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“It is the duty of nations as well as of men, to own their dependence upon the overruling power of God, to confess their sins and transgressions, in humble sorrow, yet with assured hope that genuine repentance will lead to mercy and pardon; and to recognize the sublime truth, announced in the Holy Scriptures and proven by all history, that those nations only are blessed whose God is the Lord.”

Abraham Lincoln, Proclamation Appointing a National Fast Day, March 30, 1863

The 4th Circuit Rules Tax-Exempt Status Not Equivalent to Federal Financial Assistance

In a win for charities and Christian education, the 4th Circuit Court of Appeals recently ruled in *Buettner-Hartsoe v. Baltimore Lutheran High School Association* that tax-exempt status is not equivalent to receiving federal financial assistance (FFA). The [case](#) began when students sued the Lutheran high school Concordia Prep, charging that the school did not handle complaints of sexual assault and harassment in compliance with Title IX. The school moved to dismiss the case because it does not receive federal funding, and thus, does not fall under the regulations of Title IX. The district court, however, ruled that the school’s tax-exempt status was equivalent to receiving FFA. The case was appealed to the 4th Circuit, which heard oral arguments in February. During oral arguments, the judges seemed skeptical of the district court’s ruling, with one judge asking if her personal claim for a tax credit made her a recipient of FFA as well.

In its ruling, the [three-judge panel](#) from the 4th Circuit looked at the plain meaning of Title IX and Supreme Court precedent and found that “the plain text of Title IX contemplates the transfer of funds from the federal government to an entity.” The court also upheld the historical purpose of tax exemption, calling it “deeply rooted in American history” for the benefit of society as a whole. Since Title IX was enacted in 1972, tax exemption has never been understood to trigger Title IX’s regulations. Unlike student loans or grants, “no funds actually change hands” from the government to a school through tax exemption. “Tax exemption merely allows organizations to keep the money they otherwise would owe in income tax.” This favorable ruling covers institutions within the 4th Circuit—Maryland, Virginia, West Virginia, North Carolina, and South Carolina—and serves as a helpful guidepost for similar cases that come before any lower courts.

A similar case is currently pending in Michigan concerning Hillsdale College, which does not receive any FFA. In this [case](#), two students are arguing that the college’s tax exemption is a form of FFA and subjects Hillsdale College to Title IX regulations. Hillsdale president Larry Arn [criticized](#) this argument, pointing out that this “can’t mean anything other than that all money, in principle, belongs to the government.” He added that this “would be a massive expansion of government authority in one go. And of course, there are many people who seek that in America.” Walter Olson, senior fellow at the Cato Institute, points to the danger of subjecting tax-exempt institutions to the same regulations that are applied to “government grantees,” [stating](#), “It would put at risk the fundamental independence of America’s private charitable and educational sectors, to say nothing of its religious institutions.”

Hostility Against Churches on the Rise

A report by the Family Research Council (FRC) has found that churches have experienced 436 instances of hostility in 2023, more than double the number of instances the FRC found in 2022. This is the second year the FRC has released its [“Hostility Against Churches” report](#), which chronicles the number of bomb threats, acts of vandalism, arson, gun-related incidents, and other threatening activities against churches. Churches most commonly experienced acts of vandalism, with 315 instances of vandalism reported in 2023, 72% of all reported instances. Vandals tended to break windows, tear down statutes, deface sanctuaries, and damage equipment, acts that cost thousands of dollars. Churches also experienced 75 acts of arson or attempted arson, totaling 17% of reported instances. Acts of hostility occurred consistently across 2023, with an average of 39 instances reported each month. Churches experienced the most incidents in June (65 incidents) and July (50 incidents). The FRC found that states with higher populations tended to report the most instances. For example, California reported 91 instances and Texas reported 62 instances, while Delaware, New Hampshire, and Vermont only reported one instance each. “There is a common connection between the growing religious persecution abroad and the rapidly increasing hostility toward churches here at home: our government’s policies,” [said](#) Tony Perkins, president of the FRC. “The indifference abroad to the fundamental freedom of religion is rivaled only by the increasing antagonism toward the moral absolutes taught by Bible-believing churches here in the U.S., which is fomenting this environment of hostility toward churches.”

National Day of Prayer

Last Thursday marked the 73rd [National Day of Prayer](#), following a law that was [first passed in 1952](#), directing the president to “set aside and proclaim a suitable day each year . . . as a National Day of Prayer, on which the people of the United States may turn to God in prayer.” President Ronald Reagan signed a law in 1988 that specifically designated the first Thursday of May as the National Day of Prayer, and President Bill Clinton signed a law in 1998 that required the president to issue a proclamation that recognizes that National Day of Prayer. This year, a [gathering](#) was held in the U.S. Capitol in which several leaders from Congress and faith-based organizations prayed for our country. The event’s organizers encouraged prayers for our country to include [seven specific areas](#): the government and military, the arts and media, business, education, church, and family. This year, a special prayer was also offered for Israel. The theme for this year’s National Day of Prayer gathering was “Lift Up the Word—Light Up the World,” based on II Samuel 22:29: “For thou art my lamp, O Lord: and the Lord will lighten my darkness.” Rear Admiral Barry Black, who serves as the U.S. Senate Chaplain, included in his prayer, “May we never forget that righteousness exalts a nation, but sin is a reproach to any people.” In praying for our government leaders, he prayed that the Lord would “protect or freedoms” and direct leaders to “seek you so that they may learn not how to get their own way, but how to take Your way.” The presidential proclamation for this year, issued by President Biden, can be found [here](#), along with presidential proclamations from years past.

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](#)

[Promise to America’s Children](#)

[NEW! AACCS Today Podcast: Spring Lobbying Update](#)

[Senate Republicans Secure Religious Liberty Protections in Minnesota](#)

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