Rethinking corporate tax-credit scholarships

By Doug Tuthill

A remarkable coalition of lawmakers — including nearly half the Democrats, all but two Republicans, a majority of the Black Caucus and all the Hispanic Caucus — stepped forward this spring to support scholarships for Florida's neediest schoolchildren. The tie that binds is an inspiring one.

As Al Lawson, an African-American who is the Democratic leader in the Senate, has said: “When you have a lot of poor kids in your area that need help, and you have people saying, ‘We’re willing to work with these kids,’ it’s hard to say no. ... I am the strongest possible supporter of public education. But I know that not every school works for every child.” This growing bipartisan majority is embracing an expanded definition of public education that now includes a plethora of options for the state's 2.6-million students.

Public education has been engaged in a rapid transformation from factory mode to cafeteria style, and Florida is no different. Students now choose from magnet and fundamental schools, career academies and International Baccalaureate programs, advanced placement or online courses or dual enrollment on college campuses. This year, 117,600 students attend privately run charter schools, 136,346 4-year-olds use vouchers to go to mostly private pre-kindergarten schools, and 20,100 students with disabilities use a private school alternative. The Corporate Tax Credit Scholarship serves 23,400 low-income students in roughly 1,000 private schools and is designed to give learning options to children facing the greatest odds. Three-fifths of the participating students come from single-parent households, two-thirds are black or Hispanic and the average household income for four is $25,000.

Ensuring proper accountability is a critical issue for all these programs. Students receiving tax-credit scholarships are not required to take the FCAT, but they are required to take a nationally norm-referenced test approved by the state Department of Education. Most of them take the prestigious Stanford Achievement Test, which has the advantage, unlike the FCAT, of providing for national comparisons. The test scores are reported to a research team hired by DOE, and the first report on learning progress is due soon.

The scholarship program is fueled by corporations that receive a dollar-for-dollar state tax credit for their contributions, and the bill lawmakers approved last month would extend that tax credit to insurance premium taxes. It also would keep the current cap at $118-million, but many of our friends in public education are worried those dollars come at the expense of public schools. They don't.

The Tax Credit Scholarship program takes taxes that would otherwise go to the state treasury and directs them to students who face the greatest odds in modern education. Three credible independent reports have all concluded the program saves tax money, largely because the scholarships are worth little more than half what the state would otherwise pay to educate the students in traditional public schools. In December, a state agency calculated the savings at $39-million the previous year.

Rep. Darryl Rouson, a Democrat from St. Petersburg, addressed the fiscal question during debate on the bill: “In these days of technology and access and educational advancements, we need to give families choice. ... By voting for this legislation, we are not robbing public education of dollars. We are enhancing it.”

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