

COMMUNITY RESPONSE TO 'ROBIN HOOD' TAX LEGISLATION:

A CASE STUDY OF STOWE, VERMONT

by

KRISTEN LEAH MILLER

(Under the Direction of Steven Holloway)

ABSTRACT

This thesis is a study of community reaction to property tax reform in Stowe, Vermont. Literature on distributive justice and economic theory are emphasized as they were the basis for Vermont's recent attempts at education finance reform and equalizing educational opportunities for all publicly educated students. Act 60 and the *Brigham* decision are analyzed to understand how concepts of egalitarianism and distributive justice played out in the creation of education finance reform. A case study approach utilizing interviews and archival analysis is then used to show how these conceptions played out at the local level. Perspectives of property owners within Stowe are considered. Although most property owners opposed Act 60, the reasons *why* individuals were opposed differed based upon their position within the local community. Two dominant themes expressed include the loss of local control over property taxes and the unfair redistribution of funding education disadvantaging the town of Stowe.

KEY INDEX WORDS: Distributive justice, Egalitarianism, Education finance reform, Act 60, *Brigham*, Property tax, Equal educational opportunities, Community, Stowe, Vermont

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KRISTEN LEAH MILLER

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KRISTEN LEAH MILLER

Major Professor: Steven Holloway

Committee: Hilda Kurtz  
Kavita Pandit

Electronic Version Approved:

Maureen Grasso  
Dean of the Graduate School  
The University of Georgia  
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## **PREFACE**

Education, in the past ten years especially, has always been of great discussion and debate in Vermont. A state composed of 251 towns, each community in Vermont gathers on the first Tuesday in March for Town Meeting and hashes out finances for the upcoming year. More often than not, education is the most highly contested expense. This is due to education being funded through property taxes and a percentage of each taxpayer's dollars are earmarked specifically for funding schools either in that community or through tuitioning the students from that community to another town's school system. The higher the educational costs, the more taxpayers have to spend. And depending on the economy, the depth of the taxpayer's wallets, and the personal philosophies of town residents, passing school budgets can actually become a frustrating and time-consuming process.

I grew up in Stannard, a town without its own school system and not part of a school union past the sixth grade. Thus, it provided my family with the opportunity to partake in 'school choice' during my junior high and high school years. Coming from an area dominated by poor towns ('receiving towns' in Act 60 lingo), the schools that we attended were geographically located in richer towns ('gold towns') given that my parents wanted us to go to the best high schools possible. The term 'gold town' refers to towns which have a large tax base (more property) which results in lower local property taxes and higher possible local spending.

During the years of Act 60, Stannard was often cited as a town that was in need of property tax reform. Its property taxes were higher than those of 'gold towns' and the quality of education received within these school districts was arguably less. Residents were essentially

paying more for less. A resident of Stannard was even one of the plaintiffs in the *Brigham* case that resulted in education finance reform throughout the state.

Despite living in Stannard, both my brother and my sister attended Stowe High School. This was a case of two children from one of the poorest towns in the state being tuitioned through the public school system into one of the richest towns in the state. My family is one that suffered for years through outrageously high property taxes thus understanding the plight of ‘receiving towns’ while having children that were being tuitioned to the ‘gold town’ of Stowe and saw first-hand the opposition of residents within that community. That being said, the last year that one of my siblings was in the Stowe school system was 1999, two years after the passage of Act 60. Much debate over the legislation has occurred since then and without having siblings within the school system, I had become less aware of the effects of Act 60 in both Stowe and throughout the state. Thus, this project is the result of not only general interest in issues of social justice and educational equity but also from personal interest in how Act 60 has affected and changed the lives of those living in Stowe. This project is meant to be an attempt at telling Stowe’s story of Act 60, through the voices of Stowites themselves.



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# CHAPTER 1

## INTRODUCTION

### *Equalizing and Reforming Education: A National Phenomenon*

Today, education is perhaps the most important function of state and local governments...It is the very foundation of good citizenship...[I]t is doubtful that any child may reasonably be expected to succeed in life if he is denied the opportunity of 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.

- Chief Justice Warren in *Brown v. Board of Education*

*Brown v. Board of Education, (1954) (Brown)*, the United States Supreme Court decision of 1954, resulted in the desegregation of public schools nationwide and asserted that the notion of ‘separate but equal’ with regard to education, was in fact, unconstitutional. This decision not only was monumental in the fight for equal rights based on race, it also set a precedent for education reform and drew attention to issues of educational equality throughout the United States for decades to come.

In terms of educational reform at the national level, for example, the recently passed No Child Left Behind Act (2001) allows for underprivileged public schools to receive funding from the federal government and addresses the issue of teacher accountability for the quality of education within their classrooms. Other education issues under intense debate around the nation include charter schools, school choice, unequal funding levels, teacher shortages, and admissions practices at institutions of higher education. Throughout these recent debates, issues of equality and fairness have been at the forefront.

In the decades since *Brown*, dozens of states have wrestled with the issue of equality and adequacy in education. Twenty states since 1976 have had their courts rule that existing state education funding systems were unconstitutional (Buzuvis, 2001). Vermont, a state that often prides itself on being a national trendsetter through such progressive acts as prohibiting billboards, electing socialist politicians, and offering civil unions for gay couples, is one of these such states.

Vermont's school reform legislation, the Equal Education Opportunity Act of 1997 (hereafter referred to as Act 60), is one of many recent efforts across the nation that attempt to increase the quality and equality of American education. Similar to legislation in other states, Vermont's Act 60 was created in 1997 in response to *Brigham et al v. State of Vermont, (1997)* (*Brigham*) as an attempt to ensure that all school children would receive the same basic educational opportunity. Act 60 shifted responsibility of school funding from local to state control, and set property taxes at a statewide rate with each school receiving the same per-pupil amount to fund education expenses. Minimum standards for educational quality and student performance were also established at this time. A political cartoon from the *Stowe Reporter*, Figure 1.1 summarizes one perspective of Act 60 as an attempt to secure success for all citizens yet burdening its citizens through regulations and taxes. Wealthy towns, that had a large tax base with numerous property owners and low tax rates, were required to raise their property taxes in order to help fund education for poorer towns throughout the state. This was a shifting of money from rich towns to poorer towns in the name of education: a form of Robin Hood education finance, so to speak.

Vermont had previously given the power of funding education to municipalities and the state provided limited support for the poorest towns to help compensate for high tax burdens.

Act 60 shifted educational spending control to the state by creating block grants provided to schools based upon the number of students; it was not based upon the ability of a town to pay for education. This change raised the property tax rate of rich localities ('sending' towns as coined by the state and often referred to as 'gold towns' by others) through the establishment of a state-wide property tax in order to help lower the property tax rate of poor towns and pay for the education of students in these municipalities. As a result, per pupil expenditures in these



**Figure 1.1** Stowe Reporter cartoon from Oct. 29, 1998. Depicts a stereotypical 'rugged' Vermont citizen who is burdened by taxation and governmental regulations in an attempt to achieve success for all residents.

towns went down according to the new state funding formulae. Act 60 included provisions to prevent 'gold towns', unless accepting penalty, from increasing their taxes above the state-mandated level to supplement the per-pupil amount and maintain the per-pupil expenditure that existed prior to the legislation (State of VT, 1997). This left many property rich towns with fewer financial resources to fund programs than previously available. Many parents and

taxpayers within these towns became angry at the possibility of a) having to pay higher property taxes to fund other towns' children, b) having to pay higher taxes while having to lower per-pupil expenditure within their own schools, and c) losing local control over education finance with the state dictating how and where money gets distributed.

Much of the public debate over issues of educational equality and fairness, however, has not explicitly addressed their geographic dimensions. Act 60 raises many issues of geographic equity and fairness. It is an attempt to equalize social and geographic disparities in educational outcomes through an explicit restructuring of the geographic basis of educational funding. The act seeks to ensure that children living in poorer towns receive equal access to quality education and are not educationally disadvantaged simply because of where they live. At the same time, the legislation forces the residents of richer towns to pay more simply because of their geographic location. Thus, though the state of Vermont attempted through Act 60 to achieve equality in a desired *outcome* – quality education – it did so through a system of geographically equalized spending. Though the *process* is geographically equalized, it has led to claims of being unfair; benefiting some communities at the expense of others.

The debate over Act 60 has nowhere been greater than in the town of Stowe. Labeled as a 'gold town' due to its world-renowned ski resort and numerous tourist-centered shops and restaurants, Stowe went from having one of the lowest property-tax rates and highest per-pupil expenditures in the state to having their property tax rate increase significantly and only receive two-thirds of their previous per-pupil expenditure in return from the state under Act 60 (Stowe Education Fund, 2003). Stowe's previous low tax rate was the result of a large tax base which provided the town with the ability to spread out the property tax burden between residents, business owners, and the second homeowners. Many were outraged by the increase in property



tax rates necessary to maintain educational spending at pre-Act 60 levels. Thus, through forming the Stowe Education Fund (SEF), members of the community (parents of students within the Stowe school system in particular) initiated a fundraising plan that would keep their property taxes low compared to what they would have to pay if they opted to participate in the state's 'sharing pool' (redistributive process for towns that opted to increase local property taxes above the state-mandated tax level). This would also maintain previous levels of spending for education and would assert a new form of community control over education finance. While many Stowe residents still actively oppose Act 60, their locally-initiated school fundraising plan was able to minimize the effects of the state legislation in a way that many other 'gold towns' were unable to duplicate.

In this thesis, I seek to examine the issues of educational equity and fairness in the creation of and response to Vermont's Act 60 through a case study of Stowe, a property rich town (high land value, large business population) significantly affected by the legislation.

### ***Purpose and Organizational Structure of the Thesis***

The purpose of this research is to investigate how the community of Stowe, Vermont has been affected by Act 60 and the ways in which members of this community have reacted to the legislation. This project seeks to examine issues of geographic equality and fairness as they have played out in Stowe. By focusing on one municipality, this research will shed light on the complex issues surrounding equity and fairness as state (and by extension federal) governments struggle with the challenges of providing equal access to quality education.

As a result of decades of debate and concern over unequal educational funding throughout the state of Vermont, the state Supreme Court case of *Brigham et al v. State of Vermont* (1997) resulted in a declaration that the current method of funding education was

unconstitutional. This decision was determined on the grounds that it placed a disproportionate burden on property poor towns to fund their education, which in many cases resulted in a less expensive and often considered ‘inferior’ education compared to that available in property rich towns. The Supreme Court decision called for equality in educational quality and educational finance yet provided no solutions; it called on the legislature to provide the means for educational equality. This decision was reached in February of 1997 and Act 60, the legislature’s attempt at satisfying the Supreme Court mandate, was passed only four months later at the end of the legislative session in June.

Act 60 sought to equalize educational opportunity based on concepts of egalitarianism. In addition, the legal decision that resulted in Act 60 drew upon neo-classical economic theory relating specifically to the production function. The first substantive section of this thesis (chapter 2) is devoted to describing the grounds on which Act 60 was established and how *Brigham* was justified. It describes the concept of distributive justice and goes into detail describing utilitarianism, libertarianism and egalitarianism, three of the primary neo-classical philosophies in distributive justice. Distributive justice theory from John Rawls’ *A Theory of Justice*, (1971) is particularly emphasized and concepts of geography are introduced to emphasize the interconnectedness of conceptions of space and economic ‘fairness’. In addition to concepts of egalitarianism and equal opportunity, *Brigham* was also founded on issues of economic equity and the production function theory: that increased per child spending results in higher ‘quality’ education. Conflicting evidence is presented for the validity of this theory. Thirdly, the concept and definition of community within a geographical context is conceptualized briefly. This is necessary because *Brigham* was upheld based on articles 7 and 9 of the Vermont constitution which define the state as a whole as a community while individual

municipalities within the state refute this definition and assert that each individual town is a unique community and separate from others within the state. This is a debate over scale. Are communities to be defined on a state scale or on a local scale? For those concerned with losing local control and giving the state total control of educational funding, this is of primary importance.

Chapter 3 goes into detail describing the case study of Stowe, Vermont and the methodology by which the research was completed. This project seeks to understand the reactions of the community members and the dialogue that existed within Stowe after Act 60 was implemented. Three research questions were the focus of this project. The first asks to what extent did themes of distributive justice - specifically egalitarianism- play out at the state level in the creation of Act 60. The second question asks to what extent did themes of egalitarianism and distributive justice play at the local level (Stowe). And the third question inquires about the role that economics, geography, and conceptions of fairness played within the perceptions of Act 60 by Stowe residents. Archival analysis and personal interviews are used to understand the personal reactions to Act 60. All of the letters to the editor and guest editorials from the Stowe Reporter between January of 1997 and December of 2002 are categorized and placed into ‘frames’ based on the themes portrayed in order to gain an understanding of the primary issues of concern. Semi-structured personal interviews of thirteen Stowe resident property owners were then conducted, including questions informed by the archival analysis.

Chapter 4 examines the contents of the Brigham decision and the Act 60 legislation with respect to their emphasis on egalitarian philosophy and monetary definitions of equality. The chapter seeks to analyze the extent to which neo-classical economic theory and concepts of distributive justice played out at the state level in Brigham and the creation of Act 60. The

analysis of Stowe's reaction to Act 60 emerging from the archival analysis and interviews, the largest empirical section of this thesis, is contained within Chapter 5. The concerns of different segments of the Stowe community regarding the legislation are discussed. This chapter seeks to express the magnitude and fierceness of the debate that existed in one Vermont town and how the residents perceive 'fairness' with regards to education and conceptualize educational opportunity amidst an often alleged one-sided issue within Stowe.

This thesis concludes with a chapter outlining the current state of education finance reform in Vermont and uses comments from interviewees to speculate about the future of education and education finance reform in Vermont. Act 68, the most recent legislation passed in the numerous attempts to reform Act 60, is described. Given that Vermont is still wrestling with the solution of how to most fairly finance education, the state is a haven for research opportunities. Education within geography is not often researched despite the volume of national debate surrounding the subject. This is a virtually untapped, rich body of research that has implications for future public policy decisions.

### *Significance*

Education reform has become part of the forefront of political debate in the United States throughout the past three decades. Education, specifically issues of equality in educational outcomes and the effect on student productivity, have seen increased attention over the last ten years. Issues of school choice and charter schools at the primary and secondary levels and issues of college acceptance revolving around race are a few of the issues on the public agenda. Moreover, many states have sought to change preexisting methods of education funding to make schools more equal and to provide all children with the same opportunity to gain a quality education.

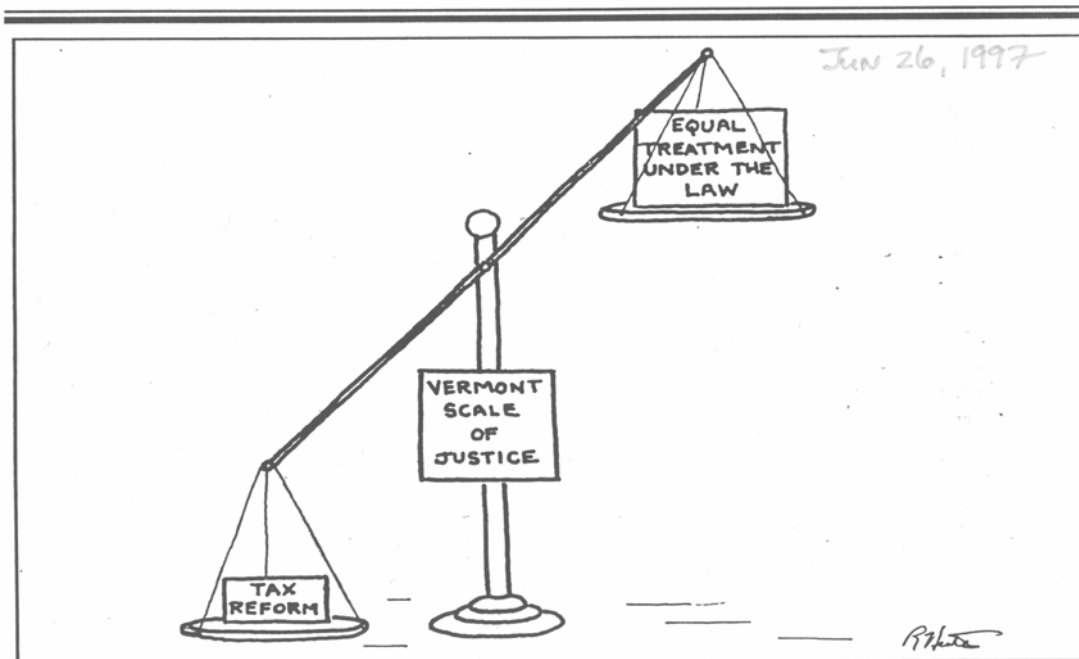
While some research has focused on issues of inequality and community reaction in the broad arenas of race, gender, sexuality, and more specifically on issues of housing, employment, and politics, little geographic research has focused specifically on education or the specific issues of education reform and its affects on communities. And while the argument has been made that not all geographic inequality can be easily labeled as ‘good’ or ‘bad’ (Powell and Boyne, 2001), associations with inequality and poverty (Dorling and Shaw, 2002) have been recently used to argue for more policy-oriented geography to increase legitimacy and focus on the practical application of the field. Martin (2001) similarly makes a plea for a ‘policy turn’ within the discipline and the establishment of a ‘geography of public policy’. With regards to issues of education reform this would prove to be mutually useful and beneficial for the discipline.

## **CHAPTER 2**

### **DISTRIBUTIVE JUSTICE AND THE PRODUCTION FUNCTION**

#### *Introduction*

The ongoing debate over education finance in the State of Vermont is the product of two significant events: the *Brigham* legal decision in 1997 and Act 60, the ensuing legislation that sought to satisfy the requirements set forth in *Brigham*. Both of these actions were based upon the complicated conception of fairness and how best to produce fair and equal education for all publicly educated students within the state. Vermont's Act 60, in its radical and virtually unprecedented form, attempted to break down barriers within the education system that had previously separated 'haves' from 'have-nots' throughout the 'Green Mountain State' (Goldberg, 1997). As depicted in Figure 2.1, the state attempted to obtain equal education through property tax reform, though this arguably was not achieved, particularly in the opinion of property-rich municipalities. Vermont's school children, regardless of location, were to receive fundamentally the same educational opportunities through this education finance reform. In this chapter I examine the two primary neo-classical philosophical and theoretical arguments underlying *Brigham* and Act 60: distributive justice and production theory. These two components of neo-classical economic theory are analyzed geographically as the debate over Act 60 is also one over space: does the residential location of an individual entitle that person to a certain quality of public goods? In addition, I briefly outline some geographical definitions of community, as one of the components of the Act 60 debate is the scale by which communities are defined, locally referring to municipalities or at a state level.



**Figure 2.1** Stowe Reporter cartoon from Jun. 26, 1997. Depicts the ‘Vermont Scale of Justice’ weighing tax reform heavier than equal treatment, though both should theoretically be the same.

Little research has focused on the connection between education finance and equality within the geographical realm. While geographical research, and social science research more generally, has tackled issues of inequality to a great extent, and education to a much lesser degree, the intersection of education, economics, and equity has received very little attention. This has been the case despite the recent increase in legislation on both state and national levels to address educational concerns, including that of finance reform.

Issues of inequality are geographical. Smith (1987) highlights the interconnectedness of social structure with social form through issues of inequality, particularly with regards to living standards. His analysis of inequality begins with regional inequality and concepts of scale within the United States. He focuses on forms of inequality that exist within capitalist, socialist, and segregationist social systems. Geographical differences in the social conditions of a society are exceedingly important and the distribution of resources that exists over space reveals the

priorities of the society (Smith, 1973). Act 60 asserted Vermont's commitment to an equal distribution of educational opportunity throughout space.

Massey (1996) argues that rising income inequality and class segregation have resulted in geographic concentrations of affluence and poverty on a global scale, which is something that Act 60 attempts to reduce at the state level. He claims that as the density of poverty rises, so too will crime, disease, and violence. The concentrations of affluence will only benefit the rich resulting in a "deeply divided and increasingly violent social world" (Massey, 1996: 395). Smith (2000) recognizes that inequality and circumstances of 'good fortune' are important in understanding concepts of egalitarian social justice and describes three senses of moral progress within the field of human geography; the creation of a more equal world, promoting geographic research that focuses on equalization, and the encouragement of the professional world to become more sensitive to the less fortunate.

Recent geographical research regarding education has been scattered. The 'cultural geography of high schools' has been used as an explanation for a decrease in attrition rates (Smyth and Hattam, 2002). Educational markets in competition over space have been analyzed with regards to their impact on school enrollment and social segregation (Taylor, 2001). Others have studied the effects that neighborhoods and social composition (social class and language) can have upon student achievement (Harris and Mercier, 2000). Talen (2001) is one of few geographers who have studied the empirical relationship between the location of educational institutions and their accessibility and what access means for student achievement. In her study looking at elementary schools in West Virginia, Talen concludes that spatial inequalities in access to school vary between districts. In her analysis of student achievement, she found that



distance to school had a considerable and inverse effect on test scores. She also makes the case for such research to be expanded in future geographical studies.

The purpose of this research is to help add to this small field of geographic research by investigating issues of inequality, equity, and ‘fairness’; how concepts of neo-classical distributive justice are involved in education finance reform; and their relation to geography and conceptions of space. The equalization of resources over space (egalitarianism) and the introduced concept of regional libertarianism are economic concepts particularly emphasized in this chapter and throughout this research.

### ***Summary of Brigham Decision and Act 60 Legislation***

Education reform is not a new phenomenon in the United States. The 1954 *Brown* decision was only the beginning of numerous lawsuits addressing the issue of equality of public education. While the *Brown* decision allowed citizens to question the constitutionality of education finance systems via challenging differences in educational opportunity, the U.S. Supreme Court decision in *San Antonio Independent School District v. Rodriguez* (1973) (*Rodriguez*) asserted that federal courts were not responsible for reforming state education financing. Not only did the decision prohibit federal appeals, but the Court also made the assertion that education is, in fact, not a fundamental right at the federal level and should be attended to at the state level (Buzuvis, 2001). After *Rodriguez*, plaintiffs in numerous states sought educational equity by asserting rights guaranteed in state constitutions. In *Serrano v. Priest* (1976) (*Serrano*), the California Supreme Court asserted that education is a basic right of all citizens and the court rejected an education finance system that relied on local property taxes. In the years since the *Serrano* case, courts in many states, including Alabama, Arkansas, Connecticut, North Dakota, Wyoming, and Vermont, struck down methods of financing public

education based on claims of ‘equal protection’ guaranteed by state constitutions (Buzuvis, 2001). Decisions made by courts on grounds of ‘equal protection’ must decide what element of the educational system need to be equalized and this is heavily debated. The plaintiffs in these cases often wish to equalize per-pupil spending. Such is the case in Vermont’s *Brigham* decision which equalized over space both the property tax rate and the amount each child was afforded towards education.

The Vermont ACLU (American Civil Liberties Union) pushed for legal solutions to educational finance reform because of sharp disparities between Vermont municipalities in property tax rates and in educational opportunities. The Vermont legislature had been unable to reform education finance previously. Prior to the *Brigham* decision and Act 60, Vermont’s public education system was funded through local property taxes with supplemental state aid determined by a complex formula that was meant to ensure a minimum per-pupil expenditure (Buzuvis, 2001). Despite the state’s formula to have minimum finance standards, gross inequities existed throughout the state both in the tax rate that towns levied to finance education and in the quality of education that existed in different towns. For example, in 1995 the property taxes paid in Stratton were \$17 on an \$85,000 home while the taxes paid on a home of the same value but located in Stannard, were \$2,640 (Gensburg, 1997). In this case, Stratton was a ski resort town with a large grand list (the list of all parcels of property owned within a municipality) while Stannard was a rural town with essentially no commercial or industrial property to be taxed and with few property owners. The grand list is exceedingly important when measuring the wealth of a town. Property wealthy towns are those which generally have larger grand lists (more property owners) and the value associated with the properties on these lists is often higher due to geographic location. Towns with smaller grand lists have fewer property owners to share

the tax burden. Thus, a person's residential geography determined the amount that that individual would have to pay in terms of local property tax and the amount in which they would contribute towards public education.

Differences also existed in the quality of education between towns. In 1994, Hardwick, a high-tax rate school district and property poor town, eliminated an elementary remedial reading program simply because it could not afford to pay the cost of the program even though it was federally subsidized. This was in stark contrast to that of Stowe, a property-rich and ski resort town, which at the time was pondering the renovation of tennis courts at their high school (Gensburg, 1997). Thus, simply due to geography, citizens in property-poor towns were not only being taxed at higher rates but the money that they were placing towards education was resulting in lower educational opportunities. This, the ACLU argued, was unfair and needed to be remedied.

Thus, in 1995 a suit was filed against the state by two school districts and a group of taxpayers and students claiming that there had been violations of the 'education and equal protection' sections of the Vermont constitution (Buzuvis, 2001). While the Lamoille County Superior Court reasoned that education was not a basic right according to the Vermont constitution, appeals to the Vermont Supreme Court resulted in the ruling that education was an obligation of the state and that the state cannot delegate this responsibility to individual towns. Not only was Vermont required to equalize educational opportunities throughout the state, the Supreme Court recognized the basic right to education and the necessity of equal educational opportunities for all students. It ruled in *Brigham* that the current method for funding public education was unconstitutional and that children in both property-poor districts and property-rich districts, "should be afforded a substantially equal opportunity to have access to similar

educational revenues”. Just because children were located within property poor districts did not mean that that child should be forced into an educational system that would provide them with a lower quality education. Similarly, residing in wealthy towns should not mean that these children were worth more than children in poorer towns and should have the right to a higher quality education. The ACLU, the plaintiffs in the *Brigham* case, and the Vermont Supreme Court agreed that all children, regardless of geographic location, should be treated as equals with regard to public education.

Created the same year as the *Brigham* decision, Act 60 was the result of the legislature’s attempt to satisfy the Supreme Court mandate. *Brigham* was decided in February of 1997, and Act 60 became law approximately four months later at the end of that year’s legislative session. The speed at which Act 60 was created became an issue of contention for some within the state as many believed that the act was not thought through and alternatives were not adequately discussed.

In addition to state wide property tax rates, Act 60 established minimum academic standards and methods of assessment to ensure educational success for students and monitor the progress of the redistribution of property taxes. The state then issued block grants in amounts dependent upon the number of students that were enrolled in the local school system. There were also provisions included within the law (the ‘sharing pool’) to restrict communities from raising local school tax rates to supplement the state block grant for it was feared that this would undermine the purpose of Act 60. Towns were required to participate in the ‘sharing pool’ if they raised local property tax rates to generate funds beyond their per-pupil block grant level. If towns opted to raise local property taxes above the state mandated amount, these additional revenues were sent to the state for redistribution via a complex formula among all towns that had

opted to raise local tax rates. As a result, poorer school districts participating in the ‘sharing pool’ were able to increase local educational spending budgets and have the increases paid through the contributions of both wealthy and poor municipalities. The problem that arose, however, was that there was little incentive to curb spending by poorer towns as, through the state’s redistribution formula, they received a higher percentage of the ‘sharing pool’ than the wealthy towns that contributed. Because of this, property rich towns felt fleeced by the government and taken advantage by both the state and the poorer towns. Despite the legal appeals, lawsuits, and anger that followed, Vermont (the legislature and the Supreme Court) has remained committed to its stance that students are equals regardless of where one resides and should be provided the same opportunities for educational success by the state.

Egalitarianism, one of the primary principles upon which Act 60 is based, is one theory of distributive justice. Distributive justice refers to theories which describe the ways in which goods are allocated when in limited supply relative to demand. These theories vary in the way that goods are subject to allocation (via income, wealth, opportunities, etc.); on the recipients of the distribution (individuals, groups of people, specific classes of people, etc.); and on the method for which goods should be distributed (equality, dependent upon individual qualities, free-market principles, etc.) (Lamont, 2003). People who subscribe to theories of distributive justice believe that there is a ‘fair’ means of the distribution of goods and in *Brigham* the Supreme Court referred to ‘fair’ distribution of education in terms of equality. It is important to understand concepts of distributive justice and egalitarianism in particular as *Brigham* and Act 60 reflect this principle of ‘fairness’. My analysis of Stowe’s reaction to Act 60 is also an analysis of how individuals conceptualize ‘fairness’ in education over space, and thus requires a

discussion of geographical conceptions of community. This will follow discussions of neo-classical distributive justice and production function theory.

### ***Neo-Classical Distributive Justice Theory***

Issues of equality and fairness are exceedingly important for understanding the recent state-level educational reforms. Traditionally, states in New England have allowed each individual township to determine their own property tax rate and the level of funding they wish to commit to educational spending. Property taxes have been the primary mechanism. The problem recognized by Act 60 is that some children receive less educational funding and presumably a lower quality education than others simply because of their geography. Importantly, the solution contained in Act 60 is also strongly geographic: where a person lived in Vermont had a direct impact on whether one was either helped or hurt by the legislation. The requirement that ‘gold town’ residents assist poorer towns to finance education came as a consequence of *where* they lived, not their personal wealth or income. As is described by Hay (1995: 500), “geographical differences and inequalities are in some sense inequitable, unfair and unjust, and ... policies and programmes should be judged on the extent to which they serve to eliminate or at least reduce (rather than increase or create) such inequities”.

Principles of distributive justice are those theories in which the allocation of goods and services are described based upon conceptions of fairness given a limited supply of goods/services. There are a variety of conceptions of distributive justice (neo-classical, Marxian, feminist, etc) but those emphasized here are those most often discussed with regards to neo-classical economic distribution and fairness: utilitarianism, libertarianism, and egalitarianism. Rawls’ *A Theory of Justice* (1971) is a key source for theory relating to these conceptions of distributive justice.

In economic theory, people are thought to maximize their utility and satisfy their preferences; utilitarianism is, in part, a positive theory of human motivation and desire (Isbister, 2001). Utilitarian theories of distributive justice, however, emphasize efficiency and generally claim that the majority of society will select policies that result in the greatest good possible for the greatest number of people. Compared to other theories of justice, utilitarianism is a thinner theory of ethics because all that matters is the happiness or total benefit – not how it is distributed within the society. John Rawls emphasizes this by saying that utilitarianism, “does not take seriously the distinction between persons” (Rawls, 1971: 27) which means that this theory does not take into account concepts of equality or freedoms for each and every citizen. As do many theories of distributive justice, utilitarianism has many forms. Howe (1997) describes how “meritocratic utilitarianism” is the form of utilitarianism most applicable to the concept of equal educational opportunity. This form is founded on two essential principles. First, educational policies are to be evaluated with regards to their influence on economic productivity, and second, that educational opportunities are distributed according to economically valuable skills of students (Strike, 1984). “Meritocratic utilitarianism” thus believes that government should distribute resources over space in such a way to achieve maximum desirable results and equal educational opportunity is only one means to achieve this (Howe, 1997). The problem lies, however, in that maximizing productivity is the primary focus of utilitarianism and if equalizing the distribution of resources results in a lack of cumulative productivity, the equal educational opportunity will be compromised in favor of another distribution. Thus, utilitarianism is not a form of distributive justice that is conducive to achieving equal educational opportunity except in cases where all children are able to produce the same measurable output. If not all children throughout the state have the same educational

interests and intellectual ability, then the distribution of resources via this theory would not be permissible. As that is usually the case, utilitarian distribution of resources in an attempt to equalize education would be seemingly impossible.

Rawls (1971) argues against utilitarianism for just such reason. Instead, he claims that there should be equality of opportunity and situations where no one in a community will be harmed by decisions made by the group. While this is the preferred situation, Rawls recognizes that equal distribution is not necessarily possible; if unequal distributions are to exist, they should exist in a way that is to the benefit of the least advantaged. This is referred to as the position of 'justice as fairness' and it is governed by two primary principles. First, each person in a society is to have equal rights to the total system of equal basic liberties (liberty for all). Second, social and economic inequalities exist only if they are the greatest benefit to the least advantaged and if they are linked to offices and positions that are free to all citizens (conditions of fair equality of opportunity) (Rawls, 1971: 53).

Libertarianism involves another important component of social justice: freedom. Isbister argues this point in writing, "Who could deny that freedom is central to justice? To be unfree is to be the subject to the control of someone else, someone who has more power than you, someone who has power to determine your fate" (Isbister, 2001: 15). In libertarianism, freedom is the primary social virtue even though it may be in conflict with the concept of equality. Milton Friedman, libertarian and economic scholar, writes in *Capitalism and Freedom*, "As liberals, we take freedom of the individual, or perhaps the family, as our ultimate goal in judging social arrangements" (Friedman, 1962: 12). Thus, because the emphasis is on individual freedom in decision-making, equality is virtually impossible because tastes and preferences are not consistent across all persons. To strive for equality is to limit freedom and will potentially



take away resources attained justly. Isbister (2001) argues, however, that freedom can reach its greatest potential only in the face of equality and says that true freedom is equal freedom for all. Rawls concurs through saying, “each person is to have an equal right to the most extensive basic liberty compatible with a similar liberty for others” (Rawls, 1971: 60). Libertarians are opposed to the redistribution of resources and goods by government because individualism is the fundamental value and government must have a minimal presence. While Nozick (1974) agrees that characteristics acquired through the ‘natural lottery’ (intelligence, health, talents) may leave some disadvantaged, he believes it is fair because it is ‘natural’ and that individuals have the right to their given characteristics and whatever they produce. This concept of the ‘natural lottery’ is also addressed by Rawls who believes that it is the responsibility of society to attempt to level the inequalities that result from chance and circumstances beyond an individual’s control (Rawls, 1971).

While libertarianism focuses on the freedom of the individual, there remains a question of what defines the term ‘individual’. For example, is an individual a single person, or can it refer to a group or community of people? While unmentioned in the read texts for this project, I introduce the concept of ‘regional libertarianism’ to situate libertarian philosophy and its emphasis on freedom and autonomy (without state intervention) at a *community* level. Regional libertarianism asserts that geographic inequalities are justifiable if communities are ‘free’ to determine their own fate without the control of the state. For Vermont, a state made of 251 separate communities that pride themselves on local autonomy and the ability to govern themselves, this perspective is held by many citizens. This project found that many people harbored a regional libertarian perspective with regard to government and local decision-making, the state asserted a philosophy of egalitarianism with issues surrounding the funding of public

education. To the state, public goods such as education should be fundamentally equal for all citizens.

Egalitarians believe in equality at some fundamental level. Outcome equality contends that people should receive the same amount of goods/services. Process equality contends that people should be treated the same and as equals. Essentially, all humans are equal with regard to basic worth (Rawls, 1971). Rawls (1971) describes justice as fairness, meaning that what is just and right is simply what is fair, equal, and derived without bias. Rawls describes an initial position of equality from which his principles of justice are derived: a hypothetical situation where all people in a society (both free and rational) make decisions without knowing their place, class position, social status, personal abilities, intelligence, or their share in the distribution of goods/services. This ‘veil of ignorance’ allows for all individuals within a society to be equal and to make decisions without knowing his/her fate. The result is a more equal society once these veils are removed. While a rather utopian view of societal decision making, Rawls’ hypothetical situation of justice powerfully describes equality of opportunity and treats all members of society as equals with equal rights, morals, worth, and deserving of equal respect.

Rawls also sees equality as a foundation of justice. Such was the belief of Thomas Jefferson for as was written in the Declaration of Independence, “We hold these Truths to be self-evident, that all Men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty, and the Pursuit of Happiness”. The Declaration of Independence states that all people are to have equal standing and equal worth, but the question remains as to what equality and equal worth actually entitles one to (i.e., equal happiness, equal opportunity, equal resources, equal wealth, equal welfare, equal income, or equal treatment under the law) (Isbister, 2001). In the case of Vermont’s Act 60, equality was

sought for children in the form of equal educational opportunity through equalizing per-pupil expenditure (monetary resources).

Issues of egalitarian and socialist distributive justice (democratic socialism) have been at the forefront driving Vermont's Act 60 debate. Democratic socialism, sometimes referred to as 'welfare democracy', is a system of social insurance for the disadvantaged that incorporates free-market principles and concern for others (Democratic Socialists of America, 2004). Democratic socialists believe that society and the economy should be run in such a way to meet the needs of a community in its entirety – not simply to advantage the elite. This can be achieved through utilizing principles of outcome equality and process equality. Outcome equality contends that people should receive the same amount of goods/services and is defined as equalizing where people end up rather than how or where they start (Pendleton, 1985). Process equality focuses on where people begin and the resources that they have en route to any given outcome (Huron, 1985). This theory of equality contends that people should be treated the same and as equals from the very beginning - all humans are equal with regard to basic worth. According to *Brigham* and Act 60, equality in terms of the process and outcome is 'fair' and 'just' and people should not have special societal benefits simply from geographic location and birthright.

Resource egalitarianism focuses on the equity of the distribution of primary resources. Dworkin (1981a, 1981b) makes an argument similar to Rawls' through using the hypothetical 'veil of ignorance'. He claims that that people begin with equal resources but end up having unequal economic benefits because of personal choices, tastes, and preferences. He utilizes a thought experiment to model fair distribution where each person is given equal purchasing power and equal resources. Due to varying choices and the ability to use their resources as they see fit, however, the people end up with unequal economic benefits. In this situation, the inequalities

that exist are considered just because each member of society had equal ability to end up in the same position as any other individual. Applied to issues of education, this theory would assert that children should be provided equal resources and opportunities to education but that if differences exist in the educational outcome of the children then it is the result of personal choices made on the part of the children and their parents. Dworkin (2000) argues, like Rawls, that the fundamental ideal of egalitarianism is the treatment of individuals within a society as equals.

Some resource theorists argue that people consciously make the choice to work hard and should not be forced to help those who choose to work less. Under the claim that people have equal opportunity to work and succeed, if they choose not to do so then society should not be responsible for those decisions. These arguments are similar to theories of ‘desert’ where it is in society’s interest for people to gain goods/services/fortune based upon their deservedness (Kagan, 1999). Essentially, the effort invested in the system is matched with the benefits received from the system. Whatever the version or aspect of egalitarianism one subscribes to, egalitarians all favor equality at some fundamental level and that people should be treated as equals.

### ***The Role of the Production Function***

Many governments have adopted stances based upon egalitarian principles when dealing with educational policies and children’s opportunities within society. All children deserve equal treatment and have the right of access to the same basic education regardless of geographic location. The debate over Act 60 is not purely over concepts of fairness and within the realm of distributive justice, however. Much of the debate has centered on the effectiveness of educational spending. Will additional spending yield the desired result of increased student

achievement and will geographically equalized spending reduce the existing disparities in student achievement? This segment of the Act 60 debate can be explored through the academic discourse of production-function research. The Supreme Court used production-function concepts to justify their decision by making the link between the amount of money spent on education and the quality of education available (*Brigham, 1997*). Thus, increases in educational expenditures were justified in poorer towns notorious for lower SAT scores, fewer high school graduates, and lower college participation rates.

Koski and Levin (1998: 3) summarize the debate over educational spending and student performance by saying,

“...challenges to existing funding of schools are predicated on the fact that local, property-tax wealth is an important predictor of what is spent on the education of children in each geographical location. When there is a large tax base of property-tax wealth behind each student, educational expenditures per-student are higher—often considerably higher—than when the property-tax base for each student is low...the differences in expenditures translate into differences in educational opportunities and outcomes. So, there is a tacit assumption that differential educational expenditures make a difference in what happens to students. Specifically, those in schools with higher educational expenditures will get a better education.”

Koski and Levin explain that higher educational expenditure allows for higher teacher salaries which, in turn, will attract more qualified teachers and staff members. Also, increased educational funding may decrease class size and allow for increased teacher attention and student engagement. Increased technology, course availability and extracurricular opportunities are also ways by which the quality of education can be improved. These examples are ways by which increasing educational spending may enhance educational opportunity and student performance.

Production-function research is the study of the relationship between performance and spending. The production function, as applied in neo-classical economic theory, refers simply to the mathematical relationship between a firm's inputs and its outputs. If a 20% increase in all

inputs results in more than a 20% increase in output, the production function has what is referred to as increasing returns to scale; and if it yields exactly a 20% increase in output, it has constant returns to scale; if it produces less than a 20% increase in output, the production function has decreasing returns to scale (Browning and Zupan, 1999). As is expected, it is preferable to have increasing returns to scale and constant returns are acceptable because no loss results to the firm. Decreasing returns to scale are permissible as long as the firm is still producing positive output but having negative returns to the firm are unacceptable. Diminishing returns, a concept related to decreasing returns, means that adding more of one input while holding other inputs constant will result in smaller and smaller increases in output (Browning and Zupan, 1999). Thus, the positive results (output) from constant increases over time in spending educational spending will become smaller and smaller to the point where there will be no advantage. These questions swirl around the debate over education finance. To what extent will an increase in inputs (tax financed education expenditures) increase outputs (student achievement)? Does educational finance face increasing, constant, decreasing or diminishing returns to scale? And linked with egalitarian notions of distributive justice, will equalizing education expenditures result in equalized student performance? The empirical literature is mixed.

In the middle of the twentieth century, as the nation was engulfed in the Civil Rights movement, issues of education reform and academic standards also became of increasing concern. A government report authored by James Coleman and his associates (1966), typically referred to as The Coleman Report, examined issues of educational opportunity with the goal of uncovering the determinants of scholastic achievement. This report, which was based upon the then largest social science project in history, was the result of data from thousands of schools, 70,000 teachers, and approximately 700,000 students from around the country. Statistical

measures of the students' socio-economic status (and other family influences), school resources, and educational practices were then used to make conclusions and predictions about student performance and achievement. Coleman concluded in his report that socio-economic measures, specifically parental occupation and education, appeared to explain the variances in student achievement. Differences between schools, such as the amount of available resources, were less important. Given that this was a time of social transition, Coleman held the view that the socio-economic and racial integration of schools would raise achievement to a greater extent than simply increasing schools' resources.

Coleman's report was not without its critics, however, as economists questioned its methodology for biasing results towards an overemphasis on the role of family and surrounding community relative to that of school resources (Hanushek and Kain, 1972; Bowles and Levin, 1968). Despite criticism of the over-importance placed upon family characteristics in the Coleman report, numerous studies agree that increasing school resources and educational funding does not necessarily result in higher student achievement.

Hanushek (1989) highlighted inconsistencies in studies that attempted to explain student achievement with measures of educational resources such as teacher education, the experience and salaries of teachers and student-teacher ratios. These inconsistencies resulted in the conclusion that increasing educational resources would not necessarily increase student achievement. Further support for this conclusion lay in the fact that although student expenditures had increased significantly in recent years, student achievement had not (Hanushek and Rivkin 1997).

Despite the assertion by some that increased expenditure does not improve educational achievement, others make the claim that dollars do make a difference in educational quality and

scholastic performance. The past decade in particular has yielded much scholarly research investigating the positive correlation between spending and educational quality. For example, while it was found that educational expenditures have risen considerably, much of this increase is due to special education costs rather than expenditures on traditional students who are normally tested for achievement increases (Lankford and Wyckoff, 1996). Despite this inconsistency, there was research asserting an increase in achievement for some students. A documented rise in achievement for disadvantaged or at-risk pupils appeared to coincide with the concentration of increased resources on their education (Grissmer, Flanagan, and Williamson, 1998). Additional evidence for the assertion that school expenditures make a difference is claimed by Card and Krueger (1992). This study did not, however, use student achievement to compare to expenditure. Instead, it used adult earnings. By using average student expenditure, pupil-teacher ratio, and average teacher salaries, Card and Krueger discovered that school expenses and school resources were often positively related to adult earnings. In summary, it was the adults that had attended schools in states with higher quality schools (higher expenditures) that also had higher earnings.

Despite opposing views and a lack of conclusive evidence as to any one perspective, production-function research is still used as a justification for education finance reform. Thus not only was Act 60 and *Brigham* based upon theoretical and philosophical grounds, but also on mathematical and practical grounds.

### ***Community: At What Scale?***

In addition to the discussion of distributive justice and what constitutes ‘fair’ distribution in educational funding and the questions surrounding whether there is a direct correlation between increased educational funding and the quality of education, *Brigham* referred to articles



7 and 9 of the Vermont constitution that defined ‘community’ as it refers to the entire state. These articles assert that government is for common benefit and should not benefit any part of the community and specifically that public good assessment should be distributed proportionately (Pascoe, 2003). Thus, the state was defining ‘community’ in terms of a state scale while individual municipalities, who wanted to maintain local control over school budgets, defined ‘community’ in local terms.

The concept of community within the geographic discipline has been of study for decades. Davis (1929) not only defined the study of geography but also set out to define the study of communities. He describes community in this work as simply an area of study – a location of interest. He goes on to explain that the study size of the community is important and asserts that any area, though preferably small, can be defined as a community. The definition of community in his case is up to the researcher.

More recently, Everitt (1976: 104) defines community as, “a group of people with some common identity of character, or fellowship, within which there is communication”. He summarizes the evolution of community as once being solely locally-based but makes the claim that this is no longer true and points to reasons of increasing tele-communication and globalization. For immigration theorists such as Zelinsky and Lee (1998) this is particularly the case as they theorize that some immigrants experience ‘heterolocal’ communities in which immigrants are geographically dispersed but maintain strong ethnic community ties through modern technological communications. Voigt-Graf (2004) even argues that extensive transnational communities exist as people become increasingly mobile. Thus, people who are spatially separated can be socially linked and form communities based upon cultural similarities. Geographic proximity is not necessary in defining community.

Cox and Mair (1988) make mention of the concept of ‘local community’ and use reference to issues of ‘local politics’ and ‘local economic development’ implying that there are different types of communities. Applied to the debate over the definition of community with regards to Act 60, it could thus be argued that there are, in fact, two types of communities coexisting – that of each municipality and that of the state as a whole. For the state, Vermont is one community made up of 251 actors. For Stowe and the residents of the town, those residing within the geographic boundaries of the town constitute their community. This in conjunction with the question of what constitutes ‘fairness’ in educational funding, are the two issues of concern that are highlighted in the empirics of this research.

### ***Conclusion***

The next chapter outlines the research questions and process by which those questions are answered. The questions are specifically related to how concepts of egalitarianism were involved in the creation of Act 60 and how residents of Stowe, Vermont perceived this definition of ‘fairness’. Also, through their responses, the interconnection of economic theory, issues of equality, and geography with regard to education are analyzed. For this ‘gold town’ community, education finance reform became a topic of contention: the state conceptualized ‘fairness’ in terms of equality while the town conceptualized it in terms of individual freedom and the ability for local communities to make their decisions. This notion of ‘regional libertarianism’ emerged from discussions with Stowe residents and through reading submissions to the local newspaper; it is central to Stowe’s opposition to Act 60. Local communities should be able to make their own decisions and the state should not dictate what is ‘fair’ or ‘just’. Education had previously been a local concern and they believe that it should remain so. In terms of production function

theory and the practical justification for Act 60, the proof has not been made apparent to this community that there is a correlation between educational spending and educational quality.

## CHAPTER 3

### METHODOLOGY AND CASE STUDY

#### Research Questions

The research for this thesis focused on two main ideas: the concept of egalitarianism and issues of fairness and equality with regards to education, and how the ‘gold town’ community of Stowe, Vermont responds to such education reform legislation when imposed by the state. To address these two concepts, the following research questions were utilized:

- First, *To what extent did themes of egalitarianism and distributive justice play out at the state level in the creation of Act 60?*
- Second, *To what extent did themes of egalitarianism and distributive justice play out at the local level: how have members in the community of Stowe responded to Act 60 legislation?*
- Lastly, *What roles do economics, geography and fairness play within the perceptions of Act 60 by Stowe residents?*

In answering these questions, I provide insight into the reasoning behind the creation of progressive legislation such as Act 60 and the ways in which education funding can be conceptualized at a state level. In addition, by focusing on Stowe, I attempt to explain a ‘gold town’ perspective regarding the legislation and describe the ways in which Stowe traversed and navigated the law in an attempt to preserve their community as they knew it to be prior to Act 60.

A multi-method approach was used to answer these questions. Further description is included within Chapter 4 of the *Brigham* case by the Vermont Supreme court and the response to Brigham by Vermont’s legislature which resulted in the creation of Act 60. The text of the

two documents (*Brigham* decision and Act 60) are analyzed to explain the philosophies associated with and justification for each. Chapter 5 addresses the next two questions through an analysis of the letters to the editor and guest editorials from the *Stowe Reporter* between January 1997 and December 2002 along with an analysis of semi-structured interviews with thirteen Stowe residents and property owners. Reactions to *Brigham* and Act 60 are analyzed to provide the reader with an understanding of the attitudes that existed towards Act 60, the concerns of different residents, and how Act 60 has begun unintentionally to transform this community both in demographics and environment. While these themes are not all-inclusive, they highlight the main concerns expressed. To discuss all topics mentioned within the pages of the *Stowe Reporter* or from the interviews is beyond the scope of this master's thesis. Thus, there is potential for further, more in-depth research. The last chapter addresses this point and makes suggestions for future research. Recent changes to Act 60 (the implementation of Act 68) in Vermont and the increased focus on standards in public education and teacher accountability on a national level are only a few examples on two different scales of ways in which this project can be expounded upon.

On a personal note, this is the study of a town where I have personal connections. Both of my siblings enrolled within the Stowe school system for their high school years and benefited from the luxuries associated with 'gold town' education. My family, however, resides in a receiving town that was often cited when comparing disparities in property tax rates between rich and poor towns. This does create an issue of bias on my part. Act 60 significantly reduced the property tax rate within my hometown and helped my family financially. It also disrupted the school system which my siblings attended and threatened to reduce the quality of education they received. While my positionality towards Act 60 fluctuates, the familial connection that I

had to Stowe was beneficial as it provided an access to responses from interviewees that may have not existed if I had no ties to the area.

### ***The Case Study: Stowe, Vermont***

Given that this study addresses questions of ‘how’ and ‘why’, residents reacted as they did over time to educational reform in Vermont, a case study approach is appropriate (Yin, 1994). In studying how ‘gold towns’ reacted to Act 60 and educational reform within Vermont, Stowe is an excellent case study. Stowe is the largest municipality within the state and it has higher income, house values, and educational levels than the state average. Prior to Act 60 Stowe had some of the lowest property tax rates in the state and had some of the highest per-pupil expenditures because of its large tax base. The town united in an attempt to preserve educational quality and low property tax after Act 60 through the introduction of the Stowe Education Fund. Each year, until the recent introduction of Act 68, fundraising had proved successful for both causes. Other ‘gold towns’ were not as successful in their attempts, even though they mirrored Stowe’s.

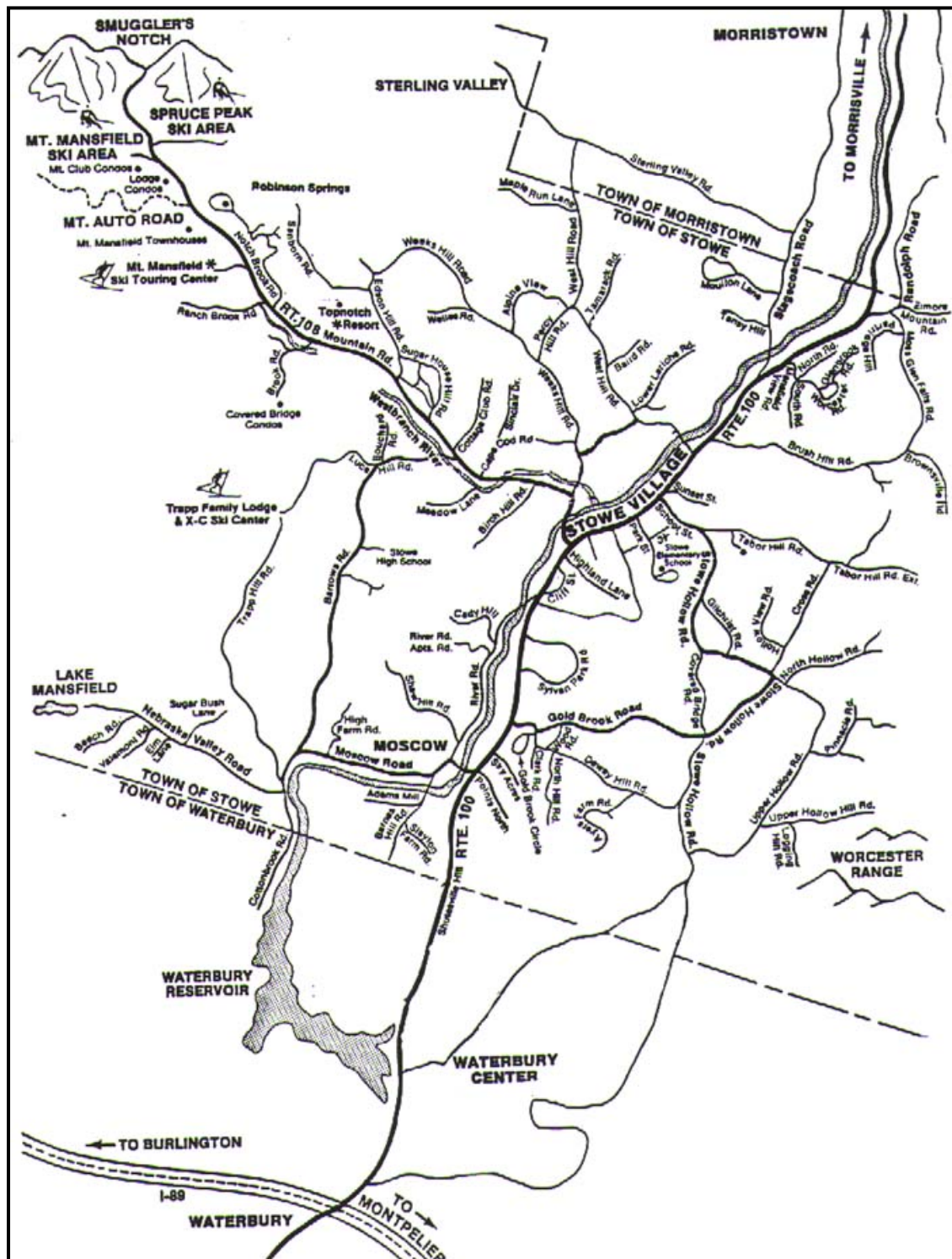
Nestled in the middle of Vermont amongst the Green Mountains, lies the town of Stowe, a town with a bustling tourist-driven economy yet small-town atmosphere. Geographically the largest town in the state (currently 72.2 square miles), Stowe has approximately 4,340 residents as of 2000 (U.S. Census Bureau, 2003). Stowe has a significant amount of farmland, five small villages, and ‘the mountain’, which is home to the Stowe Mountain Resort, argued to be some of the best alpine skiing and snowboarding on the east coast and often referred to as ‘The Ski Capital of the East’. Much of the economy of Stowe circles around the ski industry and tourism is increasingly a year round business. Described by the Stowe Historical Society:

“The summer tourist season has been increasing for the past several years, as well as the always heavy influx of travelers, during the fall foliage season during

September and October. Except for mud season about April when the frost thaws in the dirt roads making them virtually impassable, Stowe is very nearly a year 'round resort community.'" (SHS, 1983)

Figure 3.1 shows the Stowe map that is available to the public at the Stowe Information Center on Main Street. While prominent roads are displayed, so are major resorts and most of the symbols expressed on the map represent places to ski or places to stay while on vacation (the exception is the dot used to signify the location of the Stowe elementary school). This map caters to tourists, specifically upper income visitors as the lodging labeled on the map are of higher cost accommodations: condominiums and townhouses for rent, the Topnotch Resort, and the Trapp Family Lodge.

Stowe's status as a property-rich town can be seen in the fact that the median house value in Stowe is \$212,700, almost twice the state average (\$111,500) (U.S. Census Bureau, 2003). Rents in Stowe follow the general trend of higher housing cost by being about 30 percent above the Vermont average. Not only is housing more expensive, but the housing units on average are larger and there is a greater percentage of seasonal and recreational housing. Median household income is significantly higher than the state average. Stowe's median household income of \$52,378 is 28 percent higher than the state average of \$40,856 (U.S. Census Bureau, 2003). It is important to note that many Stowe residents are not employed within the town, however, as the town is dominated by the tourist industry and many of the available jobs are service-sector employment. Most of the people employed within these service industry positions are not necessarily Stowe residents or property owners. Thus, Stowe is a town with wealthier than average residents and with homes that are valued much higher than the average, but it is also a town that employs many low-wage workers.



**Figure 3.1 Map of the town of Stowe, Vermont**

Source: Town of Stowe website: <http://www.townofstowevt.org/stowemap/index.html>



With regard to education, “the public education of local children has been and remains a high priority for Stowe residents” (Town of Stowe, 2004). Stowe's first public school was built in 1803, a time when one-room neighborhood schools dominated Vermont education. In 1882 there were 19 different schools located throughout Stowe. In 1893 this multiple school system was abolished and these neighborhood schools were brought together into one district. Despite this fact, the last one room school within Stowe was not closed until 1954 as that was the year that the Stowe Elementary School was opened in the village. As for the secondary education of Stowe children, 1863 marked the opening of the Village School District and a tuition high school which not only educated children from the town of Stowe, but also tuition-paying students from other communities. As the elementary schools were consolidated at the end of the 19<sup>th</sup> century, the high school within Stowe was reorganized into ‘publicly-supported secondary education’. The current high school in Stowe was built in 1973 after considerable debate over whether to join a union with surrounding communities and send Stowe’s children to a union high school or to establish their own high school. (Town of Stowe, 2004)

Stowe’s status as a property-rich town enabled the community to keep property taxes low while having above-average expenditure per pupil. It was a community that was able to have a small-town high school with numerous sports programs, extracurricular activities in the arts, multiple advanced placement programs, and language programs that were not standard in other schools of comparable size throughout the state. Children in Stowe were essentially able to have a higher quality education at a reduced cost because of the magnitude of the local tax base.

Being designated a ‘gold town’ resulted in Stowe’s being one of the ‘losers’ with regard to Act 60. The town, as a result, had to raise property taxes to the state mandated level and in turn, received less money per pupil. When Act 60 was created, the state per-pupil block grant

was \$5,600 while Stowe paid nearly \$9,000 per student meaning that for Stowe to finance its education system based solely upon the state allocation, the town would have to cut its school budget by more than a third (Stowe Reporter, 1997). In addition, if Stowe was to go along with state requirements and participate in the ‘sharing pool’, the town would have had to increase their taxes almost fourfold since the local share tax regulations would have given Stowe back only 28% of each tax dollar contributed. (Stowe Education Fund, 2003)

Table 3.1 shows Stowe’s tax burden from the fiscal years 1997 to 2003. In 1997, prior to any effects of Act 60, the school tax rate was only .7120 per \$100 of property value. The school tax was money earmarked specifically for funding the Stowe school district as opposed to the town tax rate which was money that was used to fund the town’s non-educational services such as police protection, fire services, town road maintenance, and the salaries of public officials. Together, these separate tax rates compose the total property tax rate which residents are expected to pay each year. As is apparent from the table 3.1, the school tax remained virtually the same during 1997 and 1998 but as Act 60 began to be phased in during 1999, the school tax rate increased significantly and has risen almost every year since. Even though the town tax rate remained fairly constant over time, the total tax rate increased primarily as a result of the school tax rate. It is interesting to note that even though total revenues for schools nearly doubled, the school tax rate only increased by 68%. And while the total tax rate increased by 68%, the school tax rate was only responsible for 60% of that increase as the rest of the increase was due to a raise in the town tax rate.

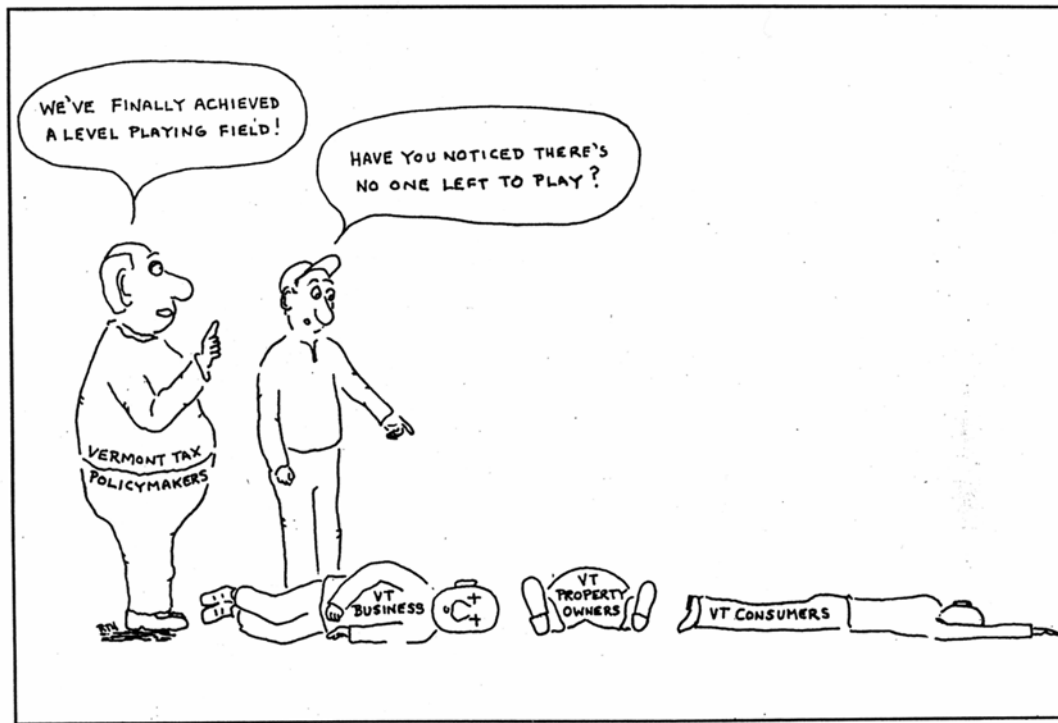
**Table 3.1** Town, school, and total tax rates for Stowe, VT, 1997-2003  
Source: Stowe Town Clerk's Office

<b>Fiscal Year (July 1- June 30)</b>	<b>Town Tax Rate</b>	<b>Town Tax Raised</b>	<b>School Tax Rate</b>	<b>School Tax Raised</b>	<b>Total Tax Rate</b>
FY97 (July 1, 1996 - June 30, 1997)	\$ 0.4670	\$ 3,470,728	\$ 0.7120	\$ 5,292,400	\$ 1.1790
FY98 (July 1, 1997 - June 30, 1998)	\$ 0.4720	\$ 3,564,544	\$ 0.7060	\$ 5,330,900	\$ 1.1780
FY99 (July 1, 1998 - June 30, 1999)	\$ 0.4560	\$ 3,403,415	\$ 1.0570	\$ 7,893,032	\$ 1.5130
FY00 (July 1, 1999 - June 30, 2000)	\$ 0.4560	\$ 3,481,112	\$ 1.1060	\$ 8,441,295	\$ 1.5620
FY01 (July 1, 2000 - June 30, 2001)	\$ 0.4720	\$ 3,732,303	\$ 1.1040	\$ 8,712,858	\$ 1.5770
FY02 (July 1, 2001 - June 30, 2002)	\$ 0.4730	\$ 3,860,228	\$ 1.1380	\$ 9,286,024	\$ 1.6110
FY03 (July 1, 2002 - June 30, 2003)	\$ 0.5492	\$ 4,629,625	\$ 1.2008	\$10,125,159	\$ 1.7500

Concern arose within the town over both increasing property tax rates and reduced education funding, thus the prospect of having to reduce school programs. In opposition to Act 60 and the sharing pool, members within the Stowe community united to form the Stowe Education Fund (SEF) as a way to finance education (i.e., fundraise) within the town and attempt to maintain their pre-Act 60 per-pupil expenditure. Through a 'loophole' included within Act 60, towns were allowed to raise private funds for education. Stowe is one of the few 'gold towns' within the state to annually raise money through this form of funding. The SEF encouraged all Stowe property taxpayers to make a tax-deductible contribution called the 'Fair Share', used to supplement the per-pupil block-grant given by the state. Without the Fair Share campaign, Stowe would be forced into the state 'sharing pool' which would supposedly raise property taxes by nearly 100% (Stowe Education Fund, 2003).

“Act 60 threatens to dismantle the tradition of excellence in our schools as it increases our property taxes. An approximate \$1.7 million dollar shortfall exists between what Stowe receives in State funding from Act 60 and the proposed budget for our schools. This shortfall will decimate our schools. The Stowe Education Fund was formed to prevent this from happening. In Stowe, the quality of education, the health of the economy and the spirit of community are inextricably intertwined. An excellent school system is essential for maintaining a meaningful sense of community, a vibrant economy and strong property values. The Stowe Education Fund is fully committed to the continued success of not only the children and schools, but of the town itself, now and in the future.” (SEF, 2003)

The first years of the Stowe Education Fund’s existence were aided by large philanthropic donations from private benefactors such as the Freeman Foundation. In subsequent years, the SEF was able to draw from a broader base by educating the community and taxpayers of the potential tax hikes that would ensue without donations (SEF’s fundraising). While other towns attempted to reverse Act 60 through the use of lawsuits (e.g., Concerned Vermonters for Equal Educational Opportunity, 2003), Stowe was able to finance school activities and educational programs at levels above the state allocation. Stowe’s decision to navigate Act 60 in a way that avoided the state restrictions on additional local property taxes does not imply acceptance of Act 60. In fact, issues of equity and fairness surrounding the financing of education continue to resonate and changes to Act 60 are supported. As depicted in Figure 3.2, a political cartoon from the *Stowe Reporter*, the attempt to equalize education for all Vermont children has also hurt other segments of the population – namely, businesses, property owners and consumers. For Stowe’s property owners, questions abound. Is Act 60 ‘fair’? Should education be treated via concepts of egalitarianism? Was the *Brigham* decision wrong? Should money be linked to student academic success? Should students in wealthier towns be able to have a higher quality education than children in poorer towns? Are children ‘worth’ different amounts over space?



**Figure 3.2** Stowe Reporter cartoon, May 22, 1997. Depicts Vermont tax policymakers after equalizing education funding through tax reform, which as a result, has hurt Vermonters that depend on low taxes.

### *Policy Analysis*

The first part of this research study attempts to understand how the *Brigham* decision and Act 60 were brought to life based on an examination of the reasoning behind the legal decision and the legislative act. As Bernard claims, “original texts provide us with rich data -- data that can be turned to again and again through the years as new insights and new methods of analysis become available” (Bernard, 1996: 1). Describing further his preference for using text analysis Bernard states,

“One of the things I like best about texts is that they are as valuable to positivists as they are to interpretivists. Positivists can tag text and can study regularities across the tags. Interpretivists can study meaning and...look for the narrative

flourishes that authors use in the (sometimes successful, sometimes unsuccessful) attempt to make texts convincing.” (Bernard, 1996: 2)

This statement is important given that it encompasses the two primary directions in policy analysis: the traditional positivist approach and that of the emerging interpretive policy analysis method.

Traditionally policy analysis has been dominated by positivist approaches that attempt to separate ‘facts’ from ‘values’ when evaluating public policy. Collyer (2003) describes this version of policy analysis as the ‘rational perspective’ and explains that it is a process which relies upon ‘rational’ methodology and techniques such as the collection of data, the systematic clarification of goals and objectives, a cost-benefit analysis, economic modeling, and finally, impact simulation to assess potential outcomes.

Recently there has been a shift away from this traditional approach of policy study. The ‘post-positive’ approach is often referred to as interpretive policy analysis and claims that the economic/social/historical/cultural context in which policies are created influence their implementation. Thus, policies are not value-free and neither is the analysis in which policies are evaluated. For Yanow, the primary question is, “How is the policy issue being framed by the various parties to the debate?” (Yanow, 2000: 11). This question matters because various sides to a particular issue or policy may conceive the issues of importance or influence differently.

Yanow also argues that the best way to research the meanings of policy is through document analysis, interviews, or observation; i.e., forms of qualitative analysis. This research study uses both document (archival) analysis and interviews to understand how Stowe’s residents and property owners conceptualize the *Brigham* decision and Act 60. People’s conceptions of the two documents are important to frame the rest of this research project given that each individual’s feelings about the reasoning for the legislation and legal decision affect how they

react and respond to local and state government. In addition, it helps to explain the steps that Stowe took towards surviving educational funding changes. The following two sections outline the methodology for archival analysis and interviews with regards to addressing the research questions.

The purpose of this thesis is to seek meaning and understand people's opinions through using newspaper opinion analysis and personal interviews. My goal is to discuss themes that emerge within the texts that relate to my research questions and to use interpretation to understand how to conceptualize and define the reality of education reform in Stowe. As Charmaz (2000) describes, this is a technique that will attempt, "to define conditional statements that interpret how subjects construct their realities" (Charmaz, 2000:524). That which is said can then be organized into themes to gain insight into which issues are of the greatest importance. The concept of 'emic' and 'etic' codes comes of importance in this process (Crang, 1998). Emic codes are those where the research participant defines and describes a particular topic but may not name that topic specifically. Here, the researcher interprets meanings and themes. Etic codes, on the other hand, are those which are described by the researcher to explain definitions and events in order to fit within the pre-determined framework of the research study. Etic codal technique was employed in the creation of the framing spreadsheet for this project but space was made available on the sheet to include 'other' themes that emerged from the text. If these 'other' themes were reoccurring then they were considered to be significant themes of importance.

### ***Archival Analysis***

The archival portion of this project is an analysis of all the letters to the editor and guest editorials from the *Stowe Reporter* between January 1997 and December 2002. The purpose of this portion of the research was to gain a chronological understanding of the events surrounding

Act 60 of concern to those involved in the Stowe community and also to acquire insight into the primary issues of concern with regards to educational reform. Dates were chosen purposefully to encompass papers prior to Act 60's implementation (*Brigham* was not decided until February of 1997) and the last full year prior to this research (data collection was in July of 2003 so 2002 was the last complete year). Originally, 1996 was to be included as well in order to further compare the amount of discussion regarding education finance in the community prior to and post Act 60 but 1996 had virtually no discussions of that nature. For a town that had low property tax rates and high quality secondary education, it could be argued that there was little to be discussed or concerned about.

The *Stowe Reporter* is a weekly newspaper that is distributed throughout central Vermont. Letters to the editor and guest editorials that pertained to education were collected and then analyzed to understand the responses that both citizens of the Stowe community and those outside of Stowe voiced during the debate. All letters and guest editorials were photocopied by hand from the archives of the Stowe Free Library. All relevant material was identified by reading the headings and first paragraph of each letter/guest editorial and then skimming the text for key words including '*Brigham*', 'Act 60', 'education', 'school', or 'taxes'.

369 letters/guest editorials were selected by this process and organized chronologically prior to analysis. Of the 369 submissions, 214 were from Stowe residents, 104 were from Vermont residents (outside of Stowe), 13 were from outside of Vermont, and 38 had no location identified. Most of the articles were published in 1997 and 1998 (123 and 122 respectively). This is probably due to the fact that this was the time in which Act 60 was first introduced and there were many questions surrounding how the legislation would work, why the legislation was structured as it was, and how to best deal with the changes. 1999 only had 21 submissions, 2000



had 37, 2001 had 47, and 2002 had the fewest with 19. This is interesting given that Act 60 was not fully implemented until 2001 and by that time submissions had dropped dramatically.

**Table 3.2** Number of Newspaper submissions by year

Date	1997	1998	1999	2000	2001	2002	Total
Submissions	123	122	21	37	47	19	369

Frame analysis is a qualitative research technique that attempts to organize ideas from texts in order to make sense of important events or issues (Gameson and Modigliani, 1989). Frame analysis was essentially first introduced by Goffman (1974) where he described that the way in which people make interpretations and conclusions about events was formed through a particular framework, which he referred to as the ‘primary framework’. Applying this concept to media and news reporting was first done by Tuchman (1978) who claimed that framing is an important component of organizing reality. Entman (1993) continues with Goffman’s work and defines the concept of framing in that it involves a process of selection: some information will be emphasized while other information will be less often mentioned and obscured. In addition to the expressed themes, the language by which ideas are described is also of importance. Language is a powerful tool (even what is *not* explicitly mentioned and/or purposefully left out) and can influence people’s opinions about events (Entman, 1993).

Pan and Kisichi (1993) describe four techniques in analyzing news discourse: syntactical structure, script structure, thematic structure, and rhetorical structure. This project utilizes thematic structure as the letters to the editor and guest editorials are categorized according to their main themes. This is done in order to gain an understanding of what the primary issues of concern were surrounding the education finance debate. Prior to analysis, I suspected that

themes of distributive justice, economics, and education would dominate the discussion.

Preliminary analysis revealed, however, that the debate was not so easily defined. Thus, for the analysis presented here, additional frames were created in an attempt to encompass unanticipated themes with categories relating to politics, real estate values, issues of school choice, tourism, and an ‘other’ category to keep track of themes that emerged in the process of analysis.

Each letter/guest editorial was read and then categorized based on upon the themes described in Appendix I (the actual spreadsheet has been omitted for practical purposes). Each piece of material from the paper was recorded on a spreadsheet with basic identifying information (date published, name of author, town of residence) and then was summarized through identifying which themes were apparent (and aspects of each theme). Each piece’s general perception to Act 60 was recorded at the end of the spreadsheet along with a text summary of the article for reference. Themes were then counted to acquire an understanding of the dominant issues of contention and debate.

While letters to the editor may provide insight into individual opinions, this sample is formed by a self-selecting group of people. Thus, an interview component involving randomly chosen Stowe property owners is included in this research project in an attempt to include viewpoints from different segments of the population. It is also an opportunity to gain a more in-depth understanding of feelings and opinions surrounding Act 60 than simply that which can fit upon the editorial pages of the *Stowe Reporter*.

### ***Interviews***

Interviews were conducted with 13 property owners from Stowe. As Fontanna and Frey (1998: 47) describe, “interviewing is one of the most common and most meaningful ways we use to try and understand our fellow human beings.” The process of interviewing in this project is a

qualitative tool in order to foster further understanding and to gain insight into the primary issues of contention, concern and debate.

My interviews targeted property owners specifically because they are the individuals that are expected, through property taxes, to finance Vermont's educational system. My pool of potential interviewees came from the list of property owners on the Stowe grand list, which is public record and can be obtained from the town clerk's office. Given that Stowe is a town that has significant seasonal population changes, property is owned by people from all over the world. Given that Act 60 considers all residents of *Vermont* part of one community, and because of time and financial constraints, I only interviewed Stowe property owners who also resided in Vermont. I also presume that Vermont residents have significantly different feelings towards this issue than non-residents. Interviewing seasonal populations about reaction to Act 60 and property tax reform is, however, a possible avenue for further research.

I drew a random 1-in-8 sample from the grand list of Stowe to identify 200 property owners that were also residents of the State of Vermont. I sent a letter requesting an interview to each of the 200 owners (See Appendix II for example of request letter). From the 200 property owners who were contacted, I expected 10% (20) to participate in my interviews. Brennan (1992) found that a response rate of 30-40% in mail surveys is generally considered 'successful'. Given that this is a mail request for a future interview that will take more time of the participant than a general mail survey, I expected a lower response rate. With interviews to be conducted during the holiday season, scheduling difficulties were expected and while 20 interviews were preferred at the onset of the research process, fewer interviews were actually conducted due to unforeseeable circumstances.

Interview request letters sent to property owners clearly and succinctly outlined the purpose of this project and then asked each individual if they would be interested in participating in an interview process involving questions pertaining to the described research project. From the affirmative responses, the first twenty respondents were chosen for questioning. I was able to conduct only 12 interviews because some people decided at the last moment not to participate in the research, and scheduling conflicts produced by a two-foot Vermont snowstorm.

Twelve interviews were conducted (thirteen people total as one interview was with a husband and wife) each lasting on average an hour. Four of the interview participants were women and two were retired individuals. All of the participants had received their high school diploma and only one had not gone on to receive at least their bachelors degree. Six participants have children or have in the past had children within the Stowe educational system. Two participants home-school or have used home-schooling in the past for educating their children. In addition, only one participant identified themselves as a 'democrat' while seven individuals identified as 'republican' and five as 'independent'. Thus, this was an educated group of individuals that tended to lean to the right on the political spectrum with approximately half having child involvement in the local educational system. One common factor, though, is that all were directly affected by Act 60 given that they were all property owners in Stowe.

The interview process involved questions about the individual's background and their personal involvement with Act 60, education, and the community. I asked specifically about their personal reactions to Act 60, if they have children in the school system (or have in the past), how they feel their child is/was affected negatively or positively by this legislation, how long they have lived within the Stowe community, etc. I then asked if they have contributed to the Stowe Education Fund and what their opinions on the Fund are, and how they were economically

affected by Act 60. Questions were concerned about conceptions of egalitarianism and issues of equality as well as their ideas on what is ‘fair’ with regards to the distribution of public goods. (See example interview questions in Appendix III). The format of the interviews was semi-structured, meaning that while I had a set list of questions to follow and ask of each participant, the questions often led to follow-up questions, addressing other aspects of the debate, and allowed for interview organizational flexibility. Additional questions pertained often to the specific circumstances of the individual, which may have influenced their opinions regarding educational reform.

Confidentiality and respondent comfort were important aspects of the interview process. Each participant signed a written consent form (see Appendix IV) to have their identity kept confidential (required through Institutional Review Board at the University of Georgia) and in the writing of this thesis, only general descriptors are reported such as general employment status, parental status, or if the individual was a life-long Stowe resident. Stowe is a small community and characteristics such as specific occupation titles may unintentionally expose the identity of the interviewee. In addition, I met each participant at a location of their choosing to ensure that they would be in an environment where they would feel most comfortable. In fact, one participant said that they preferred not to have people see us conducting the interview for just such concerns. Having me come to their home, their private space, seemed often to simply be a matter of convenience. While most preferred to meet at their home, a few participants chose to meet in public locations such as local restaurants and one asked to be interviewed in his office at work. These were situations where the participant felt comfortable speaking about their opinions regarding Act 60 and education reform, as I was often introduced to other individuals in the restaurants or workplace by the research participant.

Each interview was taped and then transcribed. Interviews were then analyzed based upon the dominant themes which emerged from the archival analysis portion of this research. The goal was to further understand the most prominent themes in the reaction to education reform and explain Stowe's story of Act 60 in terms of these themes and through the words of people within the Stowe community. The next two chapters aim to dissect the legal decision and legislative action in addition to explaining how Stowe was affected by these two important pieces of educational reform. The dialogue produced through the interviews and collected from the published texts are used in chapter 5 to explain the reactions that residents of Stowe, living in Vermont's largest and one of its richest towns, held towards *Brigham* and Act 60.

### ***Conclusion***

This project involves three methods of qualitative analysis to gain insight into how one legal decision and the resulting legislative decision has affected and essentially changed one community within the state of Vermont. John Creswell defines qualitative research as, "an inquiry process of understanding based on distinct methodological traditions of inquiry that explore a social or human problem" (Creswell, 1998: 15). He goes on to say that it is through this process that the researcher is able to produce an interpretation and representation of some event, circumstance, or location. By interpreting the two primary documents associated in Vermont's struggle over education reform, the researcher hopes to shed light onto the logic surrounding the two documents and investigate the role that egalitarian philosophy and production theory had in the implementation of Act 60. For this study, I use Yanow's (2000) definition of interpretive policy analysis and Entman's (1993) definition of framing. Active interviews are also involved and the conjunction of the archival and interview analyses will allow me to provide insight into the Stowe community reaction to Act 60. The following chapter

begins the empirical analysis section of this study with a breakdown of the language within the Brigham decision and Act 60: Equal Education Opportunity Act with interpretive policy techniques to understand which values, beliefs, and philosophy these documents were based upon.

## **CHAPTER 4**

### **EMPIRICAL RESULTS: POLICY EVALUATION**

#### *Introduction*

Recent education reform in Vermont is the result of legal action taken by a group of Vermont residents, towns, and school districts and culminated in legislation that radically changed the way in which education was financed throughout the state. The two documents of importance in this story are the *Brigham* decision and Act 60: The Equal Educational Opportunity bill. This chapter seeks to outline the principles involved in these two written pieces of Vermont history and discuss how concepts of distributive justice and ‘fairness’ were interwoven in the debate over education finance reform. The conclusion of this chapter describes how education finance evolved within Stowe in response to these mandates as a precursor to chapter 5, which focuses on the reactions of Stowe residents to the legislation and legal decision. That discussion is necessary to thoroughly understand the role that Stowe played in Vermont’s education reform process and how the resultant changes may have influenced residents’ responses to the reform.

#### *Brigham Decision*

Prior to the *Brigham* decision in 1997, education was funded in Vermont through local property taxes and school budgets were set by each municipality according to how much each town (and its taxpayers) could afford to contribute towards education. State funding was available to assist municipalities in maintaining a minimum standard of education where property tax rates were too great to finance basic educational needs (such as covering special education needs). As a result, gross disparities existed throughout the state between towns that



had large grand lists and numerous property owners and those that did not. The result was that ‘richer’ towns had lower property tax rates while simultaneously enjoying the luxury of higher student expenditures and more extensive student programs

The *Brigham* lawsuit, filed first in Lamoille Superior Court and later decided by the Vermont Supreme Court at the end of 1996, had three sets of plaintiffs; two students from the Whiting and Hardwick school districts, property owners from “property poor” school districts, and the school districts of Brandon and Worcester. The students argued that financing public education through localized property taxes, “deprived them of their right under the Vermont and federal constitutions to the same educational opportunities as students who reside in wealthier school districts” (5). The property owners claimed that this process of education finance in Vermont, “compels them to contribute more than their just proportion of money to fund education” and also claimed that this was in violation of the two constitutions (5). The school districts asserted that Vermont’s current method for education finance makes them unable to, “raise sufficient money to provide...students with educational opportunities equal to those afforded students in wealthier school districts” (5). The two districts also claimed that the unevenly distributed tax rates throughout the state were also in violation of the federal and state constitutions (Brigham et al., 1997).

The two primary issues of contention in this case are articles seven and nine from the Vermont Constitution and the issue of ‘equal protection’ as applied to the right to public education (Pascoe, 2003). Article 7 evokes the idea that government is for common benefit and not to advantage particular segments of the community. Article 9 asserts that the responsibility for public goods should be proportional amongst contributing communities and not burden poorer towns with excessive assessments.

*Article 7th. Government for the people; they may change it*

That government is, or ought to be, instituted for the common benefit, protection, and security of the people, nation, or community, and not for the particular emolument or advantage of any single person, family, or set of persons, who are a part only of that community; and that the community hath an indubitable, unalienable, and indefeasible right, to reform or alter government, in such manner as shall be, by that community, judged most conducive to the public weal. (The Vermont Constitution, 2004)

*Article 9th. Citizens' rights and duties in the state; bearing arms; taxation*

That every member of society hath a right to be protected in the enjoyment of life, liberty, and property, and therefore is bound to contribute the member's proportion towards the expense of that protection, and yield personal service, when necessary, or an equivalent thereto, but no part of any person's property can be justly taken, or applied to public uses, without the person's own consent, or that of the Representative Body, nor can any person who is conscientiously scrupulous of bearing arms, be justly compelled thereto, if such person will pay such equivalent; nor are the people bound by any law but such as they have in like manner assented to, for their common good: and previous to any law being made to raise a tax, the purpose for which it is to be raised ought to appear evident to the Legislature to be of more service to community than the money would be if not collected. (The Vermont Constitution, 2004)

In *Brigham*, education was argued to be a public good that should be provided in a manner that does not disproportionately burden some groups more than others; that all residents deserve ‘equal protection’ under the law. The plaintiffs argued that the state of Vermont was responsible to equalize per-student spending at a level that ensures that all students have access to a minimum level of education. According to Vermont’s Constitution, the state as a whole constitutes the salient community, and has a responsibility to provide for all members within that community. The state argued against the plaintiffs’ case by claiming that education was not a fundamental right according to the Vermont and United States Constitutions and thus not the responsibility of the state to exert direct control over education finance.

Locally, the Lamoille Court agreed with the state's claim. However, on appeal to the Vermont Supreme Court, the court ruled against the state and asserted that the current education funding mechanism was unconstitutional. The court specifically ruled in favor of the plaintiffs saying, "we decide that the current system for funding public education in Vermont, with its substantial dependence on local property taxes and resultant wide disparities in revenues available to local school districts, deprives children of an equal educational opportunity in violation of the Vermont Constitution" (Brigham et al., 1997: 4). Through this statement the court established an egalitarian stance towards public education. All children residing within the state of Vermont were to be afforded equal opportunities with regards to education.

Not only did the Supreme Court proclaim a need for equal educational opportunity, but it also deemed Vermont's current system of funding education unconstitutional on the grounds that it created gross disparities in property tax rates and educational spending between school districts which resulted in unequal educational 'opportunities'.

"The undisputed evidence...supports plaintiffs' claim that wide disparities in student expenditures exist among Vermont school districts and that these disparities correlate generally with taxable property wealth within districts...Indeed, in their oral arguments before this Court the parties assumed that unequal funding yields...unequal curricular, technological, and human resources. School districts of equal size but unequal funding would not have the capacity...to offer equivalent foreign language training, purchase equivalent computer technology, hire teachers and other professional personnel of equivalent training and experience, or provide equivalent salaries and benefits...To be sure, some school districts may manage their money better than others, and circumstances extraneous to the educational system may substantially affect a child's performance. Money is clearly not the only variable affecting educational opportunity, but it is the one that government can effectively equalize." (Brigham, 1997: 10)

The above text of *Brigham*, coupled with the later written assertion that the right to education is an integral part of Vermont's constitution and governmental system, provides explanation of the court's ruling in favor of Amanda Brigham et. al. While the case does not

neatly reveal distinct conceptions of distributive justice associated with each side, the reference to ‘equalizing’ education in a way that ensures that all public school children have equal educational opportunities points to egalitarian philosophy. The specific concepts of distributive justice and ‘fairness’ embedded in this decision set the groundwork for the subsequent remedial legislation. The Supreme Court pinpointed monetary differences over space in educational spending as the primary means by which government can achieve equal educational opportunity and this is a source of contention.

For the plaintiffs, the case centered on removing the disparities in tax rates among municipalities that resulted in corresponding disparities in per-pupil spending between school districts. These disparities motivate arguments in favor of egalitarian distributive justice. For the plaintiffs, all children within the state should be afforded the same opportunities for education and this, they argued, was to be achieved through providing some form of equality in terms of educational spending.

The state, while conceding that disparities in educational spending existed and produced disparities in programming and resources, did not agree with the plaintiffs on what constituted ‘fair’ with regards to funding education. For the state, a libertarian view was argued in the sense that ‘fairness’ constituted the freedom of individual municipalities to make decisions regarding education on their own and without government involvement. Even though disparities in educational quality and funding existed, they were allowable under the logic that it is not the state’s role to police education spending.

The court, based upon the text of the Vermont constitution which described the state in its entirety as a community and the argument that education is one of the rights protected within the constitution, sided with the plaintiffs in their claim for ‘equal educational opportunity’ and

conceptualizing education in terms of egalitarian philosophy. As is mentioned in Article 7 of the Vermont constitution, “government is, or ought to be, instituted for the common benefit, protection, and security of the people, nation, or community, and not for the particular emolument or advantage of any single man, family, or set of men, who are a part only of that community; and that the community hath an indubitable, unalienable, and indefeasible right, to reform or alter government, in such a manner as shall be, by that community, judged most conducive to the public weal.” (Constitution of State of Vermont, 2003). To side with the state would be to conceptualize education in terms of libertarian justice focusing on the freedom of the individual municipalities.

Aside from the basic philosophical arguments involved in the case, the debate over what constituted ‘equal educational opportunity’, and specifically how unequal education is created, was of importance. This portion of the case, as argued by the plaintiffs, was that funding disparities with regards to education resulted in unequal opportunities throughout the state. The court acknowledged the lack of precedent and evidence to definitively make this claim but because of the state’s previous concession that the current funding mechanism for education resulted in unequal educational opportunities between rich and poor school districts, the court did not have to make a decision based upon conflicting evidence. Therefore, it did not matter whether or not the plaintiffs had proven that increased spending results in increased educational quality. The state had essentially made this decision for them by asserting that inequalities in school districts did exist as the result of spending differences. Because of this assertion, the Supreme Court made the claim that even though equalizing monetary resources would not necessarily guarantee equal education due to ‘extraneous circumstances’, monetary differences do affect learning opportunities and that it is the government’s role to equalize this aspect of

education so that all children can be provided with equal opportunities at some fundamental level.

Even though the Vermont Supreme Court asserted that there must be some form of equality to ensure ‘fairness’ in the funding of education, what constituted ‘equality’ was not decisively determined in the ruling of *Brigham*. In regards to this issue the court wrote,

“...*absolute* equality of funding is neither a necessary nor a practical requirement to satisfy the constitutional command of equal educational opportunity...equal opportunity does not necessarily require precisely equal per-capita expenditures, nor does it necessarily prohibit cities and towns from spending more on education if they choose, but it does not allow a system in which educational opportunity is necessarily a function of district wealth...to fulfill its constitutional obligation the state must ensure *substantial* equality of educational opportunity throughout Vermont.” (*Brigham*, 22)

As a result, the court provided the legislature with significant latitude when deciding how to implement the mandated restructuring of the educational finance system. It asserted that funding between districts did not have to necessarily be perfectly equal and that municipalities should not necessarily lose all control over local funding decisions in terms of providing for education, but that some basic form of equality through funding reform is necessary to provide educational opportunity for all Vermont school-age children. The reference to *substantial* equality as the standard which should be met by the government is one of great subjectivity and its definition is defined by those who craft the legislation to satisfy the court’s decision. In fact, by defining equality in two different terms, the interpretation of what constitutes ‘fairness’ was also left in contention. Instead of egalitarian philosophy, which is grounded on absolute terms of equality for all citizens, ‘fairness’ can be interpreted via other conceptions of distributive justice such as utilitarian or libertarian views. This is an issue of disagreement with regards to *Brigham*. What constitutes *substantial* equity? What constitutes ‘fairness’? The court concluded its decision by admitting the limited scope of its ruling and placing the responsibility of defining what

constitutes equality in educational opportunities in the hands of the legislature with only the stipulation that Vermont's constitution must be adhered to. As a result, not only was *Brigham* a source of contention but so also was the piece of legislation that was created to fulfill the requirement set forth by the Supreme Court.

### ***Act 60: Equal Educational Opportunity***

Act 60 was complicated and much more complex than the previous method of funding education. In addition, the time between *Brigham* and the creation of Act 60 was relatively short and arguably not long enough to adequately perform a cost-benefit analysis of Act 60 and then brainstorm alternatives if Act 60 proved too costly. While it established a state-wide property tax, the changes in terms of block grants, income sensitivity, homestead provisions, and the sharing pool created an education finance system that is difficult to understand and dependent upon much more than simply one primary tax.

Act 60 sought to work as follows. A flat grant of \$5,000 per student was provided to each school district, rich or poor (grants did vary, however, based on additional state provisions such as special education, ESL programs needed, etc.). These block grants were paid for by three main sources, the new statewide property tax of \$1.10 per \$100 of property value, an increase of general fund taxes, and preexisting general taxes earmarked for education (Heaps and Woolf, 1997). For towns that opted to pay beyond the block grant level, the state mandated that they participate in the local share property tax, which is based upon the concept of the equalized yield. Through this concept, if a town wants to spend beyond the block grant level per student as decided on a yearly basis at Town Meeting, it can do so by increasing its local property tax. This money is then funneled to the state and redistributed to all of the towns that have chosen to increase their local property tax. Redistribution, however, is based upon a town's ability to pay

and thus property rich towns, who may have an easier time generating additional property taxes due to a large grand list, end up sharing their local property tax with property poor towns who have opted into the program.

Table 4.1 (Buzuvis, 2001), summarizes Act 60 with regards to different forms of equity and equality. This table, modified from its original version which compared Vermont and New Hampshire's education reform legislation, not only describes the ways by which the state legislature conceived to achieve equity, but explains the methods by which it was attempted.

As is described by Buzuvis, there were two types of equity achieved through Act 60. Horizontal equity was ensured by making sure that per pupil expenditure was equal over space and vertical equity was achieved by making sure that special programs, particularly high cost programs such as special education, were accounted for when deciding on the amount of the block grant. Not only was there equality in the amount of money that each municipality was to receive from the state to fund education, there was also equality in the amount by which towns were to be taxed to fund Act 60. All property tax was to be set at a fixed level for funding education and low income taxpayers would be assisted through an income sensitivity clause.

What Buzuvis does not include in her analysis of the legislation, though an important component of Act 60, is an analysis of the educational standards established by the legislation at this time. It was not enough to simply equalize funding to school districts. The legislature had to set in place educational requirements to ensure that money would be used to produce equalized educational opportunities. They also had to create the means to police educational improvements and make certain that standards were met. If not, the purpose of Act 60 would be undermined. Act 60, though signed into law in 1997, was phased in over a period of three years and was not in full effect until 2001. Studies were meant to be done every five years after the



**Table 4.1** Act 60 tax reform methods for achieving equity  
Source: Buzuvis (2001: 681) Table 1

Indicator	Vermont Reform (Act 60)
Horizontal Equity (equity in per pupil expenditure among districts)	Substantial equity achieved by imposing liability on wealthy districts for spending above the block grant amount.
Vertical Equity (ensuring that districts with special needs have access to additional funds)	Block grant is multiplied by a weighted averaged daily membership in a district, which takes into account economically disadvantaged students (measured by eligibility for food stamps) and ESL language students.
Fiscal Neutrality (equity in yield from tax effort among districts)	Uniform statewide property tax rate of \$1.10 per \$100 property value. Additional local property taxes may be levied at a non-uniform rate.
Income Sensitivity	Taxpayers with household incomes less than \$75,000 may pay the lesser of (a) 2% of their income or (b) the tax the municipality would have assessed on property if the value were reduced by \$15,000. Additional relief is provided for taxpayers with household income of less than \$47,000.
Equalization of non-programmatic costs	Special education funds are distributed at the state level separate from block grants.

full implementation of Act 60 to ensure that the increased funding was producing the desired result of increased educational opportunities. Namely, the state is looking to see if student performance will increase in receiving towns. Thus, the state is making the assumption that there is a link between increased educational spending and student achievement- that equalized student performance *is* equal educational opportunity. This assumes that through a system of process equality, outcome equality will result; that by equalizing per pupil spending throughout the state and by attempting to create educational uniformity, the students within the educational

system will also perform to some basic level as well and disparities between student achievement will decrease.

Another major problem with the legislation lies in the fact that the Supreme Court left the responsibility of finding equitable solutions for education finance in the hands of the legislature without defining *substantial* equity. The legislature was then left to define the term by themselves and come up with an education finance reform bill to satisfy this definition. The problem lies, however, in the fact that the legislature did not definitively define this term either.

As is written in part 1 of Act 60:

“The right to public education is integral to Vermont’s constitutional form of government and its guarantees of political and civil rights. Further, the right to education is fundamental for the success of Vermont’s children in a rapidly-changing society and global marketplace as well as for the state’s own economic and social prosperity. To keep Vermont’s democracy competitive and thriving, Vermont students must be afforded substantially equal access to a quality basic education. However, one of the strengths of Vermont’s education system lies in its rich diversity and the ability for each local school district to adapt its educational program to local needs and desires. Therefore, it is the policy of the state that all Vermont children will be afforded educational opportunities which are substantially equal although educational programs may vary from district to district.” (Act 60, Sec 2.16)

From the paragraph above and the mechanics of Act 60 as described further in the document (state-wide property tax rate and redistribution via block grants on a per capita basis) it can be inferred that ‘*substantially* equal’ refers to equality in the monetary amount that each student will be allotted with regard to educational funding. How a municipality chooses to allocate that money with respect to their school district and programs, there is no regulation. Thus, by providing each school district with the same amount of money per student, equal opportunity for education does exist but how that money is allocated in terms of educational programs (AP courses, additional language classes, etc), teacher salaries, extracurricular activities, and technology remains in the hands of local school boards and local voters. The fact that the

legislature refers to the ability of local municipalities to allocate funds to the needs and preferences of the local community refers also to the fact that local control remains within the municipalities even if it is not the form of control experienced in the past. Nonetheless, the fact that students are treated on a fundamentally equal level with regards to educational funding is linked to conceptions of distributive justice. Here, students are theoretically equal and thus are awarded equal funding from the state for their education. If there are circumstances that necessitate additional funds be provided to assist special needs (special education, ESL students) then the state will distribute those funds as necessary. But *ceteris paribus*, the block grant allocation treats all students as equals, mirroring egalitarian theory.

Also used as reasoning for equal educational opportunity is the necessity for Vermont students to be successful in the ‘global marketplace’ and the need to keep Vermont competitive within this society. This broader scale of reasoning highlights the need for all students within the state to receive a quality education and support the future economy. This coupled with the statement about local school districts’ ability to allocate education dollars as deemed necessary for the students provides multiple scales of thinking. On one hand, there is the need for basic levels of quality education to ensure that all students are afforded equal opportunities and this is on a state scale. Then on the local scale there are the individual municipal decisions as to what programs are important and which must be funded to satisfy the needs of the schoolchildren within that local community.

As there was no blatant mention of economic theory with regards to concepts of distributive justice and fairness, there was also no mention of production function theory in the form of comments relating to how increased spending will result in an increased quality of education. Here, the focus is on equalized spending for a basic quality of education. The fact

that there are severe provisions for wealthy towns to pay above the block grant level in an attempt to preserve education quality above the Vermont average may attest to the fact that there is a perceived correlation between high per pupil spending and high quality education.

Participation in the sharing pool was more costly to wealthy towns as it forced them to contribute a higher percentage of the tax rate that they extend beyond the state level and thus it allows for poorer towns to increase their school budgets to a level that would have been previously economically unfeasible. The sharing pool was simply another attempt to ensure that children throughout the state would be provided with a ‘*substantially*’ equal education. Thus, equal educational opportunities in Vermont were summarized in Act 60 as the product of:

“Substantially equal access to similar revenues per pupil will be provided by a combination of state block grants and local education spending. This local education spending will be substantially equalized so that each school district will have substantially equal capacity to raise and provide the same amount per pupil on the local tax base.” (Act 60, Sec. 18.16)

This legislation was very specific in terms of how they perceived education would be funded and did so with limits on wealthier towns to protect against disparities in the quality of education throughout the state. Despite the extensive tax code additions and stipulations included within the 73 pages of the law, Act 60 did provide a means by which wealthy towns could maintain their pre-Act 60 level of per-pupil spending without entering into the state’s sharing pool.

Whether intentional or not, the exclusion of stipulations regarding private donations proved to be a major component of towns’ strategies to circumvent Act 60’s sharing pool. For Stowe, which feared skyrocketing tax rates if having to participate in the sharing pool to maintain their pre-Act 60 level of education, this was especially true. Act 60, though attempting to equalize educational opportunities for all students in the state, potentially could have forced a town to raise tax rates and decrease their level of educational spending, possibly resulting in the loss of programs and

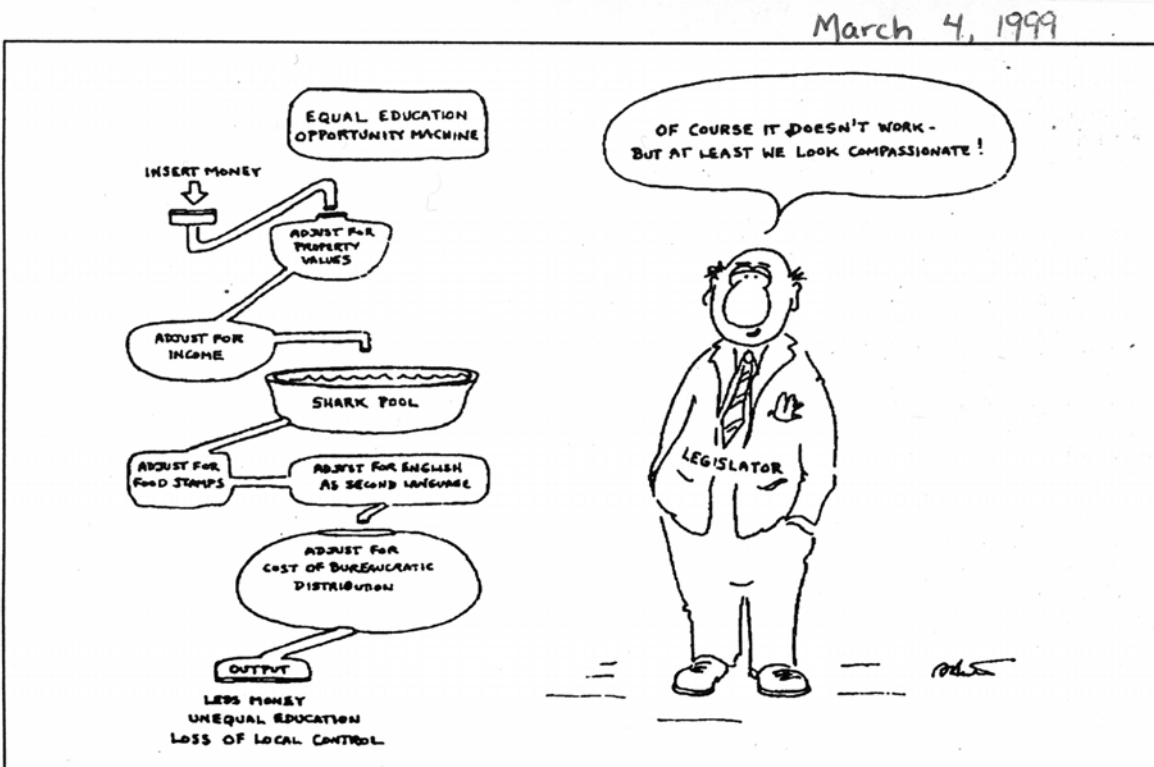
components of education that were considered integral to the Stowe educational experience. The ability to participate in fundraising and solicit private donations in order to prop up educational systems due to the omission and lack of mention of such issues may be one of the most important components of Act 60 for those living in Stowe. Given that the majority of Stowe residents were opposed to Act 60 and the sharing pool in particular, the ability to avoid the sharing pool through fundraising and maintain funding levels, the lack of language regarding private donations allowed many residents to tolerate and not accept the unfavorable piece of legislation.

### ***Conclusion***

*Brigham* and Act 60 are arguably the two most influential and contested events regarding education in Vermont in the last decade. Having radically reformed educational funding, these two pieces of history are tied up in conceptions of distributive justice and fairness. Though not explicitly labeling the perspectives on which they are grounded, the language used in the *Brigham* decision and Act 60 reflects concepts of egalitarian philosophy, specifically the treatment of all people as equals. *Brigham*, in its decision, links the inequality that exists with regards to educational quality throughout the state of Vermont to the disparities in tax rates among municipalities. This connection between money and educational quality can be related to economic theory of production where the quality of a product is a reflection of the effort and resources put into the product. This is a point of contention, however, given that there exist conflicting studies on the validity of the assertion that increased student spending results in a corresponding increase in educational quality and student achievement. Another point of dispute is the scale at which individual tax payers should be responsible for funding education. The Vermont constitution defined community on a state scale while many taxpayers, particularly in sending towns, continue to define community on a local scale.

Thus, for a town such as Stowe, which historically spent well above the state per pupil average for education, Act 60 produced numerous challenges. Figure 4.1 describes Act 60 through the perspective of many Stowe residents – it is a complex mechanism for attempting to achieve educational equality which, in the end, does not produce the desired result and actually results in less funding for education, unequal educational opportunities, and depletes local communities of control. The creation of the SEF and attempting to avoid the ‘sharing pool’ did not mean that Stowe had simply accepted Act 60 and was merely trying to live with the legislation. In fact, Stowe residents filed two lawsuits against Act 60, and the town joined a suit led by the 48-town Coalition of Vermont Municipalities, formed in 1997 (Baldauf, 1997). The Vermont Coalition of Municipalities is a non-profit association that unites Vermont cities and towns which have a strong interest in tax fairness and quality education for all Vermont children. Despite these attempts, the court rejected Stowe and the coalition’s lawsuit and Act 60 held firm.

The next chapter describes how different segments of the Stowe community felt towards and reacted to Act 60. While most within the community were opposed to Act 60, the reasoning behind *why* residents were opposed differs and is of primary focus. Discussion of peoples’ conceptions of what constitutes ‘fairness’ in terms of Vermont’s education finance reform is emphasized. These conceptions are described in terms of theories of distributive justice. In addition, a discussion of how residents envision their community changing as a result of Act 60 is included.



**Figure 4.1** Stowe Reporter cartoon, March 4, 1999. Depicts the Act 60 mechanism as seen in the eyes of many Stowe residents where money is funneled through a system and the result is still unfair.

## **CHAPTER 5**

### **EMPIRICAL RESULTS: ‘GOLD TOWN’ REACTION**

#### *Introduction*

Education finance reform, and Act 60 in particular, has been an issue of constant conversation at both the state and local level in Vermont ever since the 1997 *Brigham* decision. The majority of Stowe residents opposed Act 60. Negative assessments dominated the letters and guest editorials of the *Stowe Reporter* and characterized all but one interview. This chapter explores the opposition of Stowe’s residents to the legislation, critically questioning the reasoning behind opposition. Two issues dominate dialogue within the Stowe community. The first addresses the question of equity and fairness with respect to paying taxes and providing local, yet public services. Many residents felt taken advantage of by the state government because they had to absorb significant increases in tax rates while not receiving the benefits of the tax rate increase locally. Secondly, residents feared a loss of local control and were concerned that by shifting the power over education finance to the state, local municipalities would lose an important component of their identity – that a significant Vermont tradition and cultural element would essentially be lost. These two themes are addressed through the perspectives of Stowe parents, business owners, second-home owners, and native Stowe residents (only mentioned in the issue of local control). These perspectives, although not all-inclusive, provide insight into the debate that surrounded Act 60 and reasoning behind Stowe’s reaction to the legislation.



### *Act 60 = Equality and Fairness?*

Act 60 was the Vermont legislature's first attempt to equalize educational opportunities throughout the state and thus create a fair method of funding education that removed wide disparities in property tax rates. Fairness within the Vermont public school system was achieved through the establishment of equalized per-pupil spending. Members of the Stowe community disagree, however. While students were theoretically treated as equals, they argued, towns were not treated equally. Some towns were required, based simply upon property value, to shoulder the burden for equalized education and to do so while not receiving the benefits of this education reform.

Throughout the 1997 legislative session that culminated in Act 60, dialogue in Stowe community centered on the reform's possible effects. Parents, in particular, were concerned about what Act 60 would mean for the quality of education within their local school district in addition to the general town concern of rising tax rates and how that would affect residents' wallets. Note that many residents, parents in particular, were not necessarily opposed to *Brigham* or even the idea of having to pay higher taxes in order to assist lower quality school districts. In fact, most of those interviewed recognized that they lived within a wealthier town and admitted that this choice of residence does necessitate some social responsibility for assisting those who are less fortunate especially with regards to education and helping children in need. Some even criticized the state for not taking action sooner to increase educational quality in poorer towns. That said, however, these same individuals were opposed to Act 60 because they perceived potentially devastating effects on their local school system. In addition, they felt that the state was asking them to bear an unreasonable share of the reform's financial burden.

From the pages of the *Stowe Reporter*, 236 out of the 365 (65%) guest editorials and letters to the editor explicitly opposed Act 60. Although against Act 60, 36 submissions agreed with the *Brigham* ruling that equal educational opportunities should be a basic right for children. Thus for some residents the idea of equalizing educational quality was less problematic than the way the mechanism through which it was to be implemented. As one letter explained, “[E]very child in this community, state, nation, indeed, the world, deserves the love, care, physical well-being and education that will ensure their growth and nurture.” (*Stowe Reporter*, 27 Feb. 1997).

Despite an appreciation for education, most of those within the community were exceedingly opposed to Act 60 as it was considered too costly to the taxpayers in Stowe and that it would decrease the quality of the local school district. Many letters to the editor and guest editorials within the 5 years of study used language referring to a ‘dumbing down of education’ or reducing [Stowe’s] education system to some ‘lowest common denominator’ or an ‘accepted level of mediocrity’. Becky Graddock, mother of four and school board member, wrote in a guest editorial,

“We are fully aware that tax sharing may impair our future ability to maintain our schools at current quality levels... [t]he total general fund budget should be reexamined and a larger percentage allocated to education. Finally, as lawmakers struggle to achieve the court’s requirement of “equality of educational opportunity,” we ask for your support in opposing any measures that are punitive to good school systems such as ours, or any measures which attempt to equalize good schools down to a lower common denominator of mediocrity.” (*Stowe Reporter*, 13 Feb. 1997)

Her plea, written prior to the passage of Act 60, primarily reflects her concern as a parent even though she is also an elected official. While she argues against the overreliance on property taxes for funding education and highlights Stowe’s monetary contribution in terms of providing tourism dollars earlier in the editorial, she also makes a plea to the Stowe community to pass the school budget and maintain a commitment to funding the local school system at its current level.

She feared a reduction in educational quality through a decrease in educational spending. This perspective was representative of many of the parents within the Stowe community and particularly those with school-age children. As the threat of higher tax rates and the possibility of having to partake in the ‘sharing pool’ loomed, concern centered on the extent to which taxes would increase and school programs suffer (or be cut) from a lack of funding. Of all of the submissions to the newspaper, 65 (18%) mentioned some concern over a loss of local educational quality and 22 (6%) were concerned about cuts in school programs. 47 submissions (13%) made reference to Act 60 disadvantaging the children of Stowe. Public announcements were made by the school board that suggested the necessity of decreasing extracurricular programs, reducing the number of AP classes, and reducing administrative and staff positions. Many parents were concerned that their children would not be afforded the same educational opportunities that previous graduates of the Stowe school system had enjoyed. Moreover, decreased educational quality would concur with an increase in property taxes. Most parents and taxpayers accustomed to a system that correlated increased property tax rates with increased educational quality found this proposition unacceptable.

Most of the interviews were consistent with printed opinions. One parent I interviewed was incredibly angry with what Act 60 had done to the local school system. While she did not mind paying increased tax dollars to the state to help poorer districts with educational funding, the level by which her personal tax rate rose coupled with a loss of educational quality for her children was, in her opinion, ‘ridiculous’.

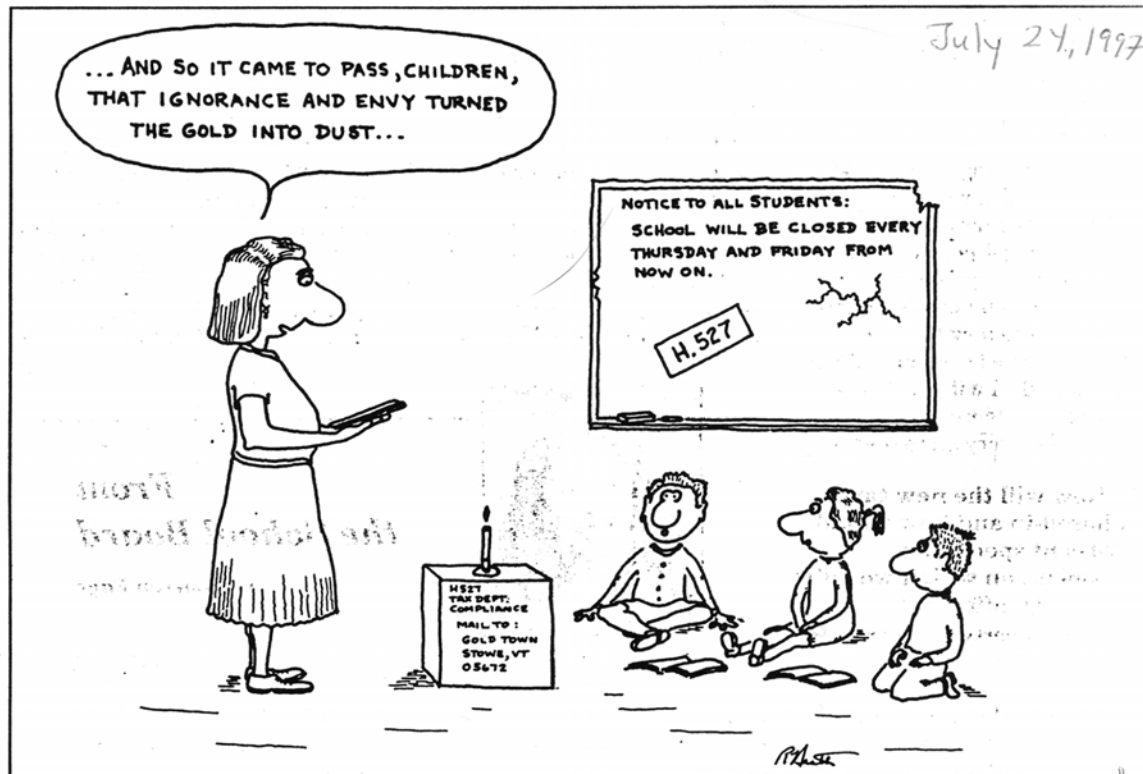
“[W]hat happened in our situation is that our taxes, our property taxes, like tripled in the first year and then the school programs were slashed. My oldest...took Latin through four years of high school. My middle [child] didn’t have that option. Latin was cut...They cut the janitors. They cut the school nurse to part time. They tried to cut things that didn’t affect education...Although our taxes tripled, we didn’t have any money...Our taxes tripled just to come to the

minimum (for other school districts). I don't mind helping out people that are less fortunate but I think that they overdid it". (parent, financial planner)

Note that the tax rate within Stowe did not increase threefold, as inferred by this respondent; the school tax rate increased by 48% - not 300% (Table 3.1). The difference between these two numbers may derive from the participation in the Stowe Education Fund's Fair Share campaign. Even so, SEF's contributions are voluntary and not taxes, despite perceptions to the contrary. Other parents expressed fear of increasing educational costs for decreased educational quality at the hands of a government mandate. Many alluded to the possibility that increased spending in poorer districts may not necessarily improve educational quality, and believed that parental involvement and the living environment of a child have a greater influence on educational opportunity and student success.

The theme of 'fairness' appeared prominently in the interviews. Based on the anticipation of deteriorating school quality, many parents concluded that the reform would unfairly punish those who lived in wealthier districts simply because children in other towns faced different living environments. Figure 5.1 illustrated these fears. Respondents attempted to invert the geographic logic of the *Brigham* decision: Just as the court found it unfair for children in property poor districts to be at a disadvantage based on their geographic location, so too, parents argued, it was unfair for children in wealthier districts to have their educational opportunities reduced simply because of their geography. There is irony in this position, however. If parents of children in Stowe truly believed that increased educational spending does not affect educational quality and student success – that it was mainly a function of individual characteristics and living environment- then why is the establishment of equalized educational spending within the state so heatedly opposed in Stowe?

Like many of the parents within Stowe, the business owners of the local community were aware of their geographic location as part of a wealthy town and recognized that higher costs (monetary and social) are often associated with living in these areas. Many of the business owners felt, however, that they were being asked to contribute beyond a reasonable amount and



**Figure 5.1** Stowe Reporter cartoon, July 24, 1997. Depicts a decimated classroom within Stowe as the result of Act 60 (H. 527).

that they were being used unfairly to prop up the state's educational system. Thirty-one submissions (5%) made reference to the possibility of businesses suffering (small businesses, farmers, the employees) economically as a result of Act 60. Numerous references were made to Stowe as an 'economic engine' within the newspaper letters and guest editorials and depicted Stowe as an important component of the Vermont tourist economy. Ski communities like Stowe

attract thousands of visitors each year to Vermont and generate millions of dollars in state revenue through rooms and meals tax. Chuck Baraw (president of the Stoweflake Resort) argued in a guest editorial to the *Stowe Reporter*,

“Businesses pay a lot of taxes because they are usually appraised much higher than they would be in other areas of the state. In addition, raising the room and meals tax from the current level of 7 percent to 9 or 10 percent will have a negative impact on the number of visitors to Vermont. The travel industry, like many others, is quite competitive and a loss of market-share means lost revenues for the state and less money for aid to education...It is unfair to the Vermonters who run small, and predominantly family, businesses and to the many Vermonters those businesses employ...It will cost the state both revenues and future economic growth – precisely what this legislature needs to fairly and adequately fund education for all Vermonters.” (*Stowe Reporter*, 12 Jun. 1997)

Businesses owners as represented in both letters to the editor and the interviews thus felt doubly used by the government with regards to funding education. First, increases in the rooms and meals tax may have an effect on future business opportunities, and second, business owners also pay property taxes. These feelings existed even though increased rooms and meals taxes partially limited property tax increases. Given that the state depends upon the tourist industry to support its economy, business owners maintained that they should not be disproportionately burdened with supplying the state with funds for public services. One business owner drew a distinction between property wealth and cash flow.

“Why should this place [the business]...I mean, they base it on the value of the property but not the income of the business. So what they end up doing is hurting the businesses because the business has to pay so much into the property tax that the business has no money to do further improvements to the business and keep up with other business and other states. We’re only going to hurt ourselves in the end...in the tourism business...which is going to hurt the state too.” (male, business owner)

This argument is often used by farmers in the debate over property tax reform. Many farm owners are self-employed and have large tracts of land that do not make a large income. While

the state provided some relief to farmers, no consideration was given to the small businesses that have a tremendous impact on Vermont's economy.

Second homeowners are Stowe community members also important in this research but whose perspective was less prominent. This population is a visiting population that owns property within the town but does not permanently reside in Stowe. They are often wealthy individuals from outside Vermont, even internationally. Although they do not vote at Town Meeting or have children within the educational system, they are expected to contribute to the school districts through the payment of their property tax. This is an important segment of the Stowe community given that of the 3200 tax bills annually mailed by the Town Clerk, only 38% belong to full-time residents (Lewis, 2003). This implies that property taxes from non-residents constitute the bulk of Stowe's public funding. While no second homeowners were interviewed in this research given time and locational restrictions, the *Stowe Reporter* did contain a few letters that express an opinion. There are several reasons that second homeowners did not participate more in the written dialogue of the newspaper. Second homeowners may not have been well informed about the educational debate within Vermont if they did not subscribe to the paper. They may not consider themselves a part of the Stowe community or that their concerns would not be addressed. Perhaps second homeowners felt that an increase in the property tax rate would not be a great hardship. One letter submitted prior to Act 60's approval questioned the necessity of taxing non-resident homeowners so highly when they do not contribute to the burden of education (*Stowe Reporter*, 8 May 1997). After Act 60 was voted into law and Stowe was in the midst of finding solutions to maintaining funding, the Stowe select board (a local governmental body in charge of overseeing the administration of public services) and school board made an effort to meet with second homeowners and discuss Act 60. The newspaper

received a letter to the editor only a few weeks later expressing how one couple agreed with the Stowe governing bodies and suggested that a group of non-resident taxpayers form an association to help with the decision making process since this was an issue that would impact non-residents to the same degree financially as permanent residents (*Stowe Reporter*, 5 Mar. 1998). For this individual and other non-residents who participated in the meeting, the increase in property tax rates to pay for education in towns where they did not reside seemed unfair; they did not have children within the school system, and did not use most of the town services on a regular basis. Later that same year a summer resident of Stowe wrote to the paper about how bewildered he was that Vermont implemented Act 60 and described the legislature as, “bizarre in their economic thought patterns” (*Stowe Reporter*, 7 May 1998). Though not particularly upset about higher property tax rates on a personal level, this individual commented on the fact that the business climate would likely be hurt and that the reform was unfair to businesses throughout the state. Other second homeowners were concerned about their personal tax changes and wanted to become involved with finding alternatives to increasing tax rates.

Table 5.1 summarizes the primary philosophies of ‘fairness’ associated with the main actors in Stowe’s Act 60 debate. The main actors include the state, parents, second homeowners and businesses, and long-term native residents.

In many of the interviews, people recognized the value of education and asserted that they thought that children should be afforded a ‘fair’ education but the definitions of ‘fair’ differed between the state and those interviewed. Members of the Stowe community did not believe that ‘fair’ education should be measured solely monetarily. Thus, parents agreed that children should be provided equal opportunities to education and businesses, second homeowners, and native residents agreed in the importance of education but they did not agree



**Table 5.1** Distributive justice philosophy of main actors in Act 60 debate

Primary actors in Stowe's Act 60 debate	Distributive justice philosophy associated with actor
The State	Libertarianism prior to <i>Brigham</i> , believed in the power of local communities to make decisions regarding education. Egalitarianism after <i>Brigham</i> , as written in Act 60, asserted responsibility for equal educational opportunities for all students and did so through creation of state-wide educational tax mechanism and new educational standards.
Parents	Egalitarianism on a basic level, as many believed children should have equal opportunities to education and agreed with raising and policing minimum education standards. In favor of local control over education and against state involvement in local school district decisions (libertarianism). Openly opposed to socialism.
Businesses and second homeowners	Agreed that education is important and recognized their responsibility as 'wealthier' members of the community to contribute to funding education but did not agree with contributing to education beyond the borders of the community to which they belonged Openly opposed to socialism and favored a libertarian perspective as they supported local control over education.
Long-term, native residents	Openly opposed to socialism and supported localized control over education (libertarian). Concerned that a loss of local freedom would take away from traditional Vermont values.

with the method the state used to achieve equal educational opportunity. All groups protested the loss of local control over education finance and displayed a regional libertarian perspective with regards to education; education should be in the hands of individual municipalities. Parents were concerned that the school district would lose programs and the quality of education would

decrease. Business owners and second homeowners felt that the state was unfairly taxing them at a higher rate because of a false perception of wealth and local control over education would provide a more sympathetic ear to local businesses and non-residents. Long term residents were concerned with the loss local control as it would change Vermont traditions and were concerned that it would change the character of towns as native Vermonters are hurt financially because of increased tax rates. As one long term resident stated,

“I’m not against any family from another town getting a fair education but if there’s one family in this entire state that’s devastated because of Act 60 then they should have thought of a different way of paying for education.” (native resident, skilled labor worker)

For this individual, equalizing education and creating ‘fair’ education should have been done through a method that also equalized the financial burden and did not penalize some residents simply because of their residency in rich towns.

### ***The Loss of Local Control***

The contention surrounding Act 60 was not solely about tax rates and educational funding, though that was the primary focus. The entire reform issue was highly political beyond the basic issues of economics and education. People throughout the state feared that by putting the power of education finance in the hands of the state, an important component of local governance and local identity would be lost. A change in the nature of local control and Town Meeting would result in a change in Vermont political culture and local identity. This was seen as one of the unfortunate indirect results of Act 60; an attempt to reform education finance statewide and assist poorer towns would result in all towns losing a part of local governance and an element of local control. Of the submissions to the newspaper, 41 (11%) commented on aspects of local control within the debate and the majority of these submissions spoke to the loss of control as a result of Act 60.

One of the prime issues at each town meeting in Vermont is the vote for the upcoming year's school budget and these votes are highly publicized, often making television news coverage when budgets are contested. Act 60 reduced town's direct control over its school budget in part because of ambiguities with the sharing pool. In submissions to the newspaper, people cited the state control of schools, state control of the local tax base, the state redistribution of wealthy, and the state mandates, penalties, and fees, as elements of the new, state controlled education. One submission even described the goal of Act 60 as, "a bargaining chip they [state government] intend to use to coerce a compromise that puts them in charge of education" (*Stowe Reporter*, 20, Nov. 1997). While very few submissions speculated as to state motives to this degree, only a few submissions that referred to local control believed that Act 60 would actually increase local power. Most believed that local governance was decreasing and were against this loss.

One interview participant claimed that the state legislature was perpetuating a false perception of local control with Act 60:

"[T]hey're basically saying state level funding but local level decisions. And so, the towns that receive money have absolutely no incentive to contain spending, whereas the gold towns basically do have to spend a lot of soul searching deciding basically which programs to cut. There's no question of even maintaining the same level of funding. It's largely a question of how much should we cut. And that's something that's a false level of local control." (male, non-parent, engineer)

This individual and many other Stowe residents were upset about the removing of local control of schools and taking the power of financing education away from municipalities because they feared a decrease in educational funding from the state and potentially forced cutbacks in education. Some felt as though they no longer had a voice in how their money was to be spent for education as many of their tax dollars were being funneled to other school districts and would

be spent in ways that those poorer districts saw fit. Parents also felt that they were not able to control their local spending in the same way as the past with the stipulations that the state government had placed on spending above the block grant level. Higher cost and supposedly higher quality education would more difficult to achieve, thus forcing towns into certain restrictions and forcing choices in educational costs.

Business owners shared similar concerns but were more concerned about what a loss in local governance over property taxes would mean for their wallets. It was argued that local communities would be more sympathetic to businesses than the state would be. Also, communication between individual business owners and local government would be much easier than communicating with state government. Second homeowners did not comment on the issue of local control because they are not considered part of the voting public and most likely do not participate to a large degree in local governance.

Native and long time residents of Stowe were particularly concerned about what Act 60 meant for traditional Vermont customs and the way of life that they had known for generations. Local governance of education was a fundamental part of community life within Vermont and by placing it into the hands of the state, local traditions were weakened. Some long-term residents linked increased tax rates to ongoing class transformations that are perceived to undermine their sense of belonging to the Stowe community. Life became more expensive for all Stowe residents and for those employed in blue-collar professions and the increased property tax rate produced quite a hardship. One Stowe resident described changes he has observed as the result of Act 60,

“...40% increase in taxes next year. That’s very, very scary for people that work with their hands and try to live in a town that is very rapidly becoming a playground for the rich and famous and the rich and famous only. And it’s like a gated community. As soon as you get off Route I89 and you head north for

Stowe. It's like you have to go through a gate and if you don't make enough money, a lot of money, you aren't allowed through or if you don't have a visa to work here, you aren't allowed." (native Stowite, electrician)

As tax rates increase, he claims, the town caters more to the rich and can only be enjoyed by the financial elite. His assessment is not alone, however, as three other interview participants made comments about the changing demographic composition of the Stowe community. Stowe was described as having an increasingly younger population with more families moving into the area. These families were described as being from wealthy areas in southern New England. These people were seen as people who had amassed great wealth through selling property or who were able to earn a substantial living through the luxury of at-home, and computer and technology dependent employment. This allowed people to live in areas where they previously had just been able to vacation. Long term Stowe residents described the problem as change in the mentality of living in Stowe associated with the influx of young wealthy families. Some anticipated that it would validate stereotypes about Stowe that may not have previously been true (that Stowe was full of rich residents, for example). Residents complained that with the increase in wealthy families has come an 'at-all-costs' mentality regarding education, where there should be no financial limitations placed on what is provided within the local school system. With an increase in this mentality, school budgets will only go up, not down, thus making it even more difficult for lower income residents to remain in Stowe. The loss of native residents would mark a significant change in traditional Vermont communities as it is exceedingly common for families to live in the same region of Vermont for generations and property is often passed down from generation to generation in an attempt to maintain a sense of heritage and belonging. The loss of local control with regards to education is thus seen by some Vermonters as a step towards losing a sense of what it means to be a part of a community and tied to the property on which you live.

Four individuals out of the 13 interviewed openly mentioned plans to move in the near future or have contemplated leaving due to the increases in taxation and the change in the community. As for what will happen to the community if large numbers of native Stowites leave, one can only speculate. As many interviewees mentioned, however, the community is already changing with the influx of wealthy families, and they fear the trend will be exaggerated if tax rates continue to increase.

### ***Conclusion***

As a result of Act 60 and the *Brigham* decision, the method for funding education within the state of Vermont changed drastically from a locally-determined property tax rate to one implemented and controlled by the state. The new statewide property tax decreased tax rates in property poor towns and increased rates in property wealthy towns such as Stowe. In addition, the block grant redistributed revenue to school districts on a per-pupil basis, increasing spending in poorer towns and reducing spending in wealthier towns. Two major themes emerged from the analysis of editorials/letters and interviews. The first involved the issue of equity and fairness in the eyes of Stowe residents. Most felt Act 60, in its attempt to make education finance more equitable by removing geographic disparities in taxation, actually was unfair to Stowe residents. The second was the fear that Act 60 would result in a loss of local control which would, in turn, affect elements of local culture. Some native residents even cited examples such as the changing resident demographic and economic mentality that is emerging within Stowe. For most of these residents, opposing Act 60 was not a matter of selfishness or ‘elitism’ as is sometimes perceived by those outside of Stowe. It is a matter of preservation and the maintenance of a way of life and a quality educational system that these community members have known for decades.

## CHAPTER 6

### CONCLUSION

Despite the passage of over six years since Act 60 and the creation of massive education finance reform in the state of Vermont, the issue is still subject to debate. In fact, one of the main results of the 2003 legislative session was reform to the original Equal Education Opportunity bill in order to address issues that emerged from Act 60. Issues that emerged include the perception of runaway spending by poorer towns, the ability of rich towns to fundraise outside of the system, and the tax rates of residential versus non-residential property. Given the ongoing debate over finance reform, this thesis seeks to shed light on the reasoning behind Act 60, the way in which members of the Stowe community reacted to the legislation, and more importantly, *why* they felt as they did.

This study draws on concepts of distributive justice and production function economic theory to provide the theoretical groundwork for the case study of Stowe, Vermont in the analysis of one gold town's reaction to Act 60. John Rawls' (1971) theories are emphasized in the discussion of distributive justice and egalitarianism. Production function theory is debated through the research of Coleman (1966), Hanushek (1989), and Card and Krueger (1992). The studies provide conflicting evidence of whether there is a correlation between educational expenditure, educational quality and student achievement.

This research attempted to answer three primary research questions. The first question focused on the way that neo-classical conceptions of distributive justice and egalitarianism influenced the creation and implementation of education finance reform at the state level, and

was addressed through an interpretive policy analysis of the language used in *Brigham* and Act 60. *Brigham* uses egalitarian philosophy to justify the need for equalized educational opportunities throughout the state but fails to define how this equality is to be obtained. Definitions of absolute equality and substantial equality are left vague by the language of the court's decision. The case only implicitly draws upon economic production logic in its reasoning for why equalizing student expenditure is necessary.

The second and third questions are linked. The second asks to what extent did themes of egalitarianism and distributive justice play out at the local level in the Act 60 debate? The third question seeks to outline the role that economics, geography, and fairness have in this reaction to Act 60. It is clear from my empirical analysis that the residents' perceptions of equity and fairness did not match those expressed in the Supreme Court's *Brigham* decision or those embedded within the text of Act 60. Stowe residents were not simplistically opposed to increasing educational opportunities for all of Vermont's schoolchildren, however. In fact, many agreed that children should not be treated differently with regards to public education and that all children should be awarded the similar educational opportunities. They opposed the means by which it was attempted and believed that while basic standards should be established to give all children similar opportunities, individual communities should be allowed to finance education beyond that basic level. Thus, if rich communities such as Stowe chose to finance a higher quality education, they should be allowed to do so without state restrictions and penalty. Living in wealthy communities should not be a liability to quality education; it is a privilege that provides for special social benefits.

While themes of egalitarianism dominated the court case and legislation, most Stowe residents expressed conceptions of place-based equity most consistent with a regional libertarian



perspective. The retention of local decision-making power over education finance reflects a regional version of traditional or geographical libertarianism that focuses on the individual. Many residents, especially parents, disagreed with the court's assertion that by equalizing monetary resources among students, educational opportunities would be increased. They were concerned about a decrease in local educational quality as the result of reduced educational spending. They also felt unfairly taxed simply because of where they lived (having to raise property tax rates to fund poorer towns' education. Stowe was a community of parents, business owners, and second homeowners who felt exploited by the government in an attempt to enact massive educational reform. Parents felt that they had to pay higher property tax rates and in turn receive less money and potentially a less quality education than they had experienced previously. Business owners felt doubly taxed because of the increase in rooms and meals taxes and then through the increase in property tax rates where the emphasis was placed on the property owned and not on the income of the individual owner. Each group's perspective with regards to 'fairness' in education finance reform is riddled with self-interest even though some articulate the value of education and the necessity of all children being provided some basic level of education. These individuals do not want to be penalized, financially or through decreasing educational quality, in the attempt to increase educational quality in other school districts. Instead, they suggested changing the funding mechanism for education, raising statewide educational standards, and providing municipalities with the right to fund education above the state mandated level if they so chose. These, they believed, would do more to produce a 'fairly' funded educational system more so than Act 60. Individual freedom of municipalities would be at the forefront.

Not only did most Stowe residents find Act 60 unfair in terms of taxation and economic distribution, they also feared that the government was using Act 60 in an attempt to increase state control and remove local control from the municipalities. Some residents feared that this change in the scale of governance would undermine traditional small-town place identity long associated with Vermont. Act 60 was thought of as the catalyst to other attempts by the state government to increase control and take decision-making responsibilities from local communities. The creation of Civil Unions for gay couples in response to the Vermont Supreme Court's decision that restrictions to gay marriage were unconstitutional is another example. Here, the court made a decision and the legislature created a solution without consulting the general populous and thoroughly addressing their concerns. Many people within Vermont would have preferred to vote on this issue but instead, this was a decision mandated by state judicial and legislative branches. The people interviewed in this project often referred to their community (Stowe) as separate from other surrounding communities and from 'the state' but as the basis for the decision in *Brigham*, the state defines itself as one community. These individuals believed in the freedom of their individual community to govern itself and trusted in the members of the community to make decisions for their collective benefit in absence of state involvement. This perspective is what has been referred to throughout this text as regional libertarianism.

Each property owner that was interviewed was exceedingly interested in having their perspective play a part in this research project. Whether in favor of the recent educational finance reform or not, all participants deeply believed in the value of education. While this project is limited in scope as to only focus on the reaction of Stowe community members to Act 60 and *Brigham*, there exist other components of this story that cannot be included in this project due to space and time limitations. The story of Act 60 in Vermont has many different actors,

each with their own perspective and story. And in Stowe's case, to simply assess how and why residents feel about the legislation is not the end. The Stowe Education Fund - its purpose, methods, and successes - is another component integral to the educational history of this town. To thoroughly address this aspect of Act 60 reaction would add an element of complexity to this research and may be beyond the scope of a masters research project. Yet, one cannot help but be concerned that by omitting this aspect of the story, that an important component of people's feelings about education, taxation, and community is not told. Despite this apprehension, the research questions outlined in Chapter 3 were answered and the basic perspective of the Stowe community to the legislation has been addressed. What remains is the possibility for future research. This is especially true given recent legislative changes to Act 60.

#### ***Act 68: the reformed Act 60***

Six years after the creation of Act 60 (but only fully implemented in 2001) and despite unsuccessful attempts to change Act 60 in each legislative session since 1997, significant reform of the Equal Education Opportunity Act was enacted in the 2003 legislative session. Act 60 has been amended with the introduction of Act 68 in an attempt to make education funding more equitable and less dependent upon the wealthy towns throughout the state. The speed by which Act 68 was created after Act 60 was fully implemented is reminiscent of the speed by which Act 60 was created in reaction to *Brigham*. Time was not allowed for studies to be done on the progress of students under Act 60 which could validate assumptions made based on production function theory. In terms of Act 68, appeasing those hurt by Act 60 and creating a more 'fair' alternative was more important than production function concerns and discovering whether or not Act 60 actually did as it was originally intended. It didn't matter if Act 60 worked. All that mattered was that it was 'fair'.

Changes to Act 60 began as recently as October of 2003 with a one percent increase in the state sales tax, but the most significant changes will begin in fiscal year 2005 when the statewide property tax and the local share education property taxes ('sharing pool') are replaced a single statewide education tax. This statewide education tax is also split into two categories to address the concerns of businesses and second homeowners: residential and nonresidential (Mallory, 2003). Non-residential property such as businesses, second homes, and property in excess of the 2-acre 'homestead' are to be taxed at a fixed rate of \$1.59 per \$100 of property value. Residential property will be taxed at the rate of \$1.10 as long as the town in which one resides does not spend greater than 125% of the state block grant. If towns choose to spend beyond this amount then they will be taxed proportionately. While the 'sharing pool' is removed in this most recent installment of education finance reform, towns are also no longer permitted to raise private donations to supplement the state block grant. By removing the 'sharing pool' the legislature hoped that the 'sending towns' of Act 60 will see Act 68 as a fairer version of education reform and 'receiving towns' will be held responsible for controlling their spending. Removing the 'sharing pool' and allowing for towns to spend beyond the block grant rate may actually reinstate the geographic disparities in educational revenue that existed prior to Act 60. Given that these changes to Act 60 were made only two years after full implementation of Act 60, there has not been enough time to accurately assess Act 60's impact on student achievement and educational quality, positively or negatively, in rich or poor towns.

When speaking with property owners, many were not fully aware of how the new legislation was going to affect the tax rate and as a result, the education system. One business owner, however, seemed unconcerned at the possibility of having to pay higher taxes. For him,

it was going to be business as usual and the economics involved with Act 60 would simply be neo-classical.

“I don’t know how much ours are going up but it’s going up a lot, a lot more than the Fair Share was, that’s for sure. But, it doesn’t matter...it’s trickle-down economics, plain and simple as it could possibly be. It’s the truth. They raise my taxes, I raise the price of a bottle of Bud. The guy who lives in Hyde Park that doesn’t pay high taxes is paying more for his beer and lunch now. So by the time that you figure it out, it comes out the same.” (male, business owner)

### ***Potential for Future Research***

Educational issues have been of increasing concern in recent decades especially with the recent focus on the national No Child Left Behind Act. While this act seeks to establish federal standards for providing all children with basic educational standards, many states around the country have been in the midst of their own funding battles to ensure equal educational opportunities. Vermont’s Act 60 reform is one of the most radical attempts in recent years to equalize educational opportunity, but is not alone by any means. Crossing the Connecticut River to New Hampshire, Vermont’s neighbor has been dealing with similar educational concerns. Similar to Vermont, the New Hampshire Supreme court declared their method of funding education unconstitutional on the grounds that students had a right to a ‘constitutionally adequate education’ and that the previous education funding system did not meet adequacy standards (Buzuvis, 2001).

This research only touches on the reaction of one community within Vermont to Act 60 and thus the avenues for future research are endless. The research within this project can be extended to include perspectives regarding the most recent educational reform, Act 68. The perspective of other ‘gold towns’ who have not been as successful as Stowe in mitigating the effects of Act 60 are other perspectives which may be of interest. The role of the ‘poor towns’ within Vermont and a comparison between ‘poor towns’ and ‘gold towns’ in terms of their

perspectives of egalitarianism and fairness with regard to education and taxation (paying for public goods) may also prove insightful into how individuals from different geographic areas and socioeconomic levels conceptualize distributive justice differently.

In addition, the *Brigham* decision was partially based upon the contention that there is a positive relationship between economic spending and student performance and the quality of education. This is a debatable argument and evidence has been found to support both sides of the issue with a broader pool of research that claims that it is not necessarily educational spending that determines student performance but a number of factors such as the learning environment, parental environment, and teacher commitment. With Act 60 opponents arguing that this in the case, Vermont has potential to be a beneficial example to this debate given that Vermont is a homogeneous state with regards to race and issues of racial inequality would not have a great influence in the scholarly research: it would simply be a matter of economics and education.

With major educational finance reform less than ten years old in the state of Vermont, the potential for research is seemingly endless. Whether it is in regards to issues of equality over space, taxation, economic theory, or the changing face of the Vermont community, Act 60 provides academic researchers with a rich environment with a plethora of possible avenues of investigation. As one interview participant summarized,

“The one benefit...of draconian measures like Act 60 or No Child Left Behind and other misguided state or federal programs is that the more dramatic and draconian those ideas are, the more opposition arises. I think that the republican administration and representatives at the federal level should be concerned about a backlash gradually building over time about the way centralization is [increasing]... Why are we behind other countries? I mean, it’s complex but you can’t pretend that the complexities aren’t there and come up with simplistic solutions. Address the complexities, acknowledge them, accept them, speak up to people... Don’t say that every child has an equal opportunity... Every child doesn’t have an equal opportunity. The law provides equal opportunity but that doesn’t guarantee equal opportunity, be

honest about these things. So, I think that it's a good idea that states look at examples and Vermont, there's a real benefit to a small state like Vermont because it's small enough to really get your hands around the issue. The size of the population, not too much diversity and complexity which takes a lot of variables out of analysis. I think it would be a very useful mechanism for others to look that." (parent, financial advisor)

Not only does the story of Vermont's Act 60 debate provide research possibilities in economic theory and in the field of education research, but its potential for geographic research is also great. Towns within Vermont are particularly interesting case studies to use in economic research given that the racial homogeneity of the state allows for race-based inequality to be removed from the equation (U.S. Dept. of Education, 1997). This is a story of spatial inequality and how public policy was used to reduce these inequalities. It is a story about how people from different locations and socioeconomic backgrounds conceptualize 'fairness' differently. It is also involves the concern over a loss of Vermont tradition and localized control. It is a current example of how state based reform can result in demographic and community changes at the local level. By analyzing how public policy decisions influence people differently over space, and how geographic logic is used in the creation of such policy, studies such as this establish a new area of focus within the discipline. As Martin (2001) argues for a 'geography of public policy', I concur that policy studies would provide the discipline with new means for discussion and an increased argument in the practical applications of geography.

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Smith, M. Blakey and J. MacGregor. Letter. *Stowe Reporter* 5 Mar. 1998, sec A: 11.

## APPENDIX I: DEFINITION OF TERMS IN SPREADSHEET

The following is a list of all the symbols and terms used within each category in the Stowe Reporter framing spreadsheet. In addition, there are brief explanations of the meaning of each category and the symbols associated with each category

**Date:** date of newspaper in which letter/guest editorial was published

**Last Name:** last name of author or name of organization submitting letter/guest editorial

**First Name:** first name of author or name of organization submitting letter/guest editorial

**Title:** title of letter/guest editorial

**Residence:** residence listed of author/organization

### ***Fairness/Distributive Justice Section:***

**Theory:** dominant theme of distributive justice within the letter/guest editorial

E = concept of every child worth the same, deserves the same educational opportunities

U = concept of the greatest possible good for the greatest number (ie, a majority should be helped)

U (not 1) = concept of the greatest possible good for the greatest number, but not one child should be harmed in the process

Cap = capitalistic (free market) outlook on fairness and education

C = communist outlook on education quality and funding

S = socialist outlook on education quality and funding

(+) = in favor of the listed concept of fairness

(-) = against the listed concept of fairness

**Primary Beneficiary:** who is benefiting from Act 60 legislation (linked to the scale at which the author is addressing, i.e. state vs. local beneficiaries)

Children

Native Vermonters

Wealthy

Small or Poor Towns

Homeowners

Most Taxp. (most taxpayers)

Poor Taxpayers

Towns (in general)

State Government  
Legislators  
Other States  
Big Business

Economy  
Most Vermonters  
Teachers

**Who Loses?:** who is being hurt from Act 60 legislation (linked to the scale at which the author is addressing, i.e. state vs. local)

Children  
Homeowners  
Small Homeowners  
Businesses  
Gold Towns  
Economy  
Towns (in general)  
Taxpayers (in general)  
Wealthy

Teachers  
Farmers  
Poor  
Vermont (as a whole)  
Property Owners  
Stowe  
Employees  
Small Businesses

**Scale:** scale at which the author is writing

Local = referring to the town in which the author resides (sometimes a county reference)

State = refers to the state of Vermont as a whole

National = refers to a national perspective, often a comparison between Vermont and other states

International = refers to an international perspective, often a comparison between Vermont and other countries' educational systems

***Production Function Research Section:***

**Funding:** refers to the cost of education in Vermont and if costs have an impact on quality

ISNEBE = increased educational spending does not equal a better education

ISEBE = increased educational spending does equal better education

SCJ = Stowe's school costs are justified

SCU = Stowe's school cost are unjustified

CJ = educational costs justified (state level)

CU = educational costs unjustified (state level)

**School Quality:** refers to the overall quality of schools (linked to the scale at which the author is writing, i.e. local vs. state)

Worried D = concern that Act 60 will result in a decrease in the 'current' quality of schools

Unconcerned D = not worried about a decrease in quality of education

Optimistic I = hoping that Act 60 will result in an increase in the ‘current’ quality of schools (often referring to poorer schools)  
Maintain = concern over keeping the ‘current’ quality, not increasing the budget but not experiencing a decrease in educational quality

**School Programs:** refers to the programs offered in schools such as art, music, athletics (linked to the scale at which the author is writing, ie local vs. state)

Worried D = concern that Act 60 will result in a decrease in ‘current’ school program, may be linked to a decrease in educational quality  
Unconcerned D = not worried about a decrease in educational programs  
Maintain = concern over keeping ‘current’ programs, not increasing budget but not experiencing a decrease in school programs  
Optimistic I = hoping that Act 60 will result in an increase in ‘current’ school programs (often referring to poorer schools)  
Combine = schools should combine programs

### ***Politics Section:***

**Legality:** refers to authors concerns about the legality of Act 60 (some reference to Brigham, but most debate is over Act 60)

QL = questions the legality of the legislation in general  
BDin = Brigham decision debated insufficiently (too hasty a decision)  
Din = tax legislation too hasty/rushed  
A = refers to the appeal process/potential for appeal of Brigham decision and Act 60  
EGP = refers to an explanation of governmental processes

**Constitutionality:** refers to the authors concerns about the constitutionality of Act 60 (some reference to Brigham, but most debate over Act 60)

QC = questions the constitutionality of Act 60 (and Brigham to some degree)

**Elections:** reference to town meeting elections/school board or state elections in Nov.

SB = refers to school board elections  
CA60E = consider Act 60 in elections (use Act 60 in representative choices)  
CA60SBE = consider Act 60 in School Board elections  
EV = refers to author encouraging voters to participate in elections  
DV = disappointed in election results  
TM = refers to the school budget vote at town meeting  
(+) encourages people to vote for budget  
(-) encourages people to vote against budget



**Definition of Community:** refers to how the author is defining the community to which he/she believes he is a part and has a responsibility for

Stowe = used to represent the fact that the author believes a community is simply  
the town in which one resides/pays property tax  
State=EC = the state of Vermont is an economic community  
Vermont = the state of Vermont is a community in which all residents/tax payers  
are a part

***Other Theme Section:***

**Income:** references regarding income levels of Vermonters and how Act 60 is related

NAR = not all people in Gold Towns are rich

**Real Estate Value:** references regarding real estate value and Act 60

H=BS = author says there's a link between higher real estate values in a town and  
better educational system  
U = unfair real estate assessments  
Worried D = concern that real estate will actually decline because of Act 60

**School Choice:** refers to comments made regarding the school choice debate in Vermont, which was happening at the same time as Act 60

(+) = author was in favor of school choice  
AS = author believes that school choice and attracting students will benefit Gold  
Town schools and help maintain programs  
CS = mention of possibility of charter schools  
Priv. = suggestion of privatizing public schools

**Fundraising:** refers to comments made regarding fundraising to supplement school tax rate in reaction to Act 60 legislation

B = brainstorming possible fundraising ideas/ways to navigate Act 60  
(+) = simply in favor of fundraising as a method to navigate Act 60  
SEF = description of Stowe Education Fund  
(+) = in favor of SEF attempt to raise additional money to fund education  
(-) = against SEF attempt to raise additional money to fund education  
PD = donations described as method of fundraising  
(-) = against use of private donations to fund education  
(+) = in favor of using private donations to fund education  
F = Freeman Foundation  
(-) = against use of Freeman Foundation grants to fund education  
(+) = in favor of using Freeman Foundation grants to fund education

FS = refers to the Fair Share campaign initiated by Stowe Education Fund  
(+) = in favor of Fair Share and contributing to fund  
(-) = against Fair Share and contributing to fund

**Taxes:** refers to comments made by author regarding methods of taxation such as opinions of 'current' law and possible alternatives to Act 60

P = references to the property tax system  
(+) = in favor of property tax system for funding education  
(-) = against property tax system for funding education  
TNR = references to the taxing of non-residents  
NRP (-) = against property taxes for non-residents  
I = refers to the suggestion of an income tax  
(+) = in favor of using an income tax to fund education  
Ex = explains the tax system surrounding Act 60  
GRT = refers to the suggestion of a gross receipts tax  
(+) = in favor of using a gross receipts tax to fund education  
FTT = refers to the suggestion of a financial transaction tax  
(+) = in favor of using a financial transaction tax to fund education  
LOT = refers to the suggestion of local option taxes  
(-) = against usage of local option taxes to fund education  
sharing = refers to having to share local school taxes and state property taxes with poorer towns  
(+) = in favor of sharing tax money with other towns  
(-) = against sharing tax money with other towns  
SP = refers specifically to the Shark Pool that uses local school tax revenue to help fund other school districts  
(+) = in favor of the Shark Pool  
(-) = against the Shark Pool  
IS = refers to the income sensitivity clause in Act 60  
(+) = in favor of the income sensitivity clause  
FT = refers to the concept of a flat tax for all  
(+) = in favor of the usage of a flat tax for all to fund education  
ERS = refers to earned revenue sharing  
(+) = in favor of earned revenue sharing formula to fund education  
(-) = against earned revenue sharing formula to fund education

**Migration:** author makes references about moving to or from an area because of reasons related to Act 60

SFE = author makes reference of moving to Stowe because of the education quality  
RE = author makes reference of retirees moving to Vermont  
EBA60 = author makes reference to emigrating from Stowe/VT because of Act 60 specifically

**Tourism:** author makes reference to tourism, one of Vermont's primary industries

PE = reference to tourism being a primary economy

IE = reference to tourism being important to the economy

TH = taxation harmful to the tourist industry

**Other:** other important themes that were cited by authors

No equal educational opportunity

Stowe = economic engine

'Cheapest common denominator'

Reject mediocrity

'Equity gods of the Supreme Court'

Focus on Teachers

Supplemental funds for education

Unfair news coverage

New school standards aren't academic

Class warfare

Town vs. town, Neighbor vs. neighbor

Take back Vermont

Everyone deserves 'reasonable education'

'Dumbing down education'

Issue of local control (loss or gain)

Stowe gives enough already

Stowe Action Committees

Supreme Court social agenda

Reverse discrimination

Educational cuts

Education vs. Economy

Montpelier is the enemy

"Meet in the middle" for education

Stowe students rank highest

Fair Share methods

Full participation needed

**Overall Impression of Act 60:** based on the letter/guest editorial, this is the general position of the author regarding Act 60

Negative = author is against Act 60

Negative (B ok) = author is against Act 60, but accepts/agrees with the Brigham decision

Positive = author is in favor of Act 60

Neutral = author comments on the legislation but does not appear to side

Questioningly negative or questioningly positive = author appears to be either for or against the legislation but has reservations of some kind (often waiting to see how certain aspects of the legislation will play out)

**Main ideas:** summary of main thoughts/ideas/comments from letter/guest editorial

## **APPENDIX II: REQUEST LETTER FOR INTERVIEW PARTICIPANTS**

The following is the letter sent out to 200 randomly sampled Stowe property owners that reside within the state of Vermont (according to the 2002 Stowe Grand List):

October 6, 2003

Dear (name of property owner),

My name is Kristen Miller and I am a first year Masters student in the Geography Department at the University of Georgia. My research interests are linked directly with Vermont's the recent debate over education reform. My Masters Thesis research is an in-depth examination of how the members of the Stowe community have responded to Act 60 and what their opinions of the legislation have been since its creation in the mid 1990's. Issues surrounding education and its finance in particular have been of increasing focus on both the state and national levels. Understanding how individual communities are affected by finance legislation is an important part of the debate that has been overlooked in the past.

I am looking to conduct interviews with Stowe property owners to gain insight into how members of a Vermont community have been affected by education finance reform. Questions involved within the interview process will include demographic questions, questions over the understanding of and opinion of Act 60, questions pertaining to Stowe's Fair Share campaign, questions about fairness and equity and if Act 60 is 'fair', and inquiry into if/how people were personally affected by Act 60.

Interviews will be semi-structured and taped with permission with both prepared questions and follow-up questions based upon responses. The interviews will be approximately an hour in length.

I am writing to inquire if you would be willing to participate in this research study by being interviewed. Your participation in this research study will be integral to creating an understanding of the issues surrounding Act 60 and will help others, who are not aware of the Vermont case, become aware of the results that ensued from this legislation. If you would be willing to participate, please either return the Self-Addressed-Stamped-Postcard or email me at [kmiller9@uga.edu](mailto:kmiller9@uga.edu) before November 10th, 2003. Be assured that steps will be taken to ensure confidentiality. Thank you for your time and I look forward to hearing from you soon.

Sincerely,

Kristen L. Miller  
University of Georgia, Geography Department

### **APPENDIX III: INTERVIEW SCRIPT**

The following questions were asked of interview participants. Participants wrote out the answers to the background questions and questions regarding Act 60 legislation and Stowe's case were audio taped.

#### **BACKGROUND QUESTIONS:**

Name:

Age:

Sex:

Occupation:

Educational History (last degree obtained, name of institution, etc):

Number of people living in household (include dependants under age 23):

How would you describe yourself politically? (e.g. Republican, Democrat, Independent, etc)

Do you live in Stowe (Moscow included)? If so, how long have you lived in Stowe?

Where you do live in relation to the 'downtown' (distance)?

Do you have children within the Stowe Educational System?

If so, what are their sex/ages/grade in school?

If not, have you had children within the system and when?

#### **ACT 60 LEGISLATION:**

What is your understanding of how Act 60 works?

What is your understanding of why it was introduced (explain court conclusions of Brigham v. State of Vermont)?

What was your impression of Act 60 when it was first introduced?

Has your perception of the legislation changed since then?

Given that the Vermont Supreme Court mandated that the State change its method of education funding, do you think that the legislative process in which Act 60 was created is 'fair'?

If so, are you happy with the way that Act 60 has played out for the state and for Stowe?

If not, what do you think the state should have done? What would have been a more fair alternative?

The state based its decision for Act 60 on concepts of 'geographic fairness' and equal educational opportunity. Do you think that this was the way that Vermont should have justified Act 60?

Should education be treated via the above philosophies? Related to a previous question, how should education finance be conceptualized?

### **STOWE'S CASE:**

Act 60 has been in place for a few years: what have the changes been that you have noticed personally, to the town, and to the state as a result of the legislation?

For example: have your taxes gone up/down significantly?

Have other important issues been put to the backburner because of Act 60 taking up so much attention?

What has been the general perception of the town to Act 60?

Has debate over Act 60 created any kind of rift within the community?

If you have children within the education system, have you noticed any significant changes as a result of the legislation?

Were you concerned that the school system would be affected? What were your specific worries?

Are you more/less concerned than you were when the legislation was first passed?

How much do you know about/are aware of the Stowe Education Fund?

Do you participate in the Fair Share campaign??? Why or Why not?

Do you think that the Stowe Education Fund is effective?

In your opinion, how has the town of Stowe been able to maintain their level of educational funding through the Fair Share campaign, while other Gold Towns have been unable to do so?

What do you think will be the future of Act 60 given that the debate continues each legislative session? What do you think the state should do, if anything?

Is Act 60 something that other states should implement?

Any final thoughts/comments/things that I have overlooked though my questions? What is not being told in the story of Vermont's Act 60 debate?

## **APPENDIX IV: WRITTEN STATEMENT PROVIDED TO INTERVIEW PARTICIPANTS**

The following is the statement provided to each interview participant, which informs the interviewee of their rights and the purpose of this research. Each participant signed a copy of this form as agreement with taking part in this research study.

I, \_\_\_\_\_, agree to participate in a master's thesis research study entitled "Community Response to 'Robin Hood' Tax Legislation: A Case Study of Stowe, Vermont" conducted by Kristen Miller from the Department of Geography at the University of Georgia (706-338-5228) under the direction of Dr. Steven Holloway, Department of Geography, University of Georgia (706-542-4109). I understand that my participation is voluntary. I can choose not to answer questions or stop taking part without giving any reason, and without penalty. I can ask to have all of the information about me returned to me, removed from the research records, or destroyed.

The purpose of this study is to understand the reasoning behind the creation of Act 60 (issues of equity and equality) and then to understand how these issues played out at the community level by investigating the responses of members of Stowe to Act 60.

I will not benefit directly from this research. However, my participation in this research may lead to information that will help others to understand the response of members within the Stowe community to Act 60.

If I volunteer to take part in this study, I will be asked to do the following things:

- Take part in a one hour interview at \_\_\_\_\_ (location)
- Have interview audio-taped
- Answer questions about myself and my opinions regarding Act 60, education finance reform, and issues of 'fairness'

No risk is expected but I may find some of the questions personal. I am able to choose to not answer questions without reason and stop the interview at any time. The only people who will know that I am a research subject are members of the research team, unless I tell people on my own accord. No identifying information about me, or provided by me during the research, will be shared with others without my written permission, except if it is necessary to protect my rights or welfare or if required by law. All information concerning me will be kept confidential.



If information about me is published, it will be written in a way that I cannot be recognized. However, research records may be obtained by a court order.

The researcher will answer any further questions about the research, now or during the course of the project, and can be reached by telephone at 706-338-5228.

My signature below indicates that the researchers have answered all of my questions to my satisfaction and that I consent to volunteer for this study. I have been given a copy of this form.

\_\_\_\_\_  
Name of Researcher  
Telephone: 706-338-5228  
Email: [kmiller9@uga.edu](mailto:kmiller9@uga.edu)

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Name of Participant

\_\_\_\_\_  
Signature Date

Additional questions or problems regarding your rights as a research participant should be addressed to Chris A. Joseph, Ph.D. Human Subjects Office, University of Georgia, 606A Boyd Graduate Studies Research Center, Athens, Georgia 30602-7411; Telephone (706) 542-3199; E-Mail Address [IRB@uga.edu](mailto:IRB@uga.edu)