I continue to believe that the Committee MUST change the per pupil weights in the direction of the recommendations of the UVM/Rutgers study. However, it may be advisable to move them only part of the way and then to supplement those weight changes with categorical grants, including some that have a fixed amount per student or some that involve a fixed base amount. This is due to the way that the different weights can interact within the system that can produce unintended distributional results or odd allocations.

So I would be interested in a kind of hybrid model, with both changes in the PPW and grants. But we must fix this longstanding inequity.

There are so many aspects to the educational funding system that following the implications of changes is challenging. It is worth noting that there is the need to balance the importance of school district budget approval as a cost control mechanism with the importance of adequate resources devoted to education. It is worth noting that the distributional mechanism within the Education Fund effectively pits districts against each other to obtain resources. And it is worth noting that concerns about whether new categorical grants would be adequately funded by the state are well founded.

Therefore it is worth noting another grave and longstanding inequity: the use of education funds for non-education programs by the state. The \$48 million cost of the Current Use Program for Agriculture and Forestry and the \$183 million cost of the Property Tax Credit for Homeownership are covered within the Education Fund. The General Fund should be required to pay for part of the costs of these programs to cushion the impact of changing the weights on previously over-weighted districts and ensure additional resources to previously underweighted districts through the categorical grants. (For more background on this issue see my October memo to this committee.)

The misuse of education funds for non-education state policy programs constitutes another reason why the underweighted districts have struggled to raise resources to provide quality education to their children. Resources have been taken from Vermont students and used to finance programs that should be financed by the General Fund not the Education Fund. Before there was an Education Fund that is where those costs were covered. As you work to correct the inequity of the current per pupil weights one source of funding would be the correction of this other longstanding inequity that has made proper funding of education more expensive for all Vermont school districts.