

Notes from Peter Fagan about money following the school choice child.

In Rutland City, for current year FY15 there is a net 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 22 for a tuition loss value of about \$308,000.

As each new year passes and new 8th graders stream into the 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 tuition payment system already exists and works well.

Discussion about caps and squeezed spending make it all the more important that tuition revenue flow to the school where the students' education costs are borne. Failure to properly allocate the revenue and costs for these children is an artificial gift to some schools at the expense of other schools and can only be interpreted as politics trumping honest economics.

The free ride given to school choice students, along with the current outbound caps which are often called lockups, do not help to build a positive multi-community atmosphere.

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. There are not enough choice students to change those behaviors.

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 for the towns as above explained. And the numbers are getting bigger.

A fairer plan would be to phase in full payment of tuition over X years and let that information flow into districts' decision-making processes in the coming years.