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*A battle lost or won is easily described, understood, and appreciated, but the moral growth of a great nation requires reflection, as well as observation, to appreciate it.*

**Frederick Douglass**

**New Jersey Scholarship Program**

The New Jersey State Assembly is considering a school choice initiative that seeks to give children the opportunity to attend any school regardless of their zip code or financial status. This bill would establish a five-year program that would allow about 40,000 students from over 166 struggling public schools to apply for transfers to private or parochial schools in their area. Funding for this project will be a combination of donations by businesses to a scholarship foundation in exchange for tax credits and a portion of the taxpayer funds that would have gone to the public school system. Critics argue that any decrease in funding will further hamper the already failing public schools. Advocates like State Senator Tom Kearns counter that the remainder of the \$16,000 average per pupil expenditure will go to the public schools. He also cited statistics that show that when private schools close, those students overcrowd the public schools and cost taxpayers about 600 to 800 million dollars a year. Since private schools usually spend significantly less per student, proponents maintain that the state might actually save money by giving parents more educational options. NJ Governor Chris Christie has received national attention for taking on the state teachers union and cutting the education budget by 820 million dollars in an effort to balance the budget. Christie has championed the school choice movement and recently approved the founding of 23 charter schools in New Jersey.

**Reigning in Federal Regulations**

Rep. Geoff Davis (KY) recently reintroduced the [REINS Act](#) (**R**egulations from the **E**xecutive **I**n **N**eed of **S**crutiny), a bill intended “to restore Congressional accountability for burdensome federal regulations.” This legislation is meant to “rein in” the excessive number of ever-changing regulations enacted by the various governmental agencies. It would require Congressional approval for any major regulation that would incur a cost of 100 million dollars or more. In addition, Congress would be able to overturn existing rules that it deems detrimental. Under this bill, Federal agencies would be required to classify a rule as either major or non-major, justify their classification designations, clarify implementation of the rule, and estimate its economic affect. Bicameral approval and the President’s signature would be required to pass any major rules. Finally, the act would allow legal challenges to be brought against agencies whose rules do not comply with the aforementioned provisions. This extra scrutiny would allow helpful insight from Congressmen to ensure that unelected bureaucrats do not pass regulations with damaging unforeseen consequences. This legislation is strongly supported by many conservative groups who believe that the current Administration is using federal regulations as a means to push through a liberal agenda without using the legislative process, and thereby to establish more federal control over businesses and private institutions. Many small business owners and conservative economists maintain that these regulations place an [undue burden on businesses](#) who struggle to meet the ever-changing requirements, and recent [regulations passed by the Department of Education](#) have caused concern among higher educational institutions. Senator Jim DeMint (SC) plans to reintroduce companion legislation for REINS Act in the Senate.

## **Healthcare Law Ruled Unconstitutional Again**

On Monday, the healthcare law, often referred to as “Obamacare,” suffered another major setback when U.S. District Court Judge Roger Vinson ruled in favor of the lawsuit brought by 26 states against the Obama Administration. Last month, a Virginia federal judge ruled only that the individual mandate portion of the law was unconstitutional. This [latest decision](#) goes a step further by declaring the entire law unconstitutional. Judge Vinson’s 76-page decision confirmed that the commerce clause of the Constitution cannot be used as justification for the healthcare law’s individual mandate that requires citizens to buy health insurance or face fines. The Administration dismissed the ruling, claiming that the plaintiffs (states) had no legal standing. Furthermore, Administration officials allege that the judge is a “judicial activist” and declared that they plan to continue implementation of the law regardless of the ruling. Plaintiff Attorney David Rivkin called for a delay in implementation until the matter is resolved in the courts. In the case, state governors and attorney generals allege that they have been forced to accept the plan because of the risk of losing governmental funding of Medicaid in their states. In addition, the law incurs an incredible cost to their states because of the expansion of the Medicaid benefits which will not be funded by the federal government. Court decisions are now split, and the case is expected to reach the Supreme Court by 2012. In the House, Representatives voted to repeal the law 245 – 189 on January 19, 2011. On February 1, 2011, [Senate Minority Leader Mitch McConnell](#) attached a healthcare repeal amendment on to the FAA Reauthorization Bill, but the amendment failed to pass in a 47 – 51 party line vote on Wednesday. Republican leaders insist that they will continue to work towards repealing the entire law.

## **Teachers Union Faces Opposition from Within**

“Educators 4 Excellence,” a group of approximately 1300 New York teachers, has gained recent [national exposure](#) for opposing the powerful teacher’s union, United Federation of Teachers. The young co-founders, Sydney Morris and Evan Stone, formed the group last year to address the concerns of UFT teachers who felt that the union’s platform differed greatly from their own beliefs. Educators 4 Excellence contend that their plan strives to protect the children instead of providing security for underperforming teachers with seniority. Their proposal includes the following changes: offering merit pay incentives to the individual who earns them instead of the entire school, tying improvement standards to tenure, and lessening the weight of seniority in lay-off decisions. These “radical” ideas have brought them into contact with former D.C. Chancellor Michelle Rhee, as well as secured a \$160,000 grant from the Bill and Melinda Gates Foundation. New York Mayor Michael Bloomberg has repeatedly dismissed the state’s current lay-off policy of “last in, first out” as unfair to teachers who lack seniority but have done a commendable job in their classrooms. Critics of the NY school system have maintained that it is nearly impossible to fire an incompetent teacher under the current rules. Educators 4 Excellence recently met with the UFT head to discuss ways to incorporate their controversial ideas into reality. This controversy is significant in light of the upcoming reauthorization of the Elementary and Secondary Education Act (aka “No Child Left Behind”) and the many discussions taking place about teacher qualifications and teacher merit pay.

## **In Case You Missed It:**

[Weekly Market Update](#) provided by Jeff Beach of the [AACS Investment Team at Merrill Lynch](#)

[For Profit Colleges Sue Department of Education Over Regulations](#)

[Church and State Issues Flood Noah’s Ark Theme Park](#)

[Planned Parenthood Controversy](#)



