

Chittenden County CESA Pilot- Proposal

Implementing the Task Force's Three Complementary Strategies

A Phased, Evidence-Based Roadmap for Regional Cooperation

Legislative Landscape — April 2026

Reform stalled between House, Senate and Governor — Chittenden pilot is the insurance policy regardless of which path wins

H.955 — House Bill

Status: Education ✓ → Ways & Means
✓ → Full House ✓ (79-62, Apr 17) →
Senate Education
Approach: 7 CESAs, voluntary
mergers, foundation formula 2030
Risk: Governor veto threat — "not
acceptable in current form"
Vote: 7-4 party-line, April 2, 2026

Senate — Bongartz Proposal

Status: Still in Senate Education
Committee
Approach: Preserve SUs, ~58 districts,
merge 32 SUs into 12
Key: Chittenden + Addison + Franklin +
Washington (~20 districts) carved out
for distinct State Board consolidation
process
Formula: Foundation formula July 1,
2029

Governor Scott

Demand: Mandatory redistricting map
required before signing budget
Veto: H.955 "not acceptable in
current form"
Position: Larger districts (4,000-8,000
students) required for foundation
formula savings
Opening: Senate Pro Tem Baruth open
to foundation formula without
mandatory mergers

Chittenden Pilot delivers \$20-23M in savings NOW — regardless of which legislative path prevails

The Missing Piece: JFO Identifies the Evidence Gap

"The fiscal impact of shared services and regional approaches remains unclear. Cost savings are not defined or guaranteed."

— Vermont Joint Fiscal Office, testimony to Senate Education Committee, 2026

✘ What's Missing Statewide

- No region-specific cost model at function level
- Task Force savings not quantified by district or service
- No implementation sequencing or phasing model
- No mechanism to measure progress or guarantee savings
- AOE implementation guidance not yet developed

✓ What Chittenden Provides

- \$20-23M quantified by function across 8 districts
- Finance, HR, IT, Facilities, Purchasing, Transportation — each line itemized with AOE source data
- Phased implementation: what to consolidate and when
- Savings measurable by function — built-in progress tracking
- Only region in Vermont with analysis at this detail level

Chittenden is the only region in Vermont that can answer the JFO's question right now

Independent Validation: Campaign for Vermont Analysis

Presented to Senate Education Committee, May 1, 2026 — Three findings that directly validate the Chittenden approach

Finding 1: District Scale ≠ Savings

R = 0.04

District size vs. per-pupil expenditure
— essentially no correlation.

Larger districts do not automatically cost less. District consolidation alone is not the answer.

→ **Chittenden: back-office consolidation without district merger**

Finding 2: SU Scale Does Save Money

R = 0.16

Supervisory Union size vs. per-pupil expenditure — meaningful negative correlation. Larger SUs cost less per student.

→ **Chittenden CESA operates at exactly this regional SU scale**

Finding 3: Act 46 Cautionary Lesson

~\$1,500

Per-student cost increase from Act 46 contract buy-outs and salary level-ups
— wiping out administrative savings.

→ **Chittenden keeps districts as separate legal entities in Phases 2-3. No collective bargaining level-up. No Act 46 repeat.**

CFV's analysis validates the Chittenden approach — SU-scale shared services, without district merger, avoiding Act 46 mistakes

Source: Campaign for Vermont, "H.955: What Is the Most Effective Model for Rural Education?" presented to Senate Education Committee, May 1, 2026. CFV – Education Outcomes & Spending 2024; Miller Report.

Phase 2 Functions: Back Office Consolidation

Months 6-18 • Documented savings: \$15-17M (back office) + \$1.5-1.8M (transportation) = \$16.5-18.8M annually

Finance & Business

Current: 54.6 FTE, \$5.7M
Target: 19-25 FTE, \$2.0-2.6M
Savings: \$3.1-\$3.7M

HR & Payroll

Current: 22.3 FTE, \$2.5M
Target: 8-10 FTE, \$0.9-1.1M
Savings: \$1.4-\$1.6M

Information Technology

Current: 75.0 FTE, \$7.2M
Target: 26-34 FTE, \$2.5-3.2M
Savings: \$3.9-\$4.6M

Facilities & Maintenance

Current: 314.5 FTE, \$18.9M
Target: 204 FTE, \$12.3M
Savings: \$6.6M

Purchasing (Coord.)

Current: 8 separate operations
Target: Centralized county
Savings: \$0.5-1.0M

Food Service (Phase 4)

Current: 187.4 FTE, \$8.4M
Target: Moved to Phase 4
Savings: Grant-funded TBD

Note: All figures include benefits (37.5% of salary). Food Service moved to Phase 4 pending funding source analysis. HR & Payroll savings reflect HR consolidation; payroll processing remains entity-specific under CESA without legal unification (Elizabeth Jennings, SBSB Finance, 2026).

Transportation: Phase 2 Consolidation Opportunity

AOE Data (Cost Center 605) • 8 Districts • Rising Costs Demand Coordinated Action

Current State (2025)

FTE: 116.8 staff across 8 districts
Total Cost: \$7.4M (incl. benefits)
Structure: 8 separate uncoordinated operations

Cost Trend (2020-2025)

Avg Salary: +38.7% in 5 years (\$33K to \$46K)
Total Cost: +22.6% despite 11.6% fewer staff
Statewide: 20-35% annual cost increases

Market Problem

Driver Shortage: Fewer companies available statewide
Private Equity: Buying out VT contractors, reducing competition
State Cap: \$25M reimbursement fund oversubscribed

Equity & Access Impact

Variability: 8 districts with inconsistent coverage levels
Absenteeism: 1 in 4 VT students chronically absent; lack of transport a factor
AOE: Key equity issue in Dec 2025 report

Consolidation Solution

Routing: Unified county-wide routing & scheduling
Procurement: Pooled contracts countering private equity pricing power
Drivers: Shared driver pool across 8 districts

Projected Savings

Staff Savings: \$1.5-1.8M annually (20-25% reduction)
Procurement: Additional savings from pooled contracting
Source: AOE Cost Center 605 data + VTDigger March 2026

Source: AOE database Cost Center 605 (FY2020-2025). Staff costs include 37.5% benefits. Procurement savings additional. VTDigger (March 25, 2026): statewide transport costs rising 20-35% annually; private equity consolidating contractor market.

Total Projected Savings

Phase 2: Back Office + Transportation

\$16.5-18.8M

Back office \$15-17M + Transportation \$1.5-1.8M

Phase 3: Educational

\$3-4M

Potential Additional Savings

**Total Range: \$20-23M annually
(including benefits)**

Why Chittenden County is the Perfect Pilot

✓ **Geographic proximity:**

8 districts within single county, making coordination practical

✓ **Sufficient scale:**

21,700 students = critical mass for efficient shared services

✓ **Detailed analysis complete:**

Unlike Task Force's conceptual framework, specific savings quantified for Phase 1, verify potential for Phase 2

✓ **Voluntary participation:**

✓ **Concept for pilot shared w/ Legislators** : Sen. Ram Hinsdale (Senate Majority Leader), Sen. Bongartz (Senate Education Chair), Rep. Holcombe (Ways & Means), Rep. Burkhardt (South Burlington), Rep. Krasnow (South Burlington), Rep. LaLonde (South Burlington)

✓ **Demonstrates model:**

Chittenden County Success validates Task Force recommendations for statewide expansion

✓ **Change management:**

Chittenden County has the most capability in staff and leadership to execute, CVSD already has done this!

Enabling the Pilot: Three State Investments

The pilot only succeeds if the state provides the cover and resources to go first

1 Transition Funding

Bridge financing for one-time implementation costs:

- Technology integration
- CESA governance setup
- Staff transition support

One-time investment. Offset within Year 1 by \$16.5-18.8M annual savings.

2 Technical Assistance

Dedicated AOE or contracted support for CESA standup:

- Project management
- Legal structure guidance
- Procurement framework

AOE capacity gap is real. The pilot needs dedicated implementation support to succeed.

3 Savings Measurement

Defined reporting framework to verify results:

- Function-by-function baseline at launch
- Annual reporting to this committee
- Replicable model for all 7 CESAs

Answers the JFO's concern directly. Proof of concept for every other CESA.

A modest one-time state investment unlocks \$20-23M in annual savings — and proves the model for every other CESA

The Ask

The Senate has the power to pace CESA implementation — build the pilot into your approach

1 Designate a pilot CESA region

Chittenden County — or any CESA this committee identifies — with a defined timeline and state support to go first. Analysis complete. Districts ready.

2 Require shared services first — before merger activities

Re-balance the CESA timeline: shared services → foundation formula → mergers. Consistent with Campaign for Vermont's recommendation to this committee on May 1.

3 Include a savings measurement mechanism

So this committee can verify whether CESAs deliver the efficiencies the Joint Fiscal Office said remain unproven. Chittenden's function-by-function model is the template.

The analysis is complete. The districts have directional interest. Chittenden can go first.