

Approved independent school tuition rates information

Brad James, VT AOE

1. How are tuition rates set for approved independent schools?
 - a. Independent schools set their own tuition rates. Tuition for students attending an approved independent school is paid by the resident school district – 16 V.S.A. §§ 823(a), 824(a). Statute sets limits on how much school districts are required to pay as tuition for a resident student attending an approved independent school.
 - b. 16 V.S.A. § 823(b) – For elementary students, unless the voters approve a higher amount, tuition is the lesser of:
 - i. the average announced tuition of union elementary schools,
 - ii. the tuition charged by the approved independent school, or
 - iii. the average tuition rate paid for a district’s other elementary students.
 - c. 16 V.S.A. § 824(c) – For secondary students (grades 7-12), tuition will be at a rate no greater than the average announced tuition for union high schools, unless the voters approve a higher amount.
2. For those approved independent schools charging different rates, please show a table with tuition rates and why they are able to charge higher rates when Sharon cannot.
 - a. Sharon Academy can charge whatever tuition rate they like. They have chosen to charge the rate for the average announced tuition for union high schools.
 - b. If Sharon Academy was to charge a higher rate, the parents would pay the difference between that rate and what the school districts pay – i.e., the average announced tuition for union high schools.
 - c. Alternatively, the voters in the towns sending students to Sharon Academy can choose to pay a higher rate than the average announced tuition if they warn and approve such a vote on an annual basis – 16 V.S.A. § 824(c).
 - d. The Sharon Academy board of trustees could pursue designation as a public high school for all or a subset of the sending school districts – 16 V.S.A. §§ 827(a), (b). Designation of an approved independent school means the school acts as the public high school of the district. The school districts pay the tuition rate the designated independent school sets per student.

	FY2021	FY2022	
Burr & Burton	17,990	18,490	Voters in sending towns have approved a higher tuition rate. For students not residing in a sending town, the tuition is 20,490 for FY2022 – 16 V.S.A. § 824(c).
Lyndon Institute	18,890	19,835	Along with St. Johnsbury Academy, Lyndon Institute acts as an area career technical center – 16 V.S.A. § 824(b).
St. Johnsbury Academy	18,500	19,150	Along with Lyndon Institute, St. Johnsbury Academy acts as an area career technical center – 16 V.S.A. § 824(b).
Thetford Academy	19,670	19,670	Thetford Academy has been deemed to meet education quality standards – 16 V.S.A. § 824(b). It is also a designated high school for Thetford and Stratton – 16 V.S.A. §§ 824(a), (b).

3. What are the impacts or unintended consequences of such a change?
 - a. Any allowable increase for Sharon Academy will have two immediate effects:

- i. higher homestead rates for the school districts that tuition students to Sharon Academy
 - ii. and far less significantly, a potential increase of homestead tax rates for all other taxpayers in the State, as the demand on the Ed Fund would increase, which could put pressure on the property and income yields.
 - b. Any other approved independent school in the State that meets any new requirements as proposed, can also increase its tuition rate to whatever it chooses, and the sending districts would be required to pay the higher rate. And that will impact homestead tax rates directly.
- 4. Any other potential issues?
 - a. Sharon Academy already has three options for increasing its tuition rate, all of which are listed under question 3.
 - b. Announced tuition rates school districts pay to public schools are compared to the actual costs incurred (i.e., the net cost per pupil, a maximum tuition rate). If the net cost is +/- 3% of the announced tuition rate, a reconciliation is made between the sending and receiving districts – 16 V.S.A. §§ 823(a), 824(b), and 825(a). There is no such provision for approved independent schools, nor do they submit actual expenditure data to AOE at the end of each school year in order for AOE to make such a calculation.