

Vermont Legislative Joint Fiscal Office

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FISCAL NOTE - Updated

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Extraordinary Small School Grants

This amendment moves to change the provisions required to receive merger support grants under Act 46. Current law states that a district which has received a small school support grant under section 16 V.S.A § 4015 in the fiscal year two years prior to the first fiscal year of the merger, then the new district shall receive an annual merger support grant in the amount equal to the small school grant received by the eligible school district in the fiscal year two years prior to the first fiscal year of the merger.

Two categories of districts are eligible for an annual merger support grant (1) an Act 46 merged district and (2) if two districts enter into a contract to operate a school jointly, as a single district before July 1, 2017.

The merger support grants will be paid annually, in perpetuity with the following exceptions (1) the merged district closes the small school on which the grant is based or (2) if the merged district closes the small school and consolidates it with another school in a new or renovated building - the grant will continue for the life of the bond.

Rep. Sibilio moves that if one of the school districts identified below, moves to merge with another school in an Act 46 qualifying merger than the districts will be eligible for an annual support grant equal to the small school grant the qualifying districts received in the fiscal year prior to forming a joint contract school or becoming a member of a union school district. The qualifying districts and small school grants amounts received prior to consolidation are listed as follows:

1. Elmore: \$40,000.00
2. Fairlee: \$69,885.00
3. Newfane: \$72,466.00
4. Pomfret: \$85,525.00
5. West Fairlee: \$56,355.00
6. Whitingham: \$54,900.00

The annual cost of the amendment going forward will be contingent on merger decisions and the actions of the qualifying districts. As of April 2017 Pomfret and Newfane have elected to join Act 46 merged districts operational as of July 1, 2018 (FY19). Therefore this amendment would act to increase the annual merger support grants provided by the education fund by \$157,991.00 in FY19. If all of the qualifying districts voluntarily enter qualifying Act 46 mergers the increase to the annual merger support grants allocated would increase by a maximum of \$373,131.00.