

School Choice at a Crossroads

Abstract

This brief examines the debate over school choice, a developing issue generating significant discourse across the United States. It considers the history, tested policies, and stakeholders involved in the ongoing debate.

Keywords

School choice; vouchers; education savings accounts; tax credits; scholarship; public education; funding; equity.

I. Executive Summary

This brief outlines the policies and debates surrounding school choice, including programs like vouchers, education savings accounts and tax credits. It examines the historical origins of the movement, the core arguments of advocates and critics, and the impact of these policies on modern school systems. It also highlights current federal and state developments and the potential effects on implementation.

II. Overview

This section provides a brief look at the origins of the debate over educational choice and its growing relevance.

Pointed Summary

- Issue: School choice directs public funds towards options beyond a student's assigned school.
- Stances: Supporters of educational choice argue that it is necessary to provide options that meet children's needs, while opponents argue that it drains funding for public schools
- Past Policies: Brown v. Board of Education Topeka II (1954), Milwaukee Parental Choice Program (1990)

Relevance

Recent developments such as the passage of the One Big Beautiful Bill Act have started debate over school choice as the legislation introduces a federal tax credit program to promote educational choice. Furthermore, with the recent Texas legislature, the passage of a school voucher program, providing \$10,000 for each child through an education savings account, allows families to utilize the funds to pay off school tuition. However, these changes occurred while the Department of Education had withheld a total of \$6.2 billion dollars worth of educational funds that had been approved by the Trump administration and Congress, which were released later than intended. With student test scores declining in regard to subject proficiency across the board with multiple subjects, there is an ever growing debate surrounding the reallocation of school funds into voucher programs.

III. History

Current Stances

Various school choice programs, including vouchers, scholarship tax credits, and Education Savings Accounts (ESA) exist in several states, with Indiana operating the nation's largest program. In summer 2025, President Trump approved the 'One Big Beautiful Bill' (OB BB). Under the Educational Choice for Children Act, this act allows individuals to donate up to \$1700 to scholarship organizations, with 100% federal income tax [2]. Supporters, such as school choice advocacy groups and private and homeschool proponents of the bill argue that these tax credits expand opportunity and empower parents. However, teachers' unions, public school advocates, and other opposers argue that these programs divert necessary funds from public institutions. Simultaneously, Texas Governor Greg Abbott signed Senate Bill 2. This bill created a \$1 billion education savings account program. Supporters and opponents have similar stances to that of the reaction to the OB BB 3.

Tried Policy

School choice has a far different meaning than simply choosing between public or private education. The current understanding behind 'school choice' has its origins with three monumental US Supreme Court Cases: Plessy v. Ferguson (separate, but equal facilities), Brown v. Board of Education Topeka I (segregation in schools was unconstitutional), and Brown v. Board of Education Topeka II (school integration must occur with all deliberate speed). These cases fundamentally changed the structure of the American educational system, and brought on new discussions about government involvement with education [1].

In 1955, economist Milton Friedman authored, "The Role of Government in Education," in which he proposed a system where parents are awarded tuition vouchers for private education services. The first program has been running since in the mid-1800s in Maine and Vermont, where parents were given vouchers if they did not live near public schools. However, Friedman's goal for this system was to completely revamp the education system and promote a 'free-market' society with limited government involvement. He stated that this system would enable parents to make the best decisions for their children.

IV. Policy Problem

Stakeholders

The implementation of Trump's Big Beautiful Bill school choice tax credit and Texas's new voucher law impacts a wide range of stakeholders: public school teachers and districts, private schools, and students and their families. This act has affected public school districts, teachers, staff, and teachers' unions. Public school districts are negatively affected because federal tax dollars will shift away from public schools and instead be allocated to private schools. Moreover, this incentive will make private schools more accessible to students,

decreasing the student populations of public schools. With fewer students and less funding, some public school teachers may ultimately find themselves out of a job. While the Big Beautiful Bill has negative effects, it benefits private schools as well as families and students. More families will be able to provide their children with a private education due to financial aid. As a result of increased accessibility, private schools will gain more students and consequently benefit financially.

Risks of Indifference

As students begin to leave public schools for private education, public schools will lose a significant portion of their funding. Without sufficient funding, public schools will be unable to pay their teachers, maintain programs, and properly upkeep their facilities. Budget cuts could lead to teacher layoffs, and public schools may be forced to hire less-experienced staff. Students who remain in the public school system will be at a disadvantage because they will have fewer opportunities and limited resources. The quality of their education will suffer due to the reduced caliber of staff and the loss of beneficial programs. A growing disparity between private and public school education will have long-term consequences. Students from underfunded public schools may graduate less prepared for the workforce, further widening existing socioeconomic divides.

Nonpartisan Reasoning

The Trump Administration has promoted the federal school choice tax credit as a means of expanding educational opportunities. In Texas, the legislature recently passed a broad voucher law. Conservative supporters of the act argue that it grants families more freedom in choosing where their children attend school and that vouchers and tax credits foster competition, which could encourage public

schools to improve. However, the Democratic Party and those within the public education sector argue that the implementation of the act will reduce public school funding and disadvantage the students who remain in public education. While Republicans claim the act will expand access to private schools, Democrats and public school advocates highlight that many low-income families may still be unable to afford private school tuition, even with financial aid.

V. Policy Options

Currently, education savings accounts are the most prominent form of new school choice programs. Unlike school vouchers, these programs allow parents to use public funds to purchase a range of educational services for their children including tuition, online coursework, and micro-schooling. However, effectively implementing these programs can be complex. Michael McShane outlines five prerequisites for the successful implementation: families must clearly understand their children's eligibility, schools must be prepared for the increased competition for high-quality education, legislation must clearly outline how these programs will be implemented and overseen, and there must be measures in place to hold schools accountable. With increased funding, it is imperative that schools maintain autonomy and avoid extensive regulations so they remain encouraged to participate in these programs. However, it is also important to design accountability measures that uphold academic standards without reducing success to performance metrics alone, and instead ensuring they account for systemic and socioeconomic contexts that vary from school to school. Furthermore, social-emotional learning programs—empirically shown to have a long-term impact on academic growth and professional success—should be adopted. These programs are especially important given the loneliness epidemic and prevalence of mental-health disorders amongst teenagers.

On another note, The Big Beautiful Bill presents substantial implications on lower income families who are unable to afford any semblance of private school education simply because of the lack of public schools in lower income cities. One method to address this segregation is by redrawing school-district boundaries. [Tyler Simko's](#) proposed methodology can be applied to reduce segregation by merging smaller districts into a larger district. His case analysis in New Jersey, where the segregation of Black and Hispanic students from White and Asian students is among the worst in the nation. By redrawing school districts, he found that segregation could be reduced by more than 40%. The implication is that students will have more accessibility to private schools in their districts if these smaller districts merge with larger districts, and thus have better accessibility to financial aid, and ultimately better education, rather than reinforcing race-based and income-based stagnation in society.

VI. Conclusions

The argument over school choice has deep historical roots and continues today through policies such as the federal One Big Beautiful Bill and Texas's \$1 billion plan to fund Education Savings Accounts. Advocates say the policies expand opportunity and reinforce the power of the family, while critics say they divert dollars from public schools and possibly widen gaps. As the programs come online, the future of school choice will revolve around achieving the right balance between individual freedom and the social responsibility to preserve equitable, high-quality public education.