



The University of Vermont

COLLEGE OF EDUCATION AND SOCIAL SERVICES

## Testimony on Report of the Task Force on Pupil Weighting

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Making  Difference

# History

- 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 the weights used in the existing equalized pupil calculation**
  - Report submitted to General Assembly: January 2020
- **Task Force on Implementing Recommendations from Pupil Weighting Factors Study**
  - **Request 1: Update/Recalculation of Weights for Revised Assumptions**
    - Requested re-analysis using new Assumptions: **Revised poverty measure** (FRL) and **additive weights**
    - Calculations provided October 28, 2021 (memorandum)
  - **Request 2: Additional Information for Use in Calculating Categorical Aid Programs**
    - Requested:
      1. We develop **per pupil cost estimates** for identified cost factors
      2. Further information and clarification regarding the additional cost of educating ELL students in Vermont
    - Per pupil cost estimates & information provided January 11, 2022 (memorandum)

Cost Factor	Cost Adjustments Based on School-Level Cost Function Models			Vermont JFO Proposed Amount (December 17, 2021 Task Force Report) (Column 4)
	Proposed Weight (October 28, 2021 Update) (Column 1)	Average Per-Pupil Cost (January 11, 2022 Update) (in \$'s Per-Pupil)		
		FY2018 (Column 2)	FY2023 (Column 3)	
Student Need				
Poverty (FRL)	1.03	\$9,492	\$10,480	\$10,664
ELL	2.49	\$22,947	\$25,335	N/A
Grade Level				
Middle Grades (6-8)	0.36	\$3,318	\$3,663	\$3,727
Secondary Grades (9-12)	0.39	\$3,594	\$3,968	\$4,038
School Enrollment				
<100 Pupils	0.21	\$1,935	\$2,137	\$2,174
100-250 Pupils	0.07	\$645	\$712	\$725
Population Density (Persons per Square Mile)				
<36 per Square Mile	0.15	\$1,382	\$1,526	\$1,553
36 - <55 per Square Mile	0.12	\$1,106	\$1,221	\$1,242
55 - <100 per Square Mile	0.07	\$645	\$712	\$725

# Evaluating Policy Proposals

- Options under consideration:
  1. Update existing weights
  2. New "cost equity" grants
- Shared goals:
  - To put in place a **fair** and **efficient** mechanism for **adjusting for differences in educational costs** among Vermont districts/schools *within Vermont's existing school funding policy framework*
- Vermont-specific considerations:
  - Local control
  - Self-equalizing system for revenue generation

# Role of Weights in Existing Formula

- Pupil weights **proportionately adjust for differences in local spending that are outside local control**
  - Examples: Economically-disadvantaged children; ELLs
- Spending is adjusted in a way so that in the end towns have **equivalent tax rates for equivalent cost-adjusted spending**
  - Weights are the policy lever in Vermont's funding formula **intended to ensure both student and taxpayer equity**

# Advantages to Weights

(In Vermont's Existing Formula)

- "Equalize" spending, while still allowing locals to make spending decisions
  - Proportionately adjusts for differences in local costs
  - Designed to work within Vermont's existing school funding system
- When appropriately calibrated, the:
  - Fairly and efficiently adjust for cost differences
  - Encourage spending by "needier" districts and disincentivize "overspending" by less needy districts

# Identified Challenges with Weights

(In Vermont's Existing Formula)

- **Require regular recalibration**
  - Consideration:
    - This is the case with any approach to cost adjustments (including cost equity grants)
- **Complicated to explain to taxpayers/citizens**
  - Consideration:
    - This is a more general critique of the entire Vermont school funding system, not isolated to the pupil weights
    - Task Force recommendations for new poverty measure and additive weights would simplify
- **Lack of influence over and accountability for local spending decisions**
  - Consideration:
    - Not so much an issue with the weights, but with existing policy preferences for local control and regulatory limits of AOE and EQS

# Option 2: “Cost Equity” Grants

- “Reverse foundation formula” (RFF)
- Provides **fixed dollar grants** to districts for specified categories of students and districts/schools intended to offset differences in educational costs
- Grant amounts are equivalent to the “**average**” additional spending needed for each identified cost factor



# Design Considerations: Cost Equity Proposal

- **Average costs**
  - Grant amounts based on **average** cost estimates will either **provide too much or too little aid to many districts**
  - Where grants operate as a “**spending threshold**” this may **result new inequities in opportunities to learn among school districts**, and within specific categories of students or types of districts

# Design Considerations: Cost Equity Proposal

- **Proportionality**

- While all districts receive the same dollar amount per pupil as cost adjustments, unlike a typical foundation formula, **the effective weight (proportionally) as a cost adjustment of the per pupil grant will be vary by district**
- The grants **do not equalize costs**, as specified by school budgets – but, rather, **offset some portion of the additional costs** incurred by districts
  - The extent of the total offset will vary among districts, depending on spending levels

# Design Considerations: Cost Equity Proposal

- “Flypaper Effect”
  - Without changes to statute and regulation, there is **no way to ensure that districts in fact spend dollars for intended purposes**
    - This is no different from current policy with weights
  - Categorical funding may introduce **new administrative inefficiencies** into the funding system

# Advantages for Cost Equity Proposal

- **Transparency & predictability**
  - Districts get a set per pupil grant amount, regardless of local spending decisions
- **Potential to attach new types of monitoring & accountability for local spending**
  - Will require additional changes to statute and regulation
  - May pose equity concerns if monitoring/accountability is differentially applicable to districts/schools

# Trade Offs & Limitations with Cost Equity Proposal

- Cost adjustment vs. cost equalization
- Equity concerns
- Efficiency concerns
- Cost containment
- Politization
- Competition for resources
- Timing

***Policymakers may "design around" these trade offs, but that will take other changes to policy and regulation.***