

# Educational Choice for Children Act

Federal legislation supporting educational opportunities  
for K–12 students in Pennsylvania.

**Update:** The [2025 budget reconciliation legislation](#), which the U.S. House of Representatives [passed](#) on May 22, 2025, includes a version of the ECCA providing \$5 billion in tax credits and limits donors to individuals only.

## OVERVIEW: THE EDUCATIONAL CHOICE FOR CHILDREN ACT

- The Educational Choice for Children Act ([ECCA](#)), under discussion in the U.S. Congress, would expand parental choice in K–12 education to children in all 50 states.
- The non-refundable 100 percent federal income tax credit would generate millions in K–12 scholarships for low- to middle-income Pennsylvania families choosing a private school, microschool, or homeschooling.
- The ECCA is similar to Pennsylvania’s existing [tax credit scholarship programs](#). Donors in any state would be able to fund K–12 scholarships in Pennsylvania through one of over 250 [scholarship organizations](#) based on the donor’s federal tax liability.

## WHO IS ELIGIBLE TO PARTICIPATE?

- **Eligible Students**
  - Eligible K–12 students are those from low- to middle-income households with incomes up to [300 percent](#) of the median gross income level by county as determined by the U.S. Department of Housing and Urban Development (HUD).
  - Families would apply for scholarship funds through Pennsylvania’s existing (or new) [scholarship organizations](#).
  - Scholarship funds would be for tuition, fees, book supplies, and equipment to attend K–12 private schools, microschools, or for homeschooling expenses.
  - The ECCA would provide \$10 billion in total tax credits cap for 2026. Every state would get a minimum of \$20 million in federal tax credits for donations to scholarship organizations, with the remaining \$9 billion distributed on a first come, first serve basis.
    - Notably, Pennsylvania’s existing network of donors and scholarship organizations through the state’s tax credit scholarship programs would be in a prime position to administer a new federal tax credit.
- **Eligible Donors**

- Taxpayer donations would fund the ECCA via the Internal Revenue Service and would be non-refundable.
- Donors would make contributions through one of Pennsylvania's existing [scholarship organizations](#).
  - **Individual donors** would be able to donate up to 10 percent of their adjusted gross income or \$5,000, whichever is higher.
  - **Corporate donors** would be able to donate up to five percent of a corporation's taxable income.

#### ■ **Eligible Scholarship Organizations**

- The ECCA would utilize scholarship granting organizations (SGOs) to allocate K–12 scholarships to students attending private schools, microschools, or homeschooling in Pennsylvania.
- The ECCA would limit an SGO's use of donations for administrative expenses to 10 percent.
- Scholarship organizations currently operating in Pennsylvania are eligible to become an SGO for the ECCA, but the bill language stipulates they must:
  - Be a nonprofit entity exempt from tax per sections 501(c)(3) and 501(a) of the Internal Revenue Code and "is not a private foundation."
  - Award scholarships to multiple students and fund scholarships for more than one school.
  - Conduct an annual financial and compliance audit by an independent certified public accountant.
  - Prohibit the designation of donations for a particular student.

## HOW TO ENSURE ECCA SCHOLARSHIPS FOR PENNSYLVANIA STUDENTS

In 2022–23 (latest data available), state caps on the Educational Improvement Tax Credit (EITC) and Opportunity Scholarship Tax Credit (OSTC) programs turned away nearly [80,000 K-12 tax credit scholarships applications](#).

- The ECCA bill has been introduced but has not yet been voted into law. Lawmakers need to hear from parents, donors, schools, and scholarship organizations about how ECCA would benefit the children of Pennsylvania. Contact your [U.S. congressional representative](#) by email or phone to share why K–12 scholarships are vital for Pennsylvania's kids.
- Schedule an in-person meeting with your U.S. Senator at their Pennsylvania or Washington, D.C. office and ask them to vote for the ECCA. Be prepared to share success stories of how private schools, homeschools, and microschools are meeting the needs of kids in Pennsylvania.
- [Sign up](#) for updates on this legislation as the ECCA moves through Congress.