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Step Up For Students celebrates 10 years

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Florida's tax credit scholarship is 10 years old this month, and the small program is only getting bigger.

The scholarship is funded by corporate tax credits on a dollar-for-dollar basis, and is given to students from qualifying low-income families. Parents and guardians can use the full scholarship, which came to \$4,106 last year, to send a child to a private school, or use a \$500 credit for traveling expenses to a higher-performing public school. The average household income for students receiving scholarships last year was nearly \$26,000.

About 34,600 scholarships were given to students last year, more than triple the amount from six years ago. Since the scholarships are given to pupils who receive free or reduced-price lunch, the economic downturn could be a reason for the jump in applications, but the number of scholarships was rising steadily even before the deep recession in 2008. The program increased from 10,549 scholarships during the 2004-2005 school year to 21,493 scholarships during the 2007-2008 school year.

For the 2011-2012 school year, which began this month, there were more than 33,000 applications received by the state when they were cut off in May, and more than 5,500 students are on a waiting list. The amount of the scholarship will be \$4,011 this year, \$95 less than the previous year. The scholarships are still cheaper than the current \$6,255.11 per student funding for public schools, even though that figure has dropped by nearly \$900 in the past four years.

Step Up For Students, the nonprofit that administers the scholarships, was ecstatic over the program's popularity.

"We're seeing an explosion of interest from low-

income parents even though we've done little marketing of the program. We knew demand was there, but this pace of rapid growth has surprised us," said Doug Tuthill, president of Step Up For Students.

Citing Step Up For Students' record of putting more than 97 percent of the corporate taxes for the program into actual scholarships, nonprofit watchdog Charity Navigator gave the Tampa-based outfit a four-star rating last month.

"This 'exceptional' designation from Charity Navigator differentiates (Step Up For Students) from its peers and demonstrates to the public it is worthy of their trust," said Ken Berger president and CEO of Charity Navigator.

Lawmakers also slightly changed the way the tax credit scholarship is funded this year. Businesses used to be able to put 75 percent of their corporate income and insurance premium tax liabilities into the program, but can now put 100 percent into the scholarships. The dollar-for-dollar contribution rates for alcoholic beverage excise (90 percent), direct pay sales and use (100 percent) and oil and gas production taxes (50 percent) remained unchanged, however.

An enrollment cap was placed on the program in 2010, but with the stipulation that if 90 percent of the cap is reached it may increase by 25 percent the next year. Step Up For Students says it is "on pace" to reach the 90 percent threshold this year, which would move the cap from \$175 million this year to \$218.7 million during the 2012-2013 school year.

"The importance of the 2010 law is clearer than ever. I would hate to think how long the waiting list would be without it," Tuthill said.

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