Testimony to Senate Finance Committee, January 28, 2026
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Rural School Community Alliance (RSCA)

Thank you for the opportunity to testify today about Senate Bill 220.

My name is Jeanne Albert and I live in Lincoln. I serve as Chair of the Lincoln School District Board and as a member of the Rural School Community Alliance Steering Committee.

The RSCA currently represents members in more than 100 towns and villages in all regions of Vermont. Initially formed in January 2025, the Alliance grew rapidly out of a shared concern for protecting the integrity and vitality of educational opportunities for rural students throughout Vermont. RSCA advocates for the importance of rural community public schools in Vermont **and** for a democratic voice in decision-making about their future.

The main points in my testimony today are as follows.

1. **RSCA strongly supports the establishment of Cooperative Education Service Areas (CESAs).** *Research and experience from other states, as well as preliminary evidence from within Vermont, indicates the potential for substantial savings and improved service quality and delivery.*

2. **While CESAs are getting up and running, thoughtful short-term measures to reduce and begin stabilizing education spending and property taxes are warranted.** *A spending cap of the sort described in S.220 could potentially be part of such efforts.*

3. **To avoid unnecessary added disruption and negative consequences, a spending cap should incorporate important safeguards to address issues that are beyond the control of school districts**, **such as decline in pupil weights and certain extraordinary costs.** *There are alternate approaches to defining and implementing an allowable growth percentage that may address some of these concerns.*

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1. **RSCA strongly supports the establishment of Cooperative Education Service Areas (CESAs).**

First, I would like to thank Senator Gulick for her leadership of the Redistricting Task Force.

Together with your co-Chair, Representative Graning, you succeeded in overseeing a process that was grounded in respect for facts and evidence that at times challenged prior assumptions of Task Force members in ultimately beneficial ways.

You listened to the voices of more than 5,000 Vermonters who engaged through surveys, meetings, and public comment. The overwhelming conclusion was clear: forced mergers will not reduce costs or property taxes and would have negative impacts on our communities and children.

RSCA commends the Task Force report for elevating a democratic approach to redistricting Vermont's schools, one that trusts local decision-making at the community level rather than imposing top-down mandates. The Alliance supports the Task Force's proposed three-step "phased roadmap" that emerged out of this process:

1. Cooperative Education Service Areas
2. Strategic Voluntary Mergers
3. Comprehensive Regional High Schools.

Establishing a statewide system of CESAs in Vermont means (1) prioritizing local elementary, central middle, and regional high schools, while (2) gaining cost savings that provide better educational services, and (3) minimizing disruption– all goals of Act 73. This is a solid starting place that will demonstrate cost savings very soon, while laying the groundwork for additional efficiencies and possible voluntary mergers in the future.

2. **While CESAs are getting up and running, thoughtful short-term measures to reduce and begin stabilizing education spending and property taxes are warranted.**

Through the experience of the recently established Southeast Vermont Board of Cooperative Education Services (BOCES), which comprises seven supervisory unions and one supervisory district and serves approximately 8,000 students, we know that shared education services models have the potential to reduce costs and improve services fairly quickly. Notable examples of savings and other improvements through this shared services model, as compared to services provided or contracted by individual members, include:

• Evaluation Services: 20% to 50% cost reduction (average 38%); no waitlists; reduced travel times
• Staffing Services (Speech and Language, Behavior Analyst): up to 50% reduction per FTE
• Special Education (K-6 Social/Emotional Programming): higher quality, closer to home; anticipated 85% SU/SD average savings (from reduced travel & fees)
• Professional Development: 66% average reduction in cost
• SU/SD Consultation (Program Review & Restructuring): up to 62% savings; goal of reducing reliance on outside placement services

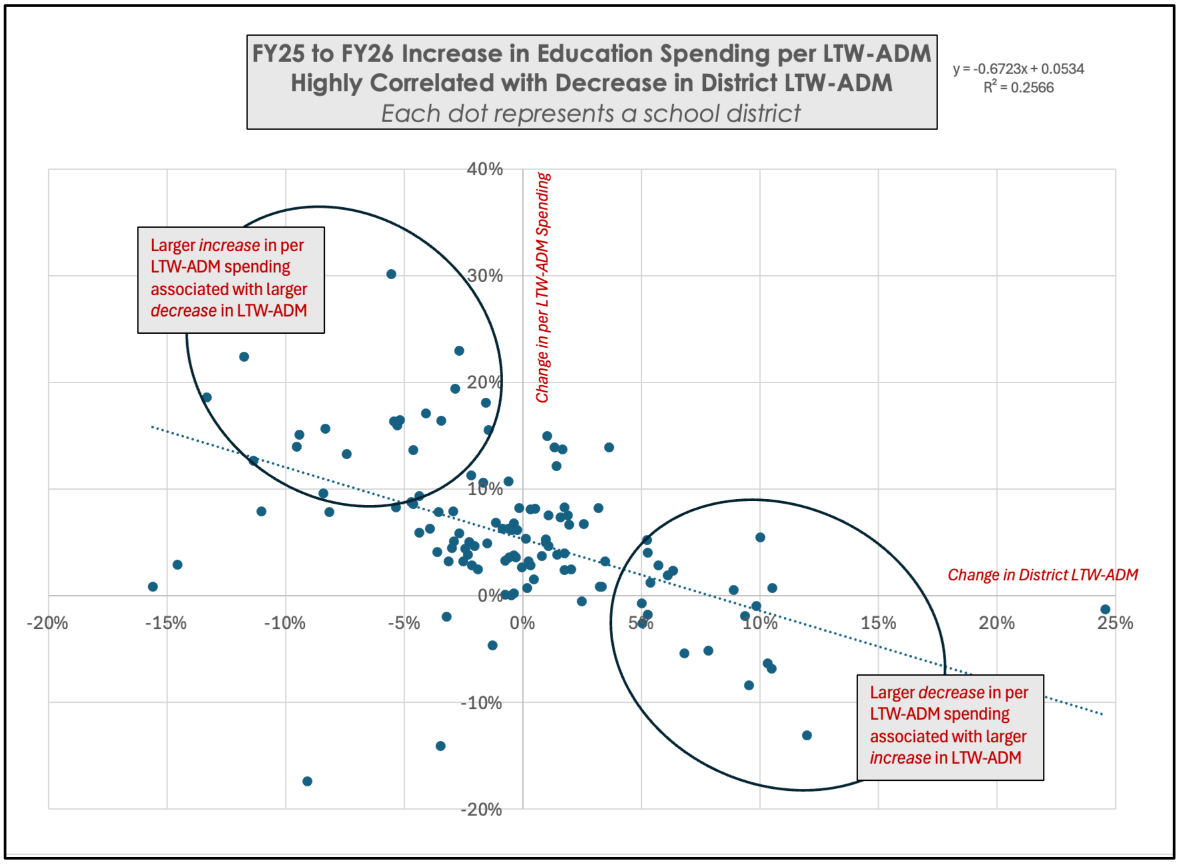
During the important initial 1 to 2-year phase– including planning, analysis, and identification of regional shared service opportunities– to launch additional CESAs, Vermont can take additional short-term steps to reduce education spending. A carefully designed cap on district spending could be part of this effort.

3. **To avoid unnecessary added disruption and negative consequences, a spending cap should incorporate important safeguards to address issues that are beyond the control of school districts**, **such as decline in pupil weights and certain extraordinary costs.**

In S.220, the "**allowable growth percentage"** for a school district is determined through a formula that compares, for the prior fiscal year, a district's per-pupil (LTW-ADM) spending with the highest per-pupil spending in the state. This allowable growth percentage is then designated as the maximum percentage increase in per-pupil education spending allowed for the given fiscal year.

Clearly, changes in a district's per-pupil spending are driven both by potential changes in spending *and* in weighted pupils. In fact, RSCA analysis of changes in per-pupil spending from FY25 to FY26 shows a high correlation between change in district per-pupil spending and change in district weighted pupils. As indicated in the scatter plot, below:

• larger ***increases*** in per-pupil spending are associated with larger ***decreases*** in pupil weights, and
• larger ***decreases*** in per-pupil spending are associated with larger ***increases*** in pupil weights.



Analysis and chart prepared by RSCA using AOE data.

Managing the financial impact of potential decreases in a district's LTW-ADM is not new. However, *a percentage cap applied to per-pupil spending* could be particularly challenging: as displayed in the tables below, even a small reduction in weighted pupils would require a district to reduce spending to meet the cap.

One way to partially avoid this negative impact is *instead to apply the allowable growth percentage to education spending, not per-pupil spending.* In other words, for the (hypothetical) examples in the table, in FY28 each district would be limited to an additional 3% in education spending, over FY27.

FY27			
	District A	District B	District C
LTW-ADM	300	600	2,000
Ed. Spending per LTW-ADM	$10,000	$10,000	$10,000
Total Spending	$3,000,000	$6,000,000	$20,000,000

FY28 *with 3% cap on per LTW-ADM spending*			
	District A	District B	District C
LTW-ADM *down 4%*	288	576	1,920
MAX Ed. Spending per LTW-ADM	$10,300	$10,300	$10,300
MAX Total Spending	$2,966,400 *$10,300 x 288*	$5,932,800 *$10,300 x 576*	$19,776,000 *$10,300 x 1,920*
Reduction vs. FY27 to meet cap	*$33,600*	*$67,200*	*$224,000*

Additional considerations

Rather than using the highest spending district in the prior fiscal year to determine a district's allowable growth percentage, it may be preferable to compare the district's per-pupil spending to the excess spending threshold in the given fiscal year.

One reason this approach may be preferable is that education spending in a given school district has no direct relationship with that of the highest spending district. (This is true in general, but is especially so when the highest per-pupil spending occurs in an interstate district.) Using the current year excess spending threshold has the benefit that it is at least in part determined by real year-to-year financial metrics (e.g., inflation.) It is also familiar to school districts already.

Another important concern in the implementation of a spending cap is the potential inability to manage increases in costs over which districts have no control. These could include health insurance; services under previously negotiated contract (transportation); emergency, one-time costs (new roof, new boiler); tuition; and debt service. At least some such costs should be considered for a "carve out" or other mechanism to shield districts from unnecessary and harmful cuts as a result of the cap.

Regarding changes in pupil weights: while the alternate approach described above will *lessen* the impact on districts experiencing a drop in pupil weights, it will not eliminate potential challenges in the most extreme cases. Further, applying the allowable growth percentage to education spending as opposed to per-pupil spending also has potential downsides in the (rare but not unheard of) cases where a district has a significant one-year ***gain*** in LTW-ADM: for such districts, a cap on per-pupil spending could be a better option.

Therefore, before enacting a spending cap it is critical to consider very closely the impact from changes in pupil weights. While such impact can be large regardless of district size, the table above shows that in smaller districts even a very small drop can be significant.

Thank you again for inviting RSCA to present testimony today.
Jeanne Albert