

# Island Opinion

## Consider Michigan's plan for funding Rhode Island education

By Bruce Sundlun

Recently, there have been major stories in local newspapers about budget fights in many towns involving rising school expenses and higher property taxes to pay the school expenses.

Some voters don't know their school expenses are paid almost exclusively by their local property taxes. Admittedly, the state recently has contributed some funds toward local education, but the most recent report of the Office of Municipal Affairs shows four towns where school expenses have climbed to more than 80 percent of the budget: Exeter 85.3 percent, Richmond 81 percent, South Kingstown 80.3 percent, and Gloucester 80 percent. Right behind them come seven towns where school expenses amount to more than 70 percent of the budget: Burrillville 78.9 percent, North Kingstown 75.8 percent, Coventry 75 percent, Scituate 71.6, West Warwick 71 percent, Cumberland 71 percent, and Portsmouth 70.3 percent. Next comes the biggest group of towns: fourteen with school expenses in the 60th percentile, with Jamestown at 66 percent.

Cities and towns that pay the smallest percentage are Pawtucket 37 percent, New Shoreham 35.6 percent, Newport 35.2 percent, Woonsocket 33.5 percent, and Providence, which pays the smallest percentage for schools, 28.2 percent, because Providence has very large service payrolls for full-time police and fire departments.

The usual way of fighting off increasing school expenses is to close a school or chop curriculum: reduce sports to football and baseball; eliminate art, music, and drama; get the curriculum down to "readin', ritin', and rithmetic." Soon there is a political division between people with kids in school and those without. Most often, the schools and kids lose, because about 75 percent of the people in town do not have children in the schools, against only 25 percent who do.

Michigan is the only state I know that has created and implemented a plan that sharply reduced property taxes and shifted most of the expense of primary and secondary education to the state budget. Republican Governor John Engler, faced with the customary conflict between climbing school expenses and resistance to higher property taxes, combined with U. S. Senator Debbie A. Stabenow, a Democrat legislative leader, to have the state take over the financing of school expenses and banning the use of property taxes. But how does the state pay for schools? The governor gave the people a choice in a referendum: increase the state income tax by 1.4 percent, or the sales tax by 2.2 percent. In 1993, the voters adopted Governor

### • VIEWPOINT •

Engler's plan by 69 to 31 percent, and chose to increase the sales tax. Called Proposal A, the plan has been a success.

Michigan property is now classified as homestead or non-homestead. Homestead property is a resident's home and not subject to property tax. Non-homestead property is business, rental, and vacation property, and is taxed.

From 1994 to 2003 property taxes were reduced by \$63 billion, while state taxes increased by \$46 billion, for a net decline of \$17 billion over 10 years! Michigan's tax burden dropped from 14th in the country to 20th. Homestead property taxes dropped 43.3 percent.

Rhode Island, by contrast, is fifth in state and local property taxes in the country. In fiscal 1999, Rhode Island state aid contributed only 25.5 percent of local revenues, and was 43rd in America. The national average is 31.1 percent.

The Rhode Island General Assembly has tried to

decrease reliance on the property tax, especially the phase out of the motor-vehicle excise tax. But there are still two factors explaining why Rhode Island is high on property taxes and lower on other taxes: 1) the state does not tax services in its sales tax; 2) the state's many exemptions narrow the sales-tax base.

Twenty of 45 states with sales taxes include taxing services. Not Rhode Island. Cleaning services are taxed in 21 states, repair services in 21, transportation services in 12, and personal services in five.

Rhode Island exempts grocery food from sales tax, as well as non-prescription drugs, and clothing. Fine. But there are about 155 other items not taxed in Rhode Island, but taxed in other states.

In Rhode Island, when the irresistible force, school expenses, hits the immovable object, property tax, the voters may want to consider Michigan's Proposal A. It seems to work.

*The writer is a Jamestown resident and is a former governor of Rhode Island.*



### Summer fun

Jamestown teenagers gathered at Fort Getty last week for a cookout and a bonfire on the beach.

Photo by Andrea vonHohenleiten

*The news of 10 and 15 years ago is from the Jamestown Press. The news of 25, 50, 75, and 100 years ago from the Newport Daily News comes from the collection of the Newport Historical Society.*

#### 100 years ago

##### From the Newport Daily News, July 2, 1906:

Rev. H.N. Jeter of Newport held the first of a series of services for the colored people in the town hall yesterday.

The Saunders line, or as it is better known, the "opposition ferry," commenced its regular schedule today.

##### From the Newport Daily News, July 5, 1906:

The first of the Conanicut Yacht Club's weekly races will be held tomorrow afternoon.

Mr. P.H. Horgan has erected several bathhouses on the shore in front of his property south of the yacht club.

Yesterday was one of the quietest Fourths Jamestown has experienced since it became a summer resort. The rainy morning seemed to cast a spell over the day.

##### From the Newport Daily News, July 6, 1906:

Steamer Mount Hope of the Providence line landed nearly 100 passengers at Conanicut Park this morning.

#### 75 years ago

##### From the Newport Daily News, July 3, 1931:

Mrs. Fordyce-Wright is forming Jamestown duplicate contract bridge clubs, the first meeting to be held at the Gardner Inn next Tuesday, and the clubs to continue each Tuesday evening for the remainder of the summer. Contract bridge is gaining in popularity, and such clubs are springing up all over the country.

##### From the Newport Daily News, July 6, 1931:

The Jamestown season was formally opened Friday evening, with a dance at the Casino, many members of the summer colony being in attendance.

##### From the Newport Daily News, July 7, 1931:

Postmaster Caswell announced that there will be an



## This week in Island history

Compiled by Sue Maden  
Week of July 7

incoming and outgoing mail at 8 o'clock a.m. at the local office during the remainder of the summer.

##### From the Newport Daily News, July 8, 1931:

The Jamestown Garden Club will hold its annual flower show Wednesday, July 15, in St. Matthew's parish house.

#### 50 years ago

##### From the Newport Daily News, July 3, 1956:

The Jamestown Town Council at a special meeting last night voted to hold the present \$31 tax rate. In so doing, it differed with the tax assessors who announced recently the rate would have to jump \$10 to a record high of \$41 for both the town and the state.

(The Town Council) voted to accept the bid of J.M. Cleminshaw Co. of Cleveland, Ohio, low bidders on a property revaluation study for the town of Jamestown and ask for confirmation of their bid of \$10,300 made last year.

##### From the Newport Daily News, July 5, 1956:

Jamestown observed its quietest Fourth of July in years. There were no fireworks displays. Traffic over both the bridge and ferries was heavy. The Ferry Authority will have three boats in operation making runs every 20 minutes to accommodate the Jazz Festival crowds.

Camp Seaside at Conanicut Park, owned and operated by the Providence YMCA, will open its second two-week camping period Sunday with a full complement of girls, 97, between the ages of 9 and 16. The camp is now in its 79th year of continuous operation at the same site.

#### 25 years ago

##### From the Newport Daily News, July 1, 1981:

(photo caption) The Alaskan Star, ocean-going oil drilling platform, is anchored off Jamestown. The rig, too tall to pass beneath the Newport Bridge, arrived Monday and will remain in the harbor for about 10 days before heading to a drilling site at Georges Bank.

##### From the Newport Daily News, July 5, 1981:

Conanicut Associates has filed an application for a special exception and three variances to allow the construction of 100 units for elderly housing.

#### 15 years ago

##### From the Jamestown Press, July 3, 1991:

Archeologists excavating an ancient Indian settlement that lies in the path of the new bridge-connector highway have a "very rare" opportunity to gain some insight into how native Rhode Islanders lived some 4,000 years ago. So far, archeologists sifting carefully through the site's yellow sand have uncovered not only stone tools and arrowheads, but evidence of cooking fires, food storage pits, and dwelling places.

Jamestowners experienced a big relief in traffic problems after the state Department of Transportation opened the new interchange at Routes 138 and 1A on the North Kingstown side of the bridge last Friday.

#### 10 years ago

##### From the Jamestown Press, July 4, 1996:

Jamestown Village, a limited-income apartment complex with 20 units on Pemberton Avenue whose motto is "Fine Senior Living," was opened for occupancy Monday.

The 2nd annual Ferry Days featured the best of last year's celebration and more. There were more ferryboat employees, an evening concert and dance, and an auction.

Once again, islanders will be able to enjoy the Independence Day festivity at the North End's Fourth of July parade. The parade will get underway tomorrow at 11 a.m.