

DAILY COMMERCIAL

August 28, 2016

Public schools war with foundation over tax credit scholarships for low-income students

By Livi Stanford



TAVARES – Kelly Griffin remembers the hematoma on her daughter’s head from being kicked and beaten up on the bus every day at school.

Traumatized by the bullying, Griffin’s daughter had difficulty in school, her mother said.

At the same time, Griffin said her daughter has Asperger’s, and was not given the attention she needed to do well in her studies.

“She was failing,” she said. “People who have Asperger’s are not taught.”

Griffin wanted to take her daughter out of the local school but could not afford private school.

Step Up for Students, a non-profit managing one of the largest tax credit scholarship programs for low-income students in the United States, awarded Griffin’s daughter a scholarship to attend a private school.

Since then, her daughter has excelled, earning honor roll in her fourth year there, Griffin said.

“Without that scholarship, people like me could not afford to have their children go to a school like this,” she said.

Nearly 100,000 Florida students have been awarded tax credit scholarships this fall in two state programs that serve students with financial or special needs. In Lake County, 1,462 students have been awarded such scholarships, up 24 percent from last year.

But the scholarships have become a point of contention in the courts because a controversy has erupted between the

Florida Education Associations and other organizations, on one side, and Step Up, on the other.

The Florida Education Association challenged the constitutionality of the state’s tax credit program, claiming the state is allowing businesses to waive the taxes which could benefit the state or public school system but instead benefit the scholarship program.

Step Up disagrees, arguing that the program expands opportunities for low-income students and “does not drain money from public schools. In fact, they state it saves taxpayers money. They argue the tax credit program is funded by corporations, which get dollar-for-dollar tax credits in return for contributions.

“The lawsuit filed on Aug. 28, 2014 by the Florida Education Association claims the Florida Tax Credit Scholarship is unconstitutional,” Step Up states. “The FEA describes it as “voucher” because that feeds its legal strategy, not because the term is correct. In 2006, the Florida Supreme Court ruled against a government-issued voucher for students who attended public schools judged as failing. But the Tax Credit Scholarship is not a government-issued voucher, and that difference has special meaning in constitutional case law. To date, three state Supreme Courts and the U.S. Supreme Court have ruled in favor of tax credit scholarships, and none has ruled against.”

On Aug. 16, The First District Court of Appeal in Tallahassee upheld the lower court ruling, disappointing the FEA and other organizations.

Mark Pudlow, spokesperson for the Florida Education Association, said the FEA is still deciding whether to appeal the ruling to the Florida Supreme Court.

If the Florida Supreme Court were to rule in favor of the FEA, 1,462 students would end up back in the public school system.

With growth occurring in Lake County at a fast pace, several School Board members expressed concern about how they would find room for such a large number of students.

“It certainly would affect our capacity across the county,” School Board Chairman Bill Mathias said.

He added he did not understand why the FEA and other organizations were against the tax credit scholarships.

“The idea that a corporation can contribute to this fund

to allow a family to change their circumstance,” he said. “Why would you not be in favor of that? It takes nothing from the district. It gives students an opportunity for real school choice.”

When informed of the large number of students with scholarships, School Board member Marc Dodd said that number is nothing to sneeze at.

“That is a whole school,” he said. “Depending on that area it could certainly put a little bit of hurt into our capacity.”

Ron Matus, director of policy and public affairs for Step Up for Students, said he is concerned about the ruling being overturned.

“The lives of more than 90,000 students hang in the balance,” he said. “We have always been confident that our legal arguments are solid. We take this very seriously because of the potential negative impact on so many families who have been desperate for these options and whose kids are benefiting from these options.”

The average income for all scholarship households this year is \$24,075, or 4.4 percent above poverty, Step Up stated in a press release. Sixty-nine percent of scholarship students are black or Hispanic.

Casey Costello has three children who attend First Academy in Leesburg on the scholarships. She said the scholarships are allowing her children to “achieve their best and give parents the opportunity to make that happen.”

“My husband is medically retired from the military,” she said. “I am his caregiver. I am taking care of him and our four kids.”

Without the scholarships, Costello said her three children would not be able to attend First Academy.

“It allows families to have a choice for their children’s education,” she said.

Jessica Cozar said the program has helped her son, who, like Griffin’s daughter, was bullied in a public school.

“He wasn’t able to perform in the classroom,” she said. “It was to the point that he would not want to go to school and made himself sick. He wanted to harm himself. He jumped out of the car.”

But since enrolling in Family Christian Center School, Cozar said she has seen a change in her son. While he is not an ‘A’ student, he has made big improvements.

But Pudlow said the tax credit program is a scheme. “It’s a scheme because this tax credit voucher was

enacted by the Legislature to circumvent a previous state Supreme Court ruling saying that public money could not go to fund vouchers,” he said. “So the Legislature set up a scheme that would allow certain types of taxes to be ‘donated’ to the groups administering the voucher program. So instead of paying taxes to the state, they were forgiven their tax obligation if they donated the exact same amount of money to the voucher administrators.”

But Matus disagrees.

“The union kept saying the tax credit scholarships were done to circumvent the ruling,” he said. “Their timeline is off. The fact of the matter is the tax credit scholarship program was passed by the legislature and signed into law in 2001, five years before the Supreme Court ruling. The opponent keeps arguing the program drains money from public schools. Every single study that has been done over many years by multiple different parties that has looked at the fiscal impact says it does not harm public schools or drain money from public schools.”

The Office of Program Policy Analysis and Government Accountability estimated the Florida Tax Credit Scholarship Program saved the state \$36.2 million in 2008.

Government Accountability stated that while the program “reduces the amount of tax revenues received by the state, it produces a net fiscal benefit.”

Pudlow said he has proof the program is taking public funds for the vouchers because “allocations for public schools in a county are reduced when a student in that county goes to a voucher school.

“Also, when students return to their public school after leaving a voucher school during a school year, the voucher school keeps the money and costs of teaching that student are incurred by a school district,” he said.

Matus said the district does not get the money.

“The fact is the amount of the scholarship is so much less than what it would cost the district and the state to educate the student in a public school,” he said.

Matus said students are excelling academically in private schools.

“Once in their new school they are making solid progress,” he said. “These scholarship students are making the same learning gains as students of all incomes nationally.”