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New law boosts enrollment in tax credit voucher

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TALLAHASSEE —Thanks to tinkering from the Florida Legislature, enrollment in Florida's corporate tax credit vouchers soared last year, with a 20 percent increase in students.

The enrollment surge coincided with an apparent increase in demand for the voucher program. Step Up For Students, the administrator of the corporate tax credit scholarship, said Wednesday that it had to stop accepting applications in May when it hit 33,000 new students. Last year, the program cut off new applicants in September.

A new law passed by the Legislature last year increased the amount of dollars available for the vouchers, from \$118 million to \$140 million, allowing the program to enroll 5,761 more students than last year.

"It enabled the program to grow, but didn't do anything to stimulate student demand," said Step Up For Students spokesman Jon East.

Why demand increased so much is anyone's guess, East said, attributing much of the program's growth to word-of-mouth, saying the organization has a small marketing budget.

The corporate tax scholarship was set up 10 years ago by the Florida Legislature. It is essentially a voucher program, allowing companies to donate money to organizations such as Step Up For Students and receive a tax credit for that same amount. Step Up

For Students uses the donations to issue private school scholarships to low-income students.

The Legislature has nudged along the growth of the program since its inception.

The biggest expansion was in 2010, when the Legislature approved a new law that allows the program to increase enrollment every year by 25 percent if 90 percent of the capped amount is reached. Next year, the program expects to have a 25 percent increase because it is likely to meet the new cap of \$175 million.

This year, the Legislature only tinkered with the program, passing a new law that allows corporations to receive a tax credit worth 100 percent of their donation in all tax categories, rather than 75 percent for some taxes under the old law.

Populous urban areas such as South Florida, Orlando, Jacksonville and Tampa Bay area have the most students enrolled in the tax credit scholarship, making up well over half of the total enrolled students.

The regions that showed the most growth in students getting the tax credit voucher last year, according to data provided by Step Up For Students, include South Florida counties Miami-Dade, Broward and Palm Beach, but also less populated areas like Marion, Volusia and Flagler counties.

In Miami-Dade County, 1,440 more students attended private schools

through the voucher program.

Each student gets a scholarship worth \$4,011, a percentage of what the school district would have received from the state to educate them in a public school.

Broward County private schools gained 615 more voucher students and Orange County private schools brought in 513 more voucher students.

Not all school districts lost students to the tax credit voucher. Leon and Okaloosa County, among others, actually had fewer students enroll in the program than the year before.

When it was first introduced, the corporate tax credit voucher program was primarily supported by Republicans. Many Democrats expressed concern it would hurt school districts by pushing more students, and more funding, toward private schools. Ten years later, more Democrats have voted for efforts to expand the program.

Campaign contribution records show this increased support also coincides with donations from Step Up For Students backer John Kirtley, or political action committees he runs.

But many Democrats say they support the program because it has become popular with their constituents.

The average household income for the program was \$25,971, according to Step Up For Students. Two-thirds of the voucher students enrolled in private schools last school year were black or Hispanic, the group said.