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*"The only foundation for a useful education in a republic is to be laid in Religion.
Without this there can be no virtue, and without virtue there can be no liberty,
and liberty is the object and life of all republican governments."*
Benjamin Rush

Proposed Regulations for National School Choice Published by Department of Treasury

The Treasury Department has released proposed regulations for the [Education Freedom Tax Credit \(EFTC\) program](#), a new federal tax credit program that has the potential to transform the educational system by providing millions of student scholarships through private donations. The program was created through the passage of the Working Families Tax Cut Act (the One Big Beautiful Bill) and allows individuals a dollar-for-dollar tax credit of up to \$1700 for donations to a scholarship granting organization (SGO). The SGOs provide scholarships for families to use for their children's educational purposes such as tuition, tutoring, fees, books, and supplies. The newly released regulations will help SGOs and schools prepare for the start of the program which is set for January 1, 2027.

The regulations make several important clarifications that allow for the program to truly expand school choice opportunities as well as protect the autonomy of participating schools, families, and SGOs. First, the regulations state that couples filing taxes jointly may donate and claim up to \$3400 in their dollar-for-dollar federal tax credit. The regulations also state that state governments may not impose additional requirements on participating schools and SGOs beyond what is written in the federal law. This is an important clarification as some state governors have indicated they were considering additional requirements for SGOs in their state that could have threatened the autonomy and freedom of the participants. The regulations also state that SGOs may narrow their focus to serve particular needs, an important clarification that will allow SGOs to focus on certain groups like special needs or a particular program of interest. For example, the AACCS has [established](#) an SGO, [Accord Kids](#), to support students specifically in Christian education.

To date, 31 states have indicated their intention to opt into the program, meaning that students in those states will be able to receive scholarships. While anyone can receive a tax credit for a donation to an SGO, only students in participating states will be able to receive a scholarship. The Treasury Department and the IRS expect that more than 11 million taxpayers will make qualified contributions totaling \$26 billion to SGOs annually. That is equivalent to funding 2 million annual (\$12,000) full-time scholarships or 5 million part-time (\$4,500) scholarships per year by 2030. The AACCS is continuing to analyze the regulations and their effect on participating Christian schools. If you would like more information on the EFTC, Accord Kids, and how this could help families and students in your school, please contact our [AACCS Washington, D.C., office](#).

New Reports Show Vast Benefits for Students and Donors through the EFTC

The American Federation for Children (AFC) has released two reports which show the vast benefits that are possible for students and taxpayers through the [Education Freedom Tax Credit \(EFTC\)](#). The first report, ["Who Can Receive a Scholarship?"](#), estimates that approximately 52 million students nationwide will be eligible for a

scholarship under the guidelines. This includes the students who are in the states which have opted into the EFTC and whose families fall within the income threshold of 300% of the area median income. An [interactive map](#) on the report's web page provides state-by-state information on the percentage and potential number of students per state that could be helped if their state opts into the program. The second report, "[Who Can Fund a Scholarship?](#)", examines taxpayer data and estimates that approximately 121.5 million tax filers will be eligible to claim the tax credit that is available for donating to a scholarship granting organization. Through the information from this report, the AFC created a tool on their website which can [calculate the potential for education funding](#), through SGOs, that could be utilized in each state. This can be a valuable tool in the efforts to persuade governors of the value of opting into the EFTC to create more educational opportunities for all students. Dr. Patrick Graff, author of the two reports, projected that if 10% of taxpayers nationwide took advantage of this tax credit by donating to an SGO, the EFTC would in effect provide \$18.8 billion towards education, and if 20% of taxpayers contributed, the amount (\$37.6 billion) would exceed the current federal funding for Title I (low-income students) and IDEA (special education).

Department of Education Officially Rescinds Biden Title IX Rule

Last week, the Department of Education officially rescinded the Biden administration's Title IX regulation and reinstated the first Trump administration's 2020 Title IX rule. Congress passed Title IX of the Education Amendments of 1972 to prohibit sex-based discrimination in education programs and activities at schools that receive federal financial assistance. However, the Biden administration released a Title IX rule that changed the definition of sex to include sexual orientation or gender identity. The Biden-era rule was immediately challenged and subsequently enjoined in various states before being vacated nationwide in early January 2025. The first Trump administration's 2020 Title IX rule has been in effect while the legal process continued. Now, the Department officially reinstated the 2020 Title IX rule. "Today's rulemaking clears the Biden Administration's illegal rewrite of Title IX from the Code of Federal Regulations and restores the commonsense language promulgated in the first Trump Administration, which we have been enforcing since the first days of the Administration," [said](#) Education Secretary Linda McMahon. In a [press release](#), the Department highlighted the ways it has used Title IX to protect women during Trump's second term in office. For instance, the Department has investigated schools for allowing men to play in women's sports. McMahon [added](#) in an interview that the recodification "gives clarification to students, teachers, schools, parents—everyone now knows what the rule is and how everyone is going to abide by it."

In Case You Missed It:

[Weekly Market Update](#) provided by Jeff Beach of the [AACS Investment Team at Merrill Lynch](#)

[Practical Legal Help for Christian Schools: ADF Ministry Alliance](#)

[The Heritage Foundation Education Freedom Report Card](#)

[The Clergy Act Passes the Senate](#)

[Trump Administration Announces \\$95M in Cuts to Department of Education](#)

[Ranking States on Integrity in Education](#)