Equalized Pupils Overview

The objective of calculating equalized pupils is to create an "average" student in terms of assumed costs for a given district. Specific categories of students are presumed to have different costs than other categories. To create an average student in terms of cost, weights are added to student counts in those specific categories. The intended end result is that the "cost" of an equalized pupil from any district can be compared to the "cost" of an equalized pupil from any other district in terms of the criteria identified in statute. Special education is not a factor in the equalized pupil calculation since there is a separate funding mechanism for special education students.

Equalized pupils are based on two years of Average Daily Membership data (ADM). The ADM is the full-time equivalent number of resident students whose education is paid for by the district of residence, from the 11th day through the 30th day of the school year. A two-year average is used to smooth out annual student population fluctuations in school districts.

The number of state-placed students is added to the two-year average. State-placed students are counted for the full school year preceding the current student census. The sum of state-placed students plus the two-year average ADM is the long-term ADM.

The long-term ADM is weighted for student categories considered to have higher costs, or in the case of pre-kindergarten students, lower costs:
  a. essential early education and pre-kindergarten students (EEE & pre-K) at 0.46
  b. secondary students (7th - 12th grade) at 1.13
  c. students from an economically deprived background at 0.25 via formula – the long-term ADM multiplied by the poverty ratio multiplied by 0.25:
      i. the poverty ratio numerator is the number of children six through seventeen residing with a family receiving nutrition benefits, plus
      ii. children for whom English is not the primary language residing with families not receiving nutrition benefits, divided by
      iii. the long-term ADM (*i.e.*, the two-year ADM average plus state-placed students)
  d. students for whom English is not their primary language at an additional 0.20

The total weighted number of students in the state (and each district) is now greater than the actual two-year statewide average. To bring total equalized pupils back to the actual two-year average for the state, the weighted total for each district is multiplied by an equalization ratio. The equalization ratio is the actual long-term two-year state average divided by the weighted long-term two-year average (a ratio of approximately 0.947 for FY2019). The end result is that no district has its actual two-year average as an equalized pupil count, but the total equalized pupil count for the state is equal to the total of the original two-year district averages.

A district with more students in the weighted categories than the average for the state will have a greater number of equalized pupils than its actual two-year average count. By the same token, a district with less students than average in the weighted categories will have an equalized pupil count lower than its two-year average.

Prior to FY2017, statute had a hold-harmless provision for districts with rapidly declining equalized pupil counts, limiting the decline to 3.5% from the prior year's hold-harmless number. That calculation is now based on the prior year's actual count instead (Act 46, 2015, secs. 22-25, specifically sec. 22):

Sec. 22 – moved the hold-harmless base from the prior year's hold-harmless count to the prior year's <u>actual</u> count.

Sec. 23:
    (a) if a district was <u>not</u> held-harmless in FY2016, then the FY2017 hold-harmless calculation will be based on the actual FY2016 equalized pupil calculation.
    (b) if a district <u>was</u> held-harmless in FY2016, then:
        (1) the FY2017 hold-harmless calculation shall be no lower than 90% of the FY2016 equalized pupil count; and
        (2) the FY2018 hold-harmless calculation shall be no lower than 80% of the FY2016 equalized pupil count.
    (c) If a district was in a formal merger study committee on or before July 1, 2016, both (a) and (b) do not begin until FY2018, with the above years adjusted accordingly.

Sec. 24 – repeals the hold-harmless provision beginning on July 1, 2020 (FY2021), except for:

Sec. 25 – those districts that were eligible for merger incentives on or before July 1, 2019 (FY2020).

Statutory references:

16 V.S.A. § 4001(1) – average daily membership (ADM)

16 V.S.A. § 4001(3) – equalized pupil definition plus equalization ratio

16 V.S.A. § 4001(7) – long-term membership

16 V.S.A. § 4001(8) – poverty ratio

16 V.S.A. § 4010(c) – grade weighting factors

16 V.S.A. § 4010(d) – poverty weighting factor

16 V.S.A. § 4010(e) – English language learners weighting factor

16 V.S.A. § 4010(f) – limit on annual equalized pupil decline

16 V.S.A. § 4010(i) – weighting factors are evaluated for accuracy at the beginning of each biennium