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"The religion which has introduced civil liberty is the religion of Christ and His apostles. . . . This is genuine Christianity and to this we owe our free constitutions of government."

Noah Webster

Democrat Colorado Governor Opt-In to Federal Tax Credit School Choice Program

Colorado's Gov. Jared Polis <u>announced</u> that he is approving Colorado's participation in the newly created federal tax credit scholarship program. The school choice program was part of the One Big Beautiful Bill that President Trump signed into law last July. The tax credit scholarship provision allows a tax credit for donations made to scholarship-granting organizations (SGOs) that then provide scholarships to families to use for educational purposes for their children, including private school tuition. Specifically, the program allows for a 100% tax credit to individuals who donate up to \$1,700 to an SGO. The scholarships granted by the SGOs can be awarded to families living under 300% of the median income in their area. While the program is a federal program, governors of each state must choose to opt in for families in their states to be able to participate. To date, five governors have formally announced their participation in the program (CO, NC, NE, SD, and TN). Three Democratic governors have stated they will not opt in (NM, OR, and WI). In North Carolina, the majority-Republican legislature passed a bill to opt in their state, but the bill was vetoed by Gov. Josh Stein, a Democrat, who said he intended to opt in to the program in order to invest in public school students and after-school programs.

The announcement by Colorado Gov. Polis to opt in is significant as the Democrat governor is opposed to school choice. However, he explained his decision by saying it will be "a real boom of investment in kids." He described donations made to SGOs as being very similar to other charitable contributions but with "a more generous deduction." Like North Carolina's Gov. Stein, he's also looking to the program to boost help for public school students in after-school programs: "Fundamentally, it'll empower more parents to be able to afford that after-school program or the summer program that they want for their kid," he <u>stated</u>. The language of the law offered very few requirements for SGOs and participating schools and students. Supporters of the program share some concerns that Democrat governors who might oppose school choice but feel constituent pressure to opt in their state may try to place extra requirements and regulations on SGOs that could limit participation in the program. The federal regulations regarding how the program should be implemented are currently being drafted by the Treasury Department. The AACS Washington Office is working diligently to ensure that regulations for the programs reflect the intent of the law in ensuring that the program provides true choice to parents and protects the autonomy and mission of participating Christian schools, students, and SGOs. The program is scheduled to begin in 2027.

Coming Soon—National School Choice Week

<u>National School Choice Week</u> (NSCW) will be held January 25–31, 2026. Many organizations, schools, parent groups, and students are preparing for events to highlight the benefits of school choice programs across the country. For materials and ideas for your school or event, please <u>click here</u>.

Increase in FAFSA Applications

More students have filled out the Free Application for Federal Student Aid at this point in the year than in recent years. So far, 27% of high school seniors have filled out the FAFSA form. That number is an 11.7% increase from 2022. FAFSA completion rates have fluctuated since the botched rollout of the new FAFSA form in 2023 during the Biden administration. Because of the delays and glitches in the system, completion dropped 11.6% from 2022 to 2023. After bipartisan criticism, Congress passed a law requiring that the FAFSA form be released by October 1 of each year. This year, the Trump administration released the FAFSA before the deadline, the first time since 2022 that the form has been released on time. Students have completed their applications in as fast as 15 minutes. The National College Attainment Network (NCAN) estimated that roughly 29.2% of higher-income high school seniors have completed the FAFSA compared to 23.1% of lower-income students. In addition, the NCAN estimated that 27.7% of seniors in the suburbs have completed the form compared to 22.8% of seniors in the cities. "About half of seniors who are going to complete a FAFSA tend to do so by the end of December," said Bill DeBaun, a lead researcher at the NCAN. He hoped that the simplified FAFSA would "yield all-time highs in high school senior FAFSA completion."

States Sue to Block Education Department's Transfer of Power

A coalition of states has updated its lawsuit against the Trump administration's attempts to downsize the Education Department. As the AACS reported, Education Secretary Linda McMahon announced in late November that the Department had signed interagency agreements with other federal agencies. These agencies now administer several programs formerly run by the Education Department. For instance, the Labor Department now administers some Title funding. However, the Education Department will continue to provide oversight of all the programs. A coalition of 20 Democratic attorneys general is arguing that the interagency agreements are illegal and will harm students. "Congress did not provide affirmative authority to the Department of Education to transfer its funding to other Departments," the lawsuit claims. The attorneys general also argue that reductions in force at the Education Department are illegal. Madi Biedermann, a spokesperson for the Department, responded that it was "no surprise that blue states and unions care more about preserving the D.C. bureaucracy than about giving parents, students and teachers more control over education and improving the efficient delivery of funds and services." The case is currently at the district court level. This summer, the Supreme Court stayed the lower court's injunction, allowing the reductions in force to occur.

In Case You Missed It:

Weekly Market Update provided by Jeff Beach of the AACS Investment Team at Merrill Lynch

Practical Legal Help for Christian Schools: ADF Ministry Alliance

Just Around the Corner: March for Life, January 23, 2026

Arkansas School Choice Program Is Thriving—New Report by Dr. Patrick Wolf

Supreme Court Hears Oral Arguments for Case of Evangelist

Supreme Court Appears Sympathetic to Faith-Based Pregnancy Centers' Argument