

BANKS STEP UP BY PROVIDING SCHOLARSHIPS

Step Up For Students is on a mission to ensure all students can find the right schools regardless of their zip codes.

Last year, 1.5 million children in Florida enrolled in schools outside their neighborhood school zone, including 300,000 students attending private schools. But not every family can afford private school, and that is where the Florida Tax Credit Scholarship program, administered by Step Up and created by the Florida Legislature to help low-income families, comes into play.

The program allows Florida corporations to receive a tax credit, up to 100 percent of their tax liability, for contributions to scholarship funding organizations, like Step Up, which create K-12 scholarships for low-income students.

Since the program began in 2002, Florida banks have contributed \$67.4 million toward an effort that has now provided more than 400,000 scholarships for low-income students.

“The scholarship has meant the world to me and my children,” said Faith Manuel, a single mother of three in Ormond Beach. “Without the scholarship, we simply couldn’t afford tuition.”

This year, the program raised \$331 million to provide nearly 70,000 scholarships, worth up to \$5,272 each. Although the average family of four can qualify with a household income of about \$43,000, the average student receiving a scholarship

lives in a household earning just \$24,067, only 4.5 percent above the federal poverty level. Nearly 70 percent of the students are black or Hispanic; 54 percent live in single-parent households.

Here’s how the funding works: Corporate donors with Florida tax liabilities in any of five areas — with the corporate income tax, insurance premium tax, alcohol beverage excise tax, direct pay sales tax, or oil and gas severance tax —

Florida through their educational programs and opportunities,” said Mario Trueba, CEO of Sabadell United Bank.

Not only do Florida Bankers Association members give generously, they provide employment to 345 scholarship families throughout the state. In total, 510 scholarship students this year had parents or guardians employed by a Florida bank.

These tax-credit contributions are a wise investment, too.

The Florida Legislature’s highly regarded research arm, the Office of Program Policy Analysis & Government Accountability, is one of several independent entities that have looked at the fiscal impact of the program and determined there are positive results. In 2010, it found the program saves the state \$1.44 for every dollar of tax credits awarded.

State-funded research by David Figlio, a professor at Northwestern

University, shows tax credit scholarships also work well for students. His research found students entering the program are among the lowest-performing students in their prior public school. But once on the program, they make solid progress.

Step Up is one of two organizations providing tax credit scholarships in Florida this year. With 97 percent of donations going directly into scholarships, Step Up ranks fifth in the nation on Charity Navigator’s list of “10 To-Notch Charities.” It has also



can contribute to state-approved scholarship funding organizations, like Step Up, in return for dollar-for-dollar tax credits.

For banks, there is an added benefit as tax-credited contributions to Step Up may help banks receive favorable ratings under the evaluation requirements of the Community Reinvestment Act (CRA).

“We are honored to cooperate with the Florida Legislature and Step Up For Students. We are proud to support the mission of bettering the lives of low-income children in

earned the organization's coveted 4-Star rating eight different years. Step Up's goal for the upcoming 2015-16 school year is to raise more than \$440 million to fund 75,000-plus scholarships at an increased value of \$5,700 per scholarship.

For banks, in particular, helping even more low-income families find the school that works best for children represents a worthy investment.

For more information on the Step Up For Students program, contact Renae Sweeney at rsweeney@sufs.org or learn more at www.stepupforstudents.com.



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