

LEGISLATIVE ANALYSIS



SOUTH CAROLINA EDUCATION SCHOLARSHIP ACCOUNT (ESA) ACT



LEGISLATIVE OVERVIEW: Under the provisions of the South Carolina Education Scholarship Account Act (ESA), parents of eligible students will receive a flexible education grant to customize their child's education in the form of a special online parent-directed account. Parents will use a secure, online payment platform to spend these funds to purchase educational services on behalf of their child.

BACKGROUND: South Carolina's ESA draws on the wealth of experience from other ESA-adopter states with an eye toward addressing the reason most South Carolina's parents do not enjoy educational options: *income*.

WHY IT MATTERS: The South Carolina ESA gives parents who do not currently have education options an unparalleled ability to tailor an education suited to the specific needs of their child.

WHO QUALIFIES?

- Children whose family income is up to 200% of federal poverty guidelines (for a family of four, this would be up to \$52,400 in annual household income); or
- Children who are eligible for Medicaid; or
- Children who have participated in the South Carolina Early Reading Development & Education Program (CERDEP); or
- Children who are prior Exceptional SC students

HOW ARE STUDENTS FUNDED?

- The ESA is funded with a calculation of the state average of state-only dollars allocated per student, also known as State Funding of Basic Program Per Pupil, currently approximately \$6,446 per student.* Any federal and local funds remain with the school district in which the ESA student resides.
- By comparison:
 - Florida's ESA average account value is \$10,508 and the average Arizona ESA is \$6,148 (\$12,585 for children with special needs).
 - In 2017, the average Exceptional SC scholarship, South Carolina's existing tax credit scholarship program for children with special needs, was \$4,973.

- Overall independent school tuition and fees in South Carolina averaged \$6,539 for the 2017-2018 school year.

**Source: SC Office of Revenue & Fiscal Affairs. Taken from RFA funding model for most recent analyzed year available (2016-2017).*

ELIGIBLE EXPENSES

1. Tuition, textbooks, and fees at a participating school or other provider
2. Payments to an approved 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 non-public online learning program or course
6. Fees for national norm-referenced exams, Advanced Placement exams, or similar assessments
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 for dual-credit courses at an eligible postsecondary institution
10. Textbooks required for dual-credit 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

ADMINISTRATION

- The SC Department of Administration (Admin) serves as the main program administrator
- The Education Oversight Committee (EOC) provides educational expertise and consultation to Admin to assist with carrying out its administrative functions
- An efficient online payment system ensures total accountability for use of funds and to avoid complicated reimbursement plans that force parents to pay for approved services out-of-pocket

ACCOUNTABILITY

- Required national norm-referenced tests (with necessary flexibility for students with special needs) measures ESA student achievement
- Robust study, survey, and audit provisions provide high-quality analysis of parent satisfaction, student progress, state fiscal impact, and appropriate use of state funds
- An ESA Review Panel composed of citizens and parents provides independent advice for the program

ENROLLEE LIMIT PER YEAR

School Year	Limit	Eligibility Pool
2022-2023	5,000 students	Kindergarten through 3 rd Grade
2023-2024	10,000 students	Kindergarten through 5 th Grade
2024-2025	15,000 students	Kindergarten through 8 th Grade
2025-2026	20,000 students	Kindergarten through 12 th Grade
2026-2027	All eligible students (contingent on program funds)	Kindergarten through 12 th Grade

