



The University of Vermont

COLLEGE OF EDUCATION AND SOCIAL SERVICES

# Testimony on Updated Estimates for Pupil Weights & Average Per Pupil Costs for Specified Cost Factors

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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<br>(December 17, 2021 Task Force Report)<br>(Column 4) |
|---|---|--|----------------------|--|
|   | Proposed Weight<br>(October 28, 2021 Update)<br>(Column 1)  | Average Per-Pupil Cost<br>(January 11, 2022 Update)<br>(in \$'s Per-Pupil) |                      |  |
|   |   | FY2018<br>(Column 2)   | FY2023<br>(Column 3) |  |
| Student Need                                    |   |  |                      |  |
| Poverty (FRL)                                   | 1.03  | \$9,492  | \$10,480             | \$10,664   |
| <b>ELL</b>                                      | <b>2.49</b>   | <b>\$22,947</b>  | <b>\$25,335</b>      | <b>N/A</b>   |
| 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<br>(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  |

# Interpreting Average Per Pupil Cost Estimates

1. Per pupil dollar estimates represent the **average** additional cost for a particular cost factor, in Vermont
  - Some districts **may need to spend more/less** to achieve the same average outcomes for students
2. Dollar estimates are explicitly tied to a **constant base spending amount (\$9,218)**
  - In practice, **base spending levels vary significantly** among Vermont school districts
3. **FY2018 dollars**
  - **Fixed dollar adjustments** reflect the actual difference in costs, in **real dollars**, for FY2018
  - They represent a fixed, rather than proportional adjustment, to costs

# Design Considerations for Applying Per Pupil Cost Estimates

- **Local control**

- Most other states operate a foundation formula, where weights and categorical grants operate very differently to adjust for differences in costs among school districts
- Vermont's existing formula is **designed to allow towns to make decisions about the spending and taxation**
  - **No minimum/maximum spending levels**
  - **Uneven base** spending levels on which to apply fixed grant dollars
- If the legislature **adopted a local required minimum school tax rate in combination with weights**, the existing formula would produce the same result as the foundation formula found in other states

# Design Considerations for Applying Per Pupil Cost Estimates

- **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 for Applying Per Pupil Cost Estimates

- “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

# Design Considerations for Applying Per Pupil Cost Estimates

- **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



# Supplemental Funding for ELL Students

- Question 1: What is the “right” amount for a categorical aid program for ELL?
  - For FY2018, \$22,947 is the **average** additional cost of educating ELL an ELL student to common outcomes
    - Some districts may need to spend more/less, depending on student need

# Supplemental Funding for ELL Students

- Question 2: What are our recommendations for adjusting ELL categorical aid for economies of scale and marginal costs?
  - Cannot provide dollar estimates for differences in costs due to differences in economies of scale
  - Will be challenging to find “one best number” for ELL categorical funding in Vermont due to very different educational needs and circumstances of ELL population among Vermont school districts

# Supplemental Funding for ELL Students

- Question 3: Why might amounts used by other states for per pupil ELL funding be different from what is estimated for Vermont?
  - Considerable variability among states in ELL weights/grant amounts
  - Most are "politically derived" and not cost based (i.e., based on empirical research)
  - A good number of states don't adjust for ELL