



Old Dominion Association of Church Schools

IMPORTANT UPDATE

American Rescue Plan Act (ARPA), Child Care Stabilization Grant

November 15, 2021

Dear ODACS Friends,

ODACS ministries are beginning to receive offers to participate in the Child Care Stabilization Grant (CCSG), the latest round of taxpayer funding aimed at expanding the government's role in early childhood education while working to establish "equity" in childcare. The grant is being offered by the Virginia Department of Education, though the funding source is the federal American Rescue Plan Act (ARPA), which became law last March. Before you make a decision about participation in the CCSG, we encourage you to carefully consider each of the following points.

1. It has been a long-standing practice of ODACS to caution its ministries against the use of taxpayer subsidies. We believe that a correct view of the principle of Separation of Church and State includes advocating tax exemption for church ministries, and that it logically follows that church ministries should operate without taxpayer subsidies. Such subsidies usually come with "strings attached," meaning that government will seek to control your ministry and very possibly will require your ministry to violate its Biblical beliefs. However, even when a particular subsidy does not require a ministry to violate its teachings, participation in taxpayer subsidies can become a slippery slope that leads to dependence on government funding in order to continue to operate. ODACS views the ARPA CCSG in light of these considerations and therefore cautions ministries against participation.

2. The ARPA CCSG is not the same as the CARES Act. The ARPA is new federal stimulus funding approved by Congress in March. The CCSG is a portion of ARPA that is aimed specifically at daycares and preschools. It is the latest round of temporary federal funding of early childhood care and education. To date, the CCSG also represents the most aggressive effort by the federal government to gain new control over the nation's childcare industry.

3. ODACS believes that the purpose of the ARPA CCSG conflicts with the purpose of ODACS ministries. The CCSG openly seeks to promote "equity" in childcare, as evidenced by the grant's use of a "social vulnerability index" to determine how much funding a provider will be awarded.

An additional and very important purpose of the grant in Virginia is to incentivize participation in Virginia's Child Care Subsidy Program (CCSP, separate from and not to be confused with the CCSG). The incentive comes in the form of an additional 20% reward to grant applicants who also participate in the subsidy program. It is by this means that the state can cause church-run daycares and preschools to become dependent upon the state and to violate their Biblical convictions. Participation in the Child Care Subsidy Program requires the provider to sign a lengthy vendor agreement which ODACS views as *licensure in effect*. Among the requirements

of the subsidy program are LGBTQ non-discrimination and implementation of VDOE's new learning standards for birth to age 5.

The Child Care Stabilization Grant is enticing because the size of the grants being offered is considerably more than childcare providers were able to receive in CARES Act funding. ODACS has examined the application carefully; to the best of our knowledge, the grant application itself does not include any requirement that would violate your ministry's beliefs. Nevertheless, your ministry needs to understand that applying will mean that you must establish an online account with VDOE and also that you will be pressured to participate in the CCSP.

The CCSG is just the next edition of what we can expect to be an indefinite series of temporary grants and subsidies, all with the same end goal of permanent government funding and control of all childcare in Virginia. As the grant illustrates, pressure to participate in the Child Care Subsidy Program will increase over time; for now, that pressure is in the form of financial incentives, but in time that dynamic may very well change.

Additional Background Information

Since its founding in 1976, ODACS has taken a strong stand on the principle of Separation of Church and State. On one hand, we understand that this principle is often misapplied by those who oppose government officials being guided by their strongly held religious beliefs; however, we also believe that, when correctly understood, the principle of Separation of Church and State provides important safeguards against both a church-run state and a state-run church.

The historic ODACS understanding is that, when applied to matters of finance, the principle of Separation of Church and State works in two ways. The first is that churches and their ministries should be free from government taxation; in other words, they should enjoy tax exempt status. The second is that the state should not subsidize churches and their ministries. These two applications of the principle foster the church's freedom to worship and to serve God according to the dictates of its own convictions and conscience. We believe that departures from these two applications inevitably serve to undermine that freedom.

More recently, in 2017 and 2018 ODACS was involved in a situation in which the state attempted to force our ministries to accept a federally funded benefit, namely that the state would use federal funds to pay for fingerprint background checks for childcare employees. VDSS was unclear about what new mandates would accompany the funding. ODACS asked VDSS to give its ministries the option to self-pay for the background checks, and VDSS refused. The difference of understanding between ODACS and VDSS led to our submitting an opinion request to the state attorney general's office, a list of seven questions about the legality of the VDSS policy. In the end, the attorney general's office forced VDSS to change its policy and then declined to answer the questions. These actions gave ODACS a pretty good idea about what the answers to our questions would have been. Throughout this process, we cited the principle of Separation of Church and State as the underlying principle that informed our concerns and requests. You can review this history by reading several ODACS memos published in 2017 and in 2018, posted on our Child Care Issues page.

<http://vaodacs.com/child-care-issues/>

Also, ODACS believes that our ministries may soon face serious challenges to their tax exempt status. The Equality Act, which is still before the Congress, and the recently passed Virginia Values Act, Virginia's new LGBTQ rights law, both pose a threat to tax exemption for churches in addition to posing other serious financial threats to churches. Separation of Church

and State will be one of the foundational principles which will need to be advocated if our ministries are to remain free to teach God's truth about human gender, human sexuality, and marriage. ODACS believes that accepting taxpayer funds in any form, either directly or indirectly, will weaken a ministry's ability to stand on the principle of Separation of Church and State during the challenges that lie ahead. We have already heard in the media and from other quarters the accusation that goes something like this: "If they accept government money, then they shouldn't be allowed to discriminate."

Once again, I hope that this information will prove helpful to your ministry. I appreciate the continued trust that you are placing in ODACS, your prayers for me and my family, and your careful consideration of the information in this update. God bless!

Sincerely,

Dan Zacharias
Executive Director

Use the links below to find additional information.

Grant Information from the Virginia Department of Education
<https://doe.virginia.gov/cc/community/index.html?pageID=14>

VDOE Grant Application User Guide
<https://doe.virginia.gov/cc/files/vdoe-ccsg-provider-app-guide-10-28.pdf>

Virginia Early Childhood Advisory Committee Web Site
(The ARPA Child Care Stabilization Grant has been a priority agenda item in recent meetings.)
https://www.doe.virginia.gov/boe/committees_advisory/early-childhood/index.shtml