

Announced and Allowable Tuition (Net Cost per Pupil)

**Ted Gates – AOE Senior Fiscal Analyst
Sean Cousino – AOE Deputy CFO**

Vermont Agency of Education

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Tuition Summary

- A district can be a 'sending' district or a 'receiving' district, or both
- Receiving districts announce tuition rates ('calculated net costs') by Jan. 15 for the following school year ('tuition year')
- When the tuition year is completed, AOE calculates Allowable tuition ('net cost per pupil') based on submitted expenditure and revenue data (Statbook), adhering to statutory and State Board rules, and publishes Allowable tuition by Nov. 1 (about 21 months after the districts calculated their Announced Tuition rates)
- If Allowable tuition is +/- 3% different from the original announced tuition, districts shall true up with each other, through payments or credits

Selected Statutes and SBE Rules

- **16 V.S.A. § 823 Elementary School Tuition**
- **16 V.S.A. § 824 High School Tuition**
- **16 V.S.A. § 825 Maximum tuition rate; calculated net cost per pupil defined**
- **16 V.S.A. § 826 Notice of tuition rates (Jan. 15)**
- **16 V.S.A. § 836 Tuition overcharge or undercharge (+/- 3%)**
- **State Board of Education rule 9100 (Net Cost per Pupil)**
 - <https://education.vermont.gov/state-board-councils/state-board/rules>
 - (defines Maximum tuition rates, or net costs per pupil)

Tuition Rates are calculated amounts

- Net Instructional costs / Number of students
- Calculated at the District level, not the school
- Allowable Tuition is calculated for public districts only

Per Pupil considerations

- State Board rules define the Allowable Tuition denominator as 'FTE Student Membership'
- This FTE is calculated using the end-of-year student data collection (DC04)
- E.g. if a student is enrolled in a school for the entire year, their FTE=1.0
- If a student is only enrolled in a school for half the year, their FTE=0.5, etc.
- The total FTE for a school will not be the same as the Oct. 1 Enrollment number, or the fall ADM number that the AOE publishes, so district managers may not know what their FTE numbers are at the end of the tuition year.
- Small changes in the FTE, as the denominator, can significantly affect the final Allowable Tuition amount.
- The tuition year FTE can not be known in advance and is difficult to estimate when announced tuition is calculated 21 months earlier.

Independent Schools and Exceptions

- 16 V.S.A. § 824 states that the tuition rate for approved independent schools shall not exceed the average announced tuition of VT union (high or elementary) schools. (Union secondary is about 72% of total secondary student FTE)
- Additionally, per § 824 districts may enter into tuition agreements with other districts for agreed upon tuition amounts that don't use the calculations spelled out in the SBE rules, provided they offer the same tuition rates to all districts that send students to their school(s)
 - The AOE does not currently track which districts use such agreements

AOE Allowable Tuition calculations

- **Separate Tuition rates: Elementary (K-6) or Secondary (7-12)**
 - To calculate each rate, actual district expenditures need to be identified as Elementary or Secondary
 - UCOA has a 'Level' code to designate if costs are Elementary or Secondary (or PreK or Post-Secondary)
 - Some expenses can't be practically split (Admin, Facilities, etc.). These costs have a special 'Location-Wide' Level code.
 - Location-Wide costs are prorated as Elementary or Secondary based on the ratio of elementary/secondary student FTEs in the school or district
- **State Board rules dictate specific costs to be included or excluded (see last slide as an example)**

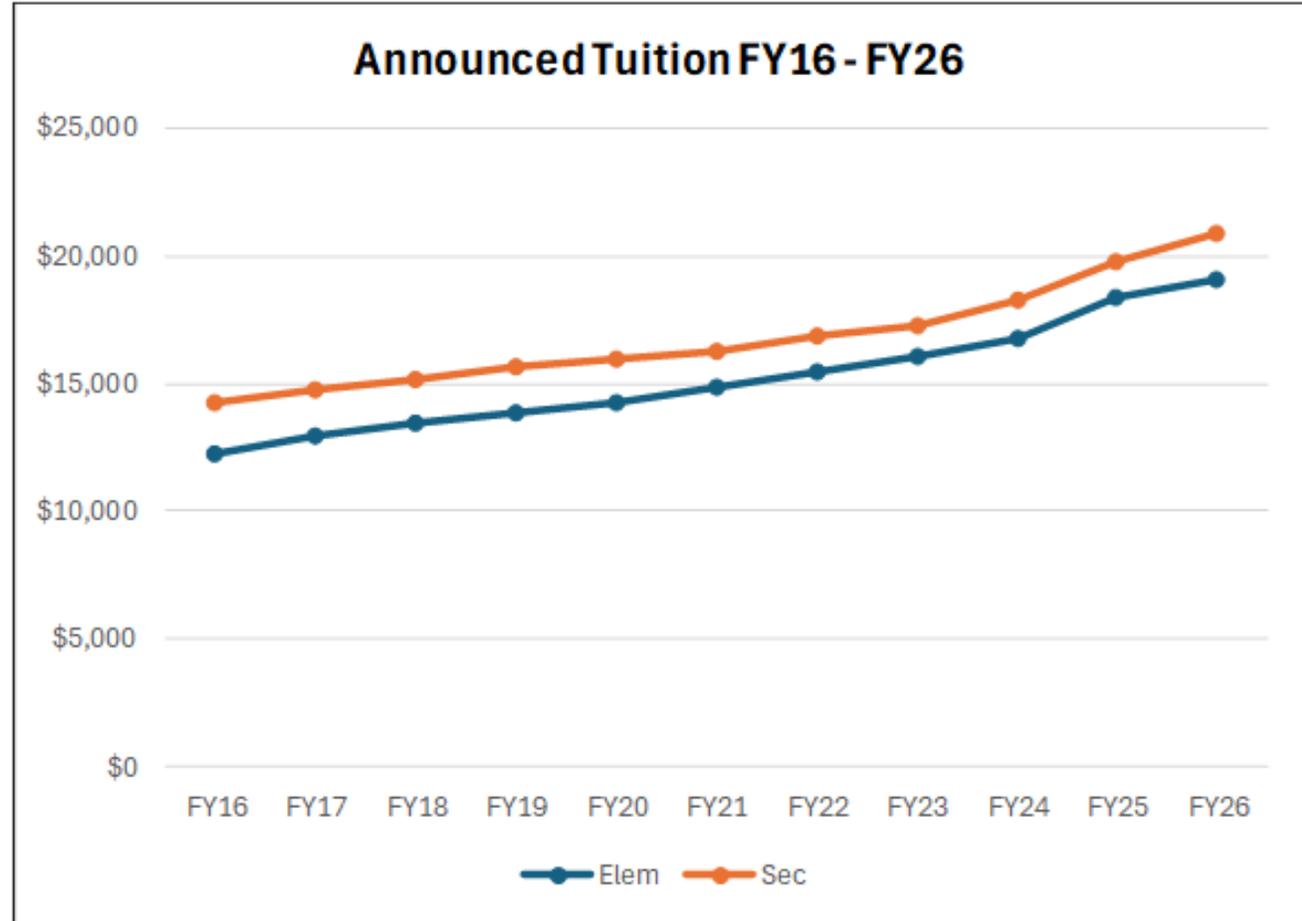
Publishing Allowable Tuition data

- **16 V.S.A. § 836** – By Nov. 1, AOE shall inform districts of the net per pupil costs (Allowable Tuition)
- The AOE produces an online, interactive Power BI report that lists expenditures and revenues that are included or excluded from the Allowable Tuition calculation, and shares it with district business managers
- AOE responds to all inquiries from districts related to their Allowable Tuition calculations and works through identified data issues
- When data issues are resolved, AOE publishes the Allowable Tuition report on its website
- By statute, receiving districts are required to notify sending districts by Dec. 15 if they overcharged or undercharged (+/- 3%). (AOE does not currently track payments or credits for overcharges or undercharges).

Announced Tuition

Year	UNION Districts only*			
	Elem	Pct. Chg.	Sec	Pct. Chg.
FY16	\$12,294		\$14,297	
FY17	\$12,938	5.2%	\$14,773	3.3%
FY18	\$13,496	4.3%	\$15,130	2.4%
FY19	\$13,910	3.1%	\$15,618	3.2%
FY20	\$14,263	2.5%	\$15,933	2.0%
FY21	\$14,859	4.2%	\$16,233	1.9%
FY22	\$15,513	4.4%	\$16,842	3.8%
FY23	\$16,020	3.3%	\$17,278	2.6%
FY24	\$16,756	4.6%	\$18,266	5.7%
FY25	\$18,346	9.5%	\$19,774	8.3%
FY26	\$19,120	4.2%	\$20,910	5.7%
Average Growth:		4.5%		3.9%

* In FY26, Union Secondary grades included about 72% of secondary students



**FY24 AOE Statbook SW1 data collection
(Sending Districts Secondary Tuition Paid reporting)**

Tuition Type	FTE	Tuition Paid
Non Public - In State	2,696	\$55,040,279
Non Public - Out of State	96	\$1,617,919
Public - In State	2,244	\$42,048,445
Public - Out of State	238	\$4,324,518

Sample Cost Definitions (SBE)

(a) Elementary/Secondary Current Instructional Expenditures less:

- (1) Special education expenditures eligible for reimbursement or recovery through the special education funding formula or other means.
- (2) Area vocational/technical center expenditures.
- (3) Expenditures for transportation-to-and-from school for resident students. Cocurricular transportation expenditures are included as an instructional cost.

(b) Reduced by revenues:

- (1) From local sources that serve to offset some or all of the cost of providing a service, to the extent that the corresponding expenditures are included in the Elementary/Secondary Current Instructional Expenditures.
- (2) From state and federal sources that must be used for a categorical or restricted purposes, to the extent that the corresponding expenditures are included in the Elementary/Secondary Current Instructional Expenditures.

Specifically excluded are expenditures for

- (a) Non-instructional programs, such as food service
- (b) Programs that are intended to be largely self-supporting (enterprise) operations
- (c) Adult/continuing education programs
- (d) Community Services
- (e) Facility Acquisition and Construction Services

Current Operating Expenditures means all expenditures of the year for salaries and wages, employee benefits, purchased services, and supplies and materials. For purposes of calculating Net Cost per Pupil, expenditures for equipment shall be treated as a Current Operating Expenditure.

Plus

Net Regular Education Long-term Facility Cost Per Pupil

Questions?