

# COMMENTARY



## ***ETHAN ALLEN INSTITUTE***

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## Get Creative about Education Spending

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Taxpayer anger about the rising costs of public education – reflected in steadily rising education property taxes - has become the central issue for the 2007 legislature.

Since the passage of Act 60 a decade ago, inflation-adjusted per pupil spending has risen 35%, from \$8,900 in 1996 to \$12,800 in 2005.

Education spending is now growing at the rate of 5.6% a year, almost twice the rate of income growth.

In 1996 there were 7,750 full time teachers and aides in Vermont's public schools. In 2005 there were 8,800. This is a 14% increase, even as the number of students decreased by 9%.

Sixty three percent of public education costs are paid from the property tax.

Taxpayers have good reason to be angry about all this. And the newly elected legislators and governor will certainly have to do something to respond to their demands for relief. In recent months several schools of thought have emerged.

One school, headed by Gov. Douglas, favors strengthening the hand of local taxpayers seeking to tighten school budgets. The governor wants to require a 60% supermajority for local voter approval of school budgets that exceed the combined growth in inflation and pupil count (not counting special education and capital costs.).

A second school, headed by the Vermont League of Cities and Towns, wants the legislature to shift public school costs completely off the property tax and on to, well, anything else.

A third school is typified by the Vermont-NEA. The teachers union proposes to reduce the costs associated with pupil achievement testing as required by the federal No Child Left Behind Act. It also favors reducing overhead costs, supposedly, by creating multi-town mega-districts, where taxpayer resistance to higher spending would be much harder to organize.

The union has long advocated for taking the cost of health insurance out of school budgets and putting it on taxpayers generally, through a "universal coverage" plan. This is the latest code name for Canadian-style single payer health care.

A fourth school is "revolt and repeal". This proposal would repeal Act 60 and Act 68,

effective in 2009. How the state would raise \$1.3 billion to pay for public education is left open for discussion.

Maybe its time to think outside the box about cutting education costs.

Try this one: Give every child a voucher to attend the educational program of his or her choice? Since many faith-based independent schools cost half of what public schools cost, this ought to save a considerable amount of money, even after paying for the children who already go to independent schools at their parents' expense.

Or, encourage the creation of virtual schools, like Oak Meadow School headquartered in Brattleboro. Oak Meadow is like a homeschooling network, with curriculum, testing and mentoring provided via the internet by qualified teachers. This is far less expensive than the conventional public school.

How about letting local voters vote on two school budgets, one for administrative and facility costs, and one for the instructional costs. The union would in effect have to defend its contract pay and benefits to the voters, instead of burying them in a larger budget. The union intensely dislikes this proposal, but taxpayers might find it more attractive.

Here's another idea. Instead of voting on multi-million school budgets, figures too large for most voters to comprehend, why not let citizens vote to set the cost per equalized pupil that a community is willing to spend? Act 68 currently sets \$7330 as the base number. Instead of voting on \$1,392,400, or an amendment to shave it down to \$1,365,500, let the voters have a chance at saying "\$7500 apiece, and that's it."

How about authorizing voters in supervisory unions to create education freedom districts, where voters could redesign their educational system to try out new cost and quality ideas? These could range from full parental choice to merit pay for teachers to community mentoring to virtual charter schools to expanded work-study opportunities?

Now is not the time to pass judgment on all these ideas, or others that will pop up once the creative process gets under way. It seems clear that the traditional model of public education is not working to the satisfaction of an increasing number of citizens, and that its costs are becoming an increasingly painful burden on taxpayers.

Creative thinking served Vermont well when it came to precision machine tools, steamboats, microphotography, platform scales, and even the first normal school for training teachers (at Concord Corner, 1823). It would be well if the current outcry against high education property taxes stimulates another round.

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