

## **LPNH Claremont Position Paper**

### **Claremont Solution "Zero Adequacy" Plan Libertarian Party of New Hampshire 1-800-559-LPNH (5764) Position Paper**

On December 17, 1997, the New Hampshire Supreme Court backed the legislature into a corner by declaring the current method of financing education unconstitutional.

The purpose of this position paper is to offer solutions to the problems raised by the Claremont Decision -- while avoiding a broad-based tax, loss of local control, and unnecessary tampering with the state's constitution.

#### **The Libertarian Party's "Zero Adequacy Plan" is a Stopgap Solution to the Funding Issue.**

We need to make clear that the "zero adequacy" plan does not attempt to solve all of New Hampshire's education problems -- but then neither do the ill-conceived plans the Legislature is already considering. Ultimately, only the people of this state will be able to solve these problems. Our plan's objectives are: to stop a broad-based tax, to maintain the current system of school funding for the time being, and to clarify who finally should be responsible for our children's education, while satisfying the [NH] Supreme Court's ruling.

A broad-based tax will inevitably centralize control of education. LPNH believes that we should be moving control of education closer to parents, not further away. Anyone who doubts that centralized funding will mean centralized control should remember the Golden Rule of Politics: he who has the gold, makes the rules. The Libertarian Party is not exactly famous for trying to maintain the status quo -- and part of our plan is a bold call for fundamental change -- but we find ourselves reluctantly defending the present system. We are no friends of property taxes, even at the local level -- but when the options available are worse than the status quo, we cannot remain silent.

An immediate declaration by New Hampshire's governor and legislature that the state's definition of educational adequacy is "zero," including a clear statement that only parents are fit to determine the adequacy of their children's education.

#### **What did the NH Supreme Court say in "Claremont II"?**

The NH Supreme Court ruled that the State of New Hampshire's legislature was responsible for determining a level of educational "adequacy" and the funding of that education must be through a "proportional" state funding mechanism. What are the problems with the proposals offered so far?

The proposals coming out of the legislature contain any number of combinations of broad-based taxes on sales, income, and property, and discriminatory taxes on businesses, smokers, gamblers, and others.

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Sales taxes stifle transactions and competition with other states. Both rich and poor are adversely affected, the rich because the incentive to earn is discouraged, the poor because their cost of living rises.

Income taxes steal the fruits of our labor in an insidious fashion, and drive down everyone's take-home pay while increasing the cost of labor for businesses. Instead of encouraging enterprise, they surrender the vaunted "New Hampshire advantage."

Property taxes usurp our most basic inalienable rights to life, liberty, and property. Those who own property know that it is never truly theirs. Year after year, they pay a form of rent that eventually exceeds the value of the property -- and if they fail to do so, they forfeit the results of a lifetime of labor. A statewide property tax has an additional flaw: it moves decision making away from local communities, and further from parents.

Besides these broad-based taxes, the plans also include discriminatory taxes which fly in the face of "proportional". Increases in the cigarette tax discriminates against smokers, just as property taxes that exempt "homesteads" discriminates against owners of business and vacation property. Not exactly "proportional," are they?

New Hampshire does not need new taxes that historically never solve the problems they promised to solve, never replace the taxes they promised to replace, and never go anywhere but up. A shift of power toward Concord and away from towns and families, more forms to fill in, more bureaucrats to process them is not the New Hampshire way.

Others who have deplored the plans that have been debated in the Legislature argue for a constitutional amendment to reverse the effects of the Claremont Decisions. Not only would we have to wait two years for a (by no means certain!) solution to the present crisis, but we would run the very high risk that an amendment would institutionalize the status quo -- and one thing that is very clear is that the present system is failing to meet the needs of schoolchildren in New Hampshire.

It's time to take a bold step in a direction suitable to a free people. It's time to adopt the Zero Adequacy Plan. Exactly how does "zero adequacy" work?

### **"Zero adequacy" meets all of the Supreme Court's requirements**

It bows to the Court's mandate that the legislature determine a level of education adequacy and provide funding sufficient to meet that level. It simply recognizes, however, that the per-student figures discussed so far, ranging from \$3,700 to \$5,000, reflect politically motivated opinions rather than any real understanding of what children need -- as evidenced by the fact that private schools routinely provide better education for smaller outlays. Replacing those numbers with zero replaces equations like...

$\$3,700 * 200,000 \text{ students} = \$740 \text{ million}$

$\$5,000 * 200,000 \text{ students} = \$1 \text{ billion}$

...with the much simpler equation...

$\$0 * 200,000 \text{ students} = \$0$

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"Zero" not only fulfills the "level of adequacy" mandate, it also meets the Court's requirement that taxes levied to fund adequate education be "proportional." Certainly even a politician with a public-school education can see that taxes of zero can be nothing but proportional. The frosting on the cake is that "zero" eliminates the State's role as defendant in future Claremontish lawsuits -- without amending the state's constitution.

Far more important: "Zero" gives the General Court the historic opportunity to declare boldly that, as matter of right, only parents are fit to decide what education their children need.

### **Where do we go from here?**

Time is short and our options are few. Call your legislators and tell them you want "zero," now. Send letters to newspapers telling them you advocate "zero," now. Phone in to talk shows and tell them you want "zero", now. Get on the telephone and ask your family and friends to do the same, now.

Tell them how setting the level of adequacy at zero will eliminate any excuse for new taxes, while leaving control over schools and their adequacy at the local level. And it buys us time to take a harder look at the court-created Claremont crisis, and begin working toward a solution that will genuinely satisfy your children's needs.

Tell them that "zero" means no new taxes or tax hikes. That "zero" retains local control. And that "zero" is truly constitutional. Tell them you want "zero.": You want "zero" schools to close, you want "zero" broad-based taxes, you want "zero" state-determined adequacy.