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Trump and Republicans Want Taxpayers to Fund Their Pet Project: Private Schools

A proposal for a nationwide federally supported school voucher program is just another of President Trump's schemes to give advantages to the rich at the expense of the rest of us.

By Jeff Bryant

When is a "school choice" proposal not really about school choice? In the budget bill that Republicans rushed through the House on May 12, 2025, school choice is just a cover-up for tax relief for the rich.

President Donald Trump and congressional Republicans are trying to ram through a major taxpayer-funded private school program, according to education policy experts who appeared on an online "[town hall](#)" on May 22, 2025, which was about a nationwide school voucher scheme that's buried deep in [the text of the One Big Beautiful Bill Act](#).

On the surface, the bill promises to provide \$5 billion annually in school voucher funds for parents to apply for and use to pay for private-school tuition, homeschooling, and for-profit online learning. "Supporters [of school choice have] hailed the proposal as 'historic' and a 'huge win,'" [reported](#) Dana Goldstein of the New York Times in May.

But that topline description of what the measure proposes is

deceptive and hides what amounts to “a tax shelter that serves to benefit only the most wealthy Americans,” [said](#) David R. Schuler in the town hall. Schuler is the executive director of [AASA](#), the School Superintendents Association.

Although Goldstein framed the measure in pure political terms as a way for Republicans to push through a bill Democrats oppose, it’s not really about party politics, and opposition to the proposal is bipartisan.

And like Goldstein [reported](#), while it’s true that the rhetoric of school choice is at the center of the fight over this measure, “This is not about giving families or parents choice,” [said](#) Jacqueline Rodriguez, CEO of the [National Center for Learning Disabilities](#), another speaker at the town hall. “This is about giving schools choice to discriminate against kids.”

Yet there is a reason for this deception, and it’s got everything to do with what’s at the core of the Trump administration’s MAGA agenda.

An ‘Unprecedented Giveaway’ to the Wealthiest

It’s telling that the measure, originally called the [Educational Choice for Children Act of 2025](#) when it was introduced and in committee, is now called “tax credit for contributions of individuals to scholarship granting organizations” and [appears](#) in the part of the bill devoted to “Additional Tax Relief for American Families and Workers,” rather than grouped with other education proposals in the Committee on Education and Workforce section.

But the subterfuge goes much deeper than the name, according to the speakers at the town hall, including Amy Hanauer, executive director of the [Institute on Taxation and Economic Policy](#) (ITEP), who called the [measure](#) “the quintessential definition of a tax shelter.”

The tax advantages are derived from how the program is funded. As Hanauer explained, school vouchers would be funded by a tax

credit system and a federally mandated network of scholarship granting organizations (SGOs), one in every state. Each SGO is its own nonprofit that can [grant vouchers](#) to parents who apply. When private individuals and corporations donate to an SGO, they would, in turn, receive a tax credit from the federal government that's dollar-for-dollar equal to the amount of the donation—limited to 10 percent of a donor's income.

The first advantage is that the reward for donating comes in the form of a credit rather than a tax deduction, which, as the Tax Policy Center [pointed out](#), increases the value of the tax advantage because a credit is “subtracted directly from a person's tax liability,” while the value of a deduction “depends on the taxpayer's marginal tax rate, which rises with income.”

Those specifics make the voucher program a more attractive system for giving than other charitable causes.

Also, “no other charity, not pediatric cancer research, not disaster relief, not assisting disabled veterans, nothing gets this level of tax incentive,” [said](#) Hanauer, “no other charity has ever gotten this kind of one-for-one payback.”

There's a ripple effect of savings on state tax, too. “Because state income taxes largely piggyback on federal law,” Hanauer [said](#), “the bill would also reduce [a donor's] state tax.”

Even more lucrative to donors is a provision in the proposal to allow stock donations and avoid capital gains taxes on what they earned from the stock.

In other words, by donating to an SGO, wealthy donors can profit from their “donations,” and the wealthier the donor, the higher the potential profit.

“Elon Musk would have cut his capital gains tax bill by \$690 million alone, him personally, if this [provision] had been in effect in 2021,” Hanauer [said](#). It's an “unprecedented giveaway that would enrich the wealthiest people, particularly those whose incomes come from stock,” she said.

Whose Choice?

Perhaps all these tax-related shenanigans could be justified as a federal program for “kids and families,” but that’s not really true of this proposal.

As Rodrigues explained, parents who want to use voucher money to pull their children out of the public system and send them to a private school will find that these schools don’t have to accept them.

She and other speakers in the town hall pointed out that private schools, regardless of whether or not they get public funding through a voucher program, will continue to have the freedom to screen out applicants who struggle with academic work, who aren’t fluent in English, who have histories of discipline problems, or who have learning disabilities.

Although the bill includes language about holding voucher receiving schools accountable for ensuring federally required supports—IEPs or Individual Education Programs—for students with learning disabilities, there’s no enforcement mechanism included, [according](#) to Rodrigues, and the bill “doesn’t enforce or ensure any dispute resolution” when a parent doesn’t agree with how a school is treating their child.

Another speaker at the town hall, Amanda Tyler, executive director of the [Baptist Joint Committee for Religious Liberty](#), noted that because the [vast majority](#) of private schools are religious, the voucher program would fund religion with tax dollars.

Religious private schools “cannot separate their faith from their teaching, and nor should they,” she [said](#), but that condition creates problems for kids and families when practicing religious faith means excluding LGBTQ+ families and students or barring enrollment of families who do not share the school’s religious faith.

Passage of a federal voucher program would be especially detrimental to rural families, said Ginny Mott, vice president of the [Maine State Parent Teacher Association](#), who also spoke at the meeting. There are very few private schools in rural parts of her state, she pointed out. “For rural working families, limited availability, distance, lack of transportation, and cost of tuition beyond what the voucher system will cover means for many families there is no realistic choice,” she said.

While a voucher program with limited choice would provide benefits for a very select group of families, it would inflict serious harm on the public schools that [83 percent](#) of families send their children to, according to 2024 figures provided by Pew Research Center.

“Rural communities, children, and families will be especially hard hit by a voucher school system which would divert funding away from their public schools,” Mott [said](#). “[I]mposing a new national voucher program would simply drain... resources away from our existing schools.”

Indeed, public schools everywhere would feel the impact, according to ITEP’s Hanauer, as public coffers that pay for education and other services lose funds to tax credits taken by donors. “We estimate that this bill would reduce federal tax revenue by \$23.2 billion over the next decade,” she [said](#). States would take a revenue hit too, losing \$459 million to voucher tax credits, according to Hanauer.

AASA’s Schuler also noted that “[private schools] can also kick kids out whenever they want.” And when they do, the voucher funds the school collected don’t follow the child back to the public school.

The Worst Possible Scenario for Our Children

Given all the negatives in the bill, numerous speakers questioned why it was pushed through.

True, President Trump and his Secretary of Education Linda

McMahon are openly hostile to public schools, and many in the Republican party have [long campaigned](#) to privatize education by expanding school voucher programs and enticing parents to pursue education options other than their local public schools.

Town hall participant Denise Forte, President and CEO of [the Education Trust](#), [echoed](#) this theme when she called the voucher proposal “part of the great American heist on public education.”

But politics alone doesn’t explain the design of this particular bill.

Kentucky parent Maria Clark, who also spoke at the town hall, described her state’s rejection of a school voucher referendum in the 2024 November election, noting that “voters in all 120 counties” voted against vouchers in a state where Trump won the popular vote [in 118 of those](#) counties.

Voters also [gave thumbs down](#) to vouchers in Nebraska in November 2024, another conservative state where Trump [won](#) overwhelmingly.

“Why is Congress,” Clark asked, “specifically a Republican Congress, voting to force a voucher program on our state?”

Hanauer likely put her finger on the primary motivation when she said the bill “is something that’s as much about increasing inequality as it is about undermining our public schools.” Public education, after all, has long been an engine for equality, so any effort to undermine it is an effort to undo the public system’s equalizing force.

Such an outcome makes sense in the minds of Trump and his MAGA followers, who see the world in terms of a “[zero-sum](#)” [struggle](#) with winners and losers. In this worldview, proposing a federal voucher system with an accompanying budget to fund it is not enough. The program must come at the expense of the public school system. It’s not enough that beneficiaries of this bill—primarily well-to-do, white Christian parents who already can afford to send their children to private schools—get a boost; the rest of us who remain in the public system must make do with

less.

That goal might sound fine to Trump and his supporters, but it's a governing philosophy that will result in the worst possible outcomes for our children.

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