Updated November 5, 2026

Thirty-two states have elected or announced that they will participate in the new federal school scholarship program,

Using the **2024 statewide presidential vote** to define red and blue states:

Group	Elected or announced participation	Percentage
🔴 **Red states**	**27 of 31**	**87.1%**
🔵 **Blue states**	**5 of 19**	**26.3%**
All states	**32 of 50**	**64.0%**

These are my calculations from the participation information and election results; Washington, D.C., is excluded. Internal Revenue Service

States must elect participation for 2027 by January 1, 2027.

> *There is no fixed federal allocation per state: funding depends on donations to approved scholarship organizations, supported by federal tax credits. www.govinfo.gov*

🟩 1. Which states have signed up?

The program's official name is the **Federal Scholarship Tax Credit**, also called the **Education Freedom Tax Credit**. It begins **January 1, 2027**. Although commonly described as a federal voucher program, it operates through tax-supported charitable scholarships. Internal Revenue Service

States that have elected or announced participation

Classification	States
🔴 **Red states — 27**	Alabama, Alaska, Arkansas, Florida, Georgia, Idaho, Indiana, Iowa, Kansas, Kentucky, Louisiana, Mississippi, Missouri, Montana, Nebraska, Nevada, North Carolina, North Dakota, Ohio, Oklahoma, South Carolina, South Dakota, Tennessee, Texas, Utah, West Virginia, Wyoming
🔵 **Blue states — 5**	Colorado, New Hampshire, **New Mexico**, **New York**, Virginia

The IRS's latest published list, dated **October 22**, includes 30 states. **New York and New Mexico have announced participation but are absent from that list**, so the distinction between an announced commitment and an IRS-recorded election remains relevant. Internal Revenue Service

🟧 *2. Which states have not signed up?*

The following **18 states** have no participation commitment identified in the sources checked:

Classification	States
🔴 **Red states — 4**	Arizona, Michigan, Pennsylvania, Wisconsin
🔵 **Blue states — 14**	California, Connecticut, Delaware, Hawaii, Illinois, Maine, Maryland, Massachusetts, Minnesota, New Jersey, Oregon, Rhode Island, Vermont, Washington

This is the remainder after accounting for the 32 states above. ncea.org

These states are not all firm rejections. Hawaii, Minnesota, and Oregon have expressed opposition, while Arizona and Wisconsin governors vetoed legislation requiring participation. Other states remain undecided or have not announced a commitment. Positions can change—as New Mexico's decision demonstrates. Ballotpedia

---

3. How long do states have to join?

There are **two deadlines** for the first year:

Required action	Deadline
Submit the advance election to participate for 2027	**January 1, 2027**
Submit the certified list of eligible scholarship organizations	**February 15, 2027**

An announcement alone does not complete enrollment. A state must make its election and supply the required organization list. Failure to submit that list on time prevents its organizations from qualifying for that year. **As of November 5, states have 57 days until the election deadline.** www.govinfo.gov

States can join in later years. Participation is elected annually, with annual organization lists and certifications; January 2027 is not a permanent deadline for entering the program. www.govinfo.gov

---

4. How much federal support can a state receive?

There is no predetermined amount for each state, no state allocation formula, and no aggregate national cap in the enacted program. The statutory dollar limit applies to each donor's tax credit. Scholarship funding therefore depends on how much approved organizations raise. uscode.house.gov

Federal benefit	Annual limit
Individual donor's federal income-tax credit	**$1,700**
Married couple filing jointly, when both spouses qualify	**$3,400**

These are **donor-credit limits**, not guaranteed payments to families or limits on each student's scholarship. Internal Revenue Service

For illustration, if each individual donor contributes $1,700:

Number of donors supporting organizations in a state	Contributions raised
10,000	**$17 million**
100,000	**$170 million**
1 million	**$1.7 billion**

These are arithmetic examples, **not forecasts or guaranteed federal awards**. The money goes to scholarship organizations, rather than the state treasury. Donors can contribute to an approved organization in another participating state, regardless of where they live. stateline.org

---

5. How does the program work?

---

① The state elects participation and certifies organizations

The state reviews qualifying **Scholarship Granting Organizations**, or **SGOs**, and supplies their names to the IRS. These must be eligible nonprofit public charities that meet federal requirements. Internal Revenue Service

② Donors contribute cash and claim a federal tax credit

A qualifying **$1,700 donation can reduce federal income tax by $1,700**. This is a tax credit, which directly reduces tax, rather than a deduction that merely reduces taxable income.

The credit is **nonrefundable**: its immediate value depends on available federal income-tax liability. Unused credit can generally carry forward for up to five years. A donor cannot also claim a federal charitable deduction for the credited contribution, and a state credit for the same contribution reduces the federal credit. Internal Revenue Service

③ Families apply for scholarships

Students must be eligible to enroll in public elementary or secondary school. Household income generally must not exceed **300% of area median income**, with applicable family-size adjustments.

That is a broad income threshold, not a poverty-only program. Eligibility does not guarantee an award; organizations need sufficient donations and must select recipients under the applicable rules. uscode.house.gov

④ Scholarships pay qualifying educational expenses

The program can serve students attending **public, private, religious, and charter schools**. Eligible expenses can include tuition, tutoring, books and supplies, disability services, and certain before- or after-school programs. **A child does not have to leave public school to benefit.** www.ed.gov

Some implementation details remain under proposed regulations, including aspects of qualified expenses and what qualifies as a school. Bipartisan Policy Center

⑤ Organizations must follow scholarship and financial rules

Federal law requires an organization to:

- Spend at least **90% of its income on scholarships**.
- Serve at least **10 students who do not all attend the same school**.
- Verify student income eligibility.
- Give priority to previous recipients, followed by their siblings.
- Avoid earmarking contributions for a particular student. uscode.house.gov

A parent therefore cannot simply direct a tax-credited donation specifically into their own child's scholarship.

🟨 *6. What does New Mexico's decision mean?*

New Mexico has reversed its earlier opposition and announced that it will participate. Governor Michelle Lujan Grisham's November 4 release emphasizes opportunities to support **literacy, math, tutoring, special education services, technology, and supplemental public-school programs**. Students in both public and private schools can benefit. Michelle Lujan Grisham

The state says its Public Education Department will establish the organization-certification process in the coming weeks. Families will apply through scholarship organizations; the governor's announcement anticipates that payments will generally go directly to schools and service providers. **It does not establish a guaranteed scholarship amount for each New Mexico student.** Michelle Lujan Grisham