

Inaugural Address
of
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Inaugural Address

Mr. President, Mr. Speaker, Mr. Chief Justice, distinguished guests from the executive and judicial branches, Members of the House and Senate, Friends:

It is with much anticipation and a deep feeling of honor that I stand before you, ready to shoulder the responsibilities of serving the State of Vermont for the next two years.

Thank you for giving me your trust.

As the oath of office echoes in my mind, I confess that I am once again deeply impressed by the power of the office and the democratic process by which we govern ourselves.

From one perspective, our democratic system seems so untidy, raucous, and unpredictable. Yet today, our democratic tradition has produced an orderly and fair system, truly representative of all Vermonters.

On a personal level, I thank my husband, Arthur, our children, relatives and friends. They have sustained me and I am exceedingly grateful to them.

Quite simply put, your love and affection has given me the courage and determination to emerge triumphant.

I thank my staff, the cabinet, the men and women who work in state government, and the members of the Legislature for their part in enabling us to look back on this first term with a proud sense of achievement.

Our first task, as we embark on this new biennium, is to decide where to continue existing policy and where to make a break with past practice to set a new course.

Today, I depart from the tradition of thematic inaugural addresses and ask you to rivet your attention on a single subject: Education. I view this as the most important issue this Legislature has to resolve.

Some one hundred years after the State of Vermont first struggled to resolve the inequities of education financing, I believe we are about to break new ground and begin an historic session. I am determined that we move boldly forward to a new and fairer method of funding education.

I promise you I will use all the power granted to me in this high office to bring about the changes necessary to achieve equal educational opportunity through equal spending and equal tax burdens. Our ability to come to terms with this issue will not only determine the outcome of this legislative session, it will dictate the future of education and the quality of life beyond the year 2000.

The problem is simple: today in Vermont, the quality of education a child receives depends on where he or she resides. This is neither fair, nor good for the future of our state.

Allow me to be specific and compare two elementary schools to illustrate the problem. What would we see if we were given a look inside the Hiawatha School in Essex Junction and the elementary school in Charleston?

In Charleston, the science textbooks are worn and out-of-date. Not every child has one. They must be shared with another class.

The library is sparse, reference works and computers are non-existent, as are recent maps and globes. The arts, health education and physical education are not offered by teachers certified in those fields. There is neither a librarian nor full time principal.

At the Hiawatha School, there is an abundance of instructional material. Each child has not only his own textbook, but computers are readily available. There is a computer club.

The library is rich in materials. Art and music instruction are provided weekly in rooms especially designed for that purpose. The list could continue.

The differences are dramatic and not hard to explain. In fiscal year 1985, the Charleston school spent \$2005 per pupil, less than half of what was spent at Hiawatha, and \$1300 below the Vermont average.

Why the disparity? Is it because the parents in Charleston don't value education as much as the Hiawatha parents? On the contrary, their effective tax rate was almost the same.

But there is a dramatic difference.

Charleston's grand list produces only \$802 per student, compared with Essex Junction's \$4,563, almost six times greater.

I ask you, is this fair?

No, it is not.

It is time for change.

The level of contrast between these communities does not exist because people do not want the best for their children.

These differences exist largely because people at the local level are basing their education decisions on how much money is available, which depends on the size of the grand list.

The growth in grand list, unfortunately, does not follow families. In fact, it might be argued, it detours families.

Our challenge is not only to erase geographic limitations. We must make the State of Vermont a showcase for excellence.

We are the envy of the nation for our environmental quality and are known for our readiness to take up arms against any person or interest who would despoil our environmental heritage for purely selfish reasons. I dare say there is no one in this room this afternoon who does not instinctively understand the importance of the environmental imperative in Vermont.

I ask you to seek and achieve educational excellence with the same zeal.

Education has historically been government's greatest responsibility and expenditure.

The U.S. Supreme Court addressed this in its historic 1954 case on race discrimination: Brown v. the Board of Education. In a unanimous decision, the court wrote:

"Compulsory school attendance laws and the great expenditures for education both demonstrate our recognition of the importance of education to our democratic society. It is required in the performance of our most basic public responsibilities, even service in the armed forces. It is the very foundation of good citizenship. In these days, it is doubtful that any child may reasonably be expected to succeed in life if he is denied the opportunity for an education. Such an opportunity, where the state has undertaken to provide it, is a right which must be made available to all on equal terms."

No one in this chamber disagrees with these words.

But let us examine these words closely. The court has said: "Education is a right which must be made available to all on equal terms." Our Vermont Constitution echoes this principle.

In Vermont, we have said "Yes" in theory, but "No" in practice to the principle of equal educational opportunity. In fact, through a combination of ignorance, market forces, and allegiance to localism, we are fostering a dangerous policy of greater inequality of educational opportunity.

The gap between rich and poor school districts is becoming wider each year.

On average, the grand lists in Sherburne, Stratton, and Stowe grew by 42 percent between 1983 and 1985. But Bristol, Craftsbury and St. Albans City averaged only 5 percent growth in their grand lists during the same period.

We must recognize that the state aid solution does not lie in any particular formula alone. There are no magic formulas waiting to be discovered. The solution lies in mustering the political will to resolve the contradiction between continued local funding as we now know it, and equal education opportunity for all of Vermont's school children.

The time has come to recognize that if the principle of equal educational opportunities is to be honored in practice, property tax capacity, the key factor which influences the quality of a child's education, can no longer be exclusively apportioned according to school district boundaries.

We must muster the will to acknowledge the statewide interests of education, while continuing to respect local values.

I am aware of the arguments used to avoid this basic philosophical decision.

Some say property wealth and school expenditures do not guarantee educational excellence, others argue those towns that have the wealth deserve to keep it because they worked to obtain it, and still others claim that we do not have to address the property tax question as long as we raise funds through other taxes to finance a redistribution formula.

All those arguments contain an element of truth, but they do not contain enough truth to solve the problem we face nor do they give us an easy way out.

There are not any comfortable, incremental, non-controversial ways to reach the goal we espouse — equal educational opportunity through equal spending and equal tax burdens.

I ask you, in fact, to risk discomfort, to seek controversy, and to take bold steps to achieve success. Future Vermonters will thank you for it.

Vermonters have been willing throughout history to put aside parochial interests for the greater benefit of the state.

It took courage to offer the first bond issue in our history in the aftermath of the 1927 flood. This was a momentous state initiative, considered perilous in its time.

It took courage for Democrats and Republicans to work for reapportionment in 1965. Their efforts ended forever the long-cherished principle that every town could send one member to the House of Representatives.

It took courage, as many here will remember, to abolish the local overseer of the poor. It was only 20 years ago that we created a new, humane, and progressive social service system.

In each case, as a matter of conscience, we recognized that every Vermonter must be treated equally. Just as every Vermonter has equal representation in this chamber because of reapportionment, and every Vermonter in need has equal access to welfare benefits, I call upon you to make certain that every Vermont school child has access to an equal education.

Through the anvil of compromise and bipartisanship, we can achieve a fundamental restructuring of the way we finance public education in Vermont. The task will not be easy. Many have tried before us.

In the last 100 years there have been six different proposals to reform education financing. In the late 1800's the Legislature first provided funds to assist school districts which paid teachers more than 15 dollars per week.

In 1935, there was, as you might surmise, a study commission, which reported to the Governor. It stated that a school finance aid formula be based on a philosophy of equal educational opportunity for students "regardless of their locations in the state."

There once was, in fact, a statewide property tax in Vermont, and a foundation plan.

Our task is not a new one, but in one sense, it is different. More than ever before, the times in which we live demand a higher and more sophisticated level of education than required of earlier generations of Vermonters.

For a moment, I ask you to personalize the principle of educational opportunity into the specifics of your own life. What has education, or in some cases, the lack of it, meant to you? What do you wish for your children and grandchildren?

I know, from my personal experience, what education has meant to me. When I came to this country as an immigrant, with my brother and mother, not speaking English, it was the educational system of this nation which opened every important door to us. Without it, we would have deprived ourselves of the upward mobility which gave every immigrant and every American, no matter how humble his or her beginnings, the genuine hope for a better life.

Without access to education, the dream would have died.

What was true for my brother and me, is true for the next generation of Vermonters.

It must also be recognized that regardless of the allure of "local control," the phrase turns into a cruel joke when all there is to control is continued poverty.

It is genuine local control to say that our schools can decide how to use the funds provided them to design and implement local programs. But it is a perversion of local control to say that they must do so with inadequate funds because they don't happen to have a mountain, lake, or large industry to bolster their tax base.

In the public hearings on this subject, we have heard much about the price exacted by changing the present system.

There is, I strongly believe, a greater price to be paid by inaction.

If we continue the present trend of permitting, in fact, encouraging the rich to get richer and the poor poorer, the inevitable result will be a greater number of high school dropouts, lower achievement scores, and decreased ability to compete worldwide.

All those who fail in school will have to be supported, to one degree or another, by our tax dollars. That cost will be borne to a large extent by those very same communities, who today protest sharing any percentage of their tax resources with poorer communities.

I believe it is a question of invest now and help prevent future economic dependency, or pay later. We cannot afford to institutionalize, through superior and inferior school systems, a two-tiered, two-class society in Vermont. Neither can we accept on moral grounds such economic injustice.

Viewed in this light, education financing reform is the most significant economic and social issue facing this state.

You will be asked as you debate this issue: how can we be sure that spending more money translates into educational excellence?

Today we have data which shows that Vermont's best schools are located in the districts that spend the most per pupil and have the greatest property wealth.

Let us compare Williamstown and Stowe.

Williamstown High School sends 30 percent of its students to college, has a dropout rate of 5.8 percent, and meets 31 percent of the state standards.

Stowe High school sends 55 percent of its children to college and has a dropout rate of less than one percent.

In fiscal year 1985, Williamstown had a tax rate of \$1.80, and spent \$2935 per pupil after receiving \$589 in state aid.

Stowe had a tax rate of 72 cents and spent \$4801 per pupil, after receiving \$100 per pupil, a floor town.

Unquestionably different results, different spending, different tax burdens.

It is fair to ask, why is Vermont's problem so great? The reason is simple. We have the smallest school districts in the nation with the greatest difference in property wealth of any state in the nation.

Other states long ago addressed this problem by having larger school districts, so that the benefits of development are more widely shared.

Each district in Vermont averages 300 students. In New Hampshire the average is 1000 students. The U.S. average is 2,500.

Larger districts, for taxing purposes only, is an issue that must be revisited. I have asked Senator Phil Hoff and Elbert Moulton to chair a committee to recommend more equitable districts, a task Senator Hoff initiated during his term as governor.

To guarantee that Vermont does indeed become a showcase for educational excellence, I have proposed the following initiatives:

- A report card for each school district, with input from a community advisory board.
- Twenty new community-based early education programs for disadvantaged four-year-olds.
- A second-chance program to reduce the dropout rate to zero in five years and bring dropouts back into the school system.
- A school improvement fund.
- Regular school audits for all districts.
- Regular evaluations of how school districts apportion spending between administration and teaching.
- Establishment of a central purchasing system, anticipated to save more than three million dollars.

I deliberately delayed my own recommendation on state aid funding until the commission, created by the Legislature last year, completed its task. In the past nine months, they have done a tremendous amount of diligent work on the state aid problem. I commend them for their effort and their commitment to the principle of equal education for all Vermont children.

The time for study is over. Now is the time for action.

Today, I seek your support for the Vermont Foundation Plan, as developed by the State Aid Commission. The Legislative Pages will put a detailed explanation of my proposal on your desks immediately following this address. I will present you with legislation next week.

The Vermont Foundation Plan has many advantages. It achieves my twin objectives of education and taxpayer equity.

Simply put, each school district will be guaranteed the financial resources to provide its students with a good basic education at a reasonable property tax rate. A good basic education is one which fully meets the state school approval standards. This has been estimated at \$3,400 per student.

The Vermont Foundation Plan will guarantee each district the capacity to raise \$3,400 per student at an equalized tax rate no higher than \$1.25.

The fully-funded plan will cost approximately \$120 million, \$31 million above the current appropriation.

I also propose that property-wealthy communities share with poorer districts. This would require communities that can raise the \$3,400 per child with less than an 82 cent equalized tax rate to assist poorer districts.

I do not endorse the Commission's proposal to give towns the local option to raise taxes. This provision would be a significant benefit to only a few towns and simply increase the unequal tax burdens which now exist.

Most significantly, under the foundation plan, we will guarantee that no person shall pay more than five percent of his income in property taxes, regardless of income.

I recommend that this plan be phased in over a five-year period.

I fully recognize that the task I have placed before you is not easy to achieve. In fact, there are many who will claim immediately after I conclude my remarks that it is impossible.

We cannot afford such pessimism. Nor should we lower our sights and adjust to what is considered “politically popular.” The children of Vermont are our constituents, and it is to them we are ultimately responsible. The future of this state will be in their hands, and we are in a unique position to shape that future.

I tell you today that I will continue this fight until it is won. I will not accept the status quo. I will oppose efforts to simply extend the Morse-Giuliani formula.

The Morse-Giuliani formula was an important step in its time. It allowed us to put new state funds into education in a more equitable way, and I am glad we did. But the gap in resources available to the wealthiest districts and the poorest districts widened under Morse-Giuliani.

There is another critical reason why Morse-Giuliani is inadequate for today’s challenges. Many communities do not have and will not be able to raise, without unacceptable pain, the funds necessary to comply with the school approval standards. Unless we change our education financing method, we will be called upon to choose between repeal or dilution of the standards or a massive tax increase.

If we abandon the standards, our generation says, in effect, to the next generation, we do not care about your future enough to provide you with a good basic education.

The Vermont Foundation Plan offers another option that faces squarely the needs of our students while being fair to our taxpayers.

I will call upon the people of the state of Vermont, beyond the walls of this chamber, for help.

Business men and women, farmers, parents, factory workers all have a stake in the outcome of your deliberations.

This is an issue, above all others, which will determine the future business climate of this state, and which will determine the future welfare of the people of this state.

Think for a moment, how will we introduce good high technology jobs in the Northeast Kingdom if we cannot support a first-rate school system in that region? The answer is obvious.

What is required of us is more than a formula change. It is an act of moral courage which reaffirms our belief in the fundamental democratic principle of equal access to education.

To achieve it, join me in seeing beyond the bounds of your own legislative district and recognize the overarching responsibilities we have to all the people of this state.

We can surmount our differences. We can work in concert, as Republicans and Democrats, for the common good.

That is why we are here.

We will freely and vigorously debate the pros and cons of this proposal. The final law will benefit from that exchange.

But let us not disguise debate as action, nor permit ourselves to use complexity as an excuse for delay.

I stated the problem at the outset. It is straightforward.

In Vermont, the quality of education a child receives depends on where he or she resides. That is neither fair nor good for the future of our state.

Our goal is clear: to remedy this inequity by restructuring the way education is financed in Vermont.

The charge I have placed before you is worthy of your total dedication. I ask for yours, and pledge you mine. I am determined that we will succeed, and as a result, we will be proud of our lasting contribution to the people of this state.

Thank you.