
HOUSE CONCURRENT RESOLUTION

URGING THE GOVERNOR TO RECONSIDER HIS DECISION NOT TO ALLOW
HAWAII TO PARTICIPATE IN THE FEDERAL EDUCATION FREEDOM TAX
CREDIT PROGRAM.

1 WHEREAS, the Federal Education Freedom Tax Credit Program,
2 scheduled to take effect in 2027, provides a federal tax credit
3 of up to \$1,700 for voluntary donations to certified scholarship
4 granting organizations (SGOs); and

5
6 WHEREAS, scholarships funded through the Education Freedom
7 Tax Credit will be awarded to "students eligible to enroll in a
8 public elementary or secondary school and from a household with
9 income not greater than 300% of the area's median gross income";
10 and

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12 WHEREAS, scholarships can be used for a wide array of
13 education expenses including tuition for students to attend
14 private schools of choice, tutoring at public schools, and
15 support services for students with disabilities; and

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17 WHEREAS, the Federal Education Freedom Tax Credit Program
18 is funded by private contributions and the federal tax code,
19 rather than through state appropriations; and

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21 WHEREAS, the Federal Education Freedom Tax Credit Program
22 expands options for low- and middle-income families, while
23 having no impact on state revenues and no reduction in public
24 school funding; and

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26 WHEREAS, a state must opt-in to be considered a "covered
27 state" participating in the program, and the statute provides
28 the Governor of each state with the authority to make the
29 election on behalf of the state; and
30



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1 WHEREAS, as of January 27, 2026, twenty-three states have
2 elected to participate in the program: Alabama, Alaska,
3 Arkansas, Georgia, Idaho, Indiana, Iowa, Louisiana, Mississippi,
4 Missouri, Montana, Nebraska, Nevada, North Dakota, Ohio,
5 Oklahoma, South Carolina, South Dakota, Tennessee, Texas,
6 Virginia, West Virginia, and Wyoming; and
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8 WHEREAS, while even residents of non-participating states
9 may make qualifying contributions to receive the tax credit, the
10 non-participating state and its students will not receive the
11 benefit of donated scholarship resources; instead, the donations
12 will be used to benefit SGOs and students in participating
13 states; and
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15 WHEREAS, if Hawaii elected to participate in the program,
16 the State could designate SGOs supporting students in Hawaii to
17 receive the qualifying donations; and
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19 WHEREAS, SGOs must be charities that use at least 90% of
20 their income on scholarships for education choice options for
21 eligible K-12 students; and
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23 WHEREAS, Hawaii reported 52% proficiency in reading and 40%
24 proficiency in math in 2023 with some schools reflecting
25 proficiency rates as low as 12% and significant disparities for
26 Native Hawaiian and Pacific Islander students; and
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28 WHEREAS, opting-in to the Federal Education Freedom Tax
29 Credit Program provides Hawaii's education system with more
30 financial resources and empowers families with more decision-
31 making power over their children's education; now, therefore,
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33 BE IT RESOLVED by the House of Representatives of the
34 Thirty-third Legislature of the State of Hawaii, Regular Session
35 of 2026, the Senate concurring, the Governor is urged to
36 reconsider his decision not to allow Hawaii to participate in
37 the Federal Education Freedom Tax Credit Program; and
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39 BE IT FURTHER RESOLVED that certified copies of this
40 Concurrent Resolution be transmitted to the Governor and
41 Superintendent of Education.
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OFFERED BY:


MAR 12 2026

