

Ethan Allen Institute

Newsletter - February 2017 (Printer Edition)

Top Story:

School Choice Day At State House An Inspiring Success

By Rob Roper

The Ethan Allen Institute was proud to be part of a coalition that brought school choice advocates from around Vermont to the State House on January 25th to celebrate National School Choice Week. Vermont's 148-year-old history of tuitioning is the oldest school choice program in the nation, and it has spawned scores of independent schools that provide a diverse array of learning environments for kids to explore.

Students from the Riverside School, Long Trail School, Sharon Academy, Lyndon Institute, Vermont Day School, Thaddeus Stephens, Imagine Schoolhouse, Kurn Hattin, and the Belcate School participated in the day's events. They provided music to open the House floor, some testified before the education committees, one spoke eloquently at a press conference in the Cedar Creek Room, and one introduced the day's featured speaker, Kevin Chavous.

Chavous, an author, education reform advocate, and elected as a Democrat to the Washington DC Council, explained that his experience with public education demonstrated that the system no longer serves children and families, but rather the other way around. And, it's not working. "The value and essence of school choice is simple," said Chavous. "It puts the power in the hands of the parents and the children to pick and choose the option that best serves their needs."

He went on to note that in Washington DC the voucher program that has been in place there has helped improve the local public schools as well. "Because of the choice offerings in the nation's capital we now show DC public schools showing advances and gains.... One of the main reasons DC public schools were able to thrive was because of the competition afforded by the choice offerings."

Other highlights from the day included a "Mannequin Challenge" competition in which students created videos about what made their school great. The Belcate School won the \$5000 top prize, which is to be used to provide scholarship support for incoming students. Sharon Academy came in second (\$3000), and the other schools that participated each received \$500.

Representative Vicki Strong (R-Albany) introduced a resolution on the House floor ([HCR 23](#)) recognizing January 25 as "School Choice Day". It passed by voice vote with all yeas and no nays (although not all Representatives signed onto it).

Thanks to all who came out, braved the icy roads and the challenges of finding a parking space in Montpelier. School Choice in Vermont is on the chopping block. If these kids can make a stand, so can we.

If You Haven't Already, Please Renew Your Support for 2017!

The Ethan Allen Institute is your voice for limited, common sense government in Vermont. Help us continue our efforts in 2017 to educate our fellow citizens about what's happening in Montpelier with [Roll Call Profiles](#), [Videos from the Statehouse](#), [Weekly Op Eds in Local Papers](#), [Common Sense Radio](#), and [EAI Presentations in Your Community](#).

If you value these services, please contribute today. Thank you!

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The Ethan Allen Institute is a 501c(3) nonprofit, educational organization. Contributions are TAX DEDUCTIBLE.

“Campaigning for Clean Air” is the title of a book just out by Meredith Angwin, director of EAI's Energy Education Project for five years. It's subtitled “Strategies for Pro-Nuclear Advocacy”, and much of it describes the long battle by anti-nuclear groups to shut down Vermont Yankee nuclear plant. Meredith, a physical chemist by profession, in her nice way explores the muddled thinking and frenzied tactics of the groups picketing the Vernon plant and howling about the horrors of nuclear energy at every opportunity – despite nuclear's efficient and cost effective generation of energy without fouling the air. You can order it from Amazon.com or through your local bookstore (\$17.95 softbound). A Kindle edition is also available.

Commentary:

Where Gov. Scott's Education Transformation Leads

By John McLaughry

Gov. Phil Scott's budget address promised a balanced General Fund budget lower than last year's. It reiterated his opposition to any new taxes and fees, and pledged to make the required annual required contributions to keep the two state retirement funds from slipping even further away from long-term solvency. Those features deservedly won applause.

When it came to education financing, however, the governor proposed what he called “incredibly strong measures” that vaulted him well into high-risk territory.

Scott says that the state must mandate “transformative changes” to “stabilize and control local school spending”. Before looking at the specifics, it's worthwhile to recall what previous governors have done about this. (The quotes are from my commentaries at the time.)

In 1996, just before the enactment of Act 60, I wrote “A key feature [of Gov. Dean's] property tax solution is putting the state in charge of local education costs which are ‘out of control’. ... Montpelier will impose mandates and penalties to control local school spending. If a town spends ‘too much’ on its schools, it will face what amounts to a state tax on its excess educational spending.”

Shortly after that the Supreme Court issued its Brigham decision. The legislature and Dean quickly enacted Act 60, still the basic education finance law. At that time, I wrote “What legislators have not yet grasped is that by centralizing education finance through the state, and putting the state in charge of cost containment, they are well on the way to creating One Big School System. They are now trying to make that system more efficient through local district consolidations, spending caps, system-wide teacher contracts, joint purchasing, combined facilities usage – all the techniques that people in charge of any big system employ to squeeze out inefficiencies and reduce costs.” Sound familiar?

Fast forward to 2003. “Whatever ‘cost containment’ scheme is eventually adopted, [Gov. Douglas’s] ‘Act 60 reform’ will mark an important milestone. Never in the history of the state has the state imposed a penalty on a local government for spending too much money. This bill makes it crystal clear that local control over education spending, and thus over public education itself, is well on the way out. Indeed, the bill candidly amends the present chapter title ‘State and Local Funding of Public Education’ by deleting the words ‘and Local’”.

Fast forward to the Shumlin years (2011-16). Of the four recent governors, Shumlin most strongly supported continued local control of education, saying in 2014 that “one of the worst ideas that we can endeavor is telling local communities that we’re gonna take away their power to choose what they’re gonna spend on education on town meeting day. That’s a basic right of Vermonters.”

Shumlin’s remark came in response to a proposal made by then-Lt. Gov. Phil Scott. In October 2014 Scott advocated creating the equivalent of the Green Mountain Care Board “to help rein in school spending costs and control education property taxes.” He said his autonomous board of experts could “control school budgets, adjust property tax rates, and force consolidations.” “At least by implication”, I wrote, “it could take any action it saw fit to flatten out rising public school spending.”

Now, as governor, Scott has proposed a state mandate that school districts level fund the next school year, regardless of what school district voters want and are willing to be taxed for.

Today, local voters can choose to spend over 121% of the state average spending per equalized pupil, at the price of paying a residential property tax rate penalty. Next year, if Scott’s proposal is enacted, they will be forbidden to vote a school budget above what the state mandates.

In 1996, in response to Dean’s proposal (that was not enacted), I wrote: “The ‘solution’ for education costs, and thus property tax relief, will not be found in Montpelier-imposed cost control. It lies in changing the rules of the system to expand competition among providers, local initiative, consumer information and choice, and innovative learning methods ranging from apprenticeship and mentoring to distance learning via Internet.”

“That will result in more satisfied and better educated children, more efficiency in the use of tax dollars, and lower property tax burdens... [The ‘solution’ does not lie in] a Montpelier bureaucracy using an ever-bigger hammer to enforce its budgetary will on

an ever more costly government-run school system long overdue for radical change.”

Back then, we badly needed “transformative changes” in education. Now, 21 years later, we still do. Gov. Scott’s proposed change is transformative, all right, but it would lead rapidly to the final destruction of any sort of local control in education. It would accelerate Vermont’s trend toward having One Big School System. That’s a transformation we don’t need, don’t want, and ultimately can’t afford.

- John McClaughry is the founder and vice president of the Ethan Allen Institute

Commentary: Every Student Deserves the Opportunity I Had

By Rob Roper

When I was in second grade, my parents moved our family from Virginia to Connecticut because Dad took a job in New York City. They chose the town of Riverside to live in based largely on the quality of the public school system. We were lucky to be able to afford to live there. It had some of the best schools the country at the time, and probably still does. But the local public school didn’t work for me. Just didn’t click.

I was the stereotypical bright kid who didn’t apply himself and was able to hide in classrooms filled with twenty-five to thirty students. As a small, shy child with a mild Southern accent who reflexively said “yes sir” and “yes ma’am” to the delight of adults and the seething irritation of my new classmates, I didn’t really fit in with my peers.

We stuck with the public school for three years, but.... It wasn’t the teachers. They were fine and I liked them. My younger sister was thriving three grades below me and would throughout her career, as were most of the kids in the school as far as I know. Riverside Elementary just wasn’t the right fit for me academically or socially.

So, when middle school came around my parents chose to send me to a private school across town with smaller class sizes, more structure, and a more disciplined culture. I had to wear a jacket and tie every day. My “yes sirs” and “yes ma’ams” were an asset.

This school turned out to be a much better fit for me, especially with the wisdom of hindsight.

I recall early in the year when my Latin teacher, Mr. Rogers, came up to me in study hall where I was not engaged in Latin but rather a game of table soccer with a folded paper ball. My grade in Latin did not warrant such use of time.

Mr. Rogers (who shared no similarities with the children’s TV personality) pulled up a chair across from me, stuck his nose about ten inches from mine, and through a fiery red beard with a rising complexion to match said slowly and quietly in such a way as to scare the living daylights out of me, “You better get your a-- in gear and start performing up to your potential in my class.” He may have said more, but that is all I heard or needed to hear.

Though I’m not sure every twelve-year-old would respond positively to this tactic, it worked on me. Especially when, after I aced the next few quizzes, he sought me out again in the study hall to compliment and encourage me. I ended up with a 90+ average in Latin that year.

I could not hide in a class of seven kids, and I found a teacher who cared passionately about my success. There were several others like him: Mr. Brody in English, Mr. Levendowsky in history, Mr. Arden and Mrs. Dunn in science. These people made a learning environment that was the right place – the best choice -- for me, and I am grateful. And lucky. My family was able to exercise this choice only because we could (with a little help from my grandmother) afford it.

This is why I am and have always been such a fervent advocate for publicly funded school choice. Every kid should have the opportunity I had to find a place where he or she is best suited to learn -- regardless of income.

What if my parents didn't have the resources to pay for a different school for me? I'd have been stuck in a school system for another six years where I was not happy and not learning – at great expense to the taxpayer. What a waste of resources on both sides of the equation!

Vermont has solved this issue brilliantly in our 90-some tuitioning towns where every child, regardless of income, is allowed to choose the best public or approved independent school that fits his or her needs with \$14,000 or more following the child. This can open up a world of opportunities, especially for lower income students who would otherwise have little to no chance of escaping an unproductive learning environment. All Vermont kids should have this opportunity.

It's National School Choice Week. Vermonters should be proud of our 150-year-old history of pioneering the oldest, most comprehensive and dynamic school choice system in the nation. Now we should be looking for ways to expand its opportunities to all Vermont children. There are plenty of them out there who are smarter and more deserving than I for such an opportunity. Let's make sure they get it.

- Rob Roper is president of the Ethan Allen Institute. He lives in Stowe.

Commentary: More Energy From Hydro-Quebec is Best for the Vermont Economy

By Willem Post

Five years ago, Gov. Shumlin declared Vermont's energy goal to be "90% renewable energy by 2050". The General Assembly has never enacted this declaration, but it did establish a Renewable Portfolio Standard, RPS, requiring 55% of retail electricity sales to be from renewable sources by 2017; 75% by 2032, per Act 56.

No other New England State has anywhere near these goals and mandates. Rhode Island's RPS requires 14.5% renewable by 2020 and 40% by 2040. The only state ahead of Vermont is Hawaii, which requires 30% by 2020, 40% by 2030, and 100% by 2045.

Hawaii currently obtains 86% of its electricity from imported oil and coal.

The renewable energy supply to Vermont utilities was about 50% of total retail electricity sales in 2016, mainly Hydro-Quebec (HQ). But strangely, the 2016 Comprehensive Energy Plan projects increasing wind energy and decreasing HQ energy consumption over the next six years, even though (heavily subsidized) wind electricity costs about 10 c/kWh hour, much more than (unsubsidized) hydro electricity at about 7 cents/kWh.

Vermont utilities could satisfy the 75% RPS mandate within a few years (well before 2032) by buying more electricity from Hydro-Quebec. It would require no subsidies and would have near-zero capital costs, because private corporations would own and operate the high voltage transmission lines from Quebec to Vermont. Vermont utilities could satisfy a future 100% RPS mandate by buying more electricity from HQ.

The supply of wind electricity to Vermont utilities likely would not increase while Scott is Governor, unless it is bought from out-of-state wind turbine plant owners. Solar electricity likely would continue to expand as suitable sites are found and any local opposition is dealt with.

Hydro Quebec has about 5000 MW of underutilized hydro plant capacity, which could produce over four times Vermont's total annual electricity purchases. HQ is planning and building about 5000 MW of additional hydro plant capacity over the next ten years.

An approved 1000 MW high voltage direct current transmission line will run from Quebec, under Lake Champlain, to a DC-AC converter station at Ludlow, VT; most of that electricity would go to southern New England. As part of the agreement with Vermont, TDI-New England has reserved 200 MW of the line's capacity for Vermont, replacing most of what Vermont lost when Vermont Yankee was shut down in 2014.

But Vermont utilities are not using the 200 MW, because of the Comprehensive Energy Plan penchant for higher cost wind and solar energy, described as "small-scale, distributed generation". In fact, Vermont utilities have steadily reduced HQ electricity supplies as contracts expired to "make room" for Vermont generated electricity.

GMP prefers, for business reasons, to own and lease to ratepayers Japanese-made heat pumps and Tesla wall-hung batteries, because they would add to the GMP asset base (on which GMP earns about 10%/y), whereas purchasing energy from HQ adds nothing to its asset base.

HQ energy has the following advantages: 1) Requires no subsidies, and costs less than two-thirds the cost of wind and solar; 2) Is dispatchable 24/7/365, unlike variable and weather-dependent wind and solar; 3) Would not destabilize the grid, as would wind and solar when their contribution rises to around 5 – 10 percent of the grid supply; 4)

Would not ruin ridge lines and meadows with 500-foot towers and acres of solar panels; Would not cause adverse health effects and diminish nearby property values; 5) Would undermine the flimsy case for the VPIRG carbon tax, that Gov. Scott, who actually listened to voters over the past six months, has pledged to veto.

Events

March 29. EAI president Rob Roper will present "Triumph of Liberty" to the Shelburne Rotary Club. If you would like this or another EAI presentation to come to your organization or community, contact rob@ethanallen.org.

April 4. Rob Roper will be a guest on the Sound Off show with Linda Kirker, 7:00-8:00 pm, Channel 15 (St. Albans).

News & Views

State Facing Revenue Downgrade of \$24.6 Million. “A confluence of generally weakening corporate profits and unique firm conditions in Vermont have resulted in a slight downgrade of General Fund revenue expectations in both FY17 [\$24.6 million] and FY18.” (Source: [JFO](#), Economic Review and Revenue Forecast Update January 2017)

Some Good Economic News for the New Administration: “Vermont's unemployment rate fell one-tenth last month, but the better news was that both the labor force and the number of employed both increased, while the number of unemployed fell.” (Source: VBM)

Treasurer Calls for \$970 Million Property Fee (Tax) to Pay for Lake Clean Up. VT Treasurer Beth Pearce didn't want this assignment, but was, in her word, “voluntold” to come up with a plan to pay for a federally mandated cleanup of Lake Champlain. Her big idea is a per parcel “fee” on all properties in the state that will amount to \$970 million over a 20 year period. This is essentially a property tax increase on a state that already has too heavy a property tax burden. It would raise roughly \$25 million/year, or about half of the necessary revenue to pay for the clean up. Given how popular this is likely to be one can see why the legislature chose to have someone else float this particular trial balloon – courageous leaders that they are....

\$40-\$79 Million Payroll Tax to Cover Paid Family Leave. Both Senators and Representatives are sponsoring legislation that would provide Vermonters with 12 weeks of paid family leave (100% wage replacement), covering such things as the birth of a child or a family illness. The payroll tax to cover the cost of this new program will be yet another hit to small businesses. (Source: VPR)

Vermont Democrats Call for \$15 Minimum Wage. Led by the new Majority Leader, Jill Krowinski (D-Burlington/Planned Parenthood), Vermont Democrats held a press conference calling for a Vermont minimum wage of \$15/hr. Keep in mind, they just raised the Vermont minimum wage to \$10/hr. on January 1 and it will rise again to \$10.50 in another year. The federal minimum wage is \$7.25 – which is also the minimum wage in New Hampshire.

Seattle and the \$15 Minimum Wage: As the *Washington Post* reported in regard to Seattle's move toward a \$15 minimum wage, “The average hourly wage for workers affected by the increase jumped from \$9.96 to \$11.14, but wages likely would have increased some anyway due to Seattle's overall economy. Meanwhile, although workers were earning more, fewer of them had a job than would have without an increase. Those who did work had fewer hours than they would have without the wage hike.”

Small Businesses Can't Handle This. Marc Sherman, the owner and operator of a small business, recently wrote an op-ed in which he outlined many of the pressures employers like him are facing: “In my small retail business, Stowe Mercantile, the pressure to lower prices on our goods is tremendous. As each year goes by, more customers come through with smartphones, comparing prices and availability of our products with other stores and

with online businesses.... When sales have been particularly bad, I have forgone my compensation, sometimes for months, so that my staff continues to receive their paychecks every week.” [VT Digger, 1/12/17](#)) Yes, Vermont politicians, when you mandate that some people receive money for no work, you condemn others to work for no money. Do you care?

Vermont Solvency: The Mercatus Center at George Mason University has released its annual survey of state solvency, “Ranking the States by Fiscal Condition”. Vermont came in #36. Our weakest area (#47) was “service level solvency”, measured by state spending as a fraction of personal income. Our best area was trust fund solvency (#6), which means other states are far worse off than Vermont, whose unfunded pension debt is \$4.48 B, plus another \$1.84 B in other post-employment benefits.

Vermont Still Nation’s Safest State. Vermont continues to top the country’s list of safest places to live according to a report by 24/7 Wall Street based on FBI data. “Vermont is the safest state in the country with a violent crime rate of 118 incidents per 100,000 state residents.... Due to the state’s low population of just 626,042, the total number of murders, at 10, and the total number of violent crimes, at 739, are each also the lowest of any state in the country. (Source: *Burlington Free Press*, 11/14/16). Another argument for leaving our gun laws just as they are.

Let the Healthcare Rationing Begin! A recent article in the *Burlington Free Press*, (“[Patients struggle with long waits at UVM Medical Center](#)”), details the growing problem of patient access to services, particularly those offered by specialists. These are the results: “Reiss cited wait times to see specialists at UVM Medical Center of one to seven months for neurology; four to six months for endocrinology; two to four months for rheumatology; two to four months for ear, nose and throat; and up to nine months for dermatology. ‘That’s a long time to wait for even routine appointments.’ Who could have predicted this?... Oh yeah!

Legislators Call Out State Board Over Act 46. Three legislators signed a letter to the State Board of Education stating that the Board was misinterpreting Act 46 and going beyond their authority in regard to forcing districts to conform to the “preferred model” for consolidated districts rather than allowing local solutions to prevail. “I think the State Board of Education has misinterpreted the Legislature’s intent,” said Sen. Anthony Pollina, (P/D-Washington). “I read the draft rules. I was there when we debated the legislation, and I have talked to people in my community. I think it is fair to say that the board has misinterpreted what the Legislature intended.’ Sen. Ann Cummings (D-Washington) chair of the Senate Education Committee, and Rep. Janet Ancel (D-Calais) also signed the letter. (Source: *VT Digger*, 10/5/16)

As Vermont Debates Higher Education, Consider.... “In a real sense, the modern student activist is a kind of shallow theologian. He learns a political catechism, he identifies a scapegoat, and he enacts a ritualized sacrifice of a victim-group, in order to redeem himself and give some dint of credibility to his priestcraft. Schools put up with this for the money. But why do we?” - Michael Brendan Dougherty in *The Week*. <http://theweek.com/articles/671961/students-dont-want-learn-anymore-want-teach>,

Vermont Taxpayers Matter. A new website worth checking out.
www.vermonttaxpayersmatter.com

An Inaugural Reminder. “The lessons of paternalism ought to be unlearned and the better lesson taught, that while the people should patriotically and cheerfully support their Government, its functions do not include the support of the people.” – Grover Cleveland (D-New York), inaugural address, 1893.

Book of the Month

Cool.

How the Brain’s Hidden Quest for Cool Drives Our Economy and Shapes Our World –
by Steven Quartz & Anette Asp
Farrar, Straus and Giroux (April 14, 2015)
304 pages

What is cool? According to my kids, not me. So, picking up this book had multiple motivations: 1) garner a better understanding of what drives human decision making in the marketplace, and 2) hope a little cool would rub off.

This was a worthwhile and, for the most part, entertaining read dealing with the history and evolution of what is “cool” and the psychology behind it. It is, from my perspective, concerned with the concept of “social capital,” though the authors don’t use that term. It’s easy to calculate the worth of financial capital, but the value of social capital is just as important, if not more so. It’s also what those on the left tend to leave out of their evaluations of the capitalist system.

In business, why doesn’t the hardware store owner jack up the prices of snow shovels after a blizzard? Because, though he might gain financial capital, he’d lose quite a bit of social capital, and the latter has significant value. Purely socially, in an example from the book, the authors demonstrate that in certain neighborhoods (Vermont?) Prius drivers are willing to pay about \$7000 to flaunt their “green” credentials and reap the social status that comes from that.

“Cool”, the authors argue started out as the ability to telegraph financial success and, as with all types of cool, signal membership in certain groups. In the 1950’s rebel cool came about as a means of accumulating low cost social capital (again, my term not theirs). The girls liked the “hyper-masculine” cool James Dean in a plain white t-shirt, not the guy in the Brooks Brother’s blazer.

It’s a constantly evolving thing because once something is perceived as Cool, that which is uncool inevitably seeks to co-opt it, and ends up killing the cool. Think of Janice Joplin’s satirical anti-consumerism song “Lord Won’t You Buy Me a Mercedes Benz,” actually being used by Mercedes to sell its cars! (True but not atypical story.)

We are now in the middle of Dot.Cool, which prizes innovation and creativity.

The authors hope for their book is that leftist causes will use “cool” to drive their agenda. In many cases I think they have been successful. It’s a strategy our side should emulate.

- Review by Rob Roper, president of the Ethan Allen Institute.

The Final Word

February Survey

Should the Vermont Legislature pass a resolution (HJR 2) commending sanctuary cities?

Yes.

No.

January Survey Results

Should the new Legislature embark on a \$850 million expansion of Vermont’s taxpayer subsidized Pre-Kindergarten (Birth through 5) program?

Yes, our public school system will invest the money effectively and efficiently.

5.52% (8)

No, property taxpayers can’t afford this. 94.48% (137)