

Testimony to the Senate Finance Committee

Re: H.454 – Transforming Vermont’s Education Governance, Quality, and Finance Systems

From: Chelsea Myers, Executive Director of Vermont Superintendents Association (VSA) and Heather Bushey, President of Vermont Association of School Business Officials (VASBO)

Date: April 22, 2025

Thank you for the opportunity to testify on H.454. We are submitting this testimony on behalf of the Vermont Superintendents Association and Vermont Association of School Business Officials, whose members are committed to serving Vermont’s public schools across the state. We appreciate the General Assembly’s leadership in developing this thoughtful and ambitious legislation to transform Vermont’s education system.

Aligning Comprehensive Considerations for Scale with Fiscal Policy

Education policy that aims to achieve scale must do so at all levels of the system. Adjusting one element without addressing others will not be sufficient and may have unintended consequences. This work must be done thoughtfully and with strong support for communities—balancing the need to expand student opportunities, improve operational efficiencies, and preserve democratic input is essential.

As we have stated previously, while district scale is one part of the equation, it will not achieve the level of cost containment sought by the administration or this body. The cost of ‘leveling up’ contracts remains an unknown factor in this process. Pay parity is a laudable goal, but we urge the committee to explore just how many resources will be needed to move from our current system to new district structures.

Achieving standards of scale will require significant capital investment, especially in areas where current infrastructure is inadequate. We strongly emphasize the need for robust state aid for school construction to support local districts in implementing these changes. Without such investment, districts may face insurmountable challenges in complying with the class size and school size standards envisioned in the bill.

Moreover, the fiscal policy included in this bill must align with the broader education policy goals around scale. One of the options outlined in Dr. Kolbe’s memo, *“Updated Cost Estimates and Recommended Weights,”* offers this approach:

“An alternative to a variable base could be to establish a categorical grant program that provides a fixed per student grant to small schools with fewer than 100 students (\$3,157), schools in sparsely populated areas with fewer than 55 persons per square mile (\$1,954), or that are both small and sparse (\$5,111). Grants could be conditioned on schools meeting criteria for geographic constraints that prevent them from operating at scale. Pupil weights would not be applied to the additional aid a school receives through a grant program.”

H.454, in its current form, acknowledges these recommendations through small school grants, which will be linked to the new State Board Rules on geographic necessity. However, it introduces the category of “sparse school districts.” Why does this language deviate from the school-level sparsity model Dr. Kolbe recommends? In both current and future districts, all students would receive per-pupil sparsity grants, regardless of whether their school is actually located in a sparsely populated area. Does that approach align with the core policy goals outlined in H.454?

Statewide Cohesion

VSA and VASBO fully endorse the bill’s direction toward greater statewide cohesion in several operational domains.

- A unified statewide school calendar will streamline planning and coordination across regions.
- A cohesive school finance system and statewide student information system is vital to data consistency, transparency, and accountability.
- Statewide graduation requirements will support consistent educational opportunities for students across the state.

In addition, all of these steps toward greater cohesion will support greater access to career and technical education.

Foundation Formula and Pupil Weighting

VSA and VASBO support a shift to a funding formula that promotes greater equity across the education system. Establishing a predictable per-pupil base funding level can help stabilize local budgeting and enhance transparency. However, we urge the committee to reconsider one key element of the current proposal: the use of disability categories as cost indicators for pupil weighting.

Weighting students based on disability categories does not align with the intent or best practices outlined in Act 173—reforms Vermont has worked hard to implement over the past several years. Educational needs within each disability category can vary widely, and assigning weights based on category rather than actual service needs risks distorting funding and creating unintended inequities. In times of fiscal pressure, this approach may also inadvertently incentivize over-identification, moving us further from evidence-based practices for supporting students with learning differences.

We encourage the committee to explore alternative approaches that more accurately reflect the individualized and often unpredictable nature of special education costs. As currently proposed, this model does not align with Vermont’s broader education policy goals.

Supplemental Spending

It is difficult to fully assess the impact of supplemental spending without a clear understanding of the new district configurations and the composition of newly formed school boards. It's also unclear why one district might approve additional spending while another might reject it. What are the implications of this variability for educational equity?

If supplemental spending is ultimately adopted, we strongly recommend maintaining the School Construction Fund and linking it to the revenue generated through this mechanism.

Tax Implications

We've heard from the Administration and lawmakers that voters have asked for tax relief. However, there has been little discussion about what these reforms will actually mean in terms of tax relief for the average Vermonter. In fact, under a foundation formula, communities that currently benefit from lower tax burdens due to historically lower spending may see their tax rates increase under the proposals presented so far.

While simplifying our education tax system is a worthwhile goal, it's unclear how taxpayers, particularly in communities that will receive more per-pupil funding and share a tax rate across a broader geographic area, will experience any meaningful relief. We urge the committee to carefully consider both the short- and long-term impacts of H.454 on taxpayers across the state.

Cost Drivers

Both of our Associations have testified extensively on the need to address the root cost drivers in the education system. While H.454 and other legislation introduced this session have begun to tackle some of these issues, such as staffing levels, the broader, systemic challenges driving education costs in Vermont remain largely unaddressed. We will continue to revisit these conversations year after year unless we confront the full picture: the lack of affordable housing, the rising cost of healthcare that consumes an increasing share of education budgets, the growing responsibility schools carry in providing mental health services, and the economic reality that without more livable-wage jobs, Vermont will continue to face an aging population and a shrinking tax base.

Conclusion

The change outlined in H.454 will take tremendous support and coordination from the state. VSA and VASBO commend the thoughtfulness and detail within H.454. We support the direction of the bill and stand ready to work collaboratively with the legislature, Agency of Education, and our educational partners to realize its goals.

Thank you for your time and consideration.

Respectfully submitted,
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On behalf of VSA and VASBO