



By Nancy Mercante

Director, Center for Education Policy, Caesar Rodney Institute

Founder and President, Citizens for Delaware Schools

A \$40 Million Opportunity for Delaware Students – But Only If Governor Meyer Acts

June 2026

A new [Federal Scholarship Tax Credit \(FSTC\) program](#) could direct nearly \$40 million annually in private educational funding to Delaware students if just 15% of eligible taxpayers participate, according to an analysis by [Education Reform Now \(ERN\)](#). The scholarships could help students pay for tutoring, tuition, transportation, summer programs, and other educational services.

But there is a catch.

Under federal law, Delaware students can benefit from the program only if Delaware chooses to participate. [The IRS has made clear that states must elect to participate](#) and identify eligible Scholarship Granting Organizations before taxpayers can receive the credit for contributions made within that state.

Governor Matt Meyer, therefore, has the opportunity to make Delaware students eligible for these scholarships. To ensure Delaware students can benefit when the program begins in 2027, he will need to opt Delaware into the program. If he does, Delaware students could begin receiving scholarship support as early as 2027.

If he does not, Delaware students would be ineligible to receive these scholarships. Delaware taxpayers, however, could still claim the federal tax credit but the funds they redirect would have to go to scholarship organizations in other participating states. At a time when many families struggle to afford the extra support their children need, Governor Meyer should seize this opportunity.

Families Need Additional Educational Support

Delaware spent more than [\\$2.7 billion on public education during the 2023-24 school year](#), yet many students continue to struggle academically. According to the National Assessment of Educational Progress (NAEP), Delaware student achievement remains below pre-pandemic levels, and [significant achievement gaps persist between higher and lower performing students](#).

When a child falls behind in school, parents often seek additional help. They incur out-of-pocket costs for tutoring and summer learning programs. Students with learning challenges may need more specialized services than are covered under current laws. Many families also pay out of pocket for tuition, transportation, enrichment activities, and athletics.

For many households, those costs are simply unaffordable.

Taxpayers Can Redirect Federal Tax Dollars to Delaware Student Scholarships

The FSTC program is straightforward. If Governor Meyer opts Delaware into the program, Delaware taxpayers would be able to voluntarily redirect up to \$1,700 of their

federal tax liability annually to an approved Scholarship Granting Organization (SGO) and receive a dollar-for-dollar federal tax credit.

Any eligible taxpayer may participate, whether or not they have children. Rather than sending up to \$1,700 to the IRS general fund, taxpayers would be able to direct those dollars toward educational opportunities for Delaware students.

The SGO would then award scholarships to eligible families. It's that simple.

Approved SGOs determine eligibility and award scholarships under [federal rules and oversight](#). The program is designed to be accessible to a broad cross-section of middle-class families, enabling many Delaware families to qualify.

Relief to State Budget Pressures

The program's greatest strength is its flexibility. Rather than funding institutions, it helps students. Families may use scholarship funds for eligible educational services that best meet their children's needs.

The benefits could be especially meaningful for lower-income and working-class families. They often have the greatest need for supplemental educational support but the least resources to pay for it.

The program could also help vulnerable students. Foster children, homeless students, and others facing significant challenges could receive services tailored to their individual needs. Importantly, the scholarships would:

- Not replace but supplement existing education funding
- Not require any state appropriations
- Not reduce local school funding

- Not place additional tax burdens on Delawareans

Instead, taxpayer contributions made through the Federal Scholarship Tax Credit program would create a new stream of educational funding that can help students succeed.

Governor Meyer's Decision

Governor Meyer has publicly acknowledged [Delaware's literacy challenges](#) and the urgency of improving student outcomes. Opting into this program would be a practical step toward addressing those challenges. It would bring millions of dollars in additional educational support to Delaware students without increasing state spending or reducing public-school funding.

[More than half of the states](#) have already chosen to participate, and Delaware risks becoming an outlier if it declines, leaving Delaware students without access to scholarship opportunities available to students in participating states.

The question before Delaware is straightforward: Should Delaware students and families have access to millions of dollars in additional educational support, or should that opportunity be missed and instead go to students in states that choose to participate?

That decision now rests with Governor Meyer.

Let us know what you think