



To: Senate and House Education Committees

From: Sue Ceglowski, Executive Director and General Counsel, VSBA

Re: Current Position on Act 73 and Priorities for 2026

Date: January 9, 2026

Thank you for the opportunity to testify on the Vermont School Board Association's (VSBA) current position on Act 73 and the association's priorities for the 2026 legislative session. I testified on these topics to the House Education Committee yesterday so I will try to provide more details and information relevant to any questions that arose yesterday.

Current Position on Act 73

VSBA appreciates the goals of Act 73 — to improve student outcomes, create a more cost-effective system of schools and districts, and ensure the most efficient use of public finances. We support seeking viable, sustainable solutions to these pressing issues in public education. However, our members have raised grave concerns about the process through which the state began to pursue these goals, including Act 73's primary strategy of mandatory district sizes of 4,000-8,000 students.

The approach and timeline prescribed in Act 73 would lead to a major overhaul during a short time period without adequate consideration for the impact of such upheaval on districts, schools, educators, families, and most importantly, the students we serve.

The VSBA is grateful for the work of the School District Redistricting Task Force, and we applaud the Task Force's measured, evidence-based, community-centered approach. The Task Force's Report to the General Assembly recommends three main strategies that we believe may advance some of the goals of Act 73 and merit further exploration.

The report underscores the urgency to address the cost drivers that have led to significant financial challenges statewide - school board members know those cost drivers well and agree that they must be addressed. We appreciate the Task Force's acknowledgement that they found

no evidence that large-scale, mandated district mergers and consolidations would lower costs, improve educational outcomes, or expand equity.

We support in concept the Task Force's recommendation related to strategic voluntary mergers of school districts, guided by feasibility studies and designed to relieve fiscal pressures. At the same time, we recognize that the state has an important role to play in ensuring that any mergers result in a more equitable system of school districts, particularly so that voluntary partnerships do not exacerbate existing disparities in resources, opportunities, and outcomes for students. VSBA remains committed to working closely with the General Assembly and other state and local leaders to devise plans that best serve the students and families in our communities. As we continue to explore options for shaping the future of public education in Vermont, we strongly urge state officials to:

- Ensure that school board members have strong, meaningful participation in the deliberation and decisionmaking throughout the remaining phases of the project, and ensure that the affected communities have a voice in any proposals related to school mergers and closures;
- Provide detailed analysis, data, and evidence for any redistricting proposal under serious consideration, showing it will yield lower costs, better schools, and ultimately, improved student outcomes; and
- Develop a comprehensive action plan and timeline that address the vast range of considerations and variables that must be taken into account to ensure successful implementation of any redistricting proposal.

We will continue to advocate for the outcomes described in our position paper, "[Responsible Implementation of Act 73](#)."

Act 73: Responsible Implementation

Prior to the issuance of the Redistricting Task Force Report, the VSBA developed its own set of criteria for evaluating any proposals that emerge through the Act 73 process, reflecting the needs and priorities identified by school board members from across the state. The criteria are laid out in our position paper, "[Responsible Implementation of Act 73](#)." Before I cover the criteria, I want it to be clear that the VSBA evaluated the Redistricting Task Force Report using the criteria and supports the Task Force's proposal based on that evaluation.

VSBA's Criteria for a Successful Statewide Plan

Our members from across the state have shared their perspectives on the essential components of any plan to transform public education in Vermont. VSBA believes the successful proposal for reorganizing Vermont's school districts will:

1. **Be grounded in a unified vision** for Vermont's PreK–12 education system.

2. **Demonstrate improvements in student outcomes** supported by evidence that the proposed models will deliver better learning experiences and results.
3. **Ensure equitable access** to public educational opportunities, including academic programs, support services, and extracurricular activities.
4. **Share responsibility** for students across all districts, acknowledging that some populations require additional resources.
5. **Expand access to high-quality career and technical education** and flexible pathways that meet future workforce needs.
6. **Increase resources** for modern, safe, adaptable school facilities.
7. **Address rising cost drivers** (health benefits, mental health services, facilities needs, special education) in ways that are transparent and cost-effective.
8. **Ensure meaningful participation** by school boards and communities throughout the process.
9. **Base decisions on detailed data and cost analyses** before adoption of any structural changes. This includes evaluating projected cost savings and impacts on class sizes, staffing levels, and educational quality.
10. **Support thoughtful implementation** with robust transition plans and appropriate funding to minimize disruption and ensure effective outcomes.

School boards strongly urge that redistricting — where considered — be based on sound research, clear evidence of benefits, and robust community engagement. Decisions should reflect regional differences, uphold local democratic participation, and preserve community connections to schools.

We support the Redistricting Task Force's proposal because it creates the conditions for meeting the criteria I just covered. A logical next step would be for the Legislature to build upon the work of the Task Force by refining the proposal and filling in the details.

VSBA's 2026 Legislative Priorities

Before I move on to covering VSBA's legislative priorities it is critical to note that school board members across the state are working very hard on budgets that provide a high-quality education at a cost that is supported by taxpayers. In this extremely challenging time, with costs rising, school board members are as concerned as everyone else about increases in property taxes.

Sustainable education transformation must address structural cost drivers—especially health care benefits—while being guided by evidence, transparency, and meaningful community engagement. Without these elements, reforms risk increasing costs, disrupting students and communities, and failing to deliver promised improvements.

1. Reform the Commission on Public School Employee Health Benefits

School boards support the goals of a cost-effective system of education that works for students and taxpayers alike. One of the most significant fiscal pressures facing Vermont school districts is the sharp escalation of employee health care costs.

- Health benefits for public school employees now exceed \$300 million annually and have grown significantly faster than inflation and state revenue.
- The most common plan's premiums have more than doubled over recent years, rising approximately 125% from FY18 to FY25, while the Consumer Price Index increased only ~32% over the same period.
- Health care costs are projected to comprise upwards of 20% of district budgets if current trends continue.

These increases limit local boards' ability to invest in classroom instruction, student supports, staffing stability, and facility maintenance.

VSBA urges the Legislature to:

- Revise the structure and function of the current Commission on Public School Employee Health Benefits to include independent, neutral members focused on solutions rather than adversarial negotiation.
- Cap the total value of health benefits, with thoughtful phasing.
- Require a single statewide HRA administrator to reduce unnecessary variation and cost.
- Expand arbitration criteria to include comparability to Vermont Health Connect plans and the economic impact on education spending.
- Allow for blended arbitration outcomes rather than winner-take-all awards.

These reforms will help bend the trajectory of health benefit cost growth and protect educational resources for students - they absolutely need to be part of the education transformation discussion. There is a House bill that will be introduced soon that will provide detailed language on our proposed changes and I have provided a handout with my testimony today providing more information about why this matters. Sustainable education reform must address health benefit structure and growth to protect students and taxpayers alike.

2. Stabilize Education Costs and Taxes

VSBA supports targeted reforms to stabilize education costs by addressing major cost drivers, such as health benefits, facilities, and unfunded mandates. We also recommend rigorous, data-driven modeling to demonstrate long-term effects of proposed changes on districts, taxpayers, and statewide property tax burdens.

3. Ensure Fair, Transparent Education Funding

The purpose of the Education Fund should be reviewed to align its use with equitable access to high-quality education. Vermont students deserve a system where the funding formula is transparent, predictable, and grounded in reliable cost and outcome data.

4. Strengthen Student Mental Health Supports

Mental health needs continue to grow statewide. VSBA calls for full, reliable funding of school-based mental health services and youth support programs, recognizing that such investments reduce long-term educational, social, and economic costs.

5. Maintain and Modernize School Facilities

Safe, healthy learning environments are essential. We support sustainable, predictable funding for school renovation, construction, and necessary remediation, including environmental issues such as PCBs.

6. Promote Accountability for Public Dollars

When public funds support services or education outside traditional public systems, there must be clear standards for quality, equity, efficiency, accountability, and transparency.

7. Support Community-Based Education

Local elementary schools serve as cornerstones of Vermont communities. Policy decisions must preserve community voice and ownership, ensuring education systems remain responsive to local needs and contexts.

Conclusion

VSBA stands ready to work collaboratively with the Legislature to advance education reforms that support students, respect communities, and sustain taxpayers. We ask the Committee to embrace thoughtful, evidence-based change, and to ensure that local school boards have a meaningful voice in shaping the future of public education in Vermont.

Thank you for your leadership and continued commitment to Vermont's students.