

Remarks Before the Vermont Education Tax Commission

1. Opening Statement-

Today we face five major Crises, any one of which could, without hyperbole, destroy civilization as we know it.

The first of which is the corona virus, which we don't understand very well, but which has taken well over 100,000 souls. The death of a single person is a tragedy, the death of 100,000 is so incomprehensible that it is a statistic --- yet---to the families each is a tragedy. This morning's news predicts we could see another 100,000 by the end of the summer

The second is racism which I interpret broadly to mean the systemic discrimination or persecution of any group by a more dominant group. The holocaust, the systemic genocide against Native Americans and the Ku Klux Klan contort powers which when unleashed could destroy the world.

The third is manifest in the warmest spring ever registered, with record numbers of hurricanes, tornados and unnatural manifestations of such magnitude that sober scientists question the longevity of the biosphere

The fourth is artificial intelligence. We see television advertisements that tout the wonders of self-driving cars, robots that clean your house and call the police. As for 1984, we've already passed it. We have a new capacity for snooperism that can track your every move.

The fifth and most dangerous is the leadership deficit where some national and international leaders wonder around aimlessly, incapable of conceiving that there is a problem, let alone a solution. At the time we need Lincoln's and Gandhi's we have the living embodiment of the Dunning-Kruger effect (look it up).

The question is why I am glooming the room with these dystopian disasters when I am supposed to be talking about educational finance.

The reason is because universal, free and equal education is likely the only way we can resolve these problems, assure freedom and guarantee equality.

Thomas Jefferson and Benjamin rush got it right.

"If a nation expects people to be ignorant and free, in a state of civilization, it expects what never was and never will be."

Democracy was a new idea and the founders had little idea as to how to make it work. They had it right mostly but we didn't quite get the equality thing. Some 200 years later we are dealing with murder and riots. But Horace Mann came along in the nineteenth century and playing to the self-interest of all, the common school movement swept the nation. For all our heart-felt words about freedom, equality and the American dream, we didn't quite get there.

In our fragmented world our socialization institutions are weak. They are only as strong as bowling alone and a Samsung 5. The one institution that remains strong, capable and purposeful is the schools and they are besieged by privatization, underfunding, segregation and a lack of equity and equality. And we built and funded these inequities. Sometimes intentionally and other times with a degree of self-deception.

If you want to see what a society values, look at where it spends its money.

And that's why educational finance is important to equality and democracy.

2. How much of education spending should be determined by local vote and local taxes?

The link between local taxing and spending is not perceived as being as strong as it once was. Centralization has further eroded the links by separating taxes from social purpose. Federal and state mandates hang heavy and confusing ornaments on the tree and the public does not comprehend the intricacies or else considers them impenetrable. Among the most equitable systems are the three states that are considered full state funding (Hawaii, Vermont, New Mexico). But, Hawaii and New Mexico are not considered adequate.

Three points:

- i. If you value equity, the broader the tax base and the higher the state share the more equal the system.
- ii. With the equal protection clause, and the Brigham case, it is hard to imagine anything other than a broad base tax – albeit it will suffer with annual tinkering.
- iii. Vermont expends the highest amount per pupil and the tax capacity is limited.

Should we move toward a uniform state education tax with revenue distributed by the state?

We, *de facto*, have that now. If the goal is equality of taxation and adequacy (vertical equity), then a high state share is necessary. Nevertheless, local tax capacity, disposable income and community wealth varies greatly. The downside to a high state funded system is perceived inflexibility, unresponsiveness and the loss of citizen involvement.

If the goal is equality, this would require some pretty steep categorical (see table). The Kolbe report is actually the closest we have seen to representing true categorical costs (appendix).

3. Is low spending in high-poverty districts a tax problem or an allocation problem?

- a. Likely Both – The problem is not having a sufficient tax base in poor communities combined with economically disadvantaged families not having sufficient income to pay the bills. Anti-poverty programs is where we must go.
- b. **Is student weighting the best way to adjust for poverty, or should there be direct grants to school districts (or schools) based on poverty?** First, we should get a better measure of poverty. FRL will go away as the chief poverty indicator as meals programs become more common. Riordan is the leading light and he uses a six component definition (median family income, % with B.S. or more, poverty rate, unemployment, SNAP, single parent, plus racial. A combination factor is more accurate. Kolbe says the categorical weights are far too weak. The consensus of professional opinion would likely agree. See appendix

4. If we move toward the Greatly Simplified School District model, what is the best way to raise revenue?

- a. This is not a funding system. It is a list of attributes that will supposedly be accrued from such a system. It does not say how the system is organized, functions or the cost.

- b. AASA reports administrative expenses nationally of 4.5%. No equivalent number is found on the agency web site. The point is that you can't save much because there's not much to save. Further, it overstrains an already weak system.
 - c. As long as we have policymakers with panaceas, the notion of a "greatly simplified school district" is a constant target for ornamentation. It may start out as "simple" but it never stays that way.
 - d. There is no apparent relationship between school district organizational structure and revenue or expenditure sources.
 - e. Revenue is raised by the three biggies: sales, income and property. The organization of the district does not illumine what mix and amount of revenue is needed. The greatly simplified system skips this part.
- 5. What is the role of school choice, how does this promote equity, and how should it be accommodated in the education tax?**
- a. "Public education does not serve a public, it creates the public."
 - b. School choice is inherently disequalizing. It is anti-thetical to equality and equity.
 - c. Despite vested interest proponents making unsupported claims, this is settled science. –
 - i. See Gary Miron, Chris Lubienski, Henry Levin, There is 30 years of solid science on this issue. Charters perform about the same and they segregate.
- 6. Should Early Childhood Education and Care be supported through the same structure as the PK-12 system? Should this be a publicly supported mixed delivery system? Can we expect that an investment in early childhood will reduce PK-12 costs, as well as improve outcomes? Is this also true for After School programs?**
- A. Complex question in the real world. The problem is that different vested interests have staked out turf. If we were doing this right, we would start with a single agency in charge. Bifurcated authority does not work.
- B. Of all programs, ECE has the best cost-efficiency record of any program (that's a strong but verifiable statement). See Ypsalanti, Tennessee Star Study, ABCderian, An exceptionally strong and incontrovertible research literature.
- 7. To what extent will technology change education? Will it enable more flexibility at lower costs?**
- Enormously. The rote acquisition of knowledge will diminish as computers place the cognate of the world at our fingertips. Artificial intelligence will change the purpose of schools. Thinking and co-operative skills will become paramount, democratic governance and equality will necessarily become the purpose of schools. Forty percent of today's jobs will disappear by 2030. Computers will outrun human intelligence by 2080, education will be less school based. We will have to transform or be transformed (Gates, Musk). The concentration of wealth will likely remain in the hands of oligarchs. While test scores go up, the gap remains.
- 8. Are our schools going to transition to community centers providing physical and mental health services, nutrition, daycare and pre-K, and K-12 education, and maybe support for the elderly as well? Look at the demographics.**
- If we want equity of outcomes, we must start before entering school. (Garcia & Weiss, Rothstein 2016, Berliner, Reardon)

Current weights		Kolbe
FRL	1.25	3.14 (W/ SPED)
ELL	1.20	1.58
PK	0.46	
7-12	1.13	1.20
MID		1.23
Density	0.23	0.11

<https://legislature.vermont.gov/Documents/2020/WorkGroups/House%20Education/Education%20Finance/W~Tammy%20Kolbe%20~Summary%20of%20Findings%20from%20Study%20of%20Pupil%20Weights%20in%20Vermont's%20Education%20Funding%20Formula~1-8-2020.pdf>

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