

(Re)Considering Vermont's Equalized Pupil Calculation

Presentation to the
Vermont School Boards Association

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The "Weighting Study"

In Fall 2018, AOE contracted with the University of Vermont to conduct a "weighting study" that responds to two legislative/statutory requirements:

1. A biennial evaluation of the accuracy of the weights used to calculate school districts' weighted long-term membership and equalized pupil counts ((16 VSA § 4010(d))
2. Considers approaches that could be used to adjust the SPED census grant to supervisory unions for differences in the incidence of students with disabilities across SUs (2018 Act 173 Sec 1)

The study's final report will be submitted to the General Assembly in late November, and available to the public in early December.

What does this all mean for Vermont school boards?

There is going to be discussion (and likely debate) during the coming legislative session about Vermont's school funding system, and in particular:

- A closer look at how existing policies achieve the goals of "equalizing" student need and educational costs across school districts; and
- Equalize fiscal responsibility for statewide education costs across communities

School boards will be expected to contribute to this discussion/debate, evaluate the impact of different policy proposals on their school districts, and communicate with key constituents in their communities.

Goals for Today's Workshop

Provide school board members with a tools for engaging in the upcoming discussion/debate about the Vermont's school funding formula, by:

1. Introducing a **framework** for thinking about the role pupil weights play in school funding systems
2. **(Re)Familiarizing** everyone with how pupil weights are used in the State's existing school funding formula
3. **Considering past research** on differences in incidence and costs associated with students with disabilities across Vermont school districts

Baseline Assumptions for School Funding Formula

All modern state K12 school funding policies recognize:

1. A state role in ensuring **substantively equal educational opportunities** for all students to achieve **common outcomes**, regardless of where they live or their personal backgrounds
2. The **cost** of educating students to common standards will **differ**, depending on student need and where/how students are educated
3. Presume **cost sharing** for education between **states and communities**
4. Not all localities have the **ability (or willingness) to pay** for what it costs to educate students to common standards, and that frequently **communities with the least ability to pay** are also those that **face higher costs**

Adjusting for Differences in Educational Costs

ALL state education funding formula include adjustments for differences in educational costs across school districts.

This is accomplished by:

1. Identifying specific factors that account differences in educational costs across districts
2. Developing policies that direct state aid in ways that offset (or equalize) cost differences across school districts

Vermont's Existing Policy

- **Cost Factors incorporated in Vermont's formula for calculating general state aid**
 - Grade level: Adjustments for PK and secondary grades (only)
 - Students from economically-deprived backgrounds (i.e., poverty)
 - English-language learners
- **Cost factors addressed through separate categorical grant programs**
 - Students with disabilities
 - Scale of operations (small schools and transportation costs)

Mechanisms for Allocating Additional State Aid

- All states rely on a variety of different mechanisms for allocating additional aid to school districts to offset differences in costs, including:
 - Single student weights or per capita stipend amounts
 - Multiple student weights
 - Resource-based allocations
 - Cost reimbursement
 - Categorical grant programs
- The "mechanisms" used, however, can differ by cost factor

Vermont's Equalized Pupil Calculation

- Primary factor in Vermont's education funding system is the concept of "equalized pupil"
 - **Equalized pupil** = average pupil in terms of total (statewide) educational costs/spending
 - **An equalized pupil will have the same cost as any other equalized pupil, whereas the actual per pupil cost of an individual student varies**
- By equalizing pupil costs in this way, the funding formula equalizes spending across districts, regardless of differences in student need, economies of scale, or price differences

Existing Adjustments

- Vermont's existing approach to "equalizing" the number of pupils across school districts adjusts for three cost factors, by applying different weights to districts' long-term membership. Specifically:
 - **Grade level weights:**
 - PK = .46
 - Secondary students = 1.13
 - **Economic disadvantage**
 - $.25 * \text{District's poverty ratio}$
 - **ELL**
 - $.20 * \text{ELL ADM}$
- Adjustments for **students with disabilities** and **scale in operations** are made using **categorical grant programs** that operate apart from equalized pupil calculation

Impact of Equalized Pupil Calculation on Tax Rates

Example 1



Example 2



So, why all the background on national and Vermont school funding policies?

This information is key to understanding the report's findings, specifically its recommendations for:

1. Cost factors to be considered in the formula
2. Weights and other funding mechanisms to be incorporated in state policy
3. The revised calculations for the state aid formula, and the simulations that show the impact of these calculations for each VT school district