



SOUTH CAROLINA  
DEPARTMENT OF EDUCATION

# A VERY PROMISING START

THE YEAR-ONE (2024-25) REPORT  
ON SOUTH CAROLINA'S EDUCATION  
SCHOLARSHIP TRUST FUND (ESTF)  
PROGRAM

ESTF 2024-2025 Report



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# Summary

## South Carolina's Education Scholarship Trust Fund (ESTF) program experienced remarkable success in its first year, despite some extraordinary challenges.

These challenges largely resulted from the South Carolina Supreme Court's *Eidson* decision that halted scholarship payments to some ESTF service providers on September 11, 2024. Philanthropy (and later, the South Carolina General Assembly) came to the rescue of families adversely affected by the Court's ruling. Meanwhile, those unaffected by the decision expressed high satisfaction with the ESTF program, with many self-reporting significant student learning gains thanks to wider education opportunities made possible by the program.

### Key Takeaways



More than **four** out of **five** parents surveyed rated the ESTF program **very highly** (9 or 10 on a scale of 0-10) in most learning categories.



Parental demand for the ESTF program **continues to grow**. Most first-year recipients **returned** in year two, helping ESTF enrollment to **triple in size** and reach its **10,000-student limit in 2025-26** (with nearly 10,000 more students now on a wait list).



The early **success** of the **ESTF program** is due in part to lessons South Carolina learned from the **implementation experiences** of similar programs in other states.

# Introduction

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**Nearly 100 stories. From all over the state of South Carolina. Filling 74 single-spaced pages. Each written by parents eager to see their children learn and grow and *flourish*.**

When thinking about the first year of the Education Scholarship Trust Fund (ESTF) program, it all starts with those stories, which parents submitted to the General Assembly early in the 2024-25 school year.

The Manning mom whose child had been bullied in her previous school but is now thriving in “a learning environment that supports growth and achievement.” The Anderson grandma whose grandson “never had a father in his life” and is now in a Christian school where “the men have such an influence on him.” The Hartsville teacher whose special needs son “has been so much happier” since she enrolled him in a small private school where he is getting the extra support he needs.

These stories inspire us. They instill gratitude for the generous philanthropists who helped rescue many of these families after the *Eidson* ruling. And they highlight the vital importance of the General Assembly’s focused work in 2025 to address the Court’s concerns and to strengthen ESTF opportunities for Palmetto State students in years to come.

The South Carolina Department of Education (SCDE) is tasked with the responsibility of reporting on the ESTF program’s first-year outcomes. Accordingly, this report is chock full of all sorts of data that will interest policymakers, educators, parents, and citizens. Many of these facts and figures are encouraging and lend credence to the title of this report: “A Very Promising Start.”

As we consider the raw numbers and key findings included in this report, we remember that all of these data points represent actual children; and that our first and most important duty is to help these children acquire the knowledge, skills, and virtues they will need to reach their full potential in school and life. This is what animates the work of the SCDE. And it is why the success of the ESTF program matters so much.

As we will see, the ESTF program faced long odds and an existential threat in its inaugural 2024-25 school year. Yet amazingly, by year’s end, the ESTF program not only managed to survive and advance, but it also saw the number of students served grow substantially for the 2025-26 school year.

**Let’s take a closer look at what happened.**



# The Original Game Plan

In the spring of 2023, the South Carolina General Assembly adopted the Education Scholarship Trust Fund to expand learning opportunities for South Carolina students living in households with income less than twice the federal poverty rate, so long as they had previously attended a public school or were entering kindergarten.

**Under Act 8 of 2023, scholarship recipients could access up to \$6,000 annually, beginning with the 2024–25 school year, to spend on a wide array of education expenses, such as:**

- **Tuition and fees** for students enrolled in an independent (private) school, an online program, or a public school in a neighboring school district (thereby incurring out-of-district transfer costs);
- **Curriculum** for K-12 subjects – math, language arts, science, social studies, etc. – as well as textbooks, workbooks, and reading books;
- **Instructional supplies** for individual student use, including notebooks, binders, calculators, pens, pencils, glue, and USB cards;
- **Tutoring services** offered by approved providers;
- **Transportation fees**, not to exceed \$750 a year;
- **Technology and devices** for student use, such as a laptop, desktop, printer, monitor, tablet, keyboard, mouse/pad, headphones, with a per-item limit of one purchase every two years;
- **Dual enrollment course fees** for K-12 students seeking college credit;
- **Educational therapies** needed to help students facing challenges (such as dyslexia or a speech impediment) including initial evaluation fees; and
- **Standardized testing fees** for nationally norm-referenced assessment exams, including college admission and industry certification exams.

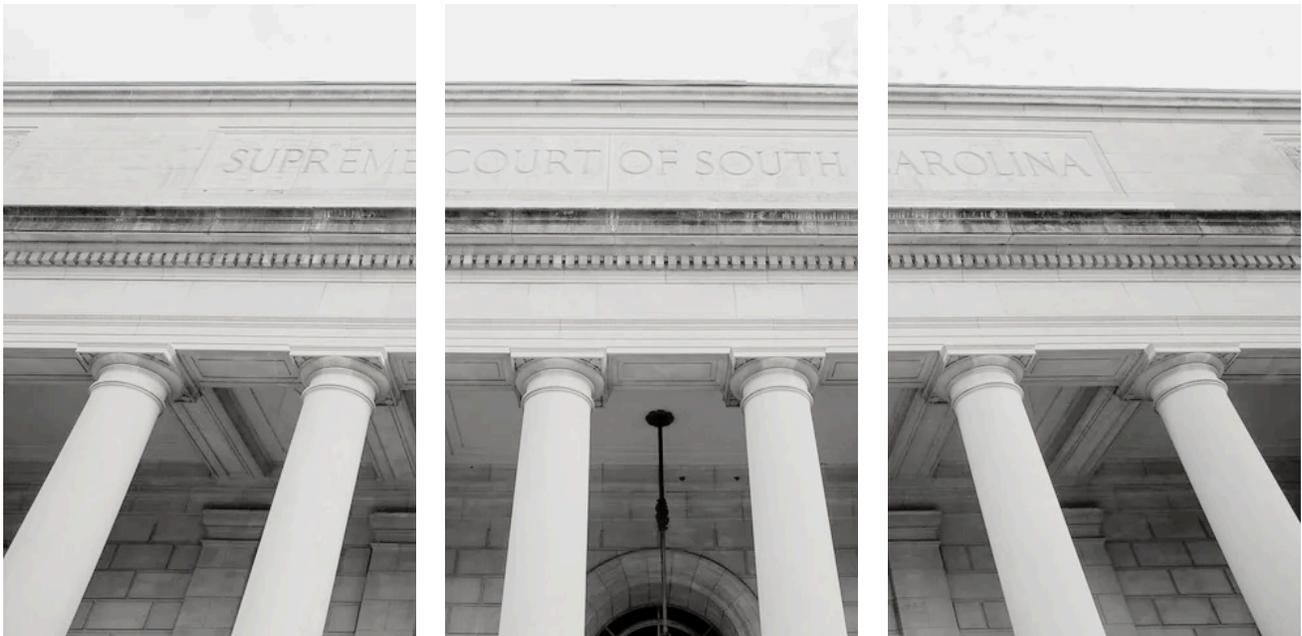


# A Cloud of Uncertainty

Several months after Gov. Henry McMaster signed Act 8 of 2023 into law, some ESTF opponents filed a lawsuit challenging the constitutionality of the program. The case, *Eidson v. South Carolina Department of Education*, cast a long shadow over the nascent program even before it was fully launched.



**Would the ESTF program be found constitutional by the South Carolina Supreme Court? And should parents even bother to apply for scholarships amid all the uncertainty?**



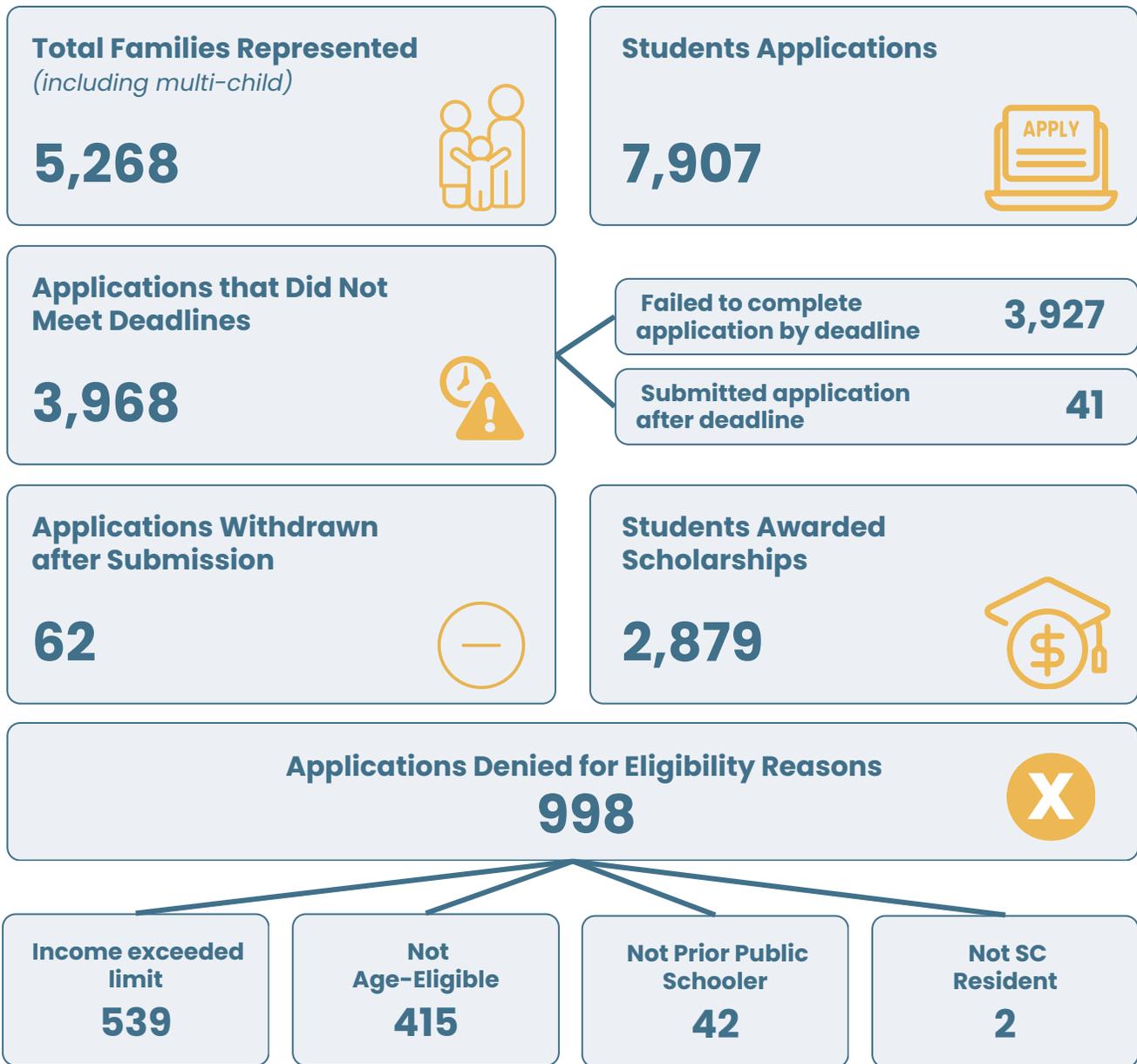
Clearly, many South Carolina parents were looking for wider learning options for their children. In fact, after the ESTF application period opened on January 15, 2024, more than 5,000 families, representing nearly 8,000 students, began the process of filling out ESTF scholarship applications.

Nevertheless, the cloud of uncertainty surrounding the program appears to have discouraged many families from completing their applications prior to the March 15 deadline. As Table 1 indicates, nearly 4,000 student applications were not completed on time, rendering these students ineligible for scholarship consideration.

This failure-to-complete rate (50%) was higher than those found in other states with similar scholarship programs. And while other factors (including a compressed application period of only two months) may have contributed to South Carolina's high incompleteness rate, the uncertainty caused by the *Eidson* case appears to be the primary culprit.

Indeed, oral arguments before the Court occurred on March 6, 2024—generating a spate of news stories about the ESTF program's uncertain future— just a few days before the application window closed on March 15.

Table 1 **ESTF Applications, Acceptances, and Denials (2024–25)**



As Table 1 shows, nearly 1,000 students who completed the application process were denied awards because their family income exceeded the annual limit, they did not meet the prior public school attendance requirement, or they were not of K-12 age. Some college students mistakenly applied for the program, a misunderstanding likely attributable to the fact that the ESTF is a new program and that some people primarily associate the word “scholarship” with college.

In the end, close to 3,000 students from all parts of the state were awarded ESTF scholarships and began the 2024-25 school year as first-year participants in the program. Of these, more than 750 students enrolled in independent schools or online programs, including many faith-based institutions. Indeed, as Table 2 makes clear, faith-based education providers proved to be very popular among ESTF scholarship families selecting schools for their children.

## Table 2 Independent Schools Enrolling the Most ESTF Students



- Westgate Christian School
- Our Lady of Peace Catholic School
- Divine Redeemer Catholic School
- St. Joseph Catholic School (Anderson, SC)
- Bob Jones Academy
- Maranatha Christian School
- LOL STEAM School of the Arts
- Dillon Christian School
- Cross Schools

# Hurricane *Eidson* Makes Landfall

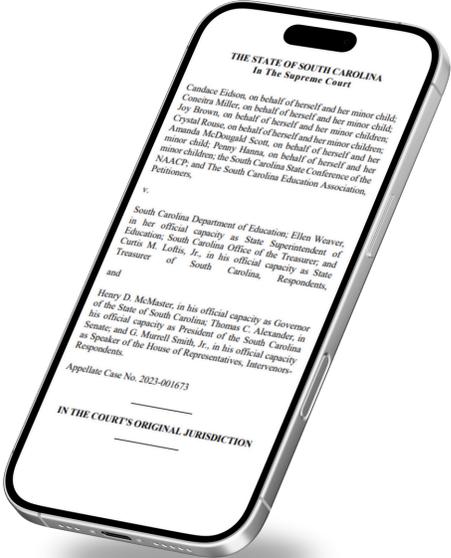
**Sadly, those 750+ South Carolina students enrolled in independent schools and online programs saw their time in the ESTF program come to a screeching halt less than six weeks into the fall semester.**

On September 11, 2024, the South Carolina Supreme Court finally ruled in the *Eidson* case, declaring it unconstitutional for families to use ESTF funds for tuition and fees at independent schools and online programs.

The Supreme Court's *Eidson* decision wreaked havoc throughout the ESTF program. Parents could not understand why the Court had pulled the rug out from under their children—especially since the new school year had already begun. Many wondered whether their children would be able to continue in their school of choice. And many families penned emails and letters to lawmakers, urging them to do something to help.

Thankfully, schools and non-profit organizations initiated fundraising campaigns to replace these families' lost ESTF dollars so that students could remain in their school of choice for the remainder of the 2024-25 school year. And the General Assembly listened to these families and took swift action.

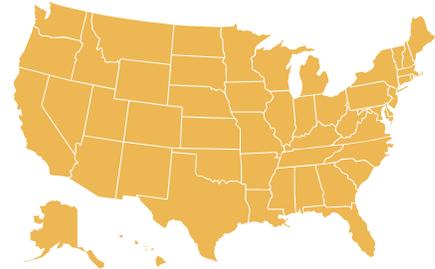
Still, no state in recent years has had to face a challenge to a K-12 scholarship program quite like this one.



# The Taxpayers' Best Friend

While the Supreme Court's decision effectively stranded 750+ independent school and online ESTF students for the 2024-25 school year, it did not affect other students, including those taking part in a parent-directed personalized learning program.

As in other states, parent-directed ESTF recipients—sometimes called “unbundlers” —typically curate their child’s education program, purchasing various components from multiple vendors rather than from a single provider. As such, unbundlers closely resemble traditional homeschoolers, with this key difference: unbundlers choose to participate in scholarship programs like the ESTF and abide by program rules; traditional homeschoolers do not.



By focusing on the cost/value of each education component, unbundlers bring greater competition – and greater market discipline – to the entire K-12 ecosystem. Indeed, the presence of unbundlers (and potential switchers to unbundling) forces schools to compete not just against other schools, but against specialty programs that excel in particular subject areas.

Thus, in the ESTF marketplace, public and independent schools are a lot like department stores that face competition not just from other department stores but also from specialty stores that only sell shoes or sports’ wear or some other item.

The net effect of this increased competition is greater bang for buck – upward pressure on quality and downward pressure on price – throughout K-12 education. By demonstrating that a high-quality, affordable education is attainable outside the conventional school model, unbundlers help prevent large jumps in independent school tuition and runaway increases in public school spending. This is why many K-12 observers consider unbundlers the taxpayers’ best friend.

Tables 3, 4, and 5 identify the vendors who did the most business with ESTF families in the 2024-25 school year.

<p><i>Table 3</i></p> <p><b>Top Providers of Books and Other Instructional Materials</b></p>	<p><i>Table 4</i></p> <p><b>Top Providers of Tutoring Services</b></p>	<p><i>Table 5</i></p> <p><b>Top Providers of Computers and Other Learning Tools</b></p>
<p><b>ArgoPrep</b></p> <p><b>Buddy Books</b></p> <p><b>Home Works for Books</b></p> <p><b>Time 4 Learning</b></p> <p><b>Christianbook.com</b></p>	<p><b>Ervin’s Enrichment</b></p> <p><b>RoyalT Learning Center</b></p> <p><b>A Learning Marketplace: Outschool</b></p> <p><b>Inspired Learning and Above</b></p> <p><b>A Nerdy Company, Varsity Tutors</b></p> <p><b>Angwin Academy</b></p> <p><b>Sylvan Learning</b></p> <p><b>Higher Learning Tutoring Center</b></p>	<p><b>Best Buy</b></p> <p><b>Education Products by Staples for SC</b></p> <p><b>Office Depot for SC Families</b></p>

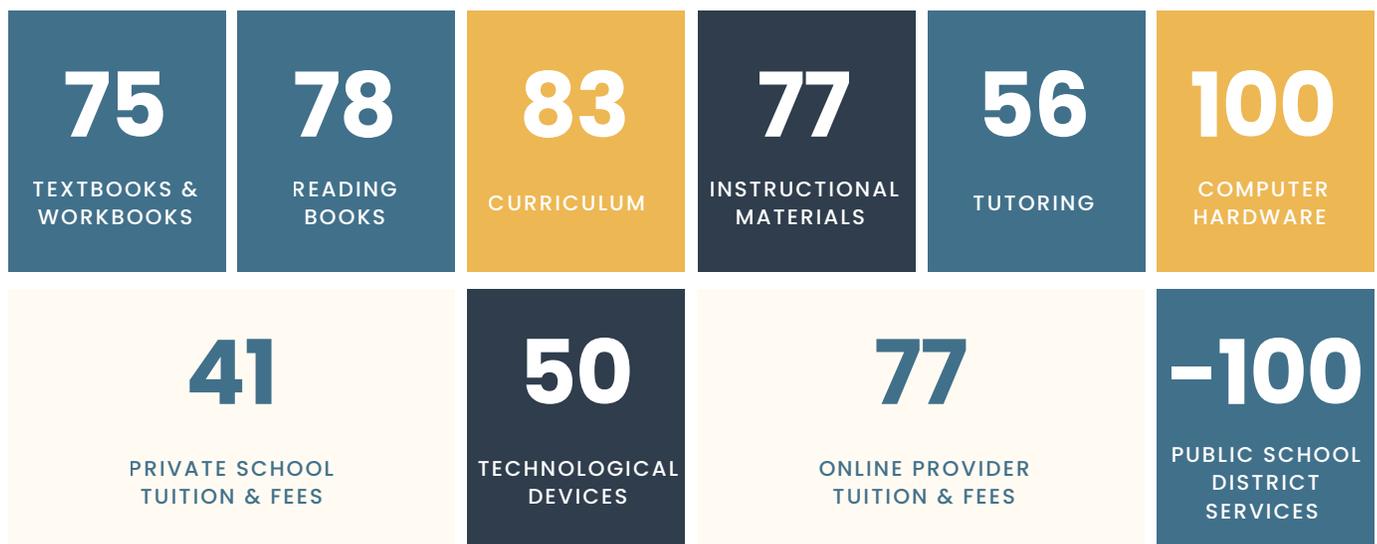
# Very Happy Parents

In the fall of 2024, the South Carolina Education Oversight Committee (EOC) commissioned a survey of ESTF recipients to get parental feedback on the new program. Patterned after similar surveys in other states, the EOC poll asked ESTF parents to rate, on a scale of 0-10, their satisfaction with various aspects of the program and the likelihood that they would recommend the program to other parents.

“Net promoter scores” were then derived by subtracting the percentage of “detractors” (those rating the program 0-6) from the percentage of “promoters” (those rating the program 9-10). Under this scoring system – which considers “passive” ratings of 7 or 8 to be neutral – a net score of 40 or above is considered “very favorable.”

As Table 6 shows, virtually every area of the ESTF cleared this threshold – often by a very large amount. Indeed, more than four out of five parents surveyed rated the ESTF program very highly (9 or 10 on a scale of 0-10) in most learning categories. And even independent school parents adversely affected by the Supreme Court’s decision (prohibiting tuition reimbursements) gave the ESTF a “very favorable” net promoter score.

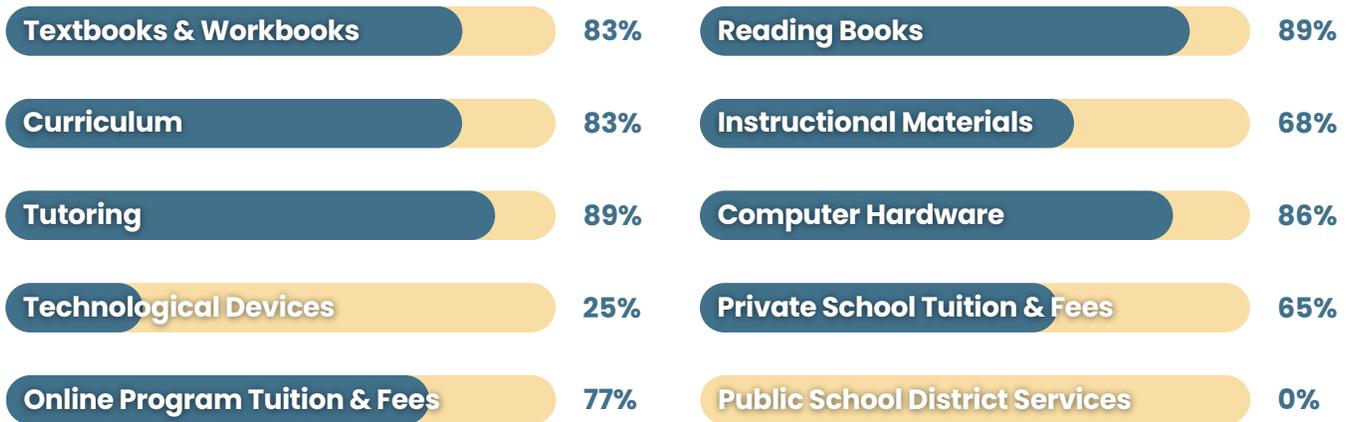
Table 6 **Net Promoter Scores by Use of Funds**



Note: A net score of 40 or above is considered “very favorable”; public school scores were impacted by families who failed enrollment verification and had to leave the program (see pg. 12)

In addition to measuring parental satisfaction with the ESTF program, the EOC survey also asked parents if the ESTF program had spurred learning gains among their children. Once again, in category after category, more than four out of five parents surveyed reported significant improvements in student achievement. Table 7 shows how those parents chose to utilize their scholarships.

**Table 7 How Parents Reporting Student Achievement Gains Spent Scholarship Funds**



Separate and apart from this encouraging self-reported parental feedback, the progress of all ESTF students is also being measured annually via standardized test results collected by the SCDE, which are then aggregated and reported on by the Education Oversight Committee. Table 8 provides a sampling of the types of assessments students outside the public school system can take to comply with this requirement.

**Table 8 Approved Assessments for Students Outside the Public School System**

- State test: SC READY (grades 3–8), End of Course tests (grades 9–12)
- Norm-referenced summative assessments approved by the Department, which include the Iowa, Stanford 10, and Classical Learning Tests
- Formative assessments (Department-approved), including MAP, iReady, and STAR
- Assessments that demonstrate college readiness, including SAT, PSAT, ACT, Pre-ACT, CLT10, CLT

# Early Detection Saves \$1.8M

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The EOC parental survey results (in Table 7) identified only one group with more detractors than promoters – parents who received ESTF scholarships to defray the cost of attending a public school outside their zoned district. There’s a very good explanation for this.

Early in the 2024-25 school year, during the first possible initial enrollment verification process, the SCDE detected that 1,229 students were being double counted as both public school students and ESTF recipients. This happens during the legally mandated 45-day verification, which is the standard for education programs.

South Carolina’s issues stemmed largely from the fact that some public school families with students receiving special services from their local school district, such as speech therapy or after-school tutoring, apparently misunderstood the eligibility requirements for the ESTF program and mistakenly applied for scholarship funding, even though their student was still enrolled in their zoned district.

Once these cases were resolved and all students were properly accounted for, 1,005 public school students were removed from the ESTF rolls because they did not need a scholarship to access the special services they were receiving from their local school district. Nevertheless, the experience left some families feeling frustrated, which showed up in the ESTF parental satisfaction survey.

Another 224 “double counted” students had their participation in the ESTF program restored because they had been included erroneously on a public school district’s roll. For this latter group, the “double counting” problem stemmed from the fact that some school districts had automatically re-enrolled all of their non-graduating students from the previous school year, unaware that some of these students were switching to the ESTF program.

Thankfully, SCDE officials detected these “double counting” problems early in the initial enrollment verification process, and were able to pull back unspent funds that had been previously allocated, saving South Carolina’s taxpayers approximately \$1.8 million.



The SCDE team displayed a similar vigilance in other oversight matters. The SCDE reviewed all expenditures and conducted regular audits and compliance checks to ensure proper use of funds and adherence to program guidelines.

Over the course of the year, a grand total of \$63,670 was spent by 82 accounts that were subsequently suspended, due to program ineligibility discovered during the initial enrollment verification process. This represents one percent of the \$6.15 million that ESTF families spent during the 2024-25 school year, a percentage in line with what states with similar flexible scholarship programs have experienced. Indeed, a study of Arizona’s Education Savings Account (ESA) program found that its less-than one percent level of misspent funds is considerably below the level of “waste, fraud, and abuse” found in virtually every other government program.

Table 9 provides a breakdown of the way families spent their ESTF funds for the 2024-25 school year. Note that spending on independent school tuition only covers the period prior to the South Carolina Supreme Court decision. Thus, it comprises a significantly smaller portion of the overall ESTF spending than it would have, absent the Court’s decision. For comparison purposes, independent school tuition costs account for 76 percent of total ESA spending in Arkansas (which has a scholarship program comparable to South Carolina’s), according to ClassWallet, the contract vendor that helps administer funds in both states.

*Table 9* **Total Spending by ESTF Scholarship Recipients (2024-25)**

**Independent School:** **\$2,022,102.74**  
Tuition/fees at an independent school

**Public School:** **\$43,639.00**  
Fees/services provided by a district

**Parent-Directed:** **\$3,740,239.78**  
Learning tools, supplies & services  
(curricula, books, computers, tutors, therapies, etc)

**Multi-Category:** **\$345,772.57**  
Transportation, testing, etc.

**2024-25 ESTF PROGRAM TOTAL** **\$6,151,754.09**

# Let's Hear It for Florence District 5

As noted above, one of the things that distinguishes South Carolina's flexible scholarship program from many others around the country is that it has a public school open enrollment policy integrated into it. As a result, ESTF recipients can use scholarship funds to cover the interdistrict transfer fees and other costs associated with attending a public school outside their zoned district. In the 2024-25 school year, ESTF families did not spend a great deal for this purpose (as Table 9 makes clear).

Still, something noteworthy took place in the public school sector of the ESTF program. While many school districts across the state were evaluating their participation in the program, Florence County School District 5 saw an opportunity to generate new revenues for its schools by serving students outside its zoned boundaries. (See Table 10.) Florence 5 marketed its public schools to nearby families, and even to K-12 teachers interested in transferring, with their own children, to a Florence 5 school.

As a result, Florence District 5 ended up collecting roughly \$22,000 in new revenues from the ESTF program. Moreover, even though it is one of the smallest and least populated school districts in the state, Florence 5 collected more ESTF revenues than all the other South Carolina school districts combined in this nascent program.

**Table 10 School Districts Participating in ESTF Program (2024-25)**



The leaders of Florence District 5 are representative of a growing number of public school officials around the state and nation who are embracing the opportunity to compete for students, confident of their schools' excellence. And this number continues to grow with over 30 South Carolina districts now currently enrolled to be ESTF education service providers.

# Expanded Opportunity

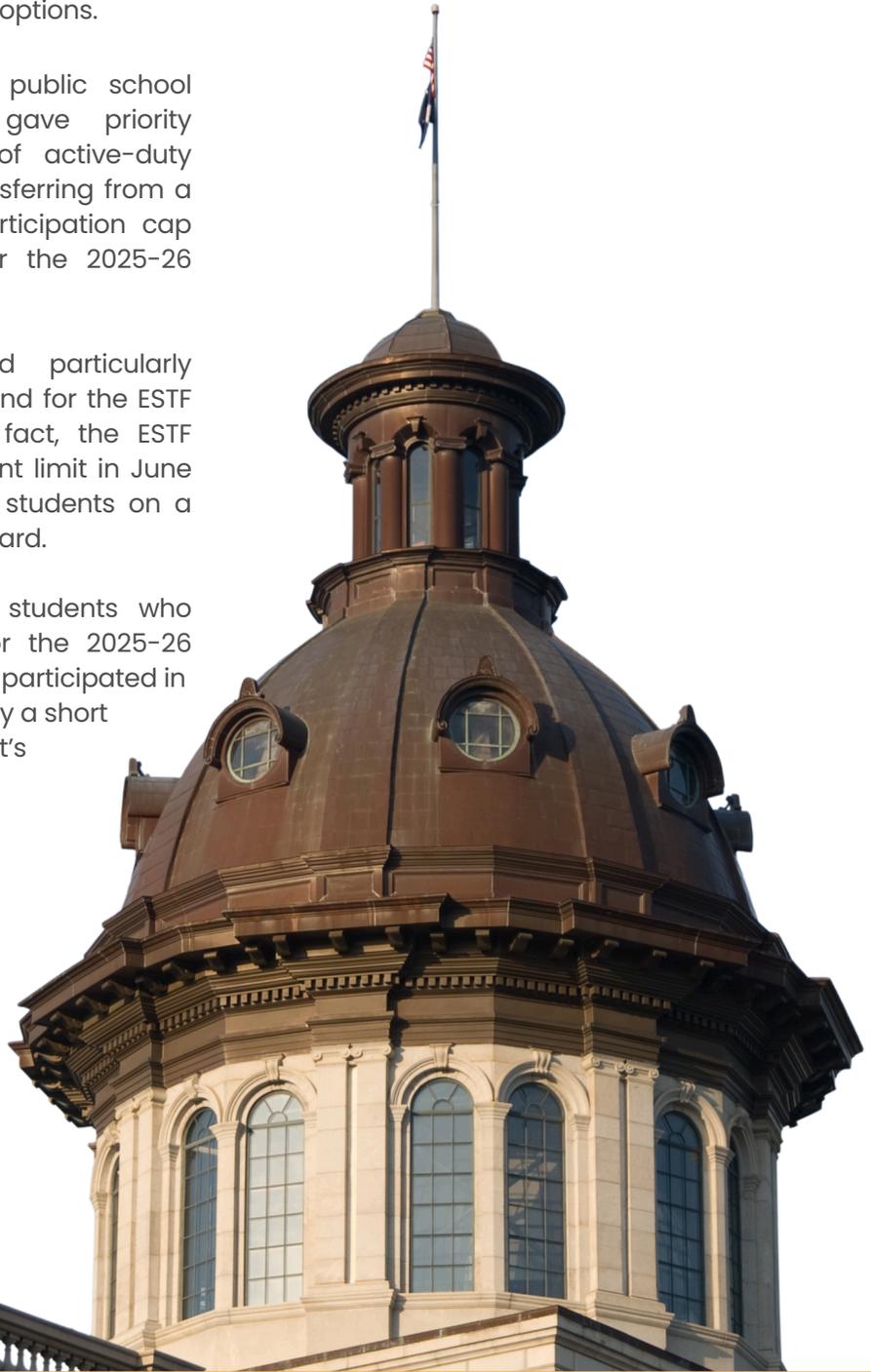
In response to the South Carolina Supreme Court's ruling in the *Eidson* case, the General Assembly passed Act 11 of 2025, which Governor McMaster signed into law in early May. Act 11 restored the ESTF program's full range of allowable expenses by introducing a new program Trustee to manage all financial aspects of the Trust Fund.

In addition, Act 11 raised the ESTF's family income cap to 300% of the federal poverty level. It increased the annual ESTF scholarship amount to \$7,500 and indexed this amount to growth in per-pupil spending in public school classrooms in future years. And Act 11 authorized up to \$3,000 per child in transportation costs, which should be particularly helpful to students in geographic areas with an under-supply of nearby education options.

Act 11 also removed the prior public school enrollment requirement and gave priority enrollment status to students of active-duty military parents and to those transferring from a public school. The program's participation cap also rises to 10,000 students for the 2025-26 school year.

This last improvement proved particularly prescient because parental demand for the ESTF program continues to grow. In fact, the ESTF program reached its 10,000-student limit in June and there are now nearly 10,000 students on a wait list for the program going forward.

Interestingly, among the 10,000 students who enrolled in the ESTF program for the 2025-26 school year are 1,400 students who participated in the program last year, some for only a short time because of the Supreme Court's decision.



# Onward and Upward

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Clearly, the 2024–25 school year marked “A Very Promising Start” to the ESTF program. The program managed to overcome all sorts of obstacles – including the cloud of uncertainty during the application season and the rude surprise from *Eidson* after the school year had begun. And it earned high marks from happy parents, who reported significant ESTF–spurred learning gains for their children.

While these first–year results are encouraging, continuous quality improvement for the program is the name of the game going forward.

To that end, the SCDE has been working steadily to refine and improve program systems. This includes an updated participant guide, expanded provider list, and an improved digital platform for student account management, with new options for marketplace transactions.

The SCDE has strengthened our communications with prospective recipients to help them understand the eligibility requirements. At the General Assembly’s direction, the SCDE has also partnered with local school districts to identify a uniform, statewide “best practices” policy for how school districts should handle transfer students from outside their district.

For many years, many South Carolina families have been making often–heroic sacrifices to send their children to an independent school or to support and customize their child’s education in some way. These families have been “paying twice” for K–12 education: once for their own children out of pocket and a second time for everyone else’s children via their tax dollars. Thanks to the Education Scholarship Trust Fund, that is no longer happening for many families in our state.

For many years, many other South Carolina families have dreamed of being able to access a scholarship program that would empower them to educate their children in a manner that aligns with their children’s needs to help their students flourish. Thanks to the Education Scholarship Trust Fund, that is now happening for many families in our state.

The SCDE looks forward to continuing to report on the growth and success of the students whose lives are being changed by the ESTF program.