

# Florida Tax Credit Scholarship



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OFFICE OF POLICY AND PUBLIC AFFAIRS

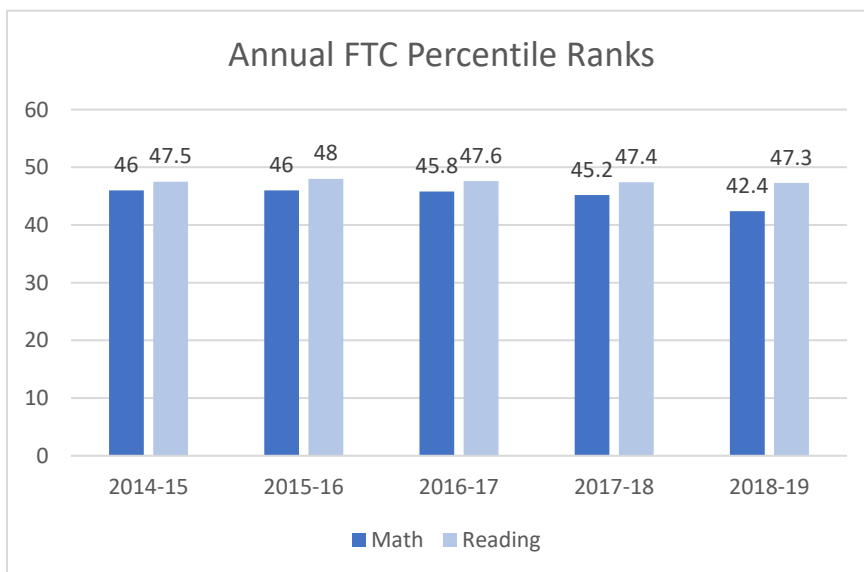
## FLORIDA TAX CREDIT SCHOLARSHIP TEST RESULTS

For twelve consecutive years, Florida has issued annual reports evaluating standardized test scores for economically disadvantaged students who receive Tax Credit Scholarships to attend private schools. Those reports combine to provide a broad look at the academic performance of these students. The consistent theme is students who choose the scholarship were struggling academically but are now making annual academic progress.

### Three persistent findings:

■ **Struggling students choose scholarship:** Students who choose the scholarship are among the lowest-performing students in the public schools they leave behind. In the most recent test report, new scholarship students scored roughly 5 percentile points lower in math and reading than scholarship-eligible public students in the year before they started on the scholarship. The 2013 report described the difference this way: “Scholarship participants have significantly poorer test performance in the year prior to starting the scholarship program than do nonparticipants. ... These differences are large in magnitude and are statistically significant.”

■ **Scholarship students are more economically disadvantaged:** Students who choose the scholarship are lower in income than those on free- or reduced-price lunch who remain in public schools. The eligibility threshold for the lunch program is 185 percent of poverty, but the average household income for scholarship students in 2018-19 is 109.2 percent of poverty. Further, all scholarship household incomes are validated each year, but school districts audit only 3 percent of the reduced-lunch households. The 2009 report pointed to the failure rates for those audits: “The results of these audits strongly suggest that many public school students receiving free or reduced-price lunches are not from families with comparable incomes to those participating in the scholarship program. Therefore, it seems to be clear that school meals recipients in the public schools are not a very effective comparison group for scholarship program recipients, because their family incomes are likely to be considerably different.”



■ **Scholarship students are now learning a year’s worth of knowledge in a year’s time:** For twelve consecutive years, students have achieved the same test score gains in reading and math as students of all income levels nationally. The gains are measured as differences in the percentile ranking from one year to the next, and those gains have been the statistical equivalent of zero. As the 2014 report describes it: “A test score gain of zero, in this context, means that the typical student in the scholarship program achieved a year’s worth of learning in a year’s time. It is important to note that these national comparisons pertain to all students nationally, and not just low-income students.”

These reports can be reviewed here: <https://www.stepupforstudents.org/research-and-reports/independent-studies/>

## The comparison with low-income public school students:

Because public school students in Florida no longer take a nationally norm-referenced portion on their state tests, the annual evaluation of scholarship test scores no longer includes a comparison between scholarship students and public school students who are on free- or reduced-price lunch. But researchers were able to make such comparisons in the earlier years of the program and found:

■ **Scholarship students modestly outperformed low-income students in public schools:** The 2011 annual test report concluded scholarship students modestly outperformed their peers in public schools, even though the comparison public school group had higher incomes. The report said: “The regression discontinuity model suggests that there may be positive effects on scholarship program participants in terms of reading and mathematics test score gains. These differences, while not large in magnitude, are larger and more statistically significant than in the past year’s results, suggesting that successive cohorts of participating students may be gaining ground over time.”

See 2011 Report: <https://www.stepupforstudents.org/wp-content/uploads/2015/09/11-ftc-test-score-report.pdf>

■ The 2010 and 2012 reports showed small but positive gains for scholarship students compared to public school students. However, the results were not statistically significant:

**Finding in 2010:** “The best statistical estimates (using a tool called regression discontinuity design) of the effects of program participation indicate that participation is associated with no differences in reading gains and possibly small improvements in mathematics, relative to public school students who applied for participation in the program, though these differences are not statistically significant.”

**Finding in 2012:** “Test score gains for program participants are virtually identical to those of income-eligible non-participants remaining in Florida public schools. Participating students gained slightly relative to comparable public school students in 2010-11, though this difference is not statistically significant.”

## Long-term impact on scholarship students:

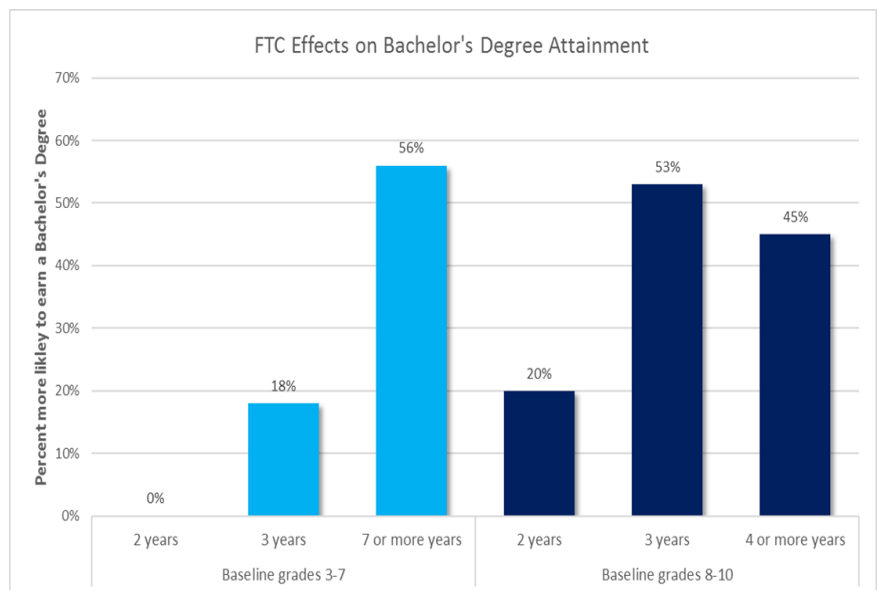
A report by Matthew Chingos, Thomas Monarrez and Dan Keuhn of the Urban Institute found that students are up to 45 percent more likely to earn a college degree and up to 20 percent more likely to earn a bachelor’s degree.

“We find that FTC participants are more likely than similar non-participants to enroll in both two-year and four-year colleges,” the authors wrote. “Participating in FTC also increases the likelihood that students earn a bachelor’s degree.”

■ **Compared to their public school peers, students who participated in the FTC program for four or more years and began in grades 8-10 were:** up to 99 percent more likely to attend a four-year college 45 percent more likely to earn a bachelor’s degree.

■ **Compared to their public school peers, students who participated in the FTC program for seven or more years and began in grades 3-7 were:** 45 percent more likely to attend a four-year college and 56 percent more likely to earn a bachelor’s degree.

The full report can be reviewed here: <https://www.urban.org/research/publication/effects-florida-tax-credit-scholarship-program-college-enrollment-and-graduation>



## Scholarship program impact on public schools:

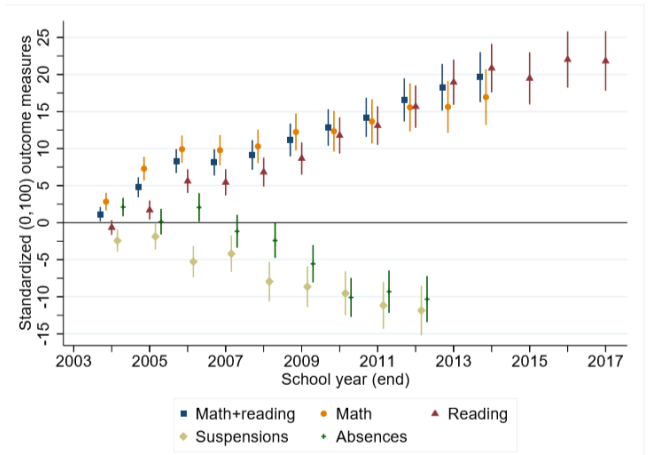
A new study of the impact of the Florida Tax Credit Scholarship discovered that as the program for students in private schools expanded, students who remained in public schools also benefited. Researchers David Figlio of Northwestern University, Cassandra Hart of the University of California Davis, and Kryzstof Karbownik of Emory University found:

■ **As scholarship program expands public school students see larger achievement gains:** “We find evidence that as public schools are more exposed to private school choice, their students experience increasing benefits as the program scales up,” wrote the researchers.

■ **The scholarship boosts public school student reading and math scores AND MORE:** “In particular, higher levels of private school choice exposure are associated with lower rates of suspensions and absences, and with higher standardized test scores in reading and math.”

■ **Lower income students see the biggest gains:** “Lower socioeconomic status students- measured by free or reduced price lunch designation- see larger effects across all outcomes.” Researchers note that black and Latino students are more likely to be concentrated in these lower socioeconomic schools.

### B. Children ever on free or reduced price lunch



A 2010 report by David Figlio and Cassandra Hart assessed the impact of the scholarship program on the quality of nearby public schools. It found:

■ **The Tax Credit Scholarship Program has led to improvements in public schools in Florida:** “Both expanded access to private school options and greater variety of options that students have in terms of the religious (or secular) affiliations of private schools are positively associated with public-school students’ test scores following the introduction of the FTC program.”

■ **Public schools with higher concentrations of low-income students see the biggest gains:** “The gains occur immediately, before any students leave the public schools with a scholarship, implying that competitive threats are responsible for at least some of the estimated effects. And the gains appear to be much more pronounced in the schools most at risk to lose students ...”

These studies can be reviewed here: <http://www.nber.org/papers/w16056.pdf> and here <https://www.nber.org/papers/w26758> are summarized here: <http://educationnext.org/does-competition-improve-public-schools/> and here <https://www.redefinedonline.org/2020/02/study-shows-positive-impact-of-school-vouchers-on-public-schools/>

## The researcher’s overall conclusion:

■ **Scholarship has led to academic improvement in both public schools and for scholarship students:** In 2013, the state researcher made reference to a separate study that found academic improvement in public schools impacted by the scholarship and offered the following conclusion: “There exists compelling causal evidence indicating that the scholarship program has led to modest and statistically significant improvements in public school performance across the state. Therefore, a cautious read of the weight of the available evidence suggests that the scholarship program has boosted student performance in public schools statewide, that the program draws disproportionately low-income, poorly-performing students from the public schools into the private schools, and that the students who moved perform as well or better once they move to the private schools.”