

# Ethan Allen Institute

Newsletter - June 2014 (Printer Edition)

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## Top Story: EAI Partners with Vermont Business Magazine on Health Insurance Survey

The Ethan Allen Institute partnered with Vermont Business Magazine to survey small businesses about how Act 48 and Vermont Health Connect as affected their decisions of whether or not to offer health insurance to their employees. Of 456 total businesses that had made a decision about their health insurance coverage, 45.2 percent reported they will participate in the Vermont Health Care Exchange. But only about 2 percent of all respondents reported that their businesses had not offered insurance in 2013, but planned to enroll in the Exchange in 2014. 36.5 percent of companies that offered health insurance coverage in 2013, dropped it in 2014.

“It’s clear from the survey numbers that there is still quite a bit of uncertainty surrounding the state’s health care policies,” said Robert Roper, President of the Ethan Allen Institute. “Where there is movement in the business community, it is overwhelmingly to stop offering insurance as a benefit and to send their employees into the currently dysfunctional Vermont Health Connect Exchange, where these employees can claim Obamacare credits.”

“The Shumlin Administration,” Roper said, “hopes to convert those credits to federal funding for Green Mountain Care (single payer) in 2017. Therefore, this divorcing of health insurance from employment is what the incentives in Act 48 were designed to bring about. Businesses who are concerned about their employees will have to consider whether unloading them into the Exchange will be good for them, especially if the whole shaky scheme breaks down, leaving the employees with no insurance, no credits, and no Green Mountain Care.”

### Survey Results

Company Choice	# Respondents
YES/YES: Coverage Continued	197
YES/NO: Coverage Dropped	113
NO/NO: No insurance in 2013 or 2014	137
NO/YES: Added Insurance	9
<b>TOTAL</b>	<b>456</b>

# Commentary: Forgiving Ancient Environmental Injuries

*by John McClaughry*

From 1906 to 1951 the Springfield municipal gas plant converted coal to gas and piped it to homes throughout the village. In that latter year liquid propane became a much better option, so grinding and heating coal was discontinued. Left behind was a bunch of contaminated structures, pipes and buried barrels of coal tar mixed with various environmentally nasty byproducts.

The old gas plant site was, however, right on Clinton Avenue, the main road into the village. The town government was eager to get the old plant demolished and the site returned to the tax rolls for some better (and cleaner) use. In 1997 Vermont-owned Bradford Oil Co. bought the eyesore of a site to build a modern gasoline plaza and convenience store. The Springfield Regional Development Corporation (SRDC) rejoiced.

After purchasing the site, Bradford Oil learned that it was more contaminated than it anticipated. Under state supervision, Bradford Oil proceeded in 1999 to demolish the remaining gas plant structures and haul away some 25 truckloads of rubble and soil. It also installed four monitoring wells to check groundwater. There was some evidence of contamination, but in June 1999 the state Agency of Natural Resources (ANR) agreed that “active remediation was not necessary”. That is, after 48 years the contamination had apparently settled in place and didn’t threaten to migrate into the Black River or an aquifer. The company stopped submitting monitoring reports in 2001.

Four years went by. During that period the SRDC became deeply involved in trying to revive the sprawling and long-closed Jones and Lamson plant across Clinton Avenue, downhill from the gas plant site.

Concerned about the impact of the old gas plant on the J&L site, the ANR ordered Bradford Oil to resume and expand monitoring. The company, which had spent well into six figures with its initial site cleanup and monitoring, declined. In effect, Bradford Oil said “the state agrees that our site is stable, and whatever may have happened before 1951, we’re not responsible for whatever problems the J&L site may or may not have now.”

In late 2005 ANR advised Bradford Oil that it was a “Potentially Responsible Party” with respect to the J&L site. It proceeded to file a civil enforcement action against the owner of what by then was a clean, modern gasoline plaza.

From Bradford Oil’s point of view, it bought a commercial site with strong town support, cleaned it up under state supervision, and contributed absolutely nothing to whatever contamination might have appeared years before down at the J&L site.

The parties actually responsible for the coal tar contamination are long vanished. But from the state’s point of view – and this is the crux of the legal controversy - state law requires the present owner to pay for whatever remedial steps the state thinks might be necessary for the J&L site.

Bradford Oil’s lawyers argue that the 1985 statute governing liability for environmental damage makes a party liable only for the cleanup costs that correspond to its contribution to the problem. Since Bradford Oil contributed nothing to the problem – and in fact spent lots of money cleaning up somebody else’s problem – they say its liability should be zero.

Any state administration would want to see the vacant J&L factory become the

home of a thriving new enterprise. If the state insists that for that to happen, heroically expensive steps must be taken to remedy a problem that has been stable for decades, and the only deep-pocket party who can be made to pay is the present owner, Bradford Oil, who admittedly didn't cause any of the problem, it could be very hard for anyone to recycle old properties into usefulness.

For the ANR lawyers, putting whatever legal screws it can find to Bradford Oil is a better solution than just agreeing with ANR's own 1999 assessment and calling off the whole decade-long legal struggle. (A large part of the J&L site is now owned by SRDC, which ANR can't realistically sue to finance a cleanup.)

Yes, the perpetrators of environmental damages should be made to remediate and pay. But when the damages were committed sixty or a hundred years earlier when environmental laws were more primitive or nonexistent, and there's no perpetrator left to enforce against, it's time to let ancient injuries go unpunished, and give the Bradford Oils of the world the chance to recycle dilapidated properties, create new wealth, and increase tax revenues for the public benefit.

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

## Commentary: VA Scandal Raises Red Flags for Single Payer

*By Rob Roper*

“Let's talk about big government run [healthcare] plans,” Vermont Senator Bernie Sanders needled fellow Veterans' Affairs Committee member John McCain. “I don't want to shock anybody here and have people dashing out of the room, but the VA (Veterans' Administration) is a socialized healthcare system, right Mr. McCain? Socialized medicine.”

Yes, it is.

As Senator Sanders pointed out, in the socialized system of the VA, the staff is “not out there busy raising money; charging them [customers] money.” We hear similar arguments in favor of implementing a government-run, single payer healthcare system here in Vermont. Get the profit motive out of our healthcare system, get private sector people who are motivated by greed out of the healthcare system, and everyone will get all the care they need when they need it.

The recently unfolding scandal at the VA involving bureaucratic fraud, care denied to patients, cover-ups, and the deaths of some forty veterans in the Phoenix, Arizona, VA while they waited months and in some cases over a year for an appointment should raise some red flags for Vermonters. We are just a few years away from entering our own VA-like system: single payer Green Mountain Care. As such, it's in our best interests to ask some hard questions about the root causes of how a government-run healthcare system allowed these things to happen.

First, a brief review of what happened in Phoenix. The managers of the Veterans'

hospital there were caught covering up that fact that 1400 to 1600 patients were denied care while being placed on waiting lists for up to fourteen months to see a doctor. The VA has a policy to provide all care in a “timely manner,” which is supposed to mean within thirty days (Green Mountain Care’s promise is more vague: care “at the appropriate time in the appropriate setting”). Allegedly, as a result of the failure forty veterans passed away while waiting to see a doctor.

In order to cover up what was happening, hospital staff kept two sets of books, an official but fake set showing patients receiving the timely care politicians had promised, and a second “secret” set that reflected the grim reality.

The Phoenix story is not an isolated incident. Since Phoenix, similar accounts have emerged in over twenty-five states. Neither is this a new issue. Quality questions have dogged the VA for years. During the Bush Administration the Walter Reed facility in Maryland was the focus of some scandalous quality issues in which, according to the Washington Post, “troops who lost limbs and suffered traumatic brain injuries or post-traumatic stress were quartered for months in moldy and rodent-infested rooms with inadequate follow-up care.” It doesn’t matter who’s running the system. It’s the system.

So, how does this happen and why does it never get fixed in a government-run, socialized system where the profit motive has been removed?

Let’s be honest, people in government have the same personal profit motives and are just as prone to greed as anybody else. It’s not because of an absence of greed that six of the top ten richest counties in the country today are suburbs of Washington DC, and 13 of the top 30 form a circle around the capital. The power of government is a tempting tool for those wishing to enrich themselves and their cronies.

At the Phoenix VA, an article in Forbes reports:

- Staff salaries were as high as \$357,528 for doctor executives and \$147,724 for nurse staff. The average Arizona doctor makes just over half of what the top-paid Phoenix VA doctors make, according to federal stats.
- From 2011 to 2013, over \$843,000 in bonuses were awarded to the staff.
- The hospital's 2013 gardening budget was more than \$180,000.
- The hospital's interior design bills surpassed \$211,000 for the past three years.

The problem with any government run system is that the bureaucrats running that system are not accountable to the people being served by that system. Bureaucrats are ultimately accountable to the politicians who control their funding, and that’s who they aim to please. Politicians aren’t accountable to patients, they’re accountable to voters, and that’s who they aim to please. What do politicians seeking re-election hate more than anything else? Bad headlines. What do voters hate more than anything, politicians who raise taxes.

Problems don’t get fixed because in order to fix them, you have to draw attention to the fact that there is problem in first place, and that’s bad headlines. Fixing a problem once admitted to will likely require more resources and higher taxes. Better to just call the situation a “big nothing-burger” and promise big fixes after the next election. If this

weren't the case, the VA would have been fixed long ago.

- Rob Roper is president of the Ethan Allen Institute

## Commentary: Banner Year for the Liberal Legislature

by John McClaughry

The biennial legislative session has just concluded, and it was a banner year for Vermont's version of advanced liberalism. Consider these features:

The 2015 General Fund budget grew by 5.6% over the 2014 budget approved a year ago. That means that state spending is increasing about twice as fast as state revenues, thus undoing years of careful work to ensure "sustainability" in state finances.

The Education Fund grew to \$1.513 billion, a 4.4% increase over last year, even as pupil attendance continued to decline. To cover the annual shortfall produced by school district voters, the legislature increased the residential education property tax base rate from 94 cents per \$100 Fair Market Value to 98 cents, and the non-residential tax rate from \$1.44 to \$1.515. This was on top of 5 and 6 cent increases in those rates last year.

This was a banner biennium for the labor movement. The Vermont State Employees Union first won a long-sought blanket authorization to pocket "agency fees" for representing non-member state employees. The fees are 15% below union membership dues, but there is no assurance that non-members will not be made to pay for the union's political activities.

The AFL-CIO won two major victories. First it got the willing legislature to authorize independent home service providers to form a pseudo-union to bargain with the State over subsidies for persons receiving home services. Since the legislature has to authorize the money for the program, there's not much the State's bargainers can actually deliver, and the providers can't go out on strike if the subsidies aren't enough.

Then Labor got the legislature to authorize a similar pseudo-union for providers of subsidized day care to children. The key feature of both of these measures is to swell the coffers of the unions by requiring payment of dues and agency fees.

A major victory for modern liberalism was passage of the job shrinkage bill, also known as increasing the state minimum wage. Vermont's current minimum wage, already the second highest in the nation (\$8.73), will go up in stages to \$10.50 in 2018. Gov. Shumlin successfully argued that increasing it that much in one year would hurt small businesses too much too soon.

The education lobby, pushed as always by the VT-NEA teachers union, finally succeeded in getting the legislature to mandate that all school districts offer universal pre-kindergarten. Even so loyal a Democrat as Senate Appropriations Chair Jane Kitchel, concerned about the impact the legislation will have on property taxpayers, balked at this one, but it sped on to passage. To the public school lobby's dismay, a sweeping bill to consolidate school districts, and another to strangle Vermont's independent schools, failed in the adjournment crunch.

The enviros put the state in charge of private property in a 250 foot strip around lakes. Another new feature was the authorization to Efficiency Vermont use ratepayer

money to subsidize the installation of energy-saving heat pump systems, the savings from which will end up in the pockets of homeowners with \$25,000 to invest.

The legislature approved a bizarre scheme from Treasurer Beth Pearce, whereby the state will stop paying for the retired teachers' health care costs out of their retirement fund, which is only 60% funded, and instead "borrow" \$28 million from the state's Rainy Day Fund, which is also underfunded.

The Free Press report noted that the majority "protected their governor's plans to enact universal health care in the next two years by fending off efforts to pin him down to revealing how he would pay for it" – that is, how he proposes to raise \$2 billion in new taxes.

If there should be a 2014 surplus of \$4.5 million – not likely – the legislature voted to turn it over to Shumlin to distribute to whichever businesses are thinking about departing Vermont. The idea that maybe we ought to back off the taxes, mandates and regulations that cause businesses to think about moving did not get any consideration.

Perhaps the two most symbolic, if ineffectual, liberal victories were the GMO and Con-Con bills.

The GMO bill was touted as "letting consumers know what's in their food". In fact, food manufacturers are allowed to say that their products "may contain Genetically Modified Organisms" (or not). The only certain result of this measure will be a multimillion dollar lawsuit that the state will most likely lose.

The Con-Con bill made Vermont the first state in the union to call for a constitutional convention to propose an amendment to repeal the First Amendment's guarantee of free speech for everybody, and limit it to those whose speech is favored by liberals. Nice!

There are more advanced measures that liberals did not push through this year, but they'll surely be back next year to try again.

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

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## Events

**June 10.** New Leadership & Activist Training Session in Lamoille County. 6:00 pm to 9:00 pm, registration open at 5:30 pm. \$15 per person, includes all materials and light refreshments. Location TBT Contact Rob Roper if you are interested in attending at [rob@ethanallen.org](mailto:rob@ethanallen.org).

**June 11.** New Leadership & Activist Training Session, Caledonia County. 6:00 pm to 9:00 pm, registration open at 5:30 pm. \$15 per person, includes all materials and light refreshments. Location TBT Contact Rob Roper if you are interested in attending at [rob@ethanallen.org](mailto:rob@ethanallen.org).

Training Topics Include:

- Mastering Campaign Planning: A campaign without a plan won't get very far—this covers what a campaign plan should look like, what should be on it, and how detailed and flexible it should be.
- Making the Ask: Fundraising and Budgeting: Who to ask, how to ask and how it

will be spent.

- Connecting with Voters: Finding information on who votes, contacting voters through direct contact and GOTV efforts.

## **Summer Golf at Country Club of Vermont!**

Thanks to the generosity of our friend George Rieger, anyone who donates \$100 or more to EAI this summer (June 1-August 31) can claim a free round of golf (18 holes) at the Country Club of Vermont in Waterbury.

The Waterbury course, according to the club website, “was designed and built by Graham Cooke & Associates, Inc. (GCA) of Montreal and Vancouver, Canada and Turin, Italy. Architect Graham Cooke calls the location “enormously powerful” and took an active role in developing the course. With lovely views in all directions, it truly is a remarkable setting for a remarkably executed course.... Golfers and non-golfers alike have described the site as a magnificent setting for a golf course.”

Please make checks payable to  
Ethan Allen Institute P.O. Box 543, Montpelier, VT 05601  
and write "GOLF" in the memo line.

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## **May Roll Call Reports**

- House votes for Mandatory School District Consolidation (76-60)
- Senate Votes for Moratorium on Public Schools “Going Independent” (9-19)
- House Votes to Force Non-Union Early Childcare Providers to Pay Fees to Union (53-86)
- Senate Votes to Force Towns to Fund Pre-K Programs (19-9)
- Senate Votes for Over \$800K in Fee Increases (21-6)
- House Blocks Healthcare Financing Information from Becoming Public Before the Election (49-86)

**LOOK FOR OUR FULL 2013-2014  
LEGISLATOR VOTE PROFILES  
IN NEXT MONTH'S NEWSLETTER!**



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## News & Views

**Vermont's Tax Burden:** The Tax Foundation's latest ranking of states for their combined state and local tax burden (percent of personal income taken in taxes) ranks Vermont 9th (10.5%). New Hampshire is ranked 40th (8.0%) Vermont has ranked in the top ten for decades.

**Vermont's Debt Burden:** "Quebec's bonded debt of \$161 billion represents 46.6 percent of GDP. The highest level of bonded debt to GDP in the United States is found in Vermont, which has a bonded-debt-to-GDP ratio of 17.1 per cent. New York's total bonded debt is close to, but still less than, Quebec's at \$142.7 billion." - Fraser Institute (BC).

**The 39th Best State for Business!** Chief Executive Magazine evaluated all 50 states in several categories including; taxes and regulation, unemployment rate, state government debt, number of government employees per capita, and state and local tax burden. Among the 50 states, Vermont ranks 39th. (Chief Executive, 5/8/14).

**Another Bennington County High Tech Employer Leaving.** "Thirty-six employees will lose their jobs over the next few months as operations are phased out at the TE Connectivity facility on Water Street... one of many run by the Scaffhausen, Switzerland-based company which has U.S. headquarters in Berwyn, Pennsylvania. 'Overall the consolidation is happening just to make operations more effective,' said Jane Crawford, in corporate public relations at the Pennsylvania location." (Bennington Banner, 5/29/14) Have you noticed they never move TO Vermont in order to make operations more effective?

**Consolidation Means Closing Schools:** "Unless you close schools and lay off staff, you don't save money... Consolidating districts leads to closing schools. We should be honest and upfront about this." – State Board of Education member William Mathis (who opposes mandatory consolidation). (CalRec 4/4/14)

**Vermont Legislator Calls for Repeal of the Law of Supply & Demand.** "When Vermont Watchdog asked [House Healthcare Committee Chair, Rep. Mike] Fisher if the state should require private medical practices to apply for a Certificate of Need, he said, 'I think there is an argument for it. The certificate-of-need process is a way for us to prevent over-building and increasing system costs.' (Vermont Watchdog, 5/??/14)"... Because increased supply and a surplus of product from "over building" leads increased costs, right? WRONG!

**You'll Hear This Again About Green Mountain Care.** "If the VA had the resources it needed to work, it would be a model for government-provided health care," said Michael Lighty of the National Nurses United union." (KHN Blog 5/21/14)

**Howard Dean Warns of (Admits To?) Healthcare Rationing.** "Add to that



centralization of power the Independent Payment Advisory Board (IPAB), ObamaCare's group of political appointees tasked with reducing payments to doctors and hospitals. Even Howard Dean, former chairman of the Democratic National Committee, warned that ‘The IPAB is essentially a health-care rationing body. By setting doctor reimbursement rates for Medicare and determining which procedures and drugs will be covered and at what price, the IPAB will be able to stop certain treatments its members do not favor by simply setting rates to levels where no doctor or hospital will perform them.’” – Scott Atlas, WSJ 5/1/14)

**What Citizens United Actually Said:** “Although the First Amendment provides that “Congress shall make no law ... abridging the freedom of speech,” §441b’s prohibition on corporate independent expenditures is an outright ban on speech, backed by criminal sanctions. It is a ban notwithstanding the fact that a PAC created by a corporation can still speak, for a PAC is a separate association from the corporation. Because speech is an essential mechanism of democracy—it is the means to hold officials accountable to the people—political speech must prevail against laws that would suppress it by design or inadvertence.....

“Premised on mistrust of governmental power, the First Amendment stands against attempts to disfavor certain subjects or viewpoints or to distinguish among different speakers, which may be a means to control content. The Government may also commit a constitutional wrong when by law it identifies certain preferred speakers. There is no basis for the proposition that, in the political speech context, the Government may impose restrictions on certain disfavored speakers. Both history and logic lead to this conclusion.” (Opinion Abstract, 2010.)

**The Loss of Free Speech on Campus Has a Serious Cost.** “The question, then, is not whether American universities are producing ever more totalitarian-minded brats. Of course they are reinforcing such closed-mindedness; they are leftist institutions steeped in leftist values. This is a problem, and should be addressed. But the out-of-control speech police on college campuses, combined with the unwillingness to even listen to those who might disagree with them, raises the distinct possibility that colleges are producing brainless authoritarians. What if college, in other words, is making the next generation stupid?” – Seth Mandel, Commentary

**Looming Energy Sinkhole Revisited.** “The future retirement of two large coal-fired power plants in Massachusetts, coupled with the 2014 retirement of Vermont Yankee nuclear power plant, could translate into a slight power shortage in New England in the future, the region’s electric grid operator said Wednesday. ISO-New England, which manages the power network, said its future capacity auction on Monday showed that the region was short about 165 megawatts out of a total of 33,855 megawatts of expected demand in 2017-18.” (Rutland Herald, 2/6/14)

**Who’s Getting Rich off of Solar?** “It is mostly multi-millionaires with tax shelters who own the 2.2 MW-and-up solar facilities [in Vermont] at about \$11 million each, many of them from out of state. Each month, several million dollars, taken from Vermont's households and businesses, is sent to these out of state multi-millionaires to fatten their tax shelters.” – Willem Post, 5/14/14

**80% of Mich. Health-Care Workers Desert Union.** “Having won the right to decide for themselves whether to join unions, Michigan workers are opting to desert an organization that many never wanted to join in the first place: the SEIU. . . . No longer obligated to pay money to the SEIU, 80 percent of home-based caregivers [44,000 workers] have left the union, according to the Mackinac Center for Public Policy.” – Daily Caller, 4/30/14

**Folks Fleeing High Tax States.** “Travis Brown, author of the new book *How Money Walks*, reports that the nine states without a personal income tax gained \$146 billion in new wealth while the nine states with the highest income tax rates lost \$107 billion.” – John Fund, 5/30/14

**What the Data Says About Income Inequality.** “The average U.S. family has 38% more disposable income than a family in Italy, 25% more than a family in France and 20% more than a household in Germany, when adjusted for purchasing power, according to the Organization for Economic Cooperation and Development. Inequality in the U.S. is not a struggle between the “haves” and the “have-nots,” but a social friction between those who have a lot and others who have more.” – *Dr. Neil Gilbert, a professor of social welfare at the University of California, Berkeley (WSJ, 5/13/14)*

**On the Free Society:** “A truly free society is based on a vision of respect for people and what they value. In a truly free society, any business that disrespects its customers will fail, and deserves to do so. The same should be true of any government that disrespects its citizens. The central belief and fatal conceit of the current administration is that you are incapable of running your own life, but those in power are capable of running it for you. This is the essence of big government and collectivism.” – Charles Koch (WSJ 4/3/14)

**Reagan on Government:** “We must remove government’s smothering hand from where it does harm; we must seek to revitalize the proper functions of government. But we do these things to set loose again the energy and the ingenuity of the American people. We do these things to reinvigorate those social and economic institutions, which serve as a buffer and a bridge between the individual and the state – and which remain the real source of our progress as a people.” (Address, 3/20/81.)

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## Book of the Month

*Don't Hurt People and Don't Take Their Stuff*

By Matt Kibbe

New York: Harper Collins, 2014

Four years ago, when the Tea Party was rising on the political horizon to produce a revolution in Congress, Matt Kibbe combined with former House Majority Leader Dick Armey to coauthor *Give Me Liberty: A Tea Party Manifesto*. Armey has since departed as chairman of Freedom Works, but Kibbe remains as its president.

In the earlier work Arney and Kibbe laid out a coherent, principled platform for adoption by the Tea Party groups that were springing up around the country. Operating under the banner “we are a movement of ideas, not leaders”, Give Me Liberty explained clearly the grievous missteps of the Federal government – under both Bush and Obama – that were leading America down to perdition. The leading items in their indictment were out of control government spending, reckless accumulation of debt, shocking bailouts of Wall Street businesses, flouting of the Constitution, excessive regulation that strangled enterprise, Obama’s cap and trade scam, Obama’s health care takeover, and of course ever higher taxes.

Kibbe’s new book is subtitled “a libertarian manifesto”. It can be summed up in six earthy maxims: 1) Don’t Hurt People. 2) Don’t Take People’s Stuff. 3) Take Responsibility. 4) Work for It. 5) Mind Your Own Business. 6) Fight the Power.

Kibbe rolls out another parade of big government horrors, including the IRS attack on conservative organizations, ObamaCare, obsessive secrecy, Federal data gathering, and much more. He is clearly aiming at an audience of young millennials, who he believes, rightly, need to get past “Hope and Change” and wake up to what Big Government is doing to their lives and liberties.

Especially interesting is his joint interview with libertarian members of Congress, all Republicans (of course): Sens. Rand Paul, Ted Cruz, and Mike Lee, and Reps. Justin Amash, Thomas Massie, and David Schweikert. All six are trying to advance the libertarian Tea Party principles while remaining effective within a Congress where those principles are at best honored in the breach (by Republicans) and scornfully dismissed (by Democrats.)

This book succeeds in building a readily understood framework of principles, more than implementing political strategies to influence elections. Taken together, Matt Kibbe’s two books have done a real service, as has Freedom Works, the organization he leads.

– Review by John McClaughry, vice president of the Ethan Allen Institute

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## Final Thought

### **R.I.P The New Orleans Public School System**

A number of recent news stories in Vermont have highlighted the problem our school districts have finding and retaining superintendents. The failed efforts at school district consolidation over the past legislative session were spurred in part by the bureaucratic inefficiencies evident in the current system.

We might learn a thing or two about meaningful education reform in this regard from New Orleans. They’ve eliminated the need for almost all of that bureaucratic overhead by scrapping the government-run public school business model entirely. The Washington Post reports, “In New Orleans, major school district closes traditional public schools for good.”

After Hurricane Katrina, the state of Louisiana embarked on a bold course of public education reform built around parental choice and charter schools. After this year,

the last five government-run public schools will close, and every child in the district will attend an independently managed charter school.

What has this meant for the kids? The Washington Post says:

Before the storm [in 2005], the city's high school graduation rate was 54.4 percent. In 2013, the rate for the Recovery School District was 77.6 percent. On average, 57 percent of students performed at grade level in math and reading in 2013, up from 23 percent in 2007, according to the state.

What has this meant for taxpayers? By the end of the week the district will shed 85% of the bureaucratic overhead associated with the school district. In other words, with this kind of reform, Vermont could solve our costly and impossible to staff supervisory union problems largely eliminating the supervisory unions and empowering individual school principals to make the same decisions at the local level.

Vermont legislators in 2014 focused on school district consolidation, eliminating the volunteer staffed school boards, and empowering the paid, centralized bureaucrats. New Orleans went the other way, empowering people at the local school level, and eliminating the costly political class of centralized administrators.

Vermont, which already has a long and successful history of "town tuitioning" and a vibrant community of small, independent schools, should take a look at what kind of reform is working. Here's the reality: We cannot have meaningful property tax reform without also reforming the business model for how we deliver education. Without a model that delivers high quality outcomes at less cost, we will have to continue supplying the exorbitant taxes to sustain a less efficient, less effective system.

It's time for a change. And, as New Orleans has shown us, change is possible.