

Executive Summary

## Schoolchildren First

This report proposes to replace Vermont's education law, Act 60, with a new system based on parental choice of schools for their children.

The primary purpose for this proposal is to expand and improve educational opportunities for all of Vermont's children.

Different children have different educational needs and preferences. Some thrive in a disciplined environment with demanding teachers. Some do better with student-centered learning and relaxed guidance. Some prefer courses covering the traditional subject matter. Some prefer a curriculum built around a theme, such as science, art, music, community service, or work opportunities. Some parents want their children to have an education that integrates moral and religious values. Others prefer to homeschool. For many reasons, parents may find that the school to which the government has assigned their child is not working out well for the child.

This proposal shifts the focus of education policy from "schools" to "schoolchildren". Because of the accumulating fiscal and educational difficulties arising under Act 60, the time is ripe for Vermonters to seize the opportunity to build upon Vermont's 132-year old parental choice system, to create a state-wide system which focuses on **Schoolchildren First**.

The proposed new system is based on these seven principles:

- 1. Public Responsibility for Education:** All Vermont children are entitled to a publicly-financed education - not necessarily limited to attending government-operated schools.
- 2. Consumer choice:** It is the primary responsibility of parents, not the government, to choose the form of education that they believe to be in the best interests of their children.
- 3. Consumer Empowerment:** The consumer - the parents - must have the financial means to make their educational choices effective. Government should collect taxes and fund consumers to purchase the education they want for their children. Every child deserves this opportunity.
- 4. Provider Competition:** Competition among schools gives empowered parents the opportunity to buy the educational product they find most suitable to meet the particular needs of their children.
- 5. Public Oversight:** It is the proper business of government to regulate school health and safety and to assure honest financial reporting, but not to burden competing schools with intrusive regulation..
- 6. Substantial Equity in Educational Opportunity:** The system is designed to conform to the Supreme Court's mandate in the 1996 *Brigham* decision.
- 7. Primary State Responsibility for Special Education:** To level the playing field in a competitive system, the state Department of Education should accept primary responsibility for compliance with the federal IDEA (special education) mandate.

**Schoolchildren First** proposes that the state levy taxes and distribute the proceeds to consumers (parents) as tuition certificates. Public schools would accept certificates as full payment for tuition. The amount of the certificates would vary depending on an educational cost index taking into account wide disparities among the regions of the state.

The quality of education would be judged not by the government but by a school's customers. Customers dissatisfied with their choice of a school could switch their child to another school more suitable to the child's needs. The great merit of provider competition is that it offers a diversity of products to appeal to the customer's wishes.

Parents wishing to choose independent schools, including sectarian schools, would be eligible to receive scholarships from Student Tuition Organizations, organized like the Vermont Student Assistance Corporation. STOs would obtain their funds through contributions. The state would offer a 90% tax credit for the contributions to STOs, which taxpayers could claim against their income, corporate, or property tax liabilities. Homeschoolers would qualify for a direct tax credit averaging \$500 per child.

**Schoolchildren First** can be financed without increasing the amount of property taxes now devoted to education. Currently (FY 2001) the state collects \$578 million through its two state property taxes, one direct and one indirect (the sharing pool). Additional state funds less various offsets bring the total public education spending to \$840 million. Making generous allowances for the amount of tuition certificates and projecting an eight percent of Vermont's pupils will choose to transfer from public schools to independent schools, that amount of taxpayer dollars is easily enough to pay for the education of Vermont's children.

Act 60 cannot be expected to last for long. Without major reform, the state will inevitably move toward One Big School System, in an attempt to control education costs. Such a System, centrally controlled, will be the worst possible outcome. Like any huge government monopoly, it will be insensitive to the needs and demands of its customers. Over time, the one-size-fits-all mentality of a centralized monopoly system will result in standardized but inferior education. This will not be good for our children.

What will be good for our children is empowered parental choice, to enable parents to choose the most suitable educational program for their children, and marketplace competition from a wide variety of providers, striving to attract customers by offering them a product they want.

"Better for children, better for parents, better for enterprising providers both public and private, yet no more expensive than the present Act 60 regime. Ten years after implementing **Schoolchildren First**, Vermont education will be an envied model for the nation."



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