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Why Massachusetts Should Not Opt-In to the Federal School Voucher Program

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Key Takeaways

Massachusetts should not opt into the new federal school voucher program that would distribute tax credits to private donors because:

1. It would divert Massachusetts resources toward administering a private school voucher program instead of strengthening public school programs.
2. It would give private school networks a significant advantage to subsidize private tuition over organizations serving public school students.
3. It would allow families with high incomes to benefit over students who have been historically underserved and/or have low incomes.
4. It is part of the federal administration's alignment with Project 2025's goal of expanding vouchers for private schools while dismantling the federal government's role in public education.

What the Federal School Voucher Program Does

Massachusetts has established itself as a state with a top-tier public education system, whose mission has been to serve all students no matter their demographics.

Over the past two years, the federal administration has chosen to dismantle the federal Department of Education and cut federal funding to public school districts. The "One Big Beautiful Bill Act" (OBBBA or OB3), enacted on July 4, 2025, establishes a new nationwide school voucher system that states may choose to opt into or decline before January 1, 2027.

Instead of choosing to invest into public schools directly, the federal voucher program would provide federal tax credits to individuals who donate to private Scholarship Granting Organizations (SGOs). The SGOs are 501(c)(3) nonprofit organizations that would be responsible for distributing vouchers for qualified elementary and secondary (K–12) education expenses.

Neither the federal government nor state governments would issue the vouchers. Instead, SGOs would collect contributions from private individuals and distribute those funds as vouchers to eligible

Qualified Elementary and Secondary Education Expenses

Private School Expenses

- Private school tuition
- School fees
- Room and board
- School uniform

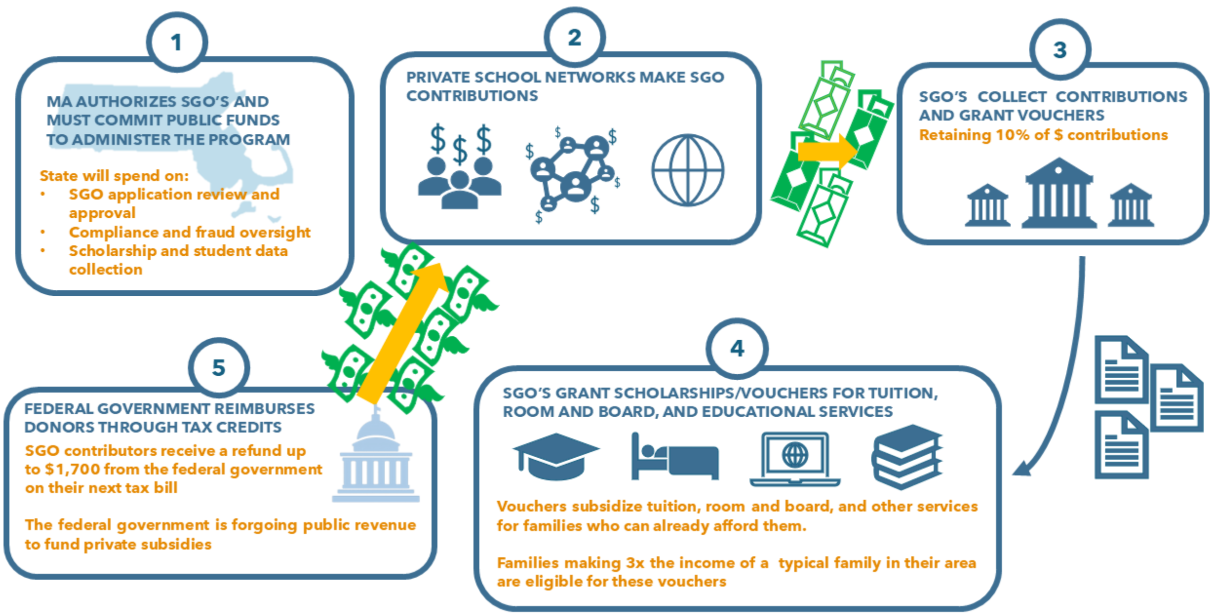
Academic Enrichment Expenses

- Academic tutoring
- Extended day programs
- Transportation
- Special needs services
- Internet access
- Books and school supplies
- Computer technology and educational equipment

students. Students attending private, religious, and public schools would be eligible to receive vouchers. States that opt into the program would authorize SGOs to operate and oversee their compliance with program requirements.[1]

How the Federal Voucher Program Works:

- States that opt-in to the federal voucher program must certify and oversee organizations that seek to become Scholarship Granting Organizations (SGOs).
- Private individuals contribute to these approved SGOs. The SGOs are then in charge of using that contributed income to distribute vouchers for private school tuition and other qualified expenses.



- Donors to SGOs then would receive a federal-matching tax credit of up to $1,700. This acts as an incentive from the federal government to generate more contributions to SGOs.

Why Massachusetts Should Not Opt-In to the Federal School Voucher Program

1. The federal voucher program would require Massachusetts to spend its limited resources to oversee a new voucher program.

Opting in would require Massachusetts to devote already limited state staff and administrative resources to:

- Approve Scholarship Granting Organizations (SGOs) to operate in the state.
- Monitor compliance with federal requirements to deter waste, fraud, and abuse.

Massachusetts public schools are already under significant fiscal pressure. Districts face rising fixed costs, growing special education and charter school expenses, and declining enrollment. The Massachusetts

Budget and Policy Center's research found that statewide enrollment has fallen by nearly 50,000 students over the past 6 years.[2] Additionally, opting in would create an incentive for families to potentially leave their current public schools if more funds would be available for them to attend private schools. This could accelerate public school enrollment declines, deepening the already enormous budget pressures on public school districts in future years.

The Commonwealth needs every dollar available to support public schools, not spend its scarce resources on programs that could help subsidize private school education.

2. The federal voucher program is structured to most benefit private school students, not public school students.

The federal voucher program relies on private fundraising. SGOs may choose to focus on different eligible expenses, such as private school tuition or academic enrichment opportunities such as tutoring, after-school programs, books, and technology. Because SGOs must first raise private donations before awarding vouchers, organizations with different missions and varied funding bases are not equally positioned to generate contributions at scale. Some SGOs may focus on raising funds for private school tuition vouchers, while others may focus on funding academic enrichment services more commonly used by public school families. The comparison below highlights structural factors that could influence the fundraising capacity of these SGOs.

Comparison of How the Fundraising Landscape Affects Private School-Focused SGOs vs. Academic Enrichment-Focused SGOs	
Private school-focused SGOs benefit from several advantages:	Academic enrichment-focused SGOs face structural disadvantages:
Established fundraising infrastructure through private school alumni networks, religious institutions, and national donor organizations.	**Limited fundraising infrastructure**, as academic enrichment services tend to overly benefit public school students. Public school families generally expect educational services to be provided through public schools and funded through taxes rather than tax-advantaged contributions.
A wealthier donor base made up of private school families, alumni, and supporters already accustomed to donating to private education.	**A more constrained donor base**, relying largely on Massachusetts families, who are more mixed-income and already facing affordability pressures.
A single, unified fundraising mission—reducing private school tuition for students—that is simple for contributors to understand and support.	**A fragmented fundraising mission**, competing for donations across tutoring, after-school programs, transportation, books, technology, special education, and other educational enrichment services. This will divide available contributions across multiple organizations and priorities,

	limiting nonprofits and service providers from benefitting.
Potential results: Greater fundraising capacity, making it more likely to generate larger voucher awards for students.	**Potential results: Smaller, more fragmented fundraising pools**, making it harder to generate enrichment voucher awards at the same scale.

The potential result is a fundraising environment that favors private school-focused SGOs, making larger voucher awards more likely for students who attend or seek to attend private schools than for public school students generally seeking academic enrichment opportunities. Rather than expanding resources for nonprofits and direct service providers, the opting in could instead increase competition for a limited pool of charitable contributions, reducing their ability to raise funds for the academic enrichment services they seek to provide.

The United States Treasury Department's June 2026 published preview of its forthcoming proposed regulations for the federal voucher program[3] has the potential to hurt our state's nonprofits. National nonprofits will be permitted to operate across states that opt into the voucher program, placing Massachusetts nonprofits in direct competition with larger multistate organizations that have established brands, sophisticated fundraising operations, greater administrative capacity, and nationwide donor networks.

The Treasury's preview also makes clear that participating states may not impose substantive SGO-specific requirements that are more restrictive than federal law. While the regulations are not yet final, this preview document suggests states would have very limited flexibility to tailor the program or to set higher standards against bias or abuse than the federal administration sees fit. For example, states may have limited or no ability to direct vouchers toward students in public schools and/or who have low incomes, or to require participating schools to comply with state academic accountability and nondiscrimination standards, including protections for LGBTQ+ students and students with disabilities.[4] Unless the final regulations reverse course, these federal limitations could undermine Massachusetts' ability to support its nonprofit sector, prioritize students with the greatest need, promote a more equitable distribution of vouchers, and reduce the program's emphasis on private school tuition. This new information further illustrates why Massachusetts should not opt into the federal voucher program.

3. It allows families with high incomes to benefit over students who have been historically underserved and/or have low incomes.

Families earning up to **300 percent of area median income** are eligible to receive federal school vouchers. In Massachusetts specifically, households earning approximately **$283,000 to $500,000** annually may qualify for the voucher program depending on where they live in the state.
The federal school voucher program also:

- Does **not** guarantee assistance to every eligible student because they must apply to SGOs and compete for available vouchers.

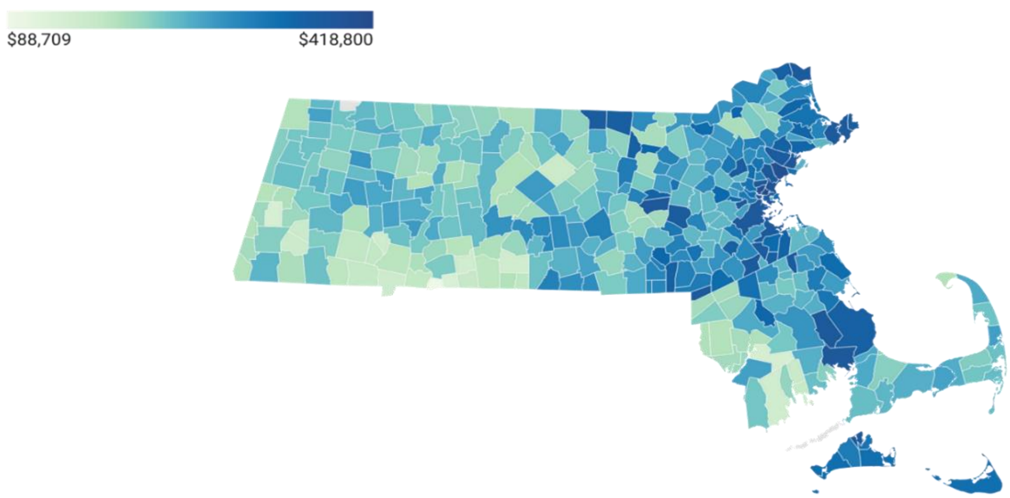
- Subsidizes private school expenses for families with higher incomes who are already able to afford private education.
- Requires students with low incomes, English learners, and students with disabilities to compete with families with much higher incomes for a limited number of vouchers.

Rather than narrowing opportunity gaps in education, the federal voucher program risks widening them.

Using the interactive map below (available on the website version of this report), hover over a city or town to see the household income that would qualify for the federal voucher program in Massachusetts—and how much higher it is than the typical household income in each community.

If Massachusetts Opts Into the Federal School Voucher Program, How Much More Could Families Earn Above the Local Median and Still Qualify?

Across Massachusetts cities and towns, families can make between roughly $89,000 and $419,000 more than the typical family in their community and still qualify for a federal private school voucher.



Source: U.S. Census Bureau ACS Table B19013: Median Household Income in the Past 12 Months (2024 Inflation-Adjusted Dollars) • Map data: MassGIS • Created with Datawrapper

4. The federal voucher program is a component of a broader shift away from public education.

The federal school voucher program is one part of the federal administration's broader education agenda. It reflects the administration's continued efforts to advance several key education priorities outlined in *Project 2025*[5], including:

- **Dismantling the U.S. Department of Education:** On **March 20, 2025**, the federal administration issued an executive order directing the Department of Education to be dismantled to the greatest extent permitted under law.[6]
- **Cutting, freezing, and disrupting K-12 funding to public schools:** The federal administration froze or disrupted at least $12 billion in congressionally-appropriated public education funding, affecting academic enrichment, after-school programs, teacher professional development, English learner services, and other supports delivered through public schools.[7]

- **Reducing the federal government's role in K–12 education:** The federal administration transferred responsibility for special education oversight to the Department of Health and Human Services and civil rights enforcement in schools to the Department of Justice.[8]
- **Expand private voucher programs:** OBBBA's new federally-subsidized school voucher program is designed to instill private voucher systems in states that have historically relied on publicly funded education rather than privately funded alternatives. Instead of collecting this tax revenue and using it to support public schools, housing, food security, and expanding health insurance, the federal administration is letting that money flow to school privatization efforts.

Conclusion

Massachusetts became a national leader in education by choosing to strengthen public schools, making equitable investments to close opportunity gaps, and ensuring every child has the opportunity to succeed. We are the state that chose to enact the Student Opportunity Act and the Fair Share Amendment, directing historic investments to the classrooms and public schools where students learn every day.

The federal administration's voucher program asks Massachusetts to embrace a fundamentally different vision—one where educational opportunity depends on private fundraising rather than direct public investment and democratic accountability. **What is at stake is not simply whether Massachusetts adopts a new tax credit program, but whether the Commonwealth chooses to shift away from its longstanding commitment to strengthening public schools as the foundation of educational opportunity for every child.** The governor and legislature should keep Massachusetts out of the federal voucher program and reaffirm that Massachusetts will continue investing in public education, not privatizing it.

Endnotes

[1] SGOs could include both existing 501(c)(3) nonprofit organizations that add voucher administration to their mission as well as newly formed 501(c)(3) nonprofit organizations established for that purpose. In either case, nonprofit organizations must receive state authorization to be SGOs.

[2] Clough, A. (2026, May 13). *Enrollment decline and fiscal pressure in Massachusetts public schools: A focus on English learners*. Massachusetts Budget and Policy Center. https://massbudget.org/2026/05/13/enrollment-decline-and-fiscal-pressure-in-massachusetts-public-schools-a-focus-on-english-learners/

[3] U.S. Department of the Treasury. (2026, June 10). *Treasury previews Education Freedom Tax Credit guidance*. https://home.treasury.gov/news/press-releases/sb0527

[4] Stone, M. (2026, June 12). *Another Democratic-leaning state will pass on the federal school choice program*. Education Week. https://www.edweek.org/policy-politics/another-democratic-leaning-state-will-pass-on-the-federal-school-choice-program/2026/06

[5] The education chapter of Project 2025 outlines the Heritage Foundation's proposed agenda for the next conservative presidential administration—which, when published in 2023, referred to the anticipated incoming Trump administration—including dismantling the U.S. Department of Education, expanding voucher programs,

reducing the federal role in K–12 education, and rolling back federal civil rights enforcement, equity, and diversity initiatives.

[6] Binkley, C. (2025, March 20). *Trump orders a plan to dismantle the Education Department while keeping some core functions*. Associated Press. https://apnews.com/article/trump-education-department-shutdown-b1d25a2e1bdcd24cfde8ad8b655b9843

[7] Lieberman, M. (2026, January 16). *In Trump's first year, at least $12 billion in school funding disruptions*. Education Week. https://www.edweek.org/policy-politics/in-trumps-first-year-at-least-12-billion-in-school-funding-disruptions/2026/01

[8] Wong, A., Balingit, M., & Lurye, S. (2026, June 16). *Trump is shifting special ed, civil rights out of Education Department. Here's what we know*. Associated Press. https://apnews.com/article/trump-education-department-restructuring-civil-rights-sped-043d48432bfd182cdce3743a397ce633