



VERMONT LEGISLATIVE Joint Fiscal Office

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Fiscal Note

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S.219 - An Act Relating to Ensuring Compliance with The U.S. And Vermont Constitutions in The Use of Public Funds for Tuition and in The Dual Enrollment Program

(Draft No. 5.7 recommended by Sen. Education Committee)

<https://legislature.vermont.gov/Documents/2022/WorkGroups/Senate%20Education/Bills/S.219/Drafts,%20Amendments,%20and%20Legal%20Documents/S.219~James%20DesMarais~Draft%205.7,%203-4-2022%20Alternative%20Amendment~3-10-2022.pdf>

Bill Summary

This bill, in Sections 1 and 1a, proposes to establish in statute the provision of publicly funded education in Vermont and the conditions under which an independent school is eligible to receive public tuition. Conforming changes as well as standard contract and transition provisions are in Sections 3 through 16. While these changes may affect where education funds are expended, these changes are not estimated to increase or decrease total education expenditures.

Dual Enrollment eligibility change would result in a modest increase in program utilization and annual cost

Section 2 of the bill would amend the eligibility for the dual enrollment program, and this change is estimated to have a fiscal impact of \$150,000 in fiscal year 2023. The program funding is split between the Education Fund and the General Fund, so each fund would be impacted by \$75,000.

Dual Enrollment

Currently the dual enrollment program provides up to two college courses tuition-free for Vermont high school students who have completed their sophomore year and prior to completion of secondary school. Eligible students include those at public high schools, independent high schools that are designated as public high schools or students at an independent school whose tuition is publicly funded. The voucher provides funding at \$280 per credit so a 3-credit course provides a voucher of \$840. The voucher could be higher if the course is more credits, or lower if the course is taught by a CCV instructor or a high school teacher at a college. Dual enrollment is a part of the Flexible Pathways initiative. Students cannot participate in this program and the Early College¹ program at the same time. The current FY23 budget for the program is \$1,843,000 for course vouchers and \$82,450 is funded at VSAC to provide stipends for transportation and course expenses for participating students with lower incomes.

¹ Early College allows publicly funded Vermont High School seniors who are accepted into approved programs at the Vermont State Colleges, Norwich University or Goddard College to complete their final year at the same time as their first year in college. Approximately 300 seniors a year use this program, the FY23 Education Fund budget for this program is \$3.2 million. This bill does not impact the Early College program.

Student use of dual enrollment grew annually from 633 vouchers in FY13 to 2,660 in FY17. For the past two years, the use of vouchers has been 2,730 and 2,640 respectively and the current year FY22 is on track to stay in that range. Given the universe of eligible high school juniors and seniors, the uptake rate is currently 21.3% annually.

The change proposed in the bill in Section 2 would expand eligibility for the program to include students at independent schools who are private pay; this would include the students at the four approved religious or parochial schools with a junior and senior class.

The enrollment in junior and senior classes at the four religious schools is estimated at 300 and the estimated private pay students in other independent schools is 525 for an estimated total of 825. At the current take up rate of 21.3%, this would indicate an additional dual enrollment demand of 176 vouchers. At the 3-credit course average of \$840 per voucher, the estimated fiscal impact is \$150,000. This would be split equally between the Education Fund and the General Fund.

In out-years, demand for the program from this newly eligible segment of private pay students at independent schools is likely to grow at a greater rate than the demand from the publicly funded base. This is due to two factors, the private pay population may more aggressively utilize this resource, and enrollment of publicly funded juniors and seniors has been and is projected to continue slowly declining. It remains to be seen what the out-year combined impact of these two factors will be on the cost of the program.

In addition to the cost of increased demand for dual enrollment vouchers, the Agency of Education may need additional resources to administer this change as this new population may require some systems development. At this time no administrative cost impact is included. It is expected that the agency will include any required resources in future budget requests as any costs become clear once there is actual program experience under this expanded eligibility.