

NEBRASKA TAXPAYERS FOR FREEDOM ISSUE PAPER:

PRESIDENT TRUMP OFFERS STATES EDUCATION VOUCHER OPTIONS.

BACKGROUND. Parents and taxpayers for decades have lobbied for the opportunity to avail themselves of school choice by pressing for state and national legislation that would offer them the option to enroll their children in alternative education settings. One big issue is cost. Now, President Trump has offered opportunity for every state to take advantage of a section of his Big Beautiful Bill to offer school choice to parents. This permanent program, which starts in 2027, witnessed several versions debated between the House and Senate before going to the White House as part of the congressional massive reconciliation package. Trump and congressional Republicans have made school choice a major part of their education agenda.

THE DETAILS. The Trump Big Beautiful Bill included a new national school voucher program called Qualified Elementary and Secondary Education Scholarships. It will offer federal tax credits for contributions to approved scholarship organizations, monies then used for private or parochial school tuition, fees, books, supplies, tutoring, computer equipment, transportation, room and board, and other educational expenses. Families could use the scholarships for homeschooling costs, like tutoring, curriculum, and educational therapies. Taxpayers and corporations can donate up to \$1,700 per individual to designated nonprofit groups and receive a like federal income tax credit. Republicans dropped the total amount a donor can contribute from 10% of their annual income to \$1,700. Families earning incomes up to 300% of their area median income are eligible for scholarships, meaning that most families would qualify. More than 138 million people would qualify for the tax credit in 2027, according to an analysis by the Institute on Taxation and Economic Policy.



Governors in each state will designate which scholarship groups can receive funds. Scholarship-granting organizations will decide about determining student eligibility. There is no cap on the federal program cost¹. The congressional Joint Committee on

Taxation estimates that the plan initially will cost \$3 billion to \$4 billion annually and increase over time. Preference for the scholarships would go to students who received them the previous year or to their siblings, calming concerns of families that already have their children in private/parochial schools. Participation in the new program depends on how many families apply and the size of scholarships. If scholarships are large enough to cover the full cost at some private schools, which averages about \$12,000 nationwide, more families might seek a scholarship. The Children's Scholarship Fund in New York is one of the nonprofits that likely will participate in the program. The group has affiliates in 23 states.² The law is permanent, with no sunset date. Congressmen unfortunately stripped from the legislation before passage language protecting religious liberty and restraining government strings attached to the vouchers given parochial and private schools.³

THE BENEFITS. This legislation will help millions of families gain access to the school of their choice. It allows individuals and businesses to invest in K-12 educational opportunities for kids and particularly lower-income kids. An unmitigated win for the school choice movement and for families across the country. A future Administration cannot revise this legislation through the Dept. of Education, actions which in the past often saw nefarious strings attached to legislation affecting local schools. This law is a perfect model, because it still respects the ability for states to operate their school choice programs. It is a simple tax code change passed under the budget reconciliation rules. The Trump Administration involvement in school choice indicates the growing momentum of the policy sweeping the country after several states passed universal school choice legislation, New Hampshire being the most recent. The Trump Administration believed it necessary to become involved, because the policy allows taxpaying parents to circumvent anti-school choice policies and provides them an opportunity to enjoy school choice in states that do not have it. Our public education system is in freefall. National report card data shows that the U.S. has dropped to 30 and 40-year lows in our educational outcomes.⁴ States have incentive to participate, because otherwise they will lose access to offered funds. When publicly-supported scholarships are accessible to students to use at the school of their choice, families win. All parents will have a wide range of high-

¹ Nebraska Examiner, Shauneen Miranda, New national school voucher program included in 'big, beautiful' law, with no cap on cost, July 11, 2025.

² The 74, Linda Jacobson, Big Tax Bill Passes — With Less 'Beautiful' Plan for National School Choice, July 1, 2025.

³ Heartland Institute, Alex Newman, Federal 'School Choice' Program Irks Left and Right, July 10, 2025.

⁴ Fox News, Joshua Nelson, How Trump's 'big, beautiful bill' will impact K-12 education, July 9, 2025

quality educational options to choose from, regardless of income, which is what school choice unlocks. In states with existing private school choice offerings, the tax credit scholarship can add to the state offering, increasing purchasing power for parents and helping more students. In states that currently lack these options, this legislation will create more educational opportunity for those K-12 parents and students.⁵

THE HITCH. A possible obstacle is that the governor of a state must agree to participate. The provision states that governors can decide whether to opt in to this tax credit program and designate which scholarship groups can participate in it. Proponents wanted the law mandated in every state. Nebraska voters recently repealed a school choice program that state senators passed in 2024.

SUPPORTERS. “School choice is the civil rights issue of the 21st century. Every child, regardless of race or wealth or ethnicity, deserves access to an excellent education. This tax credit provision will unleash billions of dollars every single year for scholarships for kids to attend the K-12 school of their choice,” declared Sen. Ted Cruz (TX.). School choice advocates and Republicans in the Senate and House leadership fought hard for the provision, as it would represent the first national school choice program in the country. Sen. Bill Cassidy (LA.), who sponsored the school choice provision, stated that enshrining the first ever federal school choice provision into our national tax code is a major win, that he will continue to advocate for and pass improvements moving forward. Jim Blew, co-founder of the Defense of Freedom Institute, a conservative think tank, called the legislation an important step toward making sure every family and teacher in our country enjoys education freedom. The American Federation for Children celebrated the inclusion of a school choice tax credit. Invest in Education Coalition, an organization that has promoted a federal school choice program, praised the program. Supporters claim that the program will bring private school choice to students nationwide at a time of increasing demand. The Tennessee expanded voucher program, for example, received about 30,000 applications during the first few hours it came open. School choice advocates describe the initiatives as necessary for parents dissatisfied with their local public schools.



OPPONENTS. Socialist Sen. Bernie Sanders condemned the legislation as helping only the rich, ignoring the text of the bill. Opponents will fight in NE to convince Gov. Pillen to not sign up for the program, lying that this legislation will hurt public schools.⁶ Opponents will argue that the program allows donors to avoid taxes and will fund tuition at schools that discriminate against particular students. School choice policies typically face hurdles in states where teachers' unions have significant influence, like NE. Leftist teachers' unions reject school choice measures, falsely claiming that they debilitate public school funding and resources.⁷ Critics on the Left, teachers' unions, the liberal NE media, and Democrats will shriek about the alleged right-wing attack on public education.

TAKE ACTION NOW. School choice has made historic progress in more states, but too many families still locked out of opportunity. We need school choice in every state. For too long, teachers' unions and their allies have stood in the schoolhouse door blocking equal access to school choice. Their time of dominating American and NE education systems must end. Do not allow the radical NE teachers' union and other leftist groups to deny this opportunity. Lobby Gov. Pillen to immediately sign on to accept this federal school choice voucher option. Also lobby your state senator to pressure Gov. Pillen to implement this plan. NE parents of children and teens need and deserve the opportunity to partake in this school option, particularly families with lower incomes and children failed by their current school. Email netaxpayers@gmail.com for contact information for the Governor and your state senator and join our NTF *Education Watch Project*.

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⁵ American Federation for Children, *National School Choice?* undated.

⁶ The Hill, Lexi Lonas Cochran, *The 'big, beautiful' fight over school choice ends with escape clause for blue states*, July 10, 2025.

⁷ Fox News, Joshua Nelson, *How Trump's 'big, beautiful bill' will impact K-12 education*, July 9, 2025.