Oppose the Trump Administration’s Education Freedom Scholarships

During the State of the Union address, Trump will be promoting a voucher proposal that would redirect $5 billion per year of federal taxpayer dollars to fund a private school voucher program. Individuals and corporations would receive a dollar-for-dollar tax credit for donating to scholarship granting organizations (SGOs) that provide private school vouchers to students. This proposal has been introduced in Congress as the “Education Freedom Scholarship and Opportunity Act” (S.634/H.R.1434). There are a number of flaws with this legislation.

1. It Creates a Federally Funded Private School Voucher Program
   - Tax credits constitute public funding: when the government grants a tax benefit, it forgoes funding that would otherwise support federal programs, including public education.
   - This bill provides individuals and corporations a dollar-for-dollar credit, which operates less like a tax incentive and more like a direct transfer of taxpayer funds away from the public education fund and into private schools. The tax credit is a shell game designed to hide that the program is a voucher.

2. It Undermines Public Schools
   - Public funds should fund public schools, which serve 90% of students, rather than being diverted to private schools.
   - This bill would pour up to $5 billion a year of taxpayer dollars into non-public education, including tuition for students at private, religious schools as well as to families that homeschool their children.

3. It Incentivizes Private School Voucher Programs above Donations to Traditional Charitable Programs and Organizations
   - When taxpayers donate to most tax-exempt charities, such as homeless shelters, they receive a federal tax deduction that could be worth between 10 and 40 cents on each dollar donated, depending on the donor’s tax bracket. But this bill prioritizes SGOs above any other worthwhile charity a taxpayer may support by providing a 100% tax credit on each dollar donated.
   - In effect, this bill provides donors to SGOs with a tax advantage that is 2-3 times more generous than donating to other charities.

4. It Allows for Broad, Unaccountable Use of Taxpayer Funds
   - Tax credit programs are especially susceptible to accountability problems.¹ By diverting taxpayer dollars through an SGO, this program creates an extra layer of bureaucracy – one which can shield donor and recipient information from state authorities.²

¹ Tax expenditure programs generally lack basic accountability problems because they are often “accounted for inaccurately in the budget . . . lack transparency . . .[and] often result in unnecessary complication and duplication.” C. Eugene Steuerle, Summers on Social Tax Expenditures: Where He’s Wrong…or at Least Incomplete, Tax Notes (Dec.18, 2000).
• In this bill, there are no requirements that the SGOs must report the amount of contributions received or if they must disclose the number and average value of scholarships distributed or the number of students participating in the program.
• This bill allows funds allocated by SGOs to be used broadly for “elementary or secondary education, as recognized by the state,” which could include paying for tuition at a private religious school, for homeschooling, or for other education service providers.
• There are no requirements that the schools or service providers receiving federal taxpayer funds be accredited, adhere to the same standards for curriculum, teacher qualifications, or school quality, or report any set of state or federal academic accountability metrics, such as reporting on how students are performing in reading or math.

5. It Incentivizes States to Create or Expand Private School Voucher Programs
• This bill rewards states with existing or large tax credit voucher programs by basing the allocation of funds on the number of donations to state SGOs made in the previous year as well as the number of voucher students in that state.

6. It Enables Taxpayer-Funded Discrimination and Strips Students of Rights
• The bill specifically states that despite being funded by federal taxpayer dollars, there may not be “any Federal control over any aspect of any private, religious, or home education provider.” This means that a student can apply to attend a private school receiving federal funds and be rejected from attending the school for many reasons including academic ability, disability status, religion, or sexual orientation or gender identity.
• Students using vouchers to attend private schools lose rights such as those in Title VI, Title IX, IDEA, Title II of the ADA, and the Every Student Succeeds Act. And, they are stripped of the First Amendment, due process, and other constitutional and statutory rights offered to them in public schools.
• The bill also violates a central tenet of religious freedom that no taxpayer money should fund religious education.

7. Private School Vouchers Do Not Improve Academic Achievement
• Studies of the Louisiana, Indiana, and Ohio voucher programs have demonstrated that students who used vouchers perform worse academically than their peers. In addition, studies of long-standing voucher programs in the District of Columbia, Milwaukee and Cleveland found that students who received vouchers showed no improvement in reading or math over those not in the program.

7 E.g., Patrick J. Wolf, School Choice Demonstration Project, Univ. of Ark., The Comprehensive Longitudinal Evaluation of the Milwaukee Parental Choice Program: Summary of Final Reports (Apr. 2010). (Overall, there are no significant achievement gains of voucher students compared to public school students. “When similar MPCP and MPS students are matched and tracked over four years, the achievement growth of MCPF students compared to MPS students is higher in reading but similar in math. The MPCR achievement advantage in reading is only conclusive in 2010-11, the year a high-stakes testing policy was added to the MPCR.”)