

# COMMENTARY



## ***ETHAN ALLEN INSTITUTE***

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### Getting Value for Education Tax Dollars

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Property tax bills are out in many Vermont towns, and taxpayers are screaming.

The present education finance law, Act 68, took effect in the school year that began in September 2004. In that school year Vermont property taxpayers paid \$652 million for education. In the new year just starting, the legislative Joint Fiscal Office projects that they will pay \$714 million. In the 2006-07 year the bill will be \$799 million. These figures are net of income sensitivity adjustments, which reduce the property tax burden for families making (generally) less than \$75,000 a year.

The projections show a 22% school property tax increase in just two years, compared to a two-year inflation increase of around 7%. And these projections do not include the expansion of public preschool programs authorized (in the dark of night) by the FY 2006 budget act. Wow! No wonder property taxpayers are screaming.

Why this startling increase, when the number of K-12 pupils is steadily going down, not up? The educational establishment has a long list of reasons. Heating and transportation costs are obviously up. So are taxpayer-paid premiums for the gold-plated health insurance policies enjoyed by teachers and other employees. Teachers can make a case for wage increases to keep up with government depreciation of the dollar (inflation). Complying with the federal No Child Left Behind Act doesn't come cheap.

Significantly, one case they don't make is that the additional taxpayer expense is producing a product of increasing value – better-equipped graduates. Only a week ago Education Commissioner Richard Cate announced that the state has no intention of requiring its high school seniors to pass an exit exam in order to graduate. And why not? Cate didn't say this, but to obtain an impressively high percentage of seniors passing the exit exam, the exam would have to be so weak that parents and taxpayers would catch on, with unhappy political results.

If not a required exit exam to serve as an accumulated value-added indicator, why not offer seniors the opportunity to voluntarily take such an exam, like the one developed last year by the Fordham Foundation and The Education Trust?

One will have to look long and hard to find a teacher or administrator who will support

this proposal. They will say things like “we would have to start teaching intensive math, English, history, etc. because parents would want their children to do well on the exam.” Well, yes.

Public schools are accustomed to spending millions of taxpayer dollars, while avoiding every serious measure of accountability except that of accounting for the use of funds. The feeble assessments given by Vermont schools (called NSRE) yield little if any meaningful comparisons to anything. The more meaningful NAEP tests are only statewide samples, and reveal nothing about individual schools.

If parents believe that their kids are academically shortchanged by School A, they can't choose to send their kids to Schools B or C, much less an independent school, unless they are willing to pay the full tuition out of their pockets. (Parents from the 90 tuition towns can choose other public or approved non-sectarian independent schools, but only about 8 percent of Vermont's pupils live in those towns.) For all but the richest or most dedicated Vermont families, choosing a better school is not an economically viable option.

Virginia's Democratic Gov. Mark Warner is no champion of parental choice, but he has courageously taken on his state's public school establishment. Two years ago he announced a program of management reviews, to save tax dollars by wringing operating waste out of school systems.

The second and more controversial part of Warner's program will conduct statewide performance reviews to “analyze how effectively each school division uses resources to boost student achievement.” It will also allow comparisons among schools. Whether the public school establishment in Virginia can beat down or cripple this bold proposal is yet to be seen.

In the long run, the best answer to high taxpayer costs and a lack of demonstrable improvements in achievement is consumer choice and provider competition. Given the present legislature, voluntary exit exams, coupled with a hard nosed independent review on how well schools convert resources into measurable achievements, may be the most Vermont parents, students and taxpayers can hope for.

What those parents, students and taxpayers lack so far is an aggressive champion to force those issues on to the front burner in Montpelier.

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