

New federal private school voucher program will set in motion an unaccountable, nontransparent, wasteful boondoggle in the name of “school choice”.

The recently enacted federal budget provides for a subsidy to encourage parents to transfer their students from the common school system to private schools. This provision is a voucher bill with the label “tuition tax credits”.

It works this way: Folks, mostly the rich, will be allowed to give \$1700 per year to a “scholarship” granting organization that is set up to provide scholarships to private schools. The contribution then can deduct the \$1700 from his/her federal tax liability.

There are no caps on how much will be collected, actually be deducted from the tax liability. There are no guardrails on how the funds are distributed and no accountability on how this tax money is used. Private schools are not subject to public audit. Private schools are not governed by the public. Public money will be put into private hands unchecked, unconstrained, and unrestricted.

Shauneen Miranda, in the [July 14 Ohio Capital Journal](#) provides pertinent details.

Choice-drunk state and federal officials have lost all sense of reason as to why each state constitution has a requirement of a common school system.

New national school voucher program included in ‘big, beautiful’ law, with no cap on cost

By: [Shauneen Miranda](#) - July 11, 2025 10:32 am

WASHINGTON — A national private school voucher program is now law, though the school choice initiative comes with a huge caveat. States also choose — whether or not to participate.

It’s a setback for advocates who hoped to see the program — baked into the mega tax and spending cut bill President Donald Trump signed into law [on July Fourth](#) — mandated in all 50 states.

The permanent program, which starts in 2027, saw several versions between the [House and Senate](#) before getting to Trump’s desk as part of congressional Republicans’ massive reconciliation package.

Robert Enlow, president and CEO of EdChoice, touted aspects of the program, but said his organization would have preferred to see a 50-state program, rather than allowing states to opt in or decline.

“I think I’m really worried about that because this is seen as a sort of more partisan issue and as a result, what would make a governor in a blue state say, ‘Let me bring in school choice?’” said Enlow, whose nonprofit focuses on advancing school choice options.

Still, Enlow described the program as “just another step along the way of giving parents more choices.”

Who will join?

It remains to be seen which states will participate, including those with their own voucher programs already underway.

Jon Valant, a senior fellow at the nonpartisan Brookings Institution, said he’s “not clear on how states will shake out on the question of whether or not to participate.”

“I’m sure the vast majority of, really, all red states will participate in this thing, but I don’t know what’s going to happen in blue and purple states,” said Valant, who also serves as director of the think tank’s Brown Center on Education Policy.

Despite that unknown, Valant said that states “do have some incentive to participate because if they don’t, then they’re potentially losing access to some funds that they wouldn’t otherwise get.”

How the program works

The program allocates up to \$1,700 in federal tax credits for individuals who donate to organizations that provide private and religious school scholarships.

There is also no cap to the cost of the program, unlike earlier versions seen in both chambers of Congress.

The scholarship funds would be available to families whose household incomes do not exceed 300 percent of their area’s median gross income.

More than 138 million people could be eligible to make use of the tax credit in 2027, according to an analysis from the [Institute on Taxation and Economic Policy](#).

However, Carl Davis, research director of the left-leaning think tank, notes in the analysis that “most of those people will not contribute” given the necessary paperwork and vouchers’ unpopularity with the public.

A state’s program participation will be decided by its governor or “by such other individual, agency, or entity as is designated under State law to make such elections on behalf of the State with respect to Federal tax benefits,” according to the [final bill text](#).

The GOP’s school choice push

The umbrella term “school choice” centers on [alternative programs](#) to one’s assigned public school.

The effort has sparked controversy, as opponents say these programs drain critical funds and resources from school districts, while school choice advocates describe the initiatives as necessary for parents dissatisfied with their local public schools.

Trump and congressional Republicans have made school choice a major part of their education agenda.

The program also reflects a [sweeping bill](#) that GOP Reps. Adrian Smith of Nebraska and Burgess Owens of Utah and Sen. Bill Cassidy of Louisiana reintroduced in their respective chambers earlier this year.

‘Very little quality control’

Valant, of the Brookings Institution, expressed several concerns about the program, saying “there’s very little quality control, transparency or accountability for outcomes in this program, and it’s potentially a major use of public taxpayer funds.”

He said he doesn’t see anything in the program’s text that “protects against widespread waste, fraud and abuse and from programs and schools that aren’t providing much value at all to students from continuing to get a large amount of funding.”

The program also came as Trump and his administration continue to dramatically redefine the federal role in education.

Trump’s [fiscal 2026 budget](#) request calls for \$12 billion in spending cuts to the Education Department. A [summary](#) from the department said this cut “reflects an agency that is responsibly winding down.”

Billions on hold

The administration has also taken heat for its recent decision to put on hold [\\$6.8 billion in federal funds](#) for K-12 schools.

Sasha Pudelski, director of advocacy at AASA, The School Superintendents Association, said that a time when the administration is withholding billions of dollars in these funds for public schools, “the idea that we’re going to spend an unlimited amount of tax dollars to support private and religious schools is unthinkable, unimaginable — it’s horrific.”

“This is yet another handout to wealthy Americans who can already afford to send their children to private religious schools and at a cost that comes from tax dollars being deferred away from

public education that serve the poorest and neediest students in America,” added Pudelski, whose organization helps to ensure every child has access to a high quality public education.

Welcome to the Friday, [July 18, 2025, Brew.](#)

By: Lara Bonatesta

Here's what's in store for you as you start your day:

1. A look at the nation's first federal private school choice program
2. The view from the summit: What things might look like after we reach full national election coverage, by Leslie Graves, Ballotpedia Founder and CEO
3. Washington, D.C. council votes to fund RCV and other updates on local RCV adoption
- 4.

A look at the nation's first federal private school choice program

An extended version of the story appeared in Ballotpedia's Hall Pass newsletter on July 16.

Click [here](#) to read that version.

[Earlier this week](#), we took a look at the changes that Congress' budget reconciliation law, titled the “[One Big Beautiful Bill Act](#),” made to SNAP and Medicaid. Today, we're reviewing another one of the bill's provisions, which creates the nation's first federal [private school choice program](#).

The Educational Choice for Children Act (ECCA) creates a one-for-one federal tax credit individuals can use to lower their tax liability while at the same time providing a donation to students for private educational expenses. The program is set to begin in 2027, and states must choose to opt into it.

Here's a breakdown of what the ECCA does:

- Individuals can lower their tax liability by \$1 for every \$1 donated to accredited Scholarship-Granting Organizations (SGOs), up to \$1,700 for individual filers. The SGOs must be federally recognized 501(c)(3) charity organizations.
- Residents of any state [can take advantage of the tax credit](#) regardless of how many states opt into the program.
- The SGOs must use the contribution to fund scholarships for students with family income up to 300% of the median income in their area. For example, a family in Boise, Idaho, whose median family income is [\\$81,308](#), would be eligible for scholarships if they made under \$244,000.
- The scholarships will cover a variety of educational expenses, including private school tuition, tutoring, educational therapies, transportation, and technology. In participating states, scholarships may also help cover supplemental costs for students enrolled in public schools.
- There is no overall limit on the aggregate cost of the program. In earlier versions of the bill, the program was capped at \$5 billion through 2029, with 5% annual increases thereafter.

The law does not specify a scholarship amount that students can receive through the scholarship-granting organizations. It tasks the U.S. Education Department with [writing the administrative regulations](#) that will govern the ECCA. Details [yet to be filled in](#) include state reporting requirements, the certification process for SGOs, and any guidance regarding scholarship eligibility and award amounts.

Background

The structure of [tax-credit-based school choice programs](#), including how families receive funding for educational expenses, can vary. Common program types include:

- **Tax-credit scholarships:** Nonprofit organizations distribute scholarships to families for educational expenses.
- **Tax-credit education savings accounts (ESAs):** Scholarships are deposited into unique accounts that families can access to pay eligible educational expenses.
- **Refundable credits:** This kind of program allows parents to claim approved educational expenses back on their state taxes. If the amount they spend on those approved expenses exceeds what they owe in taxes, the state refunds them up to a set amount.
- **Individual credit and deductions:** Depending on the state or program, families can use approved educational expenses to lower the total amount they owe in taxes (credit) or reduce their taxable income (deduction). Unlike a refundable credit, families cannot receive money from the state if their expenses exceed their taxes, or they never owed taxes in the first place.

As of June 2025, 25 states ran 38 education tax credit programs.

[Read [online](#) to view the chart]

This federal action follows an increase in [states enacting other types of school choice programs](#), including Educational Savings Accounts (ESAs), voucher programs, or policies allowing individuals to write off or deduct educational expenses from their personal taxes. As a result, eighteen states have enacted programs that cover all or most students, or will eventually do so. Fifteen of these states are Republican trifectas, and three have divided governments.

Sixteen states do not have any private school choice programs in place. Twelve of these states have Democratic trifectas, two have Republican trifectas, and two have divided governments. Click [here](#) to read the full version of the story featuring differences between legislative versions of the ECCA and reactions to its passage. You can also click [here](#) to sign up for Hall Pass. Click [here](#) to learn more about the budget reconciliation law, and [here](#) to learn more about private school choice in the 50 states.