can be seen in Figure 6, Vermont spent the smallest percentage of their budget each year on interest and debt out of all states analyzed. The percentage of education expenditures devoted to interest and debt in Vermont decreased from 2.63% in 2013 to 2.10% in 2019, 1.77% in 2021, and then 1.55% in 2023.

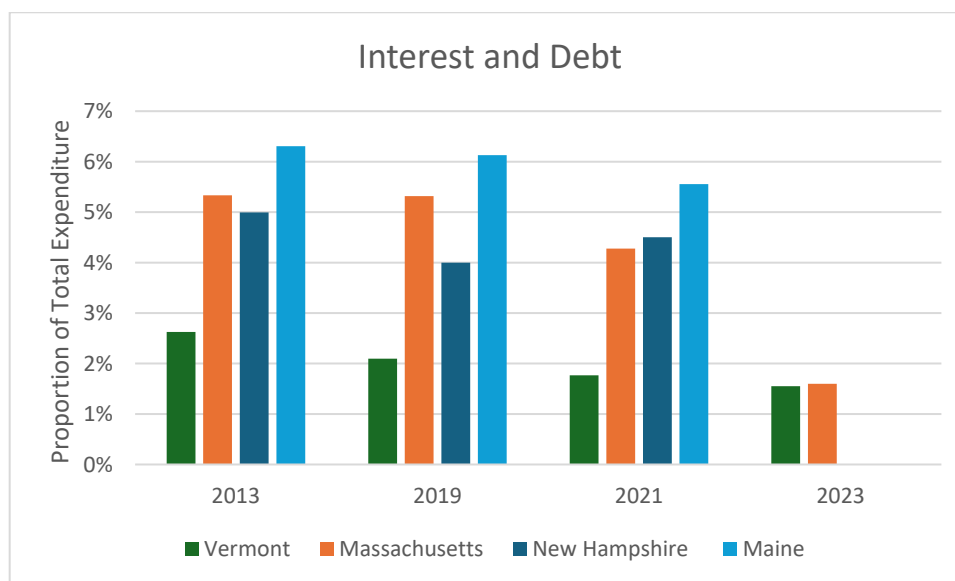


Figure 6: Percent of expenditures devoted to interest and debt by state each year.

As mentioned in the methodology, Maine was the only state that reported payments to state and local governments. Vermont, New Hampshire, and Massachusetts did not report expenditures in this category.

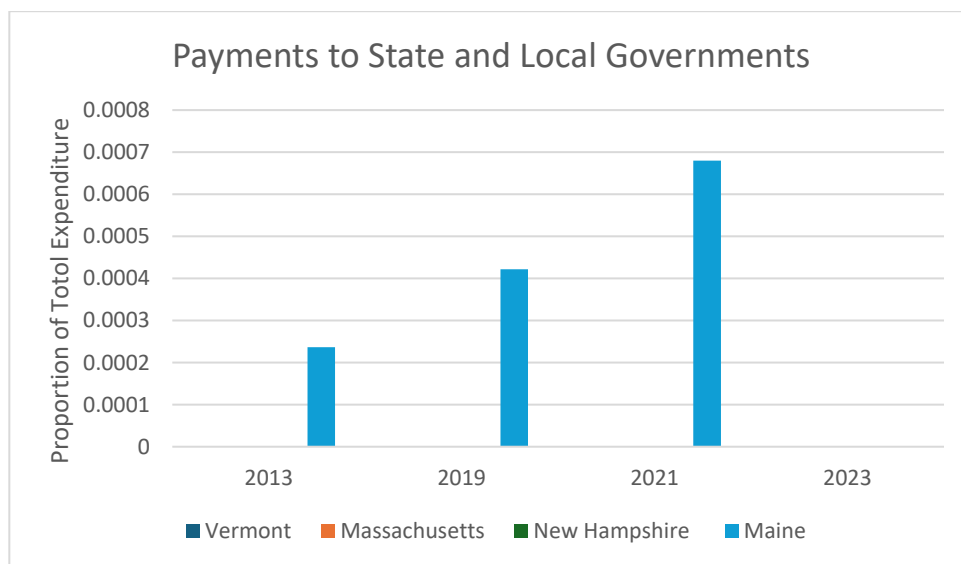


Figure 7: Percent of expenditures devoted to payments to state and local governments by state each year.

In 2013, 2019, 2021, Vermont spent a larger percentage than New Hampshire, Maine, and Massachusetts on support services. In 2023, Vermont spent a larger percentage than Massachusetts on support services and a smaller percentage than Massachusetts on instruction. However, Vermont spent a smaller percentage than other states on interest and debt, and capital outlay across all four years analyzed.

This report was completed on November 21, 2024, by Carter Wallace, Leilani Krusoe and Brooke Schimelman under the supervision of VLRS Director, Professor Anthony “Jack” Gierzynski in response to a request from Representative Rebecca Holcombe.

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