

Ethan Allen Institute

Newsletter – April 2019 (Printer Edition)

Rep. Selene Colburn (P-Burlington) was the only house member to vote against the \$6.1 billion budget because, according to her, the lack of sufficient spending on climate change will lead to “planetary collapse.” April Fools! You were sure this was a joke, but, no, she actually said this on the floor. So, gotcha!

Top Story

Only a Few Days Left to Reserve Your Spot at the EAI Jefferson Day Dinner! (April 5 Deadline)

April 9, 2019, 5-8 pm, Trader Duke’s Hotel, S. Burlington

Every year friends of the Ethan Allen Institute gather for some good fellowship good food, and to celebrate the legacy of Thomas Jefferson.

This year Governor Jim Douglas will introduce Montpelier attorney Paul Gillies to discuss Jefferson and the concept of Judicial Review. The exercise of judging whether a statute or an executive act is constitutional was a part of Vermont’s 1777 constitution. The Council of Censors could do no more than condemn a law, but in the majority of cases the legislature responded by repealing the statute. Thomas Jefferson would have approved of this approach.

He would not have been as charitable if he read the Vermont Supreme Court’s decision in *Brigham v. State* (1997), where Vermont’s highest court invalidated the state’s education funding system, and ordered it replaced, retaining jurisdiction just in case. To Jefferson, *Brigham* would have been as offensive as *Marbury v. Madison* (1803), where the U.S. Supreme Court issued a mandate reversing the President’s attempt to undo appointments by his predecessor.

Was Thomas Jefferson right? Join us to find out!

Social hour will take place from 5 pm to 6pm, followed by dinner and our keynote speaker. Admission is \$50. There will be a cash bar.

To make your reservation, please call 802-695-1448, email eai@ethanallen.org,

Please Support EAI in 2019!

Freedom isn’t free, and neither is fighting for it! We could not do what we do without the generous support of hundreds of people like you. If you have already made a contribution to our 2019 campaign, thank you! If you haven’t yet, please do so today.

The Ethan Allen Institute is a 501c3 educational organization. All donations are tax deductible and anonymous.

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Commentary: Scrapping the Health Insurance Penalty Tax

By John McLaughry

The House Health Care Committee has brought out a bill (H.524) that at best has nothing to recommend it, and at worst, would make Vermont's health care situation worse for thousands of innocent people.

The main impetus for this bill seems to be the determination of Chairman William Lippert (D-Hinesburg) to defeat, in Vermont, any effort by Republicans in Washington to relax some of the restrictive and compulsory features of the Affordable Care Act of 2010.

A key feature of the ACA was a mandate to purchase Federally-approved health insurance, enforced by taxing persons for not buying such insurance. The penalty tax was the greater of \$695 or 2% of household income. This was so unpopular that the Obama administration created fourteen classes of exemptions, including vaguely defined "hardship", to keep from having to levy its own tax on vulnerable families.

In 2017 the Republican Congress set the Obamacare penalty tax rate at zero, effectively eliminating it. Chairman Lippert, a long time partisan for universal government-run health care, wants it back in Vermont.

Thus he has pushed his committee to fully reinstate the ACA mandate and tax on working people with incomes above the Medicaid eligibility level and not covered by employer insurance, who don't enroll in plans offering expensive "minimum essential coverage." If those people can't afford to buy such insurance, even with ACA tax credits, his bill (H.524) would lay on a new Vermont tax to force them to buy it. Lippert is quoted in the media (Politico, 3/8/19) as saying. "We don't want to disincentivize people." His perverse idea of the "incentive" he wants to preserve is threatening people with penalty taxes until they comply, and if they still won't pay, starting the tax collection process, ending with putting liens on homes and vehicles.

Last year the legislature passed a Vermont ACA mandate for 2020, and created a 7-person Working Group to recommend "a financial penalty or other enforcement mechanism". That group could not agree on a new tax to force working people to buy insurance, but Lippert's committee decided it was a good idea.

The good news is that last week the House Ways and Means Committee balked at levying that new tax. Its proposed rewrite of H.524 preserves the mandate enacted in 2018, but scraps the penalty tax. Instead, Vermonters would have to indicate on their tax returns whether they had minimum essential coverage the previous year. If they did not, the Department of Vermont Health Access would reach out to persuade them to take advantage of the ACA subsidies.

The House will likely vote on the two versions this week. The odds are that the Lippert penalty tax version will be rejected. This may not be the final episode: The Senate could

reinstate it. Gov. Scott's spokesperson announced on February 2 that "we will not support a financial penalty as a mechanism to induce health care coverage."

There is more not to like in the Lippert version of H.524. The ACA specifically exempted participants in four well-established Health Care Sharing Ministries from the individual mandate. These are faith-based groups whose participants each month make payments sufficient to meet the health care expenses incurred by members the previous month. More than 500 Vermonters belong to these groups, and the number is likely to grow. The Working Group refused to support an individual mandate that would strip these caring and sharing people of their exemption from a penalty tax. The only advocate in the group for removing this exemption was the representative from Blue Cross Blue Shield of Vermont, supposedly a socially conscious mutual insurance company. The demand for corporate welfare never flags.

Lippert declares of health sharing ministries that "this isn't insurance". He's right; it's not. It's people giving from their hearts to succor their fellow believers in need. No matter, to a legislator whose motto seems to be "No Escape!" If the legislature should ultimately revive the penalty tax, the Health Sharing Ministries should be given the ACA exemption, alongside the religious conscience exemptions for such groups as Christian Science.

Both versions of the bill mandate making small businesses of up to 100 employees (up from the current 50) be pooled to their competitive disadvantage with the individual market pool. That needs to be dropped. But the legislative rejection of the penalty tax would certainly show that even a left-leaning legislature has enough good sense not to lay new tax burdens on vulnerable working families.

- John McClaughry is vice president of the Ethan Allen Institute

Commentary: A Lot of Little (and Some Big) Taxes Add Up

By Rob Roper

Let's say you run a small, struggling business in Vermont and, like many if not most, are operating on thin profit margins.

If our legislature has its way, after this year you will have to pay your employees a higher minimum wage on the way to \$15 an hour, devote time to the new paperwork required by a new 0.57% payroll tax, and deal with the labor complications associated with a mandatory Paid Family Leave program. There will be a doubling of your fuel tax, making it more expensive to heat your shop, prepare food, etc. You will also have to eliminate the use of convenient "single use" plastic bags and start charging your customers at least ten cents for each leaky paper bag instead. No Styrofoam coffee cups or food containers can go into those leaky paper bags, or you'll face state imposed fines, and heaven forbid you offer a customer a plastic straw.

This, of course, doesn't take into account any increased fees that may apply, which are going up this year as well. Good luck staying in business.

And, by the way, if you say "enough of this" and sell your business with plans to retire on the proceeds, the legislature is poised to reduce the percentage exclusion for the Capital Gains Exclusion from 40% to 30% and limit the percentage exclusion to up to

\$450,000 in capital gains, so the state will keep more in taxes (and out of your wallet) from the sale of your business. Isn't that nice?

How does any of this signal Vermont is "open for business" or a good place to set up shop?

What if you're a working family? During the debate on the House floor over how much to raise the tax on heating fuel (50%, 100% or 200%; not raising it was never a consideration for the majority because they have to save the planet), one legislator snarkily quipped about the regressive penalty, "\$15 a year," the estimated amount the average household would pay in increase, "isn't going to break anybody." But add to that the \$70 or so dollars that will come out of your paycheck for the Paid Family Leave payroll tax, a 25 percent increase in the "universal service charge" tax on your phone bill, increased costs for goods and services due to the higher minimum wage, and the extra \$30 to \$50 a year you'll have to pay for non-plastic shopping bags, and pretty soon you're talking about real money.

If you have kids in child care, one Lamoille County provider estimated the increased cost per child brought on by the \$15 minimum wage alone would amount to \$40 per week – and, yes, that could break somebody.

Again, how does any of this signal Vermont is a good place to settle down, work hard, and invest in your own future?

On a macro-scale, our legislature is asking our little state of 620,000 souls to shoulder an additional \$75 million from a new payroll tax to fund a new entitlement program likely to explode with future cost growth, \$4.5 million in heating fuel tax increases, over \$70 million in increased education spending for a system with fewer kids in it every year, and we're looking at \$8 million in increased fees. The \$15 minimum wage will cause an estimated \$60 million in new Medicare and Medicaid costs. Where's that money going to come from?

And, they're not done yet. The legislature is still looking for tens of millions of dollars (\$50 million per year?) to fund lake and waterway clean up, our chronically underfunded and mismanaged state pension fund crisis is creating an annual \$120 million (and growing exponentially) black hole in the budget that will have to be filled at some point. The debate continues over whether or not to fine citizens as much as \$675 for not having health insurance they can't afford in the first place.

All on top of what is already considered to be one of the highest tax burdens in the nation.

This is not sustainable or responsible governance. Maybe it's time for our elected officials consider that this approach to policy is why we have a stagnant population, anemic economic growth, and trouble convincing young working people to come or stay here. Maybe, if you really want to help people instead of continuously causing harm, it's time to take a cue from *Sienfeld's* George Costanza and start doing the opposite of whatever your policy instincts are telling you to do. Because this stuff isn't working.

- *Rob Roper is president of the Ethan Allen Institute.*

Events

April 2. Public Hearing on Mandatory Waiting Period for handgun purchases (S.169). will be held in the House Chamber of the State House in Montpelier from 5:00 to 7:00 p.m. Witnesses may start signing up to speak at 4:00 p.m.

April 9. EAI's annual Jefferson Day dinner event will take place on Tuesday, April 9, at Trader Duke's, 1311 Williston Road, South Burlington. Social hour at 5:30, dinner and program at 6:30. Paul Gillies will speak on "Jefferson, the Constitution, and the Courts: Lessons from Vermont's History." [CLICK HERE](#) to order your tickets on line. Or email eai@ethanallen.org, or call 802-695-1448 to make your reservation.

Liberty Camp, 2019. We are getting an early start recruiting 6th to 8th graders for summer Liberty Camp this year. Our tentative places and dates so far are St. Albans, July 23-25. If you are interested, please email lkirker@myfairpoint.net for more information. *ONLY ONE SPACE LEFT! There will be a waiting list.*

To Schedule an EAI presentation in your community, please email rob@ethanallen.org.

Roll Calls

- [Senate Bans Plastic Bags, Styrofoam Food Containers, Straws \(27-3\)](#)
 - [Senate Votes for 24 Hour Waiting Period for Handgun Purchase \(20-10\), 2019](#)
 - [Senate Votes To Commercialize Marijuana \(23-5\)](#)

 - [House Doubles Tax on Home Heating Fuels \(81-60\),](#)
 - [House Exempts Farmers & Loggers from Fuel Tax \(74-66\)](#)
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News & Views

Pension Debt is Eating State Government. “Senate Appropriations Chair Jane Kitchel reminded fellow senators again and again on Friday: the state can’t afford to expand services in the way lawmakers want to, largely because it is on the hook for \$122 million for a profoundly unsexy budget item: retired teacher pension liabilities. “...people have no idea that off the top that much money just has to go to pay our obligation. It’s a contractual obligation.’... Finance Commissioner Adam Greshin warned ahead of this session that the pensions would quickly consume the fruits of a strong economy. ‘For all this new revenue coming in, all of it, and more, is already spoken for,’ Greshin told legislators in November.” ([VTDigger, 3/25/19](#))

WTP? (What the Phil?). Governor Phil Scott joined three other governors in signing a letter urging Congress to restore “net neutrality” regulations put in place by the Obama Administration in 2015 and repealed by the Trump administration just over a year ago. You might recall the gnashing of teeth and tearing of garments by those who support “net neutrality” when repeal occurred, as well as their predictions of impending calamity.

None of those things – wildly expensive internet access, content blocked, etc. – has come to pass. In fact, investment in expanding access to better, faster, cheaper services has increased. So, on what basis would any reasonable person who ostensibly supports a “free and open exchange of information, secured by a free and open internet,” demand what has proven to be unnecessary government regulation be restored?

House Advances \$10.5 Million in New Spending on Child Care. “H.531 invests \$10.5 million in Vermont’s childcare and early learning system, and includes increased reimbursement rates to childcare providers, a student loan program for early educators to further their professional development, and invests in the revamp of the Child Care Financial Assistance Program (CCFAP).” - [VBM, 3/27/19](#)

Vermont Colleges Are Closing. The College of St. Josephs in Rutland joins Green Mountain College and Southern Vermont College in announcing their closings after this academic year. Goddard college is on the edge. (Too bad alum William Macey didn’t bribe Goddard with \$500,000 to take his daughter instead of USC. Goddard could have used the money more!) Lyndon and Johnson State colleges merged in an attempt to stay financially viable. Vermont provides a utopian environment for higher education. This should be an economic driver for our state. It’s time to reassess the business model – what we’re offering and what we’re charging – students.

Maine Kills State Carbon Tax. “In the hours-long hearing on Representative Rykerson’s bill, 60 Maine residents testified in opposition to the proposed carbon tax, explaining the harm that the regressive tax would do to Maine families and employers. Only one person testified in favor of the bill. This strong display of public opposition to a carbon tax was instrumental in killing the bill in committee.” [Patrick Gleason, Forbes, 3/10/19.](#)

Lesson Learned? Probably not. “This is the flip side. Tax the rich, tax the rich, tax the rich,” Cuomo said last month. “We did. Now, God forbid, the rich leave.” ([Red State, 3/10/19](#))

As Evidence Piles in That Recycling Doesn’t Work... “Recycling resources costs resources. For instance, old newsprint must be collected, transported, and processed. This requires trucks, which must be manufactured and fueled, and recycling plants, which must be constructed and powered. All this also produces pollution – from the factories that build the trucks and from the fuel burned to power them, and from the factories that produce the components to build and construct the recycling plant and from the fuel burned to power the plant. If companies can make a profit recycling paper, then we can be confident that more resources are saved than are used. However, if recycling is mandated by law, we have no such assurance. Again, economics is the key.” ([FEE, 3/21/19](#))

On the Democratic Field of Presidential Candidates. Sen. Chris Coons (D-Delaware) noted about all the crazy policy propositions being bandied about from the “Green New Deal” to reparations for slavery, “It’s not possible to run for president and be a serious legislator at the same time.” [WSJ 3/14/19.](#)

Well Said. Attorney General TJ Donovan, at the announcement of the approval of Green Mountain Surgery Center in Colchester: “Access to affordable health care is a consumer protection issue. Period,” Donovan said. “Any time we give consumers a choice, in any industry, is a good thing. Health care should be no different.” (VTDigger 3/23/19)

Activist Groups Urge Boycott of Pro Carbon Tax Corporations. Citizen groups 802VT Alliance and No Carbon TAX Vermont are calling for the boycott of seven Vermont corporations to protest their CEO’s support for carbon tax legislation. The seven are Black River Produce, Danforth Pewter, Rhino Foods, Ben & Jerry’s, Seventh Generation, The Alchemist, Sun Common and Burton Snowboards. (TNR, 03/16/19)

Labor on Green New Deal. “In a joint letter to Sen. Ed Markey (D-MA) and Rep. Alexandria Ocasio-Cortez (D-NY), the chief Green New Deal sponsors in Congress, 10 national labor unions on the AFL-CIO’s energy committee wrote, “We welcome the call for labor rights and dialogue with labor, but the Green New Deal resolution is far too short on specific solutions that speak to the jobs of our members and the critical sections of our economy. We will not accept proposals that could cause immediate harm to millions of our members and their families. We will not stand by and allow threats to our members’ jobs and their families’ standard of living go unanswered.” (PP 3/13/19)

Golden Oldie. “The 2006 legislature passed... a feel-good law (Act 168) to put Vermont in the forefront of the titanic battle against the Menace of Global Warming. It mandates a state action plan to lower our greenhouse gas emissions to an astonishing 50% of 1990 levels by 2050. Achieving this goal will necessitate job-killing emissions quotas, mandates, taxes, cap and trade schemes and prosecutions...Repeal this incipient monster before it drives businesses out of the state and kills many of the good jobs we have left.” – John McClaughry’s column, January 11, 2011.

Abuse of Climate Skeptics. Climate blogger Cliff Mass opposed the Washington Carbon Tax Initiative 1631 that failed 57-43 last November. “My opposition to 1631 has resulted in my being demonized by activists, being called terrible names (e.g., racist, climate denier) and accused of being an agent of ‘big oil’. What I have learned is that some folks are so convinced they are saving the world and so self-righteous, that they feel that they can hurt other people, call names, and even do illegal acts. ...Tragically, some of the worst abusers of free speech are found at a public institution, in the College of the Environment at the University of Washington, a place where tolerance of a diversity of ideas should be celebrated.” (SEPP, 03/02/19). Alas, Vermont is also cursed with “denier shouters” as well.

New VT Information Source #1. Dialogues with Meg Hansen. “I am striving to highlight stories about the actual impact of policies on Vermonters, and to give a platform to citizens whose voices are ignored by the local media and politicians in Montpelier,” says Meg. “Dialogues” will be featured as part of “The Yankee Chronicle” show on the local TV channels WYCX, WYCI, and WYCU. The clips will also be available online here: <https://ycnnow.com/?s=Dialogues>. The first episode on how the \$15 minimum wage is impacting a small business can be seen [HERE](#). Upcoming segments include: Farmers Mark and Kate Bowen from Putney on the challenges faced by farmers and the future of farming in VT; Patricia Blair, Bennington mother who was

eight months pregnant with twins and lost both her babies in a 2009 car accident. As per VT law, no one died that day; On the individual mandate and the new push to eliminate the religious exemption offered to health care sharing ministries by Obamacare.

New VT Information Source #2. [Vermont Liberty News](#) is the product former EAI employee Shayne Spence. Vermont Liberty News' [latest video](#) features Rep. Mariana Gamache (R-Alburg) discussing her bill to encourage young Vermonters to enter the trades.

Book of the Month

Inconvenient Facts

The Science Al Gore Doesn't Want You to Know

By Gregory Wrightstone

Silver Crown Productions (2017), 158 pgs.

I have a confession to make. I am a climate change skeptic and becoming more so seemingly by the day. It is not that I don't believe that the Earth has warmed over the last 150 or so years, the science clearly supports that contention. I am, however, skeptical of the notion that humans are now responsible for temperature changes and that increasing temperatures are leading to horrible climate-related consequences for the Earth and humanity. Based on review of long-term temperature data, I just can't bring myself to believe that increasing carbon dioxide and other greenhouse gases are now the primary driver of temperatures rather than the natural forces that have been warming and cooling the planet very similarly for thousands and millions of years.

In addition, if we look in the rear-view mirror at the past 150 years, we find that humanity and civilization has undergone the greatest advancement in all of human history. It is what author W. Cleon Skousen called the "5,000-year leap" where 5 millennia of advancements have been squeezed into that short time frame and all the while CO2 has been increasing and temperatures warming. Yet, those promoting catastrophic anthropogenic global warming (CAGW) look into the future and predict nothing but doom and despair.

While I am certainly not a scientist nor an expert on climate change, I have consumed a large number of books from both sides of the issue and have an amply stocked bookshelf in my den on the subject. I find that most of books on climate are difficult for the non-scientist to read, much less digest. They tend to be overly technical for the layman, not well-illustrated and commonly overly-politicized.

I discovered my now go-to climate change book "[Inconvenient Facts – the science that Al Gore doesn't want you to know](#)" quite by accident nearly six months ago and it is becoming dog-eared from my constant referencing of it. Geologist Gregory Wrightstone's debut book is eminently readable, understandable and very well-illustrated. With more than 90 color illustrations and 14 pages of references, the book treads a hard-to-manage balance between well-researched science and a fascinating read.

Throughout the book, the author provides easily understandable graphics and analysis of his 60 "inconvenient facts." These are facts, backed up by references to

NASA, NOAA or peer-reviewed studies, that show in detail and clarity just how wrong much of what I thought that I knew is incorrect. In what may be the most glaring and to me, the most shocking example of climate misinformation by the media and government institutions is his section on forest fires titled “Forest Fires -Fanning the Flames of Needless Panic.” In it, he provides data from the Canadian Fire Service and the US Interagency Fire Center, among others, to show that, rather than fires increasing in number, they have been in a long-term decline and the experts that are quoted attribute that to climate change! Who knew?

Wrightstone opens the book with a perfectly apropos quote from H. L. Mencken who references the need for governments and institutions to create “an endless series of hobgoblins, all of them imaginary” in order to get its citizens to buy into otherwise harmful policies and regulations. The last half of his book is devoted to dispelling many of these climate “hobgoblins” which he calls “climate apocalypse” events. Using science and data, he systematically takes down notions of increasing tornadoes, hurricanes, heat waves, drought and many more.

Early in the book, prefacing a series of particularly damning “inconvenient facts,” Wrightstone writes that they will be “part of the cumulative evidence that will eventually drive the final nails into the coffin of the catastrophic man-made warming theory.” He comes back to this analogy of hammering nails into global warming’s coffin throughout this seminal book. Now, Mr. Wrightstone has provided me with the hammer with which to drive the nails in the form of a smart phone app.

I have often wished that I had the book in hand when discussing the subject with colleagues and now, thankfully, the new app allows me to leave the book at home, but to bring the facts with me. The recently released ground-breaking smart phone app is based in his 60 inconvenient facts. Each of the facts are presented within the app with a chart or illustration that clearly shows and documents the subject. Included are links to text explaining it, commonly a video created by the author and a link to the source of the data behind the graphic.

Simply put, the app is amazing. The huge amount of information on my phone has given me the ability to speak more confidently to others concerning many aspects of climate change. The book is great, but the app is actually more powerful, in that I see that this can be a game-changer in the debate. I envision citizens that now can confront the notion of pending climate doom by empowering them with the knowledge in the palm of their hand.

- Reviewed by Gregory Wrightstone is a geologist with more than 35 years of experience researching and studying various aspects of the Earth's processes. He earned a bachelor's degree from Waynesburg University and a master's from West Virginia University, both in the field of geology.

https://www.amazon.com/Inconvenient-Facts-science-that-doesnt/dp/1545614105/ref=sr_1_1?ie=UTF8&qid=1550765678&sr=8-1&keywords=Inconvenient+Facts

April Survey: Fuel Tax Increase

Should the legislature double the tax on the retail sale of heating oil, propane, kerosene, and other dyed diesel fuel delivered to a residence or business from \$0.02 to \$0.04 per gallon, and impose a gross receipts tax of 1.0 percent on the retail sale of natural gas in order to increase funding for the state's low-income weatherization program?

Yes.

No.

Take the survey: https://www.surveymonkey.com/r/fuel_tax_increase

March Survey Results: Payroll Tax/Paid Family Leave

Should the legislature levy a \$100 million-plus payroll tax in order to pay for new Paid Family Leave entitlement program?

Yes. 0% (0)

No. 100% (54)