Top Story: A Hearty Thanks, and a Welcome Back

Thanks to John Goodrich for Five Years’ Service

After a year of building and moving into a new home in the town of his birth, Littleton, NH, Director John Goodrich concluded his service on the EAI Board. An engineer by profession, John rose to be chief executive of the 400-employee Weidmann Inc. plant in St. Johnsbury, a leading international manufacturer of transformer components for the electrical industry.

John, who served on our Board for five years, was keenly aware of the value of enterprise, opportunity and free markets to produce wealth for our society, and his insights into our manufacturing climate – and the never-ending threats to it – were invaluable. Invaluable too was his friendly, genial disposition, and sound judgment about EAI’s activities.

His departure is certainly New Hampshire’s gain. We join in thanking him for his service and wish him and Nancy the very best in their retirement years in the Granite State.

Welcome back, Wendy Wilton, to the EAI board!

After a four year absence to serve as the Vermont State Executive Director of the USDA Farm Service Agency as an appointee of the Trump administration, the Ethan Allen Institute board of directors welcomes back Wendy Wilton.

Prior to her federal position Wendy served as Treasurer for the City of Rutland for over 10 years, and ran for Vermont state Treasurer in 2012. She served Rutland County for one term in the Vermont Senate in 2005-2006.

Wendy Currently resides in Milton and is working once again to support municipal government as a policy specialist for a software and consulting firm specializing in municipal operations.
Commentary:
Three Lawsuits That Will Change Vermont Education
By John McClaughry

Three lawsuits now in progress are likely to expand parental choice in Vermont education. Rather than dealing with “an evolving and murky legal landscape”, the legislature should reform our laws to incorporate the new legal requirements into a well-conceived parental choice - provider competition model.
In three lawsuits currently in process, plaintiff parents ask that public funds follow their children to the school of their choice.
The impetus for those suits was the U.S. Supreme Court’s decision in the landmark case of Espinoza v. Montana Department of Revenue, announced last June. In that case the Court held that if the State of Montana provided tax credits for contributions to a nonprofit organization which supported scholarships for students at independent schools, the organization could not exclude students at religious schools. The exclusion rested on the 1889 provision of the state constitution that prohibited direct or indirect use of public funds to support religious bodies.
The Court held (5-4) that a tax-credit benefit that excluded religious schools violated the Free Exercise clause of the First Amendment of the U.S. Constitution. This appears to conflict with the 1999 holding of the Vermont Supreme Court that the Chittenden school district’s tuition payments to the Catholic Mt. St. Joseph Academy violated the “no compelled support of religion” provision of the Vermont constitution, “in the absence of adequate safeguards against the use of such funds for religious worship.”
Plaintiffs in the first of the three pending cases argued that denying public funding of dual enrollment college credits for students at Rice Memorial High School in South Burlington is a violation of their free exercise rights. The 2nd Circuit Court of Appeals issued an injunction on behalf of the students.
In the second case, parents in Mt. Holly, a tuition town, sued to have their school district pay tuition to Mt. St. Joseph Academy. If they prevail, the Vermont constitution’s “no compelled support” clause would be overridden.
In the third case, parents in Glover, not a tuition town, sued to demand the same choice of “common benefits” enjoyed by tuition town parents. They ask that their school district pay for their children to attend an approved non-religious independent school instead of their district’s public schools, in which the children have allegedly been bullied and taunted. If they prevail, all Vermont students would enjoy public tuition support to attend at least non-religious independent schools.
On April 21 the State Board of Education ordered three tuition town school districts to reimburse families who paid tuition to religious schools. But, as Lola Duffort of Vermont Digger, who has followed this issue with exemplary thoroughness, observes, Vermont is facing “an evolving and murky legal landscape.”
As things stand, school districts don’t know how they are supposed to act on requests for tuition payable to both religious and non-religious independent schools. The State Board and the legislature have never come to grips with defining “adequate safeguards against the use of [public] funds for religious worship”. The leading - and fatuous - idea for enforcement of some such ill-defined restriction seems to be allowing the schools to self-certify. This would likely be followed by court challenges. Catholic schools, and probably all faith-based schools, believe that their faith must permeate their entire teaching program, which cannot be cleansed of religious influence.

So what’s the best solution?

Parental choice in education, among competing providers including public schools and approved independent schools with or without a faith-based purpose, is eminently desirable. The legislature should enact it. Muddling through a multiplicity of court decisions is a poor way to make sound policy.

The State Board and Department of Education should abandon the hopeless task of requiring faith-based schools to certify their adherence to unacceptable standards.

Government support for parents to educate their children should not exclude their choice of faith-based schools. But governments should refrain from financing faith-based schools directly. Five hundred years of religions battling for control of governments, their resources, and their power to persecute their competitors, justifies maintaining the separation of church and state wisely enshrined in the Establishment Clause of the First Amendment.

Perhaps the best solution here is to give generous tax credits for contributions to nonprofit scholarship organizations, which can offer partial or full scholarships to students of faith-based and other educational programs. Fourteen states now allow such credits.

We should revitalize our constitutional “no compelled support” proscription that was totally misconstrued by the 1999 Court, as perusal of the early Council of Censors reports corroborates. The framers of that proscription intended to allow citizens to avoid being forced to support ministers and religious activities professing things they didn’t believe in. Legislation introduced in the Vermont House in 2003 provided an “opt out” procedure for dissenting taxpayers, when a school district majority voted to provide that support. Unfortunately it was not acted upon.

We should finally summon the courage to say No to the political forces arrayed to defend a public school monopoly for their own benefit, and say Yes to expanding benefits for the children.

- John McClaughry is vice president of the Ethan Allen Institute

Commentary: Time for a New Approach to Healthcare Reform

By Rob Roper

In a study released in the fall of 2020, State Auditor Doug Hoffer reported that Vermont’s healthcare costs had increased by 167% between 2000 and 2018. Keep in mind that those years saw a number of “reforms” that promised to reduce costs while increasing access and quality, including Catamount Health, Green Mountain Care (the
failed attempt at single payer), and the latest debacle that is OneCare Vermont. All of these programs shared some common characteristics: they were all top-down, government centered, and bureaucratic.

It’s time to try a new approach, lowering costs by increasing transparency, restoring direct doctor/patient accountability, and eliminating expensive regulations and unnecessary middlemen.

There is a plan for such a framework coming together under the banner of “Healthcare For You,” personalized healthcare delivery, developed by the Job Creators Network. The group describes its efforts as the result of extensive market research, drawing on the input of more than 25,000 patients, doctors, and health care professionals, and “health reform that Americans want, not a backroom plan that politicians tell them they want.”

Key features of the Healthcare For You include transparent prices (doctors and hospitals would be required to publish a “menu” of prices for services), choice (giving patients the resources and flexibility to shop for the insurance and medical products that fit their needs), and restoring direct doctor/patient relationships by eliminating middlemen, third party payers, and bureaucratic red tape wherever possible.

The plan would allow individuals to use tax free dollars to purchase health insurance, which would be connected to the patient, not the employer, meaning no one would lose their coverage because they lost or changed jobs. It would allow states to reform insurance markets to allow individuals to choose what kind of policy they want, anything from a catastrophic plan to a Cadillac plan. Patients with pre-existing conditions would be protected through Guaranteed Coverage Pools.

Expanded access to Personal Health Management Accounts would allow employers to contribute tax-free dollars directly to employees for healthcare related purchases. This, in turn, would empower individuals to pay for medical care directly – options like membership-based primary care cooperatives, surgical centers, labs and imaging centers, etc. – without going through insurance companies. This will lower costs two ways, by incentivizing providers to to provide higher quality and lower cost services to attract customers, and by eliminating the costs and inefficiencies of going through middlemen. Such transparent, direct payment systems have demonstrated that they can produce healthcare prices nearly 40% lower than insurers’ negotiated rates.

Finally, it is time to implement tort reform for medical malpractice cases. Even when Vermont was contemplating a single payer system, the architect of the plan, Dr. William Hsiao, called for moving to a no-fault legal framework such as those used in Scandinavia and New Zealand in order to reduce costs related to malpractice insurance and to curb “defensive medicine” (the expensive practice of conducting unnecessary tests and procedures to protect against potential legal liability rather than the best care of the patient).

Rising healthcare costs are crippling so many aspects of our economy. Businesses can’t afford it. Public sector benefits are consuming disproportionate amounts of public resources to pay for it. Families are being bankrupt because of it. This should be motivation enough to abandon the failed policies of the past and embrace a different approach to reform. However, this logic doesn’t seem to resonate with our political class at this point. Perhaps the Supreme Court taking up California v. Texas this month, the case that could potentially declare the Affordable Care Act (aka Obamacare) unconstitutional, will force their hand with a decision requiring new solutions.
You can learn more about Healthcare For You, and Personalized Healthcare, at healthcareforyou.com.

- Rob Roper is president of the Ethan Allen Institute.

Guest Commentary: Growing, Shifting VT Population May Shake Up ’22 Election Map

By The Vermont Legislative Apportionment Board, Tom Little, Chair. (Note: EAI President Rob Roper is a member of the LAB)

The 2020 Census numbers for Vermont indicate that our little state grew by about 20,000 people over the past decade, or +2.8%. We also know that within Vermont our overall population has been migrating toward the northwest region of the state (Chittenden, Franklin and Lamoille Counties), and away from the south and east. Moreover, there is a legislative mandate to break up the six-member Chittenden senate district (currently Chittenden County minus Colchester and Huntington/Buels Gore). All of these factors point to a legislative district map in 2022 that could look very different from the ones Vermonters have used, not just since 2012, but for many decades past.

The reason for redrawing district maps every 10 years is a simple but compelling one. In order to ensure that representation in the House and Senate is roughly equal – reflecting the principle of one person one vote – as local populations grow and shrink district lines must move in such a way that each district contains about the same number of people. In 2022, the ideal number of Vermonters in a single-member House district, for example, will be just under 4300. Too many more than that, and the residents of that district are under-represented. Too few, and they are over-represented. In either case, the district would be considered unconstitutional.

Compounding these demographic challenges is the fact that the final, street-level population counts from the 2020 Census -- necessary for redrawing roughly equally populated legislative districts that satisfy these constitutional requirements -- won’t be available until September 2021. We know how many Vermonters there are (643,000), but we can only estimate at this point where they are. Until we have that data, the Legislative Apportionment Board can’t complete new house and senate district maps for recommendation to the legislature. The legislature, which has final say over what the maps look like, will have to make changes (if any) and a decision in just a few short months of the 2022 legislative session that runs from January to mid-May.

Now, consider that candidates for house and senate races will need to file paperwork declaring their candidacies sometime in the second half of May, 2022. How they can do this if the district they want to file to run in hasn’t been determined is a question we all hope to avoid. So, get ready for a fast and intense reapportionment ride!

Between now and September, the Legislative Apportionment Board is collecting as much data and public input as it can in order to be able to make good decisions very quickly about how to fairly deal with our new demographic realities. Some questions we have for the public at large include:

- What is more important to you: making sure the populations in each district are as close to equal as possible, or allowing larger (within constitutional guidelines) differences in populations to maintain district lines closer to the status quo?
• How important is it to you that your legislative district lines conform to town boundary lines?
• How important is it to you that your legislative district lines conform to county boundary lines?
• Do you prefer single member house districts (one representative per a House district of around 4300?) or two member districts (two representatives in a single house district of around 8600 people)?
• Do you prefer single member senate districts (one senator per senate district of around 21,500 people), or multi-member senate districts (two or three senators in a single district of around 43,000 or 64,500 people)?

You can let the Legislative Apportionment Board know your views on these questions and on other factors you wish us to consider as we draw up proposed legislative district lines by emailing Board members at their addresses posted on the Board’s website (https://sos.vermont.gov/apportionment-board/contact-the-board/), participating in our monthly on-line meetings (https://sos.vermont.gov/apportionment-board/), or mailing a letter to us c/o the Secretary of State’s office (Legislative Apportionment Board, 128 State Street, Montpelier, VT 05633-1101).

This is a critical exercise in our representative democracy. It happens only every 10 years – don’t miss out on it!

- Tom Little is chair of the Legislative Apportionment Board. The other members are: Ed Adrian, Jeanne Albert, Jeremy Hansen, Mary Houghton, Tom Koch, and Rob Roper.

Please feel free to contact me if you have any questions on this topic, or comments for the Legislative Apportionment Board to consider at rob.roper@partner.vermont.gov.

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Events

Stay Tuned: Annual Jefferson Day Event. Each year since 1993 the Institute has sponsored a Jefferson Day event in the month of his birth (April). Last year, because of COVID, we pushed our event back to November (featuring a virtual Art Woolf, available on our website. This year we face the same problem, so we’re postponing our 28th annual event to the late fall, in the hope that we can have an in-person dinner event once again. Meanwhile, suggestions for a speaker or program will be gratefully received by john@ethanallen.org. “Error may be tolerated when reason is left free to combat it.”

May Roll Calls!

HOUSE ALLOWS 15-17 YEAR-OLDS IN BRATTLEBORO TO VOTE/HOLD ELECTIVE OFFICE (102-42)

SENATE TO ALLOW MONTPELIER’S NONCITIZENS TO VOTE IN CITY ELECTIONS (20-10)

HOUSE PASSES ALL MAIL VOTING, NO SAFEGUARDS (119-30)
HOUSE DECLARES RACISM A “PUBLIC HEALTH EMERGENCY” (135-8)

HOUSE REJECTS BALLOT SECURITY MEASURES FOR ALL-MAIL VOTING (39-99)

SENATE TO TURN SCHOOLS INTO SOCIAL SERVICE CENTERS WITH 1-TIME MONEY (22-6)

HOUSE PASSES $2 MILLION TRANSFER TAX, EXPANDS URBAN TAX CREDIT (93-56)

HOUSE IMPOSES RENTAL HOUSING REGISTRATION REQUIREMENT (93-54)

News & Views

MarketWatch: Vermont Has Least Affordable Housing in Nation. “The analysis used median home-price data from the National Association of Home Builders and statistics on housing affordability from the National Association of Realtors, which accounted for median income levels and mortgage rates. The least affordable state, by this measure, was not necessarily the most expensive housing market in the country. According to HowMuch.net’s analysis, Vermont was the least affordable state. Only 16% of households could afford a mortgage payment on the median-priced new home, which costs roughly $476,000.” (MarketWatch, 3/17/21)

Rep. Pushes Sales Tax On Services; Fudges the Details. On May 4, 2021 Rep. George Till (D-Underhill) wrote: “The whole point of this proposal [to expand the sales tax to services and essential goods] is to lower the rate of the completely regressive sales tax by expanding sales tax to things like portfolio management, investment advice, tax preparation services, things that average Vermonter don't use.” Oh yes, and also barbers, cosmetologists, manicurists, auto mechanics, plumbers, electricians, snow plowers, deliveries, baby sitters, child care, college tuition, food, and clothing……..

Talk about a Catch-22! “If you fear that someone is tampering with elections, you are a threat to the Constitution, but if you actually are tampering with elections, you have nothing to worry about because those who figure it out will be denounced as enemies of the Constitution. That’s a sweet deal for the bad guys.” - Frank Miele, RealClearPolitics, 5/24/21

All-Mail Voting States Have Troubling Racial Disparities. According to the latest Census data, the state with the second highest Black voter turnout (over 73%) is Mississippi, which has almost no absentee ballot voting (you need written permission and have to have your ballot notarized) and strict voter ID at the polls. On the other hand, the state with the second highest disparity between Black v. White turnout is Oregon -- the state with the longest track record of all-mail voting, since 2000. If you think that's an aberration, the state with the 5th worst Black v. White turnout disparity is Colorado -- the
state with the second longest track record of vote by mail, since 2012. Good thing MLB moved the All Star Game there to combat racism! (Source: WSJ, 5/3/21)

**A Carbon Tax on VT Drivers Won’t Fix This.** “China’s greenhouse gas emissions in 2019 surpassed those of the United States and the developed world combined, according to an analysis published Thursday by the research firm Rhodium Group. China’s share of global emissions rose to 27 percent of the world’s total, while the United States remained the second-largest emitter at 11 percent…. China, India and other developing nations have long noted that over the past century, the United States and Europe grew their economies while generating massive amounts of greenhouse gases, and that requiring the developing world to clamp down on emissions as they industrialize and bring millions of citizens into the middle class is unfair.” (Washington Post, 5/6/21)

**News from your Climate Council.** “Creating the broad, revolutionary change we need will require a broad coalition... I do this work because fighting for the climate is fighting for the people. It’s fighting for you and your loved ones. Together we can stop changing the climate while changing the world for the better.” – Iris Hsiang of Essex, newly appointed youth member of the GSWSA Vermont Climate Council (VtDigger 5/6/21). Wait for it: …. She is the Junior Organizer for VPIRG. Won’t we and our loved ones get the bill for the fight she thinks she’s fighting? Even if she loses?

**Fighting Climate Change Ain’t Cheap.** “Members of the Vermont Climate Council asked the Legislature to increase the per diem they are eligible to receive—from $50 to $100 a day. The organization, created by the Global Warming Solutions Act, is figuring out how to reduce greenhouse gas emissions by 26% by 2025. The ranks of the Climate Council have more than doubled as five different subcommittees have formed to come up with solutions. Despite the request, the Senate Committee on Government Operations did not agree to double their pay.” (VFDA 5/7/21)

**Our President on Energy.** “Practically [President Biden’s] first act in office was unilaterally stopping a multi-billion-dollar pipeline project that already was under way. Biden proposes to be President Infrastructure, so long as expanded welfare benefits and subsidized childcare for two-income professionals in Washington qualify as “infrastructure,” while his administration micturates from a great height upon actual infrastructure — e.g., the pipelines, refineries, and transportation networks that connect our workers and factories and trucks with the actual fuel our economy runs on, as opposed to the imaginary unicorn-juice economy that exists in the fantasy world of President Biden, Senator Bernie Sanders, Representative Alexandria Ocasio-Cortez, et al.” – Kevin Williamson (National Review, 5/10/21)

**Emissions News.** “Using our newly updated global emissions data through 2019, we estimate that in 2019, for the first time since national greenhouse gas emissions have been measured, China’s annual emissions exceeded those of all developed countries combined. China’s emissions were less than a quarter of developed country emissions in 1990, but over the past three decades have more than tripled, reaching over 14 gigatons of CO2-equivalent in 2019.” (Rhodium Group CO2 monitor, 5/8/21) Not a problem. Vermont will subsidize 60,000 electric vehicles and insulate 32,000 homes to counter this outrageous planetary irresponsibility.
George Will Reflects at 80. “Today’s therapeutic culture saturates a large class of painfully earnest Americans – expensively schooled but negligibly educated – who, when not extravagantly indignant about Lincoln and other supposed national blemishes, are preoccupied with their malleable identities and acute sensitivities.” (5/10/21)

Free Money, Freshly Printed in Washington. Vermont Digger reported (4/6/21) on Gov. Scott’s plan to spend a billion dollars of the $2.7 billion printed by the Biden administration and allocated to Vermont from its American Rescue Plan. The Governor proposes to “set aside $100 million for the state to fund its forthcoming climate action plan.” That would be the Climate Action Plan being developed under the Global Warming Solutions Act, that Gov. Scott declared unconstitutional and emphatically vetoed last September, but his veto was overridden by the Democratic/Prog legislature. What is he thinking? The good news is, spending $100 million of Biden’s money may reduce the pressure for the carbon tax otherwise needed to pay for the Climate Council’s forthcoming ambitions.

More Electric Car Subsidies. “In Vermont, lawmakers have proposed $10 million in electric vehicle incentives. Currently, Vermon ters can qualify for up to $3500 in rebates from their electric utility, another $4000 in state rebates and up to $7500 federal tax credit— in addition to a free level 2 home charger. Despite rapid growth in recent years, electric vehicles make up just 1% of registered vehicles. When you consider that the average age of a vehicle is 12 years old, gasoline and diesel powered vehicles will be on the road for decades to come. Even in 2050, when electric vehicles are projected to make up 60% of new car sales, the majority of vehicles on the road will still run on gasoline, according to a recent New York Times analysis.” - Matt Cota (VFDA 4/2/21)

Jefferson on Federal Debt. “I wish it were possible to obtain a single amendment to our Constitution. I would be willing to depend on that alone for the reduction of administration of our government to the genuine principles of our Constitution. I mean an additional article, taking from the federal government the power of borrowing.” (To John Taylor, 11/26/1798)

Book of the Month: New Way to Care
Social Protections that Put Families First
By John C. Goodman
Independent Institute, 2020
384 pages

In New Way to Care, economist John C. Goodman supplies a plausible answer to the question, “what would libertarian-leaning economists have produced in place of what we know as Social Security, Medicare, Medicaid and disability and unemployment insurance?” Goodman reveals the disincentives, inefficiencies, hypocrisies, astronomical unfunded liabilities, and general absurdities in the programs that currently exist. Then he
goes beyond them to lay out the policy alternatives that, he argues, would make the American social security, disability, and health care universe effective, consumer-centered, and above all, pro-liberty.

Goodman’s (with Gerald Musgrave) Patient Power: Solving America’s Health Care Crisis (1992) lucidly explained why competitive markets and informed and empowered patients lead to efficient and beneficial outcomes, while turning over patient care to government bureaucracies inevitably leads to inefficient and sometimes calamitous mistreatment.

At that date, this notion was considered borderline preposterous by orthodox health policy wonks, whose differences arose mainly over how and to what extent the government should control health care, who should be made to pay, and what sort of provider organizations and business plans were most desirable.

Since then, no one has done more than John Goodman to force the principles of patient choice and provider competition upon a health policy community that has been uncomfortably resistant at best and relentlessly opposed at worst. Goodman is widely credited as the father of health savings accounts, an idea that Congress enacted in 2003 and now benefits more than 25 million American families.

Goodman now asks why government is involved in retirement security, medical care, disability support, and unemployment payments. “For elderly entitlement programs,” he writes, “we have made promises to future retirees that far exceed the revenue that will be there to fund them. In fact, the unfunded liability in [Federal] elderly entitlement programs alone is about six times the size of the entire economy.” What’s more, “even when a social insurance program is reasonably funded, individuals invariably face perverse incentives to behave in ways that undermine the purpose of the program and increase the costs for others.”

Goodman focuses on how to deal with real risks that people face: outliving one’s assets, dying and leaving your family without resources, becoming disabled and facing financial ruin, becoming unemployed and finding no market for one’s skills, and surviving a pandemic. A two-word summary of his solutions would read: “opt out”. Goodman wants people to be able to exit those dysfunctional systems both to improve their own circumstances and to give those systems an incentive to improve.

Not all of Goodman’s illustrations may be plausible as political proposals, but they are worthwhile as thought experiments. And he produces dozens of less sweeping reforms that would expand personal responsibility and allow more choices. Many of these are, or should be, within the realm of practicality.

As in Patient Power, Goodman looks for creative market-oriented practices abroad, even when they occur within an overall government context. Chilean dictator Augusto Pinochet, for example, replaced his country’s collapsed social security system with one based on worker-owned accounts. These became popular because employees, not the corrupt government, owned them. (Chile also created a private disability insurance program, in which “Workers make additional contributions to their retirement accounts to cover the contingency of disability, and they pay fees for group disability coverage for any portion of their wages that can’t be replaced from their own accounts.”)

Similarly, while Singapore is an illiberal society in several notable ways, it has adopted what Goodman calls “the most successful social security system in the world,” There, he explains, “people are required to save a substantial part of their income to meet basic needs.” Unfortunately, Goodman devotes only three paragraphs to the Central Provident Funds’ successes.
New Way to Care is enormously valuable for anyone engaged in the debates over the future of retirement, disability, unemployment, and health care policies. Life would be better for all Americans if John Goodman and other market-oriented policy practitioners could achieve majority support.

Reviewed By John McIaughry

(For the longer version of this review, see Reason, June 2021, at https://reason.com/2021/05/22/wanted-a-better-way-to-think-about-health-care/)

- Review by John McIaughry, vice president of the Ethan Allen Institute.

The Final Word

June Survey: 2021 Legislative Session Satisfaction.
Will Vermonters be better or worse off overall as a result of new laws passed during the 2021 legislative session?
- Better off.
- Worse off.
- No difference.

Take the survey: https://www.surveymonkey.com/r/LegSatisfaction

May Survey Results: Who Gets to Vote?
Should non-citizens and children between 16 and 17 years old be allowed to vote in local (but not state or federal) elections?

- Yes, both groups should be allowed to vote in local elections. 0% (0)
- Just adult non-citizens should be allowed to vote in local elections. 0% (0)
- Just 16 and 17 year old citizens should be allowed to vote in local elections. 2% (1)
- No, only adults who are U.S. citizens should be allowed to vote in any elections. 98% (50)