



December 18, 2025

Submitted via www.regulations.gov

Internal Revenue Service
1111 Constitution Avenue NW
Washington, D.C., 20224

Re: Docket ID IRS-2025-0466, Request for Comments on Individual Tax Credit for Qualified Contributions to Scholarship Granting Organizations (Notice 2025-70)

Public Funds Public Schools (“PFPS”), a national campaign directed by Education Law Center (“ELC”) to ensure that public funds for education are used to support and strengthen public schools, submits this comment in response to the request for comments referenced above. PFPS uses policy advocacy, research, and litigation to oppose the diversion of public funds to private educational uses, including all forms of private school vouchers. ELC collaborates with the Southern Poverty Law Center on the PFPS campaign. More information is available at www.pfps.org.

As advocates for public school students, we strongly oppose the federal voucher program and the forthcoming guidance and regulations implementing the program. This ill-advised program will divert public funds to private educational uses, to the detriment of students, schools, and communities across the country. Moreover, like all private education vouchers, the federal voucher program is part of a broader assault on public education and an effort to privatize this keystone common good underpinning American democracy. Thus, vouchers have no place in state or federal education policy. State and federal efforts must instead continue to encourage, support, and adequately resource public schools, which serve the vast majority of students, and ensure these schools provide a high quality, equitable, and non-discriminatory education that is open to all children.

The federal voucher program will harm students, schools, and states by promoting the diversion of public funds to private entities.

Private school vouchers do not benefit students, families, or communities, nor do they help the most vulnerable, highest-need students obtain a better education than they can receive in public schools. There is an ever-mounting body of evidence that vouchers cause great harm, in multiple ways, to those they claim to benefit.¹

¹ See research collected by Public Funds Public Schools at <https://pfps.org/research/>.

Students who use vouchers experience worse educational outcomes than their public school peers,² in private schools that are subject to few, if any, quality and accountability standards.³ Vouchers perpetuate racial⁴ and economic segregation, and the majority of vouchers are used by wealthier families who already send their children to private schools.⁵ Moreover, voucher students lose most of their legal protections under special education and civil rights laws, and voucher programs use public dollars to fund private schools that can and do discriminate against students and employees in ways that are not lawful in public schools.⁶

Many school districts across the country already face severe underfunding.⁷ Diverting public funds to vouchers leaves public schools with even fewer resources to meet the needs of their students, who represent ninety percent of children across the country. At the same time, high-need students, who are frequently rejected by private schools, are concentrated in public schools, which must welcome and serve all students. State voucher programs threaten the very existence of neighborhood public schools.⁸ When neighborhood schools close, students and their communities

² See, e.g., Jonathan N. Mills & Patrick J. Wolf, *The Effects of the Louisiana Scholarship Program on Student Achievement after Four Years*, University of Arkansas, EDRE Working Paper 2019-10 45 (2019), <https://bpb-us-e1.wpmucdn.com/wordpressua.uark.edu/dist/9/544/files/2019/04/Mills-Wolf-LSP-Achievement-After-4-Years-final-ut3mor.pdf>; Megan Austin, R. Joseph Waddington & Mark Berends, *Voucher Pathways and Student Achievement in Indiana's Choice Scholarship Program*, *The Russell Sage Foundation Journal of the Social Sciences* 36 (2019), <https://www.jstor.org/stable/10.7758/rsf.2019.5.3.02>; David Figlio & Krzysztof Karbownik, *Evaluation of Ohio's EdChoice Scholarship Program: Selection, Competition, and Performance Effects*, Thomas B. Fordham Institute 2 (2016), <https://fordhaminstitute.org/ohio/research/evaluation-ohios-edchoice-scholarship-program-selection-competition-and-performance>.

³ See, e.g., Arianna Prothero & Alex Harwin, *Private School Choice Programs Fall Short on Transparency, Accountability*, *Education Week* (Feb. 28, 2020), <https://www.edweek.org/policy-politics/private-school-choice-programs-fall-short-on-transparency-accountability/2020/02>; Tim Walker, *'No Accountability': Vouchers Wreak Havoc on States*, *NEA Today* (Feb. 2, 2024), <https://www.nea.org/nea-today/all-news-articles/no-accountability-vouchers-wreak-havoc-states>.

⁴ See e.g., Chris Ford et al., *The Racist Origins of Private School Vouchers*, *Center for American Progress* 8 (2017), <https://www.americanprogress.org/article/racist-origins-private-school-vouchers/>.

⁵ Josh Cowen, *School Vouchers: There Is No Upside*, *Albert Shanker Institute* (Feb. 21, 2023), <https://www.shankerinstitute.org/blog/school-vouchers-there-no-upside> (“Despite supporter rhetoric that voucher schemes are about new opportunities, the reality is 70-80 percent of kids in states like Arizona, Missouri, and Wisconsin were already in private school before taxpayers picked up the tab.”); see also Indiana Department of Education, *Choice Scholarship Program Annual Report: Participation & Payment Data: 2024-2025* 11 (2025), <https://www.in.gov/doe/files/2024-2025-Annual-Choice-Report.pdf> (finding that 70% of voucher recipients in 2024-25 had never attended an Indiana public school, a three percentage point increase from the prior school year).

⁶ Kevin G. Welner & Preston C. Green, *Private School Vouchers: Legal Challenges and Civil Rights Protections*, *UCLA Civil Rights Project* 8 (2018), https://civilrightsproject.ucla.edu/wp-content/uploads/2018/03/Welner-Green-JT_022818-for-post.pdf; Adam Mengler, *Public Dollars, Private Discrimination: Protecting LGBT Students from School Voucher Discrimination*, 87 *Fordham L. Rev.* 1251, 1264 (2018) (quoting *Ariz. Rev. Stat. § 15-2404* (2018)).

⁷ See, e.g., Danielle Farrie & Robert Kim, *Making the Grade: How Fair is School Funding in Your State?*, *Education Law Center* (2025), <https://edlawcenter.org/wp-content/uploads/2025/12/Making-the-Grade-2025.pdf>.

⁸ See, e.g., Amelia Ferrell Knisely, *Morrissey pushes school choice; lawmakers face 'balancing act' as counties lose public schools*, *West Virginia Watch* (Feb. 12, 2025), <https://westvirginiawatch.com/2025/02/12/morrissey-pushes-school-choice-lawmakers-face-balancing-act-as-counties-lose-public-schools/>; Beth Lewis, *Neighborhood schools are closing across Arizona. It's because of vouchers*, *AZMirror* (Oct. 6, 2025), <https://azmirror.com/2025/10/06/neighborhood-schools-are-closing-across-arizona-its-because-of-vouchers/>.

face devastating effects in the realms of education as well as social and civic engagement.⁹ Public schools need more, not fewer, resources in order to educate all students, particularly their most vulnerable.

The federal voucher program, by design, diverts federal tax dollars that should be used for public education and other much-needed public services.¹⁰ The program does not include meaningful quality or accountability standards nor anti-discrimination requirements and will provide vouchers to wealthy families, even those that have already chosen and are paying for private education. Because the program includes no spending cap, the federal government can expect significant revenue loss to unaccountable scholarship granting organizations (“SGOs”)¹¹ and private schools, while increasing the national debt. Indeed, in states with voucher programs, voucher costs almost inevitably increase over time, public school funding declines, and the burden on taxpayers and state budgets rises.¹²

For all these reasons, we remain firmly opposed to the expansion of private school vouchers at the state or federal levels. While we maintain that the federal voucher program is a deeply harmful policy that should be repealed, we are compelled to comment on the need for strong data collection and reporting requirements, so that the government and the public are aware of how taxpayer dollars are being used and the impact this program will have on public schools, public school students, and students who use vouchers to attend private schools.

Section 4.05: Request for comments on reporting and recordkeeping requirements

Under § 25F(h) of the statute, “the Secretary [of Treasury] shall issue such regulations or other guidance as the Secretary determines necessary to carry out the purposes of this section, including regulations or other guidance...with respect to recordkeeping or information reporting for purposes of administering the requirements of this section.”

Pursuant to this statutory authority, the Treasury Department and Internal Revenue Service (“IRS”) propose requiring organizations seeking to satisfy the requirements to be an SGO to report certain information to the IRS and to retain certain records, including information on “each qualified contribution received by the organization” and “each [voucher] recipient awarded a [voucher] by

⁹ See, e.g., Public Funds Public Schools & Advancement Project, *Save Neighborhood Schools – Say No to Private School Vouchers!* 1, 3 (Apr. 2025), https://pfps.org/assets/uploads/Save_Neighborhood_Schools_Say_No_to_Private_School_Vouchers_FINAL.pdf; Advancement Project, *Action Kit: Stop Public School Closures* 17-18 (2024), https://advancementproject.org/wp-content/uploads/2024/05/AP-SchoolClosureActionKit_FINAL.pdf.

¹⁰ A federal tax credit voucher program, like tax credit voucher programs in the states, constitutes the expenditure of public funds. Moreover, tax credit vouchers incentivize disenrollment from public schools, which are funded largely based on the number of students enrolled. Thus, when a student takes a voucher and leaves their local district to attend a private school, the public school district’s funding decreases.

¹¹ A 2021 preliminary investigative report by the League of Women Voters of Florida examined the finances and operations of Step Up for Students, one of two authorized Scholarship Funding Organizations that administer Florida’s voucher programs. The report found that Step Up lacked oversight and accountability and failed to monitor and evaluate program compliance. League of Women Voters of Florida, *Step Up for Students Preliminary Investigative Report* (Mar. 2021), <https://lwvfl.org/step-up-for-students-preliminary-investigative-report/>.

¹² Samuel E. Abrams & Steven J. Koutsavlis, *The Fiscal Consequences of Private School Vouchers*, Public Funds Public Schools 16 (Mar. 2023), https://pfps.org/assets/uploads/SPLC_ELC_PFPS_2023Report_Final.pdf.

the organization.” Because federal funds are used for these vouchers, it is appropriate that such data be collected by the federal government. It should include data on voucher recipients disaggregated by student subgroups, including race/ethnicity, gender, socioeconomic status, students with disabilities, English learners, geographic location, and prior enrollment in public school.

Such data should also include information to enable assessment of how the voucher funds are used and the effectiveness of the voucher program in serving students. Some existing state voucher programs require SGOs and/or private schools to provide substantive and relevant data regarding who is using vouchers, which private schools and private education providers are receiving the funds, and educational outcomes for voucher students.¹³ These state requirements provide a model, albeit incomplete, of voucher data collection.

Moreover, it is imperative that states be required to report on the losses of public school enrollment and funding caused by the federal voucher program, as well as the cost to states of implementing and overseeing this program.

Finally, this data on the use of public funds for private school vouchers should be made available to the public, in a timely manner and with appropriate privacy protections and redactions of personally identifiable information. There is no justification to provide anything less than full transparency to the public regarding this program.

The federal voucher program diverts federal tax dollars that should flow to the U.S. Treasury and be used to fund the public goods, including public education, that students and families rely on. Instead, the program will likely send billions of dollars to unregulated SGOs and private and religious schools that, unlike public schools, pick and choose whom they educate, negatively influence educational attainment, exacerbate segregation, and are not subject to meaningful quality and accountability standards. For these reasons, we oppose the federal voucher program and any guidance or regulations that seek to further divert public funds to private education and away from public schools.

¹³ See, e.g., Indiana Department of Education, *Choice Scholarship Program Annual Report* (2024), <https://www.in.gov/doe/files/2023-2024-Annual-Choice-Report.pdf>; Arkansas Department of Education, *Education Freedom Account Annual Report* (2024), https://dese.ade.arkansas.gov/Files/2023_2024_EFA_Report_OSCPE.pdf.