

Oppose \$20 Billion Federal Private School Voucher Program

House Republican leadership want to include a \$20 billion private school voucher program in the 2025 tax-reconciliation bill. Known as the Educational Choice for Children Act of 2024 (H.R. 9462 in the 118th Congress), it would give away \$5 billion per year for each of the next four years of federal taxpayer dollars to fund private school vouchers. Instead of directing resources to the public schools that 90% of American children attend, vouchers divert critical federal dollars to students already attending private schools and to schools that can cherry pick which students they want to educate.

How the Proposal Would Work

Individuals receive a dollar-for-dollar tax credit in exchange for giving money to an intermediary organization, often called a “scholarship granting organization” or “SGO.” Then, the SGO gives out vouchers, writing checks for tuition at a private school. In short, rather than collecting \$5 billion per year in taxes, this proposal essentially transfers those tax dollars to intermediaries that can give unlimited funding to students to attend private schools, including religious and online schools, and for homeschooling.

An individual can claim a credit of up to 10% of their adjusted gross income, meaning that a taxpayer with a \$10 million income, for instance, could receive a tax credit of up to \$1 million per year. There is no limit on the size of the voucher SGOs can give out.

The Proposal Undermines Public Schools

- Public funds should fund public schools, which serve over 90% of students, rather than being diverted to private schools.
 - This proposal would pour \$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.
 - We cannot afford to subsidize a second, but private system of education when our public schools are underfunded.
- Vouchers often go to students who never attended public schools in the first place, which drains public education funds to subsidize private school tuition for well-off families who could afford it without money from the government.
 - In states with voucher programs, 70% of the students receiving vouchers are those already attending private schools.¹
 - This proposal does not limit access to vouchers to students who couldn't already afford to attend private schools.
 - The proposal allows families making up to 300% of the area median income to get vouchers. In a place like Scottsdale, AZ, this is equivalent to over \$315,000 per year.



The **National Coalition for Public Education** comprises more than 50 education, civic, civil rights, and religious organizations devoted to the support of public schools. Founded in 1978, NCPE opposes the funnelling of public money to private and religious schools through such mechanisms as tuition tax credits and vouchers.

¹ Lieberman, Mark. “Most Students Getting New School Choice Funds Aren’t Ditching Public Schools.” Education Week.

- This proposal is particularly damaging for rural schools.
 - Rural public schools are the hub of community life serving as emergency shelters, gathering places, healthcare and food distribution centers and polling locations.
 - Because the margins for operating a public school in rural communities are incredibly small, the departure of a few students can leave rural schools with fewer resources to provide the non-instructional benefits that the community cannot get anywhere else and thus negatively impact the entire community.
 - Schools are frequently the largest employer in the community and adults and children alike depend on strong public education systems for resources and economic growth.

The Proposal Would Create the First National Private School Voucher Program

- This proposal undermines key federalism principles.
 - The proposal would impose vouchers on states that don't have such programs already.
 - If it would approve a national private school voucher Congress would override the will of the states. Even as some state legislatures have exercised the right to create voucher programs, other legislatures and citizens through referendum have rejected them. Likewise, a federal voucher program is antithetical to states' rights and the return of educational authority to the states.
- Voters across the country have opposed private school vouchers.
 - In 2024, voters in Kentucky, Nebraska, and Colorado rejected vouchers when the issue was put to them in ballot measures.
 - Voters across the country have rejected voucher measures every time they've been on the ballot—over a dozen other times.
- A federal voucher program undermines local control of education funding and policy.
 - The proposal seemingly seeks to preempt state and local laws that provide even minimal guardrails in existing voucher programs, like requiring teachers to be licensed. It also could bar any state or local oversight of the program.
 - The bill also seeks to muzzle state and local officials from highlighting concerns with this voucher or sharing information about low-quality schools.

The Proposal Provides No Accountability for How Taxpayer Funds Are Spent

- This proposal allows funds to be used broadly for elementary and secondary schooling, which could include paying for tuition at a private religious school, for homeschooling, or for other educational costs.
 - In states with similar programs, parents have used the funds to purchase pizza ovens, espresso machines, big screen TVs, foosball tables, paddleboards, golf equipment, Amazon gift cards, and tickets to Disney World and SeaWorld.
- The proposal does not require schools or service providers receiving federal taxpayer funds to 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.

- This proposal does not require SGOs to report the amount of contributions received or to disclose the number and average value of the vouchers they give out or the number of students participating in the program.
 - The proposal gives the SGOs “maximum freedom” and says that the government may not “mandate, direct, or control any aspect of” SGOs in any manner.
 - By diverting taxpayer dollars through SGOs, this proposal creates an extra layer of bureaucracy that is ripe for abuse.

The Proposal Includes a Lucrative Tax Shelter Designed to Entice Wealthy People to Participate in the Program as a Way of Avoiding Capital Gains Tax

- This proposal allows taxpayers to contribute marketable securities, such as corporate stock, to SGOs and to get paid out the full value of those securities in federal tax credits. This would offer wealthy people an easy way to offload their stock without paying any federal or state capital gains tax on their profits. When combined with the tax credit, this tax avoidance maneuver would allow wealthy people to get more back in tax cuts than they contributed.
- If this proposal were enacted, accountants and financial advisors would inform their clients that their best financial move is to hand their stock over to SGOs rather than to sell it in the free market. The inevitable result would be a surge of interest in this program among wealthy people seeking to avoid paying capital gains tax, including people who may have little or no actual interest in private school vouchers.
- The tax avoidance opportunities available to the nation’s wealthiest families would be substantial. Leaked IRS data suggest that Betsy DeVos would likely be eligible to claim more than \$10 million in tax credits annually. If she chose to make her voucher contributions in the form of corporate stock, she would also avoid paying substantial amounts of capital gains tax.

The Proposal Incentivizes Funding of Private School Vouchers Above Donations to Charitable Programs and Organizations that Serve Our Communities

- This proposal provides bigger tax benefits to individuals who give money for voucher programs than any other traditional charitable donations.
 - Individuals who give money for vouchers get a dollar-for-dollar tax credit. But individuals who donate to charitable organizations only garner a tax deduction. Thus, the proposal privileges contributions to private school voucher programs over donations to organizations helping people in our local communities, like veterans organizations, homeless shelters, or food banks.
 - In effect, this proposal provides donors to private school vouchers with a tax advantage that is 2-3 times more generous than donating to charities.
- The proposal’s tax credit is a shell game designed to hide that the program is a private school voucher.
 - These tax credits constitute public funding: when the federal government grants a tax benefit, it forgoes tax revenue that would otherwise support federal programs, including funding for public education.

The Proposal Enables Taxpayer-Funded Discrimination and Strips Students of Rights

- Vouchers give a choice to private schools, rather than to parents and students.
 - Private schools that take taxpayer-funded vouchers often deny students admission, expel them, or discriminate against them for a number of reasons, including based on their disability status, sexual orientation, gender identity, religion, English language ability, academic abilities, disciplinary history, ability to pay tuition, or what their family looks like.
 - Private schools funded by taxpayer dollars through this program would not be bound by many key provisions of civil rights laws.
 - The proposal specifically states that there may not be any federal, state, or local control over “any aspect of any private or religious elementary or secondary education institution” in the program—despite the fact that private schools are getting taxpayer funds.
 - Taxpayer dollars should never support discrimination.
- Students using vouchers to attend private schools lose numerous legal rights.
 - Students lose rights under Title VI, Title IX, most of the Individuals with Disabilities Education Act, Title II of the Americans with Disabilities Act, and the Every Student Succeeds Act. These laws are important because they protect students from discrimination and support equal access to education.
 - Students are stripped of First Amendment, due process, and other constitutional and statutory rights offered to them in public schools.
- Students with disabilities are not adequately served by private schools.
 - Families must relinquish their child’s rights under the Individuals with Disabilities Education Act, including a free appropriate public education in the least restrictive environment and due process rights.
 - Disability and behavior are linked, as unmet needs can sometimes result in challenging behaviors. Private schools have no regulated discipline policies and students can be disciplined or excluded from learning settings for a variety of reasons.
- The proposal also lacks any non-discrimination requirements for SGOs, and states they will have “maximum freedom” in their operations.
- The bill also violates a central tenet of religious freedom that no taxpayer money should fund religious education.

Private School Vouchers Fail to Improve Academic Achievement

- Vouchers do not improve student achievement and, in many states, lead to a decline in achievement.
 - Repeated studies of voucher programs across the country show that vouchers do not improve students’ academic achievement and can result in worse test scores for students.

- Studies of the Louisiana,² Indiana,³ and Ohio⁴ voucher programs have demonstrated that students who used vouchers perform worse academically than their public school peers.
- Studies of long-standing voucher programs in the District of Columbia,⁵ Milwaukee,⁶ and Cleveland⁷ found that students who received vouchers showed no improvement in reading or math over those not in the program.

² Morgan Winsor, [Louisiana's Controversial Voucher Program Harms Poor Students, Lowers Grades, New Study Finds](#), *Int'l Bus. Times* (Jan. 10, 2016).

³ Mark Dynarski, [On Negative Effects of Vouchers](#), *Brookings Inst.* (May 26, 2016).

⁴ David Figlio & Krzysztof Karbownik, Fordham Institute, [Evaluation of Ohio's EdChoice Scholarship Program: Selection, Competition, and Performance Effects](#) 32 (July 2016).

⁵ E.g., U.S. Dep't of Educ., [Evaluation of the DC Opportunity Scholarship Program: Impacts Three Years After Students Applied](#), A-9 (May 2019); U.S. Dep't of Educ., [Evaluation of the D.C. Opportunity Scholarship Program: Impacts Two Years After Students Applied](#) (June 2018).

⁶ 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 MPCP students compared to MPS students is higher in reading but similar in math. The MPCP achievement advantage in reading is only conclusive in 2010-11, the year a high-stakes testing policy was added to the MPCP.")

⁷ E.g., Jonathan Plucker et al., Ctr. for Evaluation & Educ. Policy, Univ. of Ind., [Evaluation of the Cleveland Scholarship and Tutoring Program, Technical Report 1998-2004](#) 166 (Feb. 2006).