July 8, 2024

Chairman Jason Smith
Committee on Ways & Means
U.S. House of Representatives
Washington, DC 20515

Ranking Member Richard Neal
Committee on Ways & Means
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Smith and Ranking Member Neal:

The undersigned 32 organizations of the National Coalition for Public Education write to express our opposition to any legislation, such as H.R. 8915 or H.R. 6795, that uses the tax code to further privatize K-12 education. We oppose using tax expenditures, which at bottom are public funds, to create vouchers in any form, whether a tuition tax credit or expanding the use of 529 accounts to fund homeschooling and education expenses related to private K-12 schools.

Although promoted as “educational freedom,” private school vouchers in any form do not provide real freedom of choice to students and parents. The “choice” in voucher programs actually lies with the private schools, which may turn students away for a variety of reasons often including disability, sexual orientation and gender identity, religion, academic achievement, and economic status. In contrast, public schools are open to all and required to abide by federal civil rights laws — including Title VI, Title IX, the Individuals with Disabilities Education Act (IDEA), Section 504 of the Rehabilitation Act, Title II of the Americans with Disabilities Act, and school accountability standards of the Elementary and Secondary Education Act (ESEA). They educate nearly 90% of our country’s students and are a cornerstone of our communities.

Open and nondiscriminatory in their acceptance of all students, public education serves many vital purposes in our country: it improves communities, reduces inequalities, forges common experiences, and strengthens our democracy. Public education brings our communities together by forging common experiences among a wide range of students. Creating a federal tuition tax credit or expanding the use of 529 accounts, however, undermine our nation’s public schools by diverting desperately needed resources away from the public school system to fund the education of a few select students. We should not promote policies that would forgo tax dollars that could be used to fund public schools, and instead direct federal dollars toward children already engaged in private education and homeschooling. Parents are free to educate their child in private, religious schools and home schools, but lawmakers should not subsidize these programs with public dollars, particularly when parents already fund them themselves. Congress should prioritize funding and support for public schools, which must serve all students, rather than siphoning funds to unaccountable private schools and homeschools.
Expanding 529 Accounts Would Benefit High-Wealth Families in High-Tax States

Public dollars should fund public schools. Yet because of policy shifts included in the Tax Cuts and Jobs Act of 2017, currently $1 billion is being directed to private K-12 tuition through 529 accounts\(^1\) each year. The Tax Cuts and Jobs Act of 2017 expanded 529 college-savings accounts to allow coverage of elementary and high school expenses of up to $10,000 a year for private and religious schools. The Committee should reject efforts to expand these tax breaks even further to allow 529 plans to be used to cover expenses associated with homeschooling or additional private school expenses such as curriculum, textbooks, online classes, and educational therapies. Congress should be taking steps to end this tax break for private education, not enlarging it.

Importantly, we know that 529 savings plans are inaccessible to low- and middle-income families. Voucher and education savings accounts recipients are typically families who are already paying tuition at a private school prior to receiving the voucher. For example, in Arkansas, 95% of the participants in the state’s universal voucher program had never attended public schools before receiving a voucher. 80% of voucher recipients in Arizona never attended public schools; 89% of voucher recipients in New Hampshire never attended public schools and 75% of voucher recipients in Wisconsin never attended public schools\(^2\). Families who already homeschool their children are doing so without the federal government’s intervention and tax breaks. These accounts merely provide a discount to families who already have the ability to save money on a short-term basis.

Expanding 529 accounts even further for private school and homeschooling would disproportionately benefit families with high incomes because of the nature of which they depend on families’ abilities to save rather than spend on basic needs. Tax breaks delivered in the form of a reduction in taxable income are more valuable for those in higher tax brackets and with higher tax burdens. This means that high-wealth families in states such as New York, Connecticut, and New Jersey stand to gain the most from the expansion of 529 accounts while families with low incomes in states without state income taxes such as Florida, Wyoming, and Texas will gain the least. The likely outcome of the expansions, therefore, is that they will provide a new tax break for high-wealth families who already enroll their children in private schools or homeschools. Rather than forcing the public to take on a brand-new expense that results in giving up hundreds of millions of dollars in revenue at the federal and state levels to provide tax breaks to the wealthy, Congress should be allocating more funding for our public schools, police forces, park services, and the post office.

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\(^1\) According to ISS Market Intelligence, in 2022-2023 $1 billion of 529 accounts were estimated to be directed for K-12 private school tuition.

\(^2\) Forquer; Ethan DeWitt, Most Education Freedom Account Recipients Not Leaving Public Schools, Department Says, N.H. Bulletin (Mar. 28, 2022); Edgar Mendez, State Voucher Program Applicants Already Attend Private Schools, Milwaukee J. Sentinel (May 20, 2014)
Tuition Tax Credit Vouchers Are Wasteful Spending and Ineffective

Although tuition tax credit voucher schemes may have a different name and structure, they are simply a private school voucher: they divert tax dollars away from public education and into private schools. Individuals and corporations get a dollar-for-dollar tax credit for donating money to a “scholarship granting organization,” which pays the tuition for students who attend private schools. This scheme not only privileges “donations” to these nonprofits over all other forms of charitable giving because of the tax credit, but also operates less like a tax incentive and more like a direct transfer of public funds away from public education and into private schools.

Private school vouchers fail to improve students’ academic achievement. Indeed, they often result in students performing worse than their peers who have not participated in the voucher program: large-scale studies of the Louisiana, Indiana, Ohio, and Washington, DC, programs show that voucher students experienced significant declines in their academic performance. The impact of accepting a voucher on academic achievement in these programs is on par with or worse than the learning loss experienced by catastrophic events like Hurricane Katrina and the COVID-19 pandemic.

In addition, voucher programs often lack even the most basic accountability standards and oversight requirements to ensure that public money is not being wasted. They frequently do not require participating schools to meet any baseline standard for teacher qualification, student testing, financial accountability, or even safe facilities. There is a long list of instances where this lack of oversight has resulted in waste, fraud, and abuse.

The government should not redirect billions of dollars per year of tax dollars to pay for ineffective, discriminatory, and unaccountable vouchers. We urge you to oppose any effort to expand 529 accounts for contributions covering expenses associated with private elementary and secondary education or homeschooling, and to oppose any other tax expenditures that promote the privatization of our K-12 schools.

Sincerely,

AASA, The School Superintendents Association
AFT, AFL-CIO
American Atheists
American Civil Liberties Union
American Federation of State, County and Municipal Employees (AFSCME)
American Humanist Association
Americans United for Separation of Church and State
Association of School Business Officials International (ASBO)
Baptist Joint Committee for Religious Liberty (BJC)
Center for Inquiry (CFI)
Cooperative Baptist Fellowship (CBF)
Council for Exceptional Children
Council of Administrators of Special Education
Council of the Great City Schools
Economic Policy Institute
First Focus Campaign for Children
GLSEN
In the Public Interest
Interfaith Alliance
National Association of Elementary School Principals
National Association of Federally Impacted Schools
National Association of Secondary School Principals (NASSP)
National Center for Learning Disabilities
National Disability Rights Network (NDRN)
National Education Association
Network for Public Education
Pastors for Children
Public Funds Public Schools
Southern Education Foundation
The Arc of the United States
The Secular Coalition for America
Union for Reform Judaism