

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.

For FY2000, 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. (Kindergarten and prekindergarten programs are counted as one grade.) 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% (FY2015: $\$9,285 \times 0.87 = \$8,078$).

This second calculation method increased the number of eligible districts from 52 to 87 and inflated the support grant cost from \$940,000 to \$4,080,000 for FY2000.

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 FY2015, 94 school districts were eligible for just under \$7,400,000 from the support grant calculations. Of those 94 districts, 5 were also eligible for an additional \$90,500 from the financial stability grant. The initial total cost of the small schools grants has grown from \$980,000 in FY1999 to an estimated \$7,480,000 in FY2015, based on a base education amount of \$9,285.