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MEMORANDUM

ITEM J

TO: Chair Huling, and Members, State Board of Education
FROM: Brad James and Donna Russo-Savage
SUBJECT: Small School Support Grants & Geographic Isolation
DATE: September 20, 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 oK-8f “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