

# Ethan Allen Institute

Newsletter - June 2017 (Printer Edition)

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## Top Story: Bring Voter Fraud Probe to Vermont

By Rob Roper

Earlier this month President Trump signed an executive order establishing a commission, led by Vice President Pence, to investigate voter fraud and voter suppression. I hope this committee spends some time digging in Vermont.

The most important job of the Vermont Secretary of State is overseeing our elections – making sure the process is free, fair and legitimate.

A legitimate election process respects and protects the principal of “one person, one vote.” It also understands that voting is a right, but a right limited by residency. As a resident of Stowe, for example, I have no right to vote in a Waterbury election. Similarly, a resident of Florida has no right to vote in a Vermont election, or vice versa. All of these hypothetical scenarios would, in fact, be illegal. Voter Fraud.

Therefore, the standard our election officials must meet is to guarantee that every ballot is cast by a citizen who is who s/he says s/he is, and lives where s/he says s/he lives. If we can't do this, we really can't say if a vote is legitimate or not.

The issue of Voter Fraud is being litigated in the Northeast Kingdom as we speak. The suit charges that eleven ineligible voters, mostly non-residents, cast ballots in two races that were each decided by less than four votes, thus casting the outcomes in doubt. These are votes cast by people who do not live where they say they live. This is bad, but as the case illustrates, these folks you can catch.

More alarming is the possibility that votes are being cast absentee by people who are not who they say they are. After the November election, a reporter from Vermont Watchdog (Now True North Reports) asked a member of the Secretary of State's Elections office the question how someone requesting absentee ballots in other people's names, without permission, to addresses where they could collect them and fill them out could be caught and prosecuted. According to the article,

*“[Will] Senning [director of elections], he admitted that the fraudster would “not necessarily” be caught. Deborah Beckett, the Williston Town Clerk, confirmed, “Once a ballot leaves the office, you don't know that it reaches the right person.”*

In 2016, over 100,000 Vermonters requested absentee ballots – a record number that seems to increase every year. And the reality is, the people running our elections and counting the votes have no way of knowing for sure if the people requesting these ballots and casting these votes are who they say they are, nor do they appear to have any

mechanism of finding out. So, please, Vice President Pence, turn some of your attention our way.

## McClaughry on VPR

John McClaughry’s proposal regarding the budget/Teachers Union/veto standoff is garnering some positive responses as a common sense solution to the problem. Learn more about it by listening to John’s VPR piece [HERE](#) and reading his commentary below.

*“There is a way out of this impasse. Scott needs to drop his late in the game proposal to have the State negotiate with the union. Then the legislature should enact a law that makes teacher health insurance a state-specified benefit like pensions, defines the coverage, the Health Savings accounts, and the 80/20 premium split. This leaves untouched the union’s statutory privilege to bargain with local districts over salary schedules, grievance procedures, and a dozen more issues customarily subject to bargaining.” (VPR, 5/30/17)*

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## Commentary: Seizing the Teacher Health Insurance Opportunity

*By John McClaughry*

The sudden political struggle over health insurance for unionized teachers isn’t over but some useful lessons are emerging.

This struggle was triggered by a provision of ObamaCare called “the Cadillac tax”. Starting in 2018, plans with premiums of over \$10,800 a year for individuals and \$29,500 for families will face a crushing 40% tax on those premiums.

Congress has delayed the Cadillac tax before, and could do so again. But next year school employees need to be in one of the Vermont Education Health Initiative plans designed to escape the tax.

In mid-April, with the Senate hard at work on the House-passed budget, Gov. Scott suddenly produced a major new proposal or, it turned out, a demand.

The outcome envisioned by the governor is eminently desirable. School employees would enroll in a VEHI “Gold-level” health insurance plan, with premiums far below those of the “plutonium” level plans negotiated by the teachers’ union. This

would result in reduced school budget expenses of \$75 million.

Out of that \$75 million, Scott proposes to annually fund teacher Health Savings Accounts in amounts large enough to hold the teachers harmless from the Gold plan's higher deductibles and co-pays. By owning their own HSAs, the employees would become more sensitive to the benefits of preventive care, and reduce their overutilization of "free" health care.

Scott says this new arrangement would produce "up to \$26 million" that would lower school property taxes.

The problem lies in getting from today to that outcome. The Governor wants to personally negotiate with the teachers' union to effect these changes. The Vermont-NEA union is wedded – some would say fanatically wedded - to keeping health benefits in their negotiations with local districts.

Sen. Tim Ashe's counterproposal on the union's behalf is to have the State force school boards to somehow cut their budgets if they are not able to negotiate the exact amount of reductions prescribed by the State in the legislation. It's hard to imagine a more insulting and demoralizing intrusion into what's left of "local control."

The hard truth is that the union can't "negotiate" with the State. The State has all the cards, and the union has basically none (other than a statewide strike and political revenge).

Scott needs to drop his hasty, late in the game proposal to have the State (him) negotiate with the union. Then we should do what we did with teacher retirement in 1946. The legislature should enact a law that makes teacher health insurance a state-specified benefit, defines the coverage, HSA contributions, and the 80/20 premium split (as for state employees now), and obliges the legislature to transfer the required premium dollars from the Education Fund to VEHI. If the union thinks it isn't getting enough – a chronic condition – it can appeal to the legislature to change the law.

This leaves untouched the union's statutory privilege to bargain with local districts over salary schedules, grievance procedures, hours of work, pupil discipline, sick leave, seniority, termination, vacations, special duty provisions, class schedules, dues deductions, and a dozen more issues customarily subject to bargaining.

In 2011 the Vermont-NEA aggressively supported Gov. Shumlin's Green Mountain Care, which would have taken health care out of union bargaining altogether. In 2013 it successfully supported a law imposing agency fees on non-members instead of leaving it as an issue for local bargaining. One would think it would be content to get the complicated issue of health insurance off the local bargaining table as well. But... NO!

Why is the union so fanatic about preserving "local control"? Never mind the rhetoric about "best for the community", "a sacrosanct right", and even "don't take power away from working women". The real reason is explained in an excellent report by Tiffany Pache on Vermont Digger (May 18).

The union's seven UniServe Directors (\$136,000 a year salary, plus benefits) stage manage local teacher negotiators facing often inexperienced school board members. Their whipsaw strategy is to get a favorable provision into one district's contract, and then use that as a "comparable" to persuade "fact finders" to rule in favor of the union's demand in other more resistant districts.

Scrapping the idea of "negotiations" over taxpayer-paid health insurance benefits altogether will make the union howl. But it can still play its whipsaw game with salary schedules and the many other contract issues, at least until taxpayers stiffen up and do something about it.

Democratic legislators need to tell the Vermont-NEA that Scott's desired outcome offers many benefits for both teachers and taxpayers. But to achieve them, the Democrats should explain that they aren't going to impose impractical and belittling conditions on local school districts just to preserve the union's practice of whipsawing districts on health benefits, in addition to all the other negotiated benefits.

If the Democrats can't stand up to the union to make this overall good idea happen, they are pretty likely to hear a lot about it in the fall of 2018.

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

## Commentary: Scott's Second Act Will Be Much Harder

*By Rob Roper*

Governor Phil Scott came into office pledging to put Vermont's wounded economy back on the right track. After one legislative session he gets high marks for accomplishing an important first step in saving the patient: stopping the bleeding. The new governor drew a line in the sand, threatening to veto any new taxes or fees and succeeded in getting the legislature to go along. But stopping the bleeding alone isn't a cure. Now it's time to start the real surgery to repair the damage.

Moving forward, the legislature is not likely to be as cooperative as they were on taxes, as the standoff over teachers' healthcare contracts demonstrates. Altering the status quo, particularly where special interest groups come into play, is not something they seem willing to contemplate.

The Governor is laying the groundwork, at least rhetorically, for some positive reform by reminding Vermonters relentlessly that we are losing six people from our workforce every day. Our State Domestic Product is half that of the nation as a whole at an anemic [0.8%](#).

We're not alone in this. The Wall Street Journal recently ran an article, [Northern New England's Good Jobless Numbers? They're Bad](#), highlighting the region's worker shortage brought on by a full-blown demographic crisis. Employers can't find local people to fill jobs, and they can't convince people to move here either. Faced with this reality they leave themselves, making the cycle worse. But here's the part all our state officials need to pay attention to:

*To address the issue, the states have taken a number of actions—or are considering them. Maine started a tax-incentive program several years ago to keep newly minted college graduates in the state.... New Hampshire Republican Gov. Chris Sununu has proposed a scholarship program to help students attend college and training programs in the state. He is also pushing for full-day kindergarten to help attract workers with young families.*

Sound familiar? Giving bigger subsidies to college kids in hopes that they'll stay in state? Expanding subsidies for early education in hopes of attracting young parents? Two lessons for our elected officials: Other states are doing these things too, and it's not working for them either. And, because other states are doing these things too, our doing them

creates zero competitive advantage for Vermont. First we need to think bigger, and we also need to think outside the box.

During his campaign, Governor Scott laid out an aspirational goal to increase Vermont's population to 700,000 in the next decade, well over a 10% increase from our current level. That's a huge undertaking. Achieving even a fraction of this, barring some natural or man-made disaster triggering a mass migration, will require major changes in the way Vermont operates, what we offer, and how we are perceived. Mildly tinkering with the status quo won't do it.

So, how do we break away from the pack? Where other states are zigging -- betting more and bigger government programs are the answer -- Vermont should zag -- offering lower taxes and less government interference. Become an oasis of unfettered, low cost opportunities in a sea of high taxes and bureaucratic red tape.

The major hurdles employers cite in the hiring process is the lack of affordable housing, lack of job opportunities for "significant others", and, of course, the high taxes and regulations that contribute to the overall high cost of living.

The answers to these issues are, of course, making it easier and less costly for people to build houses, making it less of a hassle and less costly to hire workers, and finding ways to dramatically lower the tax burden.

And here is where the legislature will be an obstacle to future progress. For some examples, they refused to buck the teachers' unions to reform the bargaining process for health care benefits and save taxpayers \$26 million. It doesn't get much easier than that! They refuse to buck big labor to pass meaningful independent contractor reform. They'll wave the Act 250 process for politically connected renewable energy producers, but not for other employers and home builders.

Contrarily, as we look ahead to the 2018 legislative session, the House and Senate leadership's priorities are passing a payroll tax to pay for a family leave benefit, and increasing the minimum wage to \$15 an hour -- two policies that will make it more cumbersome and expensive to hire new workers.

Governor Scott has skillfully applied some clamps and bandages to the ailing patient. He'll need a lot of political capital and support when he calls for the scalpel. Vermont is still crashing.

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

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## Support Liberty in Vermont!

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!

Ethan Allen Institute, PO Box 543, Montpelier, VT 05601

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## News & Views

**General Fund Revenues Miss Targets Big Time in April.** The Agency of Administration reports that revenue for the State General Fund missed its target by a whopping \$21.65 million, or 9.7% below expectations. The shortfall was due primarily to a \$25.34 drop off in personal income tax receipts. Given that April is a significant tax month (April 15<sup>th</sup> and all), this is an ominous development.

**College Grads Abandoning Vermont.** The career guidance site, Zippia, recently ran a study of states and how they fared at retaining college graduates. Vermont had the second worst record, seeing nearly 70% of our students leave the state after graduation and as they enter the job market. The study sampled 127,403 resumes to determine the percentage of graduates that left states for their first jobs after college. (Full Post)

**Wall Street Journal Warms VT Credit Rating at Risk.** The Wall Street Journal writes, "Federal data show Vermont's civilian labor force has been eroding for several years. The numbers in Maine have remained about flat. New Hampshire, with some towns in the southern part of the state located in Boston's exurbs, has a growing workforce. Standard & Poor's said in a recent research note that aging populations and muted economic growth in Maine, Vermont, and northern New Hampshire could weigh on government credit ratings over time." ([Northern New England's Good Jobless Numbers? They're Bad](#), WSJ)

**How "Lighthouse Settlements" Work:** "Implicitly or explicitly, labor negotiators must continually decide what justifies a concession. If a union seeks a concession that no one else enjoys, its burden of justification is likely to be insuperable. The teacher unions, therefore, try to have the most generous agreements completed first: the union then cites these "lighthouse settlements" as justification for generous settlements from the school districts that follow. The union advantage [over the school districts] results from the fact that the [NEA] UniServ directors typically represent teachers in all school districts in a given area. In contrast, the school boards are often represented by different negotiators, no one of whom has the backup data or control available to the UniServ director. – Myron Lieberman, *The Teacher Unions: How the NEA and AFT sabotage reform and hold students, parents, and taxpayers hostage to bureaucracy*. (Free Press, 1997)(p.55). Lieberman was the chief negotiator of union contracts for school districts in six states, and a consultant to both the NEA and the AFT.

**Big Trouble for Vermont Dairy.** "Meeting the [Paris climate conference] goals would require the Environmental Protection Agency to impose stringent emissions controls on vast stretches of the economy including steel production, farm soil management and enteric fermentation (i.e., cow flatulence). Don't laugh—California's Air Resources Board is issuing regulations to curb bovine burping to meet its climate goals. – Wall Street Journal editorial 6/1/17

**Carbon Tax Lobbying Army.** Guess how many registered lobbyists are working in the State House for the three leading organizations of the Energy Independent

Vermont coalition advocating for the carbon tax? Five? Twelve? Sorry, the number is 42 (VPIRG 30, VNRC 8, CLI 4). And this does not include contract lobbyists like Ellis-Mills and Necrason Group, also hired by the Carbon Tax Three to advance their interests.

**Paris Climate Accord: No Bang, Big Bucks.** Bjorn Lomborg of the Copenhagen Consensus Center calculated the cost and impact on temperatures implementing the Paris Climate Accord would have. Using “standard models and generous assumptions” he calculated that all these efforts, assuming that everyone lives up to the bargain, would reduce the expected rise in global temperature by only 0.17°C in the year 2100. “That is to say, instead of rising by 2, 3 or 4 degrees or so by the time our great grandchildren are adults, world average temperature would rise by 1.83, 2.83 or 3.83 degrees.... Lomborg also points out this invisible achievement would come at a staggering cost, somewhere between \$1 trillion and \$2 trillion a year: “Paying \$100 trillion for no good is not a good deal.” Matt Ridley's blog 5/9/17

**Science Detached from Science.** “The 2014 report of the Intergovernmental Panel on Climate Change, voice of climate orthodoxy, is cited for its claim, with 95% confidence, that humans are responsible for at least half the warming between 1951 and 2010. Look closely. This is an estimate of the reliability of an estimate. It lacks the most important conjunction in science: “because”—as in “We believe X because of Y.” Not that the IPCC fails to offer a “because” in footnotes. It turns out this estimate is largely an estimate of how much man-made warming should have taken place if the models used to forecast future warming are broadly correct.” – Holman Jenkins, [Wall Street Journal, 5/2/17](#))

**VPIRG Imagination Run Wild:** "Even the fossil fuel companies, for the most part, understand that their product will not be fueling civilization indefinitely and forever (lest we literally burn up the planet)." – Energy Independent Vermont lobbyist Thomas Hughes (VtDigger, 5/8/17) Literally burn up the planet? Really? Earth a smoking cinder?

**Another Enviro Falsehood:** "In 1973 Acts and Resolves No. 85, Secs. 6 and 7, the General Assembly Adopted the Capability and Development Plan (the Plan) called for by Act 250." - Findings, H.424, the VNRC's bill to create a Commission on Act 250. According to Arthur Ristau, State Planning Director (under Gov. Salmon), the [Act 250] Land Capability and Development Plan is not a plan at all. All it does is tighten up the holes in the sieve." (Rutland Herald, June 6, 1973).

**Another argument against carbon combustion:** "Pope Francis calls it a sin."  
- Rep. Diana Gonzalez (P-Winooski), VTDigger 5/2/17 (arguing for her carbon "fee" and dividend bill, H.531). We're waiting for the solar powered Popemobile.

**Beauty and Brains!** Kara McCullough, winner of the Miss USA pageant, shocked the world when asked if healthcare was a right or a privilege. She said it was a privilege. Why? In a nutshell, because somebody else has to pay for it. “For one to have healthcare, you have to have jobs.” McCullough is a physical scientist at the United States Nuclear Regulatory Commission. She represented Washington D.C. in the pageant.

**A “Social Justice Warrior” Woke Up.** “I see increasing numbers of so-called liberals cheering censorship and defending violence as a response to speech. I see seemingly reasonable people wishing death on others and laughing at escalating suicide and addiction rates of the white working class. I see liberal think pieces written in opposition to expressing empathy or civility in interactions with those with whom we disagree. I see 63 million Trump voters written off as “nazis” who are okay to target with physical violence. I see concepts like equality and justice being used as a mask for resentful, murderous rage.... It is not enough to speak about a belief in equality, justice, liberty, tolerance and love if by your actions you are illustrating the opposite by dehumanizing people, calling for their murder, justifying physical violence against them. Your actions speak louder than words.” Keri Smith, [On Leaving the SJW Cult and Finding Myself](#).

**The Left and Science.** "I turned against the left wing because they don't like genetics, because genetics implies that sometimes in life we fail because we have bad genes. They want all failure in life to be due to the evil system." James Watson, Nobel Prize winner best known as one of the co-discoverers of the structure of DNA.

**Vermont Watchdog has moved to True North Reports!** True North Reports is pleased to announce that it has acquired three of the reporters formerly writing for Vermont Watchdog. The addition of Bruce Parker, Michael Bielawski and Lou Varricchio has already inspired a new look to the website and newsletters. Robert Maynard will continue his work writing and editing the commentary section. Bruce Parker will be the News Editor. True North invites you to visit its sleek new website ([truenorthreports.com](http://truenorthreports.com)) to read the same news and commentary you enjoyed at Vermont Watchdog. You can also follow True North on Facebook and Twitter.

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## Book of the Month

### **The Origins of Political Order**

*From Prehuman Times to the French Revolution*

By Francis Fukuyama

Farrar, Straus & Giroux. (585 pp.)

Francis Fukuyama contends that there are three pillars of a modern, successful society: a strong, effective state, rule of law, and accountability to the governed. Just one or two of these things won't do. As with “rock, paper, scissors,” you need them all to make it work. Rule of law can't exist without a state strong enough to enforce it, for example. A state unaccountable to the governed becomes lawless and tyrannical.

All three elements first appeared in Great Britain, and were in place in many parts of the world by the end of the 18<sup>th</sup> Century. How and why? *The Origins of Political Order* takes the reader back to the earliest societies of primitive man and follows the trials, errors, failures and successes of emerging political structures over millennia. Fukuyama examines the roles of family, the emergence of religion and the church, the military as well as geography, natural resources, and technology in how political order evolves.

The author shines light onto what factors contribute to some societies evolving into stable, successful democracies whereas others don't. Why did Britain evolve, but China, which had a several hundred years head start as far as creating a sophisticated governing structure, still has yet to achieve strong rule of law or any real accountability to the governed?

Certainly good questions. However, Fukuyama (also author of *The End of History*) seems to be of the opinion that reaching that place where a society has accountability, rule of law, and sound government ultimately rule is the end of the story. This reader is more concerned with the possibility that the balanced states (such as ours) can fall once again out of balance and devolve into something less desirable. Perhaps Fukuyama will tackle this question in a promised sequel.

*The Origins of Political Order*, in essence, is a political history of Europe, China, India, the Middle East, with a little Latin America thrown in for good measure. It is a tremendous amount of information to digest – much of it is fascinating, some of it causes one's eyes to glaze over. It covers too much time, space, characters, and cultures to be an easy read. I can't recommend it as a summer beach book, but if you really enjoy dense history, it's worth picking up. You'll certainly learn a lot.

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

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## The Final Word

### June Survey

How would you rate the 2017 legislative session?

- Successful.
- Pretty Good.
- Meh.
- Disappointing.
- Other.

### May Survey Results

Should the legislature pass Gov. Scott's proposal for a statewide teachers' healthcare contract that could reduce property taxes by \$26 million without impacting benefits or student programs?

- Yes. 92.97% (238)
- No. 5.08 (13)
- Not Sure. 1.95 (5)