SC EDUCATION OVERSIGHT COMMITTEE

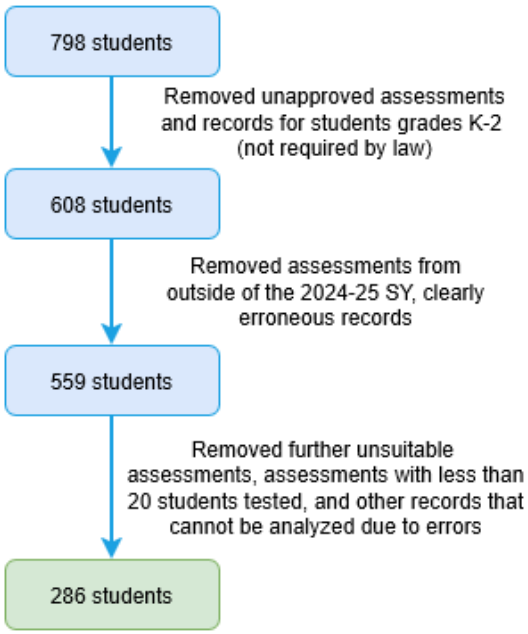
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Education Scholarship Trust Fund, Year One (School Year 2024-25)

A Formative Review of Data Quality and Transparency

Submitted to the EOC Academic Standards Subcommittee, September 21, 2026

The Education Scholarship Trust Fund (ESTF) completed its first operational year in 2024-25. Under Act 8 of 2023, as amended by Act 11 of 2025, the Education Oversight Committee (EOC) is charged with reporting the learning gains and graduation rates of participating students and comparing their academic performance to similar students in South Carolina's public schools.



This first-year report is formative in purpose. Its aim is to strengthen the foundation on which future evaluations will rest by examining how *complete, accurate,* and *transparent* the program's assessment data proved to be in its first year. That examination found that the data received cannot yet support a valid account of how participating students performed. Reportable results survived for only 286 of the 2,879 students admitted to the program, about one in ten, a sample too limited and too unlikely to represent all participants to serve as a reliable basis for conclusions about student outcomes. Analyses of participant achievement are therefore deferred to a future report to be released by December 31, 2026, once data from the 2025-26 School Year (the second operational year) allow them to be conducted reliably. What follows is what this first year does make clear: where the data fell short, and what would place the next evaluation on firmer ground.

Data Completeness and Quality

The EOC received assessment records for 798 unique students, 13 fewer than the 811 SCDE reported as having taken approved assessments. Preparing those records for analysis required removing data at several stages, for reasons that recurred throughout the file: assessments not approved for the program, scores for students in grades not required to test, tests taken outside the 2024-25 school year, records with clear errors, and assessments taken by too few students to report. The figure above traces that reduction from the 798 students received to the 286 whose records were both usable and reportable.

Beyond the records set aside, three gaps limited what any first-year analysis could accomplish. The gaps are:

1. No prior-year achievement was collected, so year-over-year learning gains could not be measured, and no comparison could support cause-and-effect conclusions.
2. Incomplete student demographic information was provided to the EOC, preventing reliable reporting of outcomes by grade, gender, family income, and race.
3. No graduation data were reported to the EOC, so the graduation-rate reporting the law requires could not be completed.

Two further patterns bear on data quality directly. A small number of interim and benchmark assessment records, all from online charter schools, showed within-year growth so large that it contradicted the same students' state test results, a sign that some interim scores are not being administered or recorded reliably. And several of the assessments submitted, though nationally normed, lacked evidence of alignment to South Carolina's academic standards or the linking studies needed to relate them to the state tests. Both are preconditions indicated in the law for using an assessment to gauge progress against state expectations.

Viewed in context, these conditions are not unexpected for the first year of a program of this complexity, particularly one whose authorizing law was altered by the courts and the General Assembly during the year it was first being implemented. They are, however, the most important finding this evaluation can offer. Before the program's effect on student learning can be appropriately reported, the data describing that learning must be more complete, more accurate, and more transparent. The recommendations that follow are directed at that goal.

EOC Staff Recommendations

- **Require State-approved, standards-aligned assessments.** Limiting participants to the state summative assessments, or to interim and benchmark assessments approved for use under Section 59-18-310 of the SC Code, would ensure results are comparable across students and aligned to the standards against which their progress is measured. The use of many different, unaligned assessments was the single largest obstacle to analyzing outcomes this year.
- **Deliver assessment results on a fixed, timely schedule.** Set delivery deadlines for program participants so that the first transmission of data to the EOC coincides with the statewide public release of end-of-year summative results (SC READY and EOCEP), and so that all requested evaluation data reach the EOC no later than the public release of School Report Cards. Such a schedule would allow the annual evaluation of ESTF outcomes to be published by the end of each calendar year.
- **Route assessment data through the State's interoperable data system.** Hand-entered and manually retrieved data introduced avoidable error. Routing ESTF assessment data through the Ed-Fi enabled system already used for public schools would improve accuracy.
- **Collect prior-year achievement.** Without a baseline, neither year-over-year learning gains nor valid comparisons to similar students are possible. Prior-year scores are the prerequisite for the growth analyses the program is designed to support.
- **Provide graduation data in National Student Clearinghouse format.** This would satisfy the graduation-rate reporting required by Act 11 and allow postsecondary outcomes to be compared to similar students. Participating education service providers could be offered the same postsecondary reporting the EOC provides to all South Carolina public high schools.
- **Give evaluators appropriate access to fund-use records.** Access to the ClassWallet marketplace backend, subject to applicable privacy and security requirements, would allow the EOC to connect how funds are spent to the outcomes students achieve.

- **Collect and report reasons for program withdrawal.** Reporting why students and families leave the program would provide context for patterns of attrition and missing assessment data and help identify opportunities for program improvement.
- **Examine interim and benchmark assessment integrity statewide.** The implausible and contradictory interim scores found here are unlikely to be unique to ESTF. A statewide review would gauge the scope of the issue and inform more secure administration of these assessments.
- **Require sufficient alignment evidence to support every linking study.** A linking study relates scores on a non-state assessment to the state test, but it cannot show that the assessment measures the content South Carolina's standards define. Only an alignment study can establish that, and it is the foundation on which a valid linking rests. Before a nationally normed assessment is approved as a measure of progress toward South Carolina standards, it should carry a technically sound alignment study to those standards, documented transparently enough for the EOC to verify its quality independently. However rigorous its statistical methods, a linking study cannot substitute for that alignment evidence; the two are complementary and non-substitutable requirements.

The first year of the ESTF program did not yet yield a dependable picture of how participating students are performing. It did yield a clear account of what stands between the program and that picture, along with a concrete path toward closing the gap. The EOC offers these findings and recommendations in that constructive spirit and looks forward to publication of a fuller evaluation in December 2026 as the data mature.

SOUTH CAROLINA
DEPARTMENT OF EDUCATION

MEMORANDUM

TO: Education Oversight Committee

FROM: South Carolina Department of Education

DATE: September 11, 2026

RE: Education Scholarship Trust Fund, Year One (SY 2024-25) Report

The South Carolina Department of Education appreciates the Education Oversight Committee's formative review of the first year of the Education Scholarship Trust Fund program and shares the EOC's interest in ensuring that future program evaluations are supported by accurate, complete, and useful data.

SCDE has been transparent in providing the EOC the program data available to the Department. At the same time, we readily acknowledge the data-quality challenges associated with the ESTF's first operational year. While the Department clearly communicated the statutory assessment requirement and the assessments approved for participating students, implementation in the first year of any new and complex program presents challenges. Those challenges were compounded significantly when, during the program's first year, the South Carolina Supreme Court's *Eidson* decision removed independent schools, which had been the primary full-time education service providers participating in the program, from ESTF eligibility.

Following that decision, the Department worked directly with participating families to ensure students could satisfy the program's assessment requirements and to collect the information necessary to comply with the law. As SCDE communicated at the time, portions of that information necessarily depended on parent reporting and manual collection processes. Those processes allowed the Department to meet the immediate needs of a rapidly changing program, but they were never intended to represent the mature data infrastructure for ESTF going forward.

Context for the data the EOC received. During the 2024–25 school year, 2,879 students participated in the program at some point; however, many exited during the year for routine reasons such as voluntary withdrawal, return to public school, relocation, or other eligibility changes. At year's end, 1,440 students remained enrolled. Of those, 452 were exempt from testing under state law, including students in grades K–2 and six students with documented disabilities. An additional 136 did not ultimately provide usable assessment data due to circumstances such as graduation or data transfer issues, and a

subset of students was later removed from the program for failure to submit a required test. As a result, 798 students submitted assessment data to SCDE — the number upon which the EOC's analysis is based. The difference between the original enrollment figure and the number of reportable results is therefore largely explained by program attrition, statutory testing exemptions, and the EOC's own analytical screening criteria, not by a systemic failure of data collection.

The Department therefore views many of the issues identified in the EOC's report not as new discoveries, but as useful confirmation of process improvements SCDE had already identified and, in many cases, implemented for the 2025-26 school year. Notably, the Department has already established an earlier and more structured timeline for transmitting 2025-26 assessment data to the EOC, consistent with the timeline recommended in this report.

Among the additional process improvements already implemented or underway are:

Assessment collection infrastructure. A dedicated digital platform now receives and stores student assessment documentation, replacing Year One's manual processes and including standardized templates, approved-assessment guidance, and a set collection timeline.

Standardized enrollment, graduation, and residency data. Dropdown menus for district and school of residence replace the former free-text fields, the Department is procuring school attendance-area data to enable automated address-to-school matching, and education service providers are now required to report graduation information through a structured collection process.

Quarterly enrollment verification. Families now complete verification forms each quarter under a formal operating procedure. Accounts are suspended for non-completion, and address documentation is actively reviewed through program integrity processes.

Systematic cross-office process improvement. An operations team organized around assessments, address verification, and data reporting has documented first-year pain points, built standard operating procedures for each core function, and is developing a consolidated data platform as the program's authoritative reporting source.

As this work continues, SCDE welcomes recommendations that strengthen the program and is committed to acting on those that fall within the Department's authority under Title 59, Chapter 8. Several of the EOC's recommendations align with improvements the Department has already begun or can readily advance. Where the EOC’s recommendations contemplate new requirements or data collection beyond what is

currently established in law, additional legal, technical, or policy consideration will be needed to ensure consistency with the governing statute and the respective roles of SCDE, the EOC, education service providers, and participating families. With that framework in mind, SCDE has implemented or plans to implement the following initiatives addressed in the report:

Encourage use of the state summative or formative assessment where practical, while recognizing that Section 59-8-150 expressly provides families and education service providers with multiple assessment pathways and expressly prohibits the state from requiring independent schools to change their curriculum. SCDE should actively communicate these statutory options to education service providers and families and should develop guidance clarifying logistical procedures for ESTF students who elect to take SC READY at a public school site. The Department worked closely with the Charter Institute at Erskine in 2025-26 to offer SC READY to ESTF students at sites across the state.

Require independent test administration for non-state assessments. Testing fidelity is a prerequisite for score validity. Any approved non-state assessment used to satisfy § 59-8-150(C)(1)(b) should be administered by a department-approved third-party test administrator to provide a controlled proctored environment, standardized protocol, and consistent data reporting.

Route ESTF program data through the State's interoperable data system. Hand-entered and manually retrieved data introduced avoidable error. ESTF assessment data, student demographic information, and third-party administrator data will be routed through the Ed-Fi enabled system already used for public schools. Consolidating program data in a single interoperable system will improve accuracy and place ESTF evaluation data on the same infrastructure that supports statewide accountability reporting.

Refine the assessment approval and linking framework for the alternative testing pathway. For ESTF students who do not take SC READY or a state-approved formative assessment per 59-8-150(C), SCDE will define an administrative review process under which test publishers submit content crosswalks and blueprint comparisons against the SC College- and Career-Ready Standards, and SCDE staff evaluate submissions for completeness, plausibility, and the absence of disqualifying content gaps. For each assessment approved through this process, SCDE will continue to apply its developed equi-percentile concordance methodology, the most appropriate and cost-effective type of linking study, using South Carolina student data to establish score relationships with SC READY. SCDE will also continue to publish annually a list of all approved assessments, including SC READY, state-approved formative assessments, and approved norm-referenced

instruments, together with the alignment and concordance methodologies and interpretive guidance for families and education service providers.

Most importantly, the Department believes the appropriate focus is forward. The first year of ESTF was truly a "Year Zero": a new program implemented under extraordinary circumstances and substantially disrupted midway through its first operational year. The 2025-26 program is operating under a different statutory framework, with stronger processes, better data collection, and lessons learned from that first year already incorporated into implementation.

SCDE looks forward to continuing to work collaboratively with the EOC as the data mature and as South Carolina develops a sound, sustainable framework for evaluating the program's effectiveness.