Live so that when the final summons comes you will leave something more behind you than an epitaph on a tombstone or an obituary in a newspaper.

Billy Sunday

States Wary of New Race to the Top Proposal
On May 25, Secretary of Education Arne Duncan introduced a new 700 million dollar competitive grant program based on the Race to the Top model. The plan divided the funding into two components: 500 million dollars for the Early Learning Challenge Fund and 200 million to be awarded to the 9 state finalists in the last RTT competition. The response from the states has been varied. On one end of the spectrum, South Carolina Education Superintendent Mick Zais immediately announced that the state would not participate in this round. Zais argued that “the Race to the Top program expands the federal role in education by offering pieces of silver in exchange for strings attached to Washington. The previous two rounds of Race to the Top were not competitive grant programs; they were top-down directives forcing states to adopt programs favored by Washington.” Some in South Carolina still want to apply, but RTT has a state-based application process which requires the superintendent’s cooperation. At least four of the previous state finalists have new governors which complicates the process. For example, Pennsylvania’s new Republican governor wishes to amend parts of his Democratic predecessor’s plan. The Republican governor’s amendments have been met with resistance by the Department of Education (DOE). Four states (AZ, NJ, LA, CO) have expressed a willingness to reapply, while other states are still considering whether this significantly smaller funding stream is even worth pursuing. Finally, the National Governors Association (NGA), which had a major role in the previous rounds of RTT and the subsequent adoption of the Common Core Standards, has questioned the rapidity of the new application process, exclusion of certain states, and lack of public input. The DOE is frantically working to formulate guidelines, establish application procedures and set timelines since all monies must be awarded by December 31.

Education Reform Bill Passes in House
Last week, the Subcommittee on Early Childhood, Elementary and Secondary Education passed H.R. 1891 by a vote of 23-16. The measure is the first in a series of reforms aimed at correcting the deficiencies of the Elementary and Secondary Education Act (ESEA) which has regulated American education policy since its enactment in 1965. The bill will completely eliminate 43 programs deemed to be wasteful or duplicative. Chairman John Kline stated that Rep. Duncan Hunter’s proposal is a critical part of his piecemeal approach to education reform. The next education reform measures will address flexibility with funding streams and attempt to alleviate the unnecessary accountability burden on school districts.

Freedom of Speech Victory
Religious liberty advocates applaud the favorable decision handed down by the 6th Circuit Court of Appeals. The case centered on the right of an individual to distribute religious pamphlets in a public venue. Over a five year period, Pastor Greg Saieg, along with other volunteers, passed out literature at the annual Arab International Festival in Dearborn, Michigan. The city of Dearborn, home of one the densest Muslim populations in the country, has received considerable media coverage for its pro-Muslim policies and alleged harassment of Christian evangelists in the past. In 2009, the local police chief restricted Pastor Saieg’s group to an inconveniently located booth and prohibited them from passing out the literature in certain areas. In light of the serious repercussions for converting from Islam, the pastor believed that a public booth marked Christian
would be a serious damper on his efforts to reach the Muslim community. The Thomas More Law Center sued the city on the behalf of the pastor’s rights. The Justices’ ruling affirmed the pastor’s belief and First Amendment rights.

**Indiana Law Challenged by Administration**

Last week, pro-life advocates celebrated the passage of an Indiana bill that prohibits the use of Medicare funding for Planned Parenthood clinics. Indiana was the first state to pass such a measure. Pundits warned that regulatory agencies and the Administration would challenge the law’s **constitutioinality**. Although federal law clearly states that taxpayer funds cannot be used for abortion, Administration officials stated that the other services provided by Planned Parenthood supersede the statutes’ stipulations. Planned Parenthood operates 28 clinics in Indiana, 4 of which perform abortion services. Donald Berwick, Medicaid Administrator, issued a letter to Indiana reprimanding the state for blocking funding for essential health services. Berwick warned that a failure to reverse the policy would result in punitive actions such as the withholding of millions in federal aid. In addition, the Department of Health and Human Services also posted a notice to other states considering similar measures outlining the “dim view” that HHS would take towards such actions. Currently, over 60 million Americans are covered by Medicare funding. States that choose to enact similar policies to prevent taxpayer funded abortion would risk the loss of these critical Medicare funds. Rep. Marlin Stutzman (R-Ind.) released a statement decrying the government’s warnings: "I take it very seriously when any Administration tells a state that it cannot administer its own programs. Health and Human Services should respect the will of Hoosiers who simply ask that their tax dollars do not subsidize an entity that maintains an abortion clinic." A letter from eight Indiana Republicans has been circulated in favor of the law. Indiana has 60 days to appeal the ruling.

**Gays in the Military, Conscience Protections**

In December, the reversal of the longstanding “Don’t Ask, Don’t Tell” policy on gays serving openly in the military ignited a firestorm of debate about the implementation, timetable, and effect on troop readiness. It was determined that full repeal would not be carried out unless the President, Secretary of Defense and chairman of the Joint Chiefs of Staff certified that the necessary training and procedures were in place. During the DADT hearings, Senators questioned whether the policy reversal would have an adverse affect on the free speech and religious activities of military chaplains. The seriousness of these reservations was dismissed by senior officials at the hearings. Currently, the annual Department of Defense authorization has brought these concerns to the forefront. In April, Rear Admiral Mark Tidd (Navy) issued a memo that sanctioned the use of base facilities to perform same sex marriages in states where those unions have been legalized. Pressure from over 63 members of Congress caused the Navy to halt the order pending a review by all the branches. Last week, representatives from over 21 denominations that sponsor chaplains sent a letter to the service chiefs of the Army, Navy, and Air Force reiterating their desire to be allowed to serve all members of the armed forces while not being forced to violate their conscience. "No American, especially those serving in the armed forces, should be forced to abandon their religious beliefs or be marginalized for holding to those beliefs,” the chaplains’ letter said. Representatives have offered several amendments to the pending DOD bill to protect these rights. Rep. Duncan Hunter’s amendment would require that all four of the service chiefs also be required to sign off on certification of troop combat readiness. Representatives Todd Akin and Vicky Hartzler have authored amendments that reinforce the provisions of the Defense of Marriage Act. Conservative groups praised the efforts by these Congressmen during a recent Hill press conference.

**In Case You Missed It:**

Weekly Market Update provided by Jeff Beach of the AACS Investment Team at Merrill Lynch

Privacy Concerns Raised by DOE Policy

School Choice is the New Normal