

MAR 16 2026

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# SENATE 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

11  
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

16  
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

20  
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

25  
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  
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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  
7

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  
18

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  
27

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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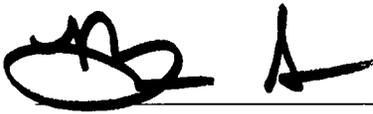
33 BE IT RESOLVED by the Senate of the Thirty-third  
34 Legislature of the State of Hawaii, Regular Session of 2026, the  
35 House of Representatives concurring, the Governor is urged to  
36 reconsider his decision not to allow Hawaii to participate in  
37 the Federal Education Freedom Tax Credit 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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S.C.R. NO. 158

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OFFERED BY:  \_\_\_\_\_

