

## **Notes from Peter Amons testifying before House Education Committee 4/14/15**

In Rutland City, for current year FY15 there is an excess inbound count over outbound count of high school choice students of 13. That has a net tuition value loss of about \$175,000. RHS has many tuition students from sending towns and the payment of tuition is an integral part of paying for the school and providing programs.

The outlook for FY16 is for that figure to grow to a net inbound over outbound count of 25 for a tuition loss value of about \$350,000.

As each new year passes and new 8<sup>th</sup> graders stream into the State's high school choice program, these numbers are likely to increase.

Failing to include these figures in the equalized pupil/taxation formula, either through tuition revenue or the counting of the children's ADM toward the true payer of the education, distorts what has otherwise been a solidly credible financial mechanism.

Paying tuition for school choice students is probably a cleaner solution than counting children toward ADM because a formalized announced and allowable tuition payment system already exists and works well. But adjusting the ADM is also an alternative which is worth studying. The ADM alternative would leave revenue estimates and education spending unaffected; yet it, too would affect equalized cost per pupil giving recognition of high school choice costs in the taxation formula. AOE staff should be consulted about this alternative as adjustments to ADM can be complicated and are an input into a wide range of calculations. It would probably be undesirable to have two ADMs: a pre-choice ADM for some purposes and a post-choice ADM for the local tax rate formulas.

Recent discussion about caps and squeezed spending make it all the more important that high school choice costs and /or child counts begin to flow into the calculation of taxes. Failure to properly match revenues and costs to the parties bearing them is contrary to good financial management and accounting.

Outbound caps should be lifted in the spirit of a true choice environment. Sometimes a school board will lift its cap and sometimes it won't, creating a certain amount of inequity about the whole matter.

The objection that charging tuition will create competition among schools is a hollow one. A school's program offerings flow from locally voted budgets and the local cultural level of support for schools.

The other key objection heard is that it does not matter as all the money comes from the Education Fund (the State) anyway. The issue is the distortion of the taxation formula as choice numbers grow.

A fairer plan would be to phase in full payment of tuition over X years or to start awarding ADM to the school chosen for attendance.