

COMMENTARY



ETHAN ALLEN INSTITUTE

"Ideas for Vermont's Future"

Independent - Nonprofit - Nonpartisan

4836 Kirby Mountain Road Concord, VT 05824 802 695 1448

For release Tuesday, July 25, 2006

Controlling Education Costs: Solution Five

John McClaughry

The biennial election season is upon us, and there is no shortage of candidates keen on showing the voters that they feel the pain of soaring property taxes. When it comes to actually doing something about it, most candidates fall strangely silent.

In recent years state K-12 education spending has risen at roughly double the rate of inflation, and has now passed an astounding \$11,000 per pupil per year. All the while, the number of children in school has been edging downward, from 105,793 in 1997 to an estimated 92,000 this September.

In 1997 the public schools employed 10,857 licensed teachers and aides, yielding a pupil/teacher ratio of 9.74 to one. In 2005, as the pupil count steadily dropped, there were 13,089 licensed teachers and aides, a ratio of 7.48 to one. This is by far the lowest ratio in the fifty states. No wonder education costs – and education property taxes – are shooting through the roof.

So what can Vermonters do to curb education costs? Here are five proposed “solutions”.

Solution One: Keep on paying the increasing costs of our bureaucratic, centrally controlled public school monopoly system. This is the favored solution of the teachers union, superintendents, school boards, and everybody else who has a piece of the education action. Their slogan is “whatever it takes for our kids”.

When property taxpayers finally say they can’t bear the costs of Solution One, its backers shift to **Solution Two:** Shift the costs of our bureaucratic, centrally controlled public school monopoly system away from the homestead property tax, and onto broad based taxes, primarily the income tax (with generous “income sensitivity” provisions) but also to the nonresidential property tax.

Under this solution, “the rich”, businesses, and second home owners will foot ever more of the education bills. That can work only until they figure out what is being done to them, dump their second homes at fire sale prices, and take their businesses and higher incomes away with them to New Hampshire, Florida or Texas.

Then there is Solution Three. Let's make our bureaucratic, centrally controlled public school monopoly system more efficient. The current focus of this argument is on governance.

If we could consolidate the costly overlay of local school boards and supervisory unions into 63 unified districts with unified tax bases, so the advocates say, we could shrink 284 school boards down to 63, and (supposedly) save lots of money.

This major structural change in public education would make life much simpler and easier for often-overworked superintendents – but there would still be 63 of them. They would doubtless be more highly paid, and they would doubtless need a well-paid deputy superintendent. So where would the savings come from?

Any significant savings can only come from consolidation of small schools into large schools. Whether large schools are more efficient than small schools has been hotly debated for decades. There is precious little evidence that they can get the same results for fewer tax dollars. In any case, this solution has always stimulated serious local resistance.

Let's move on to Solution Four, the no-nonsense business solution: fewer schools, larger class sizes, fewer aides, fewer sports teams, leaner salary schedules, and less expensive high deductible health insurance similar to what private sector businesses are adopting.

This common-sense solution runs up against community support for local schools and lots of sports teams. It is fiercely opposed by the Vermont-NEA, which isn't about to give up any benefit it has managed to negotiate over the past thirty years.

Solution Five is radical. Let's give up on the bureaucratic, centrally controlled public school monopoly system, which guarantees steadily rising taxpayer costs regardless of the number of pupils, and regardless of their mediocre achievement.

In its place, empower all parents with scholarship money to pay for their children's education at any of a wide range of competing programs: public schools, independent schools, faith-based schools, charter schools, internet-based virtual schools, employer- and union-run schools, mentoring programs, career-study programs, early college programs, whatever arises to meet the demand in the marketplace, many of them at lower cost than the public school system.

That doesn't solve every problem, but competition in a real education marketplace will almost certainly restrain educational costs, improve efficiency, stimulate educational excellence, and increase student and parent satisfaction.

What's not to like? Nothing, unless you are part of, or wedded to, the bureaucratic, centrally controlled public school monopoly system. If you are, you will join a shrieking chorus denouncing Solution Five.

But hard pressed taxpayers should remember this: Solution One will cost you more and more. Solution Two will destroy Vermont's economy. Solution Three won't work. Solution Four won't be tried.

#####

John McClaughry is President of the Ethan Allen Institute (www.ethanallen.org).