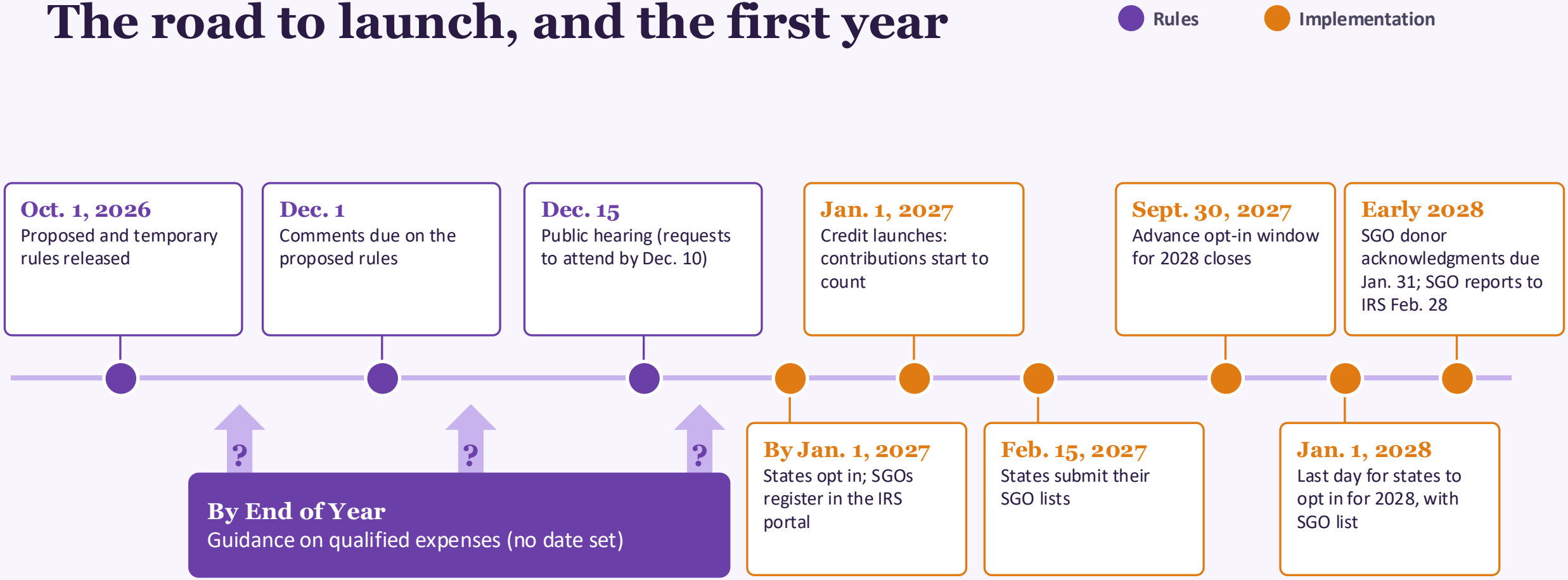
KEY DATES

The road to launch, and the first year



Sources: Treasury and IRS temporary regulations, T.D. 10057, and proposed regulations, REG-117199-25 (Oct. 2026)

TAKEAWAYS & TO DO'S

What the field needs to build

1 SGOs for uses beyond tuition

Ready to connect families to programs on day one, including the expansion and build out of infrastructure for public school students

2 Provider connections

Optimizing connections to providers, including clarifying pricing and reimbursement mechanisms, network infrastructure, school partnerships.

3 Cross-community donor base

Encourage taxpayers to contribute to scholarships in the communities with greatest need. Help FSTC close the gap rather than widen it.

4 Quality and outcomes data

Required reporting is mostly financial. States, SGOs, provider networks, and funders can ask for more.

5 Marketing & Outreach

Marketing to taxpayers and families. Encourage employers to create systems for easy donation (payroll deduction). Educate tax accountants and more.

6 Philanthropic "angel investing"

Up-front investments in critical infrastructure.

TAKEAWAYS & TO DO'S

What providers & provider networks can do now

Get ready for an SGO to fund you

1. **Find your SGOs**
   Connect with SGOs you can trust that care about quality and prioritize serving students with greatest needs in your state. Get help identifying or creating options.

2. **Make your work visible. Document your relationships.**
   MOUs, partnership letters, and spots on school referral lists. Whether a service is "required or provided by" is still to be clarified – but get ready.

3. **Know your true cost**
   Your real per-week or per-session cost, even if you don't currently charge families for it.

4. **Communicate with your families and students who may be eligible for scholarships**
   Ensure those with greatest need are able to access these opportunities and resources when they become available.

And build connections

Communicate your mission
Communicate with families, SGOs, school partners re: your focus, quality and reach.

Strengthen your network infrastructure
Make it easier for schools to identify and partner with providers at scale

Ask funders
for help with SGO capacity, marketing, and quality reporting

Sources: Afterschool Alliance and Accelerate

TAKEAWAYS & TO DO'S

Weigh in with Treasury

Now
Weigh in on non-regulatory guidance

Dec. 1
Comments due on the proposed rules (REG-117199-25), at regulations.gov

Dec. 10
Requests to attend the hearing due

Dec. 15
Public hearing, IRS, Washington DC

Adopt a broad definition of "Eligible Expenses"

Now: guidance not yet issued

- Clarify that SGOs can offer scholarships "for afterschool programs in schools and communities"
- Confirm services are "provided by" the school when partners deliver them through an MOU, contract, or other documented school arrangement
- Define extended day as "learning opportunities outside of the traditional school day," including community, faith-based, and for-profit partners working with schools
- Include summer: don't "define an eligible educational experience" based on the time of day or year; confirm expenses can span school years
- Confirm location doesn't decide eligibility: services can take place in or outside a school building
- Defer to state definitions of "school" including where that allows services to pre-K students

Clarify Safe Harbor for Tutoring and Special-Needs Services

Dec. 1: proposed rules

- Replace "individual academic tutoring" with the statutory term
- Define academic tutoring broadly: individual or small-group, high-impact, virtual or in person
- Define the quality standard using research-based features
- Accept school screeners as proof of need
- Expand quality standard eligibility categories

Other key points Dec. 1: proposed rules

- Define what makes a provider "verified," and set payment timing
- Let SGOs rely on state- or district-approved provider lists to verify providers
- Confirm SGOs can pay districts directly, not just individual schools
- Consider other needs-based programs as proof of income
- Affirm importance of promoting and reporting against quality standards
- Affirm states' ability to require reporting to prevent waste, fraud, and abuse, beyond meeting statutory requirements
- Give new SGOs workable timing to qualify, including the 85% safe harbor

Sources · Afterschool Alliance · AASA · EducationCounsel

TAKEAWAYS & TO DO'S

Resources to keep handy

FAQ

Education Freedom Tax Credit fact sheet and FAQ

Treasury and Education Dept., Oct. 2026

home.treasury.gov →

THE DETAILS

Proposed & temporary regulations

Treasury and IRS, Oct. 2026

Proposed → Temporary → IRS →

COMMENT

Submit comments by Dec. 1

Docket REG-117199-25

regulations.gov →

ONE-PAGERS

Quick explainers to share

Federal Scholarship Tax Credit one-pager
FutureEd, June 2026
ewa.org →

Potential Funding Opportunity for Afterschool and Summer in 2027
Afterschool Alliance
afterschoolalliance.org →

NSSA one-pager (coming)

REGS DEEP DIVE

Unpacking Treasury's Proposed Regulations for the FSTC

EducationCounsel, Oct. 9, 2026

educationcounsel.com →

STATE LEADERS

Implementing the FSTC to Maximize Supports for Public School Students

EducationCounsel

educationcounsel.com →

AFTERSCHOOL

Scholarship Tax Credit for Afterschool

Afterschool Alliance

afterschoolalliance.org →

SGOs

Public School SGO Toolkit

AASA

aasa.org →

VIDEO

How will the FSTC work?

Education Resource Strategies

erstrategies.org →

PROJECTIONS

FSTC Projection Tool

Education Resource Strategies

erstrategies.org →

WEBINAR SERIES

Leveraging the Federal Scholarship Tax Credit

Past sessions, CGLR and AYT

Dec. → Feb. → Mar. → Sept. →