Congress Passes a National School Voucher Program

The plan, part of the Republican domestic policy bill, includes all but the wealthiest families. But states must opt in, which could limit its reach.

July 3, 2025,

The program would help families pay for private schools and other education expenses, starting in 2027. Justin Hamel for The New York Times

Congress has approved the first national school voucher plan, which will help all but the wealthiest families pay for private school and other educational expenses.

The voucher plan, passed on Thursday as part of Republicans' all-encompassing domestic policy bill, now

heads to the desk of President Trump, who is expected to sign it into law.

Families who earn up to 300 percent of their area's median income, equivalent to more than $300,000 in some parts of the country, will be eligible, including those who already send their children to private schools.

The legislation is the culmination of a decades-long campaign by a coalition of private-education advocates, religious conservatives and some parents, who argued that families should have the freedom to choose the best K-12 school option for their children and get help paying for it.

"This is the biggest advancement of that goal that we've ever had," said Tommy Schultz, the chief executive of the American Federation for Children, a group that supports private-school choice.

But in a significant concession during last-minute negotiations in the Senate, the program will be limited to states that opt in. That could allow liberal states like California and New York to avoid participating, a win for Democrats and teachers' unions, who contend that vouchers leech students and government dollars, leaving public schools with the most disadvantaged students who cost the most to educate.

Congressional estimates suggest the program, which is structured as a tax credit, could result in as much as $4 billion in lost revenue a year. But there is no cap, and some critics fear runaway costs.

“This is an unprecedented and uncapped tax credit that could cost taxpayers over $50 billion a year — nearly double what the federal government spends on helping poor kids and kids with disabilities,” said Randi Weingarten, president of the nation’s second-largest teachers’ union.

Most Republican-led states already have or are planning to roll out some kind of voucher program, and over 1 million American students participate in them. That number could quickly expand over the next decade as state-level programs grow and the federal program kicks into gear starting in 2027.

But the federal plan differs significantly from some of the most popular models used in Republican states. It relies on U.S. taxpayers to make donations to nonprofits, in exchange for a credit on their federal tax bills. In turn, the nonprofits grant scholarships to students.

This setup could be difficult to administer and many details are yet to be worked out — including how much money each child could receive for tuition and education expenses, and whether home-schooling families can benefit.

The voucher plan comes as the Trump administration has sought to reduce the federal government's role in public education. The administration said earlier this week that it would not release as expected nearly $7 billion in federal funding for public schools for next school year, throwing district budgets' into uncertainty.

"It's hard to imagine how we could possibly afford to spend money to subsidize private and religious schools right now," said Sasha Pudelski, the director of advocacy for AASA, the school superintendents association, which represents public school district leaders.

How does it work?

The federal plan is intended to spur donations to nonprofits that provide education scholarships.

Under the program, eligible American taxpayers can make donations to designated nonprofits and take that money off their federal tax bills — a dollar-for-dollar credit up to $1,700 per individual, said Carl Davis, research director at the Institute on Taxation and Economic Policy, a left-leaning research group.

"You get your whole contribution back," he said.

The nonprofits would then dole out scholarships to families

to pay for private school tuition, books and other education expenses. (Public school students would also likely be eligible, but what they would use the money for and how that would work was not immediately clear.)

The amount that each child could receive in a scholarship could vary, and would depend, in part, on how much money the nonprofits raised.

In states that already have voucher programs, the federal scholarship could be stacked on top of state dollars, which often do not cover the full cost of private school. The average tuition is around $13,000.

Mr. Davis estimated that 138 million Americans would be eligible to use the tax credit, though far fewer were likely to make the donations and go through with the paperwork.

Congress's Joint Committee on Taxation, a nonpartisan committee that advises both parties on tax legislation, estimated the program could cost $3 billion to $4 billion a year. But because the program is not capped, the cost will depend on how many Americans choose to claim the tax credit.

"If everybody who is eligible did claim this thing, it would be a budget buster," Mr. Davis said, "but how many will claim — it is uncertain."

The $1,700 per person limit was a significant change from an earlier version of the legislation, which offered a dollar-for-dollar tax credit up to 10 percent of a donor's income, which would have incentivized ultrawealthy donors to make large donations. Republican lawmakers made a series of changes after the Senate parliamentarian, a nonpartisan official who enforces Senate rules, objected to certain portions of the bill.

"You have to convince, now, a lot of people to give $1,700 a piece," said Jim Blew, an assistant secretary at the Education Department during Mr. Trump's first term and a co-founder of the Defense of Freedom Institute, a conservative group that supports school choice.

He celebrated the bill as a transformative option for families, but said that the number of students served will be limited by the number of donations that nonprofits are able to drum up.

States must also choose to participate. James Cultrara, co-chairman of the New York State Coalition for Independent and Religious Schools, said he was hopeful that Democrat-led states would opt in, in part because "there is no cost to any state." But proposals for families to spend public money on private education have historically struggled to gain traction in New York and other blue states.

“We are clearly celebrating it,” he said, “but we have work to do.”

School voucher programs have taken off since the pandemic, mostly in Republican-led states. Taylor Glascock for The New York Times

Do vouchers help students?

There is conflicting research on whether students who use vouchers benefit academically.

In Louisiana, voucher students who attended their first-choice private schools earned lower test scores after four years, compared with similar peers, according to a 2019 paper based on a randomized controlled trial.

But a recent study from Ohio found that voucher students were more likely to enroll in colleges and graduate than similar peers in public schools. And a 2014 study from Florida showed that public schools that faced competitive pressure from voucher programs improved their test scores.

Studying the academic impact of vouchers is challenging, said Douglas Harris, an economist and school-choice expert at Tulane University. Parents who use vouchers tend to be more involved in their children’s schooling, and private schools have the option to reject students who are academically behind or have disabilities.

In the current political climate, some Democrats have urged their party to reconsider its blanket rejection of vouchers for private education.

Jorge Elorza, chief executive of Democrats for Education Reform, whose group opposed the Republican budget bill, pointed to polls showing that since the pandemic, Republicans have gained voter trust on education issues, while Democrats have lost trust.

Black and Latino voters, who swung toward Mr. Trump in last year's election, have been more likely to support the idea of vouchers in polls, while white liberals have been the group in strongest opposition, he noted.

"We have to be realistic," said Mr. Elorza, who encouraged Democrats to use their political power to push for vouchers to go to low-income students in underperforming schools. "Look at where our current education system has landed the party. We're not delivering policy-wise and are losing support politically. We have to try new ideas and should be open to anything."

Troy Closson contributed reporting.

Sarah Mervosh covers education for The Times, focusing on K-12 schools.