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*Agency of Education*

November 18, 2025

Dear Redistricting Task Force Members:

As a follow-up to my November 10, 2025 testimony to the Redistricting Task Force, I write to further substantiate the Agency of Education's critique of the Voluntary Merger/Cooperative Education Service Area (CESA) proposal and to illuminate several policy choices the General Assembly will need to confront this session. In response to questions raised during and after my testimony, this document clarifies four central points:

1. The Voluntary Merger/CESA proposal does not align with the intent of Act 73.
2. CESAs add bureaucracy, cost, and complexity to an already top-heavy governance structure.
3. The proposal does not address how districts will be funded during the decade-long voluntary merger period.
4. Vermont needs a strategically designed system of monitoring, oversight, and training that reflects the state's small size and builds capacity at the right levels.

Expanded details on each point are provided to support the legislature, educators, and Vermonters in understanding what the proposal entails and the implications for next steps.

## Our Context

Vermont faces significant and systemic challenges in meeting our statutory obligation to provide a substantially equal education for every student. Declining academic performance, persistent achievement gaps, rising chronic absenteeism, inequitable per-pupil spending, and falling graduation rates—all of which began before the pandemic—underscore that the system is not working as intended. These trends, combined with declining enrollment, mounting cost pressures, and broader affordability challenges, have strained our public education system to a breaking point.

As I have said before, we are at a crossroads: we can continue to cut school budgets while property taxes rise, or we can choose a different path. Act 73, crafted through a bipartisan effort, provides a comprehensive approach to achieving scale, improving equity in funding, and elevating educational quality.

As Secretary, I have been clear that these challenges are systemic and cannot be solved by boards, superintendents, or communities alone.



Vermont must collectively own the problems we face and commit to a focused, sustained plan that removes barriers, supports our educators, and ensures every student has the roots to grow and the wings to soar. Doing so requires challenging long-held assumptions about how we deliver education in a way that Vermonters can afford and sustain.

## Background

In January 2025, Governor Scott introduced an education transformation plan in response to legislative leadership's request for bold action to address rising costs and long-standing structural issues. The plan articulated a vision of Vermont becoming the best public education system in the country—grounded in strong schools and equitable access to a world-class education, regardless of community wealth or size.

The proposal was intentionally designed around three interconnected policy levers—**quality, scale, and funding**—meant to be implemented together:

### Scale

- Five districts aligned to the Vermont Superintendents Association's regions
- Education service agencies for special education and career and technical education (CTE)
- School advisory committees to support equity-based budgeting
- A school choice policy aligned to capacity needs by eliminating tuitioning out of state, revising independent school eligibility, fostering innovative high school programming, and establishing shared accountability protocols

### Funding

- An evidence-based foundation formula with poverty and EL weights
- Additional funding for “small by necessity” schools
- Local revenue options with equity controls
- Adjusted budgeting timelines
- A more predictable, transparent process
- Resource realignment to the areas most impactful to teaching and learning

### Quality

- Funding to support clear quality goals, including expanded course offerings, CTE, pre-K, interventionists, mental health supports, community school coordinators, and higher teacher salaries
- Statewide graduation requirements to raise rigor and equity
- A statewide calendar to support professional learning and CTE alignment
- Classroom ratios that ensure access to high-quality teachers



## Bi-Partisan Compromise

After substantial legislative negotiation, a bipartisan coalition passed Act 73, which was signed into law on July 1, 2025. Act 73 established a process for Vermont to transition to a reimagined system of public education featuring larger school districts, a weighted student funding formula, and a statewide tax rate. Act 73 also paved the way for statewide graduation requirements and a statewide calendar, class size minimums, state aid for school construction, and revised criteria for independent schools to receive public dollars. Key components were deferred to later reports and studies, including the final funding formula, tax code, sparsity, school construction aid, district roles and responsibilities, and statewide redistricting.

The decision to delay the determination of new districts was a major area of compromise, which Governor Scott consented to upon the legislature's request for more time with trust in its commitment to acting in good faith. Act 73 established the School District Redistricting Task Force to produce at least three options for new districts of 4,000–8,000 students—including one map retaining at least some supervisory unions. Following the convening of the Task Force on August 1, 2025, the Agency of Education provided technical expertise and responded to over 150 individual data requests from the Task Force, working with the Agency of Digital Services to establish an interactive, publicly available webpage to provide the data necessary to inform thoughtful mapmaking decisions. Following the publication of two draft proposals, the Task Force invited the Agency to offer feedback at the Task Force's November 10th meeting. The rationale underlying that feedback is as follows.

## Feedback

### **1. The Voluntary Merger/CESA proposal does not align with Act 73.**

Section 3(c) of Act 73 directs the Task Force to “study and consider different configurations for school district consolidation and propose not more than three options for new school district boundaries.” The current proposal does not propose “new school district boundaries.” Instead of offering a viable district map, the proposal introduces an entirely new policy path not contemplated by the bipartisan coalition that passed Act 73. By any plain reading of Section 3 of Act 73, the proposal is clearly inconsistent with the goals and guardrails established by the legislature.

The proposal mirrors Act 46 of 2015 in its narrow focus on governance reform, which produced variable results in educational quality and cost containment. The legislature intentionally designed Act 73 to avoid repeating Act 46 by tying governance, funding, and quality together.

The proposal also inaccurately claims that Act 73 is focused on “simply closing the small rural schools.” This misunderstanding likely stems from a misinterpretation of the methodology behind the foundation formula, which



explicitly accounted for Vermont's existing school portfolio and built in additional resources for qualifying schools below the optimal enrollment level. In fact, Section 37 of Act 73 establishes support grants for schools deemed to be "small by necessity" or "sparse by necessity."

While local control is often presented as a way to preserve small schools, the high fixed costs of operating a standalone district divert resources away from the classroom. As the proposal makes clear, even "small changes in scale affect per pupil cost." Larger districts, with aligned priorities and pooled resources, may be the only way to sustainably maintain some small schools.

Importantly, school closure decisions are already occurring—isolated within small districts and with no statewide guardrails, resulting in inconsistent and inequitable outcomes. Decisions about educational quality and financial viability must be clearly defined and supported in school consolidation decisions.

## **2. CESAs add bureaucracy, cost, and complexity to an already top-heavy system.**

The Voluntary Merger/CESA proposal effectively inverts the Governor's original plan—maintaining 52 SU/SDs and 119 districts while adding five CESAs on top. The result is more governance, more overhead, and the preservation of legacy inefficiencies.

Each CESA would have its own governing board, executive director, and staff—expanding, not reducing, administrative footprint. The comparison to service agencies in other states overlooks the fact that Vermont, in addition to having significantly smaller student enrollment, already has a service-sharing construct: the Supervisory Union. SUs have consistently demonstrated structural inefficiencies due to fragmented decision-making across multiple boards. The Agency has therefore recommended moving away from the SU structure, preferring a supervisory district to support the scale and coherence needed to achieve Vermont's education goals.

The proposal also suggests reallocating certain superintendent responsibilities to CESAs while keeping all central office staff—creating redundancy, not streamlining. While a CESA may help pool resources to negotiate better pricing for specialized services, the more fundamental question is what districts could achieve with larger, consolidated central offices and how the Agency can leverage statewide scale—something we have already begun piloting to add more value to districts.

Finally, the notion that CESAs will simplify AOE oversight does not give the full picture. Under this model, the Agency would be expected to implement statewide education priorities through five CESA boards and executive directors, while still monitoring the accountability of the 52 SU/SDs that remain underneath. In this structure, the AOE may be able to identify areas of duplication but would not have the ability to directly set priorities across the system (as would be the case



in other regional service models), limiting the coherence and consistency necessary to achieve statewide education goals.

### **3. The proposal does not address how districts will be funded for the next 10 years.**

A decade-long transition period exacerbates inequities embedded in the current system and risks violating the principles of the *Brigham* decision. Implementing a foundation formula within the current structure of 119 districts and 52 SU/SDs would create pronounced winners and losers. With Act 73, the legislature proactively identified this dynamic and anticipated its impact on district budgeting, which is precisely why governance changes were included—to pool resources, create scale, and cushion the effects of funding changes across larger districts rather than allowing them to fall unevenly on individual communities.

The proposal claims that CESAs would be better positioned than the AOE to withstand federal funding reductions or local budget pressures. This is simply not the case. The only meaningful way to buffer against these pressures is through systemwide efficiencies that generate savings which can then be reinvested—something a new administrative layer does not achieve.

Without a clear and equitable funding mechanism during the merger period, the proposal leaves schools and taxpayers vulnerable. **Boards and district leaders need clarity to support long-term, strategic budgeting—they know how to plan, how to prioritize, and how to align resources to student needs when given a predictable framework.** While this issue is outside the scope of the Redistricting Task Force, should this proposal move forward, the General Assembly would need to clarify how the system will be funded during such an elongated transition period.

### **4. Vermont needs a strategically designed system of monitoring, oversight, and training that reflects the state's small size and builds capacity at the right levels.**

Since 2024, the AOE has taken significant steps to strengthen accountability, implement quality standards, and address the shortcomings of previous reform efforts. The Governor's original education transformation proposal explicitly recognized the need for increased AOE capacity, coupled with streamlined governance, to fulfill statewide responsibilities.

The CESA proposal suggests that regional entities will “streamline” AOE oversight, but in reality, it diffuses responsibility and complicates the Agency's ability to ensure compliance and enforce quality. The State—not a regional intermediary—is accountable for ensuring federal and state education laws are implemented with fidelity. Any governance model must reinforce,



not dilute, that responsibility. While regional service entities may have a role, as the Scott Administration has noted, they must be designed with intention in consideration of the whole system. If not, they risk adding unnecessary complexity to a system that serves far fewer students than the states where such entities typically operate.

In a coordinated statewide system, the core responsibility must be teaching and learning. Yet today, a district with 100 students must meet the same compliance requirements as a district with 2,000, creating disproportionate administrative burdens and duplicative hiring. More districts create more complexity, which in turn demands more AOE oversight. Streamlining the system reduces duplication, strengthens coherence, and allows both the Agency and districts to redirect time and resources away from compliance and toward what matters most—high-quality instruction, meaningful support for educators, and better learning outcomes for Vermont students.

## Closing

I appreciate the service of the Task Force and the shared commitment to strengthening educational opportunities for Vermont's students. Change of this magnitude is challenging, and it is natural that Vermonters bring deeply held perspectives to this conversation. Even so, there are clear components where we can build consensus now, and there are areas we can continue to revisit and refine within a comprehensive plan.

As we move forward, it will be essential to focus on change management, supporting communities, clarifying costs, and defining roles and responsibilities throughout a multi-year transition. Decisions regarding the configuration of districts and the new funding formula will be among the most consequential choices before the General Assembly, shaping not just operational systems but the educational opportunities available to Vermont children for generations.

As Secretary of Education, I remain committed to providing clear analysis, honest feedback, and partnership as we work together to design a coordinated, coherent system that delivers on our constitutional and moral responsibility to all Vermont students.

Sincerely,



Zoie Saunders, M.Ed.  
Secretary

