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“Without virtue, and without integrity, the finest talents and the most brilliant accomplishments can never gain the respect, and conciliate the esteem, of the truly valuable part of mankind.”
George Washington

School Choice in the Tax Reform Bill

As the U.S. Senate debates the tax reform bill this week, school choice advocates are pushing for inclusion of school choice provisions, specifically the expansion of 529 accounts to include tax-advantaged savings opportunities for K-12 education. Contributions to the plans grow tax-free and distributions from the accounts are not taxed. Currently, 529 plans allow these savings only for higher education expenses. The [version](#) of the tax reform bill passed by the U.S. House of Representatives just before Thanksgiving includes a provision that would allow families to use up to \$10,000 from savings in 529 plans for K-12 educational expenses. Additionally, the House bill allows contributions to be made during pregnancy, a move which has been hailed by pro-life advocates as a recognition of the life of an unborn baby now encoded in this portion of federal law. A very broad cross section of conservative organizations, even those who are wary of increased federal involvement, have advocated for expanding 529 accounts as a way to advance school choice without incurring increased federal regulations. The AACCS has been working with a large coalition of school choice advocates, urging the Senate to include the language which expands the 529 accounts in its version of the tax reform bill. This group was disappointed that the bill approved by the Senate Finance Committee did not include the expansion for K-12 education. In a recent letter to Senators, the school choice coalition praised the inclusion of the pro-life language but also urged Senators “to adopt the House approach to expanding 529 savings plans, and for Congress to retain these provisions in the final passage of the *Tax Cuts and Jobs Act*.” The letter further emphasized, “Ensuring children receive an education that meets their individual needs is a central responsibility of parents. The House proposal will help parents save for an education that prepares their child for college or career.” Other educational provisions which are being considered and have the potential to affect Christian education include the classroom expense deduction and the tuition deduction. The House version eliminates the current \$250 deduction for classroom expenses incurred by teachers and administrators, while the Senate bill doubles the deduction to \$500. The House version also eliminates the teacher tuition deduction, while the Senate version retains that tax benefit for teachers. Differences such as these will be worked out through a conference committee, once the bill passes the Senate.

New Mexico Textbook Case Could Have Ramifications for School Choice

In June, the Supreme Court of the United States ruled 7-2 in favor of religious liberty in the case of [Trinity Lutheran Church of Columbia vs. Comer](#), ruling that a church’s school had been wrongly excluded from a state

grant program based solely on the fact that it was a religious institution. This ruling resulted in several related cases such as [*New Mexico Association of Non-public Schools vs. Moses*](#) being sent back to the lower courts for resolution. At issue in the New Mexico case is whether the state can fund religious textbooks through its textbook lending program which ensures disadvantaged students have equal access to textbooks, including those students who attend private and religious schools. This case is important because it challenges the validity of state constitutions which have what are called Blaine Amendments. Blaine Amendments are state constitutional provisions that exist in over 35 states and have prevented public money being used to support any religiously motivated organization and have been an obstacle to school choice programs. Although the Supreme Court decision could be interpreted to undermine these amendments to state constitutions, the decision did not address them directly or set a precedent. The New Mexico case deals directly with the state's Blaine Amendment. The state Supreme Court is likely to hear arguments again on the case early next year. School choice proponents are closely following the case.

AACS Submits Public Comments to HHS Faith-Based Office

The Center for Faith-Based and Neighborhood Partnerships in the U.S. Department of Health and Human Services recently posted a [request](#) for input exposing regulatory barriers that present a burden or interfere with the work of faith-based organizations that are seeking to use public service funding to help others in their community. The AACS submitted public comments which emphasized that "the first principle that must be honored when writing regulations is that faith-based organizations must be allowed to follow the tenets of their faith, especially as they relate to hiring practices, employment policies, moral conduct policies for staff (and students, in the case of educational services), and health care provisions." The AACS also noted a specific area of concern regarding the regulations of the Child Care Development Fund (CCDF). The regulations exceed the letter and intent of the law and create undue interference by the federal government for states and faith-based child care centers and preschools that do not participate in the CCDF program. Over 10,000 comments were submitted, many focusing on the regulations from the Obama administration which forced faith-based organizations to comply with rules even when the rules might violate deeply held tenets of their faith.

Editorial Note

The AACS staff wish a fond farewell to Joshua Frampton and thank him for his two and half years of service as the legislative assistant. We wish him all the best in his new occupation and pray for the Lord's continued guidance and blessing as he enters this exciting chapter of his life.

In Case You Missed It:

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

[Supreme Court Case on Same-sex Wedding Cakes: Artistic Expression vs. Civil Rights](#)

[Washington's Spectacles](#)

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