



Children's Tuition Fund

## OBBB EECA Q & A

### 1. **What is the Educational Choice for Children Act (EECA)?**

The EECA is a federal tax-credit bill that encourages contributions to nonprofit organizations that fund education scholarships. These scholarships aim to provide qualified elementary and secondary school students with financial assistance for tuition and other education-related expenses.

### 2. **How does this bill differ from traditional school voucher programs?**

The *EECA scholarship funds* come from taxpayers wanting to receive a federal tax-credit by choosing to redirect a portion of their federal income tax so students can attend the school of their choice...state tax-credits *ARE NOT government funds*. *Vouchers* are scholarships that are given to students from state appropriated funds.... *vouchers ARE government funds*.

### 3. **Will states have the ability to block funding of this program?**

By failing to “opt in” states prevent their students from receiving scholarship funds through EECA. States cannot “block” their residents from giving to a Scholarship Granting Organization (SGO) and receiving a federal tax-credit. For students to receive scholarships states must opt in by providing a list of approved SGOs by January 1<sup>st</sup> of each year.

### 4. **Do you know if a particular state has opted in? If not, when will we know?**

Currently, we are not aware of states that are opting into EECA. No later than January 1<sup>st</sup> of a calendar year the Governor of the State (or assigned designee) must provide a list of approved Scholarship Granting Organizations to the Secretary.

### 5. **What date does the Governor need to provide the list of approved Scholarship Granting Organizations (SGO) for their state and who does the Governor provide the list to?**

No later than January 1<sup>st</sup> of a calendar year the Governor of the State (or assigned designee) must provide a list of approved SGOs to the Secretary.

### 6. **Does EECA take money away from public schools?**

No. These are private contributions to private Scholarship Granting Organizations, handing out scholarships to families who go to private schools.

### 7. **If I already contribute to a state tax-credit program, does that affect what I can give federally?**

No. State and federal tax-credits operate independently. Contributions to get a state tax-credit reduce your state tax liability, while contributions under EECA are eligible for a federal tax-credit.

8. **I saw there was initially a \$5 billion cap on the program, but that cap was removed. Did the final bill have a limit, and if so, will there be a lottery of some sort to keep it under the limit?**

The final ECCA bill did not include a contribution cap. Instead, it established only a minimum amount required to qualify for the tax-credit. There is no limit on the number of individuals who can contribute \$1,700 and receive the corresponding tax-credit.

9. **Is the \$1,700 amount per individual taxpayer and can Businesses participate?**

The allowable \$1,700 amount is per individual taxpayer, businesses cannot participate. (The language in the bill only says \$1,700 per individual. There is a thought that it will be limited “per tax return” rather than per taxpayer. This would put the limit at \$1,700 for a married couple filing jointly.)

10. **Is this a dollar-for-dollar tax-credit unlike states where the tax-credit is 65%, 90%, etc. of the contribution?**

Yes, this is a dollar-for-dollar tax-credit. Individuals can receive up to \$1,700 in federal tax-credits.

11. **Can a contributor give more than \$1,700?**

The maximum tax-credit allowed under ECCA is \$1,700. A contributor can give more than \$1,700 but can only receive a tax-credit of \$1,700.

12. **If I contribute \$1,700 through an approved Scholarship Granting Organization and my federal liability is less, can I receive a refund or is there a carryover for the additional amount?**

No. ECCA is a non-refundable tax-credit so a contributor would not receive a refund for any amount that is above what is owed. There is a carry forward which allows any amount over your liability to be carried forward to the next year (up to 5 years). Example: If you send CTF \$1,700 and you only wind up owing the federal government \$1,200, you will owe them zero and you'll have \$500 credit to carry forward to the next year.

13. **I live in one state but would like to contribute to a school in another state. Is this allowable?**

Yes. Since the tax-credit is offered at the federal level you can live in one state and contribute to a school in another state. Example: A contributor in Arizona wants to contribute to a school in Georgia where their grandkid attends. The contributor will give their contribution through an approved Scholarship Granting Organization in Georgia, receive the tax-credit and funds will go to scholarship a student in that school.

14. **Can I contribute to a school in another state?**

Yes. As long as the state you are contributing to has opted into the ECCA program, you may direct your contribution to an eligible school in that state.

15. **Can a contributor designate a student in a particular school?**

No, a contributor cannot designate a particular student, they can only designate a school within a state that has opted in or can designate the CTF general fund.

16. **If a person contributes to a Scholarship Grating Organization and does not designate a specific school, how will those funds be distributed? For example: A contributor from the state of PA contributes and does not designate a specific school; what happens to those funds?**

Funds will go into the CTF General Fund and be awarded to the neediest students first.

**17. What Types of Schools and Educational Programs Are Eligible?**

A public, home school, or private elementary or secondary school (including a religious elementary or secondary school)

**18. Can homeschoolers benefit from the scholarship?**

Yes, home schooling programs can benefit whether treated as a home school or a private school for purposes of applicable State law. Home schools must comply with applicable State law.

**19. Does ECCA include Pre-K or is it only for students in grade K – 12?**

Only students in grades K-12 will be able to apply for a scholarship under ECCA.

**20. Who Is eligible to receive scholarships under this bill?**

An eligible student is a student who is a member of a household with an income which is not greater than 300 percent of the area median gross income and is eligible to enroll in a public elementary or secondary school.

**21. Does the 300% HUD median income for student qualification apply to the school's location or the student's location?**

The HUD median income for student qualification applies to where the student resides.

**22. Is the HUD Median area income based on city, county, or state?**

The HUD Median area income is based on the county the student resides in. Determine your HUD Median area income: <https://childrenstuitionfund.org/educational-choice-for-children-act-ecca/>

**23. My state has tax-credit scholarship program, can a student receive a state tax-credit scholarship and a federal tax-credit scholarship?**

Yes, ECCA scholarships can be stacked on top of state tax-credit scholarships in applicable states.

**24. Are families who donate to this program allowed to benefit from these scholarships?**

Yes, an individual can contribute to a Scholarship Granting Organization, and they can also apply for their child to receive a scholarship. However, their contribution cannot go directly to their child.

**25. How much is each scholarship worth?**

Currently, the scholarship amount is determined by the Scholarship Granting Organization in partnership with the school. Final guidelines may be adjusted during the federal rulemaking process.

**26. Are there mandated student testing requirements?**

No, students receiving an ECCA scholarship will not be required to take standardized testing.

**27. What Types of Educational Expenses Can the Scholarship Funds Be Used For?**

- Tuition
- Curricula and curricular materials
- Books or other instructional materials
- Online educational materials
- Tuition for tutoring or educational classes outside of the home
- Fees for a nationally standardized norm-referenced achievement test

- Fees associated with advanced placement exams, or any examinations related to admission to an institution of higher education
- Fees for dual enrollment in an institution of higher education
- Educational therapies for students with disabilities provided by a licensed or accredited practitioner or provider Including occupational, behavioral, physical, and speech-language therapies.

**28. How can our school get involved with the Children's Tuition Fund (CTF)?**

Contact CTF at [ctf@acsi.org](mailto:ctf@acsi.org) and establish an agreement between CTF and your school.

Establishing an agreement now will ensure that when ECCA goes live we will be ready to accept contributions to your school. It is also important at this time to make your contributors aware of this federal tax-credit program so they can contribute once tax-credits become available. CTF will be able to provide you will flyers and information that you can provide to potential contributors, assist you with any questions that you have, and be a resource for you as you navigate this new federal school choice option.

**29. Will there be a cap on administrative expenses for Scholarship Granting Organizations (SGOs)?**

Historically, SGOs have operated with a cap around 10% for administrative costs. Exact limits will be finalized through the federal rulemaking process.

**30. Will the school receive 100% of the contribution designated to the school?**

A Scholarship Granting Organization will be allowed to take up to 10% of a contribution to be used for administrative costs. CTF is currently evaluating this information to determine what administrative fee will be taken.

**31. When can the school start receiving contributions towards this federal tax-credit? Do we have to wait until Jan 1, 2027, or can we begin fundraising in 2026?**

ECCA begins January 1, 2027. You cannot start receiving contributions until the program has started. It will be important to start educating your contributor base and supporters right away, so they are prepared and ready to give. This also allows the school to plan accordingly.

**32. When will schools be able to request a disbursement for these funds? Will CTF disburse scholarships in 2027 or wait until the end of the 2027 tax year?**

If contributions are received January – September of 2027 we will apply these funds towards scholarships for the 27-28 school year.

**33. What date does the Governor need to provide the list of approved SGO's for their state and who does the Governor provide the list to?**

No later than January 1<sup>st</sup> of a calendar year the Governor of the State (or assigned designee) must provide a list of approved Scholarship Granting Organizations to the Secretary.

**34. If a state opts in 2027, but then out in 2028. can the students in that state receive scholarships in 2028 if there are funds beyond 2027 scholarships remaining?**

This question is not answered in the current bill and most likely will be addressed in the rules and regulations that will be issued. ACSI/CTF will speak into this matter directly.

**35. Is there any religious liberty language in the bill and are schools protected?**

In the original text of the bill there was strong language that was specific for SGOs, parents, and schools but that was removed. However, while there is no strong language we want you to understand several key factors:

- This is NOT federal financial assistance. Schools/students receive disbursements from non-profit organizations who receive donations from taxpayers.
- These are private contributions to private Scholarship Granting Organizations, handing out scholarships to families who go to private schools. The only federal “transaction” is the tax-credit the contributor receives on their federal taxes.
- There are strong Supreme Court cases that protect religious schools and that is significant. We've talked to Alliance Defending Freedom. We've talked to the Beckett Fund for religious freedom, and both have assured us that if a school is being sued, they're likely to prevail at that.

**36. If states are not required to opt in, what can I do to urge our state to participate?**

There are several things to consider regarding timing and method:

- First and foremost, we want to be very strategic in each state. Continue to watch for emails from CTF or ACSI PPLA on how you can advocate in your state. We will also be planning a state-by-state advocacy role with our partners. We are excited for your energy, but we want to make sure that we handle this in a calculated approach so we can push our governors to make good choices.
- When notified, we will need everyone to put maximum pressure on the Governor (or Governor’s designee). The primary reason states talk about not having a school choice program is that choice programs are too expensive...they are underwater, they have a budget deficit, they cannot carve out another a hundred million dollars in tax revenue that they will not collect for the benefit of school choice. With ECCA that goes away. ECCA does not cost states a penny. Because of this you really are shining a spotlight on the governor to say, are you for choice or are you not for choice? It will also depend on several other factors:
  - How much unions and organizations like that have control over various governors.
  - What are the governor's aspirations toward 2028 presidential runs and how they want that to look.
- Remember, the primary goal is to shine a spotlight on each and every blue state governor and ask pointedly and let them show, are you for choice for everybody, or not because there is no financial hit to your state.
- Also, as rules and regulations are developed, the Treasury Department could regulate how the state opt in choice is made.
- In conclusion, there are still many things to come and a lot of work yet to be done in 2026!

### PA Specific Questions:

**1. How will ECCA affect SPE contributions?**

Individuals wanting to receive a tax-credit at both the state and federal level will need to make two separate contributions. Since two separate contributions will be made this will not affect SPE contributions.

**2. Will individuals who receive a 90% tax-credit in PA be able to get the remaining 10% as a federal tax-credit?**

The remaining 10% of an SPE contribution can count as a charitable contribution on the contributor's federal return. Contributors who want to receive a tax-credit at both the state and federal level will need to make two separate contributions.

**3. Do individuals have to complete a joinder agreement to participate in the federal tax-credit program?**

No. Unlike PA EITC where only business can participate unless going through and SPE, ECCA is only for individual contributors. Individuals will be able to go to the CTF website (or a link that is provided for you to post on your school website) and make a direct contribution.

**4. How does a contributor designate a school without a joinder agreement?**

When contributing through the CTF website (or link) a contributor will be able to select their designated school.

### RI Specific Questions:

**1. In RI, for the State Program, the contributor does not designate a school, but the Scholarship Grating Organization divides the funds between two participating schools. Will the federal program change that for the federal tax-credit?**

ECCA will allow contributors to designate the school of their choice. A Scholarship Grating Organization must work with 2 or more schools in a state, but funds are not required to be split between two schools.