



2020–2021 STUDY OF EDUCATIONAL CREDIT FOR EXCEPTIONAL NEEDS CHILDREN PROGRAM

South Carolina Department of Revenue

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dor.sc.gov

300A Outlet Pointe Boulevard
Columbia, SC 29210

CONTENTS

INTRODUCTION	1
SCHOLARSHIP FUNDS	2
DONOR TAX CREDIT	3
PARENTAL TAX CREDIT	4
STUDENTS	5
SCHOOLS	6
GRANTS BY SCHOOL	7
DATA BY COUNTY	10
CONTACTS	11

INTRODUCTION

The following 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 report are from Tax Year 2020 and Fiscal Year 2021 (FY21) 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 develops and implements a process for eligible parents to reserve, apply, and receive the Parental Refundable Tax Credit.

The SCDOR shall conduct a study of the ECENC program as prescribed in Act 247 of 2018, amended in 2021, to include the following: allocation of scholarship funds and tax credits, demographic and socio-economic data of the participants and their families, geographical distribution of the participants, distribution of scholarship funds among eligible schools, and any other aspect determined by the SCDOR.



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.

\$4,095,108

total tax year
2020
donations

11

average scholarship
grants per school
that received funding

1,054

total scholarship
recipients
(0 new and 1,054
incumbent)

\$3,000

average incumbent
scholarship grant

\$0

average
new student
scholarship grant

\$3,162,019

total amount of
scholarships
disbursed FY21

FY21 Board Members

Mr. Michael Acquilano,
Director, South Carolina
Catholic Conference

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

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 2020, 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 60% 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

\$4,086,053
donor credits
issued

\$22,087
average gift
per donor

185
donors

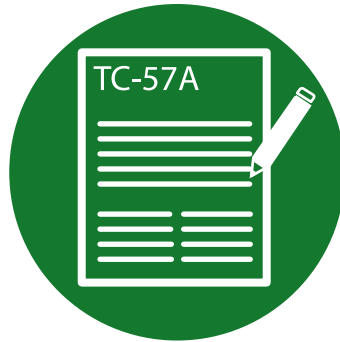
34% of the statewide cap met

PARENTAL TAX CREDIT

Parents or guardians of exceptional needs students attending eligible schools can apply for a refundable Parental Tax Credit toward their South Carolina income tax bill. Parental Tax 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 in credits for tax year 2020, reserved on a first come, first served basis.



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



Parents complete and submit Form TC-57A to the SCDOR to request a Parental Tax Credit. Parents should retain documentation of their child's eligibility for their own records.



The SCDOR confirms the "reservation" of a Parental Tax Credit, so long as the statewide \$2 million cap has not been met.



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

\$7,659,045 credits applied for tax year 2020

893
applicants

213
recipients

\$9,390
average amount
per recipient

\$2 million credits approved

STUDENTS

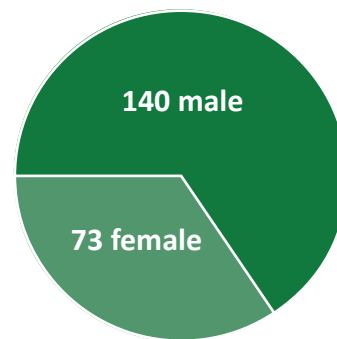
Act 247 calls for reporting demographic and socio-economic data of participants and their families, including the distribution of scholarship funds by income ranges. All information below was reported by applicants.

PARENTAL TAX CREDIT RECIPIENTS

Data reported by applicants on TC-57A (credit application)

Household Income Range	# of Recipients
\$0-50,000	<10
\$50,001-100,000	38
\$100,001-150,000	54
\$150,001-200,000	31
\$200,001-250,000	26
\$250,001-300,000	14
\$300,001+	42

Ages	# of Students
5-10	76
11-15	108
16+	28
No response	1



\$5,512
avg. est. additional expenses from caring for exceptional needs child

2
average number of children in household

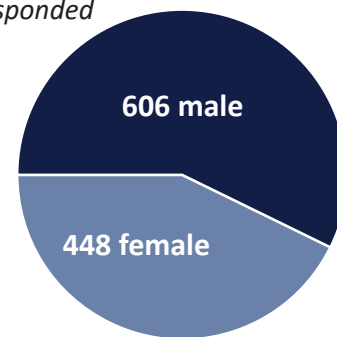
1
average number of exceptional needs children in household

SCHOLARSHIP RECIPIENTS

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

Household Income Range	# of Recipients
\$0-50,000	193
\$50,001-100,000	338
\$100,001-150,000	206
\$150,001-200,000	211
\$200,001-250,000	58
\$250,001-300,000	42
\$300,001+	-

*Ages	# of Students
5-10	498
11-15	307
16+	249
No response	0



\$6,000
avg. est. 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).

In order 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; and 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, and 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.

124 eligible schools

31

counties with
at least one
eligible school

94

schools received
funding

GRANTS BY SCHOOL

The EOC approved 124 schools to participate in the Exceptional SC program for FY21. The following 94 schools received funding.

ELIGIBLE SCHOOL HAVING RECEIVED SCHOLARSHIP GRANTS	NUMBER OF GRANTS ISSUED	VALUE OF GRANTS ISSUED
1. Addlestone Hebrew Academy	<10	\$3,200
2. Anderson Christian School	<10	\$21,600
3. Ashley Hall	<10	\$26,200
4. Ben Lippen School	21	\$52,000
5. Bishop England High School	37	\$111,000
6. Blessed Sacrament School	<10	\$5,700
7. Bob Jones Academy	14	\$22,200
8. Calhoun Academy	<10	\$1,200
9. Calvary Christian School - Greer	<10	\$19,900
10. Camden Military Academy	<10	\$27,000
11. Camperdown Academy	79	\$395,000
12. Cardinal Newman School	47	\$144,300
13. Chabad Jewish Academy	<10	\$7,200
14. Charleston Catholic School	<10	\$3,400
15. Charleston Collegiate School	<10	\$29,600
16. Charleston Day School	<10	\$13,100
17. Christ Church Episcopal School	66	\$242,100
18. Christ Our King-Stella Maris Catholic School	15	\$21,000
19. Clarendon Hall School	<10	\$1,500
20. Coastal Christian Preparatory School	<10	\$7,300
21. Colleton Preparatory Academy	20	\$44,000
22. Cross School	<10	\$12,400
23. Crown Leadership Academy	<10	\$8,000
24. Cutler Jewish Day School	<10	\$6,600
25. Divine Redeemer Catholic School	<10	\$2,500
26. Easley Christian School	<10	\$1,400
27. Einstein Academy	<10	\$7,500
28. First Presbyterian Academy	15	\$38,000
29. Five Oaks Academy	<10	\$3,700
30. Glenforest School	22	\$83,600
31. Grace Christian School	<10	\$3,900
32. Hammond School	11	\$41,500
33. Hampton Park Christian School	<10	\$10,300
34. Harvest Community School	<10	\$1,000

GRANTS BY SCHOOL

ELIGIBLE SCHOOL HAVING RECEIVED SCHOLARSHIP GRANTS	NUMBER OF GRANTS ISSUED	VALUE OF GRANTS ISSUED
35. Hawthorne Christian Academy	<10	\$700
36. Heathwood Hall Episcopal School	14	\$53,800
37. Hidden Treasure Christian School	24	\$98,400
38. Hilton Head Christian Academy	10	\$31,300
39. Hilton Head Preparatory School	<10	\$10,300
40. Holy Trinity Catholic School	<10	\$1,700
41. HOPE Academy	37	\$76,500
42. Hope Christian Academy	<10	\$26,400
43. James Island Christian School	<10	\$1,700
44. John Paul II Catholic School	<10	\$22,400
45. Laurence Manning Academy	<10	\$3,200
46. Mason Preparatory School	<10	\$3,400
47. Mead Hall Episcopal School	<10	\$7,700
48. Miracle Academy Preparatory School	19	\$45,600
49. Mitchell Road Christian Academy	<10	\$18,300
50. Montessori School of Anderson	<10	\$2,400
51. Nativity Catholic School	<10	\$6,700
52. New Covenant School	<10	\$3,700
53. Newberry Academy	<10	\$7,700
54. Oakbrook Preparatory School	<10	\$20,400
55. Oconee Christian Academy	<10	\$3,000
56. Orangeburg Preparatory Schools, Inc.	<10	\$6,500
57. Our Lady of Peace Catholic School	19	\$24,700
58. Our Lady of the Rosary Catholic School	11	\$22,600
59. Palmetto Christian Academy - Mt. Pleasant	11	\$21,500
60. Patrick Henry Academy	<10	\$8,100
61. Pee Dee Academy	<10	\$5,000
62. Porter-Gaud School	<10	\$20,700
63. Prince of Peace Catholic School	<10	\$8,400
64. Ridge Christian Academy	12	\$19,200
65. Sandhills School	50	\$240,900
66. Southside Christian School	55	\$180,100
67. Spartanburg Day School	13	\$52,000
68. St. Andrew Catholic School	12	\$19,200
69. St. Anne Catholic School - Rock Hill	<10	\$21,300
70. St. Anthony Catholic School - Florence	<10	\$8,500
71. St. Anthony of Padua Catholic School	<10	\$11,000

GRANTS BY SCHOOL

ELIGIBLE SCHOOL HAVING RECEIVED SCHOLARSHIP GRANTS	NUMBER OF GRANTS ISSUED	VALUE OF GRANTS ISSUED
72. St. Elizabeth Ann Seton Catholic High School	<10	\$7,100
73. St. Francis by the Sea Catholic School	<10	\$3,600
74. St. Gregory the Great Catholic School	<10	\$2,200
75. St. John Catholic School - Charleston	15	\$36,000
76. St. John Neumann Catholic School	10	\$14,100
77. St. John's Christian Academy	<10	\$8,700
78. St. Joseph Catholic School - Columbia	<10	\$14,800
79. St. Joseph's Catholic School - Greenville	21	\$66,400
80. St. Mary Help of Christians Catholic School	<10	\$8,800
81. St. Peter's Catholic School - Beaufort	<10	\$1,200
82. Step of Faith Christian Academy	<10	\$900
83. Summerville Catholic School	<10	\$5,100
84. Sumter Christian School	<10	\$2,200
85. The Chandler School	29	\$127,600
86. The Charleston Catholic School	32	\$34,000
87. The King's Academy	16	\$39,600
88. Thomas Heyward Academy	<10	\$10,800
89. Thomas Sumter Academy	<10	\$3,000
90. Timmerman School	<10	\$7,200
91. Trident Academy	17	\$100,300
92. Walnut Grove Christian School	<10	\$7,100
93. Westminster Catawba Christian School	11	\$27,300
94. Westside Christian Academy	<10	\$1,800

DATA BY COUNTY

The chart below provides the number of eligible schools, Exceptional SC scholarship grant recipients, and Parental Tax Credit recipients by county. For FY21, 15 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	0	4
Allendale	0	0	0
Anderson	13	7	4
Bamberg	0	0	0
Barnwell	0	0	0
Beaufort	33	0	8
Berkeley	61	<10	5
Calhoun	<10	<10	<3
Charleston	169	28	20
Cherokee	0	<10	<3
Chester	<10	0	<3
Chesterfield	0	<10	0
Clarendon	<10	0	3
Colleton	20	<10	<3
Darlington	0	0	0
Dillon	0	0	0
Dorchester	15	<10	3
Edgefield	0	0	<3
Fairfield	0	0	0
Florence	21	<10	3
Georgetown	0	0	<3
Greenville	352	98	19

SC County	# of Grant Recipients	# of Credit Recipients	# of Eligible Schools
Greenwood	0	0	<3
Hampton	0	<10	<3
Horry	20	<10	7
Jasper	10	0	3
Kershaw	<10	<10	<3
Lancaster	0	<10	<3
Laurens	0	0	0
Lee	0	0	0
Lexington	11	13	<3
Marion	<10	0	<3
Marlboro	0	0	0
McCormick	0	0	0
Newberry	<10	<10	<3
Oconee	<10	0	3
Orangeburg	<10	0	<3
Pickens	<10	<10	<3
Richland	191	36	14
Saluda	0	0	0
Spartanburg	59	<10	4
Sumter	<10	<10	4
Union	0	0	0
Williamsburg	0	0	0
York	24	<10	4

CONTACTS

SOUTH CAROLINA DEPARTMENT OF REVENUE

Hartley Powell

Director

803-898-5040

Director@dor.sc.gov

Meredith Cleland

Government Services

803-898-5402

Meredith.Cleland@dor.sc.gov

Bonnie Swingle

Public Information Director

803-898-5201

Bonnie.Swingle@dor.sc.gov

SOUTH CAROLINA EDUCATION OVERSIGHT COMMITTEE

Matthew Ferguson, Esq.

Executive Director

803-734-6148

mferguson@eoc.sc.gov

EXCEPTIONAL SC

Edward Earwood

Chairman of the Board

843-513-5010

earwood@christianeducation.org