



August 11, 2025

Office of the Governor
Governor Katie Hobbs
1700 W. Washington St.
Phoenix, AZ 85007

Dear Gov. Hobbs,

I am writing to urge you to opt Arizona into the new federal program that allows taxpayers to donate up to \$1,700 annually to Scholarship Granting Organizations, thus providing more money to cover school expenses, including public schools. This is a dollar-for-dollar tax credit that taxpayers can donate annually to approved organizations that give money to cover school expenses.

Eligible expenses include all educational expenses that are covered by the federal Coverdell Education Savings Accounts, which require enrollment at an eligible school. They include books, supplies, computers, tuition, fees, tutoring, special needs services, room and board, and transportation.

The organizations responsible for distributing these scholarships, known as Scholarship Granting Organizations or SGOs, must meet strict federal and state standards. To qualify, an SGO must be a federally recognized nonprofit, serve at least ten students across more than one school, and allocate at least 90% of donations to approved educational expenses. SGOs must also verify the income of participating families and ensure that funds do not go to disqualified persons such as family members.

Under the provisions of the federal H.R. 1, your office would simply approve a list of SGOs and submit the list to the federal government by the end of the calendar year. That would make Arizona students in public district, charter and all other school settings eligible to receive the benefits of these tax credits.

Any school may establish such a scholarship organization to accept contributions and bring more money to the classroom. It does not cost the state any money and would increase funding for education. To the extent families switched from the state to federal tax credits this would also increase state resources.

I urge you to take this action to ensure that all students in Arizona, regardless of where they attend school, may take advantage of this opportunity.

Sincerely,

A handwritten signature in blue ink that reads "Tom Horne".

Tom Horne
State Superintendent of Public Instruction

Tom Horne, Superintendent of Public Instruction

1535 West Jefferson Street • Phoenix Arizona 85007 • www.azed.gov

We are a service organization committed to raising academic outcomes and empowering parents."