

Delivering on Education Transformation

Vermont Agency of Education

March 27, 2026

Agenda

- Act 73: The Why
- Act 73: Theory of Action
- Analysis of latest drafts of House and Senate proposals
- Obstacles to delivering on Act 73
- A Path Forward: Achieving scale & managing choice through policy to deliver on the education quality goals of Act 73

Inequity in Vermont Public Education

Depending on the town they call home, there are wide disparities in resources, opportunities, expectations, and outcomes for students in Vermont's public education system:

- Significant disparities across districts in per-pupil funding (\$9,130 to \$18,295), average teacher pay (\$53,638 to \$100,366), and criteria for a diploma (16.5 to 28.5 required credits); no guarantee that a student will have access to opportunities like AP courses, world languages, or CTE.
- Disparities in inputs exacerbate disparities in outcomes: Average proficiency among students from historically marginalized backgrounds is regularly over 30 percentage points lower than their peers on the VTCAP; less than half of seniors (46%) in 2024 enrolled in a post-secondary institution
- A fragmented approach to funding, governance, and quality across 119 school districts and 52 SU/SDs complicates the state's ability to deliver on our constitutional obligation to provide a substantially equal education to every child in Vermont.

Quality Objectives of Act 73

- Equity: Ensure consistent access to high-quality education across Vermont
- Coherence: Align governance, funding, and delivery into a more unified system
- Opportunity: Expand access to programs, pathways, and supports for all students
- Sustainability: Use resources more efficiently to address cost pressures
- Accountability: Strengthen statewide responsibility for outcomes and performance



Act 73 Theory of Action

Act 73 is rooted in a simple idea: By coming together to tackle our challenges collectively and holistically, Vermonters can build the best education system in the country.

The approach is grounded in simultaneous reforms to the three-legged stool of **funding, quality, and governance**:

Funding	Governance	Quality
A foundation formula that uniformly allocates resources based on student need and bends the cost curve of funding education.	New, larger districts that enable education dollars to go further by pooling resources and opportunities across communities.	Statewide graduation requirements that set a universal standard of excellence; expanded access to pre-K, CTE, and high-quality teachers.

Direction of Senate/House Proposals

The House and Senate Education Committees have each developed proposals that detach reforms in governance (new, larger districts) from reforms in funding and quality.

- Without the benefits of scale, smaller districts will be at an inherent disadvantage under the foundation formula in Act 73.
- Smaller districts may struggle to deliver on the quality objectives in Act 73, such as expanding pre-kindergarten and CTE access and providing accelerated coursework, world language or financial literacy programming.
- Alternately, to deliver on quality objectives within smaller districts, Vermont would have to drastically increase foundation formula spending — eliminating projected savings from the foundation formula in Act 73.
- **Funding, governance, and quality are interrelated: Detaching one leg of the stool compromises the other two legs.**

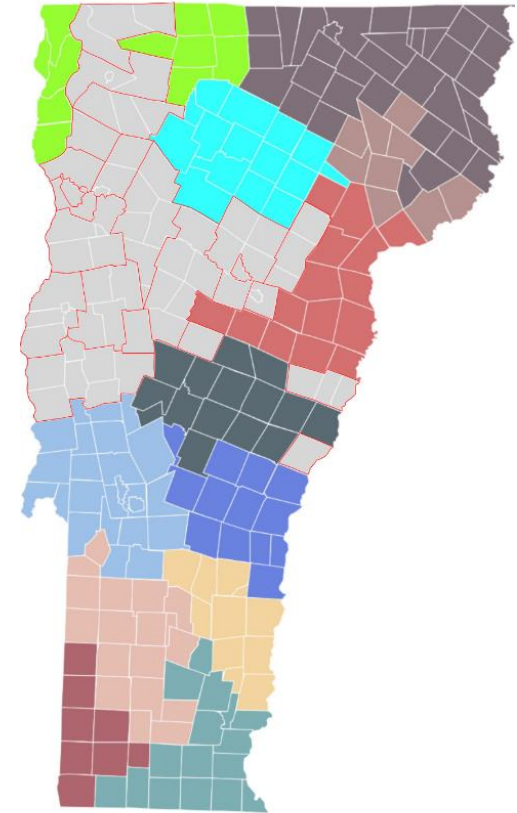
House Proposal

The 10+ step process envisioned in 26-0803 is unlikely to achieve new, larger districts that are demographically equitable and financially sustainable.

- No guarantee that mergers will take place, or that mergers will result in the scale envisioned in the foundation formula
- 10+ step process creates ongoing uncertainty and perpetual off-ramps for addressing systemic inequities
- Decentralized process pulls valuable time and resources away from education leaders
- Regional service delivery can be a value-add, but an additional layer of bureaucracy and cost (CESA board + staff) is not aligned with goals of Act 73

Senate Proposal

- The map maintains many existing school districts, maintains existing SDs, and preserves the SU structure
- By preserving the SU structure, the map fails to streamline governance and deliver on efficiencies and quality envisioned in Act 73.
- With SDs as small as 187 students, the map creates winners and losers under the foundation formula (or increases costs)



What We Have Heard: Perceived Obstacles to Moving Forward

Committee deliberations have surfaced concerns that have prevented either committee from pursuing a map in line with Act 73 criteria:

- **Loss of local voice:** Under larger districts, local school boards will represent additional constituents and a broader array of communities
- **Teacher pay:** Lawmakers have expressed concern that merging districts with disparities in teacher pay will result in “leveling up” (increasing) salaries
- **School choice:** Larger districts that merge operating with non-operating districts has raised questions about traditional attendance patterns and the ability of students to continue attending independent schools or public schools of choice

Local Voice

- School board participation is not the only way to engage: the AOE encourages lawmakers to consider and enumerate avenues for parent and community engagement beyond serving on a local school board.
- The Governor's original Education Transformation Proposal envisioned **School Advisory Councils** to guarantee community input in district-wide policymaking and budgeting.
- The need for equitable budgeting within larger districts creates a meaningful role for School Advisory Councils to influence local decision-making.
- **2024 USED Finding:** Lack of meaningful parental involvement (parents of students with disabilities specifically)

Teacher Salaries

- “Leveling up” teacher salaries is a priority of the AOE — not an unintended consequence
- 2024 US ED Findings: Inequitable access to quality teachers across Vermont
- Vermont’s average teacher salary of \$69,562 masks in-state disparities, with rural and economically disadvantaged districts offering significantly lower salaries
- Vermont is 2nd in per-pupil spending nationwide, but 17th in average teacher salary (NY: \$95,615, MA: \$92,076, national: \$72,030)
- **More competitive and equitable teacher pay is essential to recruiting and retaining teachers in every school across Vermont**

A Path Forward: Achieving Scale & Managing Choice Through Policy

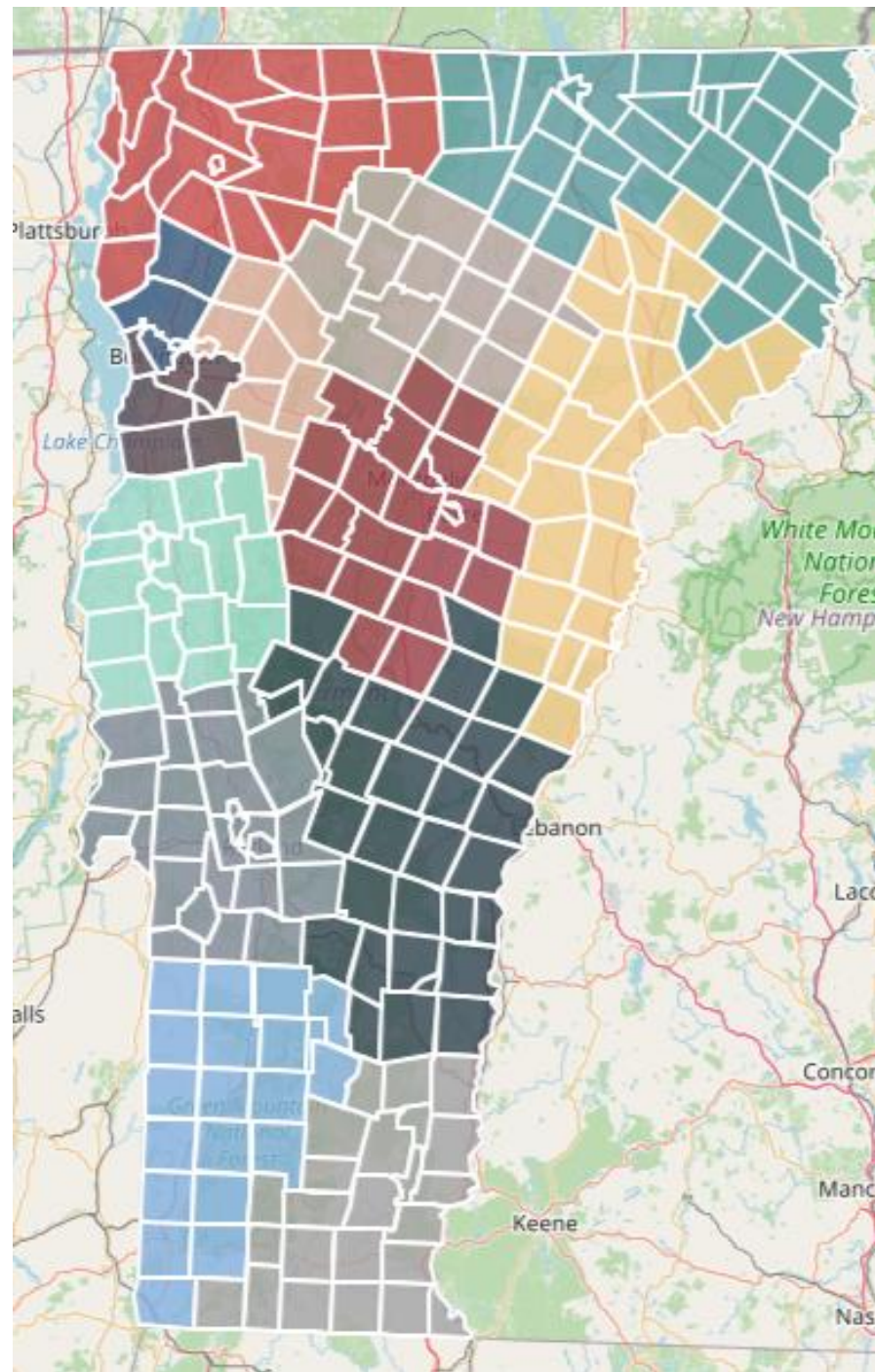
In order to achieve scale with new, larger districts with a Supervisory District structure, the AOE recommends managing choice through policy:

- The policy must enable students in communities that rely on approved independent schools or a variety of public schools to continue attending those schools.
- The policy must also require independent schools serving publicly funded students to operate in partnership with new, larger school districts within a shared accountability framework.
- A bipartisan approach to managing school choice can be achieved by:
 - (1) enacting districts that reflect historic tuitioning patterns (DISTRICT MAP) while
 - (2) requiring all districts to establish attendance zones and an intra-district choice policy tailored to reflect the needs of local communities (POLICY).

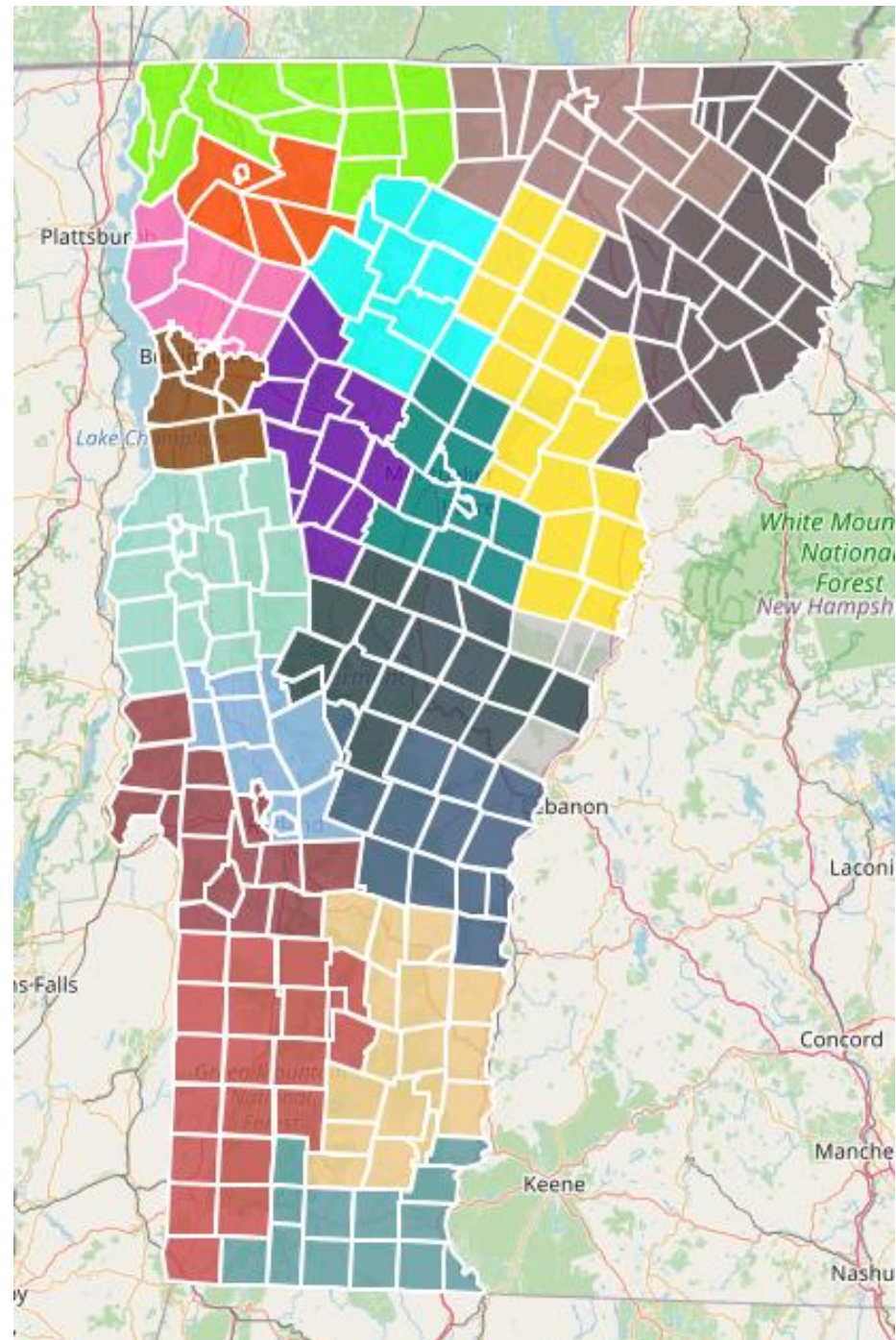
Choice Policy: Current State Compared to Future State

Current State	Maintain?	Revised for Act 73 Context
Public high school choice where students can apply to attend a public high school in another district.	Yes	Apply to multiple high schools within the same district. Foundation formula follows the student.
Intradistrict choice where students choose between public schools within the same district.	Yes	Establish model policy based on common SD practices.
Student specific arrangements , such as placements for unique educational needs and hardship situations.	Yes	Establish model policy based on common district practices.
Tuition payments for students in certain towns in non-operating districts that have long attended approved independent schools or public schools because of geography.	Yes	Draw district lines to encompass historical attendance patterns to approved independent schools and nearby public schools. Replace “tuition” with foundation formula.

**A Path
Forward:
Hybrid Map
Option 1**



A Path Forward: House Revised V4 Map Option 2



Questions?
