

1. What is the Educational Choice for Children Act (ECCA)?

The Educational Choice for Children Act (ECCA) provides K-12 scholarships for up to two million students across America to attend schools that best meet their educational needs as determined by their parents. Under this bill, \$10 billion in federal tax credits would be available for individuals and businesses that contribute to non-profit scholarship-granting organizations (SGOs) for K-12 scholarships. Scholarships would be funded with private donations, not federal dollars, and donors would receive a 100% non-refundable federal tax credit. The funds could be used by families to pay for tuition, tutoring, special needs services, homeschooling curriculum materials, and education technology, among other eligible uses. The ECCA would expand school choice and opportunity while respecting federalism, protecting religious liberty, and ensuring private school autonomy.

2. Who benefits from the ECCA?

Up to 2 million students in all 50 states could benefit, particularly from lower- and middle-income families. The ECCA empowers parents to choose the best educational option for their children, including public, private, or faith-based schools.

3. How does the ECCA empower parents?

The ECCA ensures parents—not the government—decide where and how their children are educated, granting families access to high-quality education options previously inaccessible due to financial constraints.

4. How are scholarships funded?

Donations from individuals and corporations are directed to SGOs, which distribute scholarships to eligible families. In return, donors receive dollar-for-dollar federal tax credits, up to an aggregate funding cap.

5. What protections are in place for participating schools and SGOs?

The ECCA prohibits federal governmental mandates or interference in the operations of SGOs or participating schools. This ensures participating institutions, including faith-based schools, retain their autonomy.

6. Are SGOs and schools held accountable?

SGOs must operate as nonprofit entities whose substantial purpose is to issue scholarships. 90 percent of the funds raised by an SGO must go towards scholarships, up to 10 percent may be retained for administration, and SGOs have up to two years to expend funds. SGOs must undergo an annual independent non-governmental audit. Families maintain the right to choose the best educational option, fostering accountability through competition.

7. What is the potential long-term impact of the ECCA?

By empowering families and expanding educational options, this federal opportunity aims to directly empower K-12 families, improve educational outcomes nationwide, and foster a more competitive and diverse education landscape.

8. Who supports the legislation?

The ECCA is endorsed by more than 150 national and state organizations including the U.S. Conference of Catholic Bishops, Agudath Israel of America, American Federation of Children, Children's Scholarship Fund, Heartland Institute, ACE Scholarships, and the Home School Legal Defense Association.

9. What does the ECCA mean for a school that is not faith-based?

If your school is an independent school, homeschool, micro-school, or virtually any form of school you can think of, your school would be eligible to participate.. SGOs will decide the size and type of scholarships.

10. What kind of federal oversight or reporting will be required for nonprofit organizations that receive these funds?

As recognized non-profits, SGOs need to file an annual Form 990 with the IRS, which reveals a variety of detailed information about the SGOs finances. The only additional requirement for SGOs in the bill is they have to conduct an annual independent audit.

11. Are there any federal oversight or reporting requirements for schools that serve a scholarship student?

No.

12. Why use the HUD metrics for eligibility?

Unlike thresholds based on relationship to the poverty line (such as 300% of poverty for the Children's Health Insurance Program), the HUD metric reflects the different cost of living in different parts of the country. It doesn't cost as much to live in Omaha as it does to live in Manhattan. Sponsors also wanted to make sure the bill would help lower- and middle-income families.

13. Could currently existing state-level and/or privately supported SGOs offer this federal scholarship or would they need to establish a separate organization to receive federal tax-credited donations and provide scholarships with those funds?

If you are a SGO operating in a tax credit scholarship state, you are automatically eligible and just need to maintain separate segregated funds for the state and federal credits. Donors will have to make separate contributions if they want to participate in the state tax-credit program and the federal tax-credit scholarship.

14. And how would SGOs get approved to participate?

SGOs will need to register at a Treasury Department portal.

15. And families would be allowed to stack the federal with a state scholarship?

Absolutely. In the states with existing private-school choice programs, this federal opportunity complements what those states are already doing. The ECCA scholarship can be stacked on top of whatever that state is currently offering, further empowering parents by increasing scholarship assistance for their children..

16. How are the SGOs given instructions on how to award the scholarships to the parents or maximum amounts?

The size and type of scholarships awarded are entirely determined by the SGOs. In states without education savings accounts (ESAs) or private school choice programs, we anticipate that scholarships may be a bit higher than in states with private school choice programs (and thus serve fewer children), because they won't be able to access state-based resources.

17. Is there anyone who's tracking where SGOs currently operate, where families would find an SGO, and how would they be advertised to families in the states - current or future, for that matter?

Obviously, in the states that already have either SGO programs or where groups like the Children's Scholarship Fund or ACE Scholarships are operating, these organizations already have ways to reach families to make them aware of these options. There will likely be new SGOs launching around the country. Implementation of the ECCA scholarship will be critically important, and advocates backing the bill are committed to helping. Advocates will do everything necessary to make sure that families are aware of this option and to try to be as helpful to the SGOs as possible. There are already a lot of outstanding SGOs doing incredible work that can share their best practices.

18. A portal. Where does it live? Where does it exist? Does it exist now? Where would people find it?

The ECCA portal will be at the U.S. Department of the Treasury and will be established soon after enactment of ECCA.

19. What's the timing? How quickly do people need to start paying attention and getting to work?

Now! Get busy right after the first of the year. ECCA will likely be included in a budget reconciliation bill, because it cannot be filibustered. For those who are following what's happening in Washington, there will likely be two reconciliation bills, with the first coming early in the new Congress. The House, the Senate, and the White House are determining what's going to be included in the first reconciliation bill, and what will get pushed into the second one. We don't know yet where ECCA will be included. Either way, it is important to prepare and amplify the importance of this federal opportunity with all of your constituencies and federal policymakers.