RESOLUTION SUPPORTING THE FEDERAL SCHOLARSHIP TAX CREDIT PROGRAM AND URGING GOVERNOR MIKIE SHERRILL TO OPT THE STATE OF NEW JERSEY INTO THE PROGRAM BEGINNING IN 2027

WHEREAS, on July 4, 2025, the President of the United States signed into law Public Law 119-21, Section 70411 which added Section 25F to the Internal Revenue Code to establish the Federal Scholarship Tax Credit Program, also known as the Education Freedom Tax Credit; and

WHEREAS, beginning January 1, 2027, eligible individual taxpayers may claim a nonrefundable, dollar-for-dollar federal income tax credit of up to $1,700 per year (up to $3,400 for married couples filing jointly) for qualified cash contributions to approved Scholarship Granting Organizations ("SGOs"); and

WHEREAS, SGOs must be tax-exempt charitable organizations, must spend at least ninety percent (90%) of contributions on scholarships, must keep qualified contributions in separate accounts, and must award scholarships to students attending more than one school; and

WHEREAS, scholarships may be awarded to K-12 students who are eligible to enroll in a public elementary or secondary school and whose household income does not exceed three hundred percent (300%) of the area median gross income, a standard that will include the large majority of families in Monmouth County; and

WHEREAS, scholarships may be used for qualified elementary and secondary education expenses, including tuition, tutoring, special education services, books, supplies, computer technology and certain extended-day programs, for students attending public, charter, private and religious schools alike; and

WHEREAS, the program is funded entirely through private charitable contributions incentivized by a federal tax credit, requires no appropriation of State or County funds, does not alter New Jersey's school funding formula, and does not divert existing State or local tax dollars from public schools; and

WHEREAS, the program is available only to students in a "covered state," meaning a state whose Governor, or other individual or entity designated under State law, affirmatively elects to participate and identifies qualifying SGOs in the State; and

WHEREAS, for the 2027 program year, a state must file an advance election to participate (IRS Form 15714) with the United States Department of the Treasury by January 1, 2027, and must submit its list of qualifying SGOs by February 15, 2027; and

WHEREAS, New Jersey taxpayers will be eligible to claim the federal credit whether or not New Jersey participates, so that if New Jersey does not opt in, those charitable dollars will flow to scholarship organizations serving students in other states rather than to New Jersey students; and

WHEREAS, approximately thirty states have already elected to participate, including the neighboring State of New York, and governors of both political parties have chosen to opt in; and

WHEREAS, Governor Mikie Sherrill has publicly stated that she is evaluating the program and reviewing the federal regulations, and has not yet elected to have New Jersey participate; and

WHEREAS, the Monmouth County Board of County Commissioners regularly hears from residents about the financial pressures facing families throughout the County, including parents who make considerable sacrifices to send their children to nonpublic schools that meet

their academic needs, values, religious observance and individual circumstances, while continuing to support the public school system through their property taxes; and

WHEREAS, the Monmouth County Board of County Commissioners believes that, regardless of where one stands on broader questions of education policy, expanding access to educational resources and providing financial assistance to families at no cost to state and local taxpayers are goals worthy of support; and

WHEREAS, the Monmouth County Board of County Commissioners finds that New Jersey families should not be denied access to this opportunity simply because the State fails to elect to participate.

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners of the County of Monmouth, State of New Jersey, that this Board hereby expresses its support for the Federal Scholarship Tax Credit Program established under Section 25F of the Internal Revenue Code.

BE IT FURTHER RESOLVED that this Board hereby urges Governor Mikie Sherrill to opt the State of New Jersey into the Federal Scholarship Tax Credit Program by submitting the State's advance election to participate to the United States Department of the Treasury on or before January 1, 2027, and to take all other steps necessary for New Jersey's participation, including timely submission of the State's list of qualifying Scholarship Granting Organizations by February 15, 2027.

BE IT FURTHER RESOLVED that this Board urges the Governor to continue the State's participation in each subsequent program year, and urges the New Jersey Legislature to support the State's participation.

BE IT FURTHER RESOLVED that the Clerk of the Board shall forward a certified true copy of this resolution to the Governor of the State of New Jersey; the Lieutenant Governor of the State of New Jersey; the State Treasurer; the President of the New Jersey Senate; the Speaker of the New Jersey General Assembly; the members of the Monmouth County Legislative Delegation; the New Jersey Association of Counties; all County Boards of County Commissioners in the State of New Jersey; and the Mayor and Council of all municipalities within the County of Monmouth.