Study group: State school corporate vouchers save money

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TALLAHASSEE, Fla. — The state saves millions of dollars through a program that diverts corporate income taxes to private school vouchers for low-income students, the Florida Legislature's watchdog agency said in a report released Tuesday.

Florida's statewide teachers union and Democratic lawmakers questioned that conclusion, but the study was hailed by school choice advocates as affirmation of what they've been saying all along.

"We certainly want taxpayers to know we are saving them money, and we hope that our partners in public education benefit from our savings," said Tampa businessman John Kirtley, chairman of the private Florida School Choice Fund, which helps administer the program.

Two non-governmental groups, Florida TaxWatch and the Collins Center for Public Policy, reached the same conclusion as the legislative agency in earlier studies, the fund noted in a news release.

Senate Democratic Leader Al Lawson, though, wrote a letter to Senate President Jeff Atwater, R-North Palm Beach, asking him to send the Office of Program Policy Analysis & Government Accountability back to the drawing board to take a broader look at the issue.

Rep. Martin Kiar, the ranking Democrat on the House Prekindergarten-12th Grade Policy Committee, said he also will ask for further study. He said the report failed to consider the effect of taking students out of public schools, which receive state funding based on how many students they have.

"Instead, the report offers little more than second-grade math," said Kiar of Davie.

The report acknowledges that estimating a precise savings is difficult, but the office came up with a formula showing the state saves $1.49 in education spending for every $1 of corporate tax put into the voucher program.

Corporations get a dollar-for-dollar credit on their state taxes by donating to the Corporate Income Tax Credit Scholarship Program, but their contributions cannot exceed 75 percent of their total tax bills.

The study's formula assumes 90 percent of students who get the vouchers otherwise would have gone to public schools and that the public schools avoid $6,106 in expenses for each participating student.

The report estimates the state, therefore, avoided $118 million in public school costs during the 2007-08 school year. After factoring in the $79 million in tax credits awarded to corporations, the study determined that the state saw a net savings of about $39 million.

Florida Education Association president Andy Ford said the study was based on records from organizations overseeing the program such as Kirtley's organization as well as focus groups with program administrators and schools that receive the vouchers. No one with an opposing view was included, he said.

"The report also doesn't offer any information on the quality of the schools who participate in the corporate voucher program," Ford said. "These schools do not face the same accountability measures that public schools face, so making any kind of quality comparisons are impossible."

The program was capped at $88 million in 2007-08, when it sent 21,493 students to 933 private schools around the state. The Legislature this year increased the cap to $118 million.

Expanding it more would "produce additional savings if there is sufficient demand for the scholarships," the report says.

In his letter to Atwater, Lawson, D-Tallahassee, wrote that he supports the program, but he questioned the accuracy of saying the state saved money by avoiding $118 million in costs.

Critics say many school costs are fixed and that little or nothing is saved by removing one or two students here and there. The corporate program represents about 1 percent of public school enrollment, currently more than 1.8 million students.

Lawson asked for a follow up study to include a more comprehensive analysis of the funding loss on public schools due to the voucher program.

He also wants the agency to "provide us with recommendations that would produce a net fiscal impact on state revenues and expenditures such that we do no further harm to the public schools."

A spokeswoman for Atwater said he was reviewing the letter.