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“Religion, morality, and knowledge, being necessary to good government and the happiness of mankind, schools and the means of education shall forever be encouraged.”
Northwest Ordinance, 1787

New York Governor Opts Into Federal School Choice Program

New York Governor Kathy Hochul [announced](#) last week that she will opt her state into the Education Freedom Tax Credit (EFTC) program. The EFTC is the newly created federal school choice program, established as a tax credit scholarship program through the passage of the Working Families Tax Cut Act (the One Big Beautiful Bill). The EFTC allows for individuals to receive a dollar-for-dollar federal tax credit of up to \$1700 for donations made to a scholarship granting organization (SGO), which in turn provides student scholarships to families for educational purposes. However, scholarships may be distributed only in states where the governor opts the state into the program. Governor Hochul’s announcement to opt in means that students in New York will be able to benefit from scholarships through the program.

Hochul’s announcement is significant because she is only the second Democrat governor to opt in, following Colorado Governor Jared Polis. A few months ago, she indicated she would likely opt in but was waiting to review the regulations before making her decision official. The Treasury Department released the regulations last week, providing her with the clarification she needed to opt in. “I’ve been clear from the start that New York would participate in the federal scholarship tax credit program if, and only if, all schools and students, including those in our public schools, could benefit,” she [stated](#) in her announcement. The regulations confirm that students in private, public, and in some cases homeschool, will be eligible for scholarships, provided they reside in a state that has opted into the program and their family income is under 300% of the median income. The Treasury Department has [estimated](#) that approximately 95% of students nationwide will meet the income eligibility requirement for participation.

To date, [31 states](#) have opted into the program. School choice supporters are hopeful that other Democrat governors will follow suit and choose to opt in. “I think the pressure is real and is going to encourage all 50 states to ultimately opt in,” [stated](#) Lindsey Burke, Deputy Chief of Staff at the Department of Education, as she pointed to the potential for new educational funding in each state. As Governor Hochul [observed](#), “We believe this program has the potential to bring millions of additional dollars to New York students and families without taking a single dollar from public schools or our state or local budgets. I’m not going to leave money on the table when it could help our kids.”

Several [public school districts](#) are already working to create SGOs that will benefit their public school students, while other SGOs are being established to provide a myriad of scholarship options. The AACCS has [established](#) an SGO, [Accord Kids](#), to specifically support students in Christian education. For more information on the EFTC and Accord Kids, please tune in to the most recent episode of the [AACCS Today podcast](#) where Dr. Jamison Coppola and Accord Kids Director Randy Melchert discuss the opportunities available for Christian schools through the EFTC.

Clergy Act Passes the Senate

The Senate has unanimously [passed](#) the [Clergy Act](#), a bill that would provide a limited time period during which ministers who have previously opted out of Social Security can opt back into the program. The bill was sponsored by Sens. Katie Britt (R-AL) and Maggie Hassan (D-NH). The IRS allows pastors to file for an exemption to Social Security and Medicare taxes if they have a religious or conscientious objection to participating in public benefit programs. The decision to opt out of Social Security and Medicare is permanent, although Congress has passed laws to allow temporary reenrollment windows for clergy. The most recent of these laws was passed in 1999. The Clergy Act would provide another temporary window for clergy who have opted out of the programs to opt in. Exempt clergy could file an application during the taxable years starting on January 1, 2029, and January 1, 2030, to opt into Social Security and Medicare. Once a member of the clergy has opted in under the law, he would be prohibited from seeking exemption again. Clergy who reenroll must work about 10 years to qualify for benefits. A House version of the bill [passed](#) in April with overwhelming bipartisan support. The bill now heads to President Trump, who has not publicly indicated whether he will sign the bill into law.

Secretary of Education Encourages Schools to Teach Evils of Socialism and Communism

Secretary of Education Linda McMahon has issued a [Dear Colleague Letter](#) urging educators nationwide to teach the evils of communism and socialism. The letter opens by referencing the annual National Day for the Victims of Communism, observed on November 7 as a way to remember the more than 100 million people whose lives have been tragically lost under communist and socialist regimes. The letter points to historical atrocities under communist control including the Ukrainian Holodomor, China's Great Leap Forward, Cambodia's Killing Fields, and the Soviet gulags. McMahon warns that "if we fail to teach our students about historical—and ongoing—oppression and violence under the world's communist and socialist regimes, we are leaving them vulnerable to the same failed ideas repackaged for the digital age by slick demagogues, slogans, and social media influencers." She commends Arizona, Arkansas, Florida, Tennessee, and Texas for requiring instruction on communism's dangers and victims, as well as California, Nevada, and New Hampshire for prohibiting positive portrayal of communism in classrooms. The Department of Education's accompanying [press release](#) includes a link to the [educational resource](#) prepared by the Victims of Communism to aid teachers in teaching the harmful consequences of communism. The letter concludes by emphasizing the urgency of educating the next generation about these dangerous ideologies: "The historical evidence is unambiguous, the responsibility is urgent, and the stakes for the next generation could not be higher."

In Case You Missed It:

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

[Practical Legal Help for Christian Schools: ADF Ministry Alliance](#)

[The Heritage Foundation Education Freedom Report Card](#)

[School Choice Allows Families to Mix and Match School Environments, Research Shows](#)

[Court Watch: What Are the Biggest Supreme Court Cases to Watch This Term?](#)

[New Report Shows Private Schools Serving Students with Disabilities](#)

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