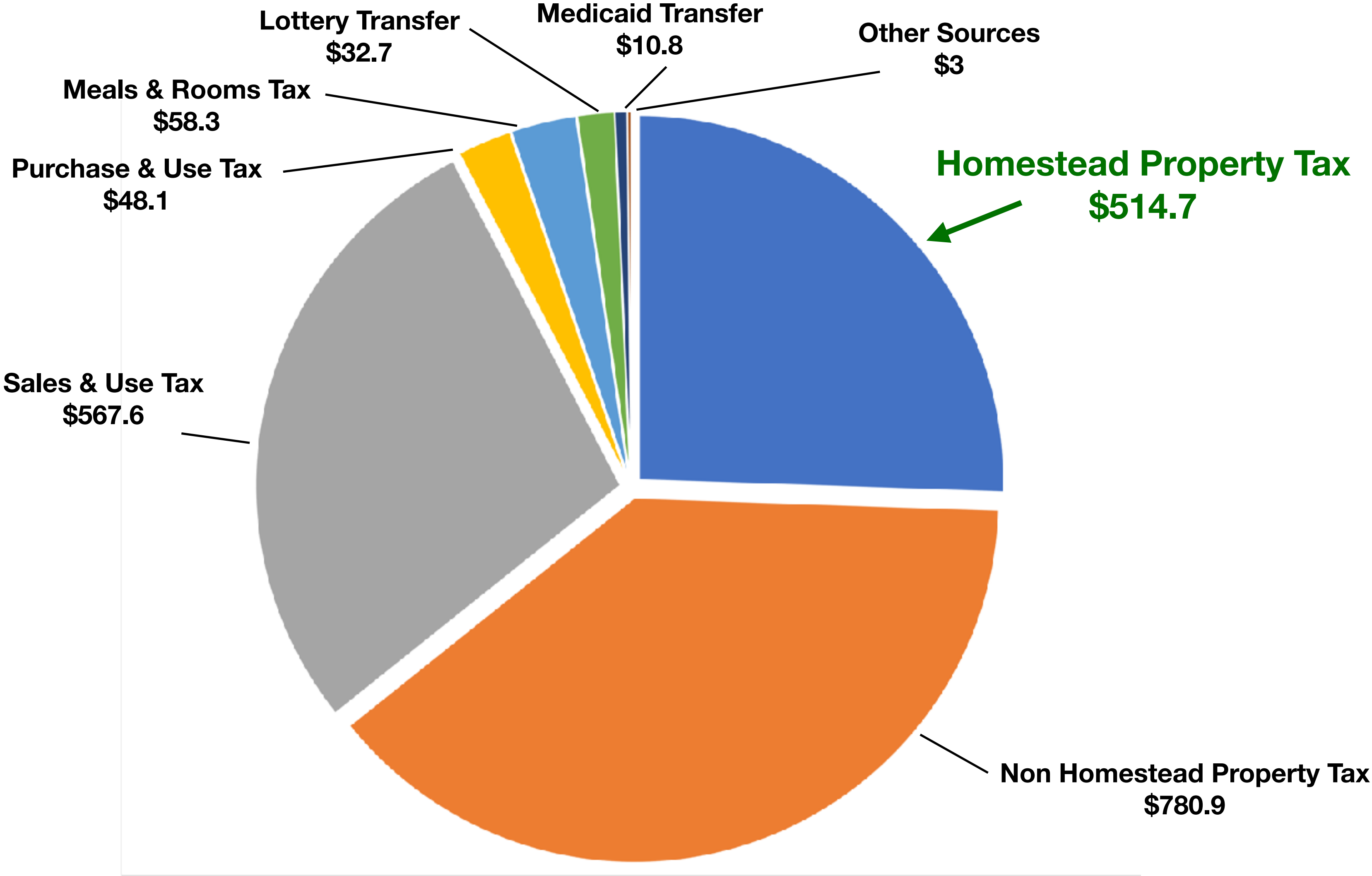


Financial Implications of Vermont's Tuitioning System

Neil Odell
Norwich School Board
President, VSBA

The Vermont Education Fund



The Vermont Education Property Tax

Local districts determine spending

State required to fund education

The Vermont Education Property Tax

$$\begin{array}{r} \text{All Voter Approved Budgets} \\ + \text{ Other Obligations (PCBs, School Lunch, etc.)} \\ - \text{ Non Property Tax Revenue} \\ \hline = \text{ Amount To Be Raised By Property Taxes} \end{array}$$

The Vermont Education Property Tax

$$\text{Property Tax Rate} = \text{Education Spending} \div \text{Number of pupils}$$

The Vermont Education Property Tax

Property Yield

The amount of per pupil spending that a \$1.00 tax rate will generate

$$\text{Local per pupil spending} \div \text{Property Yield Number} = \text{Equalized Tax Rate}$$

The Vermont Education Property Tax



Local spending per pupil

÷



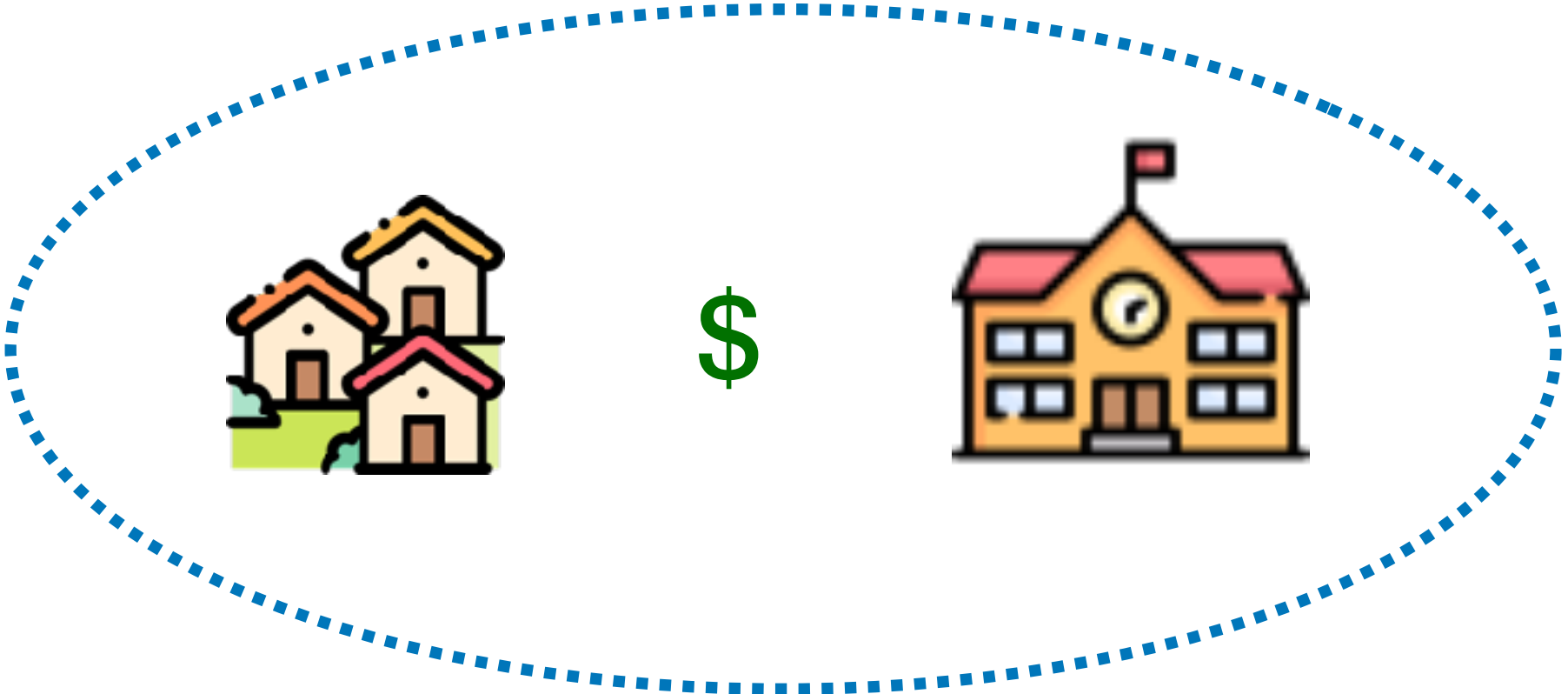
Property Yield Number

=

Equalized Tax Rate

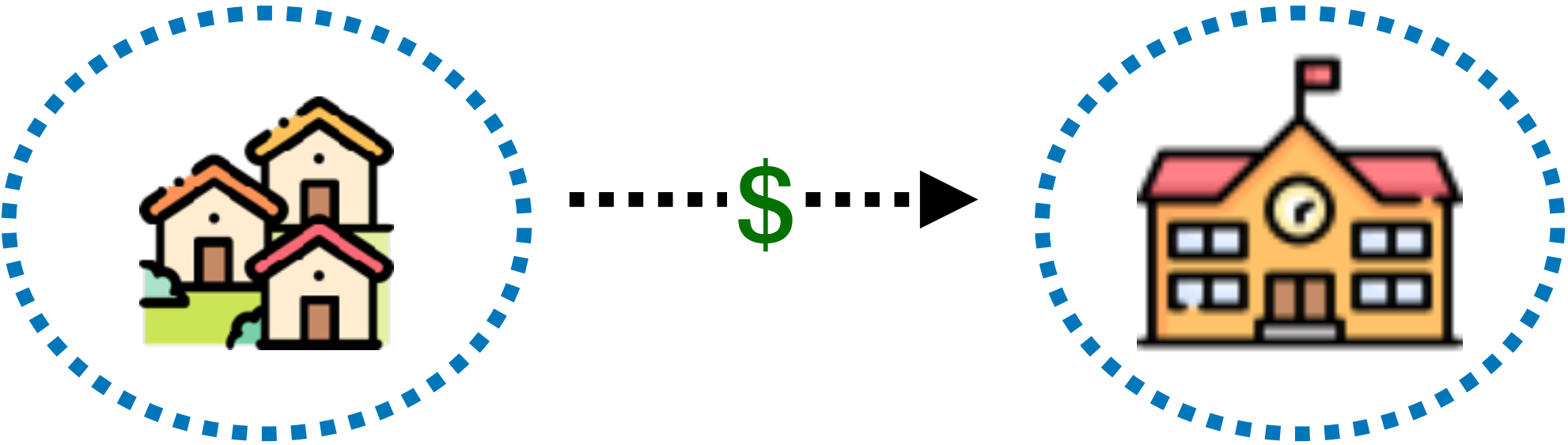
Local School Budgets

Operating Town



Expenditure Budget

Tuitioning Town



Expenditure Budget

+

Tuition Costs

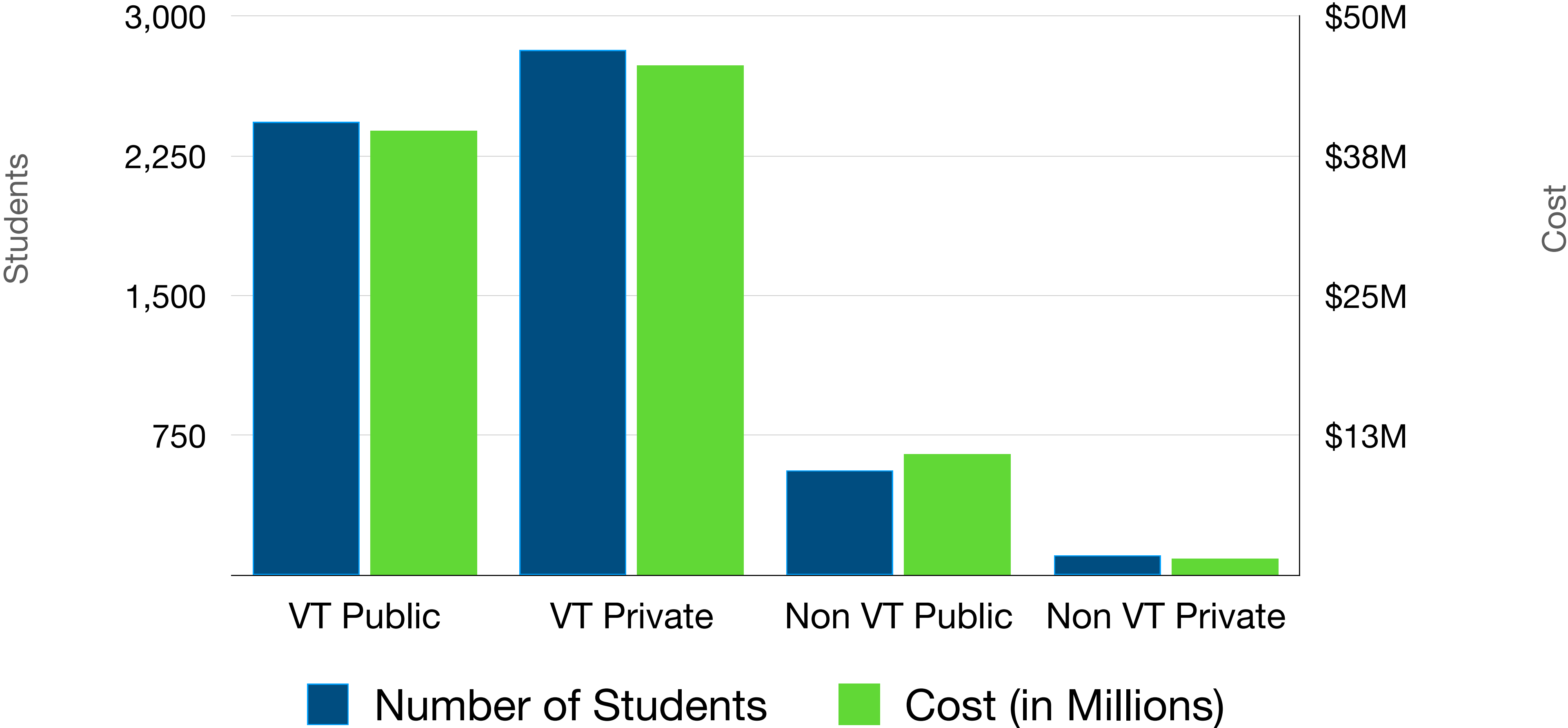
Tuitioning Costs

Public School in VT	Independent School in VT
The full tuition charged	Average announced tuition

Tuitioning Costs 2022-23

Average Announced Tuition K-6	\$16,020
Average Announced Tuition 7-12	\$17,278
Meets or 'Substantially Complies with' Education Quality Standards	\$18,500 (Sharon Academy)
State Approved Public School via Designation	\$20,963 (Thetford Academy)
Operates a Career and Tech Center	\$20,827 (Lyndon), \$20,855 (St. Johnsbury)
Electorate votes to approve a different amount	\$19,200 (Burr & Burton)

Tuitioning Costs



Tuitioning Costs

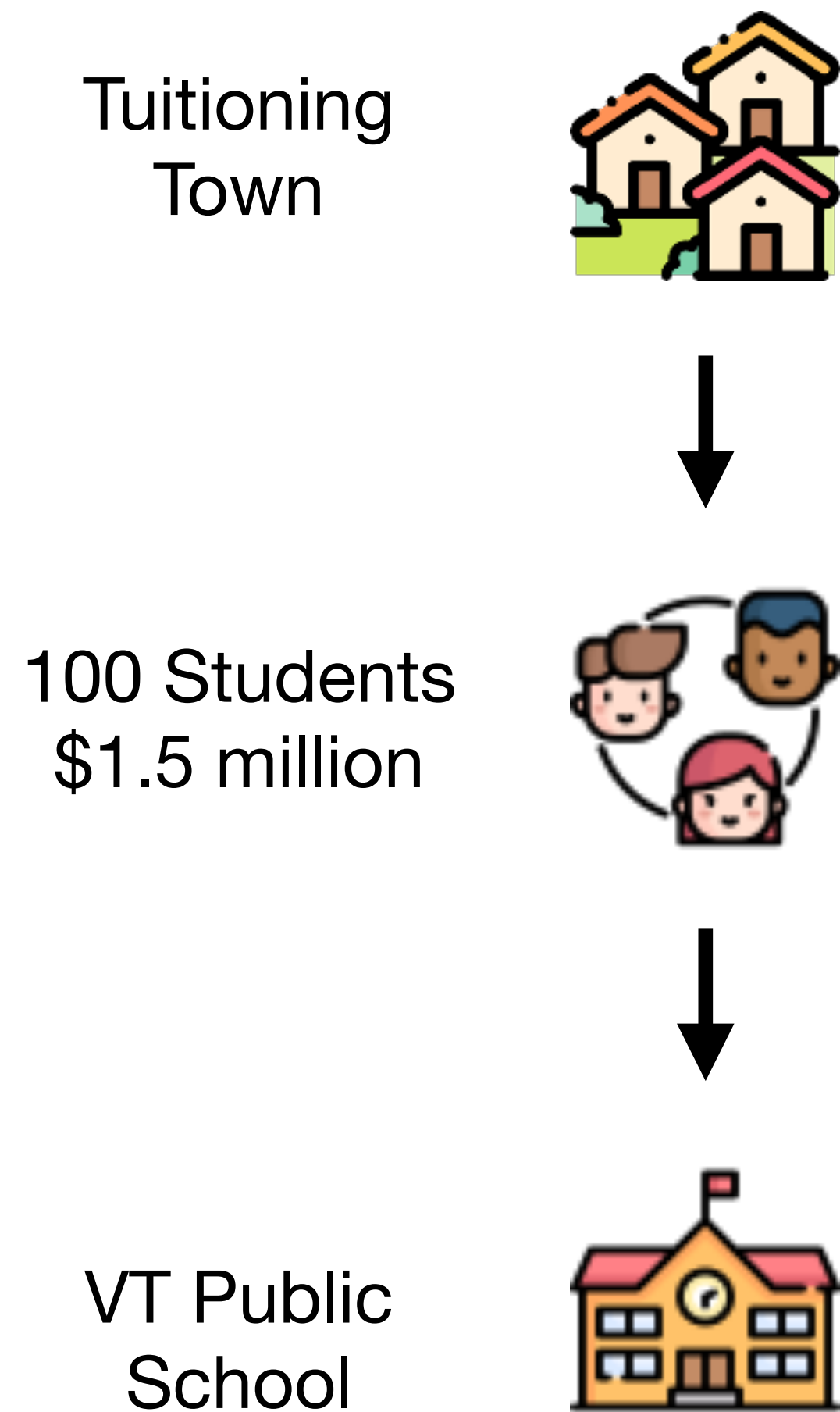


One of Vermont's independent schools is hiking its tuition. Could that spell trouble for local public schools?

By Peter D'Auria
Apr 21 2022

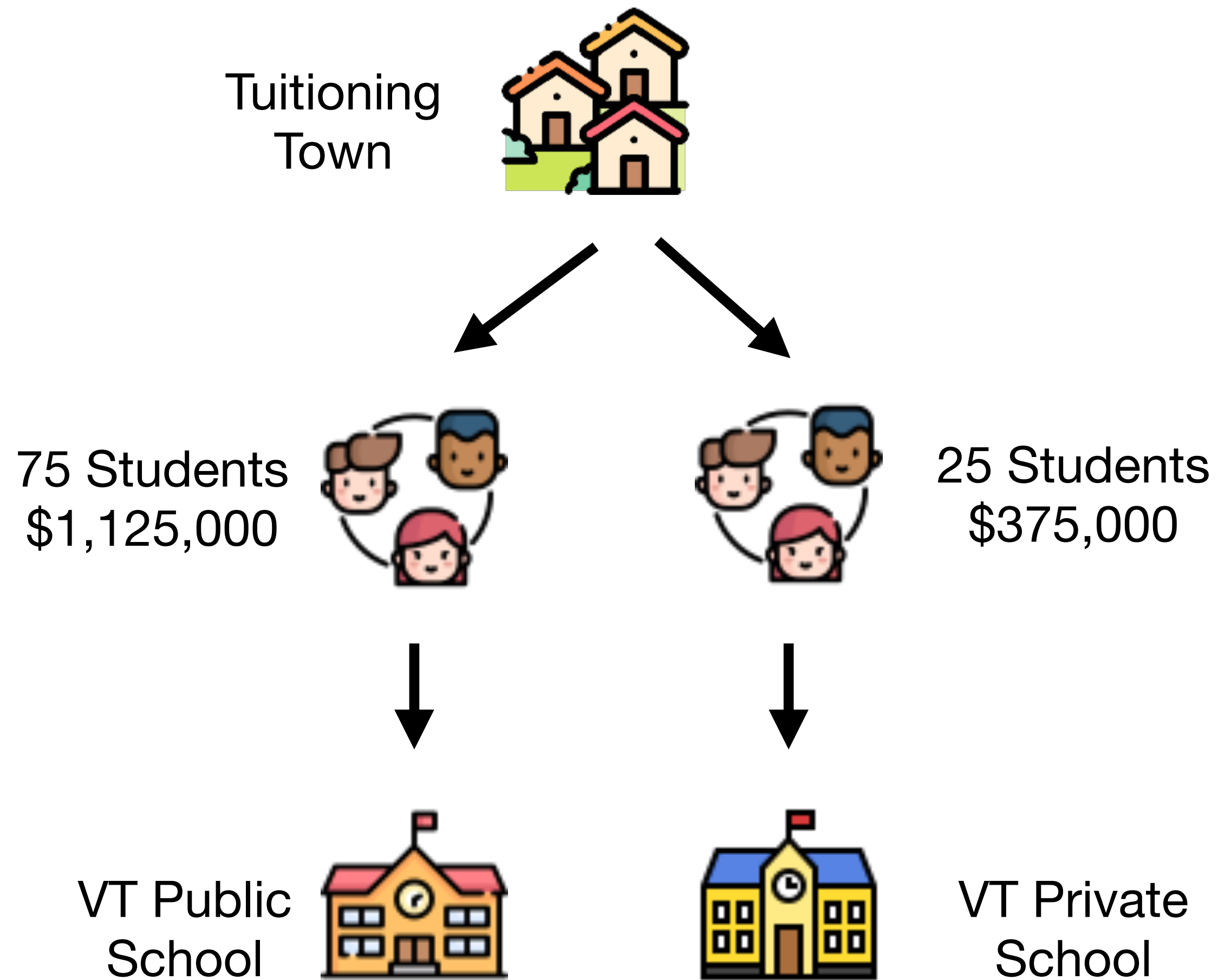
“I’m very concerned that this could result in significantly impacting our elementary school programming in a negative way,” Jamie Kinnarney, the superintendent of the White River Valley Supervisory Union, told state officials last fall in an email obtained through a public records request.

The Cost of Tuitioning



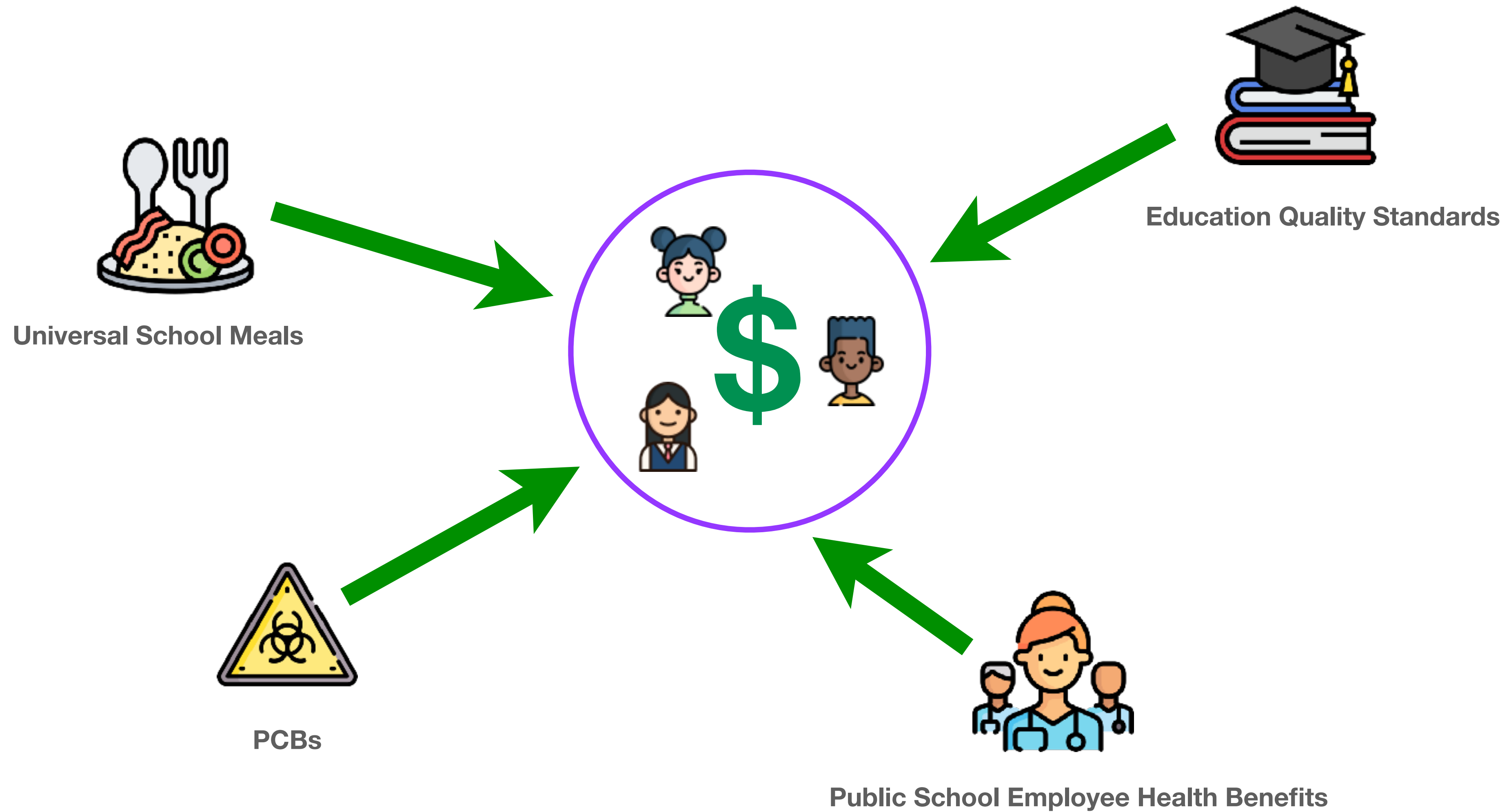
Public School	
Local Students	150
Tuitioned Students	100
Total Students	250
Total Budget	\$3,750,000
Per Pupil Spending	\$15,000

The Cost of Tuitioning



Public School	
Local Students	150
Tuitioned Students	75
Total Students	225
Total Budget	\$3,750,000
Per Pupil Spending	\$16,667

The Cost of Tuitioning



Tuitioning and Tax Rate Pressures



Bennington Banner

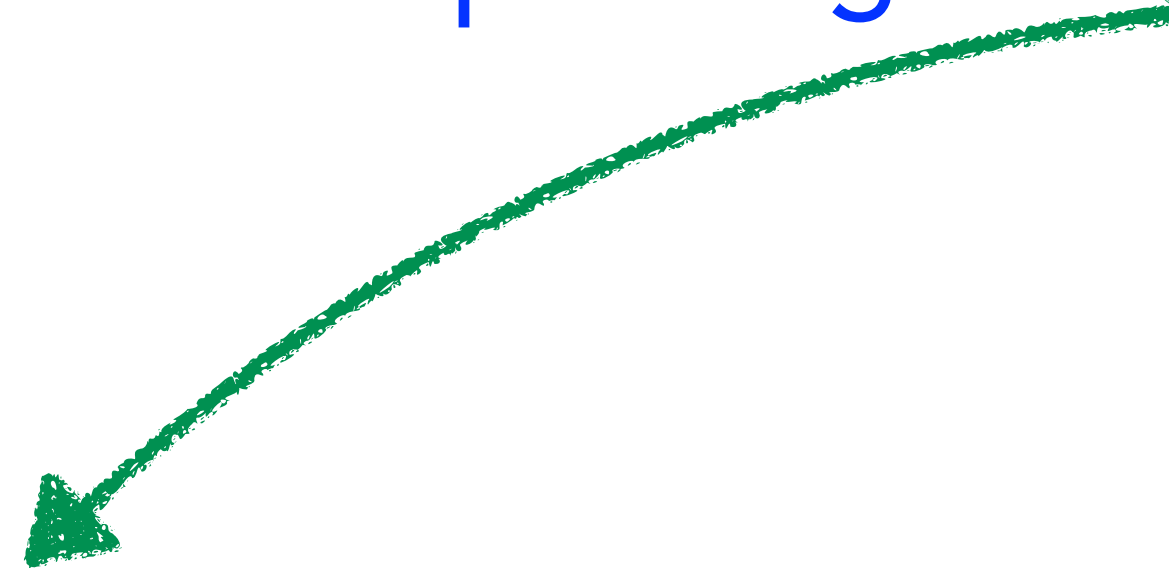
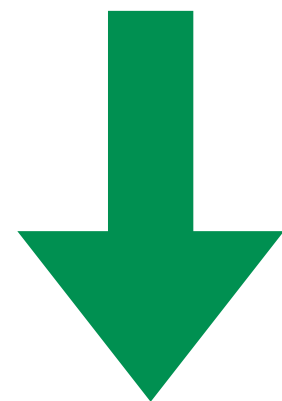
March 6, 2018

“what we're going to do is accept the state average tuition for Winhall students this year. We have never done this before, and we can never do it again.”

Seth Bongartz
President B&B Board of Trustees

Tuitioning and Student Weighting

$$\text{Homestead Tax Rates} = \text{Net Education Spending} \div \text{Equalized Pupils}$$



- students in poverty
- students who are English language learners
- students in secondary grades
- students in small or rural schools

Tuitioning and Student Weighting

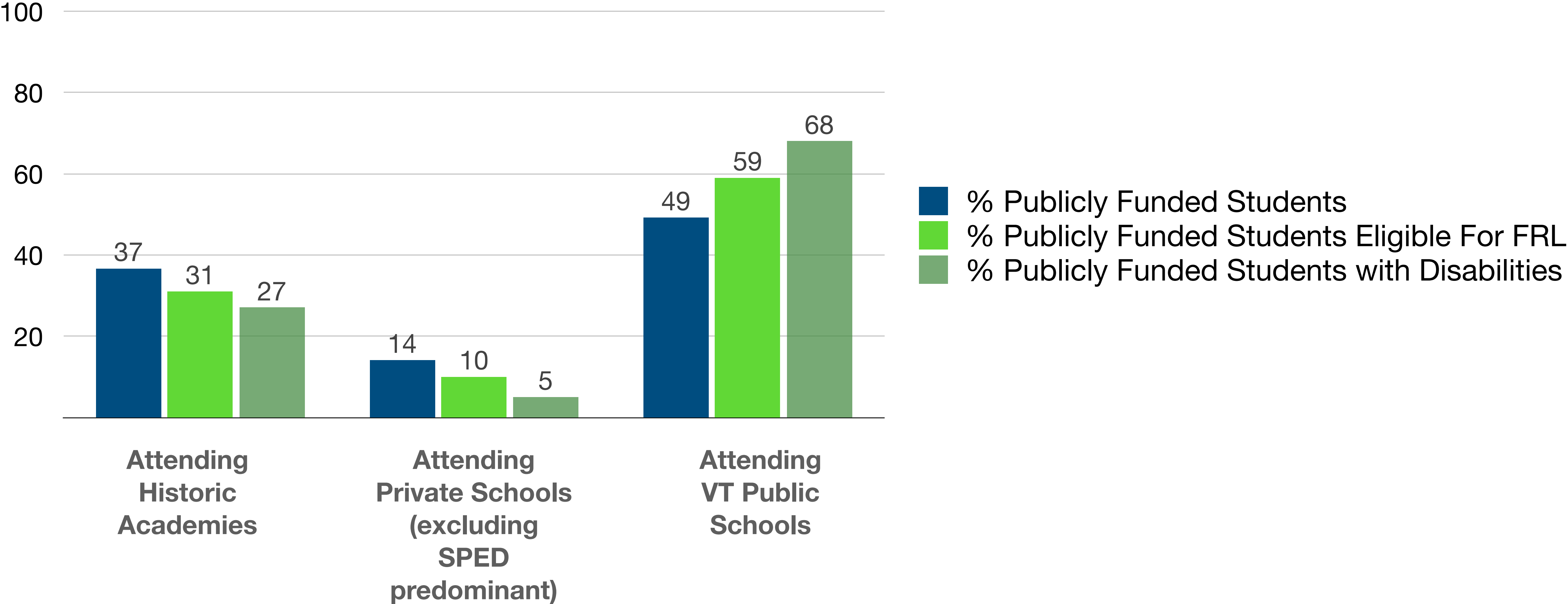
Public School Tuition Rate

Net Ed Spending per Equalized Pupil

Private School Tuition Rate

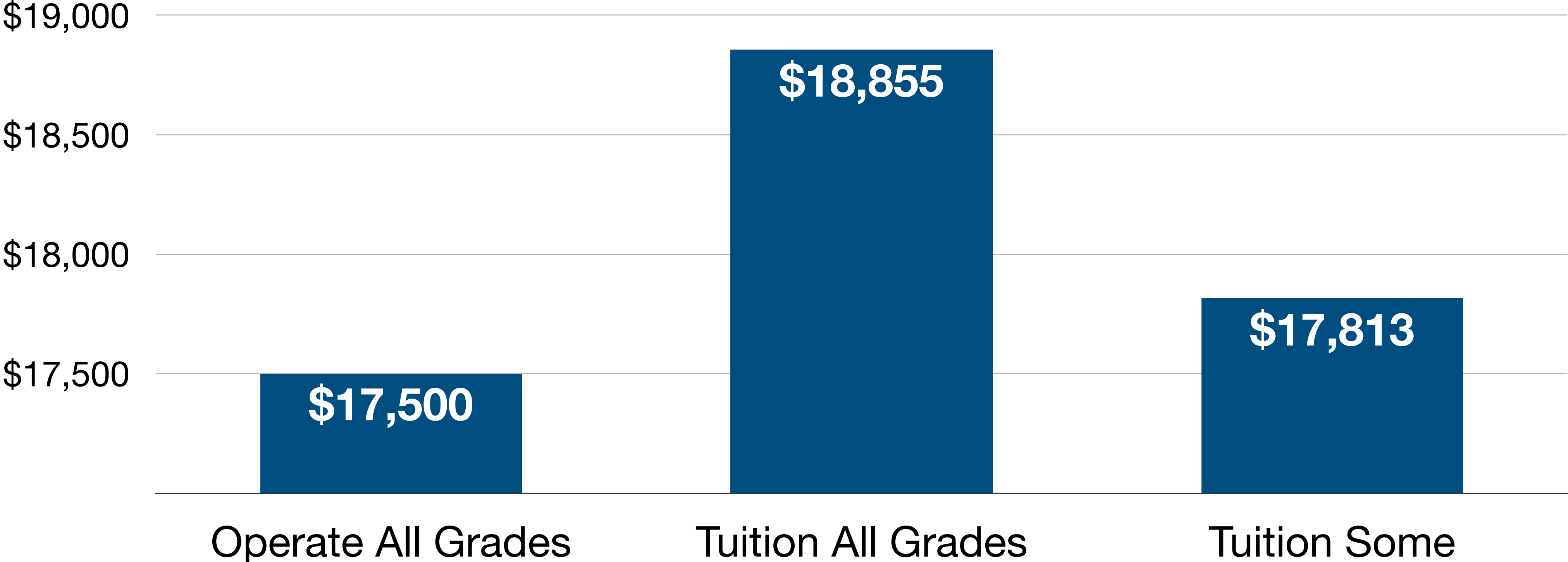
State Average or Higher Amount

Tuitioning and Student Weighting



Tuitioning and Education Spending Per Equalized Pupil

Agency of Education 2023 Data

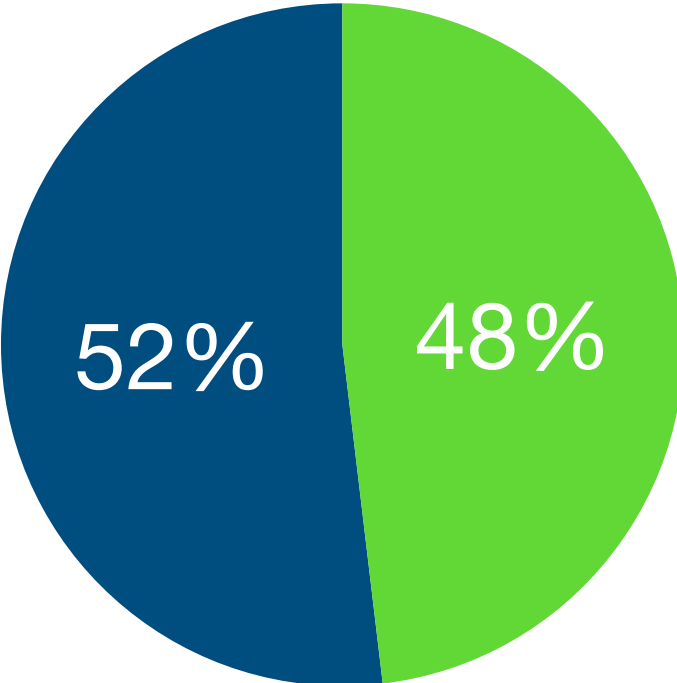


Vermont's Tuitioning System - Financing

Tuitioning and Per Pupil Costs

● Announced Elementary Tuition

● Announced Secondary Tuition



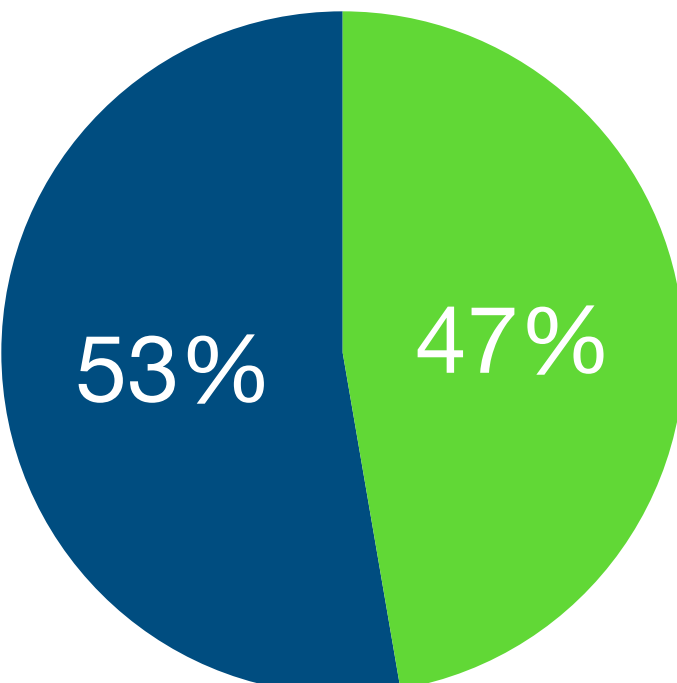
State

Elementary

\$16,020

Secondary

\$17,278



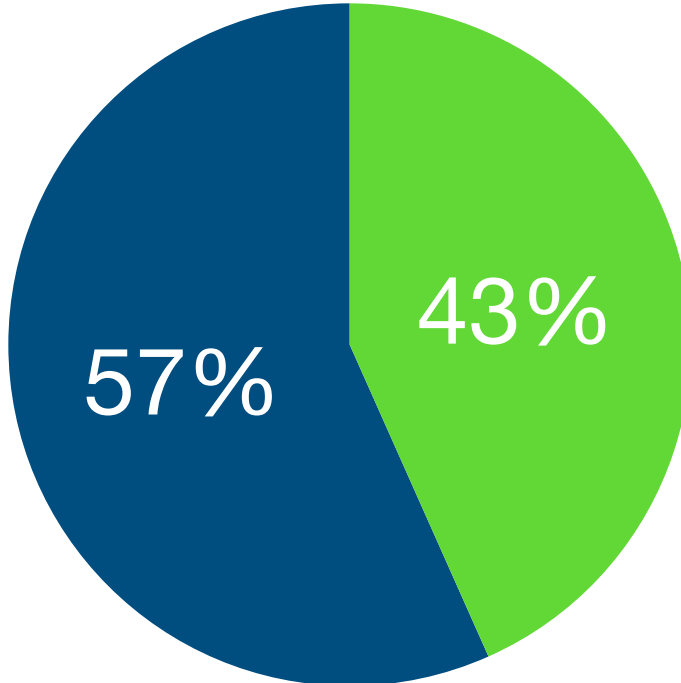
Danville

Elementary

\$16,150

Secondary

\$18,000



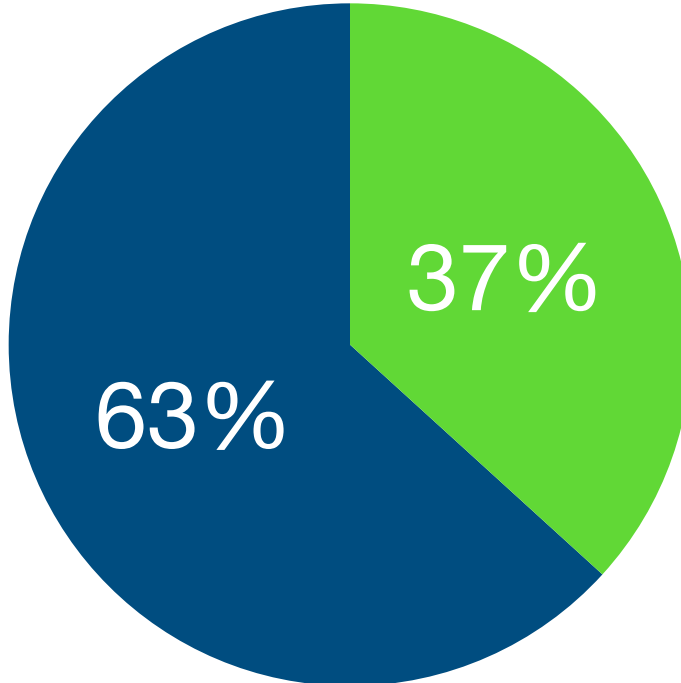
Orleans

Elementary

\$13,000

Secondary

\$17,000



St. Johnsbury

Elementary

\$12,118

Secondary

\$20,855

Tuitioning and Special Education Funding

Independent Schools

- Requires an approved independent school that accepts public tuition to enroll any student with an IEP who is placed in the approved independent school by the student's local education agency (LEA), except for an independent school that limits enrollment to students who are on an IEP
 - Requirement takes effect July 1, 2023 (FY24)
- Allows approved independent schools to bill LEAs for costs beyond general tuition rates if incurred pursuant to an IEP
- Requires rulemaking to update independent school rules (2200 series)
 - Rules take effect July 1, 2023*

Document Number: 366103 Version: 1 5

Beth St. James, Legislative Counsel - from Act 173 overview provided to House Education Committee on January 10, 2023

Tuitioning and Special Education Funding

Manchester Journal

December 1, 2020

“Act 173 calls on us to manage for receiving SPED funding for all of our PK-12 students under one methodology that applies to public schools,” the board said. “However, roughly one-third of our students attend independent schools which are not subject to the same rules for managing SPED costs. Therefore, **we are concerned that SPED expenditures for our 9-12 students will remain the same – putting excessive budget pressures on our PK-8 system.**”

Tuitioning and Excess Spending Threshold

Excess Spending Threshold

- 121% of the statewide average education spending per equalized pupil, increased by inflation
- School districts are double taxed on the amount above this threshold

Tuitioning and Excess Spending Threshold



Under Act 46's spending caps, school boards find building budgets frustrating

By **Tiffany Danitz Pache**

Nov 15 2015

“each \$800 increase in tuition per high school student will result in a \$510 decrease in what can be spent at the K-8 level”

Tuitioning and Excess Spending Threshold

- Tuition paid by a district that does not operate a school and pays tuition for all resident students in kindergarten through grade 12, except in a district in which the electorate has authorized payment of an amount higher than the statutory rate pursuant to subsection 823(b) or 824(c) of this title.
- Excess spending threshold currently suspended during the implementation of new pupil weights

Summary

- Vermont's tuitioning system does place an increased burden the Education Fund
- Making more schools eligible for public funds will increase the obligations on the Education fund
- Our tuitioning system impacts all tax payers in Vermont, not just those in tuitioning towns.

Thank You



reference material