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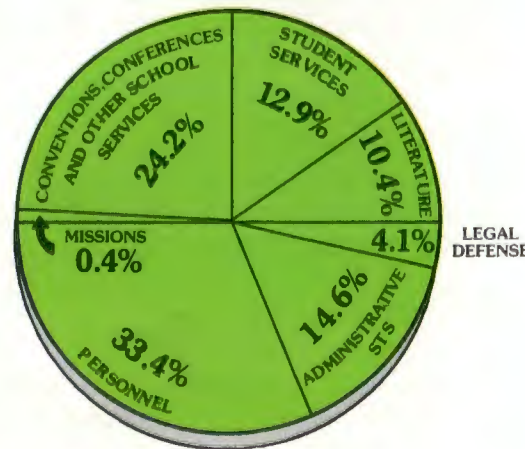



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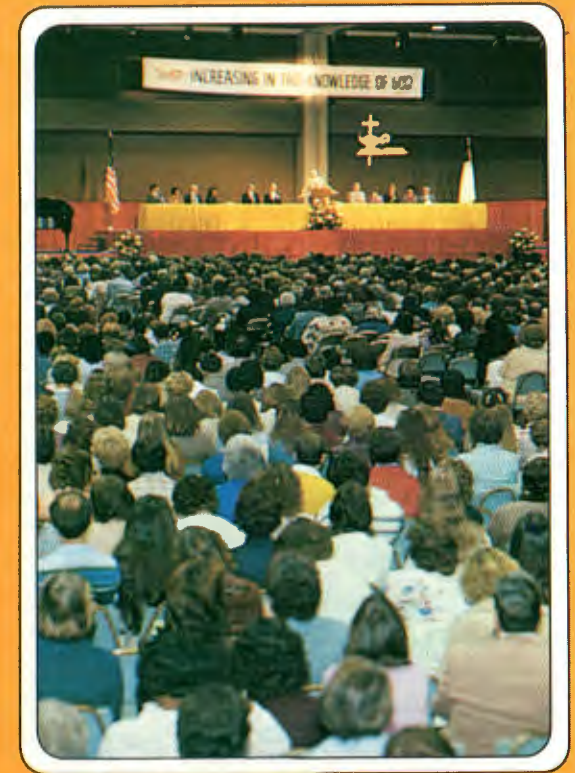
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TEN REASONS WHY YOUR SCHOOL SHOULD BE A MEMBER OF ACSI



TEN REASONS WHY YOUR SCHOOL SHOULD BE A MEMBER OF ACSI

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1) Spiritual growth and professional training of your staff is essential to the ongoing ministry of our school. The ACSI teacher conventions and administrator conferences held throughout the country are characterized by inspiring general sessions and Christ-centered professional seminars. A total of 19,360 attended ACSI conventions last year and the total attendance at ACSI administrator conferences was 2,150

2) ACSI is your voice in Washington, D.C. and also in the state capitals. ACSI is the largest association of Christian schools in the U.S.

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SCHOOLS



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ASSOCIATION OF CHRISTIAN SCHOOLS INTERNATIONAL

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May 25, 1983

Dear Christian School Administrator:

This letter contains good news and bad news. I will give you the good news first.

On March 17 the first face-to-face meeting between ACSI and the U.S. Department of Labor was held in Washington, D.C. Mr. Albert Angrisani, Assistant Secretary of Labor, and his attorney, William Duross, were in attendance from the U.S. Department of Labor. Representing ACSI member schools were ACSI attorney William Ball, Morton Blackwell from the White House, Dr. Chuck O'Malley from the U.S. Department of Education and myself.

At the conclusion of the meeting, the U.S. Department of Labor agreed to discontinue taxation and regulation of independent Christian schools until the matter is finally settled in the U.S. Supreme Court. It could be one or two years before the matter reaches the high court. In the meantime, the schools will not be harrassed by labor agencies. Praise the Lord!

Now I have to give you the bad news. By a vote of 8 to 1, the justices of the U.S. Supreme Court turned down the Bob Jones University case. Their loss is everybody's loss because of the religious liberty issues involved. We, of course, denounce all forms of racial discrimination, but the larger issue is the fact that government agencies can now impose their public policies over religiously-held beliefs. The down-range impact could mean that Christian schools and/or churches could lose their tax-exempt status if they speak out against such issues as abortion, gay rights or other public policy positions that are contrary to the teachings of the Bible. It may also affect our ability to refrain from hiring individuals whose life-style is contrary to Christian standards.

All of this appears to be a major setback for God's people, but may I remind you that our Lord is still on the throne. Perhaps it is another solid sign that His return may be very soon.

"Even so, come, Lord Jesus!" (Rev. 22:20)

Sincerely in Christ,

Paul A. Kienel
Executive Director

PAK:ja



For Your Information

California Catholic Conference

926 J Street — Suite 1100, Sacramento, California 95814
(916) 443-4851

May 27, 1983

Letters to the Editor
Los Angeles Times
Times Mirror Square
Los Angeles, California 90053

Dear Editor:

Your May 25th editorial, Clumsiness Exposed, tied together private education, the U.S. Supreme Court's decision to deny tax exempt status to racially discriminatory private schools, pending Court action on a Minnesota law affecting education and the Reagan Administration's support for tuition tax credit legislation. You called the Administration's action "a clumsy attempt to turn back the clock on minority rights."

Speaking for the Catholic Schools of California, wherein 265,000 elementary and secondary school students are educated, I wish to remind you of our own (and other denominational schools') long standing support for, and compliance with, non-discrimination policies. In this state, Catholic schools annually serve a higher percentage of children from minority families than do the public schools.

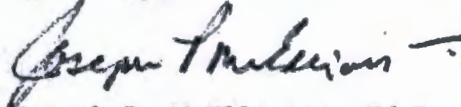
Your editorial stated that "the Supreme Court soon will rule on a Minnesota law that allows tuition tax credits for families whose children attend private schools." In fact, the Court is considering a 28 year old Minnesota statute which allows parents of both public and private school students to claim a state tax deduction for student transportation, textbooks, tuition and similar educational expenses.

Rather than attempting "to turn back the clock on minority rights", the Reagan Administration's federal tuition tax credit bill (S.528), approved by the Senate Finance Committee on May 24th, contains pages of stringent provisions to assure that no one would be entitled to a federal tuition tax credit for enrollment of a student at discriminatory schools.

Tuition tax credits, as designed by the Administration, are vehicles whereby middle and lower income families, including minorities, now doubly burdened by public

school taxes and private school tuitions, might have some modest and partial tax relief as they exercise freedom of choice in selecting alternative education. Such legislation would assist those families whose quest for quality education in parochial schools in Los Angeles was discussed by your education writer, David Savage, in his comprehensive article, "High Scores at Low Cost", on April 26, 1983.

Sincerely,



Joseph P. McElligott, Ed.D.
Director, Division of Education
California Catholic Conference

Past Chairman, California Equal
Educational Opportunities Commission

JPM:gt

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Clumsiness Exposed

In powerful, sweeping language, the U.S. Supreme Court has reaffirmed the nation's "fundamental, overriding interest in eradicating racial discrimination in education." It did so in upholding a longstanding refusal of the Internal Revenue Service to grant tax-exempt status to Bob Jones University in Greenville, S.C., and the Goldsboro Christian Schools in Goldsboro, N.C., both of which the court specifically found guilty of racial discrimination.

Bob Jones University admits a few black students but bans interracial dating and interracial marriage; the Goldsboro schools do not admit blacks. Both argued that their policies reflected sincerely held religious beliefs. But Chief Justice Warren E. Burger, writing for the 8-1 majority, said that the government's interest in ending discrimination is so clear and so compelling that it "outweighs whatever burden denial of tax benefits places on [the schools'] exercise of their religious beliefs."

The federal tax code exempts charitable, educational, religious and scientific organizations from paying federal income taxes, Social Security taxes and unemployment taxes as a means of helping such organizations grow and benefit society. Since 1970 the Internal Revenue Service has held that exempt organizations must not violate fundamental public

policy; the nation's civil-rights laws are as fundamental as public policy can be. As Burger wrote, an institution's "purpose must not be so at odds with the common community conscience as to undermine any public benefit that might otherwise be conferred."

Federal tax exemptions are crucial to many private schools; the decision could therefore have wide effect among academies set up by opponents of desegregation. In another private-school case, the Supreme Court soon will rule on a Minnesota law that allows tuition tax credits for families whose children attend private schools. The Reagan Administration has filed a brief in support of the Minnesota law, in keeping with its own misguided effort to extend tuition tax credits to all states.

Tuesday's Supreme Court decision was in fact a stern reprimand for the Reagan Administration, which set the case in motion by revoking the 1970 policy on tax exemption, arguing that Congress had not given the revenue service specific authority to ban tax breaks for schools that discriminate.

The law is so clear and the court's language so forceful that the Administration's action stands even more visibly exposed for what it was—a clumsy attempt to turn back the clock on minority rights.

Parochial Schools

Education: High Scores at Low Cost

By DAVID G. SAVAGE,
Times Education Writer

There are two schools on a corner of 111th Place in South-Central Los Angeles. One, Figueroa Elementary, spends nearly three times more than the other, Ascension School, for the education of each child—for better-paid teachers and more of them; for aides in each classroom, for extra instructional programs for children with "special needs," and for newer and more varied books and reading materials.

Yet Ascension has a waiting list of children trying to get in.

The same story is repeated in the Latino neighborhoods of East Los Angeles and in every big city in the nation. The schools in such demand are run by Roman Catholic archdioceses. They spend far less, but by every measure of academic achievement, their children do far better, so much so that poor and lower-middle-class parents strive to enroll their children, despite the financial sacrifice.

Money Issue

Though there is a growing consensus that the public schools are badly underfunded, it remains remarkable that the Catholic schools can do so much with so little.

Catholic scholars such as Father Andrew Greeley contend that for practically every minority group that has immigrated to America's big cities—first the Irish, the Italians, the Poles and now the Latinos and, to a lesser degree, blacks—the parochial schools have given the children the solid, fundamental education that helped them move into the mainstream of the American middle class.

The parochial schools have been "islands of hope in the poorest areas of the nation's urban landscape," and despite "precarious funding, have remained in the hearts of American cities, embracing and serving generations of minority children," said the Rev. Virgil Blum, a Marquette University political science professor in an introduction to a recent study of Catholic schools in eight cities, including Los

Blunt Analysis

Robert Cervantes, a top official of the state Department of Education, who said he sends his children to Catholic schools in Sacramento, has a more blunt analysis:

"Let me put it this way: If you had twins and sent one to a public school and one to a parochial school, I'd be willing to bet you the parochial school child will do better."

About 11% of elementary and secondary school children nationwide, and in California, go to private schools, and of these, about two-thirds are in Catholic schools. The National Catholic Education Assn. says that just over half of Catholic students are in the 20 large-city dioceses.

The public and parochial schools in Los Angeles have a similar ethnic makeup. Latinos account for 49% of the city school enrollment, 45% in the Catholic schools. Anglos and blacks each make up 22% of the city's students, and Asians are 7.5%. In the parochial schools, blacks account for 10%, Anglos 38% and Asians 7.6%.

Most Catholic schools in the city spend less than \$1,000 per child per

national average, while parochial students in the city were at the 64th percentile.

University of Chicago sociologist James Coleman in 1981 released a federally funded analysis of 58,000 high school students in public and private schools. Coleman concluded, to the displeasure of public school leaders, that the private and parochial students consistently performed better, regardless of the family's income or educational background.

Why? Coleman used further data supplied by the schools and students to come up with an answer. The parochial school students took more academic courses, did more homework, were absent less often and had fewer discipline problems, he said.

A second study by Father Greeley, also at Chicago, found that the greatest benefit of the parochial schools showed up with minority students. If the public schools were doing a good job for the top students—and there was evidence of this—they were failing the poorest and least able student, Greeley said.

Parochial students took more academic courses, did more homework, were absent less often.

year, and several in East Los Angeles spent \$400 or less last year. By contrast, the Los Angeles public schools spent \$2,281 per child in 1982, not counting capital expenditures and various reserve funds.

Standardized Test

Both systems use the Comprehensive Test of Basic Skills produced by McGraw-Hill Inc., a nationally standardized test in which the 50th percentile equals the national norm.

City school students score slightly below the national average. Reading scores in 1982 were 39th percentile in third grade to 40th percentile in the eighth grade, the last grade for which the test is used. In the Catholic schools, reading scores were at 64th percentile in third grade and 66th percentile in seventh grade, the last year for which the test is administered.

Math scores were similar. Los Angeles public students hovered at the 48th percentile, just below the

Both studies had their share of critics, and the U.S. National Center for Educational Statistics took the unusual step of releasing seven rebuttals at the same time. In essence, the critics said public school and parochial school students could not be considered comparable, regardless of the control factors.

Public school officials contend that such comparisons are fundamentally unfair because private schools do not get the poorest of the poor children, those who are most disruptive, the severely handicapped, or those who bounce from school to school because their parents, for one reason or another, cannot provide a stable home.

Moreover, they say, a child from a family that will sacrifice to pay for parochial education will be better motivated, although it may be impossible to measure, than a similar child from an otherwise identical family that chooses to simply send the child to a public school.

SCHOOLS: Few Frills, High Scores

A look at parochial and public schools in minority neighborhoods of Los Angeles reveals that whatever the item, the parochial schools typically have less of it—fewer students, fewer teachers per student, fewer administrators, fewer computers and film projectors, smaller playgrounds, fewer regulations and guidelines.

Teachers in the parochial schools earn on the average only about \$12,000 a year. Los Angeles public school teachers averaged \$24,279 last year.

Our Lady of Guadalupe school in East Los Angeles, like most parochial schools, is starkly simple: a two-story red-brick building, eight classrooms and eight teachers. There are an average of 39 children per class, with no classroom aides. There are no special remedial programs, no faculty lounge, not even a school library.

No Room for Computer

"We are very strapped for space. We were thinking of buying a computer, but we don't have anywhere to put it," said Sister Maura Ryan, the principal. The halls and classrooms are neatly painted and have none of the graffiti of some public school halls. The symbols of Christ and the cross are omnipresent. The wall maps in some classrooms still list French West Africa, the Belgian Congo and other nations that have long since disappeared from new maps.

All 311 students are Latino, and at least half the mothers speak no English, Sister Maura said.

"Our primary teachers speak enough Spanish to get them (children) started, but we immerse them in basic English. We don't believe in bilingual education," she said.

When observed, the teaching of reading and writing appears to be simple hard work. Rather than relying on the mechanistic, pre-packaged reading programs popular in some public schools, the parochial teachers spend most of the class time talking about stories and their meaning.

While the rest of her sixth-grade class reads one story, Sister Julia, one of only three nuns on the staff, works with 15 of the slowest readers in another part of the room, carefully going over a story about French explorers on the Mississippi.

Student Response

"Where are they standing?" she asks. Three hands go up.

"On a cliff," one child answers. "Jose, why are they up on a cliff?" And later, "Where do the Indians carry their arrows? And, "What does a quiver look like?"

Catholic schools are perhaps best known for discipline, specifically, the image of a nun using a rule to smack the hand of an offending child.

But in most schools, public and private, discipline seems best where it is least visible. Either because of lack of money or lack of need, rarely do Catholic schools have uniformed security guards, elaborate security systems or even many burly principals and assistant principals.

"We try to teach self-discipline and self-control," Sister Maura said. "We get a lot of cooperation from the parents."

At 10 a.m. on any weekday, the Guadalupe school playground in a whirl of overlapping kickball, handball and basketball games. Only one teacher observes. When the recess bell sounds, the children, in their matching blue and white uniforms, quietly put the balls back in the corner and drift into a line outside their classroom. The doors open, and each class files back in.

Discipline Problems

Public school officials often complain that they get the discipline problems because "Catholic schools don't have to take those kids."

But Catholic school officials often note the reverse of the public school complaint: Parents, when confronted with an unruly child, frequently decide to enroll him or her in a

Catholic school where the discipline is judged to be better.

This year, the Guadalupe school had a per-pupil cost of \$388, about one-sixth the average in the Los Angeles public schools. Its seventh-graders scored at the 55th percentile in reading, 68th percentile in language and 73rd percentile in mathematics.

In Boyle Heights, Our Lady of Talpa school sits at the corner of 4th and Evergreen avenues, a few blocks away from the much larger Euclid Avenue public elementary school. Nearly 100% of the children at both schools are Latino, and more than half the parents do not speak English.

A family pays \$500 a year for its first child at Talpa, \$550 for two and \$600 for three or more. The average class has about 35 children, again with no aides or extra programs.

A Latino child entering in kindergarten or first grade starts out in English at Talpa, helped only by the primary teachers who can speak some Spanish. At Euclid Avenue, about 80% start out in Spanish reading, school officials say.

Easier Transition

"If they learn to read in Spanish, it is much easier for them to learn to read in English," said Rita Cazares, assistant principal at Euclid.

Typically, a 5-year-old in the public schools is tested with a series of pictures. If he responds more in Spanish than English, he is started in a "bilingual" class where he spends most of the day speaking and reading in Spanish. The classes include oral English instruction for a portion of the day. By the third grade, if the students are judged to be reading Spanish adequately, they begin to learn reading English.

In addition, the school has a "compensatory education coordinator," a Spanish reading coordinator who works with seven aides, a "Distar" program for teaching English reading that includes two teachers and seven aides, a "remedial reading" program with one coordinator and one teacher, as well

SCHOOLS: Parochial Students Perform Well With Few Classroom Aids

as several "resource specialists" who work with children with a variety of mental and physical handicaps.

In the third grade, Euclid Avenue pupils scored slightly higher in 1982 on the national reading test than did Talpa students, although the Los Angeles schools admit they do not test students who are not reasonably proficient in English, while the parochial schools test all their students.

By the upper grades, the pattern is reversed, and parochial students score substantially higher in reading and math.

Asked whether starting in Spanish is helping or hurting the Latino children, Cazares said, "I don't have any longitudinal studies, so I can't venture to say. My hope is they would do as well as the others" who started in English.

Strong Belief

She added that her own strong belief in bilingual education stemmed from her years in a Los Angeles parochial school.

"I sat and vegetated for the first couple of years," she said, because the instruction was in English and she went to school speaking Spanish. She said she did not recall when she learned English, although she went on to do well in school and eventually earned a master's degree from California State University, Los Angeles.

Christine Napolitano, a fifth-grade teacher at Talpa, who also taught in several public schools, is convinced that the Catholic school is better, but is not entirely sure why.

"I'm still teaching the same way, but it works better here. I think it may be because of the religion—not the specifics of it, but because it provides a common philosophy and values," she said.

Parochial school students typically get 20 to 40 minutes of religious instruction a day. Nationwide, only 10.6% of Catholic school enrollment is non-Catholic.

The morale among public school teachers is far worse, she said, a

statement echoed by Los Angeles city teachers.

"They get more pressure from the administration, and there just are more administrators and paperwork," she said. "The union rules seems to make it worse too. Other teachers will criticize you for staying late or doing some extra work that's not called for in the contract."

Linda Patterson, a seventh-grade teacher at Ascension, said she began teaching in the public schools of Louisiana.

"The big difference here is the discipline. You don't have to deal with as much and you have more time for teaching.

Becky Bruns, an eighth-grade teacher, drives 30 miles each day to Ascension, but said she has no wish to transfer to a higher-paying public school.

"It's not that public school teachers don't care. They have less opportunity for teaching because

"I think the parents make the sacrifice to send their children here first because of the religious education—the moral development, a sense of religious values. From what our parents say, the Catholics and non-Catholics, that is even more important than a quality academic education," she said.

The cost is \$45 per month for the first child. In addition, the school has informed parents that they must raise \$18,000 in the next year to keep the school alive. Despite the tuition and a subsidy from the Archdiocese, the school is usually facing a deficit.

"This is a very poor parish," the sister said.

California had until 1981 provided \$13 per child in textbook aid for all students, public and private. But the California Teacher Assn. and the American Civil Liberties Union filed suit against the \$3.6-million program, contending it was "draining

At two public schools, parents are paid a \$25 'stipend' to attend 4 'parent education' classes.

they are mired in paperwork, meetings, regulations, pressure from the administration."

Glenda Sheppard, a third-grade teacher at Ascension, said she attends a state university night class with public school teachers and hears plenty of the same complaints.

"The professor asked us a couple of weeks ago about how many felt appreciated in their school. I was the only one who raised my hand," she said.

At both Ascension and its neighbor, Figueroa, about two-thirds of the children are black, one-third Latino, although the percentage of Latino children in the neighborhood has been steadily increasing in recent years.

Most of the parochial school's black students are not Catholic. Two years ago, the school hit a peak of 45% non-Catholics, said Sister Marge Well, the principal.

away funds that would otherwise be available to the public schools" and was a "subterfuge" to get around state bans on aid to religious institutions.

The state Supreme Court agreed in August, 1981, and ended the private school aid program. As a result, parochial school parents were required to pay more or raise more money to help pay for books.

"But they'll do it. Last year, they raised \$15,000. This school is that important to (the parents)," the principal said.

By contrast, at the Figueroa and Euclid Avenue schools, parents are paid a \$25 "stipend" to attend four "parent education" classes at the school, a rather common use of federal funds designed to help disadvantaged children, according to school officials. At Euclid, a parent may enroll four times during the year, earning \$100.

The Ascension school has all lay

teachers (not nuns), and only six of the nine are Catholics.

The Ascension students typically score at about the national average in reading and math. The Figueroa students score considerably lower, and eighth-graders at nearby Gompers Junior High scored in the bottom 25% nationally.

More Academic Work

The Coleman study concluded that one reason Catholic high school students fared better was because they simply did more academic work.

By graduation, a typical student has taken four years of English, math, religion and foreign language, two or three years of science and 3½ years of social studies, said Sister Christopher, the principal.

In recent classes, 88% to 91% of the girls have gone on to some higher education.

A series of education studies since the mid-1970s have identified a series of common-sense factors that typify schools that work, and Chester Finn, a Vanderbilt University education professor, said the profile of such a school "virtually describes the typical Catholic school. They have a clear sense of purpose, strong leadership, discipline, they assign homework, they have high expectations for their students, and they promote based on performance," he said.

Finn noted that private schools as a rule do not enroll the poorest students or those with mental or physical handicaps, a high-cost addition to most public school budgets. "In general, they (private schools) don't get the children from hopelessly disorganized households. But I don't think that detracts from the remarkable job they do" with other poor and minority students, Finn said.

State Supt. of Public Instruction Bill Honig said, "I think it shows what works—high standards, discipline, homework, taking the right courses. There are public schools doing these things, and they are getting the same good results."

Honig added that the per-pupil

cost comparisons are partly unfair, because of the unreasonably low salaries in the Catholic schools.

Cervantes, the state education official who sends his children to parochial school and serves on a governing board for the schools, said he believes a "whole series of subtle factors" explain the achievement gap.

"The learning environment is different. It is more conducive to learning. For example, among the Hispanic kids in the public schools, it is frowned upon to be smart. In the parochial schools, it is rewarded," he said.

In his own analysis of public and parochial schools, he said, "I've never seen a public school that outperforms a comparable parochial school." So convinced is he of their superiority that Cervantes said he "would recommend Hispanic parents try to enroll their children in Catholic schools."

Catholic school enrollments plummeted in the late 1960s and early 1970s and are still slowly sinking. In 1966, Catholic schools nationwide enrolled 5.4 million children. In 1983, the number is 3 million.

The other religiously affiliated private schools have been steadily growing, although their numbers remain tiny in comparison to the Catholic sector. Next in order are the Lutheran schools with 217,000 children; Baptists, with 204,000; Seventh-day Adventists, 148,000; and Jewish, 101,000.

Greeley and William McCready, also of the University of Chicago's National Opinion Research Center, contend that the dropoff in Catholic enrollment is explained by the middle-class flight to the suburbs.

While Catholics, like most Americans, left the central city for the suburbs, the parishes and the Catholic schools remained behind in the heart of the aging cities. Greeley blames the church hierarchy for failing to build new schools where the parishioners are now living, but others applaud the church for not abandoning the old city neighborhoods.

1 BUTTLER, P.J.

2 Petitioner seeks judicial review of the Employment
3 Division referee's decision affirming the Division's tax
4 assessment for reimbursement of unemployment compensation paid to
5 four of its former employes. It contends that it is statutorily
6 exempt from the Unemployment Compensation Act (ORS 657.005 to
7 657.990) or, if not exempt, that the application of the Act to it
8 is forbidden by the First Amendment to the United States
9 Constitution.¹ We conclude that petitioner is not exempt by
10 statute, but that applying it to petitioner and not to church-
11 related schools violates the Establishment Clause of the First
12 Amendment. Given that conclusion, we need not decide whether, or
13 to what extent, the Act may be applied to religious schools in
14 light of the Free Exercise Clause of the First Amendment.

15 Petitioner is an interdenominational Christian primary
16 and secondary school founded in Salem in 1945 by the pastor and
17 laymen of a local church. It is organized as a nonprofit
18 corporation, registered with the Oregon Department of Education,
19 exempt from federal income tax under section 501(c)(3) of the
20 Internal Revenue Code and governed by a 16-member Board of
21 Trustees. It enrolls 750 students and employs approximately 50
22 teachers, in addition to administrative and staff personnel. Its
23 expenses average approximately \$1400 per student per year,
24 revenues are derived from tuition and donations, and the average

1 student tuition is \$1,200 per year.

2 One of petitioner's principals summarized the purpose
3 of the school:

4 "[Its] purpose is to teach and train children and
5 young people to a life of service to God. It makes no
6 difference if that service is as a lawyer or a doctor
7 or a plumber: the whole focus of living is to please
8 God. And that is why we exist, to train every single
9 child that they'll function in society, in their
10 church, in their home in a way that honors God."

11 Specific religious training includes daily Bible study, prayer
12 and twice-weekly chapel services. Moreover, petitioner's Parent
13 and Student Handbook provides:

14 "The place of Christ is paramount in education,
15 and should permeate every phase of the school -
16 academics, athletics, activities, the lunchroom,
17 playground, etc. Jesus Christ is not appendage to
18 education, He is the center of it."

19 All staff, including maintenance personnel, school
20 administrators, school store operator and teachers are
21 presented to students as examples of faith-in-action and are
22 expected to proclaim the teachings of Jesus Christ to the
23 students. Teachers are selected on the basis of their ability to
24 teach from "God's perspective" and are expected to exert a
spiritual influence on the lives of their students. All teaching
must accord with petitioner's doctrinal statement of faith, and
the teaching of doctrine peculiar to any denomination is
forbidden. Each teacher must be an active member of a local
church. Each teacher is evaluated annually and is subject to

1 dismissal if his or her performance does not meet petitioner's
2 standards. In addition, all staff are subject to dismissal for
3 failure to comply with petitioner's code of ethics. Among other
4 things, the code requires that each staff member be a
5 "regenerated person, who is confident of the leading of the Holy
6 Spirit to the work here as his opportunity to make Christ known
7 by life and word."

8 Petitioner is not affiliated with any specific church
9 or denomination and is open to students of all denominations.
10 Approximately 60 to 80 local churches participate in petitioner's
11 activities. In selecting board members, petitioner attempts to
12 have a fair representation of the churches that send it
13 students. Petitioner's personnel serve as substitute pastors,
14 and the local clergy serve as substitute teachers and speak at
15 chapel services. The local churches encourage enrollment in the
16 school and contribute funds or encourage their members to do so.
17 Petitioner could not survive if it lost the support of the major
18 churches in Salem's evangelical community.

19 THE STATUTORY SCHEME

20 The Federal Unemployment Tax Act (FUTA), 26 USC §§ 3301-
21 3311 (1976 ed. & Supp. IV), created a cooperative federal-state
22 scheme to provide benefits to unemployed workers. It requires
23 employers to pay an excise tax on wages paid to employes in
24 covered employment but entitles employers to a credit of up to 90

1 percent of the tax for contributions they have paid into state
2 unemployment programs that comply with federal standards. 26 USC
3 §§ 3301-3302. In addition, federal grants are available to the
4 states to administer federally approved state plans. See 29 USC
5 § 49d(b); 42 USC § 501. One of the requirements for federal
6 approval is that state programs encompass certain broad
7 categories of employment. See 26 USC §§ 3304 and 3309. The
8 Secretary of Labor annually reviews each state program to
9 determine whether it satisfies federal standards. 26 USC §
10 3304(a) and (c). Because of this combination of federal grants
11 and tax credits, the federal government, for all practical
12 purposes, dictates the minimum coverage of state unemployment
13 insurance laws. The Oregon program is codified in ORS ch 657.

14 Until 1970, section 3306(c)(8) of FUTA excluded from
15 covered employment "service performed in the employ of a
16 religious, charitable, educational, or other [tax exempt]
17 organization." Pub. L. No. 86-778, § 533, 74 Stat. 984. In
18 1970, Congress amended FUTA to require state plans to cover
19 employes of nonprofit organizations, state hospitals and state
20 institutions of higher education, thus eliminating the broad
21 exemption available to nonprofit organizations. 26 USC §
22 3309(a)(1). In its place, Congress enacted section 3309(b) to
23 exempt from mandatory state coverage a more narrow class of
24 religious and educational employes, under which "employment" did

1 not include service performed:

2 "(1) in the employ of (A) a church or convention
3 or association of churches, or (B) an organization
4 which is operated primarily for religious purposes and
5 which is operated, supervised, controlled, or
6 principally supported by a church or convention or
7 association of churches;

8 "(2) by a duly ordained, commissioned, or licensed
9 minister of a church in the exercise of his ministry or
10 by a member of a religious order in the exercise of
11 duties required by such order;

12 "(3) in the employ of a school which is not an
13 institution of higher education. * * * Pub. L. No. 91-
14 373, § 104(b)(1), 84 Stat. 698.

15 In 1976, Congress again amended FUTA, eliminating the substance
16 of section 3309(b)(3), and thereby removing the blanket exemption
17 for school employes. See Unemployment Compensation Amendments of
18 1976, Pub. L. No. 94-566, § 115(b)(1), 90 Stat. 2670. In order
19 to maintain compliance with FUTA, Oregon promptly amended the
20 state statute. Or Laws 1977, ch 446, § 4.

21 For purposes of this appeal, there are three principal
22 consequences to a covered employer. First, the employer is
23 subject to financial liability as determined by either the
24 periodic tax payment or the reimbursement method. Under the
periodic tax payment method, required of most employers, the
employer makes periodic tax payments into the state unemployment
compensation fund; each employer's contribution rate is
determined by the Employment Division based on the amount of
benefits previously paid to former employes of that employer.

1 26 USC §.3301(a)(c); ORS 657.430 to 657.471. Nonprofit
2 organizations, however, are permitted to elect the reimbursement
3 method for determining tax liability, ORS 657.505(8), under which
4 the employer is required to pay only the exact amount paid from
5 the fund to the unemployed former employes of that employer. In
6 contrast to the standard method, payments under the election
7 provision are, in effect, reimbursements made after the benefit
8 has been paid. Electing employers are required to file a surety
9 bond or deposit other security with the Employment Division. ORS
10 657.505(8).

11 The second major consequence of coverage is that
12 employers are required to maintain and submit to the Employment
13 Division detailed employment records, which include the wages
14 paid to each employe and other information necessary to compute
15 the employer's tax liability. ORS 657.660; 657.662. Third, the
16 Employment Division must analyze the reasons for the termination
17 of employment for workers of covered employers in order to
18 determine the employers' liability. In general, if the
19 employe is terminated for "misconduct connected with work" as
20 determined by the Division, subject to judicial review, the
21 employer is not liable. See ORS 657.176(2).

22 The present case arose when the Employment Division
23 sent petitioner a notice of tax assessment seeking reimbursement
24 for benefits paid during the first quarter of 1980 to four for

1 employes;² petitioner had previously elected the reimbursement
2 method after being notified by the Division that it was subject
3 to the Act. Petitioner requested a hearing pursuant to ORS
4 657.683, contending that it was "an exempted religious
5 institution."

6 At the hearing, petitioner contended that it comes
7 within the statutory exemption of ORS 657.072(1), which
8 provides:

9 " 'Employment' does not include service performed:

10 "(a) In the employ of:

11 "(A) A church or convention or association of
12 churches;

13 "(B) An organization which is operated primarily
14 for religious purposes and which is operated,
supervised, controlled or principally supported by a
church or convention or association of churches;

15 " * * * * * ."

16 In the alternative, petitioner contended that the statute is
17 unconstitutional as applied to it. The referee determined that
18 petitioner is not a "church" and that, although it is operated
19 primarily for religious purposes, it does not satisfy the
20 requirement that it be "operated, supervised, controlled or
21 principally supported by a church or convention or association of
22 churches." The referee did not decide petitioner's constitutional
23 arguments. Petitioner seeks judicial review pursuant to ORS
24 183.480 and 183.482.

1 At the time this case was argued, the parties advised
2 the court that California v. Grace Brethren Church, _____ US
3 _____, 102 S Ct 2498, 73 L Ed 2d 93 (1982), was then pending on
4 appeal in the United States Supreme Court and that the decision
5 in that case would dispose of the issues presented here. At
6 their request, we deferred disposition to abide the anticipated
7 decision. As pointed out below, the Supreme Court dismissed the
8 proceedings without reaching the merits.

9 SCOPE OF CRS 657.072(1)(a)

10 Petitioner contends that it is exempt under the
11 statute, because it is a "church" and because it is principally
12 supported by an association of churches in that it could not
13 survive without the moral support of the local evangelical
14 churches. Petitioner's first argument is without merit. Grace
15 Brethren Church v. California, (CD Cal 1981) (reported in CCH,
16 Unemployment Insurance Reports, §§ 21643 and 21644), vacated on
17 jurisdictional grounds, California v. Grace Brethren Church,
18 supra. Its second argument is more substantial, however.

19 We note at the outset that it is undisputed that the
20 Oregon unemployment compensation plan is intended to be
21 co-extensive with FUTA. Thus, although technically petitioner is
22 challenging CRS 657.072(1)(a), our interpretation of that
23 statute, as well as our conclusion as to its constitutionality,
24 necessarily applies to FUTA also. See California v. Grace

1 Brethren Church, supra, ___ US at ___ (slip opinion at 12); St.
2 Martin Evangelical Lutheran Church v. South Dakota, 451 US 772,
3 780 n 9, 101 S Ct 2142, 68 L Ed 2d 612 (1981).

4 Petitioner argues that congressional legislative
5 history demcnstrates that an increase in unemployment
6 among public school teachers in the early 1970's and requests
7 from the National Education Association provided the impetus for
8 Congress to amend section 3309 of FUTA. In addition, petitioner
9 points out that the Supreme Court has observed that Congress did
10 not discuss churches or church schools, but was concerned solely
11 with secular educational institutions, particularly the public
12 schools, in eliminating section 3309(b)(3). St. Martin
13 Evangelical Lutheran Church v. South Dakota, supra, 451 US at 785-
14 86. Because of that history and the policy of construing
15 statutes to avoid serious constitutional questions, NLRB v.
16 Catholic Bishop of Chicago, 440 US 490, 500-01, 99 S Ct 1313, 59
17 L Ed 2d 533 (1979), petitioner argues that the phrase
18 "principally supported" is not limited to financial support, but
19 includes continuing moral support of local churches to
20 independent religious schools that depend on such support for
21 their existence. Whatever merit there may be to that argument,
22 we think that the Supreme Court's treatment of this question
23 in California v. Grace Brethren Church, supra, although summary,
24 indicates that it does not so construe the exemption.

1 Following the 1976 amendments to FUTA, the Secretary of
2 Labor took the position that church-related elementary and
3 secondary schools were covered by the Act. In Grace Brethren
4 Church v. California, supra, a group of California religious
5 schools challenged that interpretation in federal district
6 court. For purposes of the statutory and constitutional
7 arguments, the district court divided the plaintiff schools into
8 three classes: Category I included schools that are part of the
9 corporate structure of a church or association of churches;
10 Category II included schools that are separate corporations
11 formed by a church or association of churches; and Category III
12 included schools that are "operated primarily for religious
13 purposes, but which [are] not operated, supervised, controlled or
14 principally supported by a church or convention or association of
15 churches, i.e., an independent, non-church affiliated religious
16 school." The court concluded that Category I and II, but not
17 Category III, schools are exempt from coverage under section
18 3309(b) and that FUTA is unconstitutional as applied to Category
19 III schools. The court enjoined the state from collecting
20 unemployment compensation taxes from all of the schools.

21 After issuance of the court's injunction, the
22 Supreme Court decided St. Martin Evangelical Lutheran Church v.
23 South Dakota, supra, holding that section 3309(b)(1)(A) exempts
24 Category I schools from mandatory coverage under the state

1 unemployment insurance programs and indicating that Category II
2 schools are exempt as well. As a result, the state and federal
3 defendants in Grace Brethren appealed the district court's order
4 only as to Category III schools. As indicated above, the Supreme
5 Court did not reach the substantive questions, because it held
6 that the Tax Injunction Act, 28 USC § 1341, deprived the district
7 court of jurisdiction to issue a declaratory judgment as well as
8 an injunction. In the process of determining its own
9 jurisdiction on appeal, 28 USC § 1252, however, the Court stated
10 that there is no statutory exemption for "Category III" schools.
11 California v. Grace Brethren Church, supra, ___ US at ___ n 18.
12 Although that statement may be dicta, we believe it is the
13 correct interpretation of ORS 657.072(1)(a)(B). Moreover, there
14 is no evidence here that there is any organized relationship
15 among the supporting churches that would qualify them as a
16 "convention or association of churches" within the meaning of the
17 statute.³ Therefore, ORS 657.072(1) does not exempt petitioner
18 from coverage.

19 ESTABLISHMENT CLAUSE

20 Petitioner contends that, even if it is not exempt
21 under ORS 657.072(1), the Act may not exempt church-affiliated
22 but not independent religious schools without violating the
23 Establishment Clause.

24 On the question of discrimination among religions,

1 there is little direct precedent. Establishment Clause cases
2 generally have focused on two issues: the intrusion of religious
3 matter into government activities, particularly religious
4 exercises in public schools, see, e.g., Engel v. Vitale, 370 US
5 421, 82 S Ct 1261, 8 L Ed 2d 601 (1962), and government aid to
6 religious organizations, particularly financial aid to parochial
7 schools, see, e.g., Waltz v. Tax Commission, 397 US 664, 90 S Ct
8 1409, 25 L Ed 2d 697 (1970). It has been generally understood
9 that government may neither prefer nor disfavor any one religion
10 or group of religions. Everson v. Board of Education, 330 US 1,
11 67 S Ct 504, 91 L Ed 711 (1947).

12 James Madison, one of the authors of the First
13 Amendment, Engel v. Vitale, *supra*, 370 US at 436, stated that the
14 policy of the country ought to be to promote a "multiplicity of
15 sects" and that the First Amendment was designed to accomplish
16 that end.⁴ Larson v. Valente, ____ US ____, 102 S Ct ____, 72
17 L Ed 2d 33, 48 (1982). Denying support for established churches
18 does so by assuring that new, developing religions are, so far as
19 government is concerned, at no competitive disadvantage and that
20 the growth and advancement of a particular sect comes solely from
21 the voluntary support of its membership. See Zorach v.
22 Clausen, 343 US 306, 313-14, 72 S Ct 679, 96 L Ed 954 (1952)
23 ("the government must be neutral when it comes to competition
24 between sects"). In this respect, all groups of citizens are

1 equal footing in developing their own unique set of beliefs.
2 Thus, Larson v. Valente, supra, struck down a statute imposing
3 certain registration and reporting requirements on only those
4 religious organizations that solicit more than 50 percent of
5 their funds from non-members, because it discriminated between
6 well-established churches and churches which are new and lack a
7 constituency.

8 Presumably in recognition that the institutional form
9 that a religion takes is essentially a religious question
10 answered by each sect according to its beliefs, the Court has
11 also stated that "freedom to adhere to such a religious
12 organization or form of worship as the individual may choose
13 cannot be restricted by law." Cantwell v. Connecticut, 310 US
14 US, 296, 303, 60 S Ct 900, 84 L Ed 1213 (1940) (emphasis
15 supplied); see also Jones v. Wolf, 443 US, 595, 603, 99 S Ct
16 3020, 61 L Ed 2d 775 (1979). Although the Court has not
17 elaborated on what constitutes the "organization or form of
18 worship," it has stated that a broad interpretation of what
19 constitutes a religious belief is necessary in order to avoid
20 discriminating among faiths, McGowan v. Maryland, 366 US 420,
21 442, 81 S Ct 1101, 6 L Ed 2d 393 (1961), and has consistently
22 applied a very broad interpretation in deciding cases. See,
23 e.g., Torasco v. Watkins, 367 US 488, 490, 495, 81 S Ct 1680, 6
24 L Ed 2d 982 (1961) (voiding Maryland's requirement that all state

1 officeholders declare their belief in the existence in God,
2 noting, among other infirmities, that the requirement disfavored
3 religions that either prohibit the declaration or do not teach
4 the existence of God); United States v. Seeger, 380 US 163, 165-
5 66, 175, 85 S Ct 850, 13 L Ed 2d 733 (1965) (Congress used the
6 expression "Supreme Being" in a statutory requirement for
7 exemption from military service in order to avoid "picking and
8 choosing religious beliefs"; the test, therefore, is whether "a
9 given belief that is sincere and meaningful occupies a place in
10 the life of its possessor parallel to that filled by the orthodox
11 belief in God"); Welsh v. United States, 398 US 333, 340-41, 90 S
12 Ct 1792, 26 L Ed 2d 308 (1970) (statutory requirement that a
13 putative conscientious objector be opposed "by reason of
14 religious training and belief" embraces an individual whose
15 beliefs are "purely ethical or moral in source" and which were
16 formed "by reading in the fields of history and sociology").⁵
17 We believe that a broad view of what is a "form of worship" is
18 also necessary to avoid discriminating among faiths. There can
19 be little doubt, for example, that a grant of tax relief limited
20 to churches whose organizational structure conformed to
21 hierarchical principles of polity would constitute the
22 establishment of religion in that favoring one form of polity
23 establishes the doctrines on which it rests.⁶

24 With these principles in mind, we believe that ORS

1 657.072(1) improperly favors one organizational form of religious
2 expression, i.e., schools linked to an established church.
3 Operation of parochial schools has been recognized as an
4 "integral part" of the perceived religious mission of a
5 particular faith, Lemon v. Kurtzman, supra, 403 US at 616; and it
6 has been held that parents have a Free Exercise right to choose a
7 religious education for their child. Wisconsin v. Yoder, supra.
8 First Amendment protection of religious schools derives primarily
9 from their function, however, not their connection to a church.
10 NLRB v. Bishop Ford Cent. Catholic High School, 623 F2d 818, 823
11 (2d Cir), cert den 450 US 996 (1980) ("It is the suffusion of
12 religion into the curriculum * * * which create[s] the conflict
13 with the Religion Clauses and not the vesting of legal title or
14 the responsibility of operation."); accord Cantwell v.
15 Connecticut, supra, 310 US at 306; Christofferson v. Church of
16 Scientology, 57 Or App 203, 241-42, 644 P2d 577 (1982) (church is
17 subject to the civil law of fraud for statements which are made
18 for a wholly secular purpose). Petitioner's dominant purpose is
19 teaching its interpretation of Christian faith; that is a
20 protected form of religious exercise and expression.

21 It hardly needs to be said that there are vast
22 differences in Biblical interpretations among Christian sects.
23 Although petitioner depends on 60 to 80 Salem churches for
24 support, the doctrine it teaches may not be coextensive with that

1 of each of the churches. By maintaining its independence, which
2 petitioner's administrator testified it wishes to do, petitioner,
3 through its governing body, can develop and change its doctrine
4 as it sees fit, without regard to whether any of its supporting
5 churches disapprove. That is its right. By requiring a school
6 to submit to the control of a church or affiliation of churches
7 to receive the exemption, ORS 657.072 effectively grants the
8 church the power to determine the school's doctrine, thereby
9 infringing on the right of citizens to develop, independently,
10 their own set of beliefs as well as discouraging the multiplicity
11 of sects. That the legislature cannot do. For First Amendment
12 purposes, this school is indistinguishable from church-affiliated
13 schools; the exemption cannot be conditioned on whether a school
14 whose primary purpose is religious -- under the statute, that
15 must be determined as to all -- is linked with a church. See
16 Christian School Ass'n v. Com. Dept. of Labor, 55 Pa Commw Ct
17 555, 423 A2d 1340, 1346-47 (1980).

18 REMEDY

19 Finally, we must determine the most appropriate remedy
20 to cure the constitutional violation. Petitioner assumes,
21 without discussion or citation of authority, that it must be
22 granted an exemption if the classification is unconstitutional.
23 The state declares, citing only dicta from the decision of a
24 federal district court, that if the classification is

1 unconstitutional the exemption must be struck down and all
2 religious schools must be brought under the Act. The preferred
3 solution is to effectuate the intention of the legislature. See
4 Hewitt v. SAIF, 294 Or 33, 51, 653 P2d 970 (1982). That approach
5 is complicated here, however, by the federal-state relationship
6 created by FUTA.

7 To expand the exemption to include petitioner would
8 result in Oregon's program providing less coverage than is
9 required by FUTA, as interpreted by the Secretary of Labor. As
10 discussed above, the Secretary is empowered to decertify such a
11 program and there appears to be a substantial risk that he would
12 do so. In California v. Grace Brethren Church, *supra*, the
13 Secretary appealed the injunction prohibiting him from
14 conditioning his approval of the California unemployment
15 insurance program on its coverage of Category III schools. If he
16 were to succeed, even temporarily, in decertifying the state's
17 program, the consequence would be a substantial disruption for
18 the state: not only would the state be ineligible for a federal
19 grant to administer its program, but no Oregon employers subject
20 to the Act would receive credit against the federal tax for
21 contributions to the state program.

22 The alternative remedy of subjecting all church schools
23 to the Act is contrary to the language of CRS 657.072(1).
24 However, it is clear that the legislature has intended to conform

1 Oregon's statutory scheme to FUTA. ORS 657.030(2)(b)7
2 expressly so provides. We do not know whether the Secretary of
3 Labor will persist in his interpretation of the exemptions from
4 FUTA involved here until the United States Supreme Court resolves
5 the constitutional questions. Neither do we know how the Supreme
6 Court would decide those questions nor how Congress might respond
7 to a decision that the provision is unconstitutional under the
8 Establishment Clause. It seems reasonably clear, however, that
9 Congress intended to exempt church-operated schools and,
10 accordingly, would probably expand the exemption to include
11 religious schools like petitioner's.

12 Those considerations lead us to conclude that
13 independent religious schools must be exempt from the Act.⁸
14 Accordingly, the referee's decision affirming the Employment
15 Division tax assessment to petitioner is reversed, and the case
16 is remanded with instructions to quash the Notice of Assessment,
17 and for such further action as may be necessary and not
18 inconsistent with this opinion.

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FOOTNOTES

1

The First Amendment of the United States Constitution provides, in relevant part:

"Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; * * * ."

Petitioner also asserts a violation of Article I, section 2, of the Oregon Constitution, which provides:

"All men shall be secure in the Natural right, to worship Almighty God according to the dictates of their own consciences.--"

Article I, section 3, of the Oregon Constitution, provides:

"No law shall in any case whatever control the free exercise, and enjoyment of religious [sic] opinions, or interfere with the rights of conscience.--"

In view of our conclusion with respect to the federal Constitution, we need not, and do not, consider the Oregon Constitution.

2

V.M. Tadina drove a school bus for three weeks before resigning to take other employment. D.L. Spatz served as a substitute teacher for five hours. B.A. Forester was a maintenance man for one month, before being discharged for inadequate performance and overreacting to student behavior.

1 W.W. Wilder was a maintenance man and bus driver for one month.
2 He was discharged for improper personal conduct and inadequate
3 performance. Each of the four claimants left the school, found
4 other employment and then filed benefit claims after leaving
5 their subsequent employment. In each instance, the school was
6 notified of the pending claim, but as a base year-reimbursing
7 employer, it was not entitled to any relief. See ORS 657.504.
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9 3

10 The district court's opinion in Grace Brethren
11 discussed only whether Category III schools are "churches"
12 within the meaning of the statute, and did not discuss whether
13 those schools depended on local churches to provide them with
14 students. Nevertheless, the Supreme Court stated flatly that
15 independent, non-church-affiliated schools were not statutorily
16 exempt, and it is difficult to imagine an independent religious
17 school that does not depend on local churches to refer students
18 and provide moral support. We do not believe that that kind of
19 support, without more, fulfills the statutory requirement that
20 petitioner be "principally supported" by a convention or
21 association of churches. Moreover, the requirement of a
22 "convention or association of churches" strongly suggests some
23 organizational form, however informal, connecting the churches
24 with each other. Petitioner offered no evidence or argument as

1 to any relationship among its supporting churches.

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4 "In a free government,' Madison added, 'the
5 security for civil rights must be the same as that for
6 religious rights; it consists in the one case in the
7 multiplicity of interests and in the other in the
8 multiplicity of sects.'" Hunt, James Madison and
9 Religious Liberty, 1 Am. Hist. Ass'n Ann. Rep. 165,
10 170 (1961).

11 5

12 In his concurring opinion in Welsh, Justice Harlan
13 recanted his position in Seeger as to the construction of the
14 statute, but stated that Seeger, nevertheless, had been entitled
15 to an exemption, because the classification offended the
16 Establishment Clause. 398 US at 356. More recently, in a
17 concurring opinion in McDaniel v. Paty, 435 US 618, 632 n 4, 98
18 S Ct 1322, 55 L Ed 2d 593 (1978), in which the plurality held
19 that the Free Exercise Clause was violated by a statute barring
20 "Minister[s] of the Gospel, or priest[s] of any denomination
21 whatever" from serving as delegates at the state's limited
22 constitutional convention, Justice Brennan stated that the
23 statute might also

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** * * discriminate among religions by depriving ministers of faiths with established, clearly recognizable ministries from holding elective office, while permitting the members of nonorthodox humanistic faiths having no 'counterpart' to ministers, 547 SW2d 897, 908 (1977), similarly engaged to do so. Madison warned that disqualification provisions would have precisely such an effect:

1
2 "[D]oes it not in fine violate impartiality by
3 shutting the door [against] the Ministers of one
4 Religion and leaving it open for those of every other."
5 Writings of James Madison 288 (G Hunt ed 1904)."

6

7 Some religious sects emphasize an extremely
8 individualistic nature of religion and reject creeds, dogmas and
9 hierarchies -- in short, all elements that tend to make the
10 practice of religion uniform for all believers. These beliefs
11 lead to congregational principles of polity and to the view that
12 "any group of like-minded and professed believers have [sic] the
13 right to organize themselves into a church." Speery, Religion
14 America 9 (1945).

15

16 ORS 657.030(2)(b) provides:

17 "(2) Notwithstanding any other provisions of this
18 chapter, 'employment' shall include service:

19 "* * * * *

20 "(b) Which is required to be covered under this
21 chapter as a condition for employers to receive a full
22 tax credit against the tax imposed by the Federal
23 Unemployment Tax Act."

24

25 To subject all religious schools might present
26 additional constitutional problems under the Free Exercise Clause
27 of the First Amendment.



ASSOCIATION OF CHRISTIAN SCHOOLS INTERNATIONAL

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STREET ADDRESS: 731 N. BEACH BLVD., LA HABRA, CA 90631
(213) 694-4791

*Thus
Mar 17, 1
2 P.M*

March 14, 1983

Mr. Albert Angrisani
U.S. Department of Labor
200 Constitution Avenue, N.W.
Room S-2307
Washington, D.C. 20210

Dear Mr. Angrisani:

I look forward to meeting with you on Thursday, March 17, at 2:00 p.m. Attending the meeting with me will be Attorney William Ball, Morton Blackwell from the White House and Dr. Charles O'Malley from the U.S. Department of Education.

I assume you have a summary of the legal issues prepared by Mr. Ball which was sent to you earlier. I am enclosing a legal brief from the Oregon State of Appeals that contains the basic arguments that led to a decision in our favor in February. If you have time I would appreciate it if you would read it over prior to our meeting on Thursday.

I know you must be extremely busy and we are honored that you are willing to meet with us.

Sincerely,

ASSOCIATION OF CHRISTIAN SCHOOLS INTERNATIONAL

Paul A. Kienel
Executive Director

PAK:ja
Enclosure

cc: Mr. William Ball
✓ Mr. Morton Blackwell
Dr. Charles O'Malley



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May 17, 1982

Mr. Morton Blackwell
Special Assistant to the President
The White House
Washington, D.C. 20500

Dear Mr. Blackwell:

Thank you for the unique privilege of meeting with you and your colleagues last Wednesday. I feel that President Reagan is one of the finest and most gifted presidents this country has ever had and I am anxious to be as cooperative and helpful as I can.

The enclosed article will be released in a variety of national publications in the evangelical community. Please let me know if I have presented the material incorrectly. I read the main portions of the article to Mr. Ball this morning. It met his approval.

Thank you again for your cordial hospitality.

Sincerely,

ASSOCIATION OF CHRISTIAN SCHOOLS INTERNATIONAL

Paul A. Kienel
Executive Director

PAK:ja
Enclosure



CHRISTIAN SCHOOL COMMENT

Vol. 13

More than 140,000 Copies Sold Monthly

No. 3

WILLIAM MCGUFFEY AND JOHN DEWEY— TWO VERY DIFFERENT EDUCATORS

by Dr. Paul A. Kienel, Executive Director
Association of Christian Schools International

Abraham Lincoln said, "The philosophy of the classroom is the philosophy of the government in the next generation." The philosophy of the classroom not only affects the government in the next generation but the home, the church and society in general.

America's public schools were first established by Horace Mann in 1837. The curriculum of the early public schools was Bible-oriented, largely because of one outstanding American educator. His name was William Holmes McGuffey, compiler of the famous McGuffey Readers. Modern liberal historians have purposely ignored William McGuffey in American history books because to do so would require acknowledgment of the remarkable religious and academic impact McGuffey made on the first half century of American public education. In his book, *McGuffey And His Readers*, John H. Westerhoff III writes, "It is estimated that at least 120 million copies of McGuffey's Readers were sold between 1836 and 1920, placing their sales in a class with the Bible and Webster's Dictionary." In 1929 historian Mark Sullivan chastised other American historians and scholars for ignoring McGuffey, the "most popular, most affectionately remembered person in the nineteenth century, a national giant to be ranked with George Washington and Abraham Lincoln."

William McGuffey, born in 1800 on the Ohio frontier to Scottish Presbyterian parents, was known in his day as "the schoolmaster of the nation!" He was a popular minister of the Gospel, a Christian college professor and a Christian college president. As an education reformer he introduced a graded reading series (McGuffey Eclectic Readers—four levels), pictures in elementary textbooks, study questions to insure comprehension and more parent involvement in the education of children. His famous readers were filled with stories that had a moral point. Some were actual Bible stories. To McGuffey, the Bible was not on trial. He believed the Bible was God's Word and deserved the central place in American education. In the preface to his third reader he wrote, "The time has gone by, when any sensible man will be found to object to the Bible as a school book, in a Christian country."

While William McGuffey pointed children toward God in the first half century of public education, another American educator in the second half century turned children away from God. His name was John Dewey. Born in 1859, John Dewey became the head of the Education Department at Columbia University in New York. He is regarded as the most significant philosophic touchstone of American public education in the last fifty years. He was the originator and promoter of what he called "progressive education." Dewey's Department of Education at Columbia University became the model for teacher education departments at colleges and

universities across America. His teachings continue to be held in high regard.

Professor John Dewey was an atheist. He was the first president of the American Humanist Association. In 1933 he wrote *Humanist Manifesto I* and openly referred to humanism as a religion. The first point of his famous manifesto reads, "Religious humanists regard the universe as self-existing (evolution) and not created." Elsewhere Dewey wrote, "There is no God and there is no soul. There is no room for fixed, natural law or moral absolutes."

In 1973, forty years after Dewey's *Humanist Manifesto I*, the American Humanist Association published an additional "doctrinal statement" called *Humanist Manifesto II*. A concluding statement reads: "... the Manifesto has provoked world-wide debate over humanist recommendations for mankind in the areas of religion, civil liberties, the right to suicide, abortion, divorce, euthanasia, sexual freedom and the building of world community."

In the absence of no moral absolutes, no Bible, no God and no soul, Dewey believed students are left to clarify in their minds their own moral code of ethics. They can make it up as they go! His atheistic, humanistic ideas led American education step by step into the frightening era of "Values Clarification" where like the children of Israel, "every man did that which was right in his own eyes" (Deut. 12:8). The result is an academic and moral decline on a scale never thought possible in the days of William McGuffey. Dewey's humanism has compounded into a whirlwind of anarchy and into an educational environment that is fraught with physical threat. Note the following from *The President's Task Force on Victims of Crime*:

- 1) More than 250,000 students and 5,000 teachers in public schools are physically assaulted in a typical school month.
- 2) One student in nine will have something stolen in a month.
- 3) One student in eighty will be physically attacked in a month.
- 4) The risk of violence to teenagers is greater in school than out.
- 5) Each year taxpayers pay one billion dollars for school vandalism. In California last year the cost of textbooks was \$42 million. California's bill for school vandalism last year was \$90 million.

William McGuffey was a God-centered educator. John Dewey was a man-centered educator. Public education's dramatic shift from McGuffey's Christian philosophy to Dewey's atheistic philosophy may someday be regarded as the most significant turning point in America's rise and fall. Hopefully, the rapid rise of America's Christian school movement will materialize in time. □



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January 20, 1983

Mr. Robert L. Grete, Director
Rocky Bayou Christian School
2101 North Partin Drive
Niceville, Florida 32578

Dear Bob:

I sent the enclosed letter to Morton Blackwell a few days ago. It will apprise you of our current efforts to resolve this matter for the independent religious schools. I am also enclosing a copy of a letter from Mr. Ball.

I am sending a copy of your fine letter to Mr. Ball and to Morton Blackwell at The White House. I will keep you posted.

Sincerely in Christ,

ASSOCIATION OF CHRISTIAN SCHOOLS INTERNATIONAL

Paul A. Kienel
Executive Director

PAK:ja
Encl: 2

cc: William Ball
Morton Blackwell



Rocky Bayou Christian School

2101 NORTH PARTIN DRIVE NICEVILLE, FL 32578

TELEPHONE 678-7712

13 January 1983

Mr. Paul A. Kienel
Association of Christian Schools International
P.O. Box 4097
Whittier, CA 90607

Dear Brother Kienel:

I believe you received a copy of Kathleen O'Malley's December 21 letter to me in which she recommended that RBCS prepare to defend against a law suit. This legal threat involves our refusal to pay claims against us by the State of Florida under the Federal Unemployment Tax Act. According to Attorney O'Malley, any Florida action would be compelled by federal auditors. Apart from federal interference, Florida officials seem content to limit their harrassment to sending us monthly bills.

At the suggestion of Dr. Wiebe, I am writing you to ask whether or not you would have any opportunity to attack this problem, which plagues many A.C.S.I. schools, by working through Secretary of Labor Donovan to reverse Secretary Marshall's original decision to apply FUTA to religious schools. It seems to me that executive action by Mr. Donovan could resolve the issue, since we are talking about a controversial executive interpretation on how FUTA can be properly and constitutionally applied. The court, in the St. Martin's case, affirmed that Mr. Marshall's decision was in error, at least as far as religious schools with certain organizational structures were concerned. If litigation continues, we would expect to obtain a judicial decision that differently organized religious schools are also exempt, either by a constitutional construction of the FUTA or recognition of the fact that FUTA cannot constitutionally be applied to any religious school no matter what its organizational structure.

I request that you inform me of any action you might take and its results. I praise God for your ministry and pray that God will grant you great wisdom as you handle the many awesome responsibilities that God has placed upon you.

In Christ's service,

Robert L. Grete
Director

RLG:plm

cc: Dr. Richard Wiebe
Attorney Kathleen O'Malley

THE WHITE HOUSE
WASHINGTON

January 18, 1983

TO: Nina Wormser

FROM: Maiselle Shortley

Per our conversation of last week, attached is all the paper.

I have checked with Morton on this and he feels it is important for the Secretary to meet with these people, if at all possible.

We will assist in any way you would like us to.

Thanks for your help.

*Sent to Jane Miller
2/17*

523-6050

Room 2307-S



ASSOCIATION OF CHRISTIAN SCHOOLS INTERNATIONAL

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January 7, 1983

Mr. Morton Blackwell
Special Assistant to the President
The White House
Washington, D.C. 20500

Dear Morton:

In the press of things after Christmas and the unfortunate vote in the Senate on the Ashbrook/Dornan Amendment, I have let a serious matter slide. Now I need you to come to my rescue.

If you can, please arrange a meeting for yourself, U.S. Secretary of Labor Ray Donovan, Attorney William Ball and me. We talked about this last time I visited with you in your office. The next available dates I could meet are:

Monday, January 17
Tuesday, January 25 (afternoon)
Anyday, February 21-25
Anyday, First two weeks in March

Again, I am embarrassed that I have neglected this very important matter. I am sending a copy of this letter to Mr. Ball and I will be most grateful if you will contact him about his available dates.

At my request, Mr. Ball prepared the enclosed statement that outlines the issues for you and Secretary Donovan. We can save enormous time and humongous court costs if we can solve this problem that dates back to the Jimmy Carter years administratively. I know of no political complications if Secretary Donovan would administratively lay this matter to rest.

Your haste in helping me to get this underway will be sincerely appreciated.

Sincerely,

Paul A. Kienel
Executive Director

cc: William Ball

LAW OFFICES
BALL & SKELLY
511 N. SECOND STREET
P. O. BOX 1108
HARRISBURG, PENNSYLVANIA 17108

WILLIAM BENTLEY BALL
JOSEPH G. SKELLY
PHILIP J. MURREN
RICHARD E. CONNELL
KATHLEEN A. O'MALLEY
SANDRA E. WISE

TELEPHONE
AREA CODE 717
232-8731

December 15, 1982

Dr. Paul A. Kienel
Executive Director
Association of Christian
Schools International
P.O. Box 4097
Whittier, CA 90607

Re: Unemployment Compensation: Plight Of
The Religious School Which Is Not Under
The Jurisdiction Of A Particular Church

Dear Dr. Kienel:

You have described to me, as counsel to Association of Christian Schools International, the great difficulty which some 3,000 Christian schools (including 400 ACSI schools) face because of the imposition on them of the federal-state unemployment compensation program. These schools are your member schools which are as completely religious as any of your church-operated schools but are not church affiliated. It seems that those schools are faced with four possible choices: (1) to accept the program, (2) to seek a change in the federal statute, (3) to litigate the matter, or (4) to seek an administrative ruling by the U.S. Secretary of Labor. Emphatically, the fourth choice is the right choice. It is completely possible legally and should be pursued at once.

Effective in 1972, Federal Unemployment Tax Act (FUTA) coverage was extended to employees of nonprofit organizations. §3309(b) of the Act, however, provided that the states may exclude from coverage those employees performing, inter alia, services:

"(1) in the employ of (A) a church or convention or association of churches, or (B) an organization which is operated primarily for religious purposes and which is operated, supervised, controlled, or principally supported by a church or convention or association of churches;

(2) by a duly ordained, commissioned, or licensed minister of a church in the exercise of his ministry or by a member of a religious order in the exercise of duties required by such order;

(3) in the employ of a school which is not an institution of higher education."

Effective January 1, 1978, Congress amended §3309 by deleting subsection (b)(3) relating to employees of schools. Thereafter the Carter Administration Secretary of Labor interpreted §3309(b) as requiring coverage for employees of primary and secondary religious schools, exempting only those individuals who perform "strictly churches duties" during more than half of their working time. The Supreme Court, in St. Martin Evangelical Lutheran Church v. State of South Dakota, 451 U.S. 772 (1981) held that schools operated and supported by churches were exempt from unemployment taxes, the church-schools in question having no legal existence separate from their sponsoring churches and the legislative history disclosing no intent of the Congress to alter the plain scope and meaning of §3309(b)(1). The Court limited its ruling to employees of schools which are not incorporated separately from a church. Thereafter the Secretary of Labor (under President Reagan) reconsidered the government position and decided that both separately incorporated and non-separately incorporated church-schools are statutorily exempt from coverage under FUTA. See California v. Grace Brethren Church, ___ U.S. ___, 73 L.Ed. 2d 93 (1982).

This has left open the question of those of your member schools which are as completely religious as your church-operated schools but are not under the jurisdiction of a particular church. For two principal reasons, we have spoken of their "plight". First, the program involves a financial expenditure which for many institutions would not

be unduly burdensome, but which for these particular schools, supported, as they are, solely through the sacrifice of largely blue collar parents and modestly paid staff, drains off critically needed religious educational funds. Second, the program (for reasons we shall later state) is flatly unconstitutional as applied to these schools.

At the beginning of this letter, I spoke of an administrative ruling by the Secretary of Labor as being the only reasonable path which you have for the relief of these schools. The other three choices are either impossible or extremely bad. The first - acceptance of the program - is impossible for these schools due to the constitutional issues which I spell out later herein - one of the chief of these being in fact that, under the FUTA program, these religious schools, should they dismiss an employee on moral or religious grounds, would be required to have the issue of whether the dismissal was for "just cause" determined by a secular governmental body in the required benefit eligibility determination proceedings. The second - trying to get the Congress to amend FUTA - is also obviously impossible for a handful of small religious schools nationally. They have not the numbers, the political clout or the money for such a major undertaking. The third - litigation - is vastly expensive, and the schools' slender resources are held in stewardship trust to provide education, not to provide legal fees.

On this matter of litigation, I scarcely need remind you of the sorry fact that the schools in question have been three years in the federal courts attempting to obtain relief. They did obtain it (after an extensive trial) in the decision of the U.S. District Court in the above Grace Brethren case, but as you know, the Supreme Court remanded that case to the state courts solely on the ground that the federal court had lacked jurisdiction due to the effect of the Tax Injunction Act. We believe that the dissent of Justice Stevens in the Supreme Court was correct, and it is intolerable that these schools should now have to spend another three years and thousands more dollars to take their case up through the courts once more.

Plainly, the time is at hand for you to seek an administrative ruling from the Secretary of Labor. The following constitutes the basis upon which I believe that he may act on behalf of the schools in question:

Where a particular application of a statute would plainly violate provisions of the Constitution, it is the obligation of one charged with the administration of a law to avoid such application. Here constitutional violation is very clear, Christian schools are actively threatened by that violation, and a United States District Court has already held that imposition of FUTA upon pervasively religious schools which, though not operated by churches, are indistinguishable from them in religious character and mission, violates rights of such schools to nondiscriminatory treatment. Grace Brethren Church v. State of California, ___ F.Supp. ___ (opinion thus far unreported. Case No. CV79-93 MRP) (1981), vacated on jurisdictional ground, ___ U.S. ___, 73 L.Ed. 2d 93 (1982). As noted supra, the Supreme Court did not pass upon the merits of the district court's judgment. The rationale for that judgment is therefore authoritative.

The district court's judgment was based on an extensive trial record which showed that application of FUTA to church-schools would result in two forms of excessive entanglement of the state with religion:

"(a) Intrusive monitoring of the activities of employees of religious schools in order to determine whether or not those employees are exempt from unemployment insurance and disability taxes; and

"(b) Involvement of state officials in the resolution of questions of religious doctrine in the course of determining the benefit eligibility of discharged employees of religious schools." Id. at 2.

The district court then went on to discuss application of FUTA to those schools which are not under the jurisdiction of a particular church but which are otherwise indistinguishable in religious character from those schools. The court said that FUTA, so applied,

" . . . is in compatible with the Religion Clauses of the First Amendment (made applicable to the states by the Fourteenth Amendment) because it results in excessive entanglement with religion in the form described in Paragraph 1(b) above" [i.e., paragraph (b) of the foregoing quotation from the district court opinion]. Id at 3.

The district court went on to a very full statement of the reasons why no distinction can validly be made between church-operated schools and those religious schools which are involved here. I quote it at length because it would supply the Secretary with a crystal-clear justification for an administrative ruling exempting the latter:

"The non-church-affiliated fundamentalist school plaintiffs in the Grace Brethren case raise one further constitutional objection to the extension of unemployment compensation tax coverage to them. Essentially, they argue that the exemption scheme embodied in 26 U.S.C. §3309(b)(1)(A) and (B) and Cal. Unempl. Ins. Code §634.5(a)(1) and(2) arbitrarily discriminates against religious schools without church affiliation and in favor of religious schools controlled and operated, directly or indirectly, by the institutionalized religious sects or denominations. The discrimination arises from the fact that the statutes under consideration, when construed according to their plain meaning, impose the financial burden of the unemployment compensation tax upon the independent religious schools while exempting the church-affiliated schools. The Grace Brethren plaintiffs argue that this disparate treatment of church-affiliated and non-church-affiliated schools is a violation of the Equal Protection Clause.

"Certainly, the evidence before the Court demonstrates that there is a basic similarity between the independent fundamentalist schools in the Grace Brethren case and the church-controlled schools in both cases. The church-affiliated and non-church-affiliated schools in the two cases are virtually indistinguishable in religious mission. The overriding purpose of all the schools is to instill religious values and beliefs in young people. In each school, an attempt is made to create an environment in which religion is pervasive. An effort is made to teach all subjects, including those traditionally regarded as secular, from a religious perspective, and religion permeates extra-curricular activities as well. Indeed, an observer untrained in Christian doctrine might well have difficulty differentiating the church-affiliated schools from the independent fundamentalist schools. Thus, whatever the merits of plaintiffs' Equal Protection argument may be, it would seem that, as exercises of religion worthy of First Amendment protection, there is little to distinguish the operation of an independent fundamentalist elementary or secondary school from the operation of a school formally owned or controlled by an established denomination such as the Lutheran Church-Missouri Synod. As the Second Circuit has noted:

'It is the suffusion of religion into the curriculum and the mandate of the faculty to infuse the students with the religious values of a religious creed which create the conflict with the Religion Clauses and not the vesting of legal title or the responsibility of operation.'

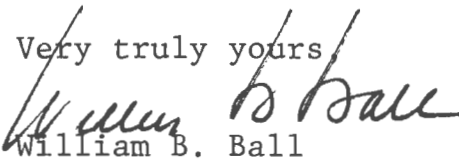
NLRB v. Bishop Ford Central Catholic High School, 623 F.2d 818, 823 (1980) petition for cert. filed, 49 U.S.L.W. 3496 (U.S. Dec. 22, 1980) (No. 80-1069).* By classifying schools

* Certiorari was denied March 23, 1981. See 49 U.S.L.W. 370, March 24, 1981.

according to formal church affiliation, rather than religious mission and curriculum content, and by subjecting non-church-affiliated schools to a financial burden from which church-affiliated schools are exempt, Congress and the California legislature have accorded differential treatment to religious organizations which may well have equal status under the First Amendment."

* * * * *

In closing, I express the strongest hope that this matter should be presented to Secretary Donovan. It has surely been a major position of President Reagan that the federal government should encourage voluntarism, keep itself out of religious affairs, and avoid regulating where to regulate is oppressive. Secretary Donovan has the power to bring about prompt relief in this matter, but if he fails to do so, your small group of schools are faced with years in court and great financial expense. Surely, the Administration should step in now and prevent that from happening.

Very truly yours,

William B. Ball

WBB:dh

P.S.: We are now informed that the State of California Employment Development Department will soon proceed to enforce FUTA against all the schools in question. The State feels it must do this or it will otherwise be decertified by the Secretary of Labor. This news should settle any doubts about the necessity for immediate action on your behalf by the Secretary.



CHRISTIAN SCHOOL COMMENT

JUDGE HART RULES IRS MUST IMPOSE RACIAL RULES ON CHRISTIAN SCHOOLS

by Dr. Paul A. Kienel, Executive Director
Association of Christian Schools International

file

U.S. District Court Judge George Hart ruled July 8 in Washington, D.C., that the Internal Revenue Service must impose racial rules on Christian Schools. At the present time, his order applies only to the private and religious schools in Mississippi because of a private school racial discrimination case originating there in 1969. Obviously, a U.S. federal court judge cannot establish a federal court ruling that applies to one state only. His decree for Mississippi will, in short order, become the law in every state. Judge Hart has ordered the IRS to impose stiff affirmative action guidelines on Christian schools that have come into existence or have increased in their student enrollments from the time the public schools began racial desegregation—a time frame that may be different in each area of the country. Judge Hart's affirmative action guidelines would generally not apply to those Christian schools established prior to the mid-fifties which have not increased in enrollment since that time—a rare Christian school indeed. Judge Hart has, in effect, decreed that all Christian schools that have come into existence since public school desegregation are presumed "guilty" of racial discrimination. The "guilty" Christian school may have a clear non-racial discrimination policy but this alone is not adequate. The new affirmative action guidelines will establish a government formula for racially balancing the student body, the faculty, the school board and/or church board. Failure to comply will mean the loss of tax-exemption. Contributions will no longer be tax-deductible. If the school is under the corporate auspices of a church (80% of our schools are church sponsored) the entire church will lose its tax-exemption. This is obviously a very serious matter. It is also a serious matter for independent religious schools.

Judge Hart is ignoring the religious liberty implications in his ruling. The Green vs. Regan case, as it is called, makes no distinction between private schools and religious ministry schools. The case originated in 1969 when a black family in Mississippi sued the IRS for granting tax-exemption to a private school (not Christian) that practiced racial discrimination in student enrollment. The case worked its way up to the federal court level without religious school or church ministry implications being considered. In 1980, ACSI asked Attorney William Ball to represent ACSI member Clarksdale Baptist Church School as an "intervener" in the Green/Regan case. The "intervention" was reluctantly granted by Judge George Hart. In effect, Clarksdale Baptist Church School became a part of the case in behalf of all Christian schools so that religious liberty issues would be considered as the case moved up to the U.S. Supreme Court. The case was delayed for a considerable time waiting for the Bob Jones decision. Now that the Bob Jones case has been decided, the Green/Regan case has been activated by Judge Hart with considerable speed. A few days ago Attorney Ball appealed to the U.S. Court of Appeals for a delay of

Judge Hart's directive to the IRS to impose their racial rules on Mississippi schools. His appeal to the higher court was denied. It will be a year or more before the Green/Regan case reaches the Supreme Court. To date, it is one of the longest cases on record. In the meantime, the IRS will be forced to implement the affirmative action program in Mississippi. Undoubtedly, civil rights groups will demand that IRS rules in Mississippi be expanded to all states.

The real issue is religious liberty. ACSI takes a strong stand against racially segregated schools. Schools joining ACSI must affirm annually that they do not discriminate racially in their enrollment policy. Racial discrimination clearly violates Biblical principles. A serious problem arises when the government forces Christian schools (in order to gain a prescribed racial balance) to go out into the community and compel minorities to send their children to our religious schools. To do so means we are forcing our religious beliefs on them. It has been demonstrated in numerous federal courts that Christian schools are pervasively religious, representing a community of faith. To **compel** minority students (by means of tuition scholarships as the guidelines require) to attend our schools violates **their** freedom to accept or reject our Christ-centered education. It also violates **our** religious freedom to select only those students, regardless of race, whose parents truly want Bible-centered education. We want students who want Christian education. The skin color the Lord has given them is not our concern. It is a religious issue—not a racial issue.

There are three ways you can help. One way is to write letters to your two U.S. Senators and your U.S. Representative in Washington, D.C., and urge them to support the **Religious Liberty Amendment**. This amendment asks Congress to amend the annual Treasury Appropriations Bill to cut off federal funds for IRS affirmative action guidelines directed toward churches and religious schools. Explain that your school does not discriminate racially. The two addresses you need are:

The Honorable _____
U.S. Senate
Washington, D.C. 20510

The Honorable _____
House of Representatives
Washington, D.C. 20515

The second way you can help is to cooperate with your school in contributing to the ACSI Legal Defense Fund. If you receive a notice from your school appealing for a contribution to the ACSI Legal Defense Fund, please respond. Small contributions from a large number of concerned parents will help solve the problem. We have excellent legal representation in the courts and in the U.S. Legislature, but the costs are heavy. Our ACSI Legal Defense Fund is depleted. We need your help. Thirdly, you can help by praying earnestly about this serious matter. □



1 10
2 Reasons
3 Why
4 Your 
5 School
6 Should
7 Be
8 A Member
9 Of
10 ACSI

A Word From The Executive Director



Your school's membership in ACSI makes it possible for you to be a part of a strong, national/international organization and at the same time participate in the association's district and regional ministries. This makes ACSI more personal and more closely related to the particular needs of your school. For example, there are ten ACSI offices in seven regions of the U.S. and one office in Eastern Canada. ACSI administrative personnel conduct local teacher conventions and administrator conferences in each ACSI region along with numerous student activities. These are designed to upgrade your Christian school ministry.

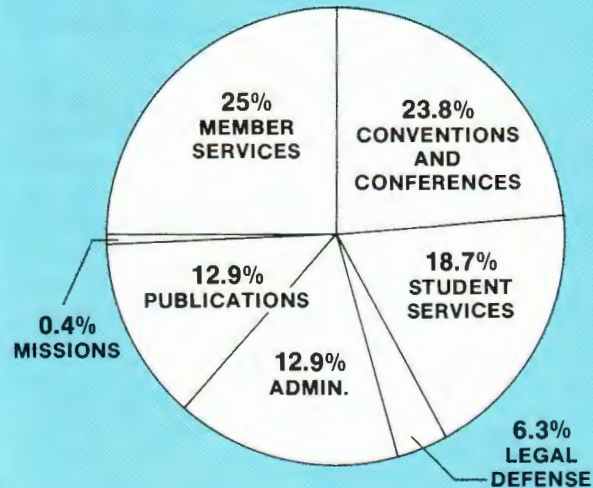
The association is 'localized' further by means of regional councils composed of elected district representatives and by elected members of the ACSI Executive Board. In other words, ACSI is international with member schools and colleges around the world, but we desire to be personal, practical and useful to your ministry. Come join us!

Sincerely in Christ,

Paul A. Kienel



HOW ACSI MONIES ARE DISTRIBUTED



ASSOCIATION OF
CHRISTIAN SCHOOLS INTERNATIONAL

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STREET ADDRESS: 731 N. BEACH BLVD. / LA HABRA, CALIFORNIA 90631
TELEPHONE (213) 694-4791

10 Reasons Why Should Be A M

The Association of Christian Schools International is a service organization serving Christian schools across the United States and around the world. Each member school or college retains its individual distinctives and operating independence. Each member school receives a certificate of membership for display in the school office. Student and faculty cards are also provided upon request. Participation in any or all of the services of ACSI is voluntary. ACSI is a full-service association designed to be a meaningful aid to your school's educational ministry. Forty-three individuals serve God at the ACSI headquarters and seven regional offices. We invite your school to become a member school of ACSI and join us in making Christian schools a vital force for good in America and in other countries around the world.

1

The ACSI teacher conventions and administrator conferences held throughout the country are characterized by inspiring general sessions and Christ-centered professional seminars. A total of 19,447 attended ACSI conventions last year. More than 2,000 attended ACSI administrator conferences.

Spiritual growth and professional training of your staff is essential to the ongoing ministry of your school.

2

ACSI is the largest Association of Christian Schools in the U.S. The united strength of ACSI has

STUDENTS



SCHOOLS



3

been and will continue to be a significant help in maintaining religious liberty. Our combined strength is vital when dealing with The White House, the U.S. Congress, the federal courts and state legislatures. Your school's religious liberty is our primary concern. Over the past five years ACSI has raised and spent over \$400,000 in the legal defense of Christian schools.

ACSI offers a quality school accreditation program. ACSI school accreditation is recognized in several states. More important, it is a valuable tool for evaluation and improvement of your total school ministry. For more information, contact the ACSI regional office nearest your school.

4

ACSI also offers certification of teachers and administrators. The program includes several levels of certification designed to upgrade the competence and professional preparation of your staff. ACSI certification places a strong emphasis on a Christian philosophy of education. Contact your regional office for a brochure.

5

ACSI is a financially responsible organization. ACSI books are audited annually by a CPA. The association is a charter member of the highly respected, *Evangelical Council For Financial Accountability*. ACSI is a 501 (c)(3) non-profit organization. Contributions to ACSI are tax-deductible.



Join Your School Member Of ACSI

6

ACSI provides numerous student activities such as speech meets, music festivals, academic meets, student leadership conferences, cheerleader camps, science fairs, etc. All of these are designed to promote student competency in communicating the message of Jesus Christ. Approximately 25,000 students participate in these events annually.

7

This past year, 489 teachers and administrators placed their names and personal data with ACSI for opportunities of service in ACSI member schools. Ten months of the year, ACSI member schools receive the ACSI placement list. It is an effective source of Christian school personnel.

8

ACSI produces two national publications, *Christian School Comment* and *Christian School*, the professional journal of ACSI. This journal is provided free to staff personnel of member schools. ACSI also publishes newsletters, books and a wide variety of professional materials for Christian school educators at all levels. For an order form listing these materials, write or call the ACSI headquarters office or any of the seven ACSI regional offices.

9

ACSI Executive Staff members and members of the ACSI Board, as their schedules permit, are anxious to speak at your school functions. An honorarium (\$50-\$100) plus travel and accommodation expenses are required.

10

ACSI offers member schools the following insurance programs that can provide substantial savings:

A) Property and Casualty Insurance for your school property and school vehicles. Average premium savings—23%. Carrier: Preferred Risk Mutual. Contact: Bob Brown, Burns-Harrelson-Burns Ins. Agency, P.O. Box 7040, Phoenix, AZ 85011 — (602) 264-6448 or call Wayne Newhard, (800) 247-4176.

B) Comprehensive Medical Insurance for full-time employees of your school. More than 1980 staff members from ACSI member schools are now in the plan. Contact: Melvina Husted, ACSI Insurance Administrator, P.O. Box 4249, Whittier, CA 90607 — (213) 694-4791 or (800) 423-4655 if you live outside of California.

C) Student Accident Insurance—a comprehensive student accident plan. Contact Annie Kienel for a brochure, P.O. Box 4097, Whittier, CA 90607—(213) 694-4791.

D) Cancer Insurance provides insurance above group hospitalization plan. Contact Harry Venters of Walt Garner Associates, 3801 N.W. 63 St., Oklahoma City, OK 73116—(405) 840-1541.

E) Worker's Compensation Insurance — potential dividends can go a long way toward offsetting the cost of your school's membership in ACSI. California schools contact Gary Mann, State Fund, P.O. Box 54920 Terminal Annex, Los Angeles, CA 90054—(213) 385-1531. Schools outside California contact Wayne Newhard, Preferred Risk Insurance, (800) 247-4176. ACSI retains 10% of rebate for administration.



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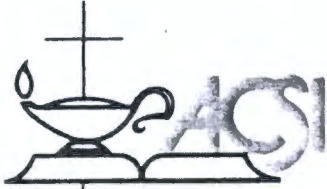
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(213) 694-4791

October 10, 1983

Mr. Glenn Archer
Department of Justice
10th and Pennsylvania Avenue
Washington, D.C. 20530

Dear Mr. Archer:

The information enclosed was recently mailed to 10,000 Christian schools. The ACSI Legal/Legislative Update and Christian School Comment express our total frustration with the Green/Regan case. It is extremely unfair to Christian schools. We are shattered by the fact that Judge George Hart and others who advise the President appear to be insensitive to Christian schools. Perhaps we are at fault in not communicating with you and Judge Hart.

Would it be possible for me to come to Washington and meet with you, John Mitchell and Ed Schmoltz to discuss the seriousness of this situation? I would gladly bear my own expenses.

The President's good name is being hurt badly in Christian school circles by the Judge Hart decision. Perhaps we can turn this around if we meet together. May I hear from you?

Sincerely,

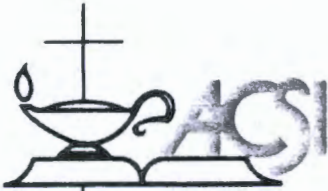
ASSOCIATION OF CHRISTIAN SCHOOLS INTERNATIONAL


Paul A. Kienel
Executive Director

PAK:ja
Enc: 4

P.S. I have enclosed a copy of a letter I sent to the President.

✓ bcc: Morton Blackwell



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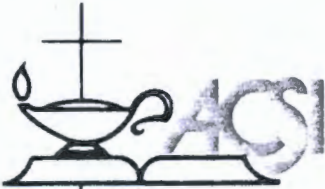


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October 10, 1983

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Department of Justice
10th and Pennsylvania Avenue
Washington, D.C. 20530

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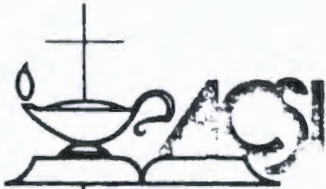


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(213) 694-4791

September 26, 1983

President Ronald Reagan
The White House
Washington, D.C. 20500

Dear Mr. President:

The enclosed ACSI newsletter went out to 10,000 Protestant Christian schools this week. As you know, ACSI is the largest association of Christian schools in the United States. I am proud to be identified as one of your key supporters. Many of my friends and I share the view that you are the most capable president our country has had in this century. I was especially proud of you this morning as you spoke at the United Nations in New York. You were magnificent!

Several of my people are concerned about the enclosed article, "Reagan Administration Betrays Christian Schools." This article was published in the September 10 issue of Human Events. They feel betrayed at this point and I am trying to explain this unfortunate decision to them. I feel some of your people are not aware of the full implications of what they have done to a major voting block of your constituency. Mr. President, I have the highest regard for you. Would you please look into this matter for me soon as I need to communicate your response to our schools.

Sincerely,

ASSOCIATION OF CHRISTIAN SCHOOLS INTERNATIONAL

Paul A. Kienel
Executive Director

PAK:ja

Enc: 3