



2022-2023 STUDY OF EDUCATIONAL CREDIT FOR EXCEPTIONAL NEEDS CHILDREN PROGRAM

South Carolina Department of Revenue
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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 2022 and fiscal year 2023 (FY23) 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. The program was codified under Act 247 in 2018 and 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 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 as relating to the grants received 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 a 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, 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.

\$3,076,903

total tax year 2022
donations

1,460

total scholarship
recipients (**253** new
and **1,207** incumbent)

\$2,400

average incumbent
scholarship grant

\$2,400

average new student
scholarship grant

\$3,269,215

total amount of
scholarships
disbursed FY23

FY23 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 Exceptional SC's 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 2022, 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

\$3,076,903
donor credits
issued

\$12,308
average gift per
donor

250
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 Tax Credit or Parental Refundable Credit) toward their South Carolina income tax bill. This credit 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 2022, the credit cap was \$5 million.



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



Parents complete and submit an application to request the credit. Parents should retain documentation of the child's eligibility for their own records.



The SCDOR confirms the "reservation" of the 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.

\$7,315,044

total tax year 2022 credits applied for

936

applicants

624

recipients

\$8,013

average credit
per recipient

\$5 million credits approved

STUDENTS

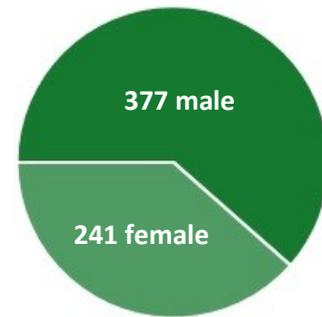
Act 247 calls for reporting demographic and socio-economic data for participants and their families, including the distribution of scholarship funds by income ranges. Applicants reported the information below.

PARENTAL TAX CREDIT RECIPIENTS

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

Household Income Range	# of Recipients
\$0-50,000	25
\$50,001-100,000	91
\$100,001-150,000	143
\$150,001-200,000	90
\$200,001-250,000	77
\$250,001-300,000	48
\$300,001+	135

Age	# of Students
5-10	216
11-15	303
16+	105
No response	0



\$6,299

avg. estimated additional expenses from caring for exceptional needs child

2

average number of children in household

1

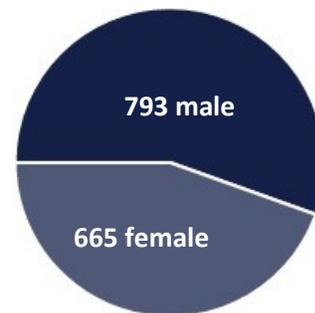
average number of exceptional needs children in household

SCHOLARSHIP RECIPIENTS

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

Household Income Range	# of Recipients
\$0-50,000	124
\$50,001-100,000	329
\$100,001-150,000	330
\$150,001-200,000	323
\$200,001-250,000	181
\$250,001-300,000	124
\$300,001+	48

Age	# of Students
5-10	502
11-15	738
16+	220
No response	0



\$6,500

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

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:

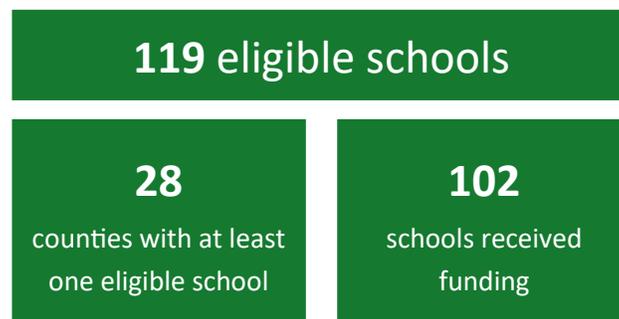
- Be a private primary or secondary school physically located within South Carolina;
- Not discriminate on basis of race, color, or national origin in their admission of students;
- Use a curriculum which includes courses listed in state diploma requirements;
- Use national or state standardized testing 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:

- An Application to Participate which includes standards the school has met or intends to meet and reporting requirements in compliance with state law,
- Assessment score data from the previous school year,
- A Statement of Services with information on the services and/or resources exceptional needs students receive and what needs those services are geared toward,
- The number of grants and funding received in the previous school year,
- A copy of an audit of the organization's financial statements relating to the grants received.

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 119 schools to participate in the FY23 ECENC program. The following 102 schools received funding from Exceptional SC grants issued to scholarship recipients.

ELIGIBLE SCHOOL	NUMBER OF GRANTS	VALUE OF GRANTS ISSUED
All Saints Episcopal Day School	<10	\$6,000
Anderson Christian School	10	\$16,000
Ashley Hall	<10	\$18,000
Beaufort Academy	<10	\$3,600
Ben Lippen School	22	\$44,800
Bishop England High School	34	\$73,600
Blessed Sacrament School	<10	\$8,500
Bob Jones Academy	22	\$24,470
Calhoun Academy	<10	\$900
Calvary Christian School—Greer	10	\$12,100
Calvary Christian School—Mt. Pleasant	<10	\$4,600
Camden Military Academy	<10	\$18,100
Camperdown Academy	141	\$520,250
Cardinal Newman School	50	\$112,000
Charis Academy	<10	\$5,400
Charleston Collegiate School	<10	\$18,300
Charleston Day School	<10	\$7,200
Cherokee Creek Boys School	<10	\$5,000
Christ Church Episcopal School	95	\$266,500
Christ Our King-Stella Maris Catholic School	26	\$29,300
Clarendon Hall School	<10	\$1,300
Coastal Christian Preparatory School	<10	\$3,700
Colleton Preparatory Academy	36	\$57,600
Cross Schools	<10	\$5,500
Crown Leadership Academy	11	\$14,100
Divine Redeemer Catholic School	<10	\$2,400
Dorchester Academy	11	\$8,700
Easley Christian School	<10	\$1,100
Einstein Academy	<10	\$10,500
First Baptist School of Charleston	<10	\$5,700
First Presbyterian Academy	19	\$36,237
Five Oaks Academy	<10	\$6,800
Glenforest School	42	\$115,200

GRANTS BY SCHOOL



ELIGIBLE SCHOOL	NUMBER OF GRANTS	VALUE OF GRANTS ISSUED
Grace Christian School	<10	\$2,000
Hammond School	14	\$40,400
Hampton Park Christian School	16	\$17,700
Harvest Community School	<10	\$500
Hawthorne Christian Academy	<10	\$3,000
Heathwood Hall Episcopal School	23	\$69,400
Hidden Treasure Christian School	47	\$123,900
Hilton Head Christian Academy	10	\$24,400
Hilton Head Preparatory School	<10	\$8,100
HOPE Academy	44	\$65,600
Hope Christian Academy	15	\$33,600
John Paul II Catholic School	13	\$26,500
Mason Preparatory School	<10	\$2,700
Mead Hall Episcopal School	<10	\$2,800
Miracle Academy Preparatory School	24	\$43,200
Mitchell Road Christian Academy	23	\$39,300
Nativity Catholic School	<10	\$8,700
Newberry Academy	<10	\$2,700
Northside Christian Academy	13	\$14,000
Oakbrook Preparatory School	11	\$19,300
Oconee Christian Academy	<10	\$9,000
Orangeburg Preparatory Schools, Inc.	<10	\$4,000
Our Lady of Peace Catholic School	20	\$23,400
Our Lady of the Rosary Catholic School	20	\$33,700
Palmetto Christian Academy of Greenwood	<10	\$4,600
Palmetto Christian Academy—Mt. Pleasant	<10	\$14,300
Patrick Henry Academy	20	\$14,800
Pee Dee Academy	<10	\$3,000
Porter-Gaud School	<10	\$16,800
Prince of Peace Catholic School	<10	\$3,300
Providence Classical School of Rock Hill	<10	\$2,400
Ridge Christian Academy	<10	\$8,000
Sandhills School	67	\$243,700
Southside Christian School	76	\$158,208
Spartanburg Day School	23	\$81,600

GRANTS BY SCHOOL



ELIGIBLE SCHOOL	NUMBER OF GRANTS	VALUE OF GRANTS
St. Andrew Catholic School	<10	\$9,600
St. Anne Catholic School—Rock Hill	10	\$10,300
St. Anthony Catholic School—Florence	<10	\$4,800
St. Anthony of Padua Catholic School	<10	\$5,400
St. Elizabeth Ann Seton Catholic High School	<10	\$3,000
St. Francis by the Sea Catholic School	<10	\$1,800
St. Gregory the Great Catholic School	<10	\$3,600
St. John Catholic School—Charleston	15	\$24,000
St. John Neumann Catholic School	14	\$15,500
St. John’s Christian Academy	14	\$12,900
St. Joseph Catholic School—Anderson	<10	\$3,600
St. Joseph Catholic School—Columbia	16	\$20,700
St. Joseph’s Catholic School—Greenville	27	\$66,900
St. Mary Help of Christians Catholic School	<10	\$5,600
St. Michael Catholic School	<10	\$2,000
St. Peter’s Catholic School—Beaufort	<10	\$1,200
St. Peter’s Catholic School—Columbia	<10	\$3,400
Summerville Catholic School	<10	\$2,000
Sumter Christian School	<10	\$2,000
The Chandler School	42	\$139,250
The Charleston Catholic School	15	\$24,000
The Complete Student	<10	\$2,100
The Cooper School	<10	\$9,200
The King’s Academy	27	\$51,700
The Timmerman School	<10	\$3,200
Thomas Hart Academy	<10	\$3,700
Thomas Heyward Academy	10	\$8,800
Thomas Sumter Academy	<10	\$2,200
Trident Academy	31	\$135,600
Valorous Academy	<10	\$1,400
Walnut Grove Christian School	<10	\$5,500
Wesfield Academy	<10	\$500
Westgate Christian School	<10	\$1,500
Westminster Catawba Christian School	25	\$50,200

DATA BY COUNTY

The chart below provides the number of eligible schools, Exceptional SC scholarship recipients, and Parental Tax Credit recipients by county. For FY23, 18 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	27	<10	3
Allendale	0	0	0
Anderson	26	13	5
Bamberg	0	0	0
Barnwell	0	0	0
Beaufort	33	12	8
Berkeley	61	14	4
Calhoun	12	<10	1
Charleston	369	69	18
Cherokee	0	<10	0
Chester	<10	0	1
Chesterfield	0	<10	0
Clarendon	<10	<10	2
Colleton	28	<10	1
Darlington	<10	<10	1
Dillon	0	0	0
Dorchester	27	<10	4
Edgefield	0	0	0
Fairfield	0	<10	0
Florence	29	<10	0
Georgetown	0	<10	1
Greenville	352	313	18

SC County	# of Grant Recipients	# of Credit Recipients	# of Eligible Schools
Greenwood	0	0	1
Hampton	21	<10	1
Horry	20	<10	7
Jasper	10	<10	3
Kershaw	<10	<10	1
Lancaster	0	<10	0
Laurens	0	<10	0
Lee	0	0	0
Lexington	11	26	3
Marion	<10	<10	1
Marlboro	0	0	0
McCormick	0	0	0
Newberry	<10	0	1
Oconee	20	<10	2
Orangeburg	<10	0	2
Pickens	<10	<10	1
Richland	203	87	13
Saluda	0	0	0
Spartanburg	102	31	4
Sumter	11	<10	4
Union	0	0	0
Williamsburg	0	0	0
York	37	10	4

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