



Testimony to House Ways and Means Committee
April 3, 2025
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Good morning. Thank you, Chair Kornheiser, for the opportunity to testify today, and thank you as well to each of the members of this committee for your thoughtful efforts.

My name is Jeanne Albert. I live in Lincoln and serve as Chair of the Lincoln School District Board. I am a life-long educator and retired professor of mathematics, most recently at Middlebury, where I also worked for over a decade as the Director of Quantitative Support in the College's Center for Teaching, Learning, and Research.

I am testifying today on behalf of the **Vermont Rural School Community Alliance (RSCA)**. The Alliance currently is supported by 78 towns across the state. Since January 15th, organizations that have joined RSCA through a vote of their Board include school districts, supervisory unions, union districts, select boards, and several early-childhood and parent-teacher groups. New members are joining every week and we are fielding inquiries daily: organizations in an additional 30 towns are exploring membership.

RSCA advocates for the importance of rural community public schools and for a democratic voice in decision-making about their future. The rapid expansion of our newly-formed organization demonstrates that concern for the future of public education is alive and well in Vermont, and that folks in rural school districts across the state want their voices to be heard. The Alliance celebrates this expression of civic activity, especially in a time when strengthening democratic engagement is as important as ever.

There are three major points we want to make today:

1. **With the following provisions, we can support moving to an education foundation formula, that:**
 - **is grounded in robust research** regarding both the potential benefits and known limitations of larger, merged schools and districts;
 - **uses Vermont-specific data, evidence, and community-based knowledge**, and respects the state's geography and democratic traditions, in developing an appropriate education payment;
 - **incorporates built-in contingency planning**, so that inevitable uncertainties can be met with appropriate flexibility and potentially harmful disruptions are avoided; and
 - **is designed with a full commitment to meeting the equity-of-opportunity requirements of *Brigham***, while recognizing and celebrating that such opportunity comes in many forms.
2. **We urge continued use of the multi-district supervisory union governance model**, especially in rural areas.
3. **We encourage providing immediate tax relief to Vermonters, as well as comprehensive, longer-term changes** that will make our education funding system more fair, transparent, and reflective of tax-payers' ability to pay.

Below we present details in support of these points.

1. **RSCA CAN SUPPORT MOVING TO A STATE PAYMENT FOR EDUCATION THAT IS GROUNDED IN ROBUST RESEARCH, VERMONT-SPECIFIC EVIDENCE AND KNOWLEDGE, BUILT-IN CONTINGENCY PLANNING, AND A FULL COMMITMENT TO *BRIGHAM*.**

Recommendations:

The development and design of the education payment must be grounded in robust research regarding both the potential benefits *and* known limitations of larger, merged schools and districts.

A recent report from University of Vermont Professor Daniella Hall Sutherland states: “There is over 100 years of research on the outcomes of school and district consolidation, yet there is *no empirical consensus* that consolidation results in reduced educational costs in rural areas (Howley et al., 2011). In Vermont, where 71% of our schools are rural, this research should not be taken lightly. In rural contexts, projected savings are offset by increased transportation costs (Collins, 2019; Killeen & Sipple, 2000), staff salaries (Fairman & Donis-Keller, 2012), and infrastructure needs (Duncombe & Yinger, 2007.)”

These findings are consistent with research from 2021 that investigated the impact of a recent district consolidation law in Arkansas (McGee, et. al.) and found negligible academic benefits and no financial savings. As the authors summarize: “It is possible that reducing the number of administrative units will pay dividends in the future, but it is also possible that larger districts are less responsive to the needs of individual communities, harming students down the line.”

In moving to a foundation formula in Vermont, RSCA urges a measured and careful approach that acknowledges the research on school and district consolidation and the significance of these findings for Vermont, especially in rural areas.

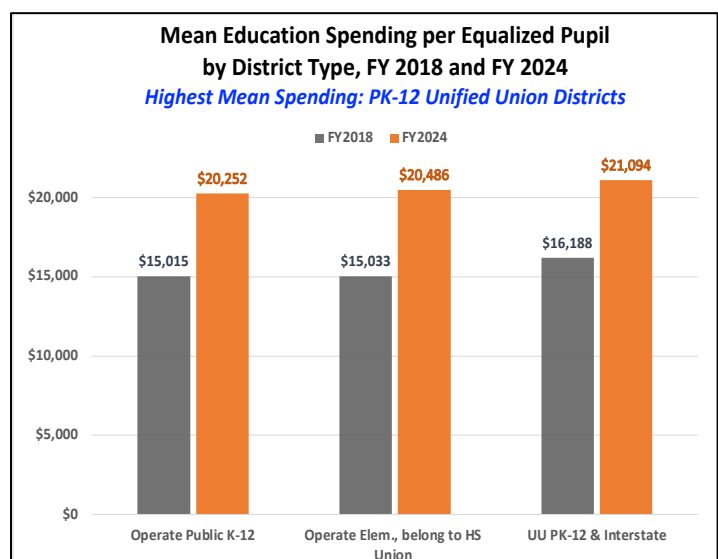
Determination of a state payment must use Vermont-specific data, evidence, and community-based knowledge, and should respect the state’s geography and democratic traditions.

Although still in development, the draft Committee bill currently under discussion appears to envision an initial foundation formula that is based on “current-state” per-pupil spending in Vermont. The Alliance is pleased to see the Committee’s consideration of this approach, which we believe will prevent unnecessary and avoidable instability.

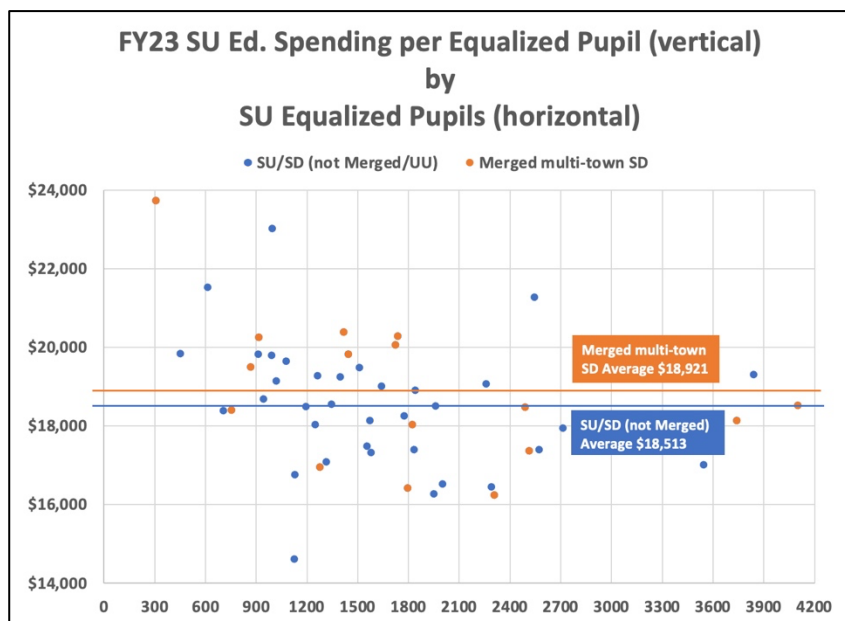
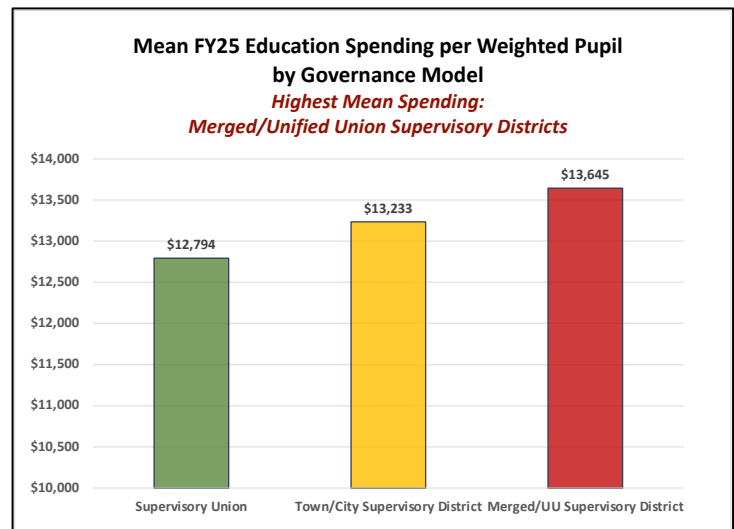
We also are encouraged by recent testimony and discussion around using professional judgement panels, especially ones that are designed to surface and understand the unique needs of rural communities, and we recommend using a variety of pedagogical and population-specific panels.

When modeling the features of a foundation formula, we also want to emphasize the critical importance of Vermont-specific cost and spending data, especially as related to district and governance type and size. For example, analysis of Vermont Agency of Education spending data indicates the following trends.

At the K-12 operating district level: merged multi-town school districts spend more per equalized pupil on average than school districts that operate elementary schools and belong to a high school union, and also more per equalized pupil than single-town, K-12 operating districts (FYs 2018 and 2024; see chart at right.)



At the supervisory union level:
merged, multi-town supervisory districts
spend more per weighted
pupil, on average than multi-town supervisory
 unions or single-town supervisory districts
 (FY25; see chart at right).

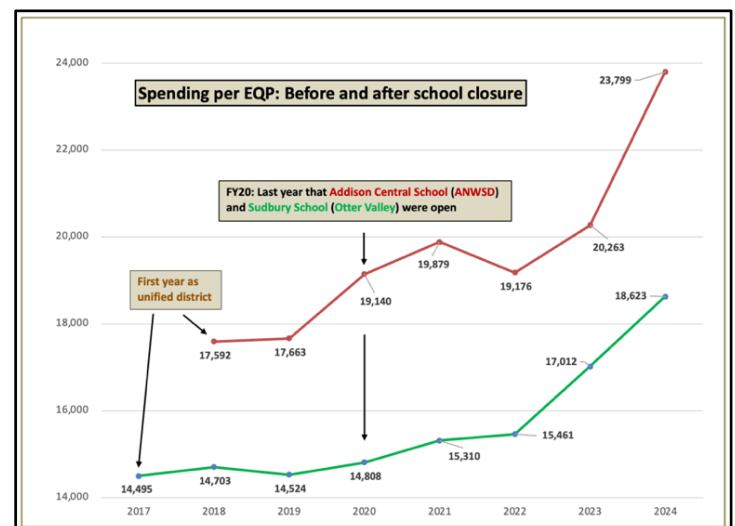


There is a very weak relationship
between size of an SU/SD and
per-pupil spending, as indicated
 in the scatterplot, at left
 This means that, relative to other
 factors, the size of an SU/SD
 (measured here by equalized
 pupils) provides very little predictive
 information about per-pupil
 spending.

Closing schools has not led to cost savings.

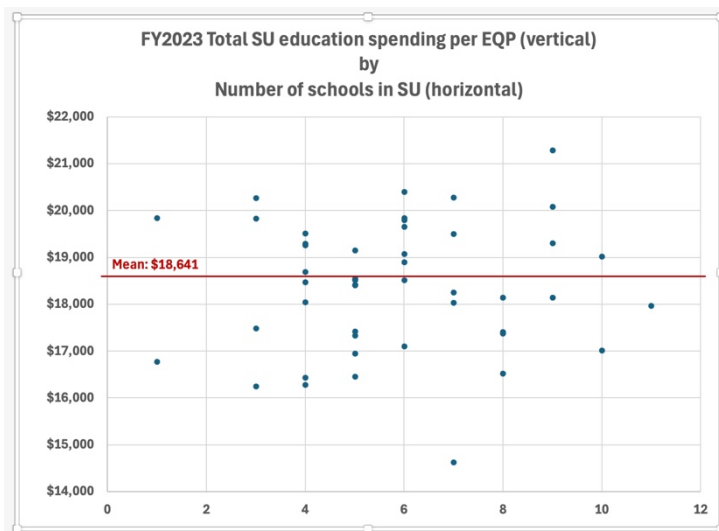
Several districts in Vermont that merged after Act 46 was implemented closed a school within a few years. Despite initial projections of reduced per-pupil spending, the results have been more in line with what the research says: that savings are often offset by other increases. Further, there are other non-monetary costs, such as longer time on a bus for children and associated stressors on families. The chart at right provides two examples illustrating an increase in per-pupil (EQP) spending after school closure.

In addition, while the data for FY26 are still preliminary, it appears that a similar pattern is emerging following the closure of the Roxbury Village School last year.



The number of schools in an SU/SD has very little bearing on per-pupil (EQP) spending. See scatterplot at right.

These examples indicate that the research previously noted, which found limited benefits from school and district consolidation, appears to be highly relevant in Vermont. At minimum, **these data show that a comprehensive study of Vermont's schools and governance structures is needed**— before designing a future-state education payment that incorporates projected savings based on what could be erroneous assumptions around district structure, size, and cost.



In particular, we note that the last report to the legislature on Act 46 district consolidation, dated from 2020, only contained anecdotal information from seven of the 111 impacted school districts and was not released until 2024. What can we learn from a more thorough understanding of the consequences of this law?

The implementation of a foundation formula should include careful contingency planning, so a range of uncertainties can be met with appropriate flexibility.

By its nature, change is disruptive. It appears that the Committee has incorporated (or is discussing) various contingency-based structures to address some of this disruption during a potential transition to a new state-payment education funding structure. We support such a built-in contingency approach, including:

- regular (e.g., yearly) base payment inflator provisions for costs such as health care that are rising much faster than average and aren't captured in inflation indexes; and
- transition parameters or benchmarks, rather than dates certain, to ensure that implementation timeline adjustments can be made, when needed.

More generally, transition costs themselves must be accurately estimated.

Along with analysis of current conditions, the financial implications of a proposed shift to differently-configured and/or larger educational units must be carefully assessed. Any redistricting recommendations should include a detailed estimate of transition costs associated with the restructuring of existing governance models. Without careful financial planning, education restructuring could inadvertently increase costs rather than improve efficiency.

A foundation formula must be crafted with a full commitment to meeting the requirements of *Brigham*, while recognizing and celebrating that such opportunity comes in many forms.

Moving to a foundation formula means abandoning an education funding system that has been in place for decades and that came about in response to severe inequities arising from both the structure and operation of the state's prior funding scheme. Moving to a new system will require sufficient evidence showing that the new structure will "ensure substantial equality of educational opportunity throughout Vermont," both by design and in practice.

Given that there are many elements of the Committee's draft bill that are yet to be finalized, at this time RSCA is unable to gauge the likelihood that the foundation formula that eventually emerges will meet the *Brigham* standard. We are, however, encouraged by what appears to be a more realistic approach than the Governor's plan, including prioritizing what is *actually* an ample, data-determined base amount. Our initial

review of the provision allowing for additional district spending beyond the state payment indicates an attempt to minimize the type of funding disparities that such provisions often create. As further details and analysis emerge, the Alliance will continue to study this provision very carefully.

School size should not be used as a primary determiner of educational opportunity.

The Alliance acknowledges and shares the goal of improved educational opportunity in Vermont, and we believe that a state payment system has the potential to distribute resources more equitably. At the same time, we recognize and celebrate that equity of educational opportunity comes in many forms, and that this diversity represents a strength of our small state. In particular, using the size of a school is not, by itself, a valid way to infer greater or lesser opportunity. The research is very clear: smaller schools can provide highly valuable (and highly *valued*) opportunities for students, some of which are different from what is available in larger schools.

In their 2007 study, *Review of Empirical Evidence about School Size Effects*, Leithwood and Jantzi looked at prior research on several educational outcomes in relation to school size. With respect to student academic achievement, they concluded: “*Smaller schools are generally better for most purposes.* The weight of evidence provided by the review clearly favors smaller schools for a wide array of student outcomes and most organizational outcomes as well.”

They also reviewed studies on outcomes related to student engagement, and concluded: “The results of all studies indicate significantly stronger student engagement in smaller as compared with larger schools.” Measures of engagement included connectedness and belonging, participation in activities, and school attachment.

In Vermont, these results are confirmed by the observations of many RSCA teachers, parents, students, and community members. Plus, it is a mistake to assume that smaller schools do not offer a varied and engaging curriculum and educational experience. For example, one member notes: “In Craftsbury (PK-12) we are awash in opportunity for our kids in Art, APs, experiential learning, language, sports and extracurriculars, volunteer opportunities, and close-knit community connection. It is NOT an either or.”

Maintain a clear goal of strengthening vibrant schools *and* thriving communities, by serving Vermont’s children and youth.

- Elementary schools are a fundamental element to a thriving community. Communities with high-quality and equitable elementary schools, childcare, preschool programs, afterschool programs and summer programs serve as community hubs and economic drivers.
- Educators, community members, school board members, and youth need to be part of the conversation to develop robust and practical regional plans for secondary education that bring together existing schools, communities, and career technical centers.
- RSCA believes that schools with sustainable enrollment and cost that meet the state’s educational and district quality standards should be valued and supported. Such support is especially important in the more geographically isolated parts of the state, but support should not be restricted to just these areas.
- We recognize that school enrollment and/or costs can become unsustainable. In such cases, the AOE should provide resources to districts exploring responses to enrollment decline. Community members must play a central role in any conversation that considers closure of a school.

2. WE URGE CONTINUED USE OF THE SUPERVISORY UNION GOVERNANCE MODEL.

Recommendations:

Understand and respect the difference between multi-town supervisory districts and supervisory unions. Many **supervisory districts (SDs)** are made up of formerly independent town school districts, in which local school boards have been dissolved and new boards representing the member towns have been created. While such unified supervisory districts may be appropriate in some regions, in more rural areas these structures: 1) diminish participatory democracy at the local level; 2) distance community members from governance and oversight of their local schools; and 3) aren't practical to operate, given large geographic distances and sparse population. Further, as noted above, such merged SDs are on average more costly to operate than other models.

In contrast, a **supervisory union (SU)** is made up of school districts that retain town school boards or small clusters of towns with a joint school board. Locally elected school boards collaborate to achieve cost reductions and efficiencies in service. The SU model provides a balance between the financial benefits of shared and collaborative services and the community-centered benefits of local and responsive school boards. Vermont's diverse geography and population distribution require a nuanced approach and all models should be on the table. Some districts face extreme geographic and population density challenges, making consolidation impractical and counterproductive.

Minimize community disruption by respecting democratic processes and local knowledge. If new governance models are indicated, local education leaders and communities should be empowered to explore potential restructuring that aligns with evidenced-based cost efficiency and educational quality. Evaluation of new structures should not be a one-size-fits-all process.

- Districts must be able to evaluate the advantages and disadvantages of larger structures—whether as SDs or SUs—without immediate disruption to their existing governance. This approach preserves stability while allowing communities to make informed decisions about potential consolidation or restructuring.
- Local districts, with authentic community input, should be allowed to reimagine supervisory union and school district models in ways that reflect their specific needs while maintaining a balance between collaborative efficiency and local responsiveness.

Preserve local governance.

Participatory democracy is not just a valued tradition in rural Vermont—it is a functional and effective system that enhances public education. Maintaining local governance structures helps ensure that decisions are made in the best interests of Vermont's diverse communities. Any changes to school district governance must be guided by the democratic process and the practical needs of rural areas.

- Rural school boards play a vital role in supporting schools, solving problems, and ensuring local effectiveness. As members of supervisory union boards, these local boards collaborate as equals, prioritizing the best interests of all students within the union. Their relational trust and cooperative approach foster efficiency without sacrificing local oversight.
- Rural school boards provide significant value at minimal cost, striking a necessary balance between regional efficiency and local responsiveness.

Use formal and informal cooperative agreements within and across supervisory unions to achieve greater cost-savings, efficiencies and quality. Rather than requiring further consolidation, prime areas to explore cost savings are in technology and software; locally sourced nutrition services that include buying from local farmers; and fiscal services of business managers such as payroll. These offer the potential to increase cost savings, efficiencies and quality while maintaining democratic processes through local districts and school boards.

3. WE SUPPORT PROVIDING IMMEDIATE TAX RELIEF TO VERMONTERS, AS WELL AS ENHANCING TAX FAIRNESS, TRANSPARENCY, AND EQUITY.

Recommendations:

Provide immediate tax relief while enhancing tax fairness in the long-term.

The Alliance has begun its review of the Committee’s proposed Homestead Exemption program that would replace the current “income sensitized” property tax credit (PTC) system. While further review is needed (in particular, how the program will be funded) we appreciate the following:

- the “exemption” construct is simpler to understand than the PTC, and may be simpler to implement;
- it appears that this approach would remove the current “lag” in the PTC;
- the inclusion of more income categories may reduce impacts from tax cliffs; and
- as indicated by JFO analysis, the Committee version under consideration appears to provide more relief than the Governor’s plan to Vermont taxpayers in the lowest income bands.

We are also monitoring income-based tax proposals recommended by Public Assets and others.

Since property value is typically a less accurate way to determine ability to pay than income, we hope that an income-based approach remains on the table. As with development of the foundation formula, we urge a thoughtful approach that favors accuracy and understanding over speed and magnitude of change.

Improve accountability and oversight.

Our current pupil weighting and tax system aims to improve education funding equity by providing additional tax capacity to districts, but does not require that this capacity translates to additional resources actually reaching the students who need it. While a state payment appears to be more directly tied to per-pupil spending, sufficient accountability and oversight structures must be developed to ensure that equitable funding is in fact achieved

Pursue a comprehensive approach to healthy students and communities.

The provision of mental health and other support services in schools has increased dramatically over the past five years, impacted both by the pandemic and by the lack of services available in some regions. This has been both a dramatic cost driver for school districts as well as an area of inequity across the state, especially in rural areas. We should develop a comprehensive approach to the delivery of education and support services to Vermont students and families by exploring successful community-schools models and collaboration between Vermont agencies.

Final Comments

The Alliance hopes the information we’ve provided will help the Committee set a thoughtful course informed by robust research and Vermont-specific data. We agree that improvements to the state’s education funding system are needed, and we thank you for taking on this important challenge.

However, in this moment, directly after a global pandemic and in the wake of federal disruptions and funding uncertainty, **we caution against attempting too much change, too quickly**. Implementing a complete restructuring of the state’s education funding system— while at the same time making large-scale changes to our governance structures whose benefits are not supported by research or Vermont evidence— could further destabilize our education system and negatively impact communities.

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