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Memo

Date: April 21, 2024

To: Representative Emilie Kornheiser; Chair, Vermont House
Committee on Ways and Means
Representative William Canfield, Vice Chair, Vermont
House

CC: Catherine Benham, Chief Fiscal Officer, Vermont
Legislative Joint Fiscal Office

From: Tammy Kolbe, Drew Atchison, and Jesse Levin, AIR
Bruce Baker, University of Miami

Re: **Clarification about applying equalized pupil weights to towns and unified school districts
that tuition students in one or more grades**

This memorandum clarifies whether the equalized pupil weights calculated for the *Study of Pupil Weights in Vermont's Education Funding Formula* (2019) should apply to education spending by towns and unified school districts that do not operate at least one school at one or more grade levels.

Clarification

The equalized pupil weights for economically disadvantaged students, English learners (ELs), small schools, or schools that operate in sparsely populated areas that were published in our report and later incorporated in statute as Vermont Act 127 of 2022 **should not apply to tuition-related spending** paid for by places that do not operate a school at one or more grade levels.

Rationale

In Vermont, weights are used to calculate the number of equalized pupils in a school district, so that students with higher needs or who attend schools in higher cost contexts (e.g., small schools and those in sparsely populated areas) generate additional equalized pupils. The intent is that all districts should be able to provide a similar level of resources per equalized student. Because districts serving higher need students and/or operate in higher cost contexts have more equalized students through the formula, those districts will be able to generate the additional resources needed. In other words, the effect of the formula is to proportionally account for the additional burden schools incur when

educating students who require additional resources to attain common academic standards or to operate in places that cannot operate at scale.

However, towns and unified school districts where the electorate authorizes a school board to provide elementary or secondary education by paying tuition for a student to attend a public school operated by another district or an approved independent school typically *pay uniform tuition rates that do not vary by the characteristics of an individual student, except for a student with a disability. Tuition rates also do not vary according to the town in which a student resides.*

For instance, District A may pay an average announced tuition rate published by the Agency of Education to public schools and this amount *does not differ* for a student who is an EL or a student who resides in an economically disadvantaged household from what is paid for a general education student with no additional needs. District A also would not pay a different tuition rate to an approved independent school for a student who experiences economic disadvantage, is an EL, or resides in a sparsely populated area.

Accordingly, unless there is evidence that towns or unified school districts pay different tuition amounts, *based on an individual student's characteristics (not on average),* then those students should not be weighted in the equalized pupil calculation.

Currently, the Average Announced Tuition amounts published by the Vermont Agency of Education (2024-25) do not differentiate tuition by student characteristics, or whether a student resides in a sparsely populated area. We also know of no instance where an approved independent school differentiates tuition based on student characteristics, other than disability. Independent schools also do not differentiate tuition based on whether a student resides in a sparsely populated area.

Weights that apply to places that operate small schools or schools in sparsely populated areas also should not apply in towns that tuition students in grade levels where they do not operate a school, since there are no differences in operating costs that require cost adjustments.

Data limitations prevented us from including towns or unified school districts that tuition all students to public or independent schools in our school-level cost function models. In those places, student outcome data for students attending public or approved independent schools were unavailable. That said, students from sending towns who attend Vermont public schools were included in the analyses, but the analyses assume that the amount spent to educate those students is the actual spending by the school who educates the student and not the tuition amount paid for by the sending town.