



A Publication of the American Association of Christian Schools

The Washington Flyer
May 15, 2026

*“To the distinguished character of Patriot, it should be our highest glory
to add the more distinguished character of Christian.”*
George Washington

New York Governor Intends to Opt into National School Choice Provision

New York Gov. Kathy Hochul has [announced](#) that she plans to opt her state into the [Education Freedom Tax Credit](#) (EFTC) program. Established through the passage of the One Big Beautiful Bill Act, the EFTC is a provision that allows every taxpayer who donates up to \$1,700 to a scholarship granting organization (SGO) to receive a 100% federal tax credit. The SGOs then provide educational scholarships to families to help meet their children’s educational needs. Governors must opt into the EFTC in order for families in their states to receive scholarships. Last week, Hochul [announced at a meeting](#) with Agudath Israel of America that she supports the program and intends to opt in New York for participation. A [statement released](#) by a spokesperson for the governor following the meeting confirmed that the governor is “supportive of the federal tax credit scholarship and its potential to help New York students and schools.” The statement indicated that the governor “awaits information from the federal government on the program and will thoroughly review the details of the policy for poison pills that could harm New York’s education system.”

Of the [27 governors](#) who have officially opted in so far, only one is a Democrat—Colorado Gov. Jared Polis. School choice advocates hope that Hochul’s decision will spur more Democratic governors to follow suit as the popularity of the program continues to grow. “Support for governors opting into ECCA is overwhelmingly positive,” stated Jorge Elorza, CEO of Democrats for Education Reform, during an [interview](#) on the *Freedom to Learn* podcast. “This issue of choice and this issue of opting into ECCA is literally an 80-20 issue.” North Carolina Gov. Josh Stein has indicated he is waiting on the final Treasury regulations to make his decision, while Democratic governors in Hawaii, New Mexico, and Oregon are reconsidering earlier opposition. Frederick Hess, Director of Education Policy Studies at American Enterprise Institute, recently [pointed out](#), “If states don’t opt in, their taxpayers can still claim the tax credit, but all those dollars will wind up underwriting scholarship programs in other states.”

Second Lady Announces Summer Reading Challenge

Students entering grades K-8 can participate in [Second Lady Usha Vance’s summer reading challenge](#) to earn prizes and explore adventures through stories. Eligible students can read 12 books of their choice June 1 through September 4. They can track their progress on the official reading log, and when the log is complete, parents can submit it online. Students that complete the log will receive a digital certificate, a personalized letter, and an America-250th themed bookmark. They will also be eligible for a chance to visit Washington, D.C., on a special trip in late September. Throughout the summer, an online leaderboard will display which states are currently ahead in the challenge. Vance has highlighted literacy during her time as the second lady. This is the second year she has led the summer reading challenge. In addition, Vance also started [Storytime with the Second Lady](#), a podcast where special guests join Vance to read storybooks. “Every book you open is an adventure—whether you are exploring new places, meeting new characters, or learning something new,” said

Vance. The summer reading challenge will officially launch on June 1. Students and their parents can learn more by visiting [here](#).

Department of Ed Releases Final Rule on Federal Student Loans

The Department of Education has [released](#) its final rule on federal student loans, implementing changes that were passed last year in the One Big Beautiful Bill Act. [Changes](#) include new borrowing limits for graduate and professional degrees, ending Grad PLUS loans, streamlining repayment options into two plans, and allowing institutions to cap loans. The final rule retained its proposed definition of “professional” programs, which is limited to certain medical fields, law, and theology. Students in professional programs can borrow \$50,000 annually or \$200,000 in aggregate, while other graduate programs are capped at \$20,500 annually or \$100,000 in aggregate. All student borrowers are capped at a lifetime borrowing amount of \$257,500. Student borrowers will have two options for repaying their loans, a standard plan and an income-based repayment plan called the Repayment Assistance Plan (RAP). Borrowers who have defaulted on their loans will now have two opportunities to rehabilitate their loans. According to the Department of Education’s [press release](#), such changes were necessary due to “the rising cost of higher education and oftentimes negative return on borrowers’ educational investment.” The Department received over 80,000 public comments on its proposed rule. The AACS submitted comments that commended the Department’s goal of restoring fiscal responsibility in federal loans while suggesting a broader definition of professional program. The Department has stated it will provide guidance to clarify scenarios under the new rule, such as reductions on student loans for less-than-full-time students. Most of the rule will go into effect on July 1, 2026.

Some PPP Loans Flagged as Fraudulent and Under Investigation

The Small Business Administration [recently announced](#) that 562,000 loans from the Paycheck Protection Program (PPP) and the COVID Economic Injury Disaster (EIDL) loan program have been flagged as fraudulent and are under investigation. During the COVID pandemic shutdown, many businesses and organizations, including some AACS ministries, participated in the PPP program as they navigated the challenges of maintaining business operations amidst government-mandated closures. There is a high expectation that AACS ministries will not be affected by this, as the fraudulent loans that have reportedly been flagged over the last few years frequently involved applications that falsified information on their applications, such as employment numbers, payroll records, and tax and bank documentation. According to the [SBA press release](#), the 562,000 loans recently flagged totaled \$22 billion. These loans have been referred to the Department of Treasury for collection, and individuals have been referred to the Department of Justice for investigation. The Biden administration had previously flagged these loans as fraudulent but failed to follow up with investigation or collection. “After extensive review, and with the strong support of the White House Task Force to Eliminate Fraud, we are taking our most decisive action yet to end a Biden-era scheme that protected over 560,000 borrowers tied to more than \$22 billion in suspected pandemic-era fraud,” [stated](#) SBA Administrator Kelly Loeffler in a press release.

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](#)

[May 17: Rededicate 250: A National Jubilee of Prayer, Praise, and Thanksgiving](#)