

# **Evaluation of the Accuracy of the Secondary Weight for the Equalized Pupil Count**

**16 V.S.A. § 4010(i)**

**REPORT**  
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**Recommendation to the House and Senate  
Committees on Education**

**Submitted by Secretary of Education  
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## Proposal

The Agency of Education (AOE) recommends increasing the secondary weighting factor from 1.13 to 1.18 for the 2018-2019 school year (FY2019).

## Overview

A primary factor in Vermont's education funding formula is the concept of equalized pupils. An equalized pupil can be thought of as an average pupil in terms of educational costs for a school district. An equalized pupil within a district would have the same cost as any other equalized pupil, whereas the actual per pupil cost of individual students varies.

Various categories of students are presumed to have significantly higher or lower educational costs. Vermont statute recognizes four such categories (current weighting factors are in parentheses) – 16 V.S.A. §§ 4010(c), (d), and (e):

1. prekindergarten children, including those receiving essential early education services (0.46);
2. secondary students, grades 7 through 12 (1.13);
3. students from economically deprived backgrounds (1.25 by formula); and
4. students for whom English is not their primary language (1.20).

Up until FY2007, the weighting factor for secondary students had been 1.25, based on the assumption that the cost to educate a secondary student was 25% greater than the cost to educate an elementary student. A study of FY2007 budget data suggested secondary costs per pupil were approximately 13% higher than elementary costs per pupil rather than 25%. Legislation enacted during the 2007 session changed the secondary weighting factor to 1.13 for FY2009 (2007, No. 82, § 7).

Act 82 also included a statutory requirement for the Secretary of Education to study the accuracy of the weights and to recommend adjustments, if any:

### **16 V.S.A. § 4010. Determination of weighted membership**

(i) The Secretary shall evaluate the accuracy of the weights established in subsection (c) of this section and, at the beginning of each biennium, shall propose to the House and Senate Committees on Education whether the weights should stay the same or be adjusted. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report to be made under this subsection.

While the weight to maintain equitable costs has fluctuated up and down, the follow-up studies have recommended keeping the secondary weight at 1.13.

## Data and Methodology

Of the four pupil categories to which weighting factors are assigned, it is currently only feasible to look at the accuracy of the secondary weighting factor for secondary union schools and the elementary schools from the towns that are members of those union schools. These are the only types of school districts in which a separation of costs for elementary and secondary students can be isolated. Costs used are education spending, based on budget data. Budget data are not reported in such a fashion that would allow the isolation of secondary and elementary costs for school districts that are not members of secondary union schools. Unless a district belongs to a union high school, expenditure data are reported as an aggregate number for prekindergarten through grade 12. It is not possible to disaggregate those expenditure data to prekindergarten, elementary, and secondary levels under the current budget submission process. Requiring school districts to track costs by elementary and secondary grade levels would place a significant burden on school district business managers, although when the new uniform chart of accounts is in place in FY2020, AOE should be able to track costs by level.

Isolating costs attributed to students from an economically deprived background or those for English Language Learners is a far more complex task. School districts do not track those costs separately, as expenditures for those two categories of students are spread across many functions and categories of expenditures. In order to ascertain those costs, business managers would need to significantly change current practices to track costs by student, an enormous change and burden on school districts. Additionally, these two categories are not grade specific but instead span the entire grade spectrum.

Similarly, costs for prekindergarten children, including those receiving essential early education services, are not identified separately from other costs. Additionally, equalized pupils are not calculated by grade level. A calculation at grade level would require a statutory change.

The methodology looked at the secondary spending per equalized pupil statewide and compared that to the statewide figure for elementary spending per equalized pupil. If the result of dividing the secondary spending per pupil by the elementary spending per pupil approaches 1.00, the secondary weighting factor is considered to be correct. At a secondary weight of 1.18, the ratio of both FY2016 and FY2017 secondary spending per pupil to elementary is very close to 1.00.

## Recommendation for Secondary Weighting

A study of FY2016 and FY2017 budget data suggests that a secondary weight of 1.18 is appropriate in order to maintain equitable costs per equalized pupil between the elementary and secondary levels.

Table 1: FY2013 budget data

Weighting Factor:		13%	18%	District Count
		Current law	Proposed	
FY2016	Secondary Education Spending/Equalized Pupil	15,289.93	14,964.98	26
	Elementary Education Spending/Equalized Pupil	14,708.18	14,953.89	101
	Secondary vs Elementary	103.96%	<b>100.07%</b>	
FY2017	Secondary Education Spending/Equalized Pupil	15,586.43	15,251.72	24
	Elementary Education Spending/Equalized Pupil	14,906.34	15,151.78	92
	Secondary vs Elementary	104.56%	<b>100.66%</b>	

It should be noted that the above method is looking at the state as a whole for those districts from which data could be gleaned. District by district results will vary.

## Discussion

While the ratio for secondary costs per pupil versus elementary costs per pupil will vary from district to district, data for the state has shown an overall increased per pupil cost for secondary students. Part of this per pupil increase is attributable to a decline in the secondary student count due to the Early College Program. Those 12<sup>th</sup> grade students enrolled in the Early College Program are not counted in the student census and thus are not included in the equalized pupil counts. The enrollment in the program is growing – in FY2015, there were 93 students enrolled, in FY2016, 121, and in FY2017, there are 184 students enrolled in early college.

For those districts “losing” these early college students, it is unlikely the districts will be able to decrease overall costs, as the number leaving any school is unlikely to allow for a reduction in staff or other major expenses. Therefore, the overall cost per pupil will increase as the costs will be relatively constant, but the student count will decrease.

With an increase in secondary weighting, there may be a concern that the secondary districts will receive an advantage at the expense of the elementary districts in terms of tax rates which are based on spending per pupil. To a degree, this will be true - the equalized pupil count for a secondary union district will increase, meaning the cost per pupil will decrease, as will the tax rate, whereas the equalized pupil count for an elementary district will decrease, meaning cost per pupil will increase, followed by its tax rate. However, this will occur in towns that belong to both an elementary district and a secondary union district. The net effect of the increased per pupil cost in the elementary district with the decreased cost in the secondary district will mitigate itself to a large extent – the elementary tax rate will increase while the secondary rate will

decrease, with the net result being the homestead tax rate for the town will not move significantly.

By the same token, a town that belongs to a preK-12 district (operating, tuitioning, or some combination) will not see a significant change in its homestead tax rate. The loss of equalized pupils on the elementary side will be largely be offset by a corresponding increase on the secondary side. While the offset will likely not be completely neutral, it is highly unlikely that it will be a dramatic change in one direction or the other.