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School District: Huntington
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The Equalized Pupil Calculation:

Huntington's Experience with Estimated Preschool Partnerships, Equalized Pupils, Phantom Students and Allowable Growth Percentages

YEAR 1 – FY15/16 Preschool partnerships, equalized pupils and allowable growth percentages

Brewster-Pierce Memorial School is a pre-K through grade 4 school which comprises one district in the Chittenden East Supervisory Union (CESU). The school district has offered public preschool for the last 12 years. In October 2014 the decision was made to participate in Act 166 and offer preschool partnerships in FY15/16.

During the budgeting process in November 2014 it was estimated that there was the potential for 53 preschoolers aged 3 and 4 to qualify for preschool. Based on historical experience, 29 slots were expected to be filled in the school based program. That left the potential for 24 children to qualify for pre-school partnerships. There was going to be a supervisory union sponsored informational meeting for parents of young children to give information about Act 166 and to assess interest in pre-school partnerships scheduled for early December 2014. A decision was made to table discussion of estimating the partnership numbers until the next board meeting on December 9th.

The December 9th meeting was cancelled due to poor weather and unsafe road conditions. It was rescheduled for December 23rd.

At the December 23rd meeting a discussion about the implications of over or underestimating preschool partnerships ensued and it was decided that offering 12 pre-school partnerships was reasonable.

On January 13, 2015 an e-mail exchange between the Vt. Agency of Education (AOE) and the CESU business office confirmed that Huntington was budgeting 12 pre-school partnerships.

A preliminary Three Prior Years Comparisons Chart (T099) was filed and printed in Huntington's annual report with an equalized pupil count of 130.57 which included the 12 preschool partnerships.

In May 2015 Act 46 was passed with allowable growth percentages based on spending per equalized pupils.

In October 2015 the CESU business manager reported to the BPMS Board that the AOE had included 24 partnerships in calculating equalized pupils. This resulted in the local tax rate being set too low and too much of funding was drawn from the state pool. To correct this, the Board would have to raise approximately \$62,000 from local taxes. This would be done by increasing the proposed FY17 budget by \$62,000.

The Superintendent contacted the AOE to see if that amount could be excluded from the allowable growth thresholds. Per the AOE all school census data had been "frozen" as of December 22, 2014. The AOE spreadsheet calculating equalized pupils had not been altered subsequent to the January 2015 e-

mail exchange. According to the AOE there was no provision in Act 46 to cover repayment from one tax pool to another and there was nothing they could do about it.

The BPMS School Board contacted its state representatives and senators to see if there were any options since this budget increase was not related to increased spending on the local school, its educational programs, staff, facilities, or students.

In the meantime the Legislature revised the allowable growth calculation and Huntington fell below the average spending per equalized pupil cutoff. The \$62,000 was included in the budget and an explanation was offered to the voters.

The issue has not gone away.

YEAR 2 – FY16/17 The new preschool equalized pupil calculation, total equalized pupils, and phantom students

For FY16/17 the AOE revised the calculation of preschool students from a two year rolling average daily membership consistent with grades K-12 to a calculation based on FY15 actual student count.

The new formula is as follows:

Act 166, sec. 2

Source: Master estimate of FY16 preK ADM.xlsx
If a school had a preK in the prior year then:

	“Frozen” Huntington Per AOE w/ 24 preK partners	Budgeted Huntington w/12 preK partners
1. Assume Actual 15 is base for Actual 16		
2. Actual 16 – Actual 15 = New 16	31 – 21 = 10	
3. New 16 – Est 16 = Adjusted 16	10 - 24 = -14	10 - 12 = -2
4. Adjusted 16 + Average 17 = Adjusted 17	-14 + 26 = 12	-2 + 26 = 24

Conclusion:

Using the new formula with the 24 PreK numbers resulted in an understated Average Daily membership number for PreK pupils in comparison to the rolling Average Daily membership formula, i.e. 12 vs 26
Using the new formula with the budgeted 12 preK partnerships resulted in a slightly understated average daily membership, i.e. 24 vs 26

These adjusted PreK numbers were then added to the K to grade 4 ADM and the EEE ADM:

	Total Unweighted LT ADM	
New formula w/frozen PreK	Old Rolling Avg	New formula w/budgeted PreK
113.48 (K to 4)	113.48 (K to 4)	113.48 (K to 4)
+ 4 (EEE)	+ 4 (EEE)	+ 4 (EEE)
+ 12 (Adjusted PreK)	+ 26 (Avg 17 PreK)	+ 24 (Adjusted PreK)
129.48 ADM per AOE	143.48 ADM	141.48 ADM

PHANTOM STUDENTS

Because of the additional 12 preK partnerships and the use of the new preK formula, BPMS’ ADM dropped dramatically. Consequently when ADM was converted to equalized pupils the district dropped from the artificially high 136.01 in FY16 to the artificially low 115.8 in FY17.

Section 22 and 23 of 16 V.S.A. was triggered i.e. maximum allowable decrease, or “phantom students”. Because BPMS did not have adjustments in the prior year, Section 22 applied.

Please see 2nd attachment for effect of Section 22 on not only the BPMS district, but the MMMUSD which serves the town of Huntington at the grade 5-12 level.

Section 22 is applied on a Town basis, not a district basis. Per my conversation with Brad James at the AOE, a Town basis is employed because there is a conflict between existing statutes. Prior statutes required collecting data by town on a K-12 basis. English Language Learner (ELL) and Free and Reduced Lunch recipient data is reported on a town basis. Average Daily Membership(ADM) by grade is collected by district.

In order to have a correct reflection of equalized pupil count for evaluating spending per equalized pupil, ELL and Free & Reduced Lunch data must be submitted by each school district. This will allow for more accurate district calculations for every district.

In the case of towns with declining student populations and more than one school district, collecting data on a district basis will ensure that the districts that qualify for maximum loss calculations which result in “phantom” students will receive all equalized pupils resulting from their specific district. This will also ensure that districts that do not qualify for this treatment are not assessed equalized pupils that are due to population declines in other districts.

In the case of Huntington, due to all the missteps in 2014 and 2015, BPMS would have been assigned 15 equalized pupils to offset the artificially low equalized pupil number, if data was handled consistently on a school district basis.

But due to town allocation of ELL students, Free and Reduced lunch students and phantom students, BPMS received 3 of the 15 equalized pupils which were supposed to offset the drop between an artificially high equalized pupil count in one year and an artificially low equalized pupil count in the following year.

If the legislature looks at spending per equalized pupil for FY17, it will appear that Huntington is spending more per equalized pupil than it really is.... \$14,948 with 3 phantom students vs \$13,584 with 15 phantom students vs reality which is somewhere in between, probably around \$14,200.

When looking at equalized pupils and spending per equalized pupils:

1. Please correct whatever statutes necessary to compile data on a school district basis.
2. Please take into account the “new” preK calculation which is causing preK ADM and the equalized pupils associated with them to be either too high or too low depending on how well a School Board guessed preschool parents would respond to pre-school partnerships approximately 9 months before their children enter either a public preK classroom, or a private preschool (their choice).
3. Please reconsider the weighting of PreK children at 0.46. State statute requires that a second adult be present when a preK class reaches 8 students. Salary and benefits is one of the largest cost drivers in the classroom.