What We Know and Don't Know About the Trump School Voucher Program

Frequently Asked Questions

Governor Josh Shapiro is facing pressure from private school voucher supporters to opt into the federal school voucher program included in Donald Trump's signature "One Big Beautiful Bill Act." However, many questions remain about how the federal voucher program will work, who will benefit from it, and what mechanisms will be in place to prevent the waste, fraud, and abuse of tax dollars through these programs.

An invitation-only preview from the U.S. Department of the Treasury and the U.S. Department of Education on June 9, 2026, focused on some of the policy decisions that will be included in proposed regulations for the program, which are expected to be released no later than the end of September.

Click HERE to read the full comments that were made at this event.
Click HERE for the Education Counsel alert focused on these comments.

The Trump Federal Tax Credit Scholarship Program is a voucher program funded with tax dollars diverted from the federal Treasury.

This program provides a dollar-for-dollar federal tax credit up to $1,700 for taxpayer contributions to Scholarship Granting Organizations (SGOs) that distribute vouchers. Governors must actively opt their states into the program annually to participate.

The Trump school voucher program will direct money out of the U.S. Treasury and into private and religious schools and the organizations that funnel money to them. The dollars that will fund vouchers will be unavailable to fund public schools. Instead, the vast majority will be used to pay the private school tuition bills of all but the wealthiest families in states that opt into the program..

Will Pennsylvania have any influence on how the program will be administered in our state if we opt in?

No.

Previewed guidance from June 9th states,"...States may not impose substantive SGO-specific requirements that are more restrictive than section 25F's requirements."

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This indicates that Pennsylvania will not be able to restrict federal voucher funds to students with the greatest financial need or align income eligibility with current state tax credit voucher programs.

- Under the federal program, family income eligibility has been expanded to households with incomes up to 300% of the Area Gross Median Income, far higher than the current income limits for state vouchers in Pennsylvania.
- An Ed Choice analysis finds that family income limits in Pennsylvania under this indicator range from a low of $204,000 in Forest County to $368,100 in Philadelphia and the collar counties.
- This income limit far outstrips the income limit used by Pennsylvania's current Educational Improvement Tax Credit (EITC) and Opportunity Scholarship Tax Credit (OSTC) program, which restrict scholarships to students whose households' annual income is no greater than $116,055 plus $20,428 for each dependent member of the household.
- As EdChoice states, this program is near-universal, meaning that voucher dollars will pay the private school tuition of all but the wealthiest families and will serve as a subsidy for the most privileged students in Pennsylvania.
- There is no limit on the amount of individual vouchers that can be provided to students. An SGO could pay the full tuition payment of students at schools that charge over $50,000 per year in tuition.

How will funds be disbursed? Will money be directed to schools or will it be given directly to families?

We do not know.

This question is not answered in the legislation and it was not addressed in a recent meeting where the Treasury previewed guidance.

NOTE: In states where families have been given voucher funding directly, fraud and abuse of taxpayer money have been rampant. In Florida, state voucher dollars are used to pay for tickets to Disney resorts, paddleboards, televisions, and more. In Arizona, school voucher dollars are used to pay for high-end resorts, plane tickets, lingerie, diamond rings, and an extensive list of things completely unrelated to educating students.

How much authority will states have to oversee the spending of Trump school voucher funding to prevent waste, fraud, and abuse?

Not much.

States will be expected to include processes to prevent duplicate awards to the same student for the same expense to prevent this type of fraud.

Scholarship granting organizations, which will be allowed to keep 10% of the funding they receive, will be charged with the auditing and fraud detection of their own operations. This will be a fox guarding the henhouse setup.

The most recent guidance from the US Treasury gives states no explicit authority to prevent waste, fraud, and abuse of funding by SGOs other than removing a scholarship granting organization from the state list.

There is also no guidance regarding how states can prevent waste, fraud, and abuse of funding that is given directly to families.

Will public schools receive funding from the Trump school voucher program?

No.

Individual public school students may receive funding that will pay for allowable expenses, but school districts will receive no funding from this program.

- The Trump school voucher program will not function like the Educational Improvement Organization (EIO) program, which is part of Pennsylvania's Educational Improvement Tax Credit (EITC) program, where EIOs are allowed to support school districts and fund programming and services that benefit students as a whole.
- Funding will be designated as a voucher for a specific student to cover specific costs.
- To receive voucher funding through this program, each student's family income must be verified.
- The language for what can be paid for with voucher dollars is specific to Coverdell expenses, which include:
  - Tuition and fees,
  - Books, supplies, and equipment,
  - Academic tutoring,
  - Special needs services for a special needs beneficiary,
  - Room and board,
  - Uniforms,
  - Transportation,
  - Supplementary items and services (including extended day programs), and
  - Computer equipment that is used by the beneficiary and the beneficiary's family during any of the years the beneficiary is in elementary or secondary school.
- In Pennsylvania's public schools, most of these expenses are already included as part of public education. Families are not charged for these expenses and would not be eligible for a voucher if they have no out-of-pocket expenses.

The structure of this program is designed to expand privatized education and funnel tax dollars into intermediary organizations, not strengthen public schools.

Will nonprofits that hope to use Trump school voucher dollars to pay for services for students need to form a new 501(c)(3) to accept federal voucher dollars?

Probably.

An Education Counsel summary of the June 9, 2026, meeting includes the following language:

90% of Income Rule: The FSTC statute requires that SGOs "spend[] not less than 90 percent of the income of the organization on scholarships for eligible students." Treasury's released remarks indicate that it generally plans to measure this based on 90% of all of the **total** organizational income. However, Treasury indicated there will also be a "safe harbor" for organizations whose activities are "largely scholarship-granting activities" to instead include in the 90% calculation only the income from contributions within the FSTC program (held in the "segregated account" that all SGOs are required by law to maintain for such contributions). ***Existing organizations hoping to serve as SGOs that are not "largely" focused on awarding student scholarships would not be able to take advantage of that safe harbor; they would likely need to establish a new 501c(3) focused on scholarships that can more easily satisfy the 90% rule. (****Emphasis added).*

What kinds of sensitive financial information will families need to provide to scholarship granting organizations (SGOs) in order to be eligible for federal voucher funding?

The voucher law requires that family income levels be verified before students can receive voucher funding.

We do not know which vendors SGOs will use to verify family incomes or the types of financial information these vendors will require from families. We also do not know what safeguards vendors will put in place to protect families' sensitive financial information.

Will federal voucher dollars be used to fund private and religious schools that discriminate against students?

Almost certainly, yes.

If states are not allowed to impose substantive SGO-specific requirements that are more restrictive than the original law, they will not be allowed to prohibit federal voucher dollars from funding private and religious schools that discriminate against their students or employees because of their disability, religion, academics, LGBTQ+ status, pregnancy or abortion, or a school's subjective determination of whether a student is the "right fit" for the school or not.

Only public schools educate all students who come through their doors. Private schools choose the students they educate.

What would it cost Pennsylvania taxpayers to set up and administer the Trump school voucher program if the commonwealth opts in?

We don't know. But costs could be substantial.

For example, the Florida legislature has allocated $2 million to the Florida Department of Education to develop an administrative platform for the Trump school voucher program. This does not include funding for recurring costs that will be required to administer the program each year.

How much does a taxpayer need to earn to make a $1700 contribution to the Trump school voucher program?

To have a federal tax liability of $1700 that can be redirected into the Trump school voucher program, individuals will need to have an adjusted gross income of approximately $85,000. Individuals with tax liabilities of less than $1,700 can participate in the program and make contributions equal to their tax liability.

Who is best positioned to take advantage of Trump's voucher program?

- Communities where there are many wealthy individuals who have large federal tax liabilities, especially those who work with accountants.
- Elite private schools that serve affluent families and already have their own scholarship organizations for Pennsylvania's EITC/OSTC programs where families and donors already make contributions.
- Existing special purpose entities that have lists of wealthy individuals that participate in Pennsylvania's EITC/OSTC programs.
- Schools that are connected to churches and churches that start new schools.

Who is least-well-positioned to take advantage of the Trump school voucher program?

Low-income communities will have far fewer individuals with tax liabilities to redirect to the voucher program. In addition, individuals living paycheck to paycheck will not have the luxury of contributing to an SGO in one fiscal year and waiting until the next fiscal year to receive a credit on their tax bill for that contribution.

NOTE: Claims from voucher-supporting organizations that hundreds of millions of Pennsylvanians' tax dollars will flow to support vouchers in other states if Governor Shapiro does not opt into the program should be met with skepticism. The incentive for a taxpayer to divert tax dollars to fund a local organization vs. a national organization that will use these dollars in another state is very different.

Conclusion

The decision Governor Shapiro makes regarding the Trump school voucher program will have enormous, long-lasting ramifications for educational resource allocation and equity in the commonwealth.

Given recent comments from the U.S. Treasury, it is reasonable to expect that the proposed regulations for the Trump school voucher program, to be released in September 2026, will continue to lack clarity on many of the issues described above. Governor Shapiro will have inadequate information to formulate a thorough understanding of the impact that the Trump school voucher program would have on students and on Pennsylvania's education system as a whole.

What is clear is that the structure of this program is designed to expand privatized education and funnel tax dollars into intermediary organizations, not strengthen public schools.

It is also clear Pennsylvania will have little flexibility in administering the program.

- Pennsylvania will most likely not be able to stop these voucher dollars from supporting private and religious schools that advance discrimination against students.
- Pennsylvania will most likely not be able to ensure that these dollars will not serve as a subsidy for wealthy families already sending their children to private schools.
- Pennsylvania will be unable to guard against the waste, fraud, and abuse of tax dollars flowing through this program.

When **Governor Tina Kotek** opted Oregon out of the program, she stated, "At this point, I simply cannot trust that any education policy coming from Trump's White House is in the best interest of Oregon's kids and our public education system." The same can be said for Pennsylvania kids and our public education system.

NOTE: Pennsylvania already has two tax credit voucher programs that divert public dollars to private schools. Since 2001, the Pennsylvania Education Improvement Tax Credit (EITC) and Opportunity Scholarship Tax Credit (OSTC) programs have provided more than $3.5 billion in vouchers to Pennsylvania students attending private and religious schools. The programs currently receive $575 million in annual tax credits to fund private school vouchers. In the 2024-2025 school year, these programs were undersubscribed by more than $115 million,

Appendix

FEDERAL TAX CREDITS FOR SCHOLARSHIPS (FTCS)

HOUSEHOLD INCOME LIMITS BY COUNTY

IN EVERY PENNSYLVANIA COUNTY, ELIGIBILITY EXCEEDS $200,000.

COUNTY	HOUSEHOLD INCOME LIMIT
Adams	$320,400
Allegheny	$331,200
Armstrong	$243,900
Beaver	$331,200
Bedford	$254,700
Berks	$306,300
Blair	$277,200
Bradford	$262,200
Bucks	$368,100
Butler	$331,200
Cambria	$253,500
Cameron	$209,700
Carbon	$313,200
Centre	$354,900
Chester	$368,100
Clarion	$256,200
Clearfield	$254,100
Clinton	$239,400
Columbia	$272,400
Crawford	$235,500
Cumberland	$327,900
Dauphin	$327,900
Delaware	$368,100
Elk	$265,800
Erie	$265,800
Fayette	$331,200
Forest	$204,000
Franklin	$299,400
Fulton	$264,600
Greene	$272,100
Huntingdon	$265,800
Indiana	$251,400
Jefferson	$232,800
Juniata	$247,800
Lackawanna	$277,200

COUNTY	HOUSEHOLD INCOME LIMIT
Lancaster	$327,600
Lawrence	$260,700
Lebanon	$294,600
Lehigh	$313,200
Luzerne	$277,200
Lycoming	$255,600
McKean	$252,600
Mercer	$250,800
Mifflin	$244,200
Monroe	$284,700
Montgomery	$368,100
Montour	$294,600
Northampton	$313,200
Northumberland	$256,800
Perry	$327,900
Philadelphia	$368,100
Pike	$301,500
Potter	$242,400
Schuylkill	$256,800
Snyder	$252,300
Somerset	$250,500
Sullivan	$273,000
Susquehanna	$264,900
Tioga	$244,200
Union	$309,300
Venango	$243,900
Warren	$240,000
Washington	$331,200
Wayne	$254,400
Westmoreland	$331,200
Wyoming	$277,200
York	$317,700
Westmoreland	$331,200
Wyoming	$277,200
York	$317,700

Source: Ed Choice, Scholarship Recipients for the New Federal Tax Credit for Scholarships
https://www.edchoice.org/2026-updated-eligibility-income-limits/