

Ethan Allen Institute

Newsletter - October 2017 (Printer Edition)

Top Story: EAI In Your Community

The leaves are changing... the weather is getting chilly... which all means the 2018 legislative session is right around the corner. The Ethan Allen Institute put together a presentation on a number of issues that will be looked at (but shouldn't be) and won't be looked at (but should be) when our Representatives and Senators return in January.

If you would like to learn more about the \$15 minimum wage, the Carbon Tax, Paid Family Leave, Right to Work and other key issues, contact Rob Roper at rob@ethanallen.org to set up a presentation for your political committee, Rotary Club, or group of interested friends and neighbors.

We look forward to an opportunity to visit your community!

Another Carbon Tax Fight Brewing

By Rob Roper

Governor Scott created a twenty-one member Climate Action Commission to explore how Vermont can reach the 90% renewable energy goal set out in the Comprehensive Energy Plan -- but without negatively impacting the economy or making Vermont less affordable than it already is. As we have noted before, this is a Catch-22, and we suspect Scott's real goal here is to expose the impracticality of the CEP.

However, as the Commission begins to hold public meetings around the state, the Carbon Tax warriors are using the forums to push their agenda. As John McClaughry noted at the first meeting in St. Johnsbury, the crowd was heavily seeded with VPIRG operatives, and they are using the opportunity to demand a Carbon Tax. At the second meeting in Manchester, Dr. Alan Betts, Vermont's self proclaimed leading climate scientist, not only called for a Carbon Tax, but suggested the revenue from the tax be used for climate mitigation projects, not for cutting other taxes in a "revenue neutral" manner.

Governor Scott responded to all this by releasing a statement, quoted here in part: "Imposing a carbon tax on our workforce would be detrimental for Vermonters and our state's economy. As I've said many times before, I will veto a carbon tax if it comes to my desk because we cannot make Vermont more affordable by making it less affordable."

Four new Carbon Tax bills were introduced at the end of the 2017 legislative session, plus the VPIRG/Energy Independent Vermont proposal

The final scheduled public meeting of the Climate Action Commission will take place in Brattleboro on Oct 5 at Marlboro College, Room 2-E (28 Vernon Street), 6-8 pm. Show up – and speak up -- if you're in the neighborhood!

If you can't make it to Brattleboro you can submit your comments or suggestions on-line at <https://anrweb.vt.gov/ANR/vtANR/ClimateActionCommission.aspx>, or via email to anr.vcac@vermont.gov.

Commentary:

The Climate Action Commission Goes A-Listening

By John McClaughry

On July 20 Gov. Phil Scott issued an executive order creating a 21-member Climate Action Commission. Scott named as co-chairs his Deputy Secretary of Natural Resources Peter Walke and Vermont Council on Rural Development Executive Director Paul Costello.

The governor charged the Commission to come up with at least three tangible proposals by the beginning of 2018. By next July he expects an “action plan” that reduces the state’s greenhouse gas emissions “while driving economic growth, setting Vermonters on a path to affordability, and ensuring effective energy transition options exist for all Vermonters.”

As I and others observed at the time, the governor’s ground rules severely constrict the range of proposals available to the commission.

Consider the most heavily promoted greenhouse gas emissions proposal of the past few years, the VPIRG carbon tax. This is now described by its advocates as “pricing carbon pollution”, since the idea of a \$500 million tax and a promised \$450 million worth of rebates to selected beneficiaries did not produce the hoped-for groundswell of support from tax-sensitive voters.

Ask yourself: Would such a tax and rebate scheme “drive economic growth”, other than for the subsidized renewable energy and insulation businesses? Some advocates make that argument, but it’s a hard sell.

Would “pricing carbon pollution”, even if the promised rebates materialized (not at all certain), make Vermont more affordable for ordinary people dependent on gasoline, diesel, propane, natural gas and heating oil? Or would it increase their costs of food, shelter, and transportation? Another hard sell.

Would a carbon tax bring some kind of transition option, like paying thousands of people to drive electric cars or abandon natural gas and oil heat for their homes? What about the other taxpayers and ratepayers who are forced to do the paying?

Of course, the carbon tax is off the table, since Gov. Scott has repeatedly promised to veto any such proposal. So is industrial wind, which Scott has emphatically rejected. But there are many other less glaringly controversial proposals than “pricing carbon pollution” that would have to pass Scott’s acceptability filter.

There are energy efficiency and conservation proposals that make sense, but I can't think of any of the numerous proposals put forth by VPIRG and Gov. Shumlin that would not make a small number of lucky people better off, at the expense of the large majority of ratepayers and taxpayers.

But, say the climate action advocates, every human being on the planet will be better off when enlightened government policies – taxes, mandates, subsidies and the like – stabilize the carbon dioxide concentration of the earth's atmosphere at the present 4 molecules per ten thousand, instead of increasing it to six or eight per ten thousand. Or better yet, when we adopt heroic measures to reduce CO2 concentration to fewer than 3 molecules per ten thousand, the level in pre-industrial (and significantly colder) years, like 1850.

The Climate Action Commission's initial "listening tour" session took place in St. Johnsbury on September 13. It was totally unstructured. Chairman Walke, joined by three of the other 20 members who sat mute through the first 90 minutes (at which point I left), offered no opening statement, no context, no conditions, no ground rules – only an invitation to the audience of 60 to "tell us what you want us to consider".

The result was that fifteen or twenty attendees launched into their personal wish lists, fears, and apprehensions, notably about the rapidly approaching global climate catastrophe. "Just look at the Sunday papers. Climate change is here!" One young VPIRG staffer said that she had serious doubts about having children to grow up in Earth's ruined climate.

Perhaps the least favored proposal was industrial wind, popular only with a VPIRG employee from Orleans who viewed the Sheffield Heights wind towers as "a symbol of hope".

Paul Brouha of the Sutton Planning Commission offered a droll counterproposal: creation of a Champlain Wind Park to extract power from the westerly winds off the shores of Burlington.

Significantly, none of the speakers explained how their proposals conformed to Gov. Scott's criteria, or who was going to benefit, who should be made to sacrifice, who was going to be made to pay, and exactly what positive result would ensue, other than Vermont claiming climate action bragging rights.

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

Commentary:

Are Public Schools The Best Option For Low Income Students?

By Rob Roper

The latest standardized test scores for Vermont students are out, and the results are disappointing. Overall, proficiency percentages dropped a bit from where they were last year, and, as Secretary of Education Rebecca Holcomb stated, "The achievement gaps between our vulnerable youth and students with greater privilege remain...."

Cut and paste from last year at this time when Holcomb said, "Our children from more prosperous families continue to rank near the top nationally. Our most vulnerable

youth- those living in poverty, with disabilities, from marginalized populations and who speak English as a second – continue to have test scores that are on average lower than our general population.”

Cut and paste from Holcomb’s predecessor, Armando Vilaseca, who said when he left office in 2013: “I am particularly concerned that we still have not made major progress in closing the achievement gap for students living in poverty.” Though it would be more accurate to say that our public school model has not made ANY progress in addressing this issue. Why is this? It’s not because our public schools are bad.

Our public school system does a pretty good job of educating mainstream kids. For example, in the third grade 61% of kids who are not on free and reduced lunch (FRL) are proficient in English and 65% in math – some of the best numbers in the nation. But of the kids who are on FRL only 34% and 37% are proficient respectively. The numbers for special education students is much lower at just 12% and 15%. These gaps persist through the eleventh grade where proficiency rates for mainstream vs. FRL and special education are, in English, 67% vs. 38% and 11%, and for math, 45% vs. 17% and 1.67%. (Yes, only 1.67% of special needs students (roughly 40 out of 2420) are learning enough to be proficient in math at the eleventh grade level!)

This track record, which has persisted for decades despite local and federal attention, raises some questions: Is the traditional public school setting really the best way to educate children who need special attention? Is it fair to mandate that these kids attend schools in which a significant majority – roughly 60% to 85% in a given year/subject – will fall through the cracks?

What these test scores illustrate is that one size does not fit all. A system that works for mainstream students does not necessarily work for others, and potentially vice versa. As Secretary Holcomb noted this year, where the gap between wealthier and less affluent students did decrease it was “largely a result of score declines for more privileged groups.” So, is it possible that as we emphasize making the one-size public school better fit less advantaged groups, the fit and effectiveness deteriorates for the others? Not enough data to say so for sure, but certainly worth watching.

There are educational models out there that are very successful at educating lower income students. KIPP (Knowledge is Power Program) is just one example.

KIPP is an independent program operating mostly (but not entirely) as charter schools. It is specifically geared toward meeting the needs of underserved communities. 87% of KIPP students qualify for free and reduced lunch. Nevertheless, 93% students who completed eighth grade at a KIPP school graduate from high school, 82% go on to college, and 44% complete college. This is 32% higher than the national average for all kids, and five times the national average for low-income kids. ([KIPP College Completion Report](#))

So, why for Pete’s sake do we not allow for KIPP type options for low-income Vermont students?

Actually, we do in Vermont’s 90-ish tuitioning towns where parents can choose their child’s school, public or independent, and roughly \$14,500 will follow the child to that school. There are many Vermont independent schools that specifically cater to students with special needs, as well as general admission schools that simply provide a more stable and focused environment for kids who need that to succeed.

It is a sad irony that a legislative summer study committee is currently looking at rules that would make Vermont’s independent schools – schools that in many cases do a superlative job of giving low income and disadvantaged kids a chance to succeed -- look

and operate more like public schools, where those kids are not succeeding. If anything, what we should be doing is creating as many options as we can for all kids, letting them choose the program and the environment that works best for them.

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

Commentary: Boards Need To Stand Up To Striking Unions

by Dr. Robert Letovsky

It has been five years since I left my positions as chairperson of the then-Chittenden East Supervisory Union Executive Committee and of the board's Negotiations Committee. However, watching recent teacher contract talks in both Burlington and South Burlington, it's clear that nothing has changed in the bargaining strategy and tactics of the teachers' union.

It's clear that the union game plan remains the same: delay, delay, delay then threaten the community with a strike. The union prolongs the negotiations process to the last possible moment, waiting for favorable compensation settlements in surrounding communities.

It knows that so-called "factfinders" are limited in what they can actually recommend, and invariably end up recommending these comparable settlements in their reports.

The days before a threatened strike are when the union feels it has maximum leverage, and when school boards have typically given in to its demands.

As new school board members quickly learn when they first get involved in teacher negotiations, they aren't really bargaining with their local teachers. Instead, board members find that their local negotiations process is just one piece of a much larger, coordinated plan orchestrated by regional VT-NEA operatives.

In fact, there's a regional and even statewide bargaining strategy based upon decades of experience and backed by a team of full-time union negotiators and lawyers. Facing this juggernaut are volunteer school boards, whose members have to juggle family, work and other obligations against the demands of an endless negotiating cycle.

No wonder union negotiators believe that the longer they delay meaningful contract talks, the more likely they are to be able to wear down school board members and the community into giving them what they want. This includes salaries that continue to grow at several times the rate of inflation and insurance benefits that are far superior to those enjoyed by average Vermonters.

What seems to have changed in recent months, however, is how some boards are responding to the old union tactics. These boards recognize that the salary growth trends of the past are simply not sustainable.

The old school board playbook was to passively agree to endless negotiations and silently accept the personal attacks which the union typically begins hurling against board members as negotiations dragged on.

Now, we are seeing school boards proclaiming openly and unashamedly that 10 months is more than enough time to reach a fair agreement, and that if after all that

talking the union does not accept the board's final offer, it will exercise its legal right to bring negotiations to a close.

My own experience, backed up by what I have seen in other districts, is that when school boards actually muster up the courage to impose an employment policy, the union realizes that it's time for serious negotiations to begin. Unfortunately for everyone involved, that's too late.

The union negotiating machine has to start getting that message that serious bargaining must start right away, that stalling and engaging in meaningful talks only when a strike looms around the corner is not acceptable, that the school boards' words have meaning, and a fair final offer is just that, final.

Community members, legislators and journalists shouldn't be fooled by the scripted union rhetoric which inevitably flows following imposition of an employment policy ("we just want the board to return to the bargaining table," "we were so close to a settlement," etc.). Let's be clear: What the union wants is to ensure that there is no disruption in the continuous increase spending for its members' salaries and benefits.

The bargaining marathons which have characterized almost every teacher contract negotiation in Vermont for years are tools used by the union to get what it wants. School boards are finally telling union leaders that endless meetings and frantic last minute offers don't represent serious negotiations.

Hopefully, the union rank and file will demand that their leaders start meaningful bargaining when contract negotiations begin, not a few days before a strike.

- Robert Letovsky, of Jericho, previously served as chairman of the Executive and Negotiations committees of the then-Chittenden East Supervisory Union (now the Mount Mansfield Modified Union School District). He is an occasional guest host on EAI's Common Sense Radio.

Events

October 3. EAI president Rob Roper will give a preview presentation of the key policy issues that will be (and/or should be) debated during the upcoming legislative session. 7-9 pm at the South Burlington Police Station located on Gregory Drive in South Burlington (2nd Floor Conference Room). The South Burlington Republican Committee is hosting this event. If you would like to bring this presentation to your organization or community, contact Rob Roper at rob@ethanallen.org.

News & Views

Vermont Only State To See Increase In Poverty. Between 2015 and 2016, Vermont's poverty rate increased from 10.2 percent to 11.9 percent, the only state to show an increase. (Vermont Business Magazine) While this is not good news, it could be worse. This large increase follows a large decrease in the previous cycle, which would indicate a regression back to normal. Overall, Vermont has the 14th lowest poverty rate in the nation. New Hampshire, our neighbor with no income or sales taxes, has the lowest poverty rate at just 7.3%.

More Evidence (If We Needed Any) A Carbon Tax Will Not Be “Revenue Neutral.”

Dr. Alan Betts, an environmental scientist who served on the Vermont Climate Commission and advised legislators on climate change policy, spoke up at a public hearing to advocate for a Carbon Tax. "There's a lot we have to pay for; both mitigation and dealing with Vermont's issues. A carbon tax is an obvious source for that."

([Bennington Banner](#)) What should be obvious is that you can't pay for new programs with a revenue neutral tax (that's just math!) as supporters of the bill claim it will be. Do you really think our current or future politicians will let that pot of money go unspent? Or, at the end of the day, will they listen to the oh-so reasonable and learned Dr. Bettses of the world?

VPIRG Fake News. From Tom Hughes, the VPIRG-EIV carbon tax campaign director, told Vermont Digger readers (9/26/17) that "Gov. Jim Douglas' climate commission unanimously recommended carbon pricing 10 years ago, but the state hasn't acted." We went through the report and recommendations of the 2007 climate change commission word for word. There is absolutely zero mention of "carbon pricing", and the only time the word "tax" appears is a single recommendation for "a percentage-based sales tax on gas in place of the existing per-gallon approach". I believe it is safe to say that Mr. Hughes is serving up the VPIRG version of fake history.

On Burlington Teachers' Strike. "We think teaching is a noble profession. But guaranteed raises on top of a \$72k average salary; health care that most Vermonters can only dream of; free grad school; summers off; and a generous lifetime pension doesn't seem terrible enough to warrant taking of hostages." – Caledonian Record editorial (9/15/17)

Vermont Fails To Meet (Or Achieve Any) Goals For Child Poverty Reduction.

[Seven Days](#) reminded us that back in 2007 the Vermont legislature set a goal to cut child poverty in half in ten years. The deadline passed on June 30, 2017. How'd we do? As the article reports, "In 2007, according to the U.S. Census Bureau, 15,907 Vermont children, or 12.4 percent, were living below the federal poverty line. By 2015, the most recent year for which data is available, the number of children in poverty had declined, slightly, to 15,469, but the rate had increased to 13.3 percent." What was done to achieve this nothing burger? The state expanded state subsidized access to health insurance, increased the minimum wage, increased childcare subsidies, and beefed up welfare benefits. Well, as P.J. O'Rourke pointed out, you can't eliminate poverty by giving people money.

Former Vermont AFL-CIO And AFT Union President Defects. Ben Johnson, a former Vermont labor union leader, wrote an incredible 1000 plus word article for Right to Work – in favor of abolishing forced union dues and fees. Said Johnson, "If the labor movement can only survive on intravenous transfusions of forced dues and bargaining-unit contracts, then the system that never really thrived is truly brain-dead. It's time to find out. There is nothing to be afraid of in the death of an illusion." Picking one quote from this piece was difficult. Read the whole thing [HERE](#).

Peter Shumlin Speaks Out On Single Payer Failure. The former governor [popped up at Dartmouth](#) to discuss Vermont's famous single payer healthcare flame-out. Shumling

concluded, “I was wrong. I don’t think little states like Vermont can go it alone. I do think that the Vermont story should be an example of how a little state tried, learned, and the lesson should not be no, it should be Hell yes, let’s get it done and let’s do it right....” We agree Vermont should be a lesson that small states can’t do government run, taxpayer financed healthcare without going bankrupt. And California’s recent flirtation with the concept should be a lesson that the biggest states can’t do it either. And Colorado’s landslide rejection of single payer at the polls should be that swing-state voters don’t want anything to do with it.... Lots of good lessons out there!

People Love Single Payer, Until... According to an [NBC/Wall Street Journal](#) Poll, 47 percent of Americans favor a Single Payer approach to healthcare, and 46 percent oppose it. But, and there’s a big but... “when supporters are told that all health care costs would be covered under a single-payer system — but that it would eliminate employer plans and that there would be only one government plan — the numbers move to 36 percent favor, 55 percent oppose.” Sorry, Bernie!

U.S. the New Argentina. “At 77 percent of gross domestic product (GDP), federal debt held by the public is now at its highest level since shortly after World War II. If current laws generally remained unchanged, growing budget deficits would boost that debt sharply over the next 30 years; it would reach 150 percent of GDP in 2047. (CBO Budget report, March 2017)

Chicago Teachers Union speaks out. After the Illinois House approved the bill to give 75% tax-credit for contributions to a private school scholarship fund (plus millions of dollars to bail out failing Chicago public schools), “the Chicago Teachers Union declared that the (Illinois) Democratic Party has crossed a line which no spin or talk of ‘compromise’ can ever erase.” (WSJ 8/31/17).

Americans support free speech, oppose SPLC smears. “Even in the wake of the Charlottesville violence only 9.3 percent of respondents say that speech should be restricted if it is offensive. A plurality of Americans also oppose Internet companies’ use of the Southern Poverty Law Center’s (SPLC) “hate group” labels, which have led to attacks on the Christian group Family Research Council and conservative social scientist Charles Murray.” (CRC 9/09/17)

A Reason To Smile. In case you missed this story, the French city of Montpellier is home to a professional soccer team. Somebody accidentally misspelled Montpellier on their jerseys, using just one “l”. Rather than burn the things, Montpellier donated the shirts to Montpelier, Vermont’s, high school soccer teams. And that’s just cool.

Taxes Now More Expensive than Food & Clothing Combined! The Bureau of Labor Statistics reports that the average household in 2016 paid \$10,489 in taxes (state, local, and federal), 41 percent more than just three years earlier. Over the same period the average household paid \$7,203 for food and \$1,803 for clothing. That \$9,006 total is 14 percent less than they paid in taxes. ([BLS](#))

Trump Nails Socialism. “The problem in Venezuela is not that socialism has been poorly implemented but that socialism has been faithfully implemented. From the Soviet

Union to Cuba, Venezuela — wherever through socialism or communism has been adopted, it has delivered anguish, devastation, and failure. Those who preach the tenets of these discredited ideologies only contribute to the continued suffering of the people who live under these cruel systems.” – President Donald Trump to the United Nations.

Book of the Month

After the Welfare State

Politicians Stole Your Future, You Can Get It Back

By Tom G. Palmer

Jameson Books, 2012 (180 pages)

<https://www.amazon.com/After-Welfare-State-Politicians-Future/dp/0898031710>

“Young people are being robbed. Of their rights. Of their freedom. Of their dignity. The culprits? My generation and our predecessor, who either created or failed to stop the world-straddling engine of theft, degradation, manipulation and social control.” As a recent college graduate, there are few public policy books like “After the Welfare State” that have gotten my attention so easily from page one. This collection of essays seeks to sound the warning bell on welfare states worldwide; the “welfare state” being defined as “governments promising benefits to numerous constituencies, all at the expense of the others.”

After the Welfare State begins with two cautionary tales about financial implosions: Italy, 1960’s-1990’s and Greece, 1980’s-present. A striking quote: “It would be political suicide for a politician or a political party (in Greece) to make significant cuts when the population has been so accustomed to many state-granted ‘rights’ and an aging population has been promised huge health and retirement benefits.” While Greece may be over 4,000 miles away from Vermont, perhaps Greeks and Vermonters have something in common!

Italy and Greece are only two of countries in a long line of failures. Author Tom Palmer describes how Otto von Bismarck built the world’s first modern welfare state in Germany during the 1880’s through “a series of compulsory insurance schemes for accidents, health, disability, and old age” with the intention of creating a populace that would obey the government without question. While Germany’s first welfare state collapsed because it couldn’t make good on its promises, the Nazi Third Reich was able to utilize the welfare-ingrained idea of German subservience to the government to accomplish its awful aims.

David Beito’s chapter relates how voluntary fraternal societies supported even the poorest Americans during the 1800’s and early 1900’s at a time when federal programs to help the poor were close to nonexistent. These societies relied on “individual members to provide aid to ‘brothers’ and ‘sisters’ in need” through health insurance and other forms of “mutual aid.”

The next section of the book relates to the American welfare state as it exists today. Michael Tanner describes America’s welfare system of “old-age pensions, health care and care for the poor” as a “Pyramid Scheme,” because of the Pay-As-You-Go

mechanism needed to finance it. Once too many people receive benefits that exceed the ability of those paying in to cover the costs, the system collapses.

Welfare State concludes with a chapter entitled “Poverty, Morality and Liberty.” In just 36 pages, Palmer manages to frame the issue of poverty as a struggle against those who seek to prevent the creation of wealth: namely, government bureaucrats. I especially appreciated the survey of several leading free-market thinkers and the extent to which they recognize the legitimacy of the government’s involvement in anti-poverty programs. In this concluding chapter, Palmer refers to a “hierarchy” of poverty alleviation processes, with the most preferable being personal responsibility, followed by mutual aid, then charity, and lastly, the “least preferred option, state compulsion” which tends to create welfare states. From now on, whenever I discuss the morality of the free market, I will remember to bring up the history of mutual aid.

- Reviewed by David Flemming, policy analyst for the Ethan Allen Institute.

The Final Word

October Survey: Teacher Strikes

Should Vermont teachers have the right to strike?

- No. Teachers should not be allowed to strike, BUT school boards should not be able to impose contracts. Binding arbitration should settle disputes. (Proposed Legislation)
- Yes. Teachers should be able to strike, AND school boards should be able to impose contracts if there is an impasse. (Status Quo)
- Another solution.

September Survey Results

Should workers who are not members of, and do not want to join, a union be forced by law to pay “agency fees” to that union?

Yes. 8.41% (9)
No. 91.59% (98)