Tax credit scholarships help both students and taxpayers

Evidence-based analysis of the Florida Tax Credit Scholarship has repeatedly shown that the program is a valuable learning option for struggling low-income students and saves tax money at the same time.

In addition to Florida TaxWatch, the Florida Legislature’s Office of Program Policy Analysis and Government Accountability (OPPAGA) and a University of Florida research team have touted the scholarship’s benefits after conducting independent, evidence-based analysis.

For 2008-09, OPPAGA computed a $36.2-million savings, and the UF team determined that scholarship students who had been among the lowest-performing in their previous public schools had managed to match the learning gains of students across all economic strata.

Through the scholarship program, companies get dollar-for-dollar state tax credits for contributing to state-approved scholarship nonprofits that must provide K-12 scholarships for students who qualify for free or reduced-priced lunch.

The maximum scholarship this year is $4,106, and roughly 32,000 students are using it to attend 1,070 private schools across the state.

The scholarship represents only three-fifths of the basic operating formula and less than half the total amount spent on a public school student, which is how the program generates cost savings for Florida’s taxpayers.

A ballot initiative that would have made those class-size requirements more manageable (Amendment 8) failed to pass, so it is especially important to recognize how much the scholarships save the state in school construction.

A Florida TaxWatch report estimated in 2003 that this program could save $399 million in classroom construction costs that would be avoided by directing these students to private schools. Imagine today, if the program no longer existed and the state was forced to find room for 32,000 new students in public school classrooms.

That computes to $218 million in basic operating money, and $733 million if new schools were needed to house them.

In its recent account of the Tax Credit Scholarship program, The Florida Times-Union raised a fair question about whether students on the program should be taking the same academic test, the FCAT, as the students who remain in public schools.

But to suggest that the FCAT is the only viable method to assess student performance fails to embrace the kind of assessment flexibility we need to provide for all education options that tread new ground.

Accountability is a key component of good programs, and we need to ensure accountability, but the program provides significant value to the scholarship recipients and Florida taxpayers.

What makes this scholarship so valuable is that it focuses on children who historically have been at the bottom of the achievement chart, and it provides them a learning option they could never afford at a cost that results in a savings to taxpayers.

Given that many of these private schools are subsidized by charitable donations or operate in facilities provided freely by churches, the state also leverages private investment in a way that ultimately works to the advantage of all education.

In other words, money saved in this program can be used in traditional public schools.

That’s what we at TaxWatch call a win-win.

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