

# Trump's school voucher plan: A billion-dollar tax shelter for the ruling elites

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*Join the upcoming online meeting of the Educators Rank-and-File Committee (US), "Free Mahmoud Khalil! Mobilize the working class against Trump's dictatorship! Defend the right to public education!" on Saturday, March 15, at 12:00 p.m. EDT. Register here.*

Trump's national school voucher proposal represents an unprecedented diversion of public funds into private hands. It is part of an overall plan to dismantle the right to public education, being spearheaded through the destruction of the Department of Education.

The plan offers a 100 percent federal tax credit for donations to school voucher programs, creating the largest tax incentive for any charitable contribution in US history.

The school voucher proposal being promoted by Congressional Republicans is not about expanding educational "opportunities" but about funneling billions of public dollars into private hands while creating a tax shelter for the ultra-wealthy. This scheme is a backdoor maneuver to privatize education while allowing corporations and wealthy individuals to avoid taxation.

The plan offers a 100 percent federal tax credit for donations to school voucher programs, meaning that every dollar contributed is fully reimbursed by the government. This ensures that public education funding is directly converted into subsidies for private institutions and homeschoolers.

The federal government would effectively be funding a parallel private education system, draining billions from public schools. Unlike tax deductions, which merely reduce taxable income, this program ensures that every dollar donated to private school scholarships is fully reimbursed by the federal government.

The policy does not simply divert resources from public schools; it actively redistributes wealth upward, allowing high-income earners to exploit tax loopholes while working class families are left with underfunded public schools.

The voucher system would double as a tax shelter for the ultra-rich. The plan allows for donations of stock instead of cash. Donors avoid capital gains taxes when stocks increase in price, then receive a tax credit for the full amount of the stock price come tax time.

According to the *Washington Post* analysis, this loophole could cost the government an estimated \$134 billion over 10 years, further deepening economic inequality by depleting federal funds that would have otherwise paid for public education—especially for those serving low-income communities.

This corporate welfare masquerading as school choice will not improve education for working class families. It will simply allow the elite to extract even more wealth from the public sector.

One version of the proposal would cost the federal government \$5 billion per year, enough to fund about 500,000 private school vouchers at \$10,000 per student. Another version, at \$10 billion annually, would expand eligibility to higher income families, extending federal subsidies to those earning up to three times the area median income. For example, families making over \$450,000 in some districts would qualify.

The push for school vouchers has deep historical ties to reactionary efforts to resist public school integration following the Supreme Court's 1954 landmark *Brown v. Board of Education* decision, which ruled that racial segregation in public schools was unconstitutional, overturning the "separate but equal" doctrine established in *Plessy v. Ferguson* (1896) and mandating desegregation of schools across the country.

In response to federal desegregation mandates, states introduced early forms of school vouchers to allow white families to withdraw from integrated schools and attend private segregation academies using public funds.

One of the most infamous examples occurred in Prince Edward County, Virginia, where officials shut down the

entire public school system in 1959 rather than allow black students to integrate. White families were given publicly funded tuition grants—early school vouchers—to attend all-white private academies, while black students were left without access to formal education.

In the late 1950s, white segregationists in states like Virginia and Alabama developed tuition grants—early versions of school vouchers—to allow white students to attend newly created private “segregation academies,” funded by taxpayer money. These schools maintained racial exclusion while public schools were left to integrate.

This segregationist strategy was later refined into a broader economic ideology by Milton Friedman, the libertarian economist who helped bring about the overthrow of democratically elected governments and advised authoritarian regimes, including the Chilean dictatorship of Augusto Pinochet. Friedman introduced the concept of “school choice” in 1955.

Friedman argued that competition between public and private schools would improve education quality, a theory that ignored the historical and systemic inequalities in American schooling. His free market ideas were instrumental in the drive to defund public schools and undermine teachers’ unions.

In Tennessee, Governor Bill Lee successfully pushed through a sweeping voucher expansion bill, making it one of 16 states with near-universal voucher access. Despite fierce opposition from educators, parents and local officials, the bill was passed using political coercion and financial incentives in January.

A key strategy involved tying a \$2,000 teacher bonus to school board approval of the voucher program. Local school boards were forced to opt into the legislation or risk being blamed for denying educators a much-needed pay increase. The bill’s passage was further secured by threats from the conservative Club for Growth, which warned Republican lawmakers they would face well-funded primary challengers if they opposed the plan.

Of the 162 schools that have opted into the voucher program, the majority are religious institutions, reinforcing concerns that public funds are being redirected into sectarian and unregulated education systems. Unlike public schools, these institutions can reject students based on religious beliefs, disabilities or academic performance, exacerbating inequalities rather than providing meaningful choice.

The anti-immigrant policies of the Trump administration are a continuation of a longstanding

xenophobic legacy within the school choice agenda. Tennessee’s voucher program excludes undocumented immigrants.

Further, proposed legislation in the state would allow public schools to deny enrollment to undocumented children.

Currently, Oklahoma is seeking a legal pathway to challenge *Plyler v. Doe* (1983), which guarantees undocumented immigrant children the right to enroll in public schools, by leveraging Trump’s executive order banning federal funds for undocumented immigrants. Both states exemplify a broader right-wing effort to erode public education and scapegoat immigrant communities to justify privatization policies.

Trump’s national voucher push represents a direct attack on public education and social equality. These policies are designed to benefit the wealthy, defund public institutions and exclude marginalized communities, all while being framed as “school choice.”

In its recent Perspective, the WSWS noted:

The working class did not receive public education as a gift—it fought for it. However, as American capitalism has plunged into crisis, waged endless wars and fostered skyrocketing social inequality—especially over the past three decades—both corporate-controlled parties have systematically defunded public education.

The fight for public education is inseparable from the broader struggle against inequality and the dismantling of democratic rights.

The working class must mobilize against this assault by forming independent rank-and-file committees to organize mass opposition to school vouchers, budget cuts and the privatization of education. Educators, parents and students must demand the full funding and expansion of public education as a fundamental social right, rejecting the false promises of “school choice.”



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