

THE FACTS ABOUT SCHOOL VOUCHERS

Voucher programs are sold on myths, and Michigan must opt out of the federal scheme.

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Last year, as part of the so-called "One Big Beautiful Bill," the Educational Choice for Children Act (ECCA) created the first federal voucher program to funnel taxpayer funds into private schools. The program does not have an expiration date or revenue cap, meaning that the government will be forced to spend unlimited amounts of taxpayer dollars on private and religious schools for an unlimited amount of time. The Joint Committee on Taxation has estimated that, over 10 years, the program will add \$26 billion to the federal debt.

Misinformation and myths have begun to spread about the scheme, so we've followed the evidence to make sure you get the facts.

MYTH



"I've heard vouchers are popular in other states."



FACT:
Voucher programs are incredibly unpopular with voters.

A voucher program has never once been approved by voters anywhere in the United States. Michigan voters have voted down voucher programs twice by very large margins, most recently in 2000.¹

MYTH



"But vouchers can help improve education outcomes, right?"



FACT:
The research on the effect of vouchers on education outcomes is mixed at best.

Some studies show small gains, others show huge losses, but generally researchers call for more studies before consensus is reached.² What we do have strong agreement on is the large positive impact of investing in our public schools.³ Michigan has just begun to undo decades of disinvestment in our public education system by targeting funds to the students who need it most and the programs to support those students.

It is imperative that this funding continues so our students can see the full impact of our investment in them.⁴ While we are at the beginning of our state's path to education improvement, we are already seeing our investments paying off with increased literacy instruction thanks to state investments in literacy coaches.⁵

MYTH



"Wait. If Michigan doesn't opt in to ECCA, doesn't that mean we're turning down free money for the state?"



FACT:
Implementing a voucher scheme is very costly.

Because the ECCA voucher scheme is set up as a tax credit, every dollar donated to a Scholarship Granting Organization (SGO) equates to a dollar less in revenue for the federal government, which could affect Michigan's overall budget picture. It could even be worse if Michigan chose to "pick up" the tax treatment of these voucher donations, having a direct impact on Michigan's revenue.

Administering a program such as this costs money, especially if accountability and transparency measures are put in place to ensure that dollars are being spent on approved education programs.⁶ Most importantly, these tax credit dollars should be used to fully fund our public schools instead.

MYTH

"But can't public schools use the program by collecting scholarship money for things like athletic fees or AP exams?"



FACT:
There is no proof that public schools can mitigate the harm from this scheme.

Because the U.S. Department of Treasury has not released the full rules for this program, we do not know the exact ways, if any, that public schools will be able to mitigate harm from this program. We do know that public schools themselves cannot become SGOs because they are not 501(c)(3) organizations, which are required to provide scholarships to ten or more students who do not all attend the same school.⁷

Public schools cannot directly receive scholarship dollars to pay for programs because SGOs distribute dollars to families, not schools. Public schools are required to provide a free education to their students, and they are funded through Michigan's School Aid Act. Public dollars should go directly to public schools, not through a program designed to destabilize them.

MYTH

"Aren't all states just going to opt in to the federal program eventually?"



FACT:
Only 3 of the top 10 states in education have opted into the program thus far.

As of July 1, 2026, 27 states have officially opted into the program.⁸ Four state governors have said they would not opt into the program, and one state recently passed a law to restrict the program to public schools and families with low incomes if the state does ever opt in to the program.⁹

As states are trying to get their own state-funded voucher programs under control, like Pennsylvania is through passing new transparency laws, it is hard to imagine that the federal program will suddenly become palatable for states that have seen so many good results from funding their public schools.¹⁰

End Notes

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[3] "Ideology Over Evidence." June 16, 2025. <https://www.aft.org/ae/summer2025/cowen>.

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[10] Annie E. Casey Foundation. "Interactive 2025 Data Book." Accessed June 26, 2026. <https://www.aecf.org/interactive/databook?d=ed>.