



**Testimony to the Senate Education Committee on H.955 (as amended)**

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Thank you for the opportunity to provide testimony on H.955 as amended. I am speaking on behalf of the Vermont Association of School Business Officials (VASBO). Our perspective is grounded in daily, practical experience managing school district budgets, staffing, compliance, and long-term planning across the state. We share the Legislature's urgency in addressing the current challenges in Vermont's education finance system.

VASBO agrees with the widely held conclusion that Vermont's current education funding mechanism is no longer sustainable in its present form. Across the state, we are seeing significant inequities in spending between districts, continued cost escalation, enrollment decline, and a system that is increasingly difficult for tax payers to understand. These conditions undermine both transparency and public confidence.

There is broad agreement that the system needs to be fixed, and VASBO supports moving toward a foundation formula as a more predictable and understandable approach to funding education. Foundation formulas are widely used across the country and offer a clearer connection between resources and student needs. At the same time, the challenge before the Legislature is managing the transition to a new system in a way that does not reduce opportunities or harm student outcomes.

As the Committee considers governance changes alongside finance reform, it is critical that those changes directly support the goals of reducing costs, increasing efficiency, and improving clarity and equity. Based on our members' experience, supervisory unions do not achieve those outcomes. Instead, they add an additional layer of governance and administration and create duplication rather than efficiency. This concern is consistent with [testimony previously provided by the Agency of Education](#) and aligns with the perspectives shared in [Annie Houston's recent testimony on Supervisory Unions to the House Education Committee](#). As an organization, VASBO has consistently supported governance structures that reduce complexity, promote transparency, and achieve operational efficiencies. In that context, VASBO does not support the supervisory union structure as an effective choice in education transformation. Further, the added language that restricts the creation of school districts to those that have the same operating structure creates an unnecessary hurdle to work that will already be challenging to move forward. VASBO believes that there are mechanisms that could be used to allow for

mergers of unlike operating structures without creating disadvantages to districts that have historically tuitioned some grades.

VASBO recognizes that regional collaboration can be valuable, particularly in parts of the state where access to specialized services is limited and districts struggle to achieve economies of scale. In those contexts, Collaborative Education Service Agencies (CESAs) may provide a useful mechanism for sharing services. However, a mandatory CESA structure is not supported by VASBO. For districts that are already operating efficiently at scale, adding another layer of administration is unlikely to generate savings or improved opportunities and may instead introduce unnecessary complexity and cost. VASBO would be open to consider CESAs as a voluntary model, where participation is driven by demonstrated need and local decision-making, rather than as a required governance structure applied uniformly across the state. In addition, layering CESAs on top of existing supervisory union structures risks compounding, rather than solving, the very challenges the state is trying to address. Instead of streamlining the system, it would effectively stack one additional layer of governance onto another, creating a level of complexity and inefficiency that could make coordination more difficult and result in increased costs.

In contrast, VASBO strongly supports governance models that simplify systems while improving accountability and efficiency. Our members' experience indicates and research supports that appropriately sized **supervisory districts**—generally in the range of 2,000 to 4,000 students—are best positioned to achieve these goals. Districts of this size are able to realize economies of scale in staffing, purchasing, and programming while maintaining clear lines of responsibility and oversight. These structures reduce duplication and allow for more strategic allocation of resources. Importantly, these benefits are realized when districts are meaningfully merged into a single governance and operational structure, rather than when additional layers are placed on top of existing systems.

As Vermont moves toward a new funding model, it is essential that governance structures support that model. A foundation formula will bring clarity, predictability, and equity to the system, but only if the governance framework supports simplicity and accountability. Expanding supervisory unions or mandating CESAs increases complexity and administrative overhead without clear evidence of cost savings or improved outcomes.

In addition, VASBO has concerns with the Senate amendment to H.955 that strikes Sections 24 and 24a of 16 V.S.A. § 828 (prohibition on charging fees beyond tuition). Removing these provisions raises questions about equitable access, particularly for students and families who may not have the financial means to cover additional tuition and fees that could be charged by approved schools. From our perspective, any policy change should ensure that access to educational opportunities is not dependent on a family's ability to pay, and that all students can participate equally regardless of their economic circumstances.

VASBO appreciates the Legislature's commitment to addressing the structural challenges facing Vermont's education system. We share the goal of creating a system that is equitable, transparent, and financially sustainable. To achieve that, we encourage the Committee to focus

on advancing a clear and understandable funding model, supporting district structures that are large enough to operate efficiently but still accountable to their communities, and allowing for regional collaboration where it makes sense rather than requiring it universally.

Thank you for your time and consideration. I would be happy to answer any questions.