

LEGISLATIVE ANALYSIS



THE SOUTH CAROLINA EQUAL OPPORTUNITY EDUCATION SCHOLARSHIP ACT



LEGISLATIVE OVERVIEW: Under the provisions of The South Carolina Equal Opportunity Education Scholarship Act (ESA), eligible students would receive all funding their school district receives on their behalf from the state (not local or federal) in the form of a special scholarship account. Using this formula-based approach creates a more stable source than relying on the legislature to appropriate funds every year.

BACKGROUND: South Carolina's ESA draws on the wealth of experience from other ESA adopter states with an eye toward addressing South Carolina-specific student needs and family challenges (poverty, special needs, military families, etc...).

WHY IT MATTERS: Gives parents unparalleled ability to tailor an education suited to the specific needs of their child.

WHO QUALIFIES?

- Low income (EFA "Pupils in Poverty")
- Special needs (IEP and diagnosed disabilities)
- Exceptional SC legacy recipients
- Military family students
- Foster care children

Prior public school attendance required except for military children and incoming kindergarteners.

HOW ARE STUDENTS FUNDED?

- The ESA is funded with the **state** dollars allocated per student, known as "State Funding of Shared Expenses Per Pupil."
- **Federal** and **local** funds attached to the student will remain with the school district.
- Each student will receive a unique ESA amount depending on their school district and status. That's because:
 - State funding varies from **school district** to school district.
 - State funding varies from **student** to student as well. Students in poverty or with special needs have unique state funding weights.
- Average per pupil state funding (irrespective of district or student status) was **\$5,537.*** The average ESA before any weighting for poverty or special needs status is added will be approximately this

amount. Residents of the Allendale County School District would have the largest ESA at **\$8,729.**

- By comparison, the Mississippi ESA is **\$6,500** and the average Tennessee ESA is **\$6,957.**
- The average Exceptional SC scholarship, an existing program funded with state tax credits, is **\$6,800.**
- Overall average private school tuition and fees in South Carolina averaged **\$6,539** for the 2017-2018 school year.

**Source: SC Office of Revenue & Fiscal Affairs for most recent analyzed year available (2015-2016).*

ELIGIBLE EXPENSES

1. Tuition, textbooks and fees at a participating school
2. Payment to a licensed or accredited tutor, education consultant or compliance organization.
3. Purchase of curriculum or instructional materials
4. Computer hardware or other technological devices used solely for a student's educational needs
5. Tuition and fees for a nonpublic online learning program or course
6. Fees for national norm-referenced exams, Advanced Placement exams, or similar courses
7. Fees associated with industry certification exams or exams related to higher ed admission
8. Educational services for pupils with disabilities from a licensed or accredited practitioner or provider, such as occupational, behavioral, physical,

and speech-language therapies

9. Tuition and fees at an eligible postsecondary institution
10. Textbooks required for college or university courses
11. Contracted services from a public school district, including individual classes, after school tutoring services, transportation, or fees or costs associated with participation in extracurricular activities should the public school choose to participate in the program
12. Fees for transportation (up to \$750/year) paid to a fee-for-service transportation provider for the eligible student to travel to and from an eligible education service provider
13. Contribution to a Coverdell education savings account (leftover funds).

MAIN ADMINISTRATOR, ADMINISTRATIVE FEE & ACCOUNT STRUCTURE

Education Oversight Committee (EOC)

4% first year, 3% thereafter

EOC to recommend most efficient payment method (such as a debit card or online account) to avoid complicated reimbursement plans that force parents to pay for approved services out of pocket

TESTING & ACCOUNTABILITY

- State or national norm-referenced test of choice (with necessary flexibility for special needs)
- High-quality analysis of parent satisfaction, student progress, state fiscal impact, and appropriate use of funds
- A Parental Review Panel appointed by the Governor will assist the EOC in determining whether expenditures are qualified education expenses

ENROLLEE LIMIT PER YEAR

5% of eligible students for 2019-2020; 10% for 2020-2021; No limit starting in 2021-2022