



TO: Senate Finance Committee  
Senate Education Committee

FROM: Vermont School Boards Association

RE: H.454 As Passed By the House of Representatives

DATE: April 22, 2025

Good afternoon everyone, my name is Flor Diaz Smith. I'm the President of the Vermont School Boards Association, and I appreciate the chance to speak with you today.

I'm here to talk about H.454 as passed by the House. The decisions you make or choose not to make will have lasting consequences for public education in Vermont and for the long-term viability of our communities. As we shape the future of education, we are also shaping the future of democracy in our state.

Just yesterday, I was at the White River Valley Supervisory Union School Board meeting and heard from many thoughtful and concerned school board members. Their comments reflected a deep worry about the pace of change and the magnitude of the proposals in this bill. Those voices underscore the need for inclusive and deliberate conversations.

It's important to remember that school board members across Vermont bring a wide range of perspectives to the table. VSBA respects that diversity of thought, and we encourage each of you to actively reach out to board members and citizens in your regions. Hearing directly from those most impacted will help ensure that the final outcome of H.454 is aligned with the values and goals of our communities.

We appreciate the time and effort that has been taken to respond to the Administration's proposal and the subsequent bill, H.454, which has undergone significant revision as a result of months of testimony and hard conversations. In its current iteration, it is evident that legislators have worked to incorporate feedback and legitimate concerns from different communities. The bill communicates a desire to take a measured approach to ensure that decisions about district scale are informed by public input, data, research, and geography, and to reflect a genuine understanding of the challenges our educators and school leaders face every day. Our hope is that as you continue this work, you keep in mind the importance of realistic and compassionate timelines for implementation and support, that you remain open to incremental change to ensure consistency and continuity for student learning, and that you maintain a community-centered approach, honoring local voices, informed by data and

research, and understanding the myriad dependencies and the impact of specific changes to the system as a whole.

This bill is also about equity and sustainability. It lays the foundation for a fairer funding system, with a base education amount guided by the work of Dr. Tammy Kolbe and additional resources for students with greater needs and furthest removed from opportunity. Regular reviews will keep the formula responsive and relevant over time. H.454 promotes better coordination across our state, aligning calendars, data systems, graduation requirements, and access to career and technical education so that every student, no matter where they live, has a clearer and more equitable path forward. Most importantly, it reopens the door to long-overdue school construction funding, giving hope to communities with crumbling infrastructure.

Here's our constructive input on changes to improve the bill:

#### Section 1 - Composition of School District Boundary Subcommittee

H.454 as passed by the House creates the school district boundary subcommittee with the possibility (but not certainty) of one former or retired school board member serving on the nine member subcommittee. The Speaker of House has the power to appoint four members, two of whom are legislators. Of the remaining two appointees of the Speaker, one must be a retired or former Vermont superintendent of a supervisory union with multiple member school districts and one must be either a retired or former Vermont school business manager **or** a retired or former school board member. Given the school district boundary subcommittee's important role in recommending school district boundary proposals to the General Assembly, the magnitude of governance changes contemplated and governance as school boards' primary role, we strongly recommend having a dedicated space for at least two former or retired school board members on the subcommittee.

Considering that both the Speaker of the House and the Committee on Committees each get four appointments to the School District Boundary Subcommittee, and in consideration of the dependencies of work involved for both the Subcommittee and the School District Voting Ward Task Force, we would recommend considering the following opportunities to ensure appropriate local governance input and reduce potential inefficiencies or conflicts between the work of the various groups (Commission, Subcommittee, Task Force and State Board of Education):

- Let the Commission put forward membership recommendations to the Speaker, Committee on Committees, and the Governor to depoliticize the subcommittee appointments and ensure broader representation from subject matter experts. This may be especially beneficial given that the Subcommittee has sole authority to determine the content of its report and maps. This may also help clarify who has jurisdiction over this subcommittee of the Commission (e.g., the Steering Group); whether the subcommittee has to comply with all rules governing commissions, and what the rationale is for allowing a non-voting body that has not been engaged in this work to date to be independent of the Commission.
- If the Legislature chooses not to ensure adequate representation across stakeholders in the non-voting commission member configuration, especially as it relates to school boards who are the legislative body of districts, then the word "shall" should be reinstated on line 4, page 9 of the bill, thereby requiring the Commission to seek input from and collaborate with key stakeholders, as directed by the steering group.

- Re: Sec. 2a. SCHOOL DISTRICT VOTING WARD TASK FORCE (p.22) - The more handoffs you have with this work the more you run the risk of losing historical/institutional knowledge and reducing coherence and alignment. Why not consider (1) having the two school board members be on both the subcommittee and the taskforce for continuity or (2) combining these two groups into one task force/subcommittee? This would ensure in-house expertise and alignment with other processes, thus creating efficiencies and surfacing and addressing dependencies as the group progresses in its work.

#### Section 1 - School District Boundary Subcommittee Duties

H.454 as passed by the House contains eight requirements for the proposed school district boundaries to be developed by the subcommittee. The seventh requirement is “to the extent practical, result in school districts with a minimum average daily membership of approximately 4,000 students.” VSBA advocates for amendment of this requirement by removing the reference to 4,000 students, and instead require the size of districts to be research based.

Research does not support the conclusion that district minimum sizes of 4,000 students are efficient or effective in rural areas, or even generally. As you have heard from Dr. Kolbe (and perhaps have seen in your own review of the research) there is no magic number that can be applied universally outside of the theoretical that will help the State realize the desired cost efficiencies and educational outcomes it seeks. Instead, a combination of considerations and factors that influence this complex system -- not least of which is effective leadership and support at the State level and effective administration and service delivery at the local level -- must be taken together in context with the geographic, social, and economic realities of the different communities across the state.

#### Section 2a - School District Voting Ward Task Force

The School District Voting Ward Task Force is tasked with recommending the optimal number of school board members per school board to maximize public representation and democratic input while maintaining effective school board size; and (2) boundaries for school district voting wards within each school district, with alternative options if necessary, including detailed maps clearly and unambiguously delineating ward boundaries that respect current municipal boundary lines. Given these duties and their direct connection to school board governance, we strongly advocate for at least one more school board member representative on the Task Force.

As indicated in VSBA’s February 28 testimony to this committee, there is a statistical relationship between school boards engaging their community and the likelihood that student achievement is improving overall, while at the same time achievement gaps are closing. The size of school boards and the ward boundaries directly impacts the ability of school boards to engage their communities - that is why school board representation on the Task Force is so important.

#### Section 4 - Waivers from Class Size Minimums for Geographic Isolation and Section 7 - School Size; Intent

Taking a considered, deliberate and contextually-informed approach to setting class and school-size minimums and standards will be imperative if the goal of H.454 is more than a cost containment exercise. For this reason, it is important that care and attention are given to (1) what the research

actually says, (2) the order in which the various bodies identified in this bill engage in their work as outlined in the various sections and by when, and (3) mechanisms are in place to address the many unique communities in Vermont that will continue to have a constitutionally protected right to public education even though they have low populations and are geographically challenged.

## **1. Order and Timing**

In a review of Sections 1-22, H.454 has a total of seven distinct State bodies working in parallel with different and overlapping roles and responsibilities that have natural dependencies related to the work outlined in H.454. Considering that H.454's stated goal is to improve coherence and realize efficiencies in the governance, funding and oversight of public education, we sound a note of caution that the design, roles, duties, and timelines of these bodies outlined in this bill should be revisited.

For instance, according to Sec.6(b) *"Report. On or before December 1, 2025, the State Board of Education shall submit a written report to the House and Senate Committees on Education with proposed standards for schools to be deemed "small by necessity" (p.30).* However, simultaneously, the School District Boundary Subcommittee and the Commission will both be submitting reports December 1, 2025 related to district boundaries and local and state governance recommendations - with the Commission also tasked with publishing its draft recommendations for public comment on October 1, 2025. Additionally, the AOE is required to submit a report December 1, 2025 related to implementation of state level systems and the State Aid For School Construction Advisory Board will have a report due December 15, 2025. Taken together, this reflects five reports by five different bodies that are and will be engaged in work that have significant dependencies and should inform each other. We caution against requiring the State Board of Education to prematurely establish definitions or rules related to class size and rurality prior to the Commission, Subcommittee, State Aid For School Construction Advisory Board, and Agency of Education completing their reports that will very likely offer a more complete picture and set of considerations for the State Board.

We are also somewhat confused by the required State Board report to the Education Committees in Section 6 related to "proposed standards for schools to be deemed 'small by necessity'" in advance of the rulemaking process. It is imperative that SU/SDs and school boards who operate and provide high-quality education to their communities have sufficient time and opportunity to engage in an open process that ensures that law, rule and policy are informed by reality.

## **2. Valid and reliable mechanisms for protecting public education statewide**

Waivers from class size minimums for geographic isolation are an important piece of H.454 to ensure that students in rural areas have high quality, accessible education without being subjected to lengthy bus rides every day just to get to school. This can only happen if resources are afforded to the bodies making these determinations and their efforts are aligned as we mentioned above. For instance, H.454 specifies that the Agency of Digital Services and the Vermont Center for Geographic Information will provide assistance to both the District Boundary Subcommittee and the School District Voting Ward Task Force, but makes no mention of these resources being available to the State Board of Education who is tasked with defining what "small by necessity" means. Coordinating these bodies' efforts and ensuring access to the appropriate resources in a viable timeline will be important to ensuring rural students and communities maintain their constitutional right to public education.

Furthermore, while the State Board of Education is tasked with defining what “small by necessity” means and proposing standards by December 1, 2025 (which likely means they have at most 5-6 months to develop them), H.454 is also suggesting under Section 4 exclusions for “(v) Prekindergarten, career and technical education, flexible pathways, terminal courses, advanced placement courses, courses that require specialized equipment, and driver’s education classes shall be excluded from the class size minimum requirements in this subdivision (9)”

As it pertains specifically to Career and Technical Education and flexible pathways we would highlight that these programs are specifically targeted to secondary education, and CTE, Dual Enrollment and Early College especially impact operational status and class sizes in schools that operate 10th, 11th and 12th grade (a fact that has been documented in reports such as the Act 127 Study on the Funding and Governance of Career Technical Education in Vermont). In practice, even if it is not the intent, class and school size requirements in concert with carve-outs and exceptions for CTE, flexible pathways and Advanced Placement courses can exacerbate inequities in student access to programs. It also runs the risk of creating conflicts for administrators and school boards attempting to meet class and school size minimums, offer individualized and small-group learning opportunities, and maintain operational viability.

We would encourage you to consider that class and school size standards and waivers be developed after the work of the Commission, Subcommittee and Task Force are concluded so that they will be based on data and research.

Finally, and at minimum, we would recommend that any class size standards imposed on public schools occur in concert with and is the same for private schools approved to receive tuition as outlined in Section 6.

#### Section 6 - State Board of Education Rules; Report

H.454 contains a significant role for the State Board of Education in rulemaking on class size minimums for both public schools and independent schools receiving public tuition and statewide proficiency based graduation requirements. Additionally, the bill requires the State Board to issue a report with proposed standards for schools to be deemed “small by necessity.”

A VSBA Task Force Report (covered in previous testimony to this Committee) calls for the State Board to be restructured to ensure that it can act in a non-political capacity. The appointment structure should be expanded so that the Governor does not have sole authority for appointing members. The State Board makeup should more proportionately represent local school board members from districts that operate a public school. And finally, the State Board should have adequate resources to conduct its work, either through the budget allocation process or by leveraging Agency of Education resources

#### Section 16 - Transfer of School Construction Rulemaking from State Board to Agency

The same VSBA Task Force mentioned above raised concerns about the Agency of Education’s capacity to meet its statutory responsibilities. We have serious concerns about transferring any rulemaking to the Agency unless the capacity issue is addressed.

#### Section 23 - State Board of Education; Appointment of Members; Term; Vacancy

The VSBA Task Force mentioned above recommended restructuring the State Board to ensure that it can act in a non-political capacity. We appreciate that H.454 takes a step in that direction, expanding

the appointment structure so that the Governor does not have sole authority for appointing members. Additionally, the State Board makeup should more proportionately represent local school board members from districts that operate a public school and should have adequate resources to conduct its work.

#### Data; Modeling; Cost Drivers

Lastly, we want to emphasize the importance of data and modeling to show the impact of a new funding formula on school districts over time. We are unable to respond to any proposals in depth without that information. We appreciate the focus on providing adequate funding over time and want to re-emphasize the importance of building a formula that reflects the true cost of school employees' health benefits and adjusts each year based on the rising cost of those benefits. Changes to the funding formula will not be successful in reducing the cost of education without addressing this major cost driver in school district budgets.

Through the current bargaining process and two times in arbitration, school employees pay zero dollars in deductibles due to the collectively bargained Health Reimbursement Arrangement (HRA) that sits on top of the VEHI plans. These benefits are consuming a larger and larger portion of Vermont school budgets. To deal with this issue, school boards have to hold the line on the remaining parts of the budget. Healthcare is squeezing out other education initiatives and could do so in a more aggressive manner under a foundation formula if the funding does not keep up with the rising costs. To address this cost driving challenge and do something that would curb rising costs that squeeze programming dollars for students, we urge this committee to revise the statute on the statewide bargaining process for school employees' healthcare. Timing is crucial and acting this session matters. Along with these comments, I am submitting a two-page document on addressing the cost of school employees benefits which provides steps you could take to revise the law on that process. The process is set to begin again next spring to bargain for healthcare benefits that begin on January 1, 2028. 16 V.S.A. Section 2104(c) requires that the term of each negotiated agreement shall not be less than two years. Therefore, at the very least, the next round of bargaining will commit the state to terms that will be in effect through January 1, 2030. If legislators want to have an impact on that process, now is the time to act.

#### Conclusion

H.454 offers a chance to move our education system forward—but only if we proceed with care, compassion, and clarity.

Thank you for your time and your commitment to Vermont's students.