



An Ethan Allen  
Institute Report

# School Choice in Vermont: A 150-year-old system that leads to a brighter future



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# A More Effective Model for Government's Role in Education

## Introduction

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In the fall of 2013 the Ethan Allen Institute received a grant from the Arthur N. Rupe Foundation to hold a series of debates with the Public Assets Institute exploring the proper role of government in education.

The two sides contrasted Vermont's century-and-a-half old, publicly funded school choice system, known as "town tuitioning," with the familiar, government-run, monopoly school system as they relate to both the national debate over school choice and the unique challenges facing Vermont's education system – declining student enrollment, escalating costs and taxes to cover them, and student outcomes that have been largely flat.

This report is a both a summary and an expansion on the themes explored by the Ethan Allen Institute over the course of the three debates. We see Vermont's publicly funded tuitioning system as a model that should be expanded within Vermont and studied by school choice advocates around the country.

We are grateful to the Arthur N. Rupe Foundation for the opportunity to explore this important topic.

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# What is the Town Tuitioning System?



**"If the interest of the State Board of Education, the secretary of Education and the governor is to see the best education that we can give to our students, then this ought to be a model that we look at, and not run away from."**

**- Matthew Patterson  
of the North Bennington  
Prudential Committee,  
testimony before the  
State Board of Education**

Since 1869 Vermont has maintained a publicly funded school choice system in which families living in mostly rural school districts that do not contain a public school and do not belong to a union school district can send their children to any public or approved, non-religious independent school inside or outside the state. A dollar amount equal to or competitive with the public school cost per pupil follows the child to the school of the parents' choice.

**For these "tuition" towns, the role of government in education is to provide public dollars, which are used to fund the tuition for each child, which then follows that child to any public or approved independent school that the parent(s) choose.**

There are currently 93 "tuition" towns in Vermont (out of 258), which allow for choice at some level: elementary, middle, high school or a combination of the three (See Map on page 5). Six percent of the K-12 population receives tuition vouchers, and roughly four percent use their choice to attend an independent school. The rest choose to attend a government-run school.

Over the decades these tuitioning towns, which tend to be clustered together to form greater school choice communities, have fed many of Vermont's most celebrated educational institutions. The four big Town Academies, St. Johnsbury Academy, Burr & Burton, Lyndon Institute and Thetford Academy all have histories dating deep into the 19th century. However, new schools with innovative programs, such as the Long Trail School (1975), Riverside School (1981) Sharon Academy (1994), Maple Street School (1998), Thaddeus Stephens School (1999), The Compass School (1999), and many more have been entering the marketplace and are thriving.

Signaling a new phenomenon, voters in two Vermont towns elected to close their public schools (an act making the towns choice-based tuition towns), and to re-open them as independent schools that now compete for students. These are The Mountain School at Winhall (1998) and The Village School of North Bennington (2013). Two other towns, Rochester and Westford, have taken formal steps to explore this option for themselves. A handful of towns are considering it.

There are over 100 independent schools in Vermont (a small state with a steadily declining K-12 population of about 90,000) serving a diversity of needs. The missions of these institutions are broad, ranging from religious-based education to “ski academies” that cater to top athletes to schools geared toward children with learning, physical, or behavioral challenges (One of these, The Greenwood School, was the subject of a powerful Ken Burns documentary, *The Address*). Roughly two dozen of Vermont’s secular independent schools serve a “general admission” student body population.

**Given its unique history, Vermont is the only place in the United States that holds answers to questions like:**

- What is the impact on student outcomes when vouchers are of comparable value to tax dollars following students to government-run public schools?
- What does school choice look like when all children in the community have access to publicly funded choice – no enrollment caps, means testing, or admission limited by lottery?
- What kinds of educational opportunities arise in the marketplace when a number of contiguous communities have full access to publicly funded school choice that includes independent schools?
- What are the long-term benefits (over decades) of school choice to students, schools, and communities?
- What are the results when a government-run school transitions to a publicly funded independent model?
- What are the benefits of school choice to a predominantly white, rural, middle class population?

Vermont is facing a number of challenges in and around education. The number of K-12 students is declining at a rate of 1% per year. Costs and the property taxes necessary to meet those costs are rising exorbitantly (over \$110 million in tax increases over the past two years to fund a \$1.5 billion budget). A growing need for special education services is a big part of that cost. Our students are facing a more global, competitive economy in which they will need new skills to succeed.

It is important that we ask and evaluate, how should the role of government in education evolve to best in meet these challenges while maintaining a system that is both effective and fair for every child. ***We believe, and the evidence shows, that expanding Vermont's publicly funded tuition model can be an effective way to lower costs, improve student outcomes, achieve greater diversity in the classroom, and increase parental satisfaction with and participation in their children's education.***

# What Publicly Funded Tuitioning Looks Like Today

During the question and answer segment of the second EAI v. PAI debate, an audience member asked why the panelists thought parents who have school choice in Vermont today were willing to “fight to the death” in order to keep it. The remark elicited some laughter – nobody’s died defending or opposing tuitioning yet – but there is a large grain of truth behind the perception. So, why?

Let’s examine Vermont’s Northeast Kingdom, one of the most rural areas in New England with a lower-than-average income population. A high percentage of the towns in the region are tuition towns, including seven that provide publicly funded school choice all the way through K-12. A number of high quality independent schools have grown to serve this market.

What this means for families is greater quality, diversity, convenience, and “fit.” For example, parents of high school-aged students in Northeast Kingdom tuition towns can choose between the independent town academies, St. Johnsbury Academy and Lyndon Institute, smaller independent schools such as the East Burke School, Burke Mountain Academy (specializing in educating and training winter athletes), the Cornerstone School (focusing on kids with special needs), or a number of public schools such as the Concord School, Lake Region HS, North Country HS, Hazen Union HS, Danville HS, Canaan HS, Littleton HS (NH), and White Mountain Regional School (NH), all within reasonable driving distance. Of course, these parents can choose any approved independent or public school regardless of geography, and some have used their tuition dollars to educate children out of state or even internationally.

The parents get to choose which of these options will best fit the educational needs of their child and the logistical needs of the family. If that decision doesn’t work out, they can change it.

*Burr & Burton.  
An independent Town Academy  
in Manchester, VT.*

A similar range of choices exists for middle and elementary school parents: the Thaddeus Stevens School, Riverside School, St. Johnsbury School, Burke Town School, and Cornerstone School.

Bill Storz, a parent, a school board member, and a certified special educator from the K-12 tuition town of Kirby, shared his experience with the system. “It’s been great for our family. Our children have been to both public and independent schools.”

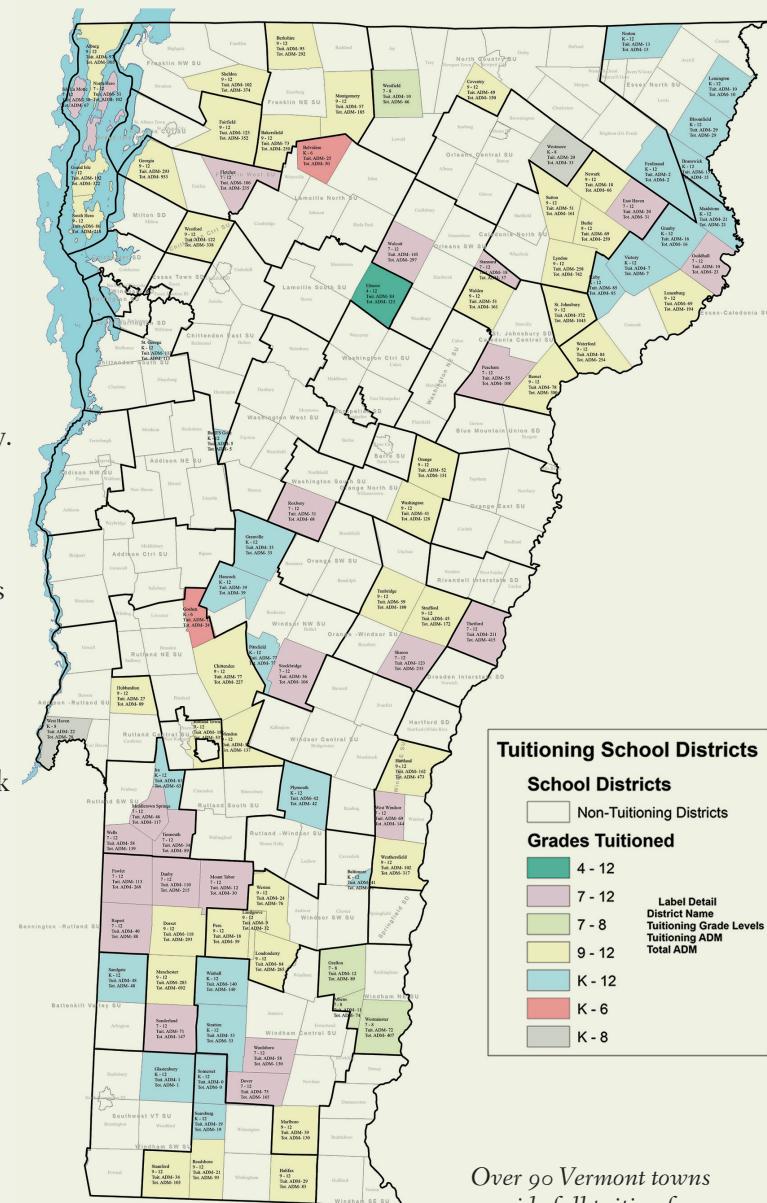
Each of Storz’ children chose different schools for different reasons. One daughter, looking for a new challenges, decided to switch from the Lyndon Town School to the Thaddeus Stevens School after elementary school. “She thrived! She had thrived all along, but she took it to another level by having that option.”

Storz’ son stayed at the Lyndon Town School through 8th grade, pursuing a passion for music. He then chose to attend Lyndon Institute for high school because it had, in his view, the best band program. “After two years at LI,” Storz says, “he was able to get a scholarship to a music school in California.... And then with the Kirby town choice money was able to pursue his music further at that school. That was an opportunity we wouldn’t have even thought about applying to something like that.... Just that little bit of flexibility creates the possibility for something like that to happen.”

Bill Storz’ and his family’s stories are common in Vermont’s tuition communities.

However, for parents of children living in the town next door to Bill Storz, Concord, which does have a public high school and therefore does not tuition, the only option tax dollars will support is Concord High.

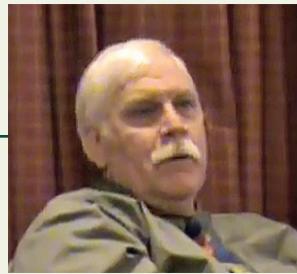
So, which of these two publicly funded systems would you fight for if you were a parent? Which does a better job of serving children and families? We at the Ethan Allen Institute believe that every parent and child should have the same choices and opportunities that come from the Vermont’s tuitioning system.



Over 90 Vermont towns provide full tuition for students to attend the public or approved independant school of their choice.

# Tuitioning: A Potentially Lower Cost Model For Publicly Funded Education

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**"We have two more kids than last year, two less staff members, better programs, and an overall savings of right around \$200,000"**

**Tom Martin,  
Village School of  
North Bennington,  
which went  
independent in 2013**

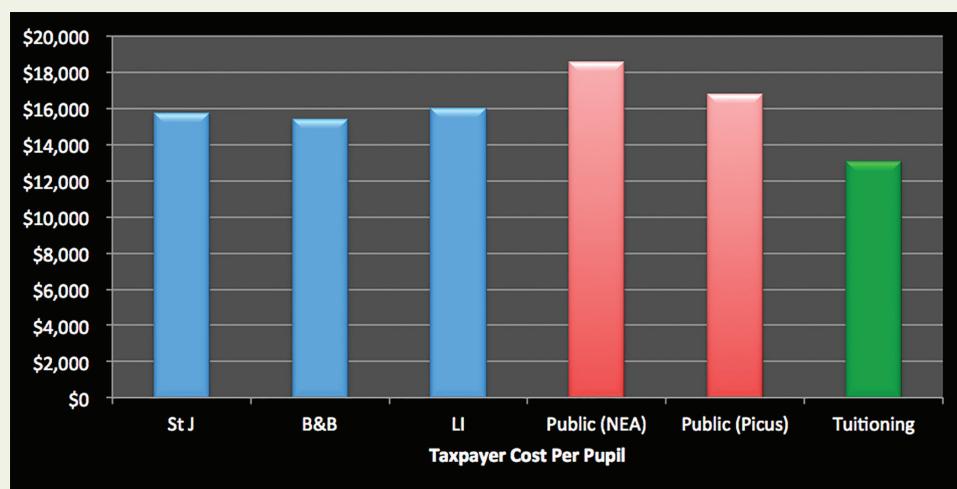
William Mathis is a member of the Vermont State Board of Education, a former superintendent, and managing director of the National Education Policy Center. He participated in all three EAI v. PAI debates for the Public Assets Institute, and is a staunch opponent of school choice. Even so, Mathis conceded this much, "The research says they [charter schools] perform no better, they perform no worse. You do get some parental satisfaction measures that go with them."<sup>1</sup> (More on this later, but we will take what Mathis concedes at face value for the moment.)

But what Mathis did not draw attention to is the fact that voucher programs around the country are achieving these equal or better results with greater parent satisfaction at a fraction of the cost of the government-run schools in the districts in which they compete. Here are examples from some of the most familiar voucher programs, illustrating voucher costs as percentage of the government-run schools' per pupil cost:

Washington DC – 41%  
Florida – 34%  
Louisiana – 50%  
Milwaukee – 56%  
Cleveland – 29%<sup>2</sup>

In Vermont, independent schools that accept tuition students also succeed with less tax money than their government-run counterparts. For the 2013-14 school year, the tuitioning rate set by the state for independent schools in Vermont was \$13,084 for high school students and \$11,703 for elementary school students. In comparison, the government-run schools' per pupil cost was, on average, \$18,571 according to the NEA<sup>3</sup> or \$16,788 (2012) according to the Picus Report on education funding in Vermont.<sup>5</sup>

As the chart below reveals, the taxpayer funded tuition levels for the major town academies, St. Johnsbury Academy, Burr & Burton, and Lyndon Institute, are roughly 15% below the government-run schools' per pupil average, and the "announced tuition" rate that many other independent schools accept as their annual admission rate is 30% (or \$5,487) lower.



#### **REAL WORLD EXAMPLE The Mountain School at Winhall**

The Mountain School at Winhall (MSW) is a public school that "went independent" in 1998. In 1997, the government-run school that MSW would replace had the highest per-pupil spending of any K-8 school in the state at \$12,600 (the state average at the time was just under \$7,000). Fifteen years later, tuition at MSW for 2012-13, was \$13,160 – significantly less than the Vermont statewide average of \$16,788 (Picus Report) or \$18,571 (NEA).

To put these numbers in perspective, since the legislature passed Act 60 in 1997, independent MSW's tuitions have increased by a total of 4.4%, well below the rate of inflation, while government-run school costs have increased by 177%.

According to research done by the Friedman Foundation for Educational Choice, there have been six empirical studies examining the fiscal impact of school choice on taxpayers. All of these studies find that school choice saves money for the public.<sup>5</sup>

# Choice Leads to Better Academic Outcomes

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According the Friedman Foundation, which has compiled research done by other organizations from across the country, there have been 12 “gold standard” studies using random assignment methods to examine how school choice affects the academic outcomes of participants. The Friedman Foundation concludes, “These studies consistently find that school choice benefits students. Six of them find that choice had a positive impact across all students participating. Another five find that choice had a positive impact on some student groups and no visible impact on other students. One study found no visible impact from choice. None find that choice had a negative impact.”<sup>6</sup>

These studies examined targeted voucher programs in states other than Vermont, including New York, Ohio, Wisconsin, North Carolina, and Washington DC, and, as such, they shed more light on the impact of choice on low-income students coming from disadvantaged situations. (More on this in the next section.) In contrast to Vermont’s tuitioning system, which allows all children in a school district to participate regardless of income, the programs cited by the Friedman Foundation take place largely in urban areas with “failing” public school alternatives, are means tested, and/or are limited by lottery.

These studies do shed important light on the benefits of educational choice. They also highlight the fact that the impact of Vermont’s unique tuition system, where entire communities participate and, in most cases, public and independent schools both represent attractive options for parents and students, needs and deserves more study.

That said, a 2002 study by Christopher Hammons, PhD, *The Effects of Town Tuitoning in Vermont and Maine*, did conclude, “The positive relationship between tuition money and test scores reveals that at a minimum parents are choosing those schools that can produce better scores with their tuition money rather than schools that produce lower scores or schools where the money makes no difference. This is the very heart of the school choice model.”<sup>7</sup>

Hammons also discovered, “Our findings indicate that high schools that are more exposed to the town tuitioning process tend to perform better than high schools with little involvement in the town tuitioning process,”<sup>8</sup> a finding that is consistent with the Friedman Foundation’s study of studies, which states, “Twenty-three empirical studies have been conducted on how school choice programs impact academic outcomes in public schools. Of these studies, 22 find that choice improves academic outcomes at public schools. The one remaining study found that choice had no visible impact on public schools.”<sup>9</sup>

### **Real World Example: The Mountain School at Winhall**

Before the Mountain School at Winhall was created in 1998, the government-run school MSW replaced had test scores that were among the lowest in the state. For FY13, The Mountain School at Winhall 8th graders scored 13 points above the state average in reading, 16 points above state average in math, and 19 points above the state average in writing.

As mentioned earlier, during the debate series the Public Assets Institute argued that, “The research says they [charter schools] perform no better, they perform no worse, citing Stanford University’s 27 state study of charter schools. However, a new follow up study done by the same researchers at Stanford University’s Center for Research on Education Outcomes illustrates how the free market principles behind parental choice in education drive higher quality outcomes, particularly over the long term.

The new Stanford study, which compared data from 2009 and 2013, discovered that PAI’s debate conclusion is out of date. What has happened in the interim between the two studies is that market forces caused the poorly performing charter schools to close, the surviving charter schools to improve, and new charter schools to be able to copy and refine the best practices of the successful schools. Traditional government-run schools, lacking the flexibility and/or the incentives to adapt, have not been able to keep up with this pace of improvement.

The new Stanford study concluded, “The fraction of charter schools that outperform their local TPS [Traditional Public School] alternatives is 25% of charter schools in reading and 29% in math. This marks an improvement since 2009 when 17% of charter schools outperformed their local TPS in math. The fraction that performed worse declined slightly in math (31% down from 37% in 2009) and in reading accounted for 19% of charter schools.”<sup>10</sup>

These improvements chronicled in the Stanford study have come over just a four year period. Vermont’s tuitioning system has been in place since 1869, and we reiterate, is deserving of more study.

# Tuitioning Benefits The Poor, Those With Special Needs And Overall Diversity

During the EAI v. PAI debate series, the Public Assets Institute argued that choice-based education systems “segregate by race. They segregate by income, by disability, and by language.” This is not really a fair assertion. The charter school programs that exist at present throughout the nation tend to be confined to inner city settings dominated by minority populations and are means-tested so that only low-income children can participate. It stands to reason that if you limit the programs to students in these geographic, demographic and socio-economic criteria, the programs will reflect that inherent, government imposed bias.

However, what the evidence overwhelmingly shows is that the students who fit the categories mentioned by PAI are the ones who benefit most from having educational choice. The Stanford study concludes that regardless any other failings, “Enrollment and persistence in charter schools is especially helpful for some students, particularly students in poverty, black students, and English language learners all of whom post significantly higher learning gains in both reading and math.”<sup>11</sup>

## The Poor

In Vermont, The Compass School in Westminister provides an example of what tuitioning can do for students from challenging demographic backgrounds in a general admission educational environment. According to Founding Director Rick Gordon, “Compass was meant to serve as a model for choice within public education. It was meant to be consciously not elitist and not selective. It was meant to follow public school conditions – the same kind of kids with special education – and show we could help kids be successful who might not be successful elsewhere under the same conditions for the same costs, or in fact for quite a bit less money [than the government-run alternatives]. See the results in the boxed example below:

### Real World Example: The Compass School

The Compass School in Westminister was established in 1999 and enrolls between 80 and 100 students in grades 9-12.

40% of the student population qualifies for free and reduced lunch. 30% have identified special learning needs.

Compass has a virtually 100% high school graduation rate. Over 90% of its graduates are accepted at a college.

Compass achieves these results with this student body demographic for roughly \$5500 less per pupil than the average Vermont government-run public school.

The fact of the matter is that the wealthy will always have school choice. If the assigned government-run school does not work for them for whatever reason, wealthy parents can simply pay to have Johnny or Sally educated at the private school down the road. Or they can pay to move to a neighborhood with higher home prices, higher property taxes and better government-run schools. In a system built around arbitrary geographic fence lines, however, the poorest kids don't have those options. For good or ill, they are trapped inside the invisible walls of their school district. If the school located inside those walls doesn't fit their educational or emotional needs, tough luck.

This system has demonstrated over decades that it does not work for poor kids. An official news release by the state of Vermont posted on November 26, 2013 regarding Vermont kids' scores on the National Assessment of Educational Progress test illustrates the point. Then Secretary of Education Armando Vilaseca is quoted, "I am particularly concerned that ***we still have not made major progress in closing the achievement gap for students living in poverty...***" [emphasis added]. "Vermont students demonstrated significant achievement gaps based on family income..... The smallest gap was 14 percentage points in fourth grade mathematics, and the largest was 23 percentage points in fourth grade reading."<sup>12</sup>

Vermont's 2013 scores on the National Assessment of Educational Progress (NAEP) tests show just how many of our kids are not learning proficiently in the public school system as it currently operates"

### NAEP Proficiency 2013



These kids are falling through the cracks, and the government-run system, for all of the advantages that come with being a generously funded, state-sanctioned monopoly, is not giving all kids, particularly rich versus poor kids, an equal shot at becoming educated.

Vermont's tuition system can equalize the opportunities for rich and poor, because in tuition towns the poorest child has the same choices and resources for pursuing their education as does the wealthiest child, or at least something close to it.



**"Not every family has been in a position where they were able to make the kinds of sacrifices [we had to make], or had the financial ability to write the checks that we had to write to provide the good education for our daughter."**

- Susan Noyes,  
Parent

Susan Noyes is a parent who lives in Concord, Vermont, a town that does not participate in the tuition program. However, Noyes and her husband were able to make the financial sacrifices necessary to pay out of their own pockets the \$110,000 in tuition (plus \$74,000 in school taxes) give their daughter the opportunity to attend independent schools, including St. Johnsbury Academy.

"My daughter was very artistic," said Noyes. "She's a figure skater and a dancer. She had the opportunity to study ballet underneath a master's level ballet instructor. Those kinds of opportunities don't happen in every public school, and those are the kinds of things that you're really allowing a kid to build upon their own personal strengths, to write their own story, and to be the people they are intended to be."

Noyes tells of neighbors who have come up to her and lamented, "I would love to have these kinds of opportunities for my kids, but I've got three of them, and there's no way I would be able to [pay tuition and taxes] for three kids. And my heart goes out for those families."

### **Special Needs Students**

Vermont has over thirty independent schools with missions specifically targeted toward children with special needs, either physical, emotional or behavioral. However, the general admission independent schools also serve kids who need special attention, sometimes negating the need for formal (and costly) special education services.

Special education funding is a growing burden for Vermont taxpayers. The Vermont Department of Education reports, "the total for the K-12 special education costs to be covered by Federal/State/"local" funds is \$305,770,796.... This is an increase of 5.3% from the FY-2014 Service Plan estimate of \$290,434,217 provided last October. The FY-2015 Service Plan amount is 12.3% over the FY-2013." <sup>13</sup>

Bill Storz is a special educator in the Northeast Kingdom with the Community High School of Vermont, which serves students in the prison system. He also serves on the school board for the tuitioning town of Kirby, Vermont. He shared his observations as to why access to school choice reduces the need for special education services and better meets the educational needs of children.

"Choice," says Storz, "is a powerful tool within that whole realm where you want to teach people how to make good decisions. Once people feel empowered to make good choices, they respond and rise to the occasion. When people don't feel

they have choice, they react against that in some way. So, I honestly think that the choice system allows people to feel empowered about their situation, and I think it logically allows them to find matches. Last year we crunched some numbers on special education for example.... and we found that we [in Storz' Kirby school district] have very low numbers on special education [half of the state average] and I, anecdotally, attribute that to the fact that people are better able to match schools and children....”

Data backs up Storz' anecdotal observations about the benefits of special education students finding the right fit. In 2003 Jay P. Greene and Greg Forster did a study of Florida's McKay Scholarship Program for Students with Disabilities, a program that makes a school voucher available to any special education student in Florida's public schools. Their research found that for the students who were able to choose their schools with a voucher there were significantly fewer victims of bullying. “In public schools, 46.8% were bothered often and 24.7% were physically assaulted [due to their disabilities], while in McKay schools 5.3% were bothered often and 6.0% were assaulted.”<sup>14</sup>

Barbara Tracy, the parent of a student at Sharon Academy, discussed this dynamic in a story about the challenges her adopted Korean son had in dealing with anxiety issues serious enough to require therapy and medication. In the government run school, Tracy said at a forum in Rutland, “He was the target of many kids. It became a nightmare.” But, Vermont’s tuitioning system allowed her to find, “A community where he could begin again. A school where he could learn and find friends in an atmosphere of cooperative community.... This is the gift of having a school that is the right fit for my child. It is a gift to be able to choose the right school for him.”

Brian Keefe, the parent of a student at Maple Street School, shared a similar story about his daughter. “I never thought I would use an independent school, but our daughter was diagnosed early with some learning challenges. She was on IEP (Individualized Education Plan) at the public school for six years, and it just wasn’t working for her there.... Before she entered Maple Street School she was separating from her peers academically. She was miserable. She didn’t want to go to school. She was unhappy. Two years later when she graduated from 8th grade [at Maple Street School], she gave her three-minute speech and spoke about her challenges and how she overcame them, and how it changed her life.”

The Greene/Forster study also found that behavior problems were fewer where children had access to vouchers and choice. “40.3% of current participants said their special education children exhibited behavior problems in the public school, but only 18.8% report such behavior in McKay schools.”<sup>15</sup>



**“Last year we crunched some numbers on special education for example. and we found that we have very low numbers on special education and I attribute that to the fact that people are better able to match schools and children.”**

**- Bill Storz,  
licensed special educator**



**"School choice is a great benefit for my family. It has allowed for individual needs to be met. I have one child with autism, and special needs require special fits. It has been extremely important, especially for him to have school choice to find the best fit."**

- Robert Treat,  
Parent

## Diversity

There is a trend in United States in which people are self-segregating themselves into neighborhoods of like-minded, like-educated groups with similar backgrounds and incomes. This phenomenon is described in detail in Charles Murray's book, *Coming Apart*, "The new isolation involves spatial, economic, educational, cultural, and to some degree, political isolation." It turns out a major factor driving this phenomenon is government-run public school district lines.

A study by researchers Kendra Bischoff of Cornell University and Sean Reardon at Stanford University, *Residential Segregation by Income 1970-2009*, discovered through an analysis of census data that the share of American families living in either poor or affluent neighborhoods has doubled over the last four decades from 15% to 33%. The proportion living in affluent areas shot up from 7% in 1970 to 15% in 2009, while the share of families in poor neighborhoods more than doubled from 8% to 18%.<sup>16</sup>

The researchers found that one driving factor in this self-segregation is having children. Why children? Because when young affluent couples decide to have children they move out of more economically diverse neighborhoods and into neighborhoods that have better schools, and these new neighborhoods tend to be more expensive. "[T]his relationship provides evidence that the presence of children makes residential location more important, and thereby aggravates residential sorting by income."

Vermont's tuitioning system breaks down the fences that result from artificial school district lines. Looking at this from the perspective of one tuitioning town, Ira in Rutland County sends its forty-six K-12 students to fourteen schools, both public and independent, from Manchester (30 miles to the south) to Fair Haven (20 miles to the west). From the perspective of an independent school, the Mountain School at Winhall, for example, currently draws students from nine Vermont towns and one in China where the pre-K-8 school is building an international exchange partnership.

Adding to the diversity of independent campuses is the opportunity for boarding students from around the country and the globe. St. Johnsbury Academy, for example, has roughly 30% of its 950 member student body living on campus, and 20% of the student body is international.

## Tuitioning for Everyone - the Swedish Example

What would happen if tomorrow Vermont opened up the tuitioning option to all of its communities, forcing all schools, government-run and independent, to compete for students and the tax dollars attached to them? The Public Assets Institute worried that this would destroy the government-run system. Evidence from Sweden, a country that did exactly this in 1992, paints a different picture.

Anders Böhlmark and Mikael Lindahl evaluated the impact of Sweden's decision to provide vouchers to all of its students two decades after the program's implementation.<sup>17</sup> Before 1992, less than one percent of Swedish children attended independent schools. Twenty years after the introduction of vouchers, only eleven percent of Swedish students choose to attend an independent school. This is roughly the same percentage of American students who pay to attend private schools today. The "traditional" public schools in Sweden have remained pretty much intact. But better.

Böhlmark and Lindahl concluded that "an increase in the share of independent-school students improves average performance at the end of compulsory school as well as long-run educational outcomes." They also report, "the educational performance effects are interpretable as positive effects on school productivity. We further find that the average effects primarily are due to external effects (e.g., school competition), and not that independent-school students gain significantly more than public-school students."

The tuitioning system benefits the system as a whole, not just the students in independent schools (a conclusion that matches the 2002 findings of Hammons in regard to Vermont's tuitioning system).

## Conclusion: Tuitioning is a More Effective Role for Government in Education

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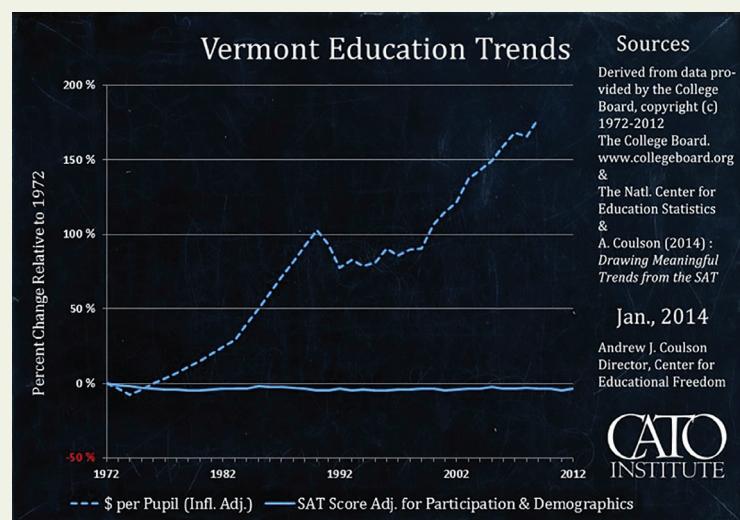
Vermont, as well as the nation as a whole, needs to explore new business models for delivering universal, publicly funded education. New technology, shifting demographics, emerging social challenges, and a rapidly evolving economy demand a dynamic education system with the flexibility to adapt to changing conditions, improve quality, and increase value.

We have all heard the free market analogy of the "buggy whip." As the automobile replaced the horse, buggy whip manufacturers went out of business until only one manufacturer of buggy whips was left standing. They may have made the best darn buggy whip in the world, but it ultimately didn't matter because a better mode of transportation had come along.

Vermont's government-run public school system is often cited as one of the best in the nation. This may well be the case. However, examining our NAEP test scores we see that even in "one of the best" government-run systems an unacceptably large percentage of kids is falling through the cracks. The track record shows that

the government-run monopoly system has not been able to bridge the achievement gap between rich and poor, and may, in fact, be contributing to it. In Vermont, the K-12 system as a whole is losing students at a rate of 1% per year, and the funding mechanism to pay for this system (Act 60/68) is widely viewed as broken and unsustainable. Despite the significant increases in spending, the value we receive for our investment remains flat (See CATO chart).

Vermont's government-run education system has become "the best darn buggy whip" in the world – a successful anachronism. It achieves as much as a government-run monopoly can ever or will ever achieve, but in today's world that is not enough.



In 2013, moviemaker M. Night Shyamalan came out with a book in which he explored innovative education models, *I Got Schooled*. He took a completely non-political approach to the subject of education reform by working backwards -- looking at schools that were actually succeeding in meeting the challenges most educators are facing today, particularly that of narrowing the achievement gap between rich and poor. All of the schools he found achieving real success were charter schools. And, all of the schools were based on business models that allowed them to follow five key principles:

- Identifying and removing teachers who are roadblocks to student progress.
- Transforming principals from operations managers into instructional leaders.
- Collecting data on everything from weekly test scores to classroom technique and feeding it back to teachers every week.
- Spending more, quality time in school.
- And, doing all of this in schools that are small enough to make all the other systems practical.

School choice has demonstrated that it can provide the kind of dynamic, innovative programs, individually tailored to the needs of children and families we need to succeed. Government's role should be to facilitate this by empowering parents and children through fully funded, community wide choice, as 93 towns in Vermont (and counting) are doing today.

# Notes

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**This report is dedicated to Bernier Mayo  
St. Johnsbury Academy, Headmaster,  
1981-2001**

For his long and superlative service in the cause of high-quality independent education, and for his outspoken advocacy of parental choice and provider competition, we salute Bernier and dedicate this report to him. Bernier Mayo, has been a longtime member of the Ethan Allen Institute's Advisory Council. On school choice, he puts it simply: "Having a choice is wonderful. Not having a choice is terrible."



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Institute Report**

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