

STATES MUST REJECT HARMFUL FEDERAL VOUCHER PROGRAM

The federal voucher program contained in the budget reconciliation bill passed in early July will divert federal tax dollars from the U.S. Treasury and from services, including public education, that Americans rely on, to give to private and religious schools that pick and choose whom they educate and openly discriminate against some students and families.

Although public school students are eligible to receive federal vouchers to cover some limited expenses, states should be aware of the potential ramifications of opening the door to a voucher scheme that is ultimately designed to benefit private and religious schools. Until federal regulations for this scheme are released by the U.S. Treasury Department, there's no telling how restrictive and anti-public education it will turn out to be.

Like all private education vouchers, the federal program is part of a broader assault on public education designed to privatize one of the most important common goods underpinning American democracy. Vouchers have no place in state or federal education policy. Instead, state and federal efforts must continue to encourage, support and resource public schools that serve the vast majority of students and ensure these schools provide a high quality, equitable, and non-discriminatory education that is open to all children.

This first of its kind federal voucher scheme:

- Provides a dollar-for-dollar federal tax credit up to \$1,700 for taxpayer donations to so-called Scholarship Granting Organizations (SGO) that pass out vouchers;
- Permits these SGOs to keep a whopping 10% of all donations;
- Provides wealthy families, even those that have already chosen and are paying for private education, with vouchers; and
- Includes vouchers for public school students, but for services their schools should provide, paid for through their state's school funding formula. Importantly, until the Trump administration releases regulations to flesh out the voucher scheme, it's impossible to know what constraints will be put on money for public school students.
- Governors will decide whether or not to opt their state into the voucher scheme, so their role is key!

Why governors should NOT opt in to this private education voucher system:

- 1) **All vouchers harm students and undermine public education, and the federal voucher law is no different:**
 - ***Vouchers divert public funds to private schools.*** Voucher programs divert funding and resources away from already underfunded public schools that are open to all and serve ninety percent of students nationwide. The loss of funding can lead public schools to cut programs and services and, in some cases, threatens the very existence of local public schools.
 - ***Vouchers lead to worse educational outcomes.*** Studies show that vouchers not only fail to improve students' educational outcomes, they also have a detrimental academic impact on participating students.
 - ***Vouchers put students' civil rights at risk.*** Vouchers fund schools that actively discriminate against students, disproportionately impacting students of color, students with disabilities, and LGBTQ+ students. Many private schools have admissions or other criteria that explicitly exclude certain students. Remember: *it's not school choice; it's the private school's choice!*

- **Vouchers lack quality and accountability standards and encourage fraud and abuse.** Laws establishing voucher programs, including the federal voucher law, generally have no curricular or testing requirements, academic standards, teacher certification mandates, or other requirements to ensure participating private schools are providing an adequate education to voucher students. All of this is required of public schools. Current voucher programs in states have been shown to be rife with fraud and abuse.
- 2) The federal voucher law will subsidize the wealthy at the expense of public school students and taxpayers:**
- This voucher scheme is anything but “free money” for states. It takes away federal tax dollars that should be used for public education or other much needed public services.
 - Under the federal voucher law, ninety percent of U.S. families, including those with incomes over \$500,000 in some counties, are eligible for their children to receive vouchers.
 - The federal voucher program does not require that students have ever attended public school. In fact, the program prioritizes students who already received these vouchers in the previous school year and their siblings. Most of these students have never set foot in a public school. The federal voucher law gives wealthy families a break in tuition, at the expense of public schools.
 - The federal voucher law was passed as part of the budget reconciliation bill, which slashed funding for programs that most students and families rely on for their health, safety and quality of life – to provide massive tax cuts for billionaires.
- 3) Opting in to the federal voucher program sets a dangerous precedent and creates a slippery slope:**
- The expansion of private school vouchers is part of a broader assault on public education, one of the most important common goods underpinning American democracy. Opting in, even to provide federal voucher money to public school students, endangers public education and opens the door to further voucher expansion, whether vouchers are already available in a given state or not.
 - Many state-level voucher programs have expanded from small “experiments” to multi-billion-dollar boondoggles.
 - Public school students are eligible to receive federal vouchers to cover some limited expenses. But states should be aware of the potential ramifications of opening the door to a voucher scheme that is ultimately designed to benefit private and religious schools. Until federal regulations for this voucher scheme are released by the U.S. Treasury Department, there’s no telling how restrictive and anti-public education it will turn out to be.
- 4) Private education vouchers are wildly unpopular with voters:**
- Every single time vouchers have been put to voters in red, blue, and purple states, they’ve been defeated at the ballot box.
 - The decision to accept or reject federal vouchers resides with state governors or an entity designated by state law to make decisions about federal tax benefits. Governors need to do the right thing and *not opt in*.
 - Some state legislatures are already attempting to bypass governors and mandate participation in the federal voucher program. Governors can and should veto bills passed by state legislatures mandating participation and make it clear that federal vouchers are not wanted in their state.

This Fact Sheet was created by Education Law Center’s Public Funds Public Schools project. To learn more about ELC, visit <https://edlawcenter.org>. For more information about PFPS and additional advocacy tools and research on vouchers, visit <https://pfps.org/>. Access the federal voucher FAQ here.