

# TAX CREDIT SCHOLARSHIP FINANCIAL COSTS



Every study shows the scholarships save state tax money

[2002 Preliminary Collins Center Financial Analysis](#)

[2003 Florida Tax Watch Analysis of impact on class-size reduction](#)

[2007 Collins Center Fiscal Analysis link to report](#)

[2008 Office of Program Policy Analysis and Government Accountability Report](#)

[2010 Office of Program Policy Analysis and Government Accountability Research Memorandum](#)

[2012 Florida Revenue Estimating Conference Analysis](#)

[2014 House Appropriations Fiscal Analysis](#)

[2016 EdChoice Tax-Credit Scholarship Audit](#)

[2019 EdChoice—Fiscal Effects of School Choice](#)

**Taxes lost, expenses cut:** The money that is lost to the State Treasury through these tax credits must be spent, by law, on students who for the most part would otherwise be attending traditional public schools. So it is erroneous to talk about losses as though the tax credit is used to pay for business investment, economic development or Habitat for Humanity. With this credit, money not spent on scholarships must be returned to the Treasury (a one-year 25 percent carryover is permissible.) Source: Florida Statutes 1002.395(6)(j)2

**The basic math:** Private school scholarships have remained among the lowest funded educational programs in Florida. Various independent studies on the cost of the scholarship program have employed some sophisticated levels of modeling, but the basic math, for example is this: The scholarships for 2022-23 average between \$7,250 and \$7,850 depending on grade and county, which is less than the operational amount public schools (\$8,217) would spend on the same student through the Florida Education Finance Program (FEFP). In turn, the FEFP operational amount typically covers only 71 percent of the total state and local spending per student each year.

Source: [http://www.flsenate.gov/PublishedContent/Session/2016/Appropriations/Documents/2016\\_FEFP\\_Conference\\_Report\\_.pdf](http://www.flsenate.gov/PublishedContent/Session/2016/Appropriations/Documents/2016_FEFP_Conference_Report_.pdf)

**The independent findings all point to savings:** At least nine different independent analyses of the Tax Credit Scholarship have found that it saves tax money that can be used to enhance traditional public schools. Most observers consider the Florida Office of Program Policy Analysis and Government Accountability to have offered the most definitive study to date, and it found that the state saves \$1.49 for every \$1 lost in revenue. That study is more than a decade old, but the Consensus Revenue Estimating Conference projected that the scholarship saved \$57.9 million in 2012-13.

Source: <https://www.stepupforstudents.org/wp-content/uploads/2022/09/2012-revenue-estimating-conference.pdf>

**This doesn't consider construction savings:** If all scholarship students returned to public schools, one can only guess as to the impact. While some public schools currently have empty classroom seats, enrollment is picking up again and scholarship students are concentrated in urban areas where many schools are full. The concentrations of scholarship students are so great that 274 different ZIP codes have more than 100 scholarship students each, 31 zip codes have more than 500 each, and five have more than 1,000 each. If districts had to build schools to accommodate only half of these students, the capital cost alone would exceed \$1.1 billion (using state Department of Education cost estimates).

Source: <https://www.stepupforstudents.org/wp-content/uploads/0078083-2013costconstructionreports-1.xls>