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MEMORANDUM OF OPPOSITION TO FEDERAL SCHOLARSHIP TAX CREDIT PROGRAM

To: The Hon. Kathy Hochul, Governor of New York State

Date: October 20, 2026

Re: Opposition to opting into federal scholarship tax credit program

The League of Women Voters of New York State strongly opposes any decision by Governor Hochul to opt into the Federal Scholarship Tax Credit (FSTC) provisions contained in Section 25F of the Internal Revenue Code created by H.R. 1, the federal budget reconciliation legislation enacted in July 2025. Beginning in 2027, individual taxpayers may be able to claim a FSTC for certain cash contributions of up to \$1,700 to Scholarship Granting Organizations (SGOs). A state must elect to participate in the FSTC and provide a list of SGOs to the IRS. SGOs can give scholarships of various kinds to students attending public, private, charter or religious schools

The League has long believed that every child deserves access to a high-quality public education, and that public dollars belong in public schools. Every year the League advocates for equitable and adequate Foundation Aid funding. Programs of this kind divert attention and resources from the need to strengthen public schools that educate most of our children.

Like traditional private school voucher programs, the FSTC will support more families sending children to non-public schools and is effectively a federally subsidized voucher program. Our opposition stems in significant part from the lack of accountability for the participating private institutions. The statutory accountability requirements are inadequate, particularly when compared with those governing public schools. The program does not require that recipient private schools accept the full range of civil rights protections for students or meet the same academic or transparency standards we require of public schools. Unlike public schools, the criteria for admission to private schools are unclear, and as we have seen in the past, students' rights for admission and retention can be abused.

New York has historically been a leader in protecting and investing in public education. Opting into this new federal program would be a step backward. It would subsidize private education without public accountability and would disproportionately harm students in lower-income communities and communities of color who depend most heavily on well-funded neighborhood schools.

We call on Governor Hochul and state leaders to reject this opt-in and reaffirm New York's commitment to public education for all children, not a privatized system that serves some at the expense of the many.