

Ethan Allen Institute

Newsletter - July 2016 (Printer Edition)

Top Story: 2016 Senate Roll Call Profiles Are Out

EAI has completed our 2016 Roll Call Profiles for members of the Senate, as well as for the House members (released last month). You can see how all of your elected officials represented you this past legislative session as well as in preceding sessions at <http://ethanallen.org/2015-roll-call-profiles/>.

This year's senate profile covers eight key votes mostly on taxes and budgeting, but also on mandatory sick leave, raising the spending caps in Act 46, and the legalization of marijuana. It is worth noting that the Senate has a much greater propensity to cast unrecorded voice votes on major legislation than does the House. This is why, for example, we have no record of who in the senate voted for this year's property tax increases.

In order for a roll call to be taken, a member must call for one, and that request must be sustained by fellow members. So, if you'd like to see more senate Roll Call Reports and more in depth senate Profiles in the future, let your senator(s) know you want and expect them to call for the roll!

Each House and Senate member has his or her own EAI web page, for which we encourage you to share the link with your friends and neighbors. Along with the information about how your Representative voted you will find contact information for the Rep and the district he/she represents.

We are excited to offer this service to Vermonters and hope that you find it to be a useful tool in educating yourself and others about these important issues.

Mercatus Center Ranks States' Vermont's Fiscal Health In Bottom Third

The Mercatus Center of George Mason University released its annual evaluation, Ranking States by Fiscal Condition. Says the report:

The financial health of each state can be analyzed through the states' own audited financial reports. By looking at states' basic financial statistics on revenues, expenditures, cash, assets, liabilities, and debt, states may be ranked according to how easily they will be able to cover short-term and long-term bills, including

pension obligations.

Vermont ranked 36th overall — the bottom third — based on our cash solvency (30th), budget solvency (27th), long-run solvency (34th), service level solvency (47th), and trust fund solvency (6th). The Vermont Summary page concludes,

On a cash basis, Vermont has between 1.28 and 2.23 times the cash needed to cover short-term liabilities. Revenues exceed expenses by 3 percent, for a surplus of \$269 per capita. On a long-run basis, Vermont has a negative net asset ratio of -0.03, and total liabilities are 38 percent of total assets. Total debt is \$595 million. Unfunded pension liabilities are \$4.48 billion on a guaranteed-to-be-paid basis, and other postemployment benefits (OPEB) are \$1.84 billion. These three liabilities are equal to 23 percent of total state personal income.

Our worst category, a 47 for “service-level solvency,” is a reflection of “how high taxes, revenues, and spending are when compared to state personal income.” In other words, is there any tax capacity left in case of an emergency, and in Vermont the answer is no.

Our best area was trust fund solvency, #6, really just means other states are far worse off than Vermont. Our unfunded pension debt is \$4.48 B, plus another \$1.84 B in other post-employment benefits. Harley something to cheer about.

For those curious, the fiscally healthiest states are Alaska, Nebraska, Wyoming, and the Dakotas. The five least fiscally healthy states are Connecticut, Massachusetts, New Jersey, Illinois and Kentucky.

Commentary: Making Sense of the Climate Change Battle

By John McLaughry

Citizens without a physical science background naturally find it hard to know what to believe about the claims put forth by those who believe in a coming human-caused climate catastrophe.

The climate alarmists – for want of a better description — define “climate change” as increasingly serious and potentially catastrophic changes in global temperatures, sea levels, sea ice, glacier melt, hurricanes, droughts, floods, and species extinction, caused by the carbon dioxide released by humans who burn fossil fuels to power their economy and lifestyles.

With increasing urgency, they declare that “climate change is real!”, “97% of scientists agree that the science is settled,” and there’s nothing left to discuss. They paint those who ask for credible scientific evidence not merely as “skeptics” – fair enough — but as contemptible, ignorant, right-wing anti-science “deniers” – as in “Holocaust deniers” – most likely on the take from the evil fossil fuel companies.

The deliberate intent of this vitriolic onslaught is not only to mock the skeptics, but to deny them any opportunity to make their case, and to destroy the reputation of anyone who isn’t willing to subscribe to the frightening pronouncements of Al Gore,

Bernie Sanders, Peter Shumlin, and VPIRG.

Last year a survey by the Oxford University Press' Climate Change and Society found that "by the end of 2010, 467 unique organizations had been identified as part of the national climate change movement. The Climate Action Network, with its 900 global member groups, formed the largest coalition." This public relations machine is amply funded by lots of government, liberal foundation, and special interest dollars.

Which special interests? Mainly the renewable energy industry, that thrives on subsidies for themselves and expensive burdens placed on their competitors. They are supported by a sizable number of politicians who understand that when governments take control of energy, they get control of the whole energy-dependent economy, which liberals find very agreeable.

The party's getting rough. Last September 20 government-supported academics, including Dr. Alan Betts, of Pittsford, demanded that the Obama Justice Department launch an investigation of climate skeptics and their organizations, under the Racketeer Influenced Criminal Organization (RICO) act.

Then on March 29 a group of Democratic state attorneys general, prominently including Vermont's William Sorrell, joined Al Gore to announce a coordinated effort to explore litigation against fossil fuel companies for the questionable offense of not telling the world whatever they knew about climate 30 years ago.

There are of course many sincere individuals and organizations with a justifiable concern about the climate effects of fossil fuel combustion, who won't stoop to vilifying skeptics and demanding their prosecution. They are however far less visible in the media than the heavily funded organizations denouncing "climate deniers."

What particularly annoys informed skeptics is that they are dedicated defenders, not deniers, of science. They all agree that the Earth's climate is always changing, and that the human-caused increase in carbon dioxide emissions makes some contribution to increased global temperatures. But as scientists, they ask that the proponents of catastrophic climate change produce observational evidence – not merely their own contrived (and increasingly failed) supercomputer programs — for the proposition that human-caused greenhouse gas emissions have been the dominant cause of a global temperature increase since 1950, and it will get worse over the next century unless curtailed.

The skeptics also ask that the alarmists explain why the global climate at the end of the Little Ice Age (around 1850) was better for humanity than today's one degree C warmer climate. They refuse to accept, without evidence, the "positive feedback" conjecture that the alarmists say transforms slow, naturally variable temperature changes into a climate catastrophe. And they observe that atmospheric carbon dioxide gives us the immeasurable benefit of the growth of plants that feed animals and humans.

The skeptics are indignant that some prominent climate scientists have refused to make public their data – a serious scientific no-no. Some have been caught actually falsifying data, such as the "hockey stick graph" of the 1990s.

Big money is riding on the climate change debate. That's why big money is being spent so lavishly to bankroll the climate change propaganda campaign, and also by the fossil fuel industry defending itself against extinction. A win for the alarmists means more reliance on high-priced, subsidized and non-dispatchable energy sources like Big Wind and Big Solar, plus billions more in taxpayer dollars that Obama's Paris Agreement requires the West to ship to struggling Third World countries to compensate them for forswearing the cheaper energy they want for economic growth and well-being.

A rational person needs to focus on the actual science, not what the warring interests, the UN's IPCC, and headline-seeking politicians and media claim about the science. He or she should insist that all scientists submit their work to open debate and respond to the hard questions, instead of heaping abuse on the questioners.

That's a tall order for most readers. A fallback alternative is to discount the alarmist claims, oppose their tax, subsidy and mandate prescriptions, and hope that this highly politicized episode soon blows over before we're taxed-poor and energy-starved.

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

Commentary: Time to Sue Climate Alarmists?

by Rob Roper

In response to a lawsuit by sixteen Democratic and one Independent attorneys general (Vermont's Bill Sorrell among them) claiming that Exxon Mobil committed "fraud" in regard to that company's non-alarmist position on climate change, a group of thirteen Republican AGs made a salient counterpoint in an [open letter](#) to all Attorneys General: "If minimization is fraud, exaggeration is fraud." What's sauce for the goose could turn out to be sauce for the gander.

If Exxon and/or think tanks that question the alarmist talking points on climate change can be sued for making statements that minimize the burning of fossil fuel's influence on global temperatures or extreme weather events, then organizations that have raised money, sold products and services, or applied for government grants with claims such as, "Act now, or the polar ice caps will be gone by 2014!" can also be investigated and prosecuted.

This is a very dangerous trend, wherein elected officials are essentially criminalizing the thoughts and actions of their political opponents. It is also rife with some very ugly corporate cronyism.

As the Republican AGs point out, the name of their counterparts' coalition is "AGs United for Clean Power." AGs are supposed to act on behalf of all citizens of their states, and enforce the principle of equality under the law. They are not supposed to act an agent for one sector of the energy industry over another. This is not really a fraud investigation, but rather a group of government officials abusing their power to take down the business competitors and critics of a political ally. Or, as the letter diplomatically puts it, they have "taken the unusual step of aligning themselves with the competition of their investigative targets."

We saw this kind of intimidation on a smaller though no less chilling scale here in Vermont. Just this past winter Attorney General Sorrell launched an investigation into charges that anti-wind activist Annette Smith was practicing law without a license when she advised local citizens about how to fight unwanted wind turbines being placed in their communities. It turned out that the suit against Smith was sparked by Ritchie Berger, an attorney who represents David Blittersdorf of All Earth Renewables. Blittersdorf would no doubt love to see Smith go away, or at least shut up. The suit was dropped after considerable public outrage at the heavy-handed tactic, and, although Smith was not intimidated away, she did have to spend considerable time and resources fighting

the charge, which is time taken away from her cause.

Ironically, Sorrell himself is now being sued for withholding public records related to AGs United for Clean Power lawsuit, which is pretty much what he says Exxon did. If, as his accusers suggest, Sorrell has been colluding with others to use this lawsuit as primarily a way to go after and silence conservative voices, violating their First Amendment rights – “a legal conspiracy to harm the constitutional rights of others” -- he could, in fact, be the one indicted for violating RICO (Racketeer Influenced and Corrupt Organizations Act) laws.

The Republican AGs note in their letter that, “it has been asserted that ‘fossil fuel companies’ have funded non-profits who minimized the risks of climate change. Does anyone doubt that ‘clean energy’ companies have funded organizations who exaggerated the risks of climate change?” Or exaggerated the supposed benefits of particular climate change policies?

VPIRG’s February 2015 fundraising appeal stating, “Keep Vermont Snowy”, and warning: “Imagine a Vermont without snow. No skiing. No snowmen. No sledding. No ice skating.... It’s the very real future we face unless we act now to confront global warming,” comes to mind. “Act now” means supporting a Carbon Tax, yet there is no evidence that passing a Carbon Tax in Vermont would, in fact, keep Vermont snowy or have any impact whatsoever on future temperatures. Is Attorney General Sorrell all over this one? No.

But, this not the way to resolve these debates, and government power should not ever be used as a political weapon. Lawsuits and counter lawsuits will not benefit public discourse or encourage people to work together. They will harden divisions and heighten the polarization that already grips the country, not to mention they will have a chilling effect on our First Amendment rights to free speech and press.

As Luther Strange, the Alabama Attorney General, stated in a recent opinion piece, “By redefining political opposition as fraud, the AGs United for Clean Power have opened the door to oppression. It’s time to slam that door shut and ensure that everyone, no matter what their political persuasion, can speak their mind.” Hear, hear!

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

Guest Commentary: Big Rewards for Thinking Inside the Box

By David Kelley

The authors of Act 46 said their goals were: 1. educational equity, 2. academic excellence, 3. efficiency, and 4. transparency. Only the Grinch who stole Christmas would oppose those goals.

But there is a serious disconnect between those goals and what Act 46 actually does. Act 46 does not reward equity. Act 46 does not reward academic excellence. It doesn’t reward efficiency, transparency or even making voters happy. Act 46 rewards school districts that adopt Montpelier’s “preferred structure.” Act 46 tells school districts we are going to give you money (and we’ll take it out of the state education fund) if you centralize your governance and adopt our “preferred structure” — that is to say, if you think inside our box and do away with local school boards. There is almost no empirical research that connects Montpelier’s preferred structure, with the professed goals. In fact,

the experience of states like Maine and North Dakota would lead to a different conclusion. And if anyone thinks that a more centralized government is a more efficient government they need to stop taking psychedelic drugs.

There are some almost tragic consequences of thinking inside Montpelier's box: Act 46 short-circuits community engagement. Montpelier's preferred structure means doing away with local school boards and merging them into a single, centralized board to govern multiple districts. Overwhelming research repeatedly underscores that community engagement is one of the essential qualities of high performing schools. Local school boards are the single most important connection to the community and they still provide the best budget oversight, despite all of Montpelier's mandates.

Despite repeated claims to the contrary, Act 46 puts small schools on the chopping block. Many of the mergers give the new centralized board the power to redraw attendance boundaries. Towns with the most clout on a centralized board can close small schools or alter who attends those schools in the name of efficiency. There is a heavy price to be paid for that so-called efficiency. In terms of equity and quality many small schools offer opportunities that large schools don't. The research is compelling: See [Link](#) (at page 36) and [Link](#).

And if consolidation is such a great benefit, why have we got to bribe anybody to do it?

Sadly, the State Board of Education has senselessly interpreted their preferred structure or the "box in which they want us to think" to require many towns that have had school choice for over 100 years to sacrifice that choice on the altar of consolidation. The number of towns resisting that sacrifice is a testament to the value of school choice.

Another consequence that is ignored by its promoters is the fact that Act 46 siphons money from school districts that need it most. There are some larger, more urban communities, where mergers make sense and where mergers are easily "accelerated." They get the tax rewards. But those rewards are not pennies from heaven. Those rewards come from the state's education fund. In order to reward the bigger, simpler and perhaps even sensible mergers, the state is effectively taking money away from those complex districts that don't, or can't, think inside Montpelier's box. Those districts are the small, rural districts where schools are the heart and soul of a community. And if consolidation is such a great benefit, why have we got to bribe anybody to do it?

Quality, equity, efficiency and transparency is a tall order and there are no silver bullets. Montpelier's "preferred structure" certainly isn't one. If we want transparency we could start by creating a funding formula that the average voter can understand. Today even most legislators don't understand the formula.

We all want efficiency. If Montpelier wants to help, then Montpelier should reward efficiency. We all want academic excellence. Montpelier should reward academic excellence. If we want educational equity we should have a meaningful conversation about what educational equity really means. What Montpelier doesn't understand is that bigger is not necessarily better or more equitable.

Most of all we should encourage school districts to think outside the box. None of the most meaningful initiatives are easy. But some are trying with real imagination. Montpelier High School is reaching out to tuition-paying students from foreign countries. Orleans Southwest Supervisory Union is creating a program to bring more special education students back to the district, instead of sending them long distances to special schools. The biggest limits to efficiency and quality are the limits of our imagination. Instead of strait-jacketing that imagination with "preferred structures" we should be

creating incentives to unleash local imagination and rewarding real solutions. Montpelier should be empowering local school districts, not disposing of them.

Thomas Jefferson put it this way: “If you can’t trust people to govern themselves, how can you trust them to govern others?” Act 46 answers that question. You can’t.

- *David Kelley, an attorney who is chair of the Hazen Union School Board.*

Events

August 13. Rob Roper will present “Four Major Tax & Spending Issues for 2017 to the Andover VT, Republican committee. If you would like to have this or another EAI presentation put on for your organization, please contact rob@ethanallen.org.

News & Views

No Coke, No Smile in VT. [WCAX reports](#) that Coca-Cola is advising stores that it will pull some of its products from Vermont shelves, such as individual cans and bottles, due to the implementation of the state’s new GMO labeling law as of July 1. The cost to comply with the law just doesn’t make sense. It’s not yet clear how many more major food manufacturers will follow suit. So, thanks Montpelier for one more reason to shop in New Hampshire.

Long, Cold Winters Not Enough. UVM Economist Art Woolf noted that the Vermont birth rate has dropped precipitously, both in real terms and in comparison to the national average. Only 5093 babies were born in 2015, compared to the peak year of 8500 in 1989. According to Woolf’s estimate, “Vermont had the lowest fertility rate in the nation in 2015, with 50.8 births per 1,000 women age 15-44. For the nation as a whole, the fertility rate was 62.5 — the lowest it has ever been, but still significantly higher than Vermont’s.” Looks like Vermont’s economy is a real turn off.

Ban on Semi-Automatic Firearms? Calls for new gun control measures in the wake of the Orlando terrorist attack have reached a crescendo in Vermont, capped by Lt Gubernatorial candidate David Zuckerman’s statement that he’d be open to a ban on all semi-automatic firearms. He said, “It seems like [semi-automatic firearms] are not really necessary to the world of hunting and self defense. If you’re using a pistol or rifle for self defense, that should do. But, I just think it’s not necessary to have semi-automatic weapons for the most part. ([WCAX, 6/22/16](#))

The Green Inquisition. “The goal of the Exxon probe isn’t to protect consumers or help the environment. It’s a message: Oppose us, and we will marshal our terrifying government powers to intimidate and threaten you, to force you to spend millions defending yourself, to eat up the time you’d otherwise use speaking out.” Kimberly Strassel, [Wall Street Journal](#)

Crony Environmental Policy. State Rep. Paul Poirier, I-Barre City, summed up the governor's veto of a renewable energy siting bill (S.230), and the legislature's subsequent passing of a new bill in less than a day (S.260): "This is nothing but catering to the wishes of the big deep pockets that give money to political candidates to promote wind. I believe that is what the governor changed his mind on," Poirier said. "The bottom line is the winners in this are the big wind developers." (Source: [Vermont Watchdog](#))

What to Cut? Start Here. According to the [Vermont Press Bureau](#), the Legislature's Joint Fiscal Office has estimated that as many as 15 percent of the state's Medicaid enrollees are not eligible for the program. As many as 11,700 Vermonters may have been automatically enrolled in Medicaid during the transition from Catamount Health to the Affordable Care Act. These people, however, are not eligible under the new rules.

Free College! Not smart. Two gubernatorial candidates are trying to one up each other on how "free they can make college in Vermont. Sue Minter (D) outlined a plan to offer free access to the Community College of Vermont or Vermont Technical College for the first two years, after which students could continue for half price. The proposal comes with a \$12 million annual tab. Not to be outdone, Peter Galbraith wants to give away all four years away for free at all Vermont state colleges to graduates of Vermont high schools provided they have the grades to get in. His plan will cost an estimated \$29 million annually, but just to be safe he's calling for \$50 million in tax increases to pay for it.

Vin Scully's Home Run. The legendary baseball announcer shook things up during a Dodgers v. Brewers game by calling out socialism for the inevitable mess that it is. "Socialism, failing to work as it always does. This time in Venezuela. You talk about giving everybody something free and all of a sudden, there's no food to eat. And who do you think is the richest person in Venezuela? The daughter of Hugo Chavez. Hello! Anyway... 0 and 2. " Thanks for speaking up, Vin!

Act 46 Mergers Shot Down. While several Act 46 mergers have moved forward towns in the Northeast Kingdom and Franklin county overwhelmingly rejected merger proposals, largely to protect local school choice. There was also reported sentiment in the towns that they were being forced into doing something on the rush. So, there is hope that more and more communities are catching on!

Like We've Been Saying. "Two years ago, Berkshire's CEO, Warren Buffett, explained why his companies are in the wind business. 'We get a tax credit if we build a lot of wind farms. That's the only reason to build them,' he said. 'They don't make sense without the tax credit.'" - Robert Bryce, Manhattan Institute, (NR 6/6/16)

We Have Work to Do. "In another eye-popping poll, 54 percent of Americans agreed with the statement that "a political revolution might be necessary to redistribute money from the wealthiest Americans to the middle class." Just 30 percent said they disagreed, according to the survey, which was conducted by the Morning Consult for Vox in January." (Washington Post 202, 6/10/16)

The Progressive Economic Model: "Raise taxes relentlessly in the name of soaking the

1% to pay off government unions. When that drives people out of the state, subsidize the [top] 0.1% to salvage at least some jobs and revenue. [Connecticut hedge fund manager] Ray Dalio gets at least some of his money back [in return for not relocating out of Connecticut]. The middle class gets you know what." Alyssia Finley (WSJ 6/2/16)

Swiss Voters Nix Guaranteed Income. "Swiss voters on Sunday overwhelmingly rejected a proposal to guarantee an income to Switzerland's residents, whether or not they are employed. About 77 percent of voters rejected a plan to give a basic monthly income of 2,500 Swiss francs, or about \$2,560, to each adult, and 625 francs for each child under 18, regardless of employment status, to fight poverty and social inequality and guarantee a "dignified" life to everyone. (NYT 6/5/16)

A Thought for the Fourth. "If ye love wealth better than liberty, the tranquility of servitude better than the animating contest of freedom – go home from us in peace. We ask not your counsels or your arms. Crouch down and lick the hands which feed you. May your chains set lightly upon you, and may posterity forget that you were our countrymen." (Sam Adams, Philadelphia, August 1776)

Book of the Month

Jefferson's War

America's First War on Terror

By Joseph Wheelen

Public Affairs, 2004 (464 pages)

<https://www.amazon.com/Jeffersons-War-Americas-Terror-1801-1805/dp/0786714042>

Okay, this review is off by one war given our annual Independence Day celebrations, but it does touch on the history of a great founding father and some of the key bedrock values and principals that defined our young nation. And, it's an exciting and interesting read!

Jefferson's War covers a roughly two decade period at the outset of our nation's history when the infamous Barbary "pirates" – really a group of four Muslim states, Algiers, Tunis, Tripoli, and Morocco -- made their living raiding shipping off the Northern coast of Africa. The European powers dealt with the issue largely by paying off the pirates with tribute. Jefferson had other ideas, believing that it would be better, cheaper, and more honorable to invest the money in a new American navy and use it to crush the pirates.

However, building and sending a navy to the Mediterranean wasn't the U.S.'s first policy. President Adams, rejecting Jefferson's advice, tried to buy off the pirates, and made treaties with them. Predictably, they didn't last long as the demands for more came quickly and the leaders of the four states, either out of genuine outrage or contrived posturing, continuously accused the U.S. of treating his rivals better him – and demanding equal treatment. This bizarre dynamic with matching personalities makes the political story in Jefferson's War every bit as interesting as the military aspects.

As president in 1800, Jefferson had had enough, and, sparked by the capture and kidnapping of an American merchant crew, authorized a plan to deal with the pirates militarily. The story that unfolds from this decision is the history of the birth of the American navy, with the launching of ships such as the Constitution, and the officer careers of Stephen Decatur, Issac Hull, and David Porter.

Wheelen also delves into the Muslim culture that spawned these “terrorist” states of the late 18th and early 19th centuries, drawing not so much parallels to modern conflicts, but insights into the roots of what we are dealing with today.

Jefferson’s War is a straight history, but reads like a novel. It’s filled with sea battles, land battles, politics and palace intrigue. Personally, I knew very little about this chapter of U.S. history and found the book to be eye opening in many respects. Highly recommended.

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

The Final Word

July Survey

Did your Vermont State Representative(s) vote the way you would have liked in 2016?

- Yes, always.
- Yes, most of the time.
- No, rarely.
- No, never.

June Survey Results

Did your Vermont State Representative(s) vote the way you would have liked in 2016?

You Said....

- Yes, always. 2.63% (1)
- Yes, most of the time. 7.89% (3)
- No, rarely. 50% (19)
- No, never. 39.47% (15)