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Scholarship gives low-income students a Step Up

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As legislators continue to chew over education funding in budget talks, a scholarship program funded with corporate tax dollars is quietly performing better than normal public education spending.

Step Up for Students gives scholarships to low-income students that parents can put toward tuition at a private or charter school, or for travel to a higher-performing public school out of their area. The nearly decade-old program has enjoyed widespread bipartisan support, and has only expanded since its inception in 2002.

For the current school year, students getting scholarships in the program received a \$4,106 stipend to go to a private school or up to \$500 in transportation costs to a higher-performing school. Florida currently spends \$6,811 per-student in PreK-12 public education, although the Senate's budget passed this week includes a \$423 cut in per-student funding.

The per-student spending is less, but there are additional savings to consider. The program came online in 2002, the same year the class-size amendment was voted into law. School districts have had to contend with greater pressure to reduce their class sizes, increasing infrastructure costs.

"It's a cost avoidance in terms of construction costs and operating costs for facilities and maintenance," said Deborah Brodsky, director of the Center for Education Performance and Accountability for Florida TaxWatch, a research institute advocating for fiscal responsibility.

More than 33,000 students, attending more than 1,000 private schools, received scholarships this year as part of Step Up for Students.

"It's a tremendous help for class sizes -- that's 33,000 students that we don't have to deal with on an inflexible level," Brodsky said.

Corporate taxes are used to fund the program, for which businesses earn tax credits that actually lower their overall tax bill to the state.

"We like it because it's an opportunity for corporations to put on our white hat and say we're doing something for education," said Barney Bishop III, president and CEO of Associated Industries of Florida.

Under the program, up to 75 percent of a company's corporate income tax, up to 75 percent of an insurance premium tax bill, up to 90 percent of the alcoholic beverage excise tax, up to 100 percent of direct pay sales and use taxes and up to 50 percent of a company's oil and gas severance tax bill can be put toward the Step Up for Students scholarship funds.

Although Gov. Rick Scott has pushed for a gradual phase-out of the corporate income tax, advocates of the scholarship program say the program's other revenue streams, plus the massive legislative support for Step Up for Students should keep it running even if Scott manages to zero out corporate income taxes over time.

"They've been fairly nimble in finding a mutually beneficial way of doing this," Brodsky said.

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