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*“On the diffusion of education among the people rest the preservation  
and perpetuation of our free institutions.”*

**Daniel Webster**

**Montana Parents Appeal to U.S. Supreme Court Over School Choice Decision**

Three Montana families filed a brief with the U.S. Supreme Court [appealing the decision](#) made by the Montana Supreme Court which nullified the state’s tax credit scholarship program. The children of these families are participants in the state’s tax credit scholarship program, and the parents are charging that ending the program is unconstitutional because it discriminates against religious schools and religious families who choose to attend those schools. Established in 2015 by the state legislature, the tax credit program allows donors to contribute up to \$150 to a scholarship organization and then receive a tax credit for their donation. The scholarship organization then provides scholarships to students to attend the private school of their choice. When the program was first created, the state Department of Revenue decided that parents participating in the program could choose only public school options, based on the claim that religious schools are not “qualified education providers” and, therefore, could not be funded through appropriations. However, almost 70% of private schools in Montana are religious schools, so such a decision greatly limited the options available to parents. After parents challenged the rule, District Judge Heidi Ulbricht ruled that religious schools could indeed participate in the tax credit program since no public funds are actually given to the schools. The Department of Revenue appealed to the state Supreme Court which [ruled](#) that the program violated the state constitution’s Blaine amendment (no-aid clause). Blaine amendments are included in approximately 39 states constitutions. They originated in the late 1800s in an effort to block public funds from supporting Catholic education because, at the time, most public schools were vaguely Protestant in ideology; today school choice opponents often point to Blaine amendments as justification for prohibiting school choice programs and public funding for faith-based schools. Attorneys for the Institute for Justice, the legal firm representing the Montana families, are hopeful the Supreme Court will take up the case since there is a [divide in the rulings](#) from lower courts on whether student aid programs can include religious schools. Rulings by the 6th, 7th, 8th, and 10th U.S. Circuit Court of Appeals and the New Mexico Supreme Court favor the inclusion of religious schools, while the 1st and 9th Circuit Courts, along with the Maine, Vermont, and Montana Supreme Courts, have ruled such inclusion would violate Blaine amendments. The possibility of a favorable decision by the U.S. Supreme Court, one that would rule Blaine amendments to be unconstitutional, could open the door for school choice in many states where these amendments have prevented school choice expansion.

**Alive from New York—Event to Celebrate Life**

In response to recent state efforts to pass radical pro-abortion legislation, Focus on the Family is hosting Alive from New York to celebrate the sanctity of pre-born life. The event will feature a live 4D ultrasound of a third trimester baby in the womb. Come celebrate the wonder of life at Alive from New York [on](#)

[Saturday, May 4](#) in Times Square, New York City. For more information and to register, please visit the event's website [here](#).

### **Study Shows Regulations Negatively Affect Private School Participation in School Choice**

Results from a [recent study](#) show that private schools are less likely to participate in a school choice voucher program if certain regulations infringe on school operation and policies, especially related to admissions. Conducted by Corey DeAngelis (Cato Institute), Lindsey Burke (Heritage Foundation), and Patrick Wolf (University of Arkansas), the study surveyed 4,825 private school leaders in California and New York, states that currently have no school choice programs. The participants were presented with a hypothetical voucher program and then asked whether they would participate if there was a requirement for state standardized testing or open enrollment (participating schools must accept all students and may not deny admission to students once they are qualified to receive the scholarship). The results showed that the likelihood of participation was reduced by 60% with an open enrollment requirement and by 29% with a state standardized testing requirement. The results of this study align with research from a [similar study](#) done in Florida last year. The authors note that while the research reflects responses to a hypothetical situation, the information could prove useful to policymakers who are making decisions regarding school choice programs. In fact, the authors assert that “much more research is needed on the intersection between school choice regulations and private school participation decisions. In particular, more research on the effects of school choice regulations on the average quality and specialization of participating schools is needed to better inform policymakers.”

### **Appeals Court Upholds Housing Allowance Tax Exemption for Clergy**

Last week, a three-judge panel of the 7th Circuit Court of Appeals reached a [unanimous decision](#) declaring the housing allowance for clergy to be constitutional. The ruling ends a long battle between the Freedom From Religion Foundation (FFRF) and Chicago pastors who participate in the housing allowance offered in [section 107](#) of the IRS code. According to the tax code, a “minister of the gospel” can exclude from his taxable income “the rental value of a home” or “the rental allowance paid to him as part of his compensation.” Although this benefit is also enjoyed by secular employees, FFRF specifically [targeted](#) the allowance for pastors as “preferential treatment and discriminating in favor of ministers.” The 7th Circuit disagreed with FFRF, [declaring](#) that the allowance for clergy “is simply one of many per se rules that provide a tax exemption to employees with work-related housing requirements.” The Court further argued that the allowance helps avoid unnecessary government entanglement with religion; applying a simple housing allowance to the entire religious community keeps the government from constantly checking up on every religious entity in the country. By declaring the housing allowance constitutional, the Court acknowledges the reality of pastors who are deeply connected to the communities they serve and restores the historic understanding that ministers deserve the same protections under the law as secular employees.

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

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

[Alabama Senate Approves Common Core Appeal](#)

[May 4 - Alive From New York - 4D Ultrasound in Time Square](#)

[Why Religious Freedom Matters](#)

[WORLD podcast: Federal Tax Credit Scholarships](#)