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“Nevertheless, amid the greatest difficulties of my Administration, when I could not see any other resort, I would place my whole reliance on God, knowing that all would go well, and that He would decide for the right.”

Abraham Lincoln

School Choice Bill Would Fund Students, Not Schools

Senator Rand Paul (KY) has introduced a new bill which would provide school choice to families by sending education dollars directly to parents rather than to states or education programs. The Support Children Having Open Opportunities for Learning (SCHOOL) Act ([S. 4432](#)) would ensure that the funding for certain education programs “follows children, whether learning in person or remotely, to the public school, private school, or home school they attend,” rather than being distributed to states and public school districts. The bill indicates that the money could be used for a variety of purposes including curriculum, school tuition (including private school), tutoring, special education services, technology needs, and extracurricular activities. The bill was introduced as parents grapple with public school reopening plans, many of which are providing only virtual learning. Senator Paul stressed the importance and relevancy of his bill in a [statement](#): “As the impact of the ongoing pandemic and the government response efforts continue to place parents in situations requiring greater flexibility in balancing working and providing for their families’ critical needs, especially when educating their children at home, my SCHOOL Act grants them that flexibility by empowering them to use their own tax dollars to find the option that best fits their family’s needs and allowing them to reclaim a bit of stability in uncertain times.” The SCHOOL Act also ensures food programs will continue for students and protects the autonomy of private schools from federal and state control.

Secretary of Education Betsy DeVos and President Trump have both advocated for education dollars to [follow students](#), especially during this pandemic as many parents are seeking education alternatives to schools that are opening only virtually this year. This week during a [White House event](#) highlighting the need for reopening schools safely, they both reiterated their support for providing school choice opportunities for families needing to find options. Secretary DeVos specifically mentioned the [School Choice Now Act](#) (SCNA), recently introduced by Senators Tim Scott (SC) and Lamar Alexander (TN), which would immediately direct 10% of emergency stimulus funding earmarked for education (including leftover funds from the CARES Act) to state-recognized scholarship granting organizations (SGOs) and would also create a permanent federal tax credit scholarship infrastructure that would funnel donations to SGOs in participating states. Corey DeAngelis, director of school choice at the Reason Foundation, has [noted](#) that the educational challenges during COVID-19 have indeed increased the call for more school choice, something teachers unions are opposing with renewed vigor in many places. However, DeAngelis emphasizes that “the power should always be in the hands of families instead of bureaucrats. Proponents of educational freedom have always known this. But the powerlessness of families and their children caught up in pandemic politics makes it clearer now more than ever before.”

IRS Finalizes SALT Regulations

This week, the IRS issued [final regulations](#) regarding changes in federal treatment of state and local taxes (SALT) that could negatively affect charitable organizations. The IRS first issued these regulations to prevent high-tax states from establishing passthrough organizations by which taxpayers could deduct state taxes as payments to a charitable organization. Seeing this as an illegitimate use of charitable deductions, the IRS clamped down on the benefit taxpayers receive by donating to charities. Many school choice supporters, including the AACS, gave public testimony at the IRS this February urging the IRS to narrowly tailor its efforts to curb those who try to evade state taxes while protecting the legitimate charities such as scholarship granting organizations that serve those in need. Unfortunately, the IRS did not heed the advice of these organizations, resulting in a change in how charitable donations are treated. According to the final regulations, businesses now can receive a deduction for giving charitably only if the donation can be counted as a business expense paid in return for a benefit to the business. As Legislative Director Jamison Coppola stated in the February hearing at the IRS, the final rule “change(s) how we understand the nature of what constitutes a charitable donation” and “weakens the idea that businesses can and do give out of a charitable instinct and not just in order to advance their business interests.”

Department of Education Releases Religious Liberty Guidance

The Department of Education (DOE) [released a new guidance document](#) intended to strengthen the religious liberty of students and faith-based organizations participating in grant programs through the DOE. The guidance points to Supreme Court decisions in the *Trinity Lutheran* and *Espinoza* cases to affirm the principle that religious organizations cannot be denied participation in a publicly available program solely based on the religious nature of the institution. Specifically, the guidance explains that Blaine Amendments cannot be used to block religious institutions from participating in education programs, as the *Espinoza* ruling specifically stated that the amendments violated the Free Exercise clause in the Constitution. Referencing the Religious Freedom Restoration Act, the guidance further outlines the steps that can be taken by an institution or individual who has participated in a DOE program and faced an unnecessary “burden or potential burden on their religious exercise.” The guidance also explains the work of the DOE’s Center for Opportunity and Faith Initiatives to aid religious organizations seeking to participate in education grant programs. Secretary DeVos [noted](#), “Too many misinterpret the ‘separation of church and state’ as an invitation for government to separate people from their faith. In reality, the First Amendment doesn’t exist to protect us from religion. It exists to protect religion from government. Today’s guidance reaffirms our commitment to protecting our first liberty and ensuring that discriminatory restrictions on access to federal grant funding are no longer tolerated.”

In Case You Missed It:

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

[How Attacks on Faith, Family, and Conscience Affect all Freedoms](#)

[Biblical Christianity Promotes Religious Freedom](#)

[Parents Know Best, and School This Fall Should Be Their Choice](#)