

Study of Pupil Weights in Vermont's Education Funding Formula

Testimony for House Committee on Ways & Means

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Legislative Request

- The Vermont Agency of Education (AOE) was directed, under Section 11 of No. 173 of the 2018 Acts and Resolves of the Vermont General Assembly (Act 173) to undertake a study that examines and evaluates whether:
 1. The **current weights** for economically-disadvantaged students, English language learners (ELL), and secondary-level students **should be modified**
 2. **New cost factors** and **weights** should be incorporated into the equalized pupil calculation; and
 3. The **special education census grant should be adjusted** for differences in the incidence of and costs associated with SWD across school districts.

Differences in the Cost of Education

- States are **responsible for ensuring equal educational opportunities** for all students. However, equal opportunity **does not** necessarily translate to **equal educational resources**.
 - Students come to school with **dissimilar learning needs** and socioeconomic **backgrounds** that may **require different** types and levels of **educational supports** for them to **achieve common outcomes**.
 - **Schools in different contexts** may also require **different levels of resources** to provide **equal opportunities** – e.g., **scale of operations** or the **prices** they must pay for key **resources**.
- **ALL** state education funding formula include adjustments for differences in educational costs across school districts.

Vermont's Existing School Funding Policy

- The State's existing policy largely relies on localities to make appropriate adjustments to their annual budgets for cost factors and then adjusts for differences in costs in its funding policy through:
 1. **Categorical grants** that provide supplemental funding for specific programs or services.
 2. **Weighting** a district's average daily membership for cost factors, and then **using districts' weighted membership to equalize local per pupil spending** for the purpose of calculating **local tax rates**.

Existing Weights

- Currently, Vermont recognizes four categories of students that are presumed to have higher or lower costs (current weighting in parentheses):
 - 1. Economically-disadvantaged students (1.25)**
 - The value of the weight predates the passage of Vermont Act 60 (1997)
 - 2. English language learners (ELL) (1.20)**
 - The value of the weight predates the passage of Vermont Act 60
 - 3. Secondary students (grades 7-12) (1.13)**
 - 2017 AOE report evaluated secondary weight and found a ratio of 1.18 between secondary and elementary per pupil spending (when elementary spending was about 1.0)
 - 4. Pre-kindergarten students (0.46)**

Key Findings: Cost Factors

- **Five cost factors** were identified that are related to differences in educational costs across Vermont school districts.
 1. Percentage of students who are **economically disadvantaged**
 2. Percentage of students who are **ELL**
 3. Percentage of students who are enrolled in the **middle-** and **secondary-grades**
 4. Indicators for **geographically-necessary small schools**
 5. **Population density** of the community in which a district is located

Key Findings: Weights

- Findings from this study suggest that it is **time to incorporate new cost factors and weights** into Vermont's education funding formula.
 - **Existing weights** for **economically-disadvantaged** and **ELL** students **do not appropriately adjust for differences in the cost** of educating these students to standards
 - **New cost factors** for **school size** and **population density** could replace the existing Small Schools grant program.
 - **Refining the secondary school weight**, to include middle- and secondary-level adjustments better align weights with educational policy and practice.

Key Findings: Recommended Weights

- Weights were derived to work as a “package” and should not be adopted in isolation from one another

Cost Factor	Measure	Weight Value	
		Existing Weight (1)	Weights Recommended by Cost Function Models (2)
Student Needs	Poverty Rate (AOE)	0.25	2.97
	% of ELLs	0.20	1.58
Context			
Enrollment	<100 Students		0.26
	101–250		0.12
Population Density	<36 Persons per Square Mile		0.23
	36 to <55		0.17
	55 to <100		0.11
Grade Range	% Middle Grades Enrollment		1.23
	% Secondary Grades Enrollment	1.13	1.20
	Pre-kindergarten	0.46	

The decision to adopt weights from column 2 assumes that policymakers decide to: 1) not make adjustments to the SPED census grant at this time; or 2) adjust for differences in special education costs by modifying the census block grant calculation.

Key Findings: Other Considerations

- Stakeholders were **uniformly opposed** to continuing the Small Schools grant program.
- Stakeholders were **mixed in their perspectives** on the **need for potential adjustments** to the census grant calculation for differences in student poverty across school districts.
- There is a **need for specific and targeted grant aid** to support schools struggling to meet different and increased levels of student need due to **childhood trauma** and **mental health concerns**.

Policy Considerations for Implementing the Study's Findings

- Identifying specific policy options for Weighting Study Implementation
 - Review how equalized pupil is calculated, including how the count of economically-disadvantaged students is measured in districts/schools
 - Small Schools Grant
 - Act 46/Revised SD configurations
 - Phase-in & Hold Harmless provisions
 - Maintenance of effort (Tax Rates)
 - Recalibrating excess spending threshold
 - Role of yield in establishing minimum spending threshold
 - Updated simulations (reflecting updated school budgets and federal aid)

Policy Considerations for Implementing the Study's Findings

- Opportunities for complementary policies
 - Categorical aid for student support & mental health
 - Poverty adjustments for special education block grant