

Statement of Marty Strange

To the Education Committee, House of Representatives, Vermont General Assembly

Tuesday, January 27, 2015

Mr. Chairman and members of the Education Committee, my name is Marty Strange. I live in Randolph, Vermont. I am testifying for Vermonters for Schools and Community. For 15 years I was policy director for the Rural School and Community Trust, a national organization seeking to improve rural schools and communities. Most of my work was in high poverty areas of rural states in the Southeast, Southwest, and Great Plains. Thank you for the opportunity to testify.

I want to highlight a few areas within the Vermonters for Schools and Community platform which has been submitted for the record.

First, we know there is a serious property tax problem in this state. Even if spending levels were to be lowered, we still depend too much on the property tax to fund education, at least in appearance if not in fact. Income sensitivity turns the education property tax into a thinly disguised non-progressive income tax for most people. But people pay it in two big lump sums, and it feels pretty much like a property tax.

We favor retaining a uniform statewide education property tax on commercial and non-homestead properties. We favor ending the statewide residential property tax and shifting toward a greater role for a real income tax in support of public schools. This education income tax should be equalized through the Education Fund so that local taxpayers are taxed according to how much they spend in their schools, and so that communities with differing income levels pay the same rates if they spend at the same level in their schools.

In any property tax reform, we ask the committee to honor the principles of the Brigham decision and of Act 60:

- All children must have equal access to the tax base supporting local schools, whether income, sales, property, or other
- An equal marginal rate increase in every district raises the same revenue for schools in that district, no matter the per pupil tax base of the district.
- There should not be an option for districts to spend more by levying a local tax that is not subject to the equalizing effect of the Education Fund.

We know there are many technical issues here and some that are also policy substantive. For example, we are concerned that renters be protected from double taxation, paying on income as well as property tax through their rent check. And we are concerned that the low-income

tax payer not be unfairly burdened. But one of the important features of the income tax is that there are an infinite number of ways to structure it to resolve such issues. We trust the committee and the legislature to do that.

Second, the word “consolidation” does not appear in our platform. We support consolidation when it is a decision made by the communities served by the consolidating supervisory unions, school districts, or schools. We have seen a number of those recently, and it is important to note that they are all unique in the resulting structure. One size does not fit all, and consolidations made by communities for their own sake are likely to be effective.

We do not think statewide mandatory consolidation to meet some standard metric of enrollment size makes any sense and we are glad to be hearing a lot less of that kind of thinking. But we are also concerned that implicit mandates, such as unreasonable minimal curricular requirements that are beyond the reach of many schools, is any better.

This is the 21st Century. Closing schools and putting kids on buses in order to improve student-teacher ratios or expand curriculum offerings is a 20th century solution. With distance learning technology schools can share faculty as well as students. School consortia to retain shared faculty is another option.

Third, regarding the so-called “phantom student” problem, most states use a rolling student count average over two or three years to soften the blow in communities with declining enrollment and to allow time to plan for adjustments and to avoid bad fiscal decisions. They do it because areas with declining enrollment are almost always the most economically distressed areas of the state.

There are many ways to manage this issue. In Vermont we simply cap the annual decline at 3.5%. This may seem generous, but at 770, the number of phantom students is actually well under 1% of the equalized student count. We should not abandon a policy designed to ease transitions that are difficult but necessary over such a small statewide impact. If we do, schools in our most distressed communities are likely to be hastened into closure. We should remember that declining enrollment is a condition, not a fate. Sometimes, things turn around. When they do, it would be a shame not to have a school. In fact, without a school chances of turning around are even slimmer.

Thank you again for this opportunity to testify.