

April 3, 2025

Good morning, Committee Members,

For the record, my name is Ryan Heraty, and I am the Superintendent of Lamoille South, which includes the towns of Elmore, Morristown, and Stowe. Today, I provide testimony on behalf of our schools and the [Rural School Community Alliance](#), which represents over 75 towns and growing. This organization was formed to ensure that the rural voices of Vermont are heard and valued in decision-making. We appreciate your time and dedication to addressing the complex needs that exist in our system. As you know, our education funding formula is broken, and hardworking Vermonters are paying far more than their fair share. We support meaningful change to address these issues.

For the past four years, I have been fortunate enough to serve my rural communities as their superintendent. I also serve as the principal of the Elmore School, the last one-room schoolhouse in Vermont. My experience includes working as a teacher in a large high school with over 1,000 students and leading several elementary and middle schools as principal, including Union Elementary here in Montpelier, one of the largest elementary schools in the state. I am also in my third year of the doctoral program at the University of Vermont, studying education finance and policy. From direct experience, I can tell you there is tremendous value in various approaches to education, and every child is unique.

Today, I am here because I believe in the future of our beautiful state, a place my family has decided to raise our three children, ages 8, 12, and 14. As a father, superintendent, and proud Vermonter, I believe that we can work together to fix the system and put our state back on track.

Today, I hope to address two essential questions:

1. *What are the cost drivers leading to increased spending?*
2. *Is governance change required (or advised) to fix the funding system?*

Included in my testimony is a comprehensive [slide deck](#) that covers these topics in depth. Due to the limited time provided, I will summarize the key points:

**Focus #1 - The current “crisis” is the culmination of several key events**

- **In 2018, the passage of Act 173** was intended to address the rising cost of special education. The state transitioned to a block grant instead of a reimbursement model. The result was that some districts lost significant funding. Changes in pupil weights were viewed by some as a way to alleviate this loss of revenue.

- **In 2020, the COVID-19 pandemic occurred**, resulting in students requiring extensive support in academics, behavior, and mental health. Schools were provided with millions of dollars in “one-time” funds.
- **In 2024, Act 127 “increased the size of the pie”** or raised education spending through tax incentives. With these incentives, many school districts absorbed positions intended to be funded with one-time funds. Districts also used these funds to address significant infrastructure needs.
- The combination of legislation, rising healthcare costs, increased student need, and lost Covid-relief funding resulted in the **largest increase in education spending on record**. The property tax impact resulted in one-third of Vermont’s school budgets being defeated.

### **Focus #2 - School district consolidation may cause significant harm**

The education finance system can be redesigned without completely disrupting Vermont’s governance structure. The research on district consolidation is highly concerning.

- Consolidating districts has been shown to:
  - Increase expenditures (Cox, 2012)
  - Lower property values (Brasington, 2004; Smith & Zimmer, 2022)
  - Lower average attendance (Jones, Toma & Zimmer, 2008)
  - Decrease parent engagement (Duyar & Collins, 2008)
  - Add more bureaucracy (Eberts, 1990; Borland & Howsen, 1992)
  - Decrease civic participation (Sell and Leistritz, 1997)
  - Negatively impact student achievement (Cooley & Floyd, 2013)
- From a practical standpoint, district consolidation is likely to **increase** property taxes and cause major frustration among voters.
  - A preliminary analysis of Lamoille County indicates that consolidating the Lamoille South, Lamoille North, and Orleans South School Districts would increase spending by millions of dollars due to contract negotiations that would “level up” salaries.
  - Local residents have expressed strong opposition to any forced consolidation as little benefit would be gained for students and families.

### **Focus #3 - Vermont’s size is a strength, and we can respond with a surgical approach**

- We support the following (see [slides](#) for more details):
  - A multi-year plan designed to increase transparency and accountability

- A foundation formula that is based on current districts, successful schools, and professional judgement panels
- Protecting taxpayers with predictable increases based on inflation and local decision-making

In closing, I would like to thank you for your time and leave you with these thoughts:

This week, we hired a high school teacher from a large district operating at “scale” in California. This teacher walked our hallways and met our faculty. He said it felt like a family and that he couldn’t believe how welcoming his new colleagues were, stating this would never occur in his large school. When asked how many students he had in his typical class, he said it was common to have 40 or more. He then explained the many challenges he faced with disengaged students and a lack of community.

This does not happen in our Vermont schools, where every teacher knows every student. It is the reason we are a leader across the country, attracting many due to our reputation for embracing an education designed to meet student needs, not a system that students must conform to.

- Lamoille County is 460 square miles.
- Boston is 48 square miles.

We need an approach designed for a rural state that values community, democracy, and a high-quality education for every child. Instead of planning for failure, we need a vision filled with hope and optimism. Attracting families and growing our economy is how we will “future-proof” Vermont.

Thank you,

Ryan Heraty  
Superintendent  
Lamoille South Supervisory Union  
[ryan.heraty@lamoillesouth.org](mailto:ryan.heraty@lamoillesouth.org)

## References

- Cooley, D. A., & Floyd, K. A. (2013). Small rural school district consolidation in Texas: An analysis of its impact on cost and student achievement. *Administrative Issues Journal*, 3(1), 7.
- Cox, B. (2010). A decade of results: a case for school district consolidation?. *Education*, 131(1).
- Borland, M. V., & Howsen, R. M. (2003). An examination of the effect of elementary school size on student academic achievement. *International Review of Education*, 49, 463-474.
- Brasington, D. M. (2004). House prices and the structure of local government: An application of spatial statistics. *The Journal of Real Estate Finance and Economics*, 29, 211-231.
- Duncombe, W., & Yinger, J. (2007). Does school district consolidation cut costs?. *Education Finance and Policy*, 2(4), 341-375.
- Duyar, I., & Collins, D. (2008). The effect of consolidation on extracurricular activity participation. *Academic Leadership: The Online Journal (2003-2012)*, 6(3), 19.
- Eberts, R. W., Schwartz, E. K., & Stone, J. A. (1990). School reform, school size, and student achievement. *Economic review*, 26(2), 2-15.
- Gordon, N., & Knight, B. (2008). The Effects of School District Consolidation on Educational Cost and Quality. *Public Finance Review*, 36(4), 408-430.  
<https://doi.org/10.1177/1091142107305219> (Original work published 2008)
- Howley, C., Johnson, J., & Petrie, J. (2011). Consolidation of Schools and Districts: What the Research Says and What It Means. *National education policy center*.
- Jones, J. T., Toma, E. F., & Zimmer, R. W. (2008). School attendance and district and school size. *Economics of Education Review*, 27(2), 140-148.

McGee, J. B., Mills, J. N., & Goldstein, J. S. (2022). The Effect of School District Consolidation on Student Achievement: Evidence From Arkansas. *Educational Evaluation and Policy Analysis*, 45(3), 482-495. <https://doi.org/10.3102/01623737221133394> (Original work published 2023)

Smith, S. A., & Zimmer, R. (2022). The impacts of school district consolidation on rural communities: Evidence from Arkansas reform. *Annenberg Brown University EdWorking Paper*.

Sutherland, Daniella Hall, "The Five District Problem: A Research and Policy Brief for the Governor's Transformative Education Plan" (2025). College of Education and Social Services Faculty Publications. 39. <https://scholarworks.uvm.edu/cessfac/39>