



2021-2022 STUDY OF EDUCATIONAL CREDIT FOR EXCEPTIONAL NEEDS CHILDREN PROGRAM

South Carolina Department of Revenue
300A Outlet Pointe Blvd | Columbia, SC 29210 | dor.sc.gov

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INTRODUCTION

This study was prepared in accordance with Act 247 of 2018, as amended in 2021, regarding the Educational Credit for Exceptional Needs Children (ECENC) program. The data and information contained in this study are from tax year 2021 and fiscal year 2022 (FY22) and were provided by the South Carolina Department of Revenue (SCDOR), the South Carolina Education Oversight Committee (EOC), and Exceptional SC.

The ECENC program was reorganized under a proviso in 2016 to better serve South Carolina's exceptional needs students. The program was codified under Act 247 in 2018 and was amended in 2021.



SOUTH CAROLINA DEPARTMENT OF REVENUE

The SCDOR oversees the tax credit for Exceptional SC donors as well as the process for eligible parents to reserve, apply, and receive the Parental Refundable Tax Credit.

The SCDOR conducts a study of the ECENC program as prescribed in Act 247 of 2018, amended in 2021.



SOUTH CAROLINA EDUCATION OVERSIGHT COMMITTEE

The EOC determines the eligibility of schools to participate in the ECENC program. Once a school is designated as eligible, it must submit an annual compliance audit to maintain eligibility.



EXCEPTIONAL SC

Exceptional SC is a 501(c)(3) that provides scholarship grants to exceptional needs students in South Carolina to attend credentialed private schools.

Exceptional SC fundraises, accepts and reviews student grant applications, and awards scholarship grants based on a number of criteria. Students who are awarded the scholarship must attend a school that the EOC has approved for program participation.

SCHOLARSHIP FUNDS

To be eligible for a scholarship from Exceptional SC, students must be residents of South Carolina, be eligible to attend a public school, complete an application with proof of disability (Medical/Professional Form or Educator Eligibility Form), and must attend an EOC approved school. Per legislation, scholarships are awarded to incumbents (students who have previously participated in the program) first and then to students who are new to the program.

\$5,476,184.67

total tax year 2021
donations

1,365

total scholarship
recipients (**315** new
and **1,050** incumbent)

\$3,650

average incumbent
scholarship grant

\$3,649

average new student
scholarship grant

\$4,961,300

total amount of
scholarships
disbursed FY22

FY22 BOARD MEMBERS

Mr. Edward Earwood
Executive Director, South Carolina
Association of Christian Schools

Mrs. Betsy Fanning
Head of School, Trident Academy

Dr. Spencer Jordan
Director, South Carolina Independent
School Association

Dr. Randy Page
Chief of Staff, Bob Jones University

DONOR TAX CREDIT

Individuals and corporations who pay South Carolina taxes are eligible to donate to the Exceptional SC 501(c)(3) scholarship fund. Donations to Exceptional SC are claimed as state tax credits.



South Carolina individuals and/or businesses make a donation to Exceptional SC.



Donors complete the Exceptional SC Donation Form, and Exceptional SC notifies the SCDOR of the donation.



The SCDOR confirms the credit amount, provided the statewide \$12 million cap has not been met.



Donors claim the credit amount with their SC income taxes using SC1040TC or SC1120TC (code 057).

For tax year 2021, donors were:

- Eligible to claim a dollar-for-dollar credit on state income tax liability
 - **or** entitled to a tax credit against bank taxes imposed pursuant to Chapter 11, Title 12
- Limited to a maximum credit claim that is 75% of their one-year tax liability
- Not allowed to designate a specific student or school as beneficiary
- Limited by a first come, first served annual statewide cap of \$12 million

\$5,476,184.67
donor credits
issued

\$23,303
average gift per
donor

235
total donors

PARENTAL TAX CREDIT

Parents or guardians of exceptional needs students attending eligible schools can apply for a refundable tax credit (referred to as Parental Refundable Credit) toward their South Carolina income tax bill. Parental Refundable Credits can only be claimed for actual out-of-pocket spending on tuition, up to \$11,000. There is a statewide cap of \$2 million, with a possibility to be raised to \$5 million. Credits are reserved on a first come, first served basis. For tax year 2021, the credit cap was \$5 million.



Parents make a tuition payment to an eligible school for their exceptional needs student.



Parents complete and submit Form TC-57A online to request the credit. Parents should retain documentation of the child's eligibility for their own records.



The SCDOR confirms the "reservation" of a Parental Tax Credit, so long as the statewide cap has not been met.



When the parent files SC income taxes, the Parental Tax Credit amount is used to complete Form I-361.

\$7,842,920

total tax year 2021 credits applied for

936

applicants

564

recipients

\$8,865

average credit
per recipient

\$5 million credits approved

STUDENTS

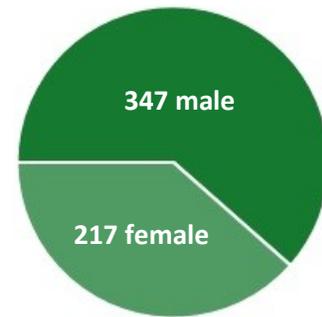
Act 247 calls for reporting demographic and socio-economic data for participants and their families, including the distribution of scholarship funds by income ranges. Applicants reported the information below.

PARENTAL TAX CREDIT RECIPIENTS

Data reported by applicants on credit application—not all applicants responded

Household Income Range	# of Recipients
\$0-50,000	20
\$50,001-100,000	87
\$100,001-150,000	119
\$150,001-200,000	77
\$200,001-250,000	49
\$250,001-300,000	60
\$300,001+	122

Ages	# of Students
5-10	195
11-15	273
16+	95
No response	1



\$7,375

avg. estimated additional expenses from caring for exceptional needs child

2

average number of children in household

1

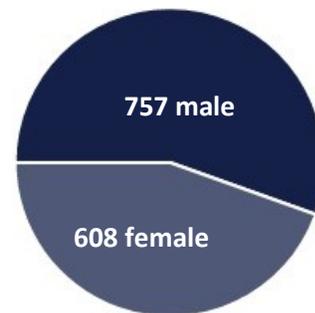
average number of exceptional needs children in household

SCHOLARSHIP RECIPIENTS

Data reported by applicants on scholarship application—not all applicants responded

Household Income Range	# of Recipients
\$0-50,000	119
\$50,001-100,000	256
\$100,001-150,000	344
\$150,001-200,000	380
\$200,001-250,000	127
\$250,001-300,000	95
\$300,001+	44

Ages	# of Students
5-10	496
11-15	564
16+	304
No response	0



\$6,000

avg. estimated additional expenses from caring for exceptional needs child

2.5

average number of children in household

1

average number of exceptional needs children in household

SCHOOLS

Schools apply to the EOC to participate in the ECENC program. A list of eligible schools is available on the EOC's website (eoc.sc.gov).

To receive an Exceptional SC scholarship grant for an exceptional needs student, the school must:

- Be a private primary or secondary school physically located within South Carolina;
- Not discriminate on basis of race, color, or national origin in their admission of students;
- Use a curriculum which includes courses listed in state diploma requirements;
- Use national or state standardized testing and provide test scores to the EOC;
- Have physical facilities that meet local, state and/or federal laws;
- Be a member of SACS, SCACS, Palmetto Association of Independent Schools, and/or SCISA;
- Complete an annual compliance audit.

Each year, private schools interested in participating in this program must apply for eligibility with the EOC. This application process helps protect students and families by ensuring schools meet and continue to meet the program eligibility requirements.

To be considered for eligibility, a school must initially provide the EOC with:

- Information on the school's eligibility,
- Assessment score data from the previous school year,
- The number of grants received in the previous school year,
- A copy of an audit of the organization's financial statements relating to the grants received,
- A Statement of Services with information on the services and/or resources exceptional needs students receive and what needs those services are geared toward.

School eligibility for participation occurs during the school year. The information provided by the EOC to the SCDOR is based on the fiscal year.



GRANTS BY SCHOOL

The EOC approved 114 schools to participate in the ECENC program for FY22. The following 93 schools received funding from grants issued by Exceptional SC to scholarship recipients.

ELIGIBLE SCHOOL	NUMBER OF GRANTS	VALUE OF GRANTS ISSUED
1. All Saints Episcopal Day School	<10	\$14,200
2. Anderson Christian School	<10	\$18,700
3. Ascent Christian Academy	<10	\$5,500
4. Ashley Hall	<10	\$31,400
5. Ben Lippen School	24	\$77,400
6. Bishop England High School	40	\$148,000
7. Blessed Sacrament School	<10	\$10,300
8. Bob Jones Academy	27	\$44,000
9. Calvary Christian School—Greer	13	\$26,600
10. Camden Military Academy	<10	\$53,100
11. Camperdown Academy	134	\$797,000
12. Cardinal Newman School	47	\$164,200
13. Charis Academy	<10	\$11,000
14. Charleston Collegiate School	10	\$38,000
15. Charleston Day School	<10	\$29,500
16. Christ Church Episcopal School	88	\$393,300
17. Christ Our King-Stella Maris Catholic School	15	\$25,500
18. Clarendon Hall School	<10	\$1,100
19. Coastal Christian Preparatory School	<10	\$8,300
20. Colleton Preparatory Academy	21	\$56,700
21. Cross Schools	<10	\$10,800
22. Crown Leadership Academy	12	\$22,700
23. Divine Redeemer Catholic School	<10	\$1,300
24. Easley Christian School	<10	\$3,400
25. Einstein Academy	<10	\$15,500
26. First Baptist School of Charleston	<10	\$5,100
27. First Presbyterian Academy	19	\$61,200
28. Five Oaks Academy	<10	\$2,700
29. Glenforest School	30	\$139,700
30. Grace Christian School	<10	\$2,800

Data provided by Exceptional SC.

GRANTS BY SCHOOL



ELIGIBLE SCHOOL	NUMBER OF GRANTS	VALUE OF GRANTS ISSUED
31. Hammond School	13	\$60,700
32. Hampton Park Christian School	11	\$19,600
33. Harvest Community School	<10	\$1,200
34. Heathwood Hall Episcopal School	25	\$118,700
35. Hidden Treasure Christian School	46	\$230,000
36. Hilton Head Christian Academy	10	\$38,600
37. Holy Trinity Catholic School	<10	\$11,200
38. HOPE Academy	37	\$96,200
39. Hope Christian Academy	<10	\$36,000
40. James Island Christian School	<10	\$4,600
41. John Paul II Catholic School	<10	\$26,400
42. Mason Preparatory School	<10	\$29,600
43. Mead Hall Episcopal School	<10	\$4,300
44. Miracle Academy Preparatory School	23	\$66,700
45. Mitchell Road Christian Academy	14	\$39,700
46. Montessori School of Anderson	<10	\$2,500
47. Montessori School of Florence	<10	\$4,200
48. Nativity Catholic School	<10	\$7,100
49. Newberry Academy	<10	\$9,700
50. North Walterboro Christian Academy	<10	\$1,600
51. Northside Christian Academy	<10	\$12,900
52. Oakbrook Preparatory School	16	\$43,000
53. Oconee Christian Academy	<10	\$9,300
54. Orangeburg Preparatory Schools, Inc.	<10	\$6,400
55. Our Lady of Peace Catholic School	31	\$46,500
56. Our Lady of the Rosary Catholic School	27	\$63,400
57. Palmetto Christian Academy—Mt. Pleasant	19	\$47,000
58. Patrick Henry Academy	13	\$14,300
59. Pee Dee Academy	<10	\$4,200
60. Porter-Gaud School	<10	\$37,500
61. Prince of Peace Catholic School	<10	\$3,600
62. Ridge Christian Academy	11	\$20,200

Data provided by Exceptional SC.

GRANTS BY SCHOOL



ELIGIBLE SCHOOL	NUMBER OF GRANTS	VALUE OF GRANTS
63. Sandhills School	74	\$431,700
64. Southside Christian School	78	\$244,500
65. Spartanburg Christian Academy	<10	\$10,200
66. Spartanburg Day School	21	\$118,500
67. St. Andrew Catholic School	10	\$20,000
68. St. Anne Catholic School—Rock Hill	14	\$27,100
69. St. Anthony Catholic School—Florence	<10	\$10,000
70. St. Anthony of Padua Catholic School	12	\$38,400
71. St. Elizabeth Ann Seton Catholic High School	<10	\$6,500
72. St. Francis by the Sea Catholic School	<10	\$2,800
73. St. Gregory the Great Catholic School	<10	\$1,500
74. St. John Catholic School—Charleston	<10	\$37,800
75. St. John Neumann Catholic School	15	\$39,000
76. St. John's Christian Academy	13	\$19,700
77. St. Joseph Catholic School—Columbia	11	\$18,700
78. St. Joseph's Catholic School—Greenville	24	\$92,800
79. St. Mary Help of Christians Catholic School	<10	\$12,000
80. St. Peter's Catholic School—Beaufort	<10	\$2,000
81. Step of Faith Christian Academy	<10	\$1,000
82. Summerville Catholic School	<10	\$1,600
83. Sumter Christian School	<10	\$2,300
84. The Chandler School	38	\$182,000
85. The Charleston Catholic School	17	\$42,500
86. The King's Academy	17	\$54,700
87. The Timmerman School	<10	\$8,800
88. Thomas Heyward Academy	<10	\$13,500
89. Thomas Sumter Academy	<10	\$5,600
90. Trident Academy	28	\$199,200
91. Walnut Grove Christian School	<10	\$12,000
92. Westgate Christian School	<10	\$2,200
93. Westminster Catawba Christian School	19	\$65,300

Data provided by Exceptional SC.

DATA BY COUNTY

The chart below provides the number of eligible schools, Exceptional SC scholarship recipients, and Parental Tax Credit recipients by county. For FY22, 19 of South Carolina's 46 counties did not have an eligible school participate in the program.

SC County	# of Grant Recipients	# of Credit Recipients	# of Eligible Schools
Abbeville	0	0	0
Aiken	<10	<10	3
Allendale	0	0	0
Anderson	<10	15	4
Bamberg	0	0	0
Barnwell	0	0	0
Beaufort	17	13	8
Berkeley	26	14	5
Calhoun	<10	<10	1
Charleston	288	67	19
Cherokee	0	0	0
Chester	<10	0	1
Chesterfield	0	<10	0
Clarendon	<10	<10	2
Colleton	21	<10	2
Darlington	0	<10	0
Dillon	0	0	0
Dorchester	20	<10	2
Edgefield	0	0	0
Fairfield	0	<10	0
Florence	27	<10	0
Georgetown	0	0	1
Greenville	345	276	18

SC County	# of Grant Recipients	# of Credit Recipients	# of Eligible Schools
Greenwood	0	0	1
Hampton	13	<10	1
Horry	18	<10	6
Jasper	<10	0	3
Kershaw	10	<10	1
Lancaster	0	<10	1
Laurens	0	0	0
Lee	0	0	0
Lexington	124	26	3
Marion	<10	0	1
Marlboro	0	0	0
McCormick	0	0	0
Newberry	<10	<10	0
Oconee	<10	<10	2
Orangeburg	<10	0	1
Pickens	<10	10	1
Richland	271	72	13
Saluda	0	0	0
Spartanburg	67	29	4
Sumter	16	<10	3
Union	0	0	0
Williamsburg	0	<10	0
York	47	<10	4

Data provided by Exceptional SC (grant recipients), the SCDOR (credit recipients), and the EOC (schools).

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