



Written by [Dennis Behreandt](#) on August 11, 2010

Teacher Funding Bill Hurts Businesses and the Poor

The controversial emergency funding provisions were attached to a bill sponsored by Rep. Charles Rangel. The measure, H.R. 1586, was titled the FAA Air Transportation Modernization and Safety Act. The House originally passed the measure on March 19 by a vote 328 to 93. It was later amended by the Senate. The House approved the final measure by a vote of 247 to 161, sending it to the President for his signature on August 10. The president signed it shortly thereafter.



Officials at the White House cheered the measure. "Today's bill brings needed relief to ... communities across the nation," [wrote Melody Barnes](#), the director of the Domestic Policy Council, on the White House blog. "We must place America's children and the safety of our communities above partisan politics," she continued.

Speaking in the Rose Garden on August 10, [the President said](#) the measure was necessary to save jobs around the country. "It will help states avoid laying off police officers, firefighters, nurses and first responders," President Obama gushed. "And it will save the jobs of teachers like the ones who are standing with me today. If we do nothing, these educators won't be returning to the classroom this fall. And that won't just deprive them of a paycheck, it will deprive the children and parents who are counting on them to provide a decent education."

The legislation, which provides a total of \$26 billion in aid to states (\$16 billion to help cover states' Medicaid costs and \$10 billion for teachers), was enthusiastically supported by House Democrats. "This bill cannot come at a better time for local and state governments struggling to provide services to those who need it the most," [said Congressman Rangel](#). "This jobs bill will not only provide funding to save the jobs of thousands of teachers and nurses, it will also provide funding for urgent services for children and seniors and people with disabilities."

Speaker of the House, Democratic Congresswoman Nancy Pelosi, also praised the measure, saying its passage made for "a very happy afternoon" among supporters.

"Today, again, we will create over 300,000 jobs or save them — not just any jobs, but jobs that are the most significant in our country," [Pelosi said in remarks after passage of the bill](#).

Republicans, however, were almost uniformly in opposition, led by House Republican Leader John Boehner. In a last ditch effort to rally those opposed to the bill, Boehner released a list of the "[Top 10 Reasons to Oppose Speaker Pelosi's 'Simulus' Bailout for Union Bosses](#)."

In his list, Boehner charged that in pushing the bill through the House, Pelosi was acting "on orders



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from union bosses dangling the promise of 'campaign' machinery." Boehner also argued that the measure would increase the dependency of the states upon the federal government for funding, while pointing out that the funding called for in the bill would be no more than a bandaid. "Giving states another \$10 billion to temporarily boost school spending does nothing to avert future layoffs and other belt-tightening needed to bring state budgets back into balance," the Boehner list contends.

Supporting that contention, Boehner cited economist Mark Zandi, a former advisor to 2008 presidential candidate John McCain. Zandi, who supports the legislation, calling it "a very good idea," nonetheless admitted to Bloomberg.com that the measure would not prevent thousands of layoffs. "Even with the \$26 billion, they are going to be cutting into real bone," [Zandi said, according to Bloomberg](#).

Among the concerns about the measure, Republicans pointed to fears that increased taxes on multinational corporations meant to fund the handout would harm private job creation at a time when jobs are already scarce. "The U.S. Chamber of Commerce, National Association of Manufacturers (NAM), Business Roundtable (BRT), Americans for Tax Reform (ATR), and the Promote America's Competitive Edge (PACE) Coalition have all expressed serious concerns about these anti-competitive, job-killing international tax changes," says point three of Boehner's Top 10 list.

In fact, the U.S. Chamber of Commerce sent a letter [\[PDF\]](#) to members of the House of Representatives on August 5 strongly opposing the bill. The measure, said R. Bruce Josten, executive vice president for government affairs with the Chamber, "would impose draconian tax increases on American worldwide companies that would hinder job creation, decrease the competitiveness of American businesses, and deter economic growth."

Interestingly, additional funding for the handouts to states comes from cuts to funding of the food stamp program. The cuts, beginning in 2014, will then reduce food stamp payments by \$12 billion. According to the Food Research and Action Center, which has condemned the cuts to the program, "a family of four can expect their benefits to drop about \$59 a month starting in 2014" as a result.

The proposal for the cuts to the Food Stamp program may have come from the White House. In an interview with *The Fiscal Times* in July, Congressman Dave Obey (D-WI) [recounted negotiations with the Obama administration](#) over "\$10 billion in money to help keep teachers on the job," the same funding level called for in measure just signed into law. According to Obey, "We were told to offset every damn dime of [new teacher spending]. Well, it ain't easy to find offsets, and with all due respect to the administration their first suggestion for offsets was to cut food stamps."

While apparently willing to sell out low-income families that traditionally believe that Democrats in general and especially Democratic Presidents in particular always "work for the little guy" — in favor of the legislation supporting union agendas — the White House, Obey says, was eager to avoid political recrimination over its cuts to food stamps.

"They were careful not to make an official budget request, because they didn't want to take the political heat for it, but that was the first trial balloon they sent down here," Obey recalled. "Their line of argument was, well, the cost of food relative to what we thought it would be has come down, so people on food stamps are getting a pretty good deal in comparison to what we thought they were going to get. Well isn't that nice. Some poor b*****d is going to get a break for a change."



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