RANKING AND SCORECARD 2ND EDITION

SCHOOL CHOICE TODAY

EDUCATION TAX CREDIT LAWS ACROSS THE STATES 2015

The Center for Education Reform
ACKNOWLEDGEMENTS

Since our inaugural ranking last year many people have provided critical support contributing to this year’s Education Tax Credit Laws Across the States, Ranking and Scorecard 2015.

The research team at The Center for Education Reform remained dedicated to accuracy, tirelessly vetting and tracking data, all the while considering constructive feedback from our information partners.

This report would not have been possible without the invaluable advice from Dr. Patrick Wolf at the Department of Education Reform at the University of Arkansas and Adam Peshek at the Foundation for Excellence in Education. Paul DiPerna, Andrew Catt and Marty Lueken at the Friedman Foundation for Educational Choice deserve a big “thank you” for their research that provided the data behind this analysis and their thoughtful contribution to developing the methodology and scoring rubric.

Last but certainly not least, we’d like to thank Step Up for Students for providing the photographs of the families and students benefiting from Florida’s Tax Credit Scholarship. It is for them and the millions of students across the country like them vying for educational choice to whom this report is dedicated.
INTRODUCTION

By Kara Kerwin, President

Today, over 200,000 students in sixteen states are benefiting from education tax credit scholarships. The first program was enacted in 1997 by lawmakers in Arizona, and a few states followed suit early on. However, in the last three years alone, eight states have stimulated private, voluntary contributions by businesses and individuals to create scholarships that allow students to attend a school of their choice.

It’s a fairly simple concept with a big benefit. States allow individuals or businesses (or both) to claim a tax credit for contributions made to scholarship granting organizations (SGOs). Those donations then create scholarships for eligible students. In states where these programs have been implemented well, policymakers have noted reductions in state expenditures and huge growth of private investments in K-12 education. Another significant benefit of these scholarship programs is that they shift the power of choosing a school from bureaucrats to parents.

As the momentum for education tax credits grows, The Center for Education Reform (CER) took on the challenge of evaluating which features of state programs are better designed to reach more students and empower more parents with choice. Building on CER’s twenty-two year history of ranking and analyzing state charter school laws, last year we cut our teeth on this ranking that led to a tremendous amount of feedback and constructive debate.

In this 2nd Edition of Education Tax Credit Laws Across the States, the team at CER revamped the rubric and methodology, placing far more emphasis on participation and implementation, and taking a deeper dive into the rules and regulations governing these programs.

The differences among state laws are significant – they affect the depth and breadth of the scholarship program. Merely having a law on the books does not translate into more and better opportunities for students and families.

CER’s analysis and rankings are based on the laws, regulations (of which there are many), and administrative guidance that either work for or against schools and families. Knowing how to interpret and implement laws is the most critical element in lawmaking and advancing school choice.

We believe that taking a more critical look at the various education tax credit programs and ranking them based on their implementation and participation provides a roadmap for lawmakers, parents and advocates to bring about substantive and lasting change.

We look forward to furthering debate and discourse on this important analysis, and continuing to forge partnerships to make sure the laws being enacted are actually creating the conditions and a high-quality marketplace for parent choice.
## EDUCATION TAX CREDIT LAWS ACROSS THE STATES 2015

### RANKING AND SCORECARD 2ND EDITION

<table>
<thead>
<tr>
<th>STATE</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td>AZ**</td>
<td>FL</td>
<td>GA</td>
<td>PA***</td>
<td>IN</td>
<td>IA</td>
</tr>
<tr>
<td>STUDENTS ENROLLED</td>
<td>42,259</td>
<td>69,950</td>
<td>13,216</td>
<td>45,879</td>
<td>11,067</td>
</tr>
</tbody>
</table>

### PARTICIPATION AND PURCHASING POWER (25)

Students enrolled in program as percentage of total number of public school students in state: 10 9 5 9 6 8 3 3 5 4 1 1 n/a n/a 1 0

Average scholarship as percentage of average per-pupil spending in state: 2 6 3 2 1 1 1 3** 4 0.5 2 2 n/a n/a 3 0

Funds expanded as percentage of available funds for program: 5 5 3* 1 4 3 1 5 3 4 1 n/a n/a 1 0

Total Points: 17 20 11 12 11 12 5 15 13 12 10 4 n/a n/a 5 0

### ELIGIBILITY (26)

Percentage of families income-eligible for program: 10 4 10 6 6 2 4 2 3 4 2 2 3 5 3 1

No family income cap: 5 2 4.5 4.5 4 3 3.5 1 5 4.5 2.5 3 5 2.5 0

No restriction on students' previous location (e.g. failing school, public school): 5 5 2.5 5 5 5 5 2 5 5 2.5 5 5 2.5 0

No restriction based on disability status: 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3

No scholarship award cap: 3 2 2.5 2.5 3 3 1 2.5 2.5 2 3 2 1 2 2.5

Total Points: 26 16 22.5 21 21 16 16.5 14.5 11.5 18.5 15.5 14 16 19 13 7.5

### CREDIT DESIGN (22)

Both corporate and individual tax credits available where applicable: 5 5 5 2.5 5 4 5 5 5 5 2.5 5 5 5 5 2.5

Ratio between dollar donated and dollar received in tax credit: 5 5 5 35 25 3 4 5 35 3 35 2 5 5 5 25

No cap on total amount of credits that can be claimed up to total tax liability: 2 5 4 45 5 5 5 2.5 2 3 2 5 5 0 5 5

No budget cap on total tax credits available to students (up to +2 bonus for automatic escalator): 55 6 4 45 2 2 3 0.5 2 1 0.5 1 2 15 5 1

Total Points: 17.5 21 18 15 14.5 14 17 13 12.5 12 8 5 13 17 11.5 20 11

### OPERATIONAL AUTONOMY (15)

No accreditation mandates for participating schools, teacher certification requirements, etc.: 5 4 3 4 3 3 4 3 4 5 3 5 3 4 4 4

No testing mandates beyond choice of state test or NRT; no curriculum mandates: 5 5 5 5 4 4 4 5 5 5 5 5 4 5 0 5

No excessive reporting requirements or SGO requirements: 5 3 4 4 4 5 3 4 3 4 4 5 4 3 1 3

Total Points: 15 12 12 13 11 12 11 12 12 12 14 12 15 11 12 5 12

### IMPLEMENTATION POINTS****

| | | | | | | | | | | | | | | | | |
|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|
| 2015 TOTAL SCORE: | 75.5 | 70 | 62.5 | 60 | 58.5 | 54 | 49.5 | 49.5 | 48 | 48 | 46 | 46 | 44 | 42.5 | 42 | 29.5 |
| 2015 RANK | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| 2014 RANK | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 |

*Note: The scores in this table are based on the current status of each law (through September 17, 2015). Amendments to the original law, state board regulations, legal rulings, and actual implementation and participation have all been factored into these rankings. The total amount a state could score is 90 points. States are listed left to right from strongest to weakest. States with tie scores were ranked according to secondary factors, including the effectiveness of the law and participation of students in the programs.

*Nevada’s and Montana’s programs are new, which is why they have not received any points in Participation & Purchasing Power. We do see positives in both laws, but until students participate it is difficult to assess the true value of the laws.

**Arizona’s programs include the Original Individual Income Tax Credit Scholarship Program, the Low Income Corporate Income Tax Credit Scholarship Program, Lexia’s Law for Disabled and Displaced Students Tax Credit Scholarship Program, and “Switcher” Individual Income Tax Credit Scholarship Program.

***Pennsylvania’s programs include the Opportunity Scholarship Tax Credit and the Educational Improvement Tax Credit.

****Implementation Points: Implementation points were awarded or subtracted for on-the-ground conditions that were not otherwise reflected in the ranking chart.

*Although Georgia’s donors max out the available tax credits every year, this score reflects the lower dollar amount of actual expenditures for scholarships.

**South Carolina’s data was calculated using estimates of the special needs population and expenditures in the state because of the limited nature of the program.
HOW THE STATES ARE SCORED

There are four major components that determine the strength of high-quality education tax credit programs across the states:

- Participation and purchasing power
- Eligibility
- Credit design
- Operational autonomy

Participation and Purchasing Power (25 points)

This is one of the most important categories in the ranking because without high participation, strongly written school choice legislation becomes inconsequential. States are rewarded for having robust and successful programs that provide meaningful scholarships for more children.

Up to 10 points are awarded for the number of students enrolled in education tax credit programs, controlled for the size of the state by a comparative ratio to the number of school-aged children. Up to 10 points are awarded for the average scholarship amount, as a percentage of the state’s per-pupil spending, because scholarships with greater purchasing power are more beneficial to families. Up to five points are also awarded for the percentage of available funds actually spent on scholarship awards.

Eligibility (26 points)

States allowing the broadest range of students to be eligible for a scholarship with little to no restrictions have stronger and more robust education tax credit programs.

Up to 10 points are awarded for the percentage of families meeting income eligibility requirements for the program statewide. The higher the percentage of families in a state that are eligible to apply for a scholarship, the more points the program can earn. A program with no income cap on scholarship recipients earns an additional five points, with capped programs gaining one to four points depending on how restrictive they are.

States can also earn up to five points for not placing restrictions on a scholarship recipient’s previous school. Many programs mandate that tax credit recipients must have been enrolled in a traditional public school prior to receiving a scholarship, limiting student access. Programs that are not solely for students with disabilities could earn an additional three points. A program that allows scholarships to be worth full school tuition or the per-pupil expenditure for the state earns three points, while programs with lower caps lose points.

Credit Design (22 points)

The structure of the tax credit granted to donors is crucial to a program’s ability to raise money and award scholarships. The more enticing the program, the more funds that can be raised for scholarships, thus allowing a maximum number of students to benefit from education tax credits.

Five points are awarded in each category if both corporations and individuals can claim tax credits (where applicable), and if the value of the credit compares favorably with the amount donated. An additional five points are awarded for programs that place no total limitations on the amount of credits available to donors. Finally, states that do not have a cap on the total amount of tax credit funding available to students can earn up to five points, with an additional two points awarded for automatic escalator clauses in the law. Automatic escalator clauses allow a program to grow and expand to meet demand if individuals and businesses continue to donate money to the program, ensuring more students can take advantage of education tax credits.
**Operational Autonomy (15 points)**

The greater the regulations on participating private schools or scholarship-granting organizations (SGOs) that administer the scholarships, the less likely a program is to be successful in placing students at schools of their choice. Schools are less inclined to participate in a program if there are additional requirements that are burdensome to their operations, thereby limiting the expansiveness of the program.

Up to five points are awarded to programs that do not require onerous compliance with state mandates regarding accreditation, teacher certification, or other regulations on private schools. Another five points are awarded to programs that do not impose any particular testing or curriculum mandates (beyond a school’s choice of nationally-normed assessments). Finally, five points are awarded to states that create an open, but accountable environment for SGOs to do their work, including a nonprofit standard 10 percent allowance for overhead and not requiring too much bureaucratic red tape that can be seen as a deterrent to participate.

**Implementation Points**

States earn or lose points based on how well the law is executed and put into practice. If a law is not followed as written once implemented, or a program is in place but additional restrictions have kept students from participating, points were lost. States that tie are ranked according to secondary factors such as the effectiveness of their law and the number of students currently participating in programs.

**NOTE:** The state profiles are dramatically abbreviated summaries of the provisions of each state’s laws that govern tax credit scholarship programs. They are intended to be a summation of critical components that CER deems necessary for a strong education tax credit program. Each state has laws and policies in place that take up dozens, if not hundreds of pages. For more detailed information on each program, American Federation for Children (http://www.federationforchildren.org/ed-choice-101/) and Friedman Foundation for Educational Choice (http://www.edchoice.org/school-choice/school-choice-in-america/) have excellent resources.

**RESOURCES**

*Resources used in the analysis of state education tax credit laws include:*


*The ABCs of School Choice: The comprehensive guide to every private school choice program in America*, Friedman Foundation for Educational Choice, 2015, (http://www.edchoice.org/school-choice/what-is-school-choice/).


Relevant state statutes and Department of Education websites.
STATE RANKINGS

ALABAMA
Law passed in 2013; 8th strongest of the nation’s 16 states with Education Tax Credit Programs

Education Scholarship Program

• Students Enrolled: 5,776
• Students Enrolled as Percentage of Public School Enrollment: 0.8%
• Average Scholarship Value: $4,073
• Percentage of Families Income Eligible for the Program: 42%

Following in higher-ranked Florida’s footsteps, legislators this year raised the cap from $25 to $30 million, but tightened income thresholds for recipients and increased reporting regulations for SGOs. However, the program has far fewer students than Florida’s. The tax credits in Alabama are worth 100% of the donation value (up to 50% of their state tax liability).

The program was upheld against a legal challenge this year in Rogers v. Boyd, when the Alabama Supreme Court dismissed the case for lack of standing. Without the threat of legal action and with more credits available in the state, we hope to see Alabama’s program grow substantially over the next several years.

ARIZONA
First law passed in 1997; Strongest of the nation’s 16 states with Education Tax Credit Programs

Original Individual Income Tax Credit Scholarship Program
Low-Income Corporate Income Tax Credit Scholarship Program
Lexie’s Law for Disabled and Displaced Students Tax Credit Scholarship Program
“Switcher” Individual Income Tax Credit Scholarship Program

• Total Students Enrolled: 42,259
  • Original Program: 25,720
  • Low-Income Program: 11,653
  • Lexie’s Law: 218
  • Switcher Program: 4,668
• Students Enrolled as Percentage of Public School Enrollment: 3.8%
• Average Scholarship Value:
  • Original Program: $1,927
  • Low-Income Program: $1,524
  • Lexie’s Law: $3,360
  • Switcher Program: $1,089
• Percentage of Families Income Eligible for Programs:
  • Original Program: 100%
  • Low-Income Program: 52%
  • Lexie’s Law: 12%
  • Switcher Program: 99%

Home to the nation’s first tax-credit scholarship program, Arizona currently has four separate programs operating, each with different requirements and focuses. From programs for individual and corporate donors, to programs awarding scholarships to low-income families or students with special needs, Arizona’s four laws allow a variety of donors and a broad class of scholarship recipients to participate.

When taken cumulatively, Arizona’s tax credit programs are the best in the nation. The number of students enrolled in Arizona’s tax credit programs as a percentage of public school enrollment is four percent, far and away the highest percentage of any state, showing the large impact the state’s programs have on its student population.
Florida Tax Credit Scholarship Program

- Students Enrolled: 69,950
- Students Enrolled as Percentage of Public School Enrollment: 2.3%
- Average Scholarship Value: $4,930
- Percentage of Families Income Eligible for the Program: 29%

Florida is home to the largest and best-funded tax-credit scholarship program in the nation. The state recently made changes to strengthen provisions, including increasing income eligibility for families, removing the requirement that only students enrolled in public schools could qualify and increasing the automatic escalator clause allowing for the program to grow each year.

Yet, despite the changes, the supply still doesn’t meet the demand. For the 2015-2016 school year, over 35,000 students vying for a scholarship were turned away. More responsive policy to meet their needs and allow the program to expand would surely be a big boost for the Sunshine State. In December 2014, families won when a legal challenge orchestrated by the Florida Education Association and its members was dismissed.

Qualified Education Expense Tax Credit

- Students Enrolled: 13,216
- Students Enrolled as Percentage of Public School Enrollment: 0.8%
- Average Scholarship Value: $3,152
- Percentage of Families Income Eligible for the Program: 94%

According to Georgia’s law, all students are income eligible for Qualified Education Expense Tax Credit scholarships. Students must have attended public school for at least six weeks, but this requirement is waived for students entering kindergarten or first grade, or students who would have been assigned to failing schools. This combination of no income limitations and exemptions to the public school requirement is what makes nearly all students eligible for the program. However, SGOs in the state can, and do, set additional income or other requirements not mandated by the law, which has limited participation.

With over 13,000 students participating, Georgia’s program is among the largest in the nation. While donors in the state have maxed out the available dollar-for-dollar credits in their first month of availability for the last two years, unfortunately not all of that money is directly flowing to scholarships immediately; the scholarships actually awarded represent just over half of the designated funds. A recent proposal by Governor Deal is attempting to address the disparity between donations made and the actual scholarships granted, while other recommendations could take the law backwards by setting new limits on income eligibility. In addition, most of the SGOs are located in dense population centers, making it more difficult for rural students and schools to participate in the program.
School Scholarship Tax Credit

- Students Enrolled: 11,067
- Students Enrolled as Percentage of Public School Enrollment: 1.1%
- Average Scholarship Value: $1,064
- Percentage of Families Income Eligible for the Program: 50%

Indiana has a relatively large program, designed to include both low- and middle-income families with its reasonably high income cap, which is why it currently serves over 11,000 students in the state. The program is growing quickly despite some design drawbacks, and served more than double the amount of students this past school year compared to 2013. However, Indiana’s law only allows donors to take a tax credit for half of the donation value, which may be part of the reason that the program does not max out its budget cap.

While Indiana’s law does mandate that private schools participating in the tax credit program be accredited, this is not a deterrent to participate because 85% of schools are already following these accreditation procedures. This is in sharp contrast to other states, such as Louisiana where new mandates of accreditation keep private schools from participating, therefore limiting the program’s availability.

School Tuition Organization Tax Credit

- Students Enrolled: 10,475
- Students Enrolled as Percentage of Public School Enrollment: 2.2%
- Average Scholarship Value: $1,209
- Percentage of Families Income Eligible for the Program: 34%

Iowa’s tax credit program serves over 10,000 children across the state, and has a moderately high income cap. However, because donors only get 65% of their donation as a tax credit and businesses can only donate 25% of the funds raised, it is difficult for Iowa SGOs to raise money for scholarships. Additionally, the number of students enrolled has remained steady for the past few years, unlike in many other states where it has grown, indicating that elements of the program’s design and implementation are preventing new students from receiving scholarships.
**KANSAS**
*Law passed in 2014; Weakest of the nation’s 16 states with Education Tax Credit Programs*

**Tax Credit for Low Income Students Scholarship**
- Students Enrolled: 0
- Students Enrolled as Percentage of Public School Enrollment: 0%
- Average scholarship value: N/A
- Percentage of Families Income Eligible for the Program: 14%

Between its last-place finish in this ranking and its F-graded charter school law, Kansas may aptly be called the state of “school choice in name only.” The state stacks its threshold requirements, requiring scholarship recipients to have an extremely low family income, be assigned to a Title I Focus or Priority school, and have been previously enrolled in a traditional public school. As a result, very few students are actually eligible to receive a scholarship.

The one positive in Kansas’s law is that private schools have a decent amount of autonomy, as the law does not demand much more than basic accountability from its SGOs and participating schools. The program was enacted in 2014, but has yet to give out any actual scholarships because of slow implementation. Many realities of the program, therefore, will remain a mystery until students actually start receiving scholarships.

**LOUISIANA**
*Law passed in 2012; 2nd weakest of the nation’s 16 states with Education Tax Credit Programs*

**Tuition Donation Rebate Program**
- Students Enrolled: 53
- Students Enrolled as Percentage of Public School Enrollment: 0.01%
- Average Scholarship Value: $3,726
- Percentage of Families Income Eligible for the Program: 41%

Louisiana’s tax credit program suffers from the same major defect as its voucher program: stringent regulations are applied to private schools that choose to participate, including forcing them to administer the state test, and the program’s design has substantially limited the number of seats that are open for scholarship students. Furthermore, Louisiana inhibits the opening of new schools designed especially for scholarship students by limiting the percentage of seats offered to students utilizing this program or the state’s voucher program to 20% of the student body at any school. Consequently, Louisiana’s program remains tiny, serving just 53 students, although that is a slight improvement over the 15 students who were enrolled last year. Just 20 schools participate in the program because of the burdensome regulations, even though there are well over 400 private schools operating in the state.
Montana
Law passed in 2015; 3rd weakest of the nation’s 16 states with Education Tax Credit Programs

**Tax Credits for Contributions to Student Scholarship Organizations**
- Students Enrolled: 0
- Students Enrolled as Percentage of Public School Enrollment: 0%
- Average Scholarship Value: N/A
- Percentage of Families Income Eligible for the Program: 100%

Because Montana’s program is brand new, with lawmakers passing it in 2015, our analysis of the law is based solely on the written statute. The Treasure State’s ranking may rise next year when it begins distributing scholarships to students. However, Montana’s lawmakers chose to limit the program in a different way than most other states, with only a $150 credit available to donors. While eligibility restrictions and caps are very high or nonexistent, raising substantial funds for a large number of students to receive scholarships will be next to impossible with only a $150 credit amount.

New Hampshire
Law passed in 2012; 7th weakest of the nation’s 16 states with Education Tax Credit Programs

**Education Tax Credit Program**
- Students Enrolled: 40
- Students Enrolled as Percentage of Public School Enrollment: 0.02%
- Average Scholarship Value: $1,316
- Percentage of Families Income Eligible for the Program: 65%

Even for a low-population state, New Hampshire’s program, constrained by low average scholarship caps and other limitations, is tiny and serves very few students. It also uses less than one percent of its allocated funds.

However, the program does contain a few odd gems only found in New Hampshire, such as allowing qualifying homeschooling families to use a portion of the scholarship ($635) for their expenses. After this year, the prior public school requirement, which was only in place for the first two years of the program, will be lifted and all otherwise-qualified New Hampshire students will be able to utilize the scholarships.

Nevada
Law passed in 2015; 4th weakest of the nation’s 16 states with Education Tax Credit Programs

**Educational Choice Scholarship Program**
- Students Enrolled: 0
- Students Enrolled as Percentage of Public School Enrollment: 0%
- Average Scholarship Value: N/A
- Percentage of Families Income Eligible for the Program: 50%

Like Montana, Nevada has a brand new program, enacted in 2015, so we are evaluating the written law only. The design of the program allows students from both low- and middle-income families to qualify, and the tax credits offered are worth the full donation amount. The program has a fairly low budget cap of $5 million, but includes an automatic escalator clause, which allows funding for the program to increase by 10% when the cap is hit without having to go back through the legislature.

Look for Nevada’s program to rise in the rankings next year when it has begun distributing scholarships to students.
Equal Opportunity Education Scholarships

- Students Enrolled: 709
- Students Enrolled as Percentage of Public School Enrollment: 0.1%
- Average Scholarship Value: $566
- Percentage of Families Income Eligible for the Program: 79%

Although a combination of a high income cap and a waiver for those zoned to a public school “in need of improvement” make Oklahoma’s tax credit program very broad in terms of eligibility, its very low average scholarship award - just over $500 - makes it difficult for recipients to do more than subsidize an already-made choice to attend private school. While lending a helping hand to parents already financially sacrificing to send their children to private schools is laudable, the program would have more far-ranging impact if it distributed scholarships that cover a meaningful percentage of tuition at most private schools.

Opportunity Scholarship Tax Credit

Educational Improvement Tax Credit

- Total Students Enrolled: 45,879 total
  - Opportunity Scholarship: 7,601
  - Educational Improvement: 38,278
- Students Enrolled as Percentage of Public School Enrollment: 2.6%
- Average Scholarship Value:
  - Opportunity Scholarship: $2,312
  - Educational Improvement: $1,587
- Percentage of Families Income Eligible for the Program:
  - Opportunity Scholarship: 7%
  - Educational Improvement: 56%

Like Arizona, Pennsylvania has multiple tax-credit scholarship programs with different eligibility requirements. Together, they serve the second-highest number of students at almost 46,000. However, several flaws in both programs keep the Commonwealth from earning an A rating.

The tax credit value is only 75% of the donation made to an SGO, unless the donor agrees to give the same amount in consecutive years. This could be one reason that the programs don’t come anywhere near awarding enough scholarships to max out their combined budgetary cap of $150 million. Additionally, over 300 SGOs exist in the state, enticed by Pennsylvania’s unusually high overhead allowance of 20%, and unfortunately, many of them are shoddily run.
Tax Credits for Contributions to Scholarship Organizations

- Students Enrolled: 411
- Students Enrolled as Percentage of Public School Enrollment: 0.3%
- Average Scholarship Value: $4,048
- Percentage of Families Income Eligible for the Program: 30%

Even taking into account the small size of the state, Rhode Island’s tax-credit scholarship program is tiny. Because of a low budget cap and relatively high scholarship value, even the funds spent on the small number of scholarships handed out come close to hitting the ceiling on the appropriated funding for the program. This could be why the number of students enrolled the program is actually down 20% from its high in 2011.

Educational Credit for Exceptional Needs Children

- Students Enrolled: 1,535
- Students Enrolled as Percentage of Public School Enrollment: 0.2%
- Average Scholarship Value: $8,000
- Percentage of Families Income Eligible for the Program: 13%

As the only state-exclusive tax credit scholarship for students with special needs, South Carolina’s program has major limitations built into its program. The targeted nature of the program also explains the high average scholarship value of $8,000 (educating a special needs child in the public system is often upwards of $20,000 or even $30,000).

Despite the natural limitations of the program, South Carolina’s tax credit scholarship serves a relatively high number of students – over 1,500 – and maxes out its funding cap.

Virginia Education Improvement Scholarships Tax Credits Program

- Students Enrolled: 921
- Students Enrolled as Percentage of Public School Enrollment: 0.07%
- Average Scholarship Value: $2,413
- Percentage of Families Income Eligible for the Program: 32%

Virginia’s income caps and restrictions are moderate compared to other states, however the program does not serve nearly enough students and utilizes less than six percent of its allocated resources. This may be partially because of the low credit reimbursement for donations, which makes it harder for scholarship organizations to raise money compared to states with dollar-to-dollar credits. However, the program is continuing to grow at a modest rate, serving more students each year.