



# The Ethan Allen Letter

IDEAS FOR VERMONT'S FUTURE

*A Monthly Publication of The Ethan Allen Institute*

## INSIDE:

- Jefferson Day Dinner ..... 3
- Continue the Carnage ..... 4
- Vermont Transparency Update ... 5
- News & Views ... 6

## Unifying School Choice Out of Existence

COMMENTARY

With education finance increasingly under state control and legislators seeking ways to curb state spending to avoid enormous deficits, the issue of school district regionalization is once again on center stage in the State House.

The House Education Committee has reported a clever bill (H.782) that offers incentives for neighboring school districts to voluntarily form Unified Union School Districts (UUSDs).

There are presently five unified districts: Waits River Valley, Blue Mountain, Miller's Run, Twinfield, and the newly formed Addison West. In a unified district there is one elected district school board, one residential property tax rate, and one electorate, replacing those of the component towns.

For half a century the arguments for such regionalization have been to eliminate tiny inefficient districts, unify curriculum among schools feeding one high school, and easing the considerable supervisory burden. There is always the thought that this will result in taxpayer-friendly cost effectiveness, but even the Education Commissioner's Transformation Policy Commission did not dare to offer regionalization as a cost-saving measure. Why not? Because there is no evidence to believe that it will, and considerable evidence from other states that expanding bureaucratic and transportation costs quickly override modest savings.

A crucial issue in the regionalization debate is the prospect for parental choice. Commissioner Vilaseca says that pupils in the new larger districts could choose any public school in the district, instead of being assigned to the public school in their town of residence. That's good.

But what of the pupils in the present 90 tuition towns, where parents have the choice of any approved non-

sectarian public or independent school, in or out of the state? Would those pupils now be stuck with the limited choices among public schools within the unified districts?

The House bill attempts to deal with this by providing that the voters within the proposed unified district could vote – once – to allow such choice for the new district's pupils – or not. If the resulting unified district's plan denied the choices of the current tuition town pupils to attend public or approved independent schools, the unified district would have to include a "process" to pay tuition to the school chosen by the parents, even if the UUSD's policies did not allow tuition payments to that school.

This appears to be a reasonable example of "local control". In operation, it is highly likely to be a lingering death sentence for parental choice in the present tuition towns.

Consider a hypothetical five town unified district, centered on a large

See **Unifying**, Page 5

*Jefferson Day Dinner April 15 – see Page 3!*



## The Ethan Allen Letter

The Ethan Allen Institute is an independent, non-profit, nonpartisan public policy research and educational organization, incorporated in 1993 under Vermont law.

The Institute sponsors and conducts research on important public policy questions facing the people of Vermont, and makes its findings and recommendations known through various channels to the general public, the news media, and civic leaders at all levels.

### BOARD OF DIRECTORS

Joseph Blanchette, Charlotte  
Catherine Clark, Burlington  
John Cueman, Dorset  
James F. Gatti, Waterbury  
Anne McClaughry, Kirby  
Jack McMullen, Burlington  
Frank Mazur, South Burlington  
Chris Robbins, Danville  
William R. Sayre, Bristol  
Arthur Woolf, Westford

### ADVISORY COUNCIL

Mel Boynton MD  
Dr. Frank Bryan  
Marcia DeRosia  
J. Paul Giuliani  
David Hale  
Robert W. Hardy Jr.  
Norman Henry  
Sheldon Katz  
Dr. Richard Kuklis

Bernier Mayo  
John M. Mitchell  
Rachel Siegel  
Bruce Shields  
Maj. Gen. Russell Todd  
Roland Vautour  
Stephen Webster  
Brad Zuber

### MEMBERSHIP

The Ethan Allen Institute relies upon the generous support of its more than 600 members to support its work. Contributions to the Institute, a 501(c)(3) educational organization, are tax deductible to individuals, corporations, and foundations. The Institute neither solicits nor accepts funding from government sources.

Basic . . . . . \$50  
Supporting . . . . . \$51-\$99  
Sustaining . . . . . \$100-\$499  
Sponsor . . . . . \$500-\$999  
Patron . . . . . \$1,000-\$4,999  
Benefactor . . . . . \$5,000 and above

Members receive the monthly Letter, invitations to all Institute events, periodic email news, and (on request) all publications. For a list of available publications or other information, please contact the Institute by phone, fax, mail, e-mail. Most publications can be downloaded from the web site.

### ETHAN ALLEN INSTITUTE

4836 Kirby Mountain Road  
Concord, VT 05824  
Phone: 802-695-1448 Fax: 802-695-1436  
E-mail: [eai@ethanallen.org](mailto:eai@ethanallen.org)  
Web page: <http://www.ethanallen.org>

# PRESIDENT'S MESSAGE



## Inspiration from New Jersey(!)

ObamaCare is now law – at least until the courts rule on two strong arguments as to why all or part of it (the individual mandate) violates the Constitution.

The Obama drive to inflict this left-wing vision of “change” upon our country, at whatever cost, has galvanized millions of ordinary Americans into vocal protest. That’s the silver lining on this cloud. The Campaign for Liberty, Tea Party Patriots, and many other spontaneously created groups will now redouble their efforts to make the perps pay dearly for this outrage on November 2.

Closer to home, our legislature is struggling – so far without great effect – to keep everything going in Montpelier with somewhat less fuel (\$154 million less in FY11).

On March 10 new Republican Governor Chris Christie of New Jersey delivered his first budget message. In it he announced he would veto new taxes, press for a constitutional amendment to limit state spending growth to 2.5 per cent a year, cut back numerous excesses extracted by public sector unions, and reduce the state budget from the projected \$38 B to \$28 B over the next year. Said he:

“We are No. 1 – with more state and local taxes taken as a percentage of income than any other state in America... We have the worst unemployment in the region and the highest taxes in America, and that’s no coincidence. Is the way to fix that problem to make our taxes even higher? This has been their prescription for the last ten years and the job market in New Jersey is near death.”

This is bold, creative, responsible leadership. Let’s hope some key people in the our State House hear this message.

(ACTING PRESIDENT)



The Ethan Allen Institute presents –

Its 16<sup>th</sup>

*Annual Jefferson Day Dinner*

featuring

**Geoffrey Norman**

*“What Yankees Need to Know  
About Thomas Jefferson”*

**Thursday, April 15, 2010**

Windjammer Restaurant, South Burlington  
(1076 Williston Rd.– I 89 Exit 14E)

Social Hour at 6:00, Dinner at 7:00

Geoffrey Norman, a 33-year resident of Dorset, is the author of 17 books including novels and non-fiction accounts of, among other things, the Viet Nam POW experience and the football culture in his native Alabama. He has also written for many periodicals, among them *National Review*, the *Wall Street Journal*, *American Spectator*, *Sports Illustrated*, and the *New York Times*, and is a frequent panelist on VPT's *Vermont This Week*.

Three years ago, with EAI Board member Art Woolf, Geoff launched *Vermont Tiger*, a web site that describes itself as “a non-partisan, non-profit advocacy and media enterprise that promotes policies and political action aimed at sustained, environmentally-sound economic growth and prosperity in the Green Mountain State. *Vermont Tiger* is about the future of Vermont ... and insuring that it has one.”

The North, South and West have over the years tended to view Mr. Jefferson through different prisms. Geoff thinks the Yankees haven't quite got it right – the Jefferson message is rooted in a Southern culture still not appreciated by Americans from other regions. Geoff will bring that perspective to this year's Jefferson Day celebration dinner.

**Reservations are essential!** Tickets are \$35. Please specify choice of Prime Rib, Salmon, Sirloin, or Chicken/Shrimp. Reserve by April 13 via email to [eai@ethanallen.org](mailto:eai@ethanallen.org), or by phone to 695 1448. Send checks to Ethan Allen Institute, 4836 Kirby Mountain Road, Concord VT 05824, or pay at the door. Your friends and guests are welcome!

**The dinner is cosponsored by the Jefferson Legacy Foundation.**

# Continue the Carnage!

## COMMENTARY

**B**y a combination of state employee layoffs, pay freezes, suspension of payments into the Education Fund, and increased taxes on estates and capital gains, this year's (FY10) General Fund budget will be nominally balanced. But the February 24 "Vermont Revenue and Budget Picture" presentation by the Joint Fiscal Office shows a yawning gap for FY11: \$154 million – followed by \$254 million in FY12. Add in the projected deficits for FY13 and FY14, and the four-year deficit abyss comes to approximately \$848 million.

So far the legislature's leading nostrum for dealing with this jaw-dropping deficit has been the \$38 million that they believe will be saved by unspecified efficiencies to be identified by agency heads to meet the touted "challenge for change".

On February 11 Gov. Douglas announced another small contribution to the solution. He unveiled a list of 61 boards and commissions to be terminated or replaced. Upon inspection, 44 of the victims are already inactive. Most of the remaining 17 would see their functions transferred into the bureaucracy, or incorporated into new boards.

The most notable proposed termination is the Public Oversight Committee. This is the successor to the Health Policy Council charged in 1992 with guiding the state's bold march into government-run health care. The POC survived the Vermont Health Care Authority when that

body was ignominiously terminated in 1996. Today the POC makes recommendations on hospital budgets and Certificate Of Need applications. Whether the CON program itself has any value is a question that has yet to be asked.

What is more notable about the Governor's list are the boards and commissions that escaped the axe. Many of these serve mainly as taxpayer-financed advocates for some political interest that almost invariably seeks more spending, regulation, and taxation.

Take the Vermont Climate Change Oversight Committee. This was what remained of the 2008 Shumlin-VPIRG omnibus bill to make Vermonters put an end to climate change, after even that year's liberal legislature cast out the really dangerous provisions. This fig leaf richly deserves extinction.

The Smart Growth Study Commission similarly emerged from a stripped down growth management bill in 2008. It will recommend rewarding some landowners and penalizing others in the name of downtown protection and optimum land use. Abolish it.

The Vermont Milk Commission was created in 1965 and reactivated in 1991 to enforce price fixing to extract more dollars from (ultimately) consumers to support farm income. Last year it became the designated agent for imposition of the Shumlin-Starr milk tax, but its members have so far refused to do the deed. Abolish it and end the temptation.

The Building Bright Futures Council was created by a Douglas executive order in 2005. Its goal is to promote a "comprehensive and unified [state-run] system for all children below the age of six years". The Senate is about to give this

Godzilla of Child Care statutory status and a broader mandate. Abolish it, and kill the legislation.

The Human Rights Commission was created in 1988 as a step toward gay rights legislation that then lacked the votes to pass. It has since used its powers to prosecute a printer who conscientiously declined to print pro-abortion tracts, and to investigate schoolyard scuffles involving a member of a minority group. Abolish it.

The Commission on Women sprang to life forty years ago to campaign for the Equal Rights Amendment. The Federal ERA failed in 1982, and Vermont voters rejected a state counterpart in 1986. The Commission soldiers on, however, thinking up more things that taxpayers and businesses could be made to do for the benefit of women. Most recently a 7-3 majority endorsed a mandate on employers to provide employees with up to 56 hours of paid (and broadly defined) "family leave" – this, when Vermont's businesses are struggling with a recession. Abolish it.

Occasionally a board or commission does serve a useful purpose, but more often they are a persistent influence for ever bigger and more unaffordable government, rewarding special interests, and imposing yet more burdens on the taxpaying economic sector.

Vermont has already moved well beyond its legitimate core functions of government. That's why lawmakers are staring at \$848 million in General Fund deficits, plus over a billion dollars more in unfunded obligations to retirees.

Whacking 61 mostly inactive boards and commissions is worth doing, but it's high time to get rid of lots more.



# VERMONT TRANSPARENCY

The latest 2011 budget information is now available on *Vermont Transparency*, the website developed in cooperation with Public Assets Institute. You can view the House version of the appropriations bill along with the budget Gov. Douglas proposed in January on the “Current Session” tab. You can explore both the House and governor’s versions of the bill by fund type, major government function, and individual appropriation. We will update this section when the Senate adopts its version and the House and Senate agree on the final compromise plan.

Here’s the direct link to the new page:

[http://www.vttransparency.org/index.cfm?section=all&pg=gov\\_State\\_Spending](http://www.vttransparency.org/index.cfm?section=all&pg=gov_State_Spending)

Also on [www.vttransparency.org](http://www.vttransparency.org) you will find recent analysis and commentary on the current fiscal crisis from both EAI and PAI.

We are working with the Administration to put the state’s vendor files into a presentable format for addition to the site (not an easy task). This will tell you which vendors got paid how much and for what. Stay tuned.

Does your town have an informative, transparent web presence? We are working with the Vermont League of Cities and Towns to encourage towns to show their citizens their spending warrants and/or check-book registers. Have a chat with your selectboard!

– JMc

---

## Unifying School Choice Out of Existence

Continued from Page 1

town and its public K-12 system. The voters in the five towns vote – once – on whether to allow expanded choice. If pupils exit the UUSD, its cost per pupil will likely be higher, and thus the residential property tax rate throughout the five-town district will be higher.

Thus voters concerned about property taxes – especially those without children under 18 – are likely to vote not to allow any pupils to escape the UUSD’s schools. So will everyone working in and for those public schools. Their interest is in preserving a monopoly.

Ah, but the bill says that if the UUSD’s plan would reduce choices for current tuition town pupils, the UUSD must create a “process” for paying tuition for pupils who are en-

rolled in non-district schools at the time of merger. (It disturbingly does not say “shall pay” – only “shall include a process”.)

Thus tuition town pupils as of the date of voter-approved unification would be allowed to continue at their current choice of school until they graduate. If they graduate from an independent K-8 school and want to go on to an independent high school, tough luck. If a pupil is beginning school next year, it will be public school only.

The upshot of this “local control” provision is that unified district voters are unlikely to approve present tuition town choice at the risk of fewer public school pupils and higher property tax rates. If they make that decision, then the pupils

currently enjoying tuition town choice can continue until they finish the school where they are enrolled, and then they will have to attend a public school within the district.

The likely result is that by the eighth year after unification, no pupil in the unified district will have a choice of anything but a public school, or publicly designated independent high school, within the unified district.

This proposal, voluntary and democratic as it seems, may not have been designed to extinguish parental choice in Vermont. Or maybe it was. Whatever the motivation, it will over a decade or so almost certainly produce that baneful and reactionary result.

*To see the new EAI Policy Brief on this issue, go to [www.ethanallen.org](http://www.ethanallen.org).*

**Event Report:** Prof. Meir Kohn of Dartmouth College, speaker at the EAI Sheraton Series on March 18, analyzed the causes of the financial collapse of 2008 and reached the (paraphrased) conclusion: “that every variety of government intervention in the financial and banking systems, dating back to deposit insurance in 1933 (which FDR opposed), has led to unexpected and often distressing consequences, as actors in the markets sought paths to profit within the government distorted system.”

**The Senator from VPIRG:** “Senate President Peter Shumlin was in Burlington for the [Mardi Gras] parade. The Democratic candidate for governor spotted a

VPIRG float going by with a cracked Vermont Yankee reactor dome as the center piece of its float. Shumlin couldn’t resist, and jumped up on the float throwing out trinkets to eager spectators. VPIRG’s director was unhappy because he felt Vermonters, seeing Shumlin hitching a ride on VPIRG’s wagon, might wonder if VPIRG was really independent”. (Jim Jardine, CR 3/08/10.)

**WSJ on ObamaCare:** “[Rather than eliminate the perverse incentives created by government, Obama] chose instead to create a new middle class insurance entitle-

ment that will transform the way U.S. health care is financed, and thus delivered. Such a ‘universal’ system has been the core liberal aspiration since the age of Bismarck. But time and gain this political ambition has been thwarted by American individualism, distrust of government power, the checks and balances of the political system, and ever so often, good judgment in Washington”. (WSJ editorial, 3/20/10.)

**Our Nuclear Future:** In the March *EA Letter* we advocated that Vermont begin to plan for a new Generation 4 nuclear station for Vernon after the eventual retirement of Vermont Yankee. Obama Energy Secretary Steven Chu has

*Continued on Page 7*

## Reply To “Vermont’s Leading Climate Scientist”

The [Rutland] *Herald* does Alan Betts a large favor by publishing his mocking attack on me in the daily edition of February 11, in response to my letter published in the February 7 Sunday edition that many daily edition readers have never seen.

In that letter I wrote “‘Vermont’s leading climate scientist’ Alan Betts once again scoffs at anyone who believes that ‘anthropogenic climate change is just a scientific conspiracy’”.

“In his 2005 PowerPoint presentation explaining the Menace of Global Warming, he presented a graph of global temperatures since 1000 AD. Of course, the purported global temperature starts its sharp upward climb in 1950. Be afraid!”

“Then look at the sources of the data Dr. Betts uses. The leading names are Jones, Mann, and Briffa, plus unspecified ‘Observations’”.

“But wait a minute. Those are exactly the names of the three leading conspirators exposed in the CRU Climate-Gate emails. These corrupt ‘scientists’ now stand exposed of conspiring to ‘hide the decline’ in temperature trends that would invalidate their falsified global warming increases.”

“Furthermore, we now know that the surface temperature ‘observations’ reported by these charlatans were ‘ad-

justed’ by getting rid of data reported by as many as three fourths of the reporting stations, and arbitrarily assigning higher temperature values to fill the now-empty holes in the data grid.”

“Alan Betts can claim he never knew this was going on, and is shocked; or he can confess that he knew all along, and was a part of the conspiracy; or he can try to defend these corrupt practices (typically, by attacking the people who found them out). That’s his choice.”

“But please spare us any more Betts pronouncements on this issue until he can summon the courage to come clean about his urgent advocacy based on falsified data.”

“In his reply [in the daily *Herald*], the NASA-funded Dr. Betts quite predictably attacks me for bringing up the embarrassing matter of scientific fraud by Betts’ colleagues whose work he has promoted to Vermonters in the past. He won’t answer the question I put, either because he doesn’t want to admit that his gurus took him for a ride, or because he doesn’t want to defend indefensible scientific fraud.”

“Dr. Betts, it’s not about John McClaughry. It’s about you, and it’s time you summoned enough spine to come clean.”

*[The Herald declined to publish this response to Betts’ attack.]*

Continued From Page 6

now taken up the same argument, favoring small modular reactors and “designs that will harness much more of the energy from uranium.” Who says the Obama Administration never gets anything right? (WSJ, 3/23/10.)

**Farewell to ACORN:** “The once mighty community activist group ACORN announced Monday it is folding amid falling revenues – six months after video footage emerged showing some of its workers giving tax tips to conservative activists posing as a pimp and prostitute. ‘It’s really declining revenue in the face of a series of at-

# NEWS & VIEWS

tacks from partisan operatives and right-wing activists that have taken away our ability to raise the resources we need,’ ACORN spokesman Kevin Whelan said.” (AP, 3/22/10.) R.I.P.

**Education Monopolies:** “The challenge is getting the education community to be innovative. There’s such a resistance to change in the education community. It’s startling to me. I’m a lawyer. I did a lot of bankruptcy work...I saw and appreciated the real need for people to have to adapt and

change...there’s simply very little pressure to embrace that kind of perspective in public education. There is a monopoly, and monopolies don’t like change. They don’t like to adapt, and they don’t like to be innovative.” Louisiana State Supt. of Education Paul Pastorek (*Reason* interview, 1/29/10).

**Jefferson on the Happiness of the People:** “If we can but prevent the government from wasting the labours of the people, under the pretence of taking care of them, they must become happy.” (To Thomas Cooper, 11/29/1802.)

## Do we have your email address?

If you are not getting our occasional emails announcing events, publications, etc., please send an email to [eai@ethanallen.org](mailto:eai@ethanallen.org) with subject line “add to email list” – and also telling me who you are in case it isn’t obvious from your email address. (I’m still trying to figure out who “Little Buzzard” is.)

We try not to flood members’ email boxes – usually we send out messages about once a week. You can also unsubscribe at any time by sending that in the subject line. – JMc

## Coming Public Events

**Vermonters for Economic Health and the Campaign for Liberty** are hosting two-hour presentations all over the state on the depth of the state’s fiscal crisis. The power point by VEH’s Tom Licata is especially convincing. For late details see [www.vermontersforeconomichealth.org](http://www.vermontersforeconomichealth.org):

- April 3 Brattleboro Library, 10:00 a.m., Main Street
- April 5 Woodstock Norman Williams Public Library, 6 p.m., 10 The Green (Route 4)
- April 8 Bennington Library, 6:30, 101 Silver Street
- April 10 The nationally produced **Tea Party** documentary film will be shown at 10 a.m. at Alumni Hall at the Civic Center in Barre City. For more info: [barrecityteaparty@gmail.com](mailto:barrecityteaparty@gmail.com)

- April 10 Montpelier City Hall, 1:00 p.m., 39 Main Street
- April 11 Burlington Fletcher Free Library, TBA, 235 College Street
- April 11 Colchester, TBA
- April 13 Rutland Free Library, 6:30 p.m.
- April 24 St. Johnsbury, NVRH Conference Center, 1:00 p.m., Hospital Drive
- April 15 **EAI Jefferson Day Dinner** (see page 3)
- The **Tea Party Patriots** will hold Tax Day rallies on:
  - April 15 Montpelier, evening candlelight vigil, State House lawn ([capitolteaparty@gmail.com](mailto:capitolteaparty@gmail.com))
  - April 17 Rutland, Main St. Park, 11-12:30 ([rutlandteaparty@gmail.com](mailto:rutlandteaparty@gmail.com))



# The Ethan Allen Letter

ETHAN ALLEN INSTITUTE  
4836 Kirby Mountain Road  
Concord, VT 05824

Nonprofit Org.  
U.S. Postage  
**PRSR STD**  
St. Johnsbury, VT  
05819  
Permit No. 11

## April 2010

INSIDE:	
• Unifying School Choice Out of Existence . . . . .	1
• Jefferson Day Dinner . . . . .	3
• Vermont Transparency . . . . .	4
• News & Views . . . . .	6

*Rutland Herald*

*February 12, 2003*

## One Big District

**MEDIA**

... There is a bill in the legislature that would consolidate those supervisory unions from 60 down to 15. The result would be a supervisory union for each county, and two for Chittenden County .... [In Rutland County] there would be one superintendent and a giant staff for the whole county. It would never happen ...

In order to serve the needs of all those schools, the central office would require a huge staff of assistants to deal with budgeting, special education, curriculum and all the

rest. Is that what Vermonters want?

It may cost a bit more money, but paying for the central office of a county-wide supervisory union would not be cheap either. In fact the present system is oriented more toward local concerns and local government. That is an idea that ought to appeal to conservatives, as well as to liberals.

Vermont is not the Bronx. Massive educational bureaucracies are not a solution. Even if there were some small measure of financial savings, the costs would be too high.