



To: Senate Finance Committee

Date: January 14, 2026

Subject: S. 220. Cap on School Spending Bill

From: Jay Nichols, Senior Executive Director Vermont Principals' Association

The Vermont Principals' Association opposes any type of hard cap on education spending set by the state especially given the current structure of local control authority in budget approval and board oversight of educational spending within the constraints of Vermont's school finance system.

School Board's propose budgets that they believe are necessary for the effective funding of the school or schools for which they provide fiscal oversight. The voters then decide to approve those budgets or not. We have had excess spending penalties for school districts that spend more than an allowable amount. Board's and communities are wary of the excess spending threshold and potential local impacts and try to stay below that level. They make decisions as informed as they can with the information they have when it is time to warn their budgets. However, they have the obligation to provide a Free and Appropriate Education for their students. They are Boards of Education – not Boards of Taxes. To require them to cut programming to meet an arbitrary number in the current budget development and governance construct we have in Vermont is unfair and I believe would unnecessarily require cuts to programming for schools that would hurt children in many parts of the state.

Education delivery is a very labor-intensive system. Higher spending districts that are only higher spending because they pay their teachers better than lower paying districts will be forced to cut student programming. Many of these systems already are meeting, and in many cases, exceeding class size guidelines. And, in some of these districts they have already cut large numbers of staff, and programming, in response to the financial demands of their local communities in our current context.

Hard caps ignore inflation and current labor market realities in Vermont. How do hard caps on educational spending help with increased health care and other costs that local school boards have no control over? If we really want to reduce educational spending, let's fix the cost drivers that contribute to the issue, again with health care being one of the most obvious but there are plenty of others we can examine.



We believe that double taxation above the threshold amount is already sufficient enough of a “penalty” to school districts that feel it is necessary to surpass the threshold and do not believe the state should impose an artificial hard cap. This is a further shift away from local control that we do not think is appropriate at this time. Hard caps control numbers but they have negative impacts on outcomes and opportunities for students.

Respectfully submitted,

Jay Nichols