

Tax Credit Scholarships for Low-Income Students

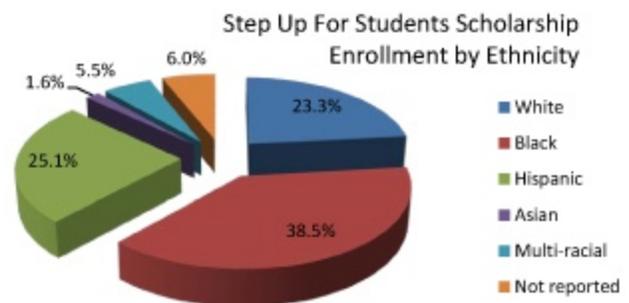
The Step Up For Students Tax Credit Scholarship Program was initiated by the Florida School Choice Fund and passed by the Florida Legislature in 2001. The program expands educational opportunities for economically disadvantaged children by giving them the ability to attend a K-12 school that best meets their individual learning needs. Through this innovative program, FSCF is working to break the cycle of poverty one child at a time by bridging the gaps in education and income levels.

Corporations participate in the program by redirecting up to 75 percent or more of their Florida state tax liability to nonprofit Scholarship Funding Organizations (SFOs) approved by the Department of Education. Corporations receive a dollar-for-dollar tax credit for one of four different tax sources: corporate income, insurance premium, alcoholic beverage excise, direct-pay sales tax, and oil and gas severance. The SFOs that receive the contributions must by law distribute the funds as K-12 education scholarships to students with limited financial resources. Because corporations redirect funds they must already pay to the state, they are helping low-income children achieve greater academic excellence at no cost. The program is capped in 2010-11 at \$140-million of credits granted per year.

The scholarship program empowers low-income parents, giving them the ability to choose the best educational setting for their child, whether it is a public or a private school. As a result, the Step Up For Students program is leveling the playing field for low-income families, giving them the same educational options for their children as wealthier families. It also benefits corporate donors, since corporations that participate receive a dollar-for-dollar tax credit for the amount they send to fund scholarships. Additionally, it is paving the way for an educated workforce that will greatly contribute to the betterment of our communities.

Only families that qualify for the National School Lunch Program are eligible to enroll in the scholarship program. The typical scholarship student is an ethnic minority in a single-parent household. Thirty-seven percent of the children are African American, and 25 percent are Hispanic. The average income of families accepted to receive scholarships is 17 percent above federal poverty, and 60 percent of the recipients live in single-parent homes. A state-commissioned research report in 2010 concluded that the students who choose the scholarship are among the lowest-performing students in the public schools they leave behind. Students eligible for the scholarship program receive up to \$4,106 to attend a private school or up to \$500 for transportation costs to attend an out-of-district public school.

Since the launch of the scholarship program in 2002, Step Up For Students has opened the doors for thousands of economically disadvantaged children to receive an education that will prepare them for a successful future. The program has gained recognition for its innovative approach to educational choice for families of limited means and now serves as a model for similar programs throughout the United States. In the first eight years, corporate donors pledged more than \$640-million toward this initiative. In the past school year, 2009-10, Step Up For Students served 28,927 economically disadvantaged children statewide.



McKay Scholarships for Disabled Students

Another program championed by FSCF is the John M. McKay Scholarships for Students with Disabilities Program, commonly known as McKay Scholarships, which provides broader choices for parents with special needs children.

The program is named in honor of former Florida Senate President John M. McKay, who crafted the legislation that created this innovative program for special needs students. It began as a pilot program in 1999 and expanded statewide the following year. This nationally modeled program allows parent-directed educational choices for their special needs children.

Parents whose disabled child has an active individual educational plan can choose any public school if space is available, or may attend an approved private school. The student also must have been enrolled and reported for funding by a Florida school district the prior school year or be a military family transferring from another state. The program provided \$139-million in scholarships during the 2009-10 school year in amounts that averaged \$7144 and varied depending on the disability.

The program has experienced tremendous growth, expanding from 970 students in 2000-01 to 20,926 special needs children enrolled in 959 private schools throughout the state. In 2009-10, 69 percent of the students on the McKay Program were male and 45 percent were eligible for the Federal Lunch Program. Twenty-nine percent of the students were African-American, 20 percent were Hispanic and 46 percent were Caucasian. Some 35 percent of the students were diagnosed with a specific learning-disabled (SLD) and 5 percent were autistic.

FSCF collaborates and partners with various organizations that advocate for children with disabilities. We advocate for protection and defense of parental-directed educational choices for families with students with disabilities. One of our strongest partners is the Coalition of McKay Scholarship Schools, a statewide organization of McKay participating private schools.

FSCF believes that students with disabilities deserve equal opportunities for the highest quality education that best meets their specific needs. The McKay Scholarship program provides that chance for Florida's most deserving students.

Charter schools

Charter schools are independently operated, tuition-free public schools that have an expanded level of freedom compared to traditional public schools in return for a commitment to reach high standards of accountability. Charter schools cover a broad range of educational needs by offering unique approaches to learning, including programs centered on arts, sciences or technologies. Other schools offer specialized learning for students at risk of academic failure or those who have disabilities. In 2009-10, Florida had the third highest number of charter schools in the nation, at 410, and the second highest number of students, at 137,196.

Florida Virtual School (FLVS)

Another innovative public school choice program is the Florida Virtual School (FLVS), which offers middle and high school students more than 90 different free online courses in general education, foreign language and Advanced Placement. FLVS provides students with expanded access to courses that they might not have access to otherwise, as well as acceleration opportunities, such as early high school

graduation. A large majority of the FLVS students use the program as an addition to their public, home or private school education. In 2007-08, 71,000 students took a total of 213,540 half-credit courses.

Virtual Instruction Program

Every school district in Florida is required under a 2008 law to provide for a fulltime virtual education program for any student, K-12, who chooses it. Some districts are providing the program themselves, and others have contracted with private providers such as Connections Academy and K-12. The virtual programs enables encourage parental involvement and give children the opportunity to learn at their own pace.

Career Academies

Career Academies are another school choice option that provides students with the opportunity to prepare for college and the workforce. Career Academies are small, personalized learning communities within a high school that select a subset of students and teachers for a two-, three, or four-year span. Students participating in the program receive a college-prep curriculum based on a career and connections with employers, the community and higher education.

Magnet Schools

Students in Florida also have the option to attend magnet schools, which are public schools with a particular theme or academic focus such as medical, criminal justice, science and mathematics, technology, performing arts, International Baccalaureate and foreign languages. Magnet schools offer students specialized programs, enabling parents and students to choose a school that matches a student's individual interests.