Interim Report to the RISD Board – February 1, 2018
Items voted at Westshire Elementary School – W. Fairlee, VT January 23, 2018

As a result of our research and deliberations to date, we have voted to forward the following recommendations to you at this time. These recommendations are either
1. time sensitive; action is either happening or is recommended to happen in time for the FY2019 budget process/2018 Annual District meeting, or
2. though not to be put into effect until the FY2020 budget cycle, were unanimously agreed upon, and/or
3. appear to be within the purview of the Board to act upon (or not) without any amendments to the Articles of Agreement.

There are numerous significant recommendations that we are still discussing and have not yet voted on. Many of these involve compliance issues and corresponding recommendations possibly involving amendments to the Articles of Agreement. We intend to give you a more detailed report at your March meeting that will briefly outline the areas in discussion and our proposed process for dealing with these. We expect at that time to recommend that the charge of the RRC be renewed for another year; this recommendation will include a proposed charge to the renewed committee, and will indicate which of the current members of the RRC are willing to continue with this assignment, and vacancies to be filled.

Specific Recommendations:

1. Regarding terms and roles for the Elected Auditors

   Suggested Action for RISD Board: Determine what recovery steps are needed to comply with the Interstate Compact in achieving staggered, 3-year terms served by the three elected auditors.
   RRC recommended timing: immediate

   Suggested Action for RISD Board: Direct the elected auditors, with the help of the hired auditors, to undertake validation of the allocation of costs among the member towns and the actual tax assessment.
   RRC recommended timing: immediate

   Suggested Action for RISD Board: Include the elected auditors as participants in the evaluation and selection of the hired auditors.
   RRC recommended timing: already in process

2. Regarding the Annual Report

   Suggested Action for RISD Board: Recommend that the Budget Expenditure Summary table in future Annual Reports display this key allocation calculation in a format consistent with the wording in the Articles of Agreement.
   RRC recommended timing: FY20
Suggested Action for RISD Board: Document references to the Articles of Agreement in support of current allocation calculation steps and any future changes.

RRC recommended timing: FY20

Suggested Action for RISD Board: Have the RISD Business Office develop and use a computerized calculation tool that integrates all of the steps in the allocation methodology as displayed in the three key tables of the Annual Report.

RRC recommended timing: FY20

3. Regarding Vocational Education:

Suggested Action for RISD Board: Have the RISD Business Office determine whether or not the VT VocTech Tuition Aid should be included or not in the VT Total Local Education Spending being reported to and used by the State of VT for Homestead tax rate calculations since FY13.

RRC recommended timing: immediate, though more research and possible legal counsel is needed.

Suggested Action for RISD Board: Recommend that all member districts use the VT six-semester average attendance calculation to determine the number of students that will be attending a vocational education program and the related tuition required to be assessed to the four member districts.

RRC recommended timing: immediate

Suggested Action for RISD Board: Recommend that there is a procedure to reconcile the Vocational Education Tuition collected from the member districts to actual expenditures to the Vocational School and an adjustment be made in future year assessments.

RRC recommended timing: immediate

4. Regarding Budget vs Actual reconciliation for assessments

Suggested Action for RISD Board: Recommend that the business office provides a report that takes the approved budget from the annual meeting and reconciles the budget to the actual assessment made to the four-member districts. We also recommend that this schedule be vouched by the elected auditors and possibly included in the outside auditor’s responsibilities.

RRC recommended timing: immediate

Suggested Action for RISD Board: Recommend that once the final annual financial statements have been issued by the outside auditor, that the actual financial information be used to recalculate the budget allocation to determine what the tax assessment would have been based on actual operations. The budget v. actual variance calculated would then be used to adjust the current year’s budgeted assessment.

RRC recommended timing: immediate

Note: All votes were unanimous unless noted otherwise.