

Federal government is shoving voucher money down the throats of states whether they want it or not

The Feds have unlimited money for voucher programs but not so much for safety-net programs for poor kids. The disingenuous, deceitful, underhanded Ohio officials sold the Ohio taxpayers a bill of goods in establishing the Cleveland voucher program. Having been involved as an Assistant Superintendent of Public Instruction and being a Department of Education liaison with the legislature in the 1970's, 1980's and early 1990's, I had close-up experience with the initiative of the Trojan voucher horse.

In the early 1990's, Governor Voinovich, the private school education governor, invited President George H.W. Bush to Ohio to speak on education issues. Bush recommended a voucher for every student. It may or may not have been coincidence that Voinovich, in cahoots with Akron industrialist David Brennan were plotting a voucher project.

After the Bush speech, Voinovich, in spite of widespread public opposition to the concept of vouchers, appointed a committee to "study parent choice" with David Brennan being appointed chairman. The Brennan report recommended that school districts be required to offer a voucher (paid by the district) to every student. That recommendation was a nonstarter, so the Voinovich/Brennan duo conned the legislature into forcing the Cleveland school district into providing students with vouchers paid by the district. The appeal was "give poor kids the opportunity to go to a private school." REMEMBER, the parent choice study committee recommended that all school districts give every student a voucher!

The Cleveland project was a foot-in-the-door tactic to the goal of a voucher for every one of school age. Three decades later, the Voinovich/Brennan goal of universal vouchers was enacted into law.

The current goal of voucher-loving state officials and the Fordham-type voucher zealots is to transfer every dime of public school money, including infrastructure funding, to the private sector. These voucher zealots are in the long game—maybe a couple decades. Their goal is total privatization of education.

The EdChoice voucher litigation is poised to stop the nefarious campaign to eliminate public education.

More details on the federal voucher scheme is below.

New federal school voucher program poses a quandary for states: Opt in or opt out?

The Missouri National Education Association filed a lawsuit this summer to block \$51 million in state appropriations to private school scholarships through the MOScholars program

By: [Robbie Sequeira](#) - July 31, 2025 9:32 am

When President Donald Trump signed the One Big Beautiful Bill Act, he gave state leaders — not federal regulators — the power to decide whether and how to participate in the first-ever national tax credit scholarship program.

That decision now looms largest in blue states, where Democratic governors and lawmakers must weigh whether to reject the law outright on ideological grounds — or try to reshape it into something that reflects their own values.

“This isn’t the federal voucher program we were worried about five years ago,” said Jon Valant, a senior fellow in governance studies at the left-leaning Brookings Institution who testified before Congress on earlier versions of the bill. “It still has serious problems — but states now have tools to mold it into something they might actually support.”

The final law gives states wide discretion, he said. They can opt out entirely. They can opt in passively, leaving the program to operate as written. Or, as Valant suggests, they can try to redraw its footprint — focusing less on private school tuition and more on public school supports like tutoring, transportation and enrichment services in underserved districts.

“My hope is that blue states take a hard look and ask: Can this be used to address our own needs?”

For progressives and education advocates who are wary of school vouchers, the decision is fraught. Opting in could draw criticism for approving what many see as a vehicle for [privatization](#) of K-12 education. But opting out could mean turning down federal dollars — education money that states with budding or robust private school voucher infrastructures, such as Arizona and Florida, will gladly take.

“There’s money on the table, and it can be used for more than just private school tuition,” Valant said. “If blue states want to keep that money from reinforcing inequality, they’ll have to get creative, and act fast.”

Since 2020, private school choice programs — once limited to low-income or special needs students — have rapidly expanded.

In 2023, \$6.3 billion was spent nationwide on private school choice programs — less than 1% of total public K-12 operational spending, according to EdChoice, a nonprofit that advocates for school choice measures. From 2023-24 to 2024-25, participation in universal private school choice programs surged nearly 40%, growing from roughly 584,000 to 805,000 students in just one school year.

By 2026-27, about [half of all U.S. students](#) will be eligible, according to estimates by FutureEd, an independent think tank at Georgetown University.

These trends, combined with new federal tax credit, could fundamentally reshape the education funding landscape across state governments, experts say.

“States will need to decide whether to encourage the redirection of funding to support private and religious schools — either by expanding existing voucher programs or, if they don’t have one, by introducing such a program for the first time,” said Sasha Pudelski, director of advocacy for AASA, The School Superintendents Association. The group opposes the national voucher plan.

State regulations

As of this May, 21 states operated tax credit scholarship programs with varying degrees of funding and oversight. According to the EdChoice Friedman Index, the states of Florida, Arkansas, Arizona and Alabama rank highest in private school access, with 100% of students eligible for school choice programs.

Some states, like Florida and Arizona, already have extensive tax credit scholarship systems. Others, including Texas, are building new infrastructure such as statewide voucher programs and education savings accounts, known as ESAs.

States with no current programs face decisions about participation, regulation and equity, but without clear federal guardrails, education advocates told Stateline.

The federal policy builds on existing state-level tax credit scholarship programs — such as Alabama’s — but significantly expands eligibility, removes scholarship caps and broadens allowable uses to include not just tuition, but also tutoring, therapy, transportation and academic support services. Beginning in 2027, scholarships will be excluded from federal taxable income.

Valant, of Brookings, told Stateline that some of his initial concerns were addressed in the version of the bill signed into law.

“There was a very realistic scenario in the earlier version of the bill where a small number of very wealthy people could essentially make money off this,” Valant said. “That was mostly addressed.”

The enacted version eliminates stock donations and caps individual tax credits at \$1,700. And with states that opt in having the power to shape their own program, Valant said that gives them the chance to establish their own guardrails, such as income eligibility caps or nondiscrimination policies for participating schools.

The scholarship-granting organizations, known as SGOs, would then be subject to new state regulations about where the money can go.

“States could say SGOs can’t give money to schools that discriminate based on sexual orientation. ... There’s quite a lot of room here for state regulation,” he said.

Looking ahead, Valant said he’ll be watching how states interpret their regulatory powers — and how effective scholarship-granting organizations are at fundraising under the new rules, which prohibit large stock gifts and rely instead on millions of smaller donations.

“Now it’s a strange pitch: ‘Can you front me \$300 to give to the SGO? I swear the IRS will give it back,’” he said. “It’s going to take time to figure out how to sell this to families.”

Concerns over transparency and equity remain. The program allows donors, scholarship-granting organizations and families to direct funds with little public accountability, critics say. And in states without robust oversight, Valant warns that funds could be misused — or channeled to institutions that exclude students based, for example, on identity or beliefs about sexual orientation.

He also emphasized that early participation is likely to skew toward families already in private schools, particularly in wealthier ZIP codes — mirroring patterns seen in programs in Arizona, Florida and Georgia.

“One big risk is that the funds will disproportionately flow to wealthier families — just like we’ve seen in many ESA programs,” Valant said.

What do these programs look like across the country?

FutureEd [studied eight states](#) — Arizona, Arkansas, Florida, Iowa, Indiana, Ohio, Oklahoma and West Virginia — where 569,000 students participated in school choice programs at a cost to taxpayers of \$4 billion in 2023-24.

The FutureEd analysis found significant differences among the states in design, funding and oversight.

Arizona’s ESA program was the first of its kind in 2011, [and also the first to shift toward universal eligibility in 2022](#).

Florida operated the largest and most expensive program, with broad eligibility, no caps or accreditation requirements, and a major influx of higher-income families, though it [mandated](#) some university-led performance reviews. [Iowa fully funded ESAs](#) and, like other states, saw mostly existing private school families benefit.

Arkansas had a cautious [rollout](#) due to legal delays and geographic clustering of participants, while West Virginia allowed spending across state lines with no performance reporting.

Newcomer North Carolina began with income-based prioritization but quickly expanded under political pressure or demand, while Alabama and Louisiana will launch ESA programs in 2025-26 using general state revenues.

Utah [enacted](#) a universal voucher program in 2023, providing up to \$8,000 per student for private school or homeschool expenses. A state teachers union sued, arguing that participating schools were not “free and open to all children” and that the program diverted public school funds. A state court this April ruled the program was unconstitutional.

As the new federal law opens the door for tax-credit-funded tuition support, Texas is building its first universal school voucher program, aided through ESAs to begin in the 2026-27 school year. The program is funded with \$1 billion over two years, with \$10,000-\$11,000 per student — up to \$30,000 for students with disabilities and \$2,000 for homeschoolers.

The Texas comptroller will oversee the program, and private schools must be open for at least two years to be eligible for funds.

Voucher programs can drain [state budgets](#), and budget wonks predict the cost for Texas could rise to around \$4.8 billion by 2030, The Texas Tribune [reported](#).

A spokesperson for the Texas comptroller’s office said that details are still being finalized; the state has issued a request for proposals due Aug. 4 to select eligible educational assistance organizations that would help funnel scholarship dollars to schools.

Other states may be more cautious. The Missouri National Education Association [filed a lawsuit this summer](#) to block \$51 million in state appropriations to private school scholarships through the MOScholars program. The suit argues that using general revenue rather than private donations violates the state constitution and undermines public education funding.

[Stateline](#) is part of States Newsroom, a nonprofit news network supported by grants and a coalition of donors as a 501c(3) public charity. Stateline maintains editorial independence. Contact Editor Scott S. Greenberger for questions: info@stateline.org.

[New federal school voucher program poses a quandary for states: Opt in or opt out? • Missouri Independent](#)