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MEMORANDUM

TO: Chair Huling, and Members, State Board of Education
FROM: Brad James and Donna Russo-Savage
SUBJECT: Small School Support Grants & Geographic Isolation
DATE: August 30, 2017

I. Overview

Since 1998, the State has determined a school district's eligibility for Small School Support Grants (SSGs) by a straightforward calculation using either the combined enrollment in all schools operated by the district or the average grade size in its schools.

Beginning on July 1, 2019, the State Board will determine a district's eligibility annually based on two alternative, subjective sets of criteria – one of which some people refer to as relating to “geographic isolation.” In 2015, the Vermont Legislature required the State Board to “adopt and publish metrics” before July 1, 2018 by which it will make SSG determinations under the new criteria, including metrics for determining geographic isolation. Without repealing this directive, the 2017 Legislature required the State Board to “publish a list of districts that it determines to be geographically isolated” for purposes of SSGs by September 30, 2017 – *nine months before the Board is required to adopt metrics to determine geographic isolation.*

This memorandum provides background on eligibility for SSGs and earlier discussions of geographic isolation. It also gives information about schools that have received SSGs in recent years. Finally, it provides data regarding travel time and distances in Vermont.

This memorandum is intended to provide information that can help you identify a list of districts, by September 30, 2017, that are geographically isolated for purposes of SSGs.

The information in this memo and the list of districts you develop can then be used to finalize the metrics the Legislature has required you to “adopt and publish” by July 1, 2018.

II. History of Eligibility for SSGs

The State began to award SSGs to districts in fiscal year 1999. As mentioned above, a district's eligibility is determined by a simple calculation involving either the combined enrollment in all schools operated by the district or the average grade size in its schools. *This calculation is the only way that SSGs have ever been awarded. It is the way that they are awarded today and the way they will be awarded until July 1, 2019.* [Appendix A]

Over time, the Legislature began to discuss eliminating SSGs or restricting eligibility in some way.

When the Legislature enacted the first voluntary merger program in 2010, it realized that, under the calculation described above, a newly unified district would probably be ineligible for an SSG if an eligible district merged with an ineligible district. The legislators discussed whether this might be a deterrent for mergers and whether a small district's bargaining position would be enhanced if a merged district retained the SSG. Ultimately, the 2010 Legislature included a provision that converted an existing SSG into 5-years of a Merger Support Grant (MSG) for districts created under that initial merger program.

The General Assembly continued to discuss whether to eliminate or restrict SSGs in subsequent legislative sessions.

The 2015 Legislature made two significant changes regarding SSG eligibility:

1. If a merger is eligible for tax rate reductions, etc. under any program, then a pre-existing SSG transforms into a *perpetual annual* MSG for as long as school remains open.
 2. If a district does not merge voluntarily under one of the programs, then beginning on July 1, 2019:
 - The straightforward calculation used since the grant program's inception is repealed; and
 - New eligibility criteria begin for an unmerged district that operates a school that has an average grade size of 20 or fewer students and that the State Board determines on an annual basis is eligible either because of:
 - lengthy driving times or inhospitable routes to the nearest school with excess capacity;
 - or*
 - the academic excellence and operational efficiency of the small school, (the statute references some factors to consider)
- [Appendix B]

The 2015 Legislature also required the State Board of Education – on or before July 1, 2018 – to “adopt and publish metrics by which it will make determinations whether to award small school support grants ... on and after July 1, 2019.” [Appendix C]

Without repealing or amending the 2015 requirement for metrics by July 1, 2018, the 2017 Legislature required the State Board, “on or before September 30, 2017, [to] publish a list of districts that it determines to be geographically isolated” for purposes of the law as it will exist on July 1, 2019. [Appendix D]

III. The 2011 Report

In 2010, Act 153, Sec. 21 directed the then Department of Education to develop by 2011 a “detailed proposal to ... identify annually the school districts that are [eligible for SSGs] due to geographic necessity, including the criteria that indicate geographic necessity.” [Appendix E]

In order to fulfill this legislative directive, the Department created a topographic map of Vermont showing the location of all the public schools and identifying those schools meeting the statutory definition of a small school. The current (FY2010) enrollments and grade configurations were included on the map. Department personnel then reviewed the map and developed a consensus list of small schools that appeared to be geographically separated from other schools.

The Department used three mapping programs to determine both the driving distance and time from a small school to the nearest school with the same or similar grade configuration. A school was initially identified by arbitrary cut points of a distance of greater than 10 miles or a driving time of greater than 15 minutes. Personal knowledge of the roads and areas was used to refine the list, as one school more distant than another may be adjacent to better roads, thus significantly reducing driving time. In the end, in this 2011 study, 23 schools were placed on a list as being small potentially due to geographic necessity.

The report noted that the vast majority of schools identified as small by statute were configured either as K-6 or K-8 (100 out of 104 identified as small schools in FY2011). The report also noted that driving times from the mapping programs were based on personal automobiles and not school buses. The same routes driven by school buses will likely be longer. But it was also noted that the secondary students from these same tuitioning districts were already traveling further distances and times on those same roads.

Consequently, the 2011 Report identified theoretical parameters for purposes of discussion and listed the schools that would be eligible *if* the Legislature enacted those parameters. [See Appendix F for the full report and Appendix G for the list of schools]

In 2011, the Department discussed the 2011 Report with those legislative committees that expressed interest and, occasionally, in later legislative sessions as well.

The Legislature did not adopt or otherwise act on the theoretical parameters, or the resulting list, contained in the 2011 Report.

Neither the Legislature, nor the Department/Agency of Education, nor the State Board have ever used the list of schools in the 2011 Report for any purpose other than when discussing the 2011 Report.

IV. Other Considerations

People in districts that currently receive SSGs who believe that the district is geographically isolated often cite the distance (both time and miles) that students would have to travel to enroll in another school and the quality of the roads to that school (geography; weather; etc.). These concerns are raised most often in connection with students in Kindergarten through Grade 6.

In districts that pay tuition for all secondary students in one or more grades, the students and their parents select the schools in which they enroll. For those districts that tuition elementary students, however, the school board decides which public school or schools its students may attend *unless* the electorate grants the board authority to pay tuition to an approved

independent school upon parental request. Some students enroll in an independent school located in their town of residence and others attend public and independent schools located outside of the town in which they reside.

Although not all students in tuitioning districts have an equal ability to attend the school of their choice due to lack of transportation and other reasons, the distance that tuitioning students travel to attend the school and the types of roads on which they travel are reasonable indicators of “how far is too far” when considering the question of what constitutes geographic isolation – particularly for elementary students. As noted in the 2011 Report, however, most secondary students in these tuitioning or small school districts are already traveling both longer times and distances than most elementary students.

As shown in the tables and graphs at Appendix H, elementary students in tuitioning districts quite often travel further than the initial 10 mile and 15 minute cut points used in the 2011 Report.

Almost 28% of elementary students being tuitioned to public elementary schools traveled more than 10 miles, based on reported FY2016 tuitioning data (135 of 487 students) and just over 21% traveled 20 minutes or more (104 of 487). For those elementary students being tuitioned to an approved independent elementary school in FY2016, 33% traveled more than 10 miles (83 of 251) and almost 33% traveled more than 20 minutes (82 of 251).

V. Current and Recent SSG Recipients

The SSGs for 18 districts that have been eligible under the current, straightforward statutory calculation have been transformed into MSGs due to creation of a unified union school district. [Appendix I] In addition, another 34 SSGs will be converted to MSGs in FY2019 with the new unified mergers that begin that year. The State must award an MSG annually to each of these new UUSDs for as long as the small school remains open. If the small school is closed and there is a related need for construction or renovation of another building, then the MSG will continue for the bond repayment period. Therefore, the list of “geographically isolated districts” that the State Board is required to develop by September 30, 2017 will not include any of the small schools in these districts.

35 additional school districts that received SSGs in FY2017 and FY2018 that will likely be subject to the new criteria when it becomes effective on July 1, 2019. Of that number:

- Among those that are eligible for a SSG in FY2018, there are
 - 30 small elementary schools (PK-6 or PK-8)
 - 5 small secondary schools through grade 12 (PK -12)

The table at Appendix J lists those districts currently receiving an FY2018 SSG that have not yet decided to merge into a unified union. Some of these districts are currently in discussions to move forward with a merger, so the list may change in the future.

VI. Capacity

The new criteria for SSGs effective in 2019 frame geographic isolation in terms of whether a nearby school has “capacity” to accept the students from the district applying for the SSG. There are at least two issues concerning “capacity.”

First, it will be important for the State Board to determine what the term “capacity” means in the context of districts applying for SSGs (“Applicant District”). For example, if the nearby school intentionally has very small classes or low student-teacher ratios and does not want either to increase, then does it have “capacity” to accept the Applicant District’s students? Or does the nearby school’s decision cause the Applicant District to be geographically isolated? Who decides? And, what if the nearest school has selective admissions?

In addition, it is important to remember that the list of geographically isolated schools due by September 30, 2017 and the metrics that the State Board must publish before July 1 concern whether the school district will continue to receive SSGs. Neither the list nor the metrics are directly linked to the State Board’s responsibilities and authority when creating the Statewide Plan, including the requirement that it merge districts where necessary. Therefore, when looking at whether a nearby school district has capacity to enroll an Applicant District’s students, it is immaterial whether the two districts have the same operating / tuitioning structure. That is, if a district operates a small school for K-6 and pays tuition for 7-12, nothing prohibits consideration of the capacity in a public elementary school operated by a nearby district with a different operating / tuitioning structure.

APPENDICES

Appendix A: 16 VSA § 4015 – now

Appendix B: 16 VSA § 4015 – as it will exist on July 1, 2019

Appendix C: Act 46 (2015), Sec. 21

Appendix D: Act 49 (2017), Sec. 9

Appendix E: Act 153 (2010), Sec. 21

Appendix F: The 2011 Report

Appendix G: The list of schools in the 2011 Report

Appendix H: Distances and times travelled by tuitioned elementary students in FY 2016

Appendix I: Merging districts where an SSG becomes the UUSD’s Merger Support Grant

Appendix J: Districts that received an SSG in FY 17 – FY 18 that are not part of a UUSD

VERMONT **GENERAL ASSEMBLY**

The Vermont Statutes Online

Title 16 : Education

Chapter 133 : State Funding Of Public Education

Subchapter 002 : General State Funding Of Public Education

(Cite as: 16 V.S.A. § 4015)

[Section 4015 effective until July 1, 2019; see also section 4015 effective July 1, 2019 and notes set out below.]



§ 4015. Small school support

(a) In this section:

(1) "Eligible school district" means a school district that operates at least one school; and

(A) has a two-year average combined enrollment of fewer than 100 students in all the schools operated by the district; or

(B) has an average grade size of 20 or fewer.

(2) "Enrollment" means the number of students who are enrolled in a school operated by the district on October 1. A student shall be counted as one whether the student is enrolled as a full-time or part-time student.

(3) "Two-year average enrollment" means the average enrollment of the two most recently completed school years.

(4) "Average grade size" means two-year average enrollment divided by the number of grades taught in the district on October 1. For purposes of this calculation, kindergarten and prekindergarten programs shall be counted together as one grade.

(5) "AGS factor" means the following factors for each average grade size:

| Average grade size | | |
|--------------------|----------------------------|---------|
| More than: - | but less than or equal to: | Factor: |
| 0 | 7 | 0.19 |
| 7 | 9 | 0.175 |
| 9 | 10 | 0.16 |
| 10 | 11 | 0.145 |
| 11 | 12 | 0.13 |
| 12 | 13 | 0.115 |

| | | |
|----|----|-------|
| 13 | 14 | 0.10 |
| 14 | 15 | 0.085 |
| 15 | 16 | 0.070 |
| 16 | 17 | 0.055 |
| 17 | 18 | 0.040 |
| 18 | 19 | 0.025 |
| 19 | 20 | 0.015 |

(6) "School district" means a town, city, incorporated, interstate, or union school district or a joint contract school established under subchapter 1 of chapter 11 of this title.

(b) Small schools support grant: Annually, the Secretary shall pay a small schools support grant to any eligible school district. The amount of the grant shall be the greater of:

(1) the amount determined by multiplying the two-year average enrollment in the district by \$500.00 and subtracting the product from \$50,000.00, with a maximum grant of \$2,500.00 per enrolled student; or

(2) the amount of 87 percent of the base education amount for the current year, multiplied by the two-year average enrollment, multiplied by the AGS factor.

(c) Small schools financial stability grant: In addition to a small schools support grant, an eligible school district whose two-year average enrollment decreases by more than 10 percent in any one year shall receive a small schools financial stability grant. However, a decrease due to a reduction in the number of grades offered in a school or to a change in policy regarding paying tuition for students shall not be considered an enrollment decrease. The amount of the grant shall be determined by multiplying 87 percent of the base education amount for the current fiscal year, by the number of enrollment, to the nearest one-hundredth of a percent, necessary to make the two-year average enrollment decrease only 10 percent.

(d) [Repealed.]

(e) In the event that a school or schools that have received a grant under this section merge in any year following receipt of a grant, and the consolidated school is not eligible for a grant under this section or the small school grant for the consolidated school is less than the total amount of grant aid the schools would have received if they had not combined, the consolidated school shall continue to receive a grant for three years following consolidation. The amount of the annual grant shall be:

(1) in the first year following consolidation, an amount equal to the amount received by the school or schools in the last year of eligibility;

(2) in the second year following consolidation, an amount equal to two-thirds of the amount received in the previous year; and

(3) in the third year following consolidation, an amount equal to one-third of the amount received in the first year following consolidation. (Added 1997, No. 71 (Adj. Sess.), § 92, eff.

March 11, 1998; amended 1999, No. 49, § 3, eff. June 2, 1999; 1999, No. 66 (Adj. Sess.), § 39, eff. Feb. 8, 2000; 2003, No. 68, § 23, eff. July 1, 2004; 2003, No. 76 (Adj. Sess.), § 27, eff. Feb. 17, 2004; 2007, No. 82, § 28; 2009, No. 44, § 19, eff. May 21, 2009; 2011, No. 129 (Adj. Sess.), § 7, eff. May 11, 2012; 2013, No. 92 (Adj. Sess.), § 240, eff. Feb. 14, 2014; 2015, No. 48, § 6.)

B

[Section 4015 effective July 1, 2019; see also section 4015 effective until July 1, 2019 set out above and notes set out below.]

§ 4015. Small school support

(a) In this section:

(1) "Eligible school district" means a school district that:

(A) operates at least one school with an average grade size of 20 or fewer; and

(B) has been determined by the State Board, on an annual basis, to be eligible due to either:

(i) the lengthy driving times or inhospitable travel routes between the school and the nearest school in which there is excess capacity; or

(ii) the academic excellence and operational efficiency of the school, which shall be based upon consideration of:

(I) the school's measurable success in providing a variety of high-quality educational opportunities that meet or exceed the educational quality standards adopted by the State Board pursuant to section 165 of this title;

(II) the percentage of students from economically deprived backgrounds, as identified pursuant to subsection 4010(d) of this title, and those students' measurable success in achieving positive outcomes;

(III) the school's high student-to-staff ratios; and

(IV) the district's participation in a merger study and submission of a merger report to the State Board pursuant to chapter 11 of this title or otherwise.

(2) "Enrollment" means the number of students who are enrolled in a school operated by the district on October 1. A student shall be counted as one whether the student is enrolled as a full-time or part-time student.

(3) "Two-year average enrollment" means the average enrollment of the two most recently completed school years.

(4) "Average grade size" means two-year average enrollment divided by the number of grades taught in the district on October 1. For purposes of this calculation, kindergarten and prekindergarten programs shall be counted together as one grade.

(5) "AGS factor" means the following factors for each average grade size:

Average grade size

More than: - but less than or equal to:

Factor:

| | | |
|----|----|-------|
| 0 | 7 | 0.19 |
| 7 | 9 | 0.175 |
| 9 | 10 | 0.16 |
| 10 | 11 | 0.145 |
| 11 | 12 | 0.13 |
| 12 | 13 | 0.115 |
| 13 | 14 | 0.10 |
| 14 | 15 | 0.085 |
| 15 | 16 | 0.070 |
| 16 | 17 | 0.055 |
| 17 | 18 | 0.040 |
| 18 | 19 | 0.025 |
| 19 | 20 | 0.015 |

(6) "School district" means a town, city, incorporated, interstate, or union school district or a joint contract school established under subchapter 1 of chapter 11 of this title.

(b) Small schools support grant: Annually, the Secretary shall pay a small schools support grant to any eligible school district. The amount of the grant shall be the greater of:

(1) the amount determined by multiplying the two-year average enrollment in the district by \$500.00 and subtracting the product from \$50,000.00, with a maximum grant of \$2,500.00 per enrolled student; or

(2) the amount of 87 percent of the base education amount for the current year, multiplied by the two-year average enrollment, multiplied by the AGS factor.

(c) [Repealed.]

(d) [Repealed.]

(e) In the event that a school or schools that have received a grant under this section merge in any year following receipt of a grant, and the consolidated school is not eligible for a grant under this section or the small school grant for the consolidated school is less than the total amount of grant aid the schools would have received if they had not combined, the consolidated school shall continue to receive a grant for three years following consolidation. The amount of the annual grant shall be:

(1) in the first year following consolidation, an amount equal to the amount received by the school or schools in the last year of eligibility;

(2) in the second year following consolidation, an amount equal to two-thirds of the amount received in the previous year; and

(3) in the third year following consolidation, an amount equal to one-third of the amount received in the first year following consolidation.

~~the nearest one-hundredth of a percent, necessary to make the two-year average enrollment decrease only 10 percent. [Repealed.]~~

~~(d) Funds for both grants shall be appropriated from the Education Fund and shall be added to payments for the base education amount or deducted from the amount owed to the Education Fund in the case of those districts that must pay into the Fund under section 4027 of this title. [Repealed.]~~

* * *

Sec. 21. SMALL SCHOOL SUPPORT; METRICS

On or before July 1, 2018, the State Board of Education shall adopt and publish metrics by which it will make determinations whether to award small school support grants pursuant to 16 V.S.A. § 4015 on and after July 1, 2019, as amended by Sec. 20 of this act.

* * * Declining Enrollment; Equalized Pupils; 3.5 Percent Limit * * *

Sec. 22. 16 V.S.A. § 4010(f) is amended to read:

(f) For purposes of the calculation under this section, a district's equalized pupils shall in no case be less than 96 and one-half percent of the ~~district's~~ actual number of equalized pupils in the district in the previous year, prior to making any adjustment under this subsection.

Sec. 23. DECLINING ENROLLMENT; TRANSITION

(a) If a district's equalized pupils in fiscal year 2016 do not reflect any adjustment pursuant to 16 V.S.A. § 4010(f), then Sec. 22 of this act shall apply to the district in fiscal year 2017 and after.

D

* * * Deadline for Small School Support Metrics * * *

Sec. 9. 2015 Acts and Resolves No. 46, Sec. 21 is amended to read:

Sec. 21. SMALL SCHOOL SUPPORT; METRICS

On or before July 1, 2018, the State Board of Education shall adopt and publish metrics by which it will make determinations whether to award small school support grants pursuant to 16 V.S.A. § 4015 on and after July 1, 2019, as amended by Sec. 20 of this act; provided, however, that on or before September 30, 2017, the State Board shall publish a list of districts that it determines to be geographically isolated pursuant to that section as amended by Sec. 20 of this act.

* * * Time Extension for Qualifying Districts * * *

Sec. 10. 2015 Acts and Resolves No. 46, Sec. 9 is amended to read:

Sec. 9. SELF-EVALUATION, MEETINGS, AND PROPOSAL

(a) On or before ~~November 30, 2017~~ the earlier of January 31, 2018 or the date that is six months after the date that the State Board's rules on the process for submitting alternative governance proposals take effect, the board of each school district in the State that has a governance structure different from the preferred structure identified in Sec. 5(b) of this act (Education District), or that does not expect to become or will not become an Education District on or before July 1, 2019, shall perform each of the following actions, unless the district qualifies for an exemption under Sec. 10(g) of this act.

* * *

E

(6) consider and propose to the senate and house committees on education alternative means by which tuition payments that are three percent more or less than the calculated net cost per secondary pupil can be addressed.

*** Small Schools ***

Sec. 21. RECOMMENDATIONS; SMALL SCHOOLS

On or before January 15, 2011, the commissioner of education shall develop and present to the general assembly a detailed proposal to:

(1) identify annually the school districts that are "eligible school districts" pursuant to 16 V.S.A. § 4015 due to geographic necessity, including the criteria that indicate geographic necessity;

(2) calculate and adjust the level of additional financial support necessary for the districts identified in subdivision (1) of this section to provide an education to resident students in compliance with state education quality standards and other state and federal laws; and

(3) withdraw small school support gradually from districts that are "eligible school districts" pursuant to 16 V.S.A. § 4015 as currently enacted but will not be identified as "eligible school districts" pursuant to subdivision (1) of this section.

*** Designation; Codification ***

Sec. 21a. 16 V.S.A. § 827(e) is added to read:

(e) Notwithstanding any other provision of law to the contrary:

F

2010

**Section 21 of Act 153 of the ~~2009~~ Session
Study on Small School Grant Eligibility Due to
Geographic Necessity**

An Act Relating to Voluntary School District Merger, Virtual
Merger, Supervisory Union Duties, and Including Secondary
Students with Disabilities in Senior Year Activities and
Ceremonies

Submitted by:



**Commissioner Armando Vilaseca
(802) 828-3135**

Executive Summary

Section 21 of Act 153 (2009, No. 153 (Adj. Sess.)) directed the commissioner of education to identify school districts with small schools that should be deemed eligible due to geographic necessity, and to recommend a method to gradually withdraw state aid for those schools that were small but not eligible due to geographic necessity. The language was not intended to recommend the closing nor the merging of non-identified schools.

With the passage of Act 60 in 1997, the funding of schools was no longer a local responsibility, but instead became a state responsibility. Thus, all taxpayers in the state are affected by spending decisions made at the local level.

Act 60 of 1997 created small schools grants for general support and financial stability. In FY1999, the first year of implementation, 46 districts were eligible for \$921,000 in small schools grants. A second support grant calculation was implemented in FY2000 which expanded the eligible districts to 87 at a cost of \$4,100,000. In FY2011, 104 districts received \$7,100,000 in small schools grants.

Identifying districts with schools small due to geographic necessity was based on visual inspection of a topographic map plotting school location and determination of travel distances and times to the next closest school. Capacity was not used as a criterion as those data are not readily available nor easily obtained. The nature of adjacent roads was also considered as a factor as some roads are more easily traveled than others.

Of the 104 districts with schools eligible under current language, 23 were considered to be eligible due to geographic necessity. Those 23 districts were eligible for \$1,690,000 in support grants in FY2011. Maintaining that level of support for those districts but removing it for the other 81 districts will reduce payments from the Education Fund by \$5,300,000.

If the Legislature so chooses, it is recommended to remove support for the 81 districts over a period of two years, based on the support level received for the FY2012 small schools support grant. It is recommended to fund those schools at 2/3 of the FY2012 level in FY2013 and 1/3 of the level in FY2014. Those 81 districts will not receive support for small schools in FY2015.

It is suggested that the Legislature consider rescinding the small schools financial stability grant, effective for FY2013. The structure for the support grant calculation provides additional resources for schools with declining enrollments. Additionally, large declines in students are further protected by the annual maximum allowable loss of 3.5% in the equalized pupil calculation.

I. Introduction

Due both to Vermont's small population and geographic features, many schools in the state have historically been small. While a straight line may show towns – and therefore, schools – to be close together, due to the hills and valleys of Vermont, the roads are often long and winding. As roads and transportation have improved, travel times have decreased, school mergers have occurred, but many small schools still remain.

People in towns with small schools tend to be both proud and protective of their schools. The schools not only educate the local children, but they often are used as focal points for community gatherings. Historically, it was the local community that supported the school. With the passage of Act 60 in 1997, the funding of education became a state responsibility. Thus, it was no longer just the local community supporting the local small school, but rather the entire state supporting the school, although the education tax rate of the local school district reflected the cost.

The Legislature created small school grants to assist local communities in funding their small schools. Economic times have changed significantly and the viability of that state support is in question. Under the current statutory language, many small schools as currently defined have received assistance, although they may be in close proximity to another school with a similar grade configuration. In such cases, it is highly likely significant financial savings could be realized if the schools were to combine into one.

Section 21 of Act 153 (2009, No. 153 (Adj. Sess.)) directed the commissioner of education to identify school districts with small schools that should be deemed eligible due to geographic necessity, determine if additional state aid was necessary to ensure their viability, and to recommend a method to gradually withdraw state aid for those schools that were small but not eligible due to geographic necessity.

The language was not intended to recommend the closing nor the merging of non-identified schools but rather to remove state support for those schools that are not geographically isolated. Doing so will reduce the revenues available to those school districts not identified as geographically isolated, subsequently increasing the homestead tax rates for those school districts.

II. Overview of Small Schools Grants (16 V.S.A. § 4015)

The Vermont Legislature created a small schools support grant with the passage of Act 60 (1997, No. 60, § 93). Prior to implementation, the Legislature amended Act 60, creating an additional financial stability grant to assist in supporting small schools with rapidly declining enrollments (1997, No. 71, § 92). Both grants were implemented in the FY1999 school year. Both grant calculations were based on two-year average enrollments, with an eligible school district being defined as one that operated at least one school and had a combined two-year average enrollment of 100 or fewer students.

- A. The small schools support grant was based on the two-year average enrollment times \$500, with the product being subtracted from \$50,000. There was a maximum grant of \$2,500 per enrolled pupil.

- B. The small schools financial stability grant was for those eligible districts whose two-year average enrollment declined by more than 10% of the prior year's average figure. The size of the grant was calculated by first determining the pupil count required to limit the two-year average enrollment loss to a 10% decline. This pupil count was multiplied by the general state support grant to determine the financial stability grant.

In FY1999, the first year of implementation of the small schools grants, 46 school districts were eligible for \$921,000 from the small schools support grant. Of those 46 districts, 3 were eligible for an additional \$58,367 from the financial stability grant (Table 1).

For FY2000, the following year, the Legislature expanded the pool of eligible school districts for the support grant from 52 to 87 by creating a second support grant calculation (1999, No. 49, § 3). Using the average two-year enrollment, eligibility for this second method was based on an average grade size of 20 or fewer in schools operated by the district.

- C. Average grade size meant the two-year average enrollment divided by the number of grades offered. A factor based on average grade size was multiplied by the two-year enrollment average. The result was multiplied by what was then the general state support grant. Beginning in FY2005, the general state support grant was replaced by the base education amount, which in turn was multiplied by 87% (Table 1).

Not only did this second calculation method increase the number of eligible districts from 52 to 87, but it also inflated the support grant cost from \$940,000 to \$4,080,000. If a school district was eligible for either of the small schools support grant calculations, it was allowed the calculation that resulted in the greater amount (*i.e.*, the larger of calculation A or C above). In FY2011, 104 school districts were eligible for just under \$7,000,000 from the support grant calculations. Of those 104 districts, 9 were also eligible for an additional \$112,000 from the financial stability grant. The initial total cost of the small schools grants has grown from \$980,000 in FY1999 to an estimated \$7,240,000 in FY2012, based on an estimated base education amount of \$8,544 (Table 1).

Table 1. Small Schools Grants Amounts, FY1999 through FY2012¹

| Fiscal Year | Small Schools Support Grants | | Small Schools Financial Stability Grants | | Total Grants | GSSG / Base Amount | Applicable Percentage | Amount to Use |
|---------------------|------------------------------|-------------|--|-----------|--------------|--------------------|-----------------------|---------------|
| | count | amount | count | amount | | | | |
| FY1999 | 46 | \$921,000 | 3 | \$58,367 | \$979,367 | \$5,010 | na | na |
| FY2000 | 87 | \$4,084,920 | 6 | \$53,040 | \$4,095,043 | \$5,100 | 100% | \$5,100 |
| FY2001 | 94 | \$4,308,116 | 9 | \$111,931 | \$4,420,047 | \$5,194 | 100% | \$5,194 |
| FY2002 | 95 | \$4,457,021 | 8 | \$53,118 | \$4,510,139 | \$5,448 | 100% | \$5,448 |
| FY2003 | 97 | \$4,618,184 | 11 | \$141,098 | \$4,759,282 | \$5,566 | 100% | \$5,566 |
| FY2004 | 100 | \$4,921,003 | 10 | \$102,839 | \$5,023,842 | \$5,810 | 100% | \$5,810 |
| FY2005 | 98 | \$5,040,320 | 15 | \$172,745 | \$5,213,065 | \$6,800 | 87% | \$5,916 |
| FY2006 | 99 | \$5,046,180 | 8 | \$62,805 | \$5,108,985 | \$6,975 | 87% | \$6,068 |
| FY2007 | 100 | \$5,530,917 | 3 | \$71,105 | \$5,602,022 | \$7,330 | 87% | \$6,377 |
| FY2008 | 102 | \$6,032,645 | 8 | \$60,907 | \$6,093,552 | \$7,736 | 87% | \$6,730 |
| FY2009 | 106 | \$6,467,854 | 8 | \$97,860 | \$6,565,714 | \$8,210 | 87% | \$7,143 |
| FY2010 | 106 | \$6,780,356 | 9 | \$134,539 | \$6,914,895 | \$8,544 | 87% | \$7,433 |
| FY2011 | 104 | \$6,986,413 | 9 | \$112,241 | \$7,098,654 | \$8,544 | 87% | \$7,433 |
| FY2012 ¹ | 104 | \$7,156,051 | 2 | \$84,364 | \$7,240,415 | \$8,544 | 87% | \$7,433 |

¹ FY2012 are estimates only, based on \$8,544. The base education amount has not yet been set.

III. Methodology

A topographic map of Vermont was produced, plotting schools found to be small as per current statute (16 V.S.A. § 4015). Also plotted were the remainder of the schools in the state. Grade configurations and the FY2010 enrollments were shown for each school. It should be noted that capacity was not used as a criterion. School capacity data are not readily available and cannot be easily obtained.

A visual inspection of the map was made by DOE personnel and a consensus list of small schools that appeared to be geographically separated from other schools was compiled. Schools on the consensus list were then looked at in more detail. For each identified school, the driving distance and time to the next closest school with a similar grade configuration were determined using various mapping programs (Arc View, Google Maps, and MapQuest). It should be noted that the programs based driving times on personal automobiles, not school buses. Therefore, the driving times shown can be expected to be longer in actuality.

Initially, a school was considered to be an eligible small school due to geographic necessity if the driving time to the next school was greater than 15 minutes or the distance was greater than 10 miles. The list was then refined further by personal knowledge of the roads and areas. Some schools not initially on the list were added, regardless of distances or driving times.

A strictly objective methodology that could be uniformly applied was difficult to develop due to school proximities to major state routes. A school that was further in distance than another school may have been situated adjacent to a major state route rather than a less well maintained secondary road, thus significantly decreasing travel time.

IV. Small Schools Identified as Eligible Due to Geographic Necessity

Subdivision (1) of Act 153, section 21, requires the commissioner of education to identify small schools that are eligible due to geographic necessity. Twenty-three small schools were identified as being eligible due to geographic necessity (Table 2). It was considered that either the driving times or distances, along with the travel route, were an obstacle in transporting students. Distances and times shown are from school to school and do not take into account additional distance and times for students to reach their current school. Thus, actual seat time on a school bus could be considerably longer for many students than the times shown in the table.

Table 2: Small Schools Eligible Due to Geographic Necessity (by County)

| School District | S.U. | County | Distance | | Grades | FY10 Enroll | FY2011 | | Support Grant Per Pupil |
|---------------------|--------------------|------------|------------|-------|--------|--------------|--------------------|-----------------|-------------------------|
| | | | Time (min) | Miles | | | Support Grant | Stability Grant | |
| Stamford | Windham Southwest | Bennington | 19 | 12 | K-8 | 68 | \$90,404 | - | \$1,329 |
| Brighton | North Country | Essex | 18 | 10 | PK-8 | 106 | \$103,876 | \$3,717 | \$980 |
| Canaan | Essex North | Essex | 50 | 29 | K-12 | 212 | \$88,713 | - | \$418 |
| Guildhall | Essex - Caledonia | Essex | 19 | 12 | K-6 | 20 | \$40,250 | \$5,575 | \$2,013 |
| Lunenburg | Essex - Caledonia | Essex | 19 | 14 | PK-8 | 125 | \$83,082 | - | \$665 |
| Bakersfield | Franklin Northeast | Franklin | 15 | 9 | K-8 | 155 | \$47,274 | - | \$305 |
| Franklin | Franklin Northwest | Franklin | 19 | 11 | K-6 | 130 | \$23,693 | - | \$182 |
| Montgomery | Franklin Northeast | Franklin | 20 | 12 | K-8 | 127 | \$92,913 | - | \$732 |
| Eden | Lamoille North | Lamoille | 13 | 8 | PK-6 | 131 | \$23,693 | - | \$181 |
| Waterville | Lamoille North | Lamoille | 14 | 8 | PK-6 | 81 | \$73,512 | - | \$908 |
| Strafford | Orange - Windsor | Orange | 11 | 7 | K-8 | 123 | \$88,824 | - | \$722 |
| Charleston | North Country | Orleans | 18 | 10 | PK-8 | 97 | \$100,011 | - | \$1,031 |
| Lakeview USD #043 | Orleans Southwest | Orleans | 20 | 10 | K-6 | 74 | \$77,062 | - | \$1,041 |
| Lowell | North Country | Orleans | 15 | 11 | PK-8 | 123 | \$88,081 | - | \$716 |
| Mt. Holly | Rutland - Windsor | Rutland | 16 | 9 | K-6 | 113 | \$45,992 | - | \$407 |
| Sherburne | Windsor Central | Rutland | 18 | 12 | PK-6 | 98 | \$70,985 | - | \$724 |
| Shrewsbury | Rutland South | Rutland | 19 | 10 | PK-6 | 64 | \$77,303 | - | \$1,208 |
| Grafton Elem School | Windham Northeast | Windham | 13 | 7 | K-6 | 76 | \$75,371 | - | \$992 |
| Marlboro | Windham Central | Windham | 11 | 8 | PK-8 | 95 | \$99,695 | - | \$1,049 |
| Windham | Windham Central | Windham | 18 | 11 | PK-6 | 19 | \$40,000 | \$15,238 | \$2,105 |
| Barnard | Windsor Central | Windsor | 17 | 10 | K-6 | 74 | \$80,834 | - | \$1,092 |
| Rochester | Windsor Northwest | Windsor | 16 | 11 | K-12 | 210 | \$106,664 | - | \$508 |
| Stockbridge | Windsor Northwest | Windsor | 14 | 8 | PK-6 | 67 | \$76,523 | - | \$1,142 |
| Totals | | | | | | 2,388 | \$1,694,755 | \$24,530 | \$710 |

Of the schools identified as small due to geographic necessity, twelve are grades K – 6, nine are grades K – 8, and two are grades K – 12. (For the purposes of the calculation, pre-kindergarten and kindergarten are counted as one grade as per statute.) The vast preponderance of small schools as defined under current statute are either grades K – 6 or K – 8. Only four of the 104 schools defined as small under current statute are grades K – 12, with two those being identified as eligible due to geographic necessity.

While actual seat times on a school bus are very likely longer than the times shown in Table 2, which reflect the time an automobile would travel from school to school, it is important to keep in mind that the majority of identified schools are either grades K – 6 or K – 8. This means that the secondary students from these school districts are already traveling further distances and times than are the elementary students.

V. Financial Support

Subdivision (2) of Act 153, section 21, requires the commissioner of education to review the level of financial support necessary for small schools found to be eligible due to geographic necessity. As the base education figure for FY2012 has not yet been set, FY2011 data will be used for discussion. For FY2011, the base education figure is \$8,544. Using the current funding calculations, the total of small schools grants paid to eligible schools for both the support and financial stability grants is \$7,100,000 in FY2011. The small schools identified as eligible due to geographic necessity account for \$1,720,000 of that figure. Funding only the 23 identified schools would save the Education Fund \$5,380,000.

A. Additional financial support for identified small schools

For the 23 identified schools as a group, the current small schools support grant calculations provide funding for 4.1% of their overall FY2011 total expenditures (4.9% as an average for the individual schools), with a low of 1.0% and a high of 12.3% (Table 3). These 23 schools received \$1,690,000 in small schools support grant in FY2011, an average of \$710 per pupil for the group as a whole.

Table 3: Current Small School Support Grants as a Percentage of Total Expenditures for Small Schools Eligible Due to Geographic Necessity (by County)

| School District | FY2011 Total Expenditures | FY2011 Small Schools Support Grant | Percentage of Support Grant vs Expenditures | Support Grant Per Pupil |
|-----------------|---------------------------|------------------------------------|---|-------------------------|
| Stamford | \$1,530,714 | \$90,404 | 5.9% | \$1,329 |
| Brighton | \$1,828,824 | \$103,876 | 5.7% | \$980 |
| Canaan | \$3,209,915 | \$88,713 | 2.8% | \$418 |
| Guildhall | \$625,192 | \$40,250 | 6.4% | \$2,013 |
| Lunenburg | \$2,675,125 | \$83,082 | 3.1% | \$665 |
| Bakersfield | \$3,205,573 | \$47,274 | 1.5% | \$305 |
| Franklin | \$1,507,600 | \$23,693 | 1.6% | \$182 |
| Montgomery | \$2,458,203 | \$92,913 | 3.8% | \$732 |
| Eden | \$2,390,778 | \$23,693 | 1.0% | \$181 |
| Waterville | \$1,292,316 | \$73,512 | 5.7% | \$908 |
| Strafford | \$3,026,548 | \$88,824 | 2.9% | \$722 |
| Charleston | \$1,511,871 | \$100,011 | 6.6% | \$1,031 |

| | | | | |
|---------------------------|---------------------|--------------------|-------------|--------------|
| Lakeview USD #043 | \$1,251,848 | \$77,062 | 6.2% | \$1,041 |
| Lowell | \$1,521,155 | \$88,081 | 5.8% | \$716 |
| Mt. Holly | \$1,591,543 | \$45,992 | 2.9% | \$407 |
| Sherburne | \$1,462,266 | \$70,985 | 4.9% | \$724 |
| Shrewsbury | \$1,011,310 | \$77,303 | 7.6% | \$1,208 |
| Grafton Elementary School | \$1,318,981 | \$75,371 | 5.7% | \$992 |
| Marlboro | \$2,048,173 | \$99,695 | 4.9% | \$1,049 |
| Windham | \$325,044 | \$40,000 | 12.3% | \$2,105 |
| Barnard | \$994,737 | \$80,834 | 8.1% | \$1,092 |
| Rochester | \$3,265,046 | \$106,664 | 3.3% | \$508 |
| Stockbridge | \$1,696,129 | \$76,523 | 4.5% | \$1,142 |
| Totals | \$41,748,891 | \$1,694,755 | 4.1% | \$710 |

Given the overall level of support the current small schools support calculation provides, it is not recommended to increase the level of financial support for small schools eligible due to geographic necessity. The current small schools support grant calculations should be left as written for the small schools eligible due to geographic necessity.

B. Phasing out support for other small schools

Subdivision (3) of Act 153, section 21, directs the commissioner to propose to the Legislature a method to gradually withdraw financial support from those schools recognized as small under current statute but that are not recognized as eligible due to geographic necessity in this proposal. If the Legislature so chooses, it is recommended that the withdrawal of financial support occur over three years, with full support in FY2012, reduced amounts in FY2013 and FY2014, and all support being fully gone in FY2015. Two methods are suggested:

1. Freeze the grant at the FY2012 support level, allowing the schools 2/3 of that amount in FY2013 and 1/3 in FY2014 and no funding in FY2015 (Table 4).

Table 4: Reducing the FY2012 Support Grant

| Fiscal Year | Estimated Support Grant | Estimated Savings vs. FY2012 |
|-------------|-------------------------|------------------------------|
| FY2012 | \$6,990,000 | na |
| FY2013 | \$5,220,000 | \$1,770,000 |
| FY2014 | \$3,460,000 | \$3,530,000 |
| FY2015 | \$1,690,000 | \$5,300,000 |

2. Annually calculate the small schools support grant for each year as per current statute, allowing the school to receive 2/3 of the FY2013 calculated amount in year one and 1/3 of the FY2014 annual amount in year two. Estimated savings will approximate those in Table 4 but would vary depending on enrollments and the base education amount in future years.

Method 1 has an advantage in that those schools that will no longer be eligible will know the exact amount of funding they will receive in the following two years before complete withdrawal of the grants. Using Method 2 will have a differing base each year, so that the schools will not have a definite number for budgeting.

C. Rescission of current small schools financial stability grant

It is suggested that effective for FY2013, the Legislature consider rescinding the small schools financial stability grant in current statute (16 V.S.A. § 4015 (c)). The current statutory requirement to hold a small school harmless to no more than a 10% decline in the annual average two-year enrollment acts as a reward for declining students.

As an example, a school with a declining two-year average enrollment of 24 from the previous year's average enrollment of 30 would receive an additional \$22,300 for losing the 6 average students. (The maximum allowable loss of 3 requires funding of 87% of \$8,544 for the 3 students required to bring the school back to a 10% annual loss – *i.e.*, 27 students rather than the actual 24.)

For a small school eligible for the current financial stability grant, the calculation for the small schools support grant generally increases from year to year as populations decline for a given school, providing the school directly with additional support. Additionally, the equalized pupil calculation has an annual allowable maximum loss of 3.5% from year to year, thus holding districts harmless to rapid declines in pupil counts. This 3.5% hold-harmless cap keeps the equalized pupil count artificially high, reducing the homestead tax rate accordingly, an indirect benefit for the taxpayers of districts with small schools with rapidly declining enrollments.

In addition to the two financial supports as described above, one direct and one indirect, maintaining the current financial support grant provides a third benefit to a small school with a declining average enrollment.

VI. Issues to Consider

1. The methodology used to classify a small school as eligible due to geographic necessity was a combination of objective and subjective observations. As such, the methodology does not lend itself to clear and concise criteria. Legislation is normally drafted so that the basis for selection is not ambiguous nor open to question. The criteria could be tightened by setting specific limits on either time or distance traveled. Exceeding one or the other criterion would serve to classify a school as small due to geographic necessity.
2. Geographic necessity is by its very nature a subjective term, as noted previously. With the exception of the two K – 12 schools, in all other instances of the eligible schools, the secondary students from those school districts are already traveling longer distances and for longer times than many of the travel times and distances shown.

VII. Conclusion

Twenty-three school districts were deemed to have small schools due to geographic necessity based on driving times and distances as well as roads. Maintaining the current calculations for small schools support grants for these schools results in an estimated cost of \$1,690,000. Ending the support grant over a period of two years to the 81 school districts not so identified will reduce the cost to the Education Fund by \$5,300,000.

If the recommendations in this report are adopted by the Legislature during the current session, then the 104 districts projected to receive small schools grants in FY2012 will receive full funding in FY2012. In FY2013, those 81 districts not identified as having a small school due to geographic necessity will receive 2/3 of that amount, followed by 1/3 in FY2014, and no small schools aid in FY2015. This provides those 81 districts advance notice that their revenues from the State will be declining.

Additionally, it is suggested that the Legislature consider rescinding the small schools financial support grant, effective FY2013. The current small schools support grant provides an increase in aid as enrollments decline while large drops in students are also protected by the maximum allowable loss of 3.5% in the equalized pupil calculation.

Appendix A: Eligible Districts with Small Schools under Current Small Schools Language (16 V.S.A. § 4015)

Appendix A: Small Schools Eligible under Current Statute, part 1 (by County, Addison - Essex)

| School District | S.U. | County | Grades | FY10 Enroll | FY2011 | | Support Grant Per Pupil |
|-----------------|---------------------------|------------|--------|-------------|---------------|-----------------|-------------------------|
| | | | | | Support Grant | Stability Grant | |
| Addison | Addison Northwest S.U. | Addison | K-6 | 107 | 56,974 | - | 532 |
| Bridport | Addison Central S.U. | Addison | PK-6 | 84 | 76,932 | - | 916 |
| Cornwall | Addison Central S.U. | Addison | K-6 | 84 | 77,786 | - | 926 |
| Leicester | Rutland Northeast S.U. | Addison | PK-6 | 62 | 78,697 | - | 1,269 |
| Lincoln | Addison Northeast S.U. | Addison | K-6 | 113 | 57,754 | - | 511 |
| New Haven | Addison Northeast S.U. | Addison | K-6 | 112 | 46,809 | - | 418 |
| Orwell | Addison - Rutland S.U. | Addison | K-8 | 116 | 89,939 | - | 775 |
| Ripton | Addison Central S.U. | Addison | PK-6 | 44 | 63,552 | - | 1,444 |
| Salisbury | Addison Central S.U. | Addison | K-6 | 94 | 72,843 | - | 775 |
| Shoreham | Addison Central S.U. | Addison | K-6 | 79 | 79,719 | - | 1,009 |
| Weybridge | Addison Central S.U. | Addison | K-6 | 67 | 75,984 | 7,805 | 1,134 |
| Whiting | Rutland Northeast S.U. | Addison | PK-6 | 42 | 58,609 | - | 1,395 |
| Dorset | Bennington - Rutland S.U. | Bennington | K-8 | 175 | 19,344 | - | 111 |
| Readsboro | Windham Southwest S.U. | Bennington | PK-8 | 64 | 82,599 | - | 1,291 |
| Stamford | Windham Southwest S.U. | Bennington | K-8 | 68 | 90,404 | - | 1,329 |
| Sunderland | Bennington - Rutland S.U. | Bennington | K-6 | 47 | 65,671 | - | 1,397 |
| Woodford | Southwest Vermont S.U. | Bennington | K-6 | 32 | 46,605 | - | 1,456 |
| Newark | Caledonia North S.U. | Caledonia | K-8 | 55 | 76,263 | - | 1,387 |
| Peacham | Caledonia Central S.U. | Caledonia | PK-6 | 38 | 53,666 | - | 1,412 |
| Sutton | Caledonia North S.U. | Caledonia | K-8 | 94 | 101,312 | - | 1,078 |
| Walden | Caledonia Central S.U. | Caledonia | K-8 | 106 | 100,977 | - | 953 |
| Millers Run USD | Caledonia North S.U. | Caledonia | PK-8 | 166 | 30,475 | - | 184 |
| Bolton | Chittenden East S.U. | Chittenden | PK-4 | 88 | 34,749 | - | 395 |
| Brighton | North Country S.U. | Essex | PK-8 | 106 | 103,876 | 3,717 | 980 |
| Canaan | Essex North S.U. | Essex | K-12 | 212 | 88,713 | - | 418 |
| Concord | Essex - Caledonia S.U. | Essex | PK-12 | 221 | 67,046 | - | 303 |
| East Haven | Caledonia North S.U. | Essex | K-8 | 25 | 38,250 | - | 1,530 |
| Guildhall | Essex - Caledonia S.U. | Essex | K-6 | 20 | 40,250 | 5,575 | 2,013 |
| Lunenburg | Essex - Caledonia S.U. | Essex | PK-8 | 125 | 83,082 | - | 665 |

Appendix A: Small Schools Eligible under Current Statute, part 2 (by County, Franklin - Orange)

| School District | S.U. | County | Grades | FY10 Enroll | FY2011 | | Support Grant Per Pupil |
|-----------------|-------------------------|------------|--------|-------------|---------------|-----------------|-------------------------|
| | | | | | Support Grant | Stability Grant | |
| Bakersfield | Franklin Northeast S.U. | Franklin | K-8 | 155 | 47,274 | - | 305 |
| Berkshire | Franklin Northeast S.U. | Franklin | K-8 | 171 | 31,033 | - | 181 |
| Fletcher | Franklin West S.U. | Franklin | PK-6 | 134 | 24,529 | - | 183 |
| Franklin | Franklin Northwest S.U. | Franklin | K-6 | 130 | 23,693 | - | 182 |
| Montgomery | Franklin Northeast S.U. | Franklin | K-8 | 127 | 92,913 | - | 732 |
| Isle La Motte | Grand Isle S.U. | Grand Isle | K-6 | 32 | 46,605 | - | 1,456 |
| North Hero | Grand Isle S.U. | Grand Isle | K-6 | 58 | 73,494 | - | 1,267 |
| South Hero | Grand Isle S.U. | Grand Isle | K-8 | 127 | 81,503 | - | 642 |
| Eden | Lamoille North S.U. | Lamoille | PK-6 | 131 | 23,693 | - | 181 |
| Elmore | Lamoille South S.U. | Lamoille | 1-3 | 20 | 40,250 | - | 2,013 |
| Waterville | Lamoille North S.U. | Lamoille | PK-6 | 81 | 73,512 | - | 908 |
| Wolcott | Orleans Southwest S.U. | Lamoille | K-6 | 127 | 24,529 | - | 193 |
| Braintree | Orange Southwest S.U. | Orange | K-6 | 86 | 76,932 | 3,345 | 895 |
| Brookfield | Orange Southwest S.U. | Orange | K-6 | 86 | 77,359 | - | 900 |
| Chelsea | Orange - Windsor S.U. | Orange | K-12 | 164 | 127,104 | - | 775 |
| Newbury | Orange East S.U. | Orange | PK-6 | 119 | 23,600 | - | 198 |
| Orange | Orange North S.U. | Orange | K-8 | 106 | 102,910 | - | 971 |
| Strafford | Orange - Windsor S.U. | Orange | K-8 | 123 | 88,824 | - | 722 |
| Tunbridge | Orange - Windsor S.U. | Orange | K-8 | 107 | 95,310 | - | 891 |
| Washington | Orange North S.U. | Orange | PK-8 | 78 | 91,575 | - | 1,174 |

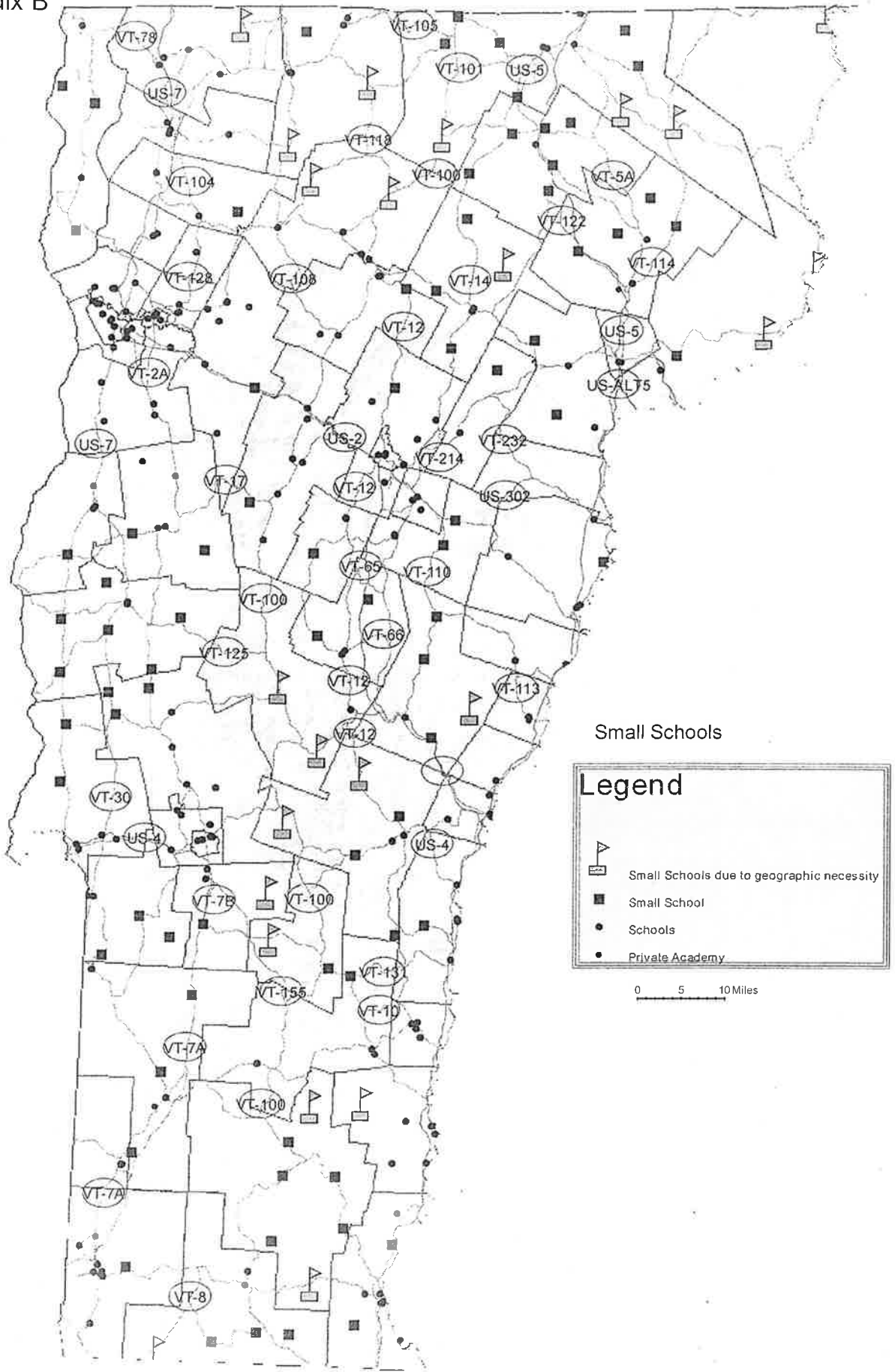
Appendix A: Small Schools Eligible under Current Statute, part 3 (by County, Orleans - Rutland)

| School District | S.U. | County | Grades | FY10 Enroll | FY2011 | | Support Grant Per Pupil |
|----------------------------|---------------------------|---------|--------|----------------|------------------|--------------------|----------------------------------|
| | | | | | Support Grant | Stability Grant | |
| Jay Westfield Joint School | North Country S.U. | Orleans | K-6 | 91 | 75,649 | - | 831 |
| Albany | Orleans Central S.U. | Orleans | K-8 | 87 | 101,851 | - | 1,171 |
| Barton ID | Orleans Central S.U. | Orleans | K-8 | 148 | 61,527 | - | 416 |
| Brownington | Orleans Central S.U. | Orleans | K-7 | 80 | 89,791 | - | 1,122 |
| Charleston | North Country S.U. | Orleans | PK-8 | 97 | 100,011 | - | 1,031 |
| Coventry | North Country S.U. | Orleans | K-8 | 90 | 99,156 | - | 1,102 |
| Craftsbury | Orleans Southwest S.U. | Orleans | K-12 | 163 | 143,606 | - | 881 |
| Glover | Orleans Central S.U. | Orleans | K-8 | 127 | 82,766 | - | 652 |
| Holland | North Country S.U. | Orleans | PK-6 | 77 | 81,912 | - | 1,064 |
| Irasburg | Orleans Central S.U. | Orleans | K-8 | 122 | 92,541 | 7,805 | 759 |
| Lowell | North Country S.U. | Orleans | PK-8 | 123 | 88,081 | - | 716 |
| Morgan | North Country S.U. | Orleans | K-6 | 37 | 52,254 | - | 1,412 |
| Newport Town | North Country S.U. | Orleans | K-6 | 102 | 56,454 | - | 553 |
| Orleans ID | Orleans Central S.U. | Orleans | K-8 | 108 | 91,426 | - | 847 |
| Troy | North Country S.U. | Orleans | K-8 | 164 | 31,404 | - | 191 |
| Lakeview USD #043 | Orleans Southwest S.U. | Orleans | K-6 | 74 | 77,062 | - | 1,041 |
| Benson | Addison - Rutland S.U. | Rutland | PK-8 | 135 | 70,502 | - | 522 |
| Middletown Springs | Rutland Southwest S.U. | Rutland | PK-6 | 70 | 78,492 | - | 1,121 |
| Mt. Holly | Rutland - Windsor S.U. | Rutland | K-6 | 113 | 45,992 | - | 407 |
| Killington | Windsor Central S.U. | Rutland | PK-6 | 98 | 70,985 | - | 724 |
| Shrewsbury | Rutland South S.U. | Rutland | PK-6 | 64 | 77,303 | - | 1,208 |
| Sudbury | Rutland Northeast S.U. | Rutland | K-6 | 33 | 47,311 | - | 1,434 |
| Tinmouth | Rutland Southwest S.U. | Rutland | PK-6 | 51 | 68,941 | - | 1,352 |
| Wallingford | Rutland South S.U. | Rutland | K-6 | 123 | 23,693 | - | 193 |
| Wells | Rutland Southwest S.U. | Rutland | K-6 | 70 | 79,756 | - | 1,139 |
| Currier Memorial USD #023 | Bennington - Rutland S.U. | Rutland | K-6 | 106 | 55,933 | - | 528 |

Appendix A: Small Schools Eligible under Current Statute, part 4 (by County, Washington - Windsor)

| School District | S.U. | County | Grades | FY10 Enroll | FY2011 | | Support Grant Per Pupil |
|---------------------------|---------------------------|------------|--------|---------------|------------------|-----------------|-------------------------|
| | | | | | Support Grant | Stability Grant | |
| Cabot | Washington Northeast S.U. | Washington | PK-12 | 219 | 68,384 | - | 312 |
| Fayston | Washington West S.U. | Washington | PK-6 | 131 | 15,163 | - | 116 |
| Roxbury | Washington South S.U. | Washington | PK-6 | 49 | 64,388 | - | 1,314 |
| Woodbury | Orleans Southwest S.U. | Washington | K-6 | 51 | 68,941 | - | 1,352 |
| Worcester | Washington Central S.U. | Washington | PK-6 | 81 | 82,989 | - | 1,025 |
| Grafton Elementary School | Windham Northeast S.U. | Windham | K-6 | 76 | 75,371 | - | 992 |
| Brookline | Windham Central S.U. | Windham | K-6 | 34 | 53,666 | - | 1,578 |
| Dover | Windham Central S.U. | Windham | PK-6 | 88 | 75,222 | - | 855 |
| Dummerston | Windham Southeast S.U. | Windham | K-8 | 166 | 48,166 | - | 290 |
| Guilford | Windham Southeast S.U. | Windham | K-8 | 166 | 30,568 | - | 184 |
| Halifax | Windham Southwest S.U. | Windham | K-8 | 58 | 80,499 | - | 1,388 |
| Jamaica | Windham Central S.U. | Windham | K-6 | 61 | 76,709 | 45,713 | 1,258 |
| Marlboro | Windham Central S.U. | Windham | PK-8 | 95 | 99,695 | - | 1,049 |
| Newfane | Windham Central S.U. | Windham | K-6 | 99 | 72,472 | 11,150 | 732 |
| Townshend | Windham Central S.U. | Windham | K-6 | 93 | 77,786 | - | 836 |
| Wardsboro | Windham Central S.U. | Windham | PK-6 | 75 | 81,373 | - | 1,085 |
| Whitingham | Windham Southwest S.U. | Windham | PK-5 | 111 | 20,905 | - | 188 |
| Windham | Windham Central S.U. | Windham | PK-6 | 19 | 40,000 | 15,238 | 2,105 |
| Barnard | Windsor Central S.U. | Windsor | K-6 | 74 | 80,834 | - | 1,092 |
| Bridgewater | Windsor Central S.U. | Windsor | K-6 | 60 | 74,144 | - | 1,236 |
| Cavendish | Windsor Southwest S.U. | Windsor | PK-6 | 129 | 23,971 | - | 186 |
| Ludlow | Rutland - Windsor S.U. | Windsor | K-6 | 136 | 15,498 | - | 114 |
| Plymouth | Rutland - Windsor S.U. | Windsor | K-6 | 13 | 38,750 | 11,893 | 2,981 |
| Pomfret | Windsor Central S.U. | Windsor | K-6 | 79 | 77,786 | - | 985 |
| Reading | Windsor Central S.U. | Windsor | K-6 | 40 | 56,491 | - | 1,412 |
| Rochester | Windsor Northwest S.U. | Windsor | K-12 | 210 | 106,664 | - | 508 |
| Sharon | Orange - Windsor S.U. | Windsor | PK-6 | 114 | 55,933 | - | 491 |
| Stockbridge | Windsor Northwest S.U. | Windsor | PK-6 | 67 | 76,523 | - | 1,142 |
| West Windsor | Windsor Southeast S.U. | Windsor | K-6 | 77 | 77,601 | - | 1,008 |
| Totals | | | | 10,032 | 6,986,413 | 112,241 | 696 |

Appendix B



Appendix C: No. 153. An act relating to voluntary school district merger, virtual merger, supervisory union duties, and including secondary students with disabilities in senior year activities and ceremonies.

(H.66)

* * * Small Schools * * *

Sec. 21. RECOMMENDATIONS; SMALL SCHOOLS

On or before January 15, 2011, the commissioner of education shall develop and present to the general assembly a detailed proposal to:

- (1) identify annually the school districts that are “eligible school districts” pursuant to 16 V.S.A. § 4015 due to geographic necessity, including the criteria that indicate geographic necessity;
- (2) calculate and adjust the level of additional financial support necessary for the districts identified in subdivision (1) of this section to provide an education to resident students in compliance with state education quality standards and other state and federal laws; and
- (3) withdraw small school support gradually from districts that are “eligible school districts” pursuant to 16 V.S.A. § 4015 as currently enacted but will not be identified as “eligible school districts” pursuant to subdivision (1) of this section.

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IV. Small Schools Identified as Eligible Due to Geographic Necessity

Subdivision (1) of Act 153, section 21, requires the commissioner of education to identify small schools that are eligible due to geographic necessity. Twenty-three small schools were identified as being eligible due to geographic necessity (Table 2). It was considered that either the driving times or distances, along with the travel route, were an obstacle in transporting students. Distances and times shown are from school to school and do not take into account additional distance and times for students to reach their current school. Thus, actual seat time on a school bus could be considerably longer for many students than the times shown in the table.

Table 2: Small Schools Eligible Due to Geographic Necessity (by County)

| School District | S.U. | County | Distance | | Grades | FY10 Enroll | FY2011 | | Support Grant Per Pupil |
|---------------------|--------------------|------------|------------|-------|--------|--------------|--------------------|-----------------|-------------------------|
| | | | Time (min) | Miles | | | Support Grant | Stability Grant | |
| Stamford | Windham Southwest | Bennington | 19 | 12 | K-8 | 68 | \$90,404 | - | \$1,329 |
| Brighton | North Country | Essex | 18 | 10 | PK-8 | 106 | \$103,876 | \$3,717 | \$980 |
| Canaan | Essex North | Essex | 50 | 29 | K-12 | 212 | \$88,713 | - | \$418 |
| Guildhall | Essex - Caledonia | Essex | 19 | 12 | K-6 | 20 | \$40,250 | \$5,575 | \$2,013 |
| Lunenburg | Essex - Caledonia | Essex | 19 | 14 | PK-8 | 125 | \$83,082 | - | \$665 |
| Bakersfield | Franklin Northeast | Franklin | 15 | 9 | K-8 | 155 | \$47,274 | - | \$305 |
| Franklin | Franklin Northwest | Franklin | 19 | 11 | K-6 | 130 | \$23,693 | - | \$182 |
| Montgomery | Franklin Northeast | Franklin | 20 | 12 | K-8 | 127 | \$92,913 | - | \$732 |
| Eden | Lamoille North | Lamoille | 13 | 8 | PK-6 | 131 | \$23,693 | - | \$181 |
| Waterville | Lamoille North | Lamoille | 14 | 8 | PK-6 | 81 | \$73,512 | - | \$908 |
| Strafford | Orange - Windsor | Orange | 11 | 7 | K-8 | 123 | \$88,824 | - | \$722 |
| Charleston | North Country | Orleans | 18 | 10 | PK-8 | 97 | \$100,011 | - | \$1,031 |
| Lakeview USD #043 | Orleans Southwest | Orleans | 20 | 10 | K-6 | 74 | \$77,062 | - | \$1,041 |
| Lowell | North Country | Orleans | 15 | 11 | PK-8 | 123 | \$88,081 | - | \$716 |
| Mt. Holly | Rutland - Windsor | Rutland | 16 | 9 | K-6 | 113 | \$45,992 | - | \$407 |
| Sherburne | Windsor Central | Rutland | 18 | 12 | PK-6 | 98 | \$70,985 | - | \$724 |
| Shrewsbury | Rutland South | Rutland | 19 | 10 | PK-6 | 64 | \$77,303 | - | \$1,208 |
| Grafton Elem School | Windham Northeast | Windham | 13 | 7 | K-6 | 76 | \$75,371 | - | \$992 |
| Marlboro | Windham Central | Windham | 11 | 8 | PK-8 | 95 | \$99,695 | - | \$1,049 |
| Windham | Windham Central | Windham | 18 | 11 | PK-6 | 19 | \$40,000 | \$15,238 | \$2,105 |
| Barnard | Windsor Central | Windsor | 17 | 10 | K-6 | 74 | \$80,834 | - | \$1,092 |
| Rochester | Windsor Northwest | Windsor | 16 | 11 | K-12 | 210 | \$106,664 | - | \$508 |
| Stockbridge | Windsor Northwest | Windsor | 14 | 8 | PK-6 | 67 | \$76,523 | - | \$1,142 |
| Totals | | | | | | 2,388 | \$1,694,755 | \$24,530 | \$710 |

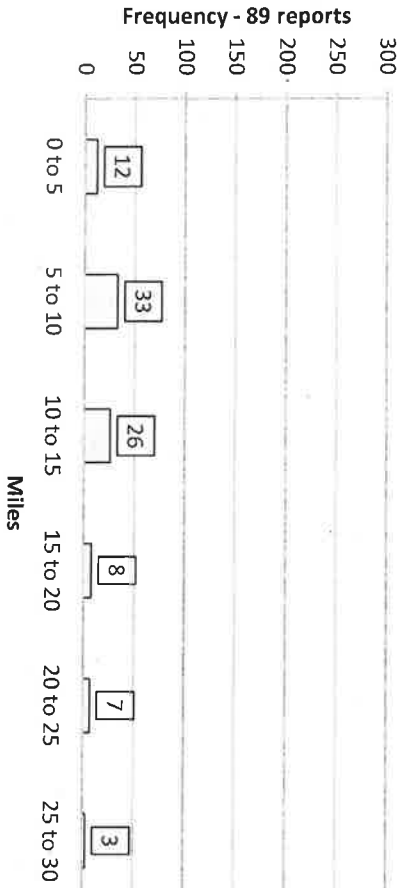
Tuitioning to Public Elementary Schools, FY2016 Data

| Miles | Frequency | FTE |
|---------------|-----------|------------|
| 0 to 5 | 12 | 107 |
| 5 to 10 | 33 | 245 |
| 10 to 15 | 26 | 103 |
| 15 to 20 | 8 | 14 |
| 20 to 25 | 7 | 14 |
| 25 to 30 | 3 | 4 |
| Totals | 89 | 487 |

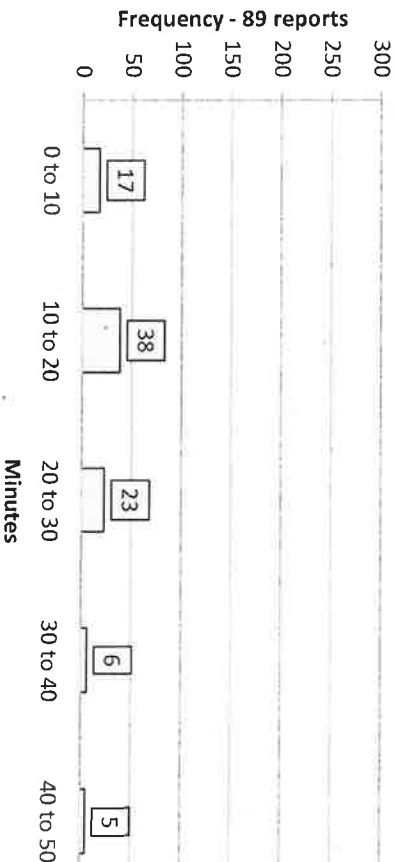
| Minutes | Frequency | FTE |
|---------------|-----------|------------|
| 0 to 10 | 17 | 128 |
| 10 to 20 | 38 | 255 |
| 20 to 30 | 23 | 84 |
| 30 to 40 | 6 | 11 |
| 40 to 50 | 5 | 9 |
| Totals | 89 | 487 |

H (1052)

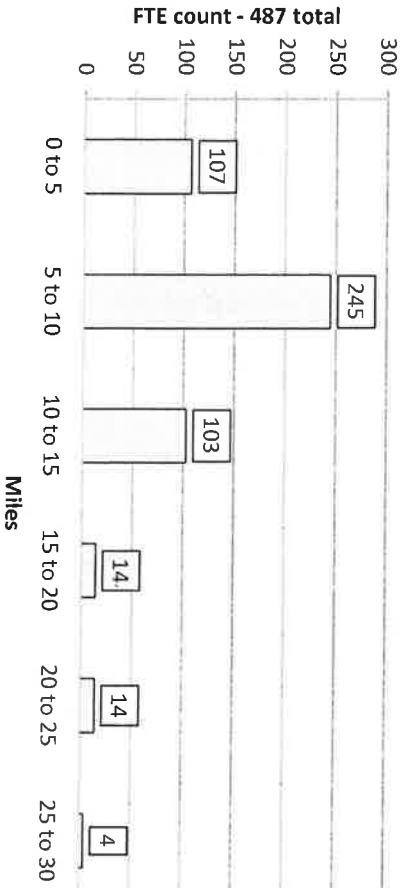
Number of reports from districts reporting tuitioned students by distance traveled to public elementary schools



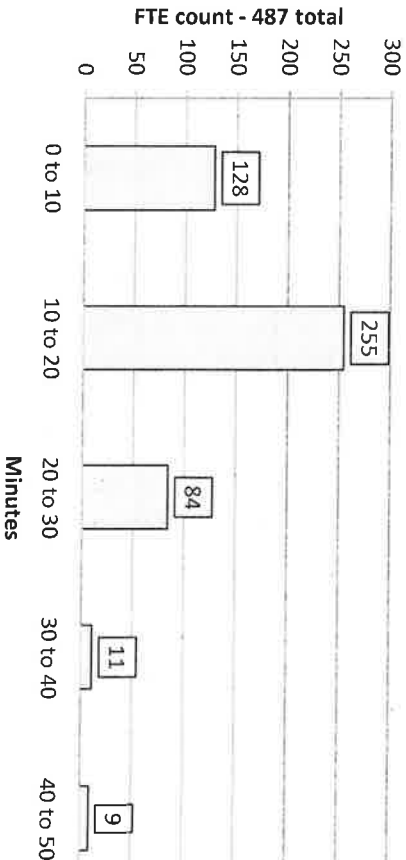
Number of reports from districts reporting tuitioned students by time traveled to public elementary schools



Number of tuitioned students reported by distance traveled to public elementary schools



Number of tuitioned students reported by time traveled to public elementary schools



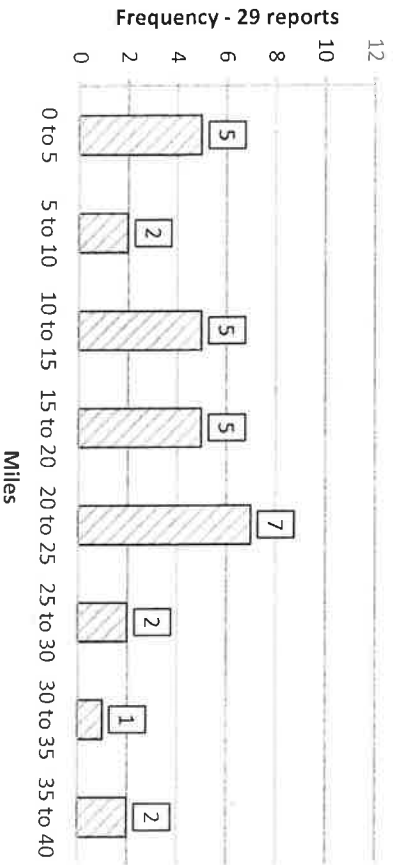
Tuitioning to Approved Independent Elementary Schools, FY2016 Data

| Miles | Frequency | FTE |
|---------------|-----------|------------|
| 0 to 5 | 5 | 139 |
| 5 to 10 | 2 | 29 |
| 10 to 15 | 5 | 34 |
| 15 to 20 | 5 | 11 |
| 20 to 25 | 7 | 22 |
| 25 to 30 | 2 | 2 |
| 30 to 35 | 1 | 2 |
| 35 to 40 | 2 | 12 |
| Totals | 29 | 251 |

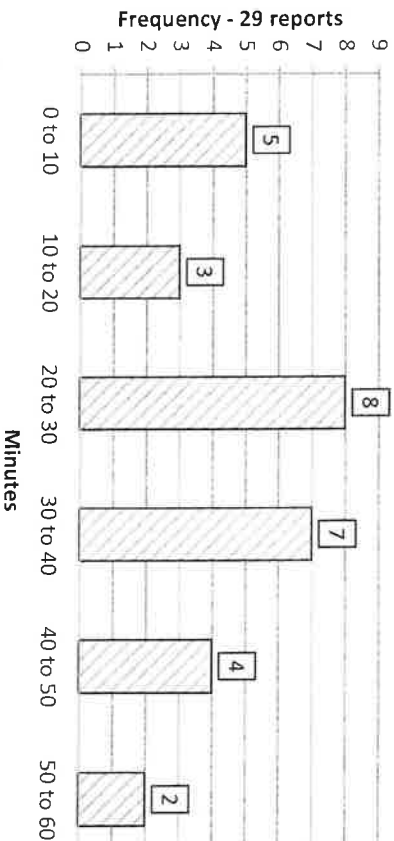
| Minutes | Frequency | FTE |
|---------------|-----------|------------|
| 0 to 10 | 5 | 139 |
| 10 to 20 | 3 | 30 |
| 20 to 30 | 8 | 47 |
| 30 to 40 | 7 | 16 |
| 40 to 50 | 4 | 16 |
| 50 to 60 | 2 | 3 |
| Totals | 29 | 251 |

H (20F2)

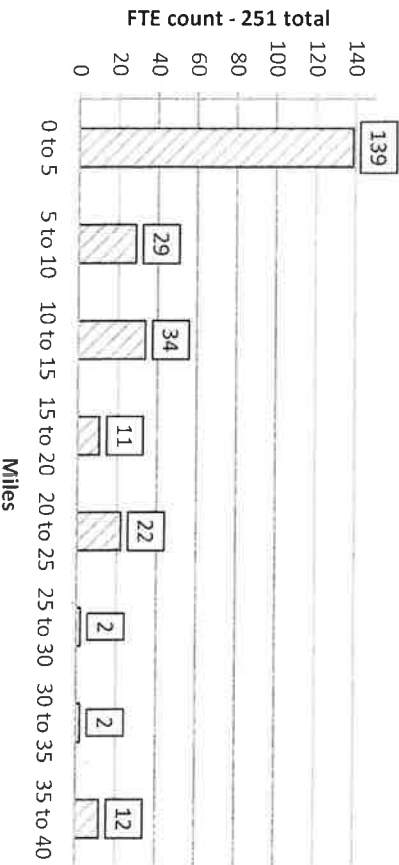
Number of reports from districts reporting tuitioned students by distance traveled to approved independent elementary schools



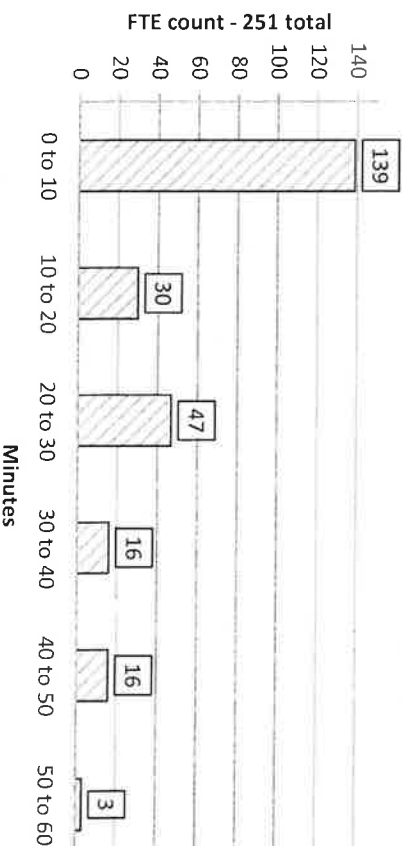
Number of reports from districts reporting tuitioned students by time traveled to approved independent elementary schools



Number of tuitioned students reported by distance traveled to approved independent elementary schools



Number of tuitioned students reported by time traveled to approved independent elementary schools



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Appendix I

Districts that merged with SSG becoming an MSG

| | Original District | New UU District | SU | First Year of Operation | County | FY18 SSG |
|------|--------------------------|------------------------|-----------------------|--------------------------------|---------------|-----------------|
| T001 | Addison | U054 | Addison Northwest SD | 2018 | Addison | 84,512 |
| T029 | Bridport | U055 | Addison Central SD | 2018 | Addison | 86,116 |
| T053 | Cornwall | U055 | Addison Central SD | 2018 | Addison | 81,858 |
| T167 | Ripton | U055 | Addison Central SD | 2018 | Addison | 72,703 |
| T180 | Salisbury | U055 | Addison Central SD | 2018 | Addison | 71,695 |
| T189 | Shoreham | U055 | Addison Central SD | 2018 | Addison | 83,977 |
| T239 | Weybridge | U055 | Addison Central SD | 2018 | Addison | 77,764 |
| T022 | Bolton | U401A | Chittenden East SU | 2016 | Chittenden | 42,631 |
| T066 | Eden | U058A | Lamoille North SU | 2018 | Lamoille | 41,310 |
| T024 | Braintree | U059 | Orange Southwest UUSD | 2018 | Orange | 89,861 |
| T032 | Brookfield | U059 | Orange Southwest UUSD | 2018 | Orange | 87,845 |
| T190 | Shrewsbury | U052 | Mill River SD | 2017 | Rutland | 90,474 |
| T206 | Tinmouth | U052 | Mill River SD | 2017 | Rutland | 74,217 |
| T110 | Leicester | U053 | Rutland Northeast SU | 2017 | Addison | 87,889 |
| T201 | Sudbury | U053 | Rutland Northeast SU | 2017 | Rutland | 43,742 |
| T241 | Whiting | U053 | Rutland Northeast SU | 2017 | Addison | 66,765 |
| T075 | Fayston | U060 | Harwood UUSD | 2018 | Washington | 52,048 |
| T130 | Moretown | U060 | Harwood UUSD | 2018 | Washington | 53,859 |

Appendix J

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Districts that receive a small school grant in FY2018 but are not proposed to be part of a unified union district

| District | County | SU | Grade Configuration | FY18 SSG | |
|----------|---------------------------|------------|-------------------------|----------|---------|
| T148 | Orwell | Addison | Addison - Rutland SU | PK-8 | 92,888 |
| T252 | Woodford | Bennington | Southwest Vermont SU | PK-6 | 38,832 |
| T151 | Peacham | Caledonia | Caledonia Central SU | PK-6 | 76,642 |
| T041 | Canaan | Essex | Essex North SU | PK-12 | 137,914 |
| T007 | Bakersfield | Franklin | Franklin Northeast SU | PK-8 | 68,592 |
| T128 | Montgomery | Franklin | Franklin Northeast SU | PK-8 | 67,445 |
| T192 | South Hero | Grand Isle | Grand Isle SU | PK-8 | 67,674 |
| U050 | Elmore-Morristown USD | Lamoille | Lamoille North SU | PK-12 | 26,668 |
| T046 | Chelsea | Orange | White River Valley SU | PK-12 | 137,205 |
| T168 | Rochester | Windsor | White River Valley SU | PK-12 | 156,162 |
| T197 | Stockbridge | Windsor | White River Valley SU | PK-6 | 75,287 |
| T199 | Strafford | Orange | White River Valley SU | PK-8 | 103,024 |
| T210 | Tunbridge | Orange | White River Valley SU | PK-8 | 89,697 |
| J105 | Jay/Westfield | Orleans | North Country SU | PK-6 | 82,502 |
| T030 | Brighton | Essex | North Country SU | PK-8 | 119,145 |
| T044 | Charleston | Orleans | North Country SU | PK-8 | 108,404 |
| T054 | Coventry | Orleans | North Country SU | PK-8 | 95,370 |
| T097 | Holland | Orleans | North Country SU | PK-6 | 61,022 |
| T114 | Lowell | Orleans | North Country SU | PK-8 | 106,006 |
| T140 | Newport Town | Orleans | North Country SU | PK-6 | 52,075 |
| T039 | Calais | Washington | Washington Central SU | PK-6 | 41,710 |
| T254 | Worcester | Washington | Washington Central SU | PK-6 | 85,130 |
| T002 | Albany | Orleans | Orleans Central SU | PK-8 | 114,119 |
| T013 | Barton ID | Orleans | Orleans Central SU | PK-8 | 34,515 |
| T034 | Brownington | Orleans | Orleans Central SU | PK-8 | 98,436 |
| T080 | Glover | Orleans | Orleans Central SU | PK-8 | 90,406 |
| T102 | Irasburg | Orleans | Orleans Central SU | PK-8 | 81,168 |
| T147 | Orleans ID | Orleans | Orleans Central SU | PK-8 | 101,772 |
| T055 | Craftsbury | Orleans | Orleans Southwest SU | PK-12 | 136,851 |
| T251 | Woodbury | Washington | Orleans Southwest SU | PK-6 | 82,482 |
| U043 | Lakeview UESD | Orleans | Orleans Southwest SU | PK-6 | 86,340 |
| T038 | Cabot | Washington | Washington Northeast SU | PK-12 | 145,151 |
| T120 | Marlboro | Windham | Windham Central SU | PK-8 | 109,468 |
| T246 | Windham | Windham | Windham Central SU | PK-6 | 40,500 |
| J006 | Grafton Elementary School | Windham | Windham Northeast SU | K-6 | 70,198 |
| T061 | Dummerston | Windham | Windham Southeast SU | PK-8 | 35,245 |
| T089 | Guilford | Windham | Windham Southeast SU | PK-6 | 54,369 |
| T090 | Halifax | Windham | Windham Southwest SU | PK-8 | 82,419 |
| T164 | Readsboro | Bennington | Windham Southwest SU | PK-8 | 76,872 |
| T194 | Stamford | Bennington | Windham Southwest SU | K-8 | 108,759 |
| T009 | Barnard | Windsor | Windsor Central SU | PK-6 | 87,090 |
| T238 | West Windsor | Windsor | Windsor Southeast SU | PK-6 | 84,046 |
| T115 | Ludlow | Windsor | Two Rivers SU | PK-6 | 54,140 |
| T133 | Mt. Holly | Rutland | Two Rivers SU | PK-6 | 74,098 |

