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**House Education Committee Testimony -  
Lynn Cota, Superintendent & Morgan Daybell, Chief Financial Officer  
Franklin Northeast Supervisory Union**

March 18, 2025

For the record, my name is Lynn Cota. I serve as the superintendent of the Franklin Northeast Supervisory Union, and as an Officer in the Vermont Superintendents Association. I am Morgan Daybell, Chief Financial Officer of the Franklin Northeast Supervisory Union and past president of the Vermont School Business Officials Association.

We know that we are at a crossroads in both how we educate our students and fund our schools. We understand that something must change when some of the lowest spending systems, like ours, struggle to pass budgets. When some districts can spend twice as much per student. When some districts are forced to make cuts to the schools they operate because they can't make financial decisions at the districts they send their tuition dollars to.

The Governor has called attention to the affordability of our education system and has focused his reform efforts primarily on district size, class size, the funding formula, and shifting more responsibility and authority towards the Agency of Education and away from the State Board of Education.

Some problems that are equally as important to consider:

- **Obsolete Supervisory Union Structures**

Supervisory Union structures, more so than district size, are the biggest cause of inefficiency in terms of Central Office staffing. We serve the smallest Supervisory Union structure possible: two side by side districts; one district that educates students pk-12 and one that educates students pk-8 and tuitions students 9-12. That means that I spend some of my time managing three boards, instead of the one board my colleagues who lead supervisory districts manage. I have it relatively easy compared to a colleague who manages 15 school districts and coordinates 17 board meetings per month. A governance structure that complex demands a disproportionate amount of time to manage board business and limits the time to focus on systemic educational leadership in order to prioritize the important work of improving opportunities and outcomes for students.

In our supervisory union, everything that I and our front office staff does has to be done three separate times. Three payrolls. Three budget development processes. Three audits. Three year-end closeouts. My colleague in the larger supervisory union and their staff have to do everything fifteen times.

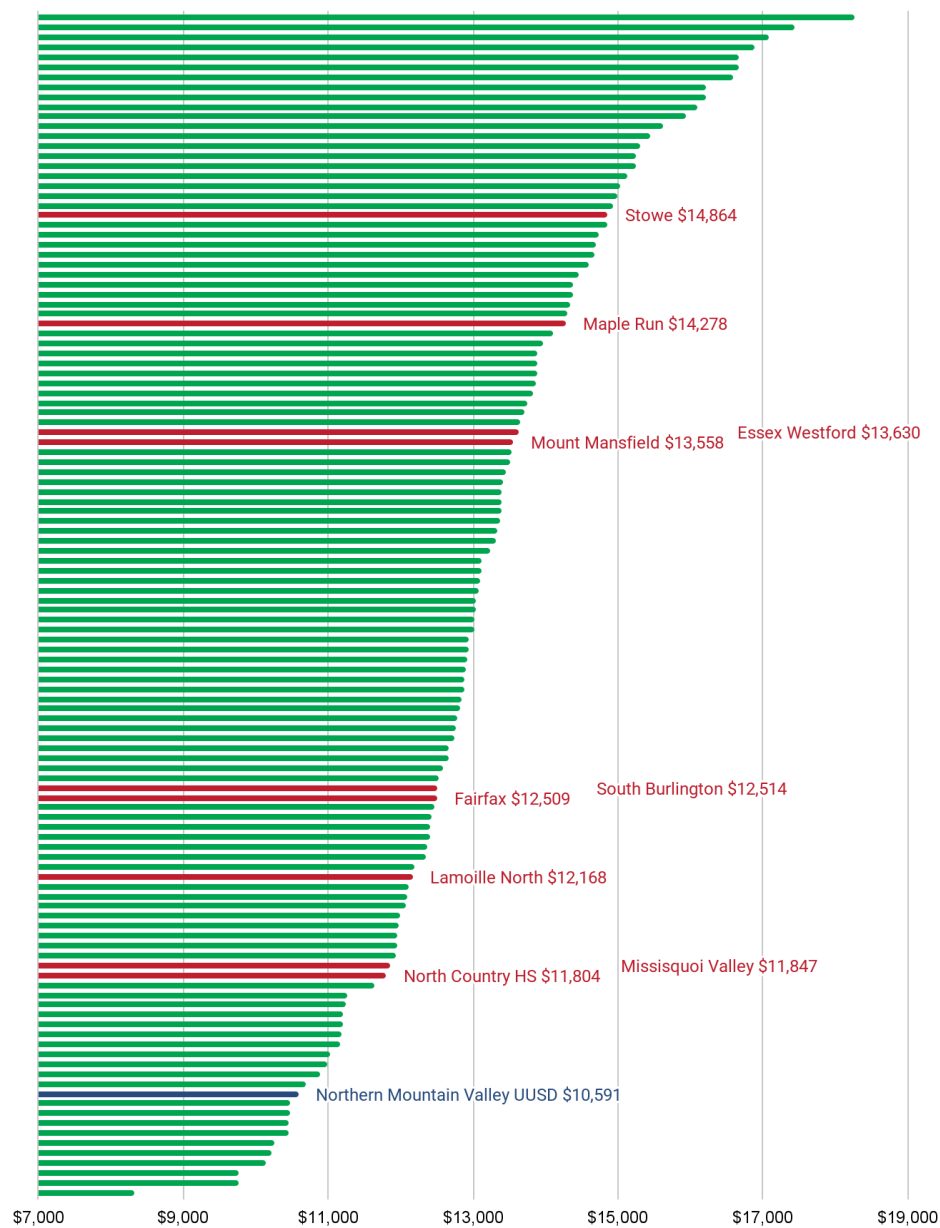
Additionally, supervisory unions are prevented from borrowing money or owning property. We have established in-house alternative programs for some of our students, in response to limited out-of-district placements, long waitlists, high tuition and transportation costs, and programs no longer accepting the students who have the most significant need. Because we couldn't buy or build to house those programs, we have leased space in a local mall. Additionally, we lease space for our central office. This means higher costs long term and less flexibility in how we design and utilize our spaces.

As a supervisory union we also have less flexibility in terms of how we utilize staffing. We have embraced the intent of Act 153 of 2010, which pushed certain staff to the supervisory unions. We still have to broker split contracts across districts for shared staffing, can't reassign district-funded staff across district lines and have to maintain three seniority lists to determine bumping rights in the event of a reduction in force.

- **Tuition**

School choice in Vermont has required us to fund two separate education systems; one that serves all our students and one that can choose which students they serve with limited oversight, state-mandated rules, and regulations. The dual system is one of the reasons previous district consolidations have failed. In FNESU, we have roughly 575 high school students: 325 of them have school choice; 250 do not, based only on their parents' address. And for students that do have choice, not all have the same opportunity. Not all of our students will be accepted by all of those private schools that receive our dollars, and not all of our parents can supplement those tuition dollars with out of pocket transportation, boarding, and additional tuition costs. The opportunity of a private education in Connecticut or New York or Alberta or Thailand is not available to everyone.

Each of those students we lose leaves a hole in our student count where we do want larger classes and more robust offerings, and is also money leaving our system that could be used to provide more equitable opportunities to our students, more competitive pay to our staff, or lower tax rates to our residents. This is true as well for students leaving our SU to go to other Vermont public schools. Every other Vermont Supervisory District or Union that receives high school tuition payments for my students spends more per pupil than either of my two districts, increasing the inequity of student opportunities across our state, as is reflected in the chart below.



- **Ingrained inequity**

My colleagues have testified about what the Picus staffing model, the basis of the foundation formula, would mean to their schools. In one example of a school with around 400 students, a leader outlined staffing that would need to be eliminated based on the staffing formula. The plan would require decisions that would strip away the rich Multi-Tiered Systems of Support (MTSS) that has been built to support students. I listened to the testimony and was struck by the glaring differences in our staffing levels. By way of comparison, the staffing levels with one of my similarly sized schools is vastly different with only one-third the number of special educators and one-half the number of interventionists. Our state statute requires us to build effective MTSS in each of our schools, yet as Larry Picus testified to last week, Vermont's MTSS was not a part of the model that was built into his report. We must determine the appropriate level of staffing to support high quality MTSS in all our schools. Additionally, given the discrepancy between teacher salaries across the state there is a significant difference in

our abilities to recruit and retain high quality teachers. In FNESU, 30% of our teachers are working under either a provisional or emergency license, and in my colleague's school above, no teachers are working under a provisional or emergency license. This underscores the importance of the work the legislature is doing to address the inequities in our current education funding system and the discrepancy in teacher salaries across Vermont. When all our students succeed, our state will succeed and thrive. If we want to ensure that all students have equitable outcomes, we must create a system that prioritizes more equitable opportunities for our learners.

Chelsea and Amy outlined a model that would bring us through the transformation that we all know we need, but do it in a way that puts Vermont's students and schools first. The major difference between this plan and those proposed by the Governor and others are:

- **District Size**

Larger districts (but not SUs) would bring some level of efficiency. The model developed by Picus recommended 3,900 students per district in order to gain efficiency, and research suggests we start to lose that efficiency at around 6,000 students and see significant diseconomies of scale as you get up over 10,000 students. This is significantly lower than the up to 34,000 student districts proposed in the Governor's plan. Last year as a State we spent about \$121 million on boards, district governance, Superintendents, and back offices. Generally, school districts spend less per student on central office functions than supervisory unions do. We certainly won't find the \$185 million in savings in those back offices. We might be able to capture a portion of that \$121 million, as long as the scale doesn't increase to the point where we start losing efficiencies.

- **Tuitioning**

In Vermont, 96% of the students we educate through the Education Fund attend public schools; only 4% of the students we educate in Vermont attend private schools. Our collective energies should prioritize strengthening our public education system for the benefit of all our students, our communities, and our future workforce.

Education reform should require that any tuitioning does not increase inequities between students and communities, is used to complement the public school infrastructure, not compete with it, and that all schools receiving public funding follow the same rules.

- **School Size**

If we are looking at opportunities and more efficient systems, looking at class size and district size alone will not get us there without looking at school size. My colleague Patrick Reen will be testifying on this tomorrow.

Thank you for the opportunity to present, and the willingness for you in this committee to take the lead on such important and needed change.