

To: Cody Inman, Deputy Assistant Secretary for Management, The Administration for Children and Families & Ken Kies, Assistant Secretary for Tax Policy, The Department of the Treasury
From: Undersigned Organizations
Re: Recommendations and Considerations to Reduce Barriers to Tax Credit Scholarships Under HR 1 for Children and Youth in Foster Care
Date: March 4, 2026

Sent Via Email: Cody.Inman@acf.hhs.gov

The undersigned organizations are committed to working with and on behalf of older youth currently in foster care and those exiting care to increase the opportunities they have to thrive, succeed, and be connected to their families and with their communities. We convened to identify implementation considerations and insights related to older youth in and transitioning from foster care. Participants brought expertise in federal and state policy, direct service, program implementation, and lived experience. The conversations centered on selected provisions of the Executive Order where participating organizations have particular expertise. The recommendations below reflect themes that emerged from those discussions and are offered in the spirit of constructive dialogue with federal agency leaders responsible for implementation. We welcome the opportunity to meet directly with agency officials to further discuss these recommendations and explore areas of alignment.

Young people in foster care face many barriers to educational stability and success. Providing pathways to educational support and opportunities is greatly needed. The Executive Order, Fostering the Future for American Children and Families, Section 3(e) charges HHS to facilitate, in coordination with the Secretary of the Treasury and the Secretary of Education, State use of educational scholarships created through tax-credited donations to scholarship-granting organizations for children in foster care. We offer the following considerations and recommendations with the aim of reducing barriers that youth in foster care may face to accessing these scholarships due to their foster care status.

Recommendations

1. Establish a Policy to Make Youth in Foster Care Categorically Eligible for Scholarships

A significant barrier for children and youth in foster care accessing programs and benefits like scholarships is the challenge that they face in submitting required paperwork and having support to complete the application process. We have seen success in reducing some of these access barriers by making youth in foster care categorically eligible for means-tested programs, especially in the areas of workforce and education. These policies are guided by the data that

reinforces the high rates of poverty for children in foster care. [Poverty and Neglect: What Do We Know](#) (2025). Such a policy makes even more sense because the eligibility for a scholarship is 300% of the median income.

2. Refine the Requirements for Scholarship Granting Organizations (SGOs) to Remove Existing Barriers for Organizations Already Serving Youth in Foster Care to Become Qualified SGOs Under HR 1

Historically, youth in foster care have faced barriers to benefiting from state voucher programs. See [Truly Universal: Overcoming Barriers to School Choice for Youth in Foster Care](#) (2020). We think one effective strategy to reduce these barriers is to refine the requirements for SGOs so that organizations already connected with and serving foster youth can become SGOs for this unique population, helping ensure they are not left behind and that the specific needs of foster youth and children are being met. We believe this would be effective because it could address outreach barriers and enlist those with expertise in the foster care system to help navigate the system and ensure that its complexities do not prevent access to or use of a scholarship. We believe a significant barrier to foster youth-serving organizations becoming SGOs is the requirement that “the organization spends not less than 90 percent of the income of the organization on scholarships” for eligible students. 26 U.S.C.A. § 25F (d)(1)(B). Most of the organizations that are well-positioned to be specialized SGOs for this population, because they already serve the foster care population, are providing other valuable services and supports, some directly related to education. In these circumstances, allocating 90% of organizational income to scholarships would be impossible, even if the administrative margin were negligible.

To address this barrier, we recommend limiting the 90% requirement for such situated organizations specifically to funds donated for scholarships. This will help ensure that the requirement's original intent is met, that a majority of funds donated for scholarships go directly to scholarships, while helping remove a major barrier to organizations already connected with and serving foster youth, becoming SGOs who are able to serve the foster youth population, while also allowing them to continue providing the valuable and necessary services they currently do to youth in foster care.

3. Ensure that SGOs Establish Connections with Organizations that Serve Youth in Foster Care

We understand that not all SGOs will be familiar with the foster care system or have connections to foster care-serving organizations or agencies. Under such circumstances, we recommend that, for an organization to qualify as an SGO under HR 1, it provides documentation of an ongoing relationship and working partnership with an organization that is currently providing direct service to youth in foster care and/or their caregivers, prior to certification as an SGO. We highly recommend prioritizing organizations that demonstrate youth

engagement in their leadership and structure. This requirement will encourage partnerships and leverage each entity's expertise, creating a stronger program that can better meet the needs of all children and youth. This requirement can be easily met given the existence of foster care educational liaisons at the state and local levels and the assistance of the stakeholder community. The benefits of these partnerships will be significant, as they can reduce barriers to access for youth in foster care and will also increase the knowledge of the foster care system for organizations that may currently be less familiar.

4. Require States to Issue Policies Addressing the Unique Decision-Making Status For Youth in Foster Care

A barrier to accessing scholarships and voucher programs is a result of the complex decision-making authority that exists with respect to a child in foster care. In many cases, a parent may retain educational decision-making rights for a child in foster care, while some children may have been assigned an educational decision maker by the court. Additional decision-making considerations also apply to students with special education needs. To address these barriers, we recommend that states that opt into the program be required to issue guidance clarifying under their state law who is responsible for, and has the authority to, decide whether to apply for a scholarship and follow through with that process. We recommend that, as state law allows, state policy encourages and supports the engagement of youth and their families in decision-making, and that clear policies are established to ensure that children and youth have an identified decision-maker who is knowledgeable about the youth's educational needs.

The undersigned organizations look forward to working with you and are available to provide any further information and support. Please reach out to Jenny Pokempner at jpokempner@ylc.org who can convene the organizations who developed these recommendations.

Sincerely,

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Center for the Study of Social Policy, Alexandra Citrin

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FosterClub, Angel Petite

Foster Success, Dr. Maggie Stevens

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