



Old Dominion Association of Church Schools

Update on Federal Bills to Repeal the Education Freedom Tax Credit

**Please contact your representative and both senators and urge them
to OPPOSE S. 4297 and H.R. 9289!**

July 28, 2026

Dear Pastors and Administrators,

As you already know, AACCS and ODACS are working hard to prepare our churches and schools to begin taking advantage of the federal Education Freedom Tax Credit (EFTC), which will take effect on January 1, 2027. Accord Kids,¹ the AACCS Children's Scholarship Fund, is working hard to educate our families about two important sides of this School Choice opportunity: how to redirect up to \$1,700 of your federal tax dollars to Christian education, and how to apply for the tuition assistance that will soon be available.

Opponents of Christian education are sponsoring two bills in the Congress that seek to take away the EFTC before it ever has a chance to give our families meaningful financial relief. S. 4297² and its companion bill in the House, H.R. 9289,³ would repeal the EFTC, removing it entirely from the federal tax code.

The Orwellian name for these bills is "Keep Public Funds in Public Schools Act." This wording is deliberately misleading and promotes two serious fallacies that are being promoted by opponents of Christian education.

FALLACY #1 - The EFTC uses "public funds" and legalizes "public tuition assistance."

The truth is that all money made available through the EFTC will come from private donations. The EFTC includes no exchange of money between the government and the church, between the government and the school, or between the government and the family that enrolls a child in your school.

The understanding that School Choice dollars that accrue from a tax credit program are private is based on sound precedent that has been set by the U.S. Supreme Court. In the 2011 case *Arizona Christian School Tuition Organization v. Winn*,⁴ which challenged the Arizona tax credit model School Choice program on Establishment Clause grounds, the U.S. Supreme Court found that the plaintiffs lacked standing because the program was funded with private donations. Additionally, the court found that the "[r]espondents' contrary position – that Arizonans benefiting from the tax credit in effect are paying their state income tax to STO's – assumes that all income is government property, even if it has not come into the tax collector's hands. That premise finds no basis in standing jurisprudence."

The false claim that EFTC dollars are "public funds" or "public tuition assistance" is sometimes stated in other ways. For example, some opponents of EFTC will deceptively call the provision a "voucher" or a "subsidy." A real voucher or subsidy is an allocation of taxpayer dollars to the school or to the family. As you already know, ODACS routinely advises its churches and schools to operate free from government subsidies because of the high risk of church-state entanglement. However, such a high risk does not exist with the federal EFTC because the donations are all private.

FALLACY #2 - The EFTC takes money away from public schools.

The EFTC includes no language that affects any public school funding mechanism in any way. This is true for all streams of funding, including local, state, and federal. As a matter of fact, public school students can also benefit under the EFTC by getting access to financial assistance for things such as tutoring and special education services.⁵

When you encounter this fallacy, here are some important facts to keep in mind.

- For the 2024-2025 school year, the average cost per-pupil in Virginia public schools was \$17,636.⁶ In the same year, the average tuition at an ODACS school was \$5,781. That is a difference of almost \$12,000!
- Total enrollment in ODACS schools for 2025-2026 was 4,222 students. If all of our schools were to close and those students were required to attend Virginia public schools, the case can be made that the Virginia Department of Education would need to obtain additional funding of about \$74.4 million! Expand that to the total number of Virginia private school students of more than 118,000, and the case can be made that Virginia public schools would need additional revenue of more than \$2 billion! Imagine the impact that would have on your property taxes, sales taxes, and income taxes!
- In other words, ODACS maintains that our church schools save the taxpayers a lot of money because they are privately funded and because they operate far more frugally!

What can your church and school families do?

As January 1 approaches, we will need "all hands on deck" in the effort to preserve and expand the freedom to educate our children in a Christian environment with God's Word as the foundation for all truth that is taught! Here are some ways that you can help.

- **Contact your federal representative and both senators, urging them to oppose both S. 4297 and H.R. 9289.** Letters, phone calls, e-mails, and online messages are all excellent ways to contact members of Congress. You can find links to the websites for all Virginia members of Congress by visiting the Federal Government Issues⁷ page of the ODACS website and scrolling all the way to the bottom. Each Congressional website includes information for contacting that member. Also, a sample letter to Congress will be sent by e-mail and will be posted on the ODACS website.
- **Educate your church and school families about Accord Kids.** Several ODACS ministries have already scheduled Accord Kids banquets for this fall. Accord Kids will pay for the food, and important information will be given to families about both the donation and application sides of the EFTC. If you do not host a banquet, please find other ways to inform and educate your families.
- **Prepare to oppose HB 359 in January!** Remember that HB 359,⁸ the Virginia bill that seeks to attach extremely dangerous VDOE controls to scholarship participation in the EFTC, was carried over to the 2027 Virginia General Assembly. Our people did an excellent job of opposing the bill last February; we will need to be mobilized for action again when January comes! By the way, HB 359 employs the same fallacy, defining the EFTC as "public tuition assistance," and then using that definition as the foundation for all of the dangerous policies that it proposed.
- **PRAY!** Please ask your church and school families to continue to pray for God's protection over our families, our churches, and our Christian schools!

Sincerely,

Dan Zacharias
Executive Director

See the following page for Footnote Links.

Footnote Links

¹ <https://accordkids.org>

² <https://www.congress.gov/bill/119th-congress/senate-bill/4297>

³ <https://www.congress.gov/bill/119th-congress/house-bill/9289>

⁴ <https://supreme.justia.com/cases/federal/us/563/125/>

⁵ <https://www.ed.gov/media/document/education-freedom-tax-credit-fact-sheet-113147.pdf>

⁶ <https://hac.virginia.gov/subtopics/k-12/k-12-education/>

⁷ <https://www.vaodacs.com/federal-government-issues/>

⁸ <https://lis.virginia.gov/bill-details/20261/HB359>