

To: House Committee on Ways and Means  
From: Rebecca Holcombe  
Date: April 23, 2024  
Re: Amendment to the Yield Bill

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Thank you for allowing me to speak to you today.

This proposed amendment is a technical fix to the pupil weights applied in Act 127.

Since the time I requested an amendment to the yield bill, the authors of the *Study of Pupil Weights in Vermont's Education Funding Formula* (2019) submitted a memo explaining the problem that motivated me to request this amendment. They do a more comprehensive job than I do here. I first refer you to that memo, already shared with the committee, which lays out the reason why this correction is needed.

**In short, there is no substantive basis nor analysis that supports applying the funding weights for EL students, economically disadvantaged students, students who live in sparsely populated areas or students who attend small schools to education spending for students who are tuitioned in our current construct.** In our shared Education Fund, applying the discount to spending in tuition districts *for variable costs those districts don't bear* forces districts that operate schools (including just at the elementary level) to subsidize districts that pay tuition. **In other words, Act 127 compels taxpayers in districts that operate public schools to subsidize taxpayers in districts that pay tuition.**

Given this, the proposed amendment removes this weighting for education spending on tuition paid to public schools and independent schools.

**Rationale:**

The purpose of the weights created by Act 127 of 2022 is to help districts account for the variable costs of educating different types of students, on average.

The modeling in the weighting study did not include tuition students because their costs are not variable. The tuition paid to a public school or independent school for a student who is disadvantaged is the same as the tuition for a student who is wealthy. The tuition is the same for a student who speaks English and one who is learning English. The average announced tuition is the same regardless of school size and regardless of how sparse or dense the population of a student's home school district.

However, per Act 127 of 2020, the weights are applied to the spending for tuition students, even though these costs are NOT variable by student category.

I rechecked the weighting study and contacted the study authors. The [report](#) warns that if anything, the weights for tuitioned students should be applied to spending in the districts/schools that receive these students. The study authors agreed that Act 127 should not have applied the weighing discounts for EL, disadvantaged status, sparsity or school size to tuition students. There is absolutely no substantive basis or research to support applying the weights to spending on tuition as the General Assembly did in Act 127 of 2020. Applying weights for tuitioned students– whether they go to public or private schools, and wherever they live– is an error.

We need a technical fix to this error. Moreover, **given the decision of this committee to reimpose the excess spending threshold in the FY26 budget year, this error must be fixed this year, as it affects which districts are likely to be subject to the excess spending penalty in the coming year.**

**Solution:**

I requested an amendment that ensures that weights do not apply to tuition-related spending paid for by districts that do not operate a school at one or more grade levels. (Note: weights for grade levels still apply.) The language has been shared with the committee. I would welcome the committee taking this language for a committee amendment if that was more convenient. If you are amenable, I can also present it on the floor as a friendly amendment.