



Vermont House Committee on Ways and Means  
Montpelier, Vermont

RE: Support for H.886 – Regional Cost Adjustment in Vermont’s Foundation Formula

Dear Chair Kornheiser and Members of the Committee:

On behalf of the Essex Westford School District, we write to express our strong support for H.886, which proposes the creation of a cost-of-competing adjustment within Vermont’s education funding system.

Act 73 intends to ensure substantially equal educational opportunities for all Vermont students. However, as currently structured, the foundation formula does not account for regional variations in labor costs across the State. While uniformly applied, it is not equitable if it fails to reflect the real and measurable cost variations across the State.

Statewide salary data clearly demonstrates that Chittenden County pays higher salaries than many other counties in Vermont. This is not a matter of discretionary spending; it is the reality of operating in the State’s most competitive labor market. To recruit and retain high-quality educators, administrators, and support staff, compensation must reflect local economic conditions.

Other states have recognized this reality and incorporated regional cost adjustments into their foundation formulas. For example:

- Colorado applies a cost-of-living factor based on a basket of goods analysis from the Bureau of Labor Statistics’ Consumer Expenditure Survey.
- Maine adjusts allocations based on regional differences in teacher salaries across labor market areas.
- New York multiplies its base per-pupil amount by a regional cost index calculated from median salaries of comparable professional occupations.
- Virginia provides a Cost of Competing Adjustment to districts in high-cost metropolitan areas, increasing salary assumptions within its funding formula.

These examples demonstrate that incorporating a regional cost index is neither novel nor radical; it is a recognized practice among states seeking to deliver equitable funding.

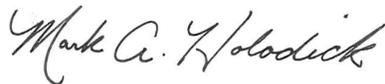
Under Act 73, efficiency through scale is a core strategy for affordability. The Essex Westford School District embodies that intent and has taken substantial steps to control costs and operate efficiently: we consolidated districts under Act 46, consolidated two elementary schools in Essex Junction this year, and we reduced our workforce by nearly 100 FTEs over the past two years.

Without a cost-of-competing adjustment, the Essex Westford School District will be forced to make even deeper instructional cuts that would diminish the educational opportunities for our students. This would not be the result of inefficiency or overspending; it would be the result of an inflexible formula that does not reflect market realities and it would undermine the State's commitment to equity by forcing reductions in regions with a higher cost of living rather than supporting all Districts in meeting shared expectations. H.886 provides a thoughtful and necessary mechanism to address this gap by creating a cost-of-competing adjustment within Vermont's education funding system. We urge the Committee to support this modification to the foundation formula so that it more accurately reflects the true cost of delivering high-quality education across different regions of our State.

Vermont's commitment is not to equal inputs, but to equal opportunity. Recognizing regional cost differences is essential to honoring that commitment.

Thank you for your consideration and for your continued work on behalf of Vermont's students.

Respectfully submitted,



Mark Holodick  
Superintendent  
Essex Westford School District



Heather Bushey  
Director of Finance  
Essex Westford School District