

**Charter Contract between Oceanside Collegiate Academy  
and  
The Charter Institute at Erskine**

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## **Introduction**

This Contract is made and entered into between **Oceanside Collegiate Academy** (“School”), a public charter school organized as a nonprofit corporation, and the Charter Institute at Erskine’s Board of Directors (the “Sponsor”), from which the School requested its Charter and which granted approval for the School’s Charter. School and Sponsor may be collectively referred to as the “Parties.”

## **Recitals**

**Reference to the South Carolina Charter Schools Act** WHEREAS, the South Carolina General Assembly has enacted the South Carolina Charter Schools Act of 1996, as amended, S.C. Code Ann. §§ 59-40-10 et seq. (the “Act”), for certain purposes as enumerated in S.C. Code Ann. §59-40-20.

**Reference to the previous charter application term** WHEREAS, in 2015, the School submitted a Charter Application to another sponsor, which was approved by such other sponsor;

### **Reference to the previous charter application term**

WHEREAS, the School has and will operate from July 2016 through June 30, 2018 pursuant to a 10-year charter contract with such other sponsor;

### **Reference to the new Charter Application**

WHEREAS, the School recently submitted a revised charter application to the Sponsor with the intent of entering into a charter contract with the Sponsor beginning July 1, 2018;

WHEREAS, on November 03, 2017 the Sponsor approved the School’s revised charter application and granted the School a charter (“Charter”) for the remaining term of the School’s original ten year charter, which is July 1, 2018 through June 30, 2026;

NOW THEREFORE, in consideration of the foregoing recitals and the mutual understandings and covenants contained herein, the Parties agree as set forth below.

## **Section One: Term and Legal Status**

- 1.1 Term.** In accordance with S.C. Code Ann. §59-40-110(A), the School’s original charter is ten years, and the remaining term of the Charter is eight years, beginning on July 01, 2018. This Contract is effective as of the date of execution and shall terminate on June 30, 2026, unless terminated sooner or renewed pursuant to this Contract and the Act.
- 1.2 Legal status.** The School is incorporated as a South Carolina non-profit corporation. The School shall continue to operate as a South Carolina non-profit corporation during the term of this contract and shall assure that its operation is in accordance with its articles of incorporation and bylaws. The School shall notify the Sponsor promptly of any change in its corporate status.

The School is organized and maintained as a separate legal entity from the Sponsor for all purposes of this Contract to the extent consistent with applicable law. Pursuant to S.C. Code Ann. §59-40-40(4), the Sponsor is the School’s Local Education Agency (LEA) and the School is a school within that LEA. As such, unless otherwise provided in the Charter Schools Act, the School is exempt from all provisions of state law and regulations applicable to a public school, a school board, or a district, although a charter school may elect to comply with one or more of these provisions of law or regulations. Notwithstanding the above, the School must comply with all applicable and

reasonable Sponsor policies and procedures, as amended from time to time, as well as all federal statutes and regulations applicable to public charter schools.

**1.3 Pre-opening conditions.** Not applicable.

## **Section Two: Sponsor/School Relationship**

### **2.1 Sponsor role and responsibilities**

Pursuant to S.C. Code Ann. §59-40-40(4), the Sponsor is the School's Local Education Agency (LEA) and the School is a school within that LEA. In accordance with the Act, the Sponsor retains responsibility for special education and shall ensure that students enrolled in the School are served in a manner consistent with LEA obligations under applicable federal, state, and local law. The Sponsor shall offer appropriate support to the School, including but not limited to, special education services, state and federal programs, PowerSchool services, testing services, professional development, student mentoring, and other types of support. The School must comply with all applicable and reasonable Sponsor policies and procedures, as amended from time to time.

- A. Oversight and monitoring.** In accordance with S.C. Code Ann. § 59-40-55, the Sponsor shall:
- a) adopt/develop national industry standards of quality charter schools and shall authorize and implement practices consistent with those standards;
  - b) monitor, in accordance with the terms of the Contract, the performance and legal/fiscal compliance of the School to include collecting and analyzing data to support ongoing evaluation according to the Contract;
  - c) conduct or require oversight activities that enable the Sponsor to fulfill its responsibilities outlined in the law, including conducting appropriate inquiries and investigations, only if those activities are consistent with the law, adhere to the terms of the contract, and do not unduly inhibit the autonomy granted to public charter schools;
  - d) collect in accordance with S.C. Code Ann. 59-40-140(H), an annual report from the School and submit the report to the South Carolina Department of Education (SCDE) by December 31. As allowed in the law the sponsor may request additional evidence along with the audit report.
  - e) notify the School of perceived problems when its performance or legal/fiscal compliance is unsatisfactory and provide a reasonable opportunity for the school to remedy the problem, unless the problem warrants immediate revocation and revocation timelines apply;
  - f) when or if appropriate pursuant to the Act, take appropriate actions and exercise sanctions short of revocation, in response to deficiencies in School performance or legal/fiscal compliance. These actions or sanctions may include requiring the School to develop and execute a corrective action plan within a specified timeframe;

- g) determine whether the School's Charter merits replication, expansion, renewal, nonrenewal, or revocation;
- h) provide fair, consistent, and accurate information about the School's academic performance, financial performance, and organizational status to parents and the general public to the same extent and in the same manner the Sponsor shares information about other charter schools sponsored by the Sponsor; and
- i) permanently close the School at the conclusion of the school year should the School receive the lowest performance level rating as defined by the federal accountability system for three consecutive years in accordance with § 59-40-110(E).

**B. Access to records and right to review and inspect.** The Sponsor has the right to inspect and review all School records established and maintained in accordance with the provisions of this Contract, State Board of Education (SBE) policies and regulations, and federal and state statutes, laws and regulations. School records do not include information protected by the attorney-client privilege or work product privilege or information prepared in anticipation of litigation. The School has a duty to cooperate in making School records available in a timely manner upon request from the Sponsor. School records shall be open to inspection and review at no cost to the Sponsor, notwithstanding whether the School paid for the records or data included in the records. No formal request, including but not limited to requests pursuant to the Freedom of Information Act (FOIA) or the Family Educational Rights and Privacy Act (FERPA) shall be required from the Sponsor. Information that must be made available for review and inspection includes, but is not limited to, the following:

- a. School contact list of essential personnel;
- b. School records including but not limited to student cumulative files, policies, and files related to special education and related services;
- c. School financial records, audit reports, annual budgets;
- d. Records related to School's educational program including but not limited to curriculum, testing, discipline, special education, student life, extracurricular activities and the like;
- e. Personnel records, including but not limited to evidence of credentials and qualifications;
- f. Evidence that criminal background checks of all school personnel have been conducted prior to hiring;
- g. School's operations, including, but not limited to, health, safety and occupancy requirements; and
- h. The Sponsor may make announced visits and reasonable unannounced visits made in good faith to inspect the facility, interview personnel, or otherwise fulfill its oversight responsibilities. Except in emergencies that involve the safety or health of students or employees at the School, as determined by the Sponsor, visits should be pre-arranged to avoid disruption of the educational process.

- C. **Access to data and information.** The Sponsor shall timely provide the School with access to any data and information pertaining to the School that it receives from the State or other sources including but not limited to test scores, federal and state accountability data, special education data, student enrollment data, and funding information.
- D. **Notice of Enrollment Options.** At the School's request, the Sponsor shall provide to parents and the general public information about the School as an enrollment option within the district in which the School is located to the same extent as the district in which the School is located provides and publicizes information about public schools in the district. The Sponsor and the School shall mutually agree upon the content of the information to be provided and the manner in which such information will be provided. The School shall notify the Sponsor of its enrollment procedures and dates of its enrollment period no less than sixty days before the first day of its enrollment period, and the School shall make the request for the Sponsor to provide information to parents and the general public at least thirty (30) days before such information is to be provided.

## Section Three: School roles and responsibilities

### 3.1 School roles and responsibilities

The School must fulfill all duties and may exercise all powers as set forth in S.C. Code Ann. §59-40-50(B), which is incorporated herein by reference. As part of fulfilling its duties and in order to enable the Sponsor to carry out its oversight and monitoring responsibilities, the School agrees to the following:

- A. **Records.** The School agrees to comply with all applicable federal, state, and reasonable Sponsor record keeping requirements including those pertaining to students, governance, and finance. This includes maintaining up-to-date information about enrolled students in the Sponsor's student information system (SIS). In addition, the School shall ensure that records for students enrolling in other schools are transferred in a timely manner. Financial records shall be posted in accordance with the South Carolina Accounting Handbook, the Funding Manual, and South Carolina Audit Guide published by the SCDE and reconciled at least monthly.
- B. **Access to records.** The School shall maintain access to all records pertaining to the School, including but not limited to those referenced in this Section and Section 2.1(B) of this Contract. Student records shall be kept in accordance with Family Educational Rights and Privacy Act (FERPA). School records shall be open to inspection, audit and review upon request by Sponsor and at no cost to Sponsor (except for the reasonable cost of copying if required by Sponsor), and except as may be limited by applicable state and federal laws, statutes and regulations.
- C. **Notification provided to the Sponsor.** The School shall immediately, and in no event longer than ten days, provide written notice to the Sponsor (and other appropriate authorities) in the following situations:
  - a) Any change to the School board approved school calendar for the academic year;
  - b) Any changes to the location of the School Building and as applicable School's administrative building;

- c) The discipline of employees at the School arising from misconduct or behavior that may have resulted in harm to students or others, or that constituted violations of law;
- d) Any complaints filed against the School by or with any governmental agency or in any court of law;
- e) Conditions that may cause it to vary from the terms of this Contract, applicable Sponsor requirements, federal, and/or state laws, statutes, and regulations;
- f) Any circumstance requiring the closure of the School, including, but not limited to, a natural disaster, such as an earthquake, storm, flood or other weather-related event, other extraordinary emergency, or destruction of or damage to the School facility;
- g) The arrest of any members of the board of the School or School employees for a crime punishable as a felony or any crime related to the misappropriation or theft of funds;
- h) Misappropriation of funds;
- i) State testing violations;
- j) A default on any obligation, which shall include debts for which payments are past due by sixty (60) days or more;
- k) Any change in its corporate status with the South Carolina Secretary of State's Office as a nonprofit corporation;
- l) Any material changes in insurance coverage;
- m) Any change to the membership of the board or any changes to officers and directors;
- n) Any change to school administration; and
- o) Any changes in the by-laws of the School.

**D. Academic achievement.** The School shall meet or make reasonable progress towards meeting or exceeding the performance goals as described in the Charter application. In accordance with SBE Regulation 43-601, the School shall demonstrate improved academic achievement for all students measured by a Student Success Framework developed by the School and Sponsor staff and approved by the School's board and the Sponsor.

**E. Indemnification.** Pursuant to S.C. Code Ann. §59-40-60(F)(15) and SBE Regulation 43-601, the School shall assume the liability for the activities of the School and agrees to indemnify and hold harmless the Sponsor, its servants, agents, and employees from any and all liability, damage, expense, causes of action, suits, claims, or judgments arising from injury to persons or property or otherwise that arises out of the act, failure to act, or negligence of the School, its agents and employees, in connection with or arising out of the activity of the School.

- F. Insurance.** The School must maintain liability insurance in accordance with S.C. Code Ann. §59-40-60(F)(16) and SBE Regulation 43-601. A current Certificate of Insurance shall be provided upon request by Sponsor.
- G. Compliance reporting.** As set forth in S.C. Code Ann. §59-40-50(B), the School shall adhere to the same health, safety, civil rights, and disability rights requirements as are applied to all statewide K-12 public schools. Accordingly, the School shall timely provide to the Sponsor any reports necessary and reasonably required for the Sponsor to meet its oversight and reporting obligations. Required reports include, but are not limited to, those listed below and must be in the form required by Sponsor.
- 
- a) The School shall annually provide the Sponsor with an Annual Report by December 31. In accordance with S.C. Code Ann. §59-40-140(H), the report shall include all information required by the Sponsor and/or the SCDE and shall include, at a minimum: 1) the number of students enrolled in the School from year to year; 2) the success of students in achieving the specific educational goals for which the School was established; 3) an analysis of achievement gaps among major groupings of students in both proficiency and growth; 4) the identity and certification status of the teaching staff; 5) the financial performance and sustainability of the School; and 6) School board performance and stewardship, including compliance with applicable laws. As allowed in the law the Sponsor may request additional evidence along with the audit report.
  - b) The School shall provide the Sponsor with a copy of its annual independent audit by November 1 of each year.
  - c) The School shall maintain accurate and up to date student records in the SIS pursuant to Sponsor's reasonable requirements and SC Department of Education data collection guidelines/manuals. Data supplied to the Sponsor shall fulfill all federal and state reporting requirements and deadlines. Data and documents submitted to the Sponsor shall be in formats compatible with those used by the Sponsor and approved by the Sponsor. The School shall employ or contract for appropriately qualified staff to maintain student records in the SIS. Said staff shall participate in data management training provided by the Sponsor and demonstrate competencies in data management as prescribed by the Sponsor.
  - d) By May 1st of the first calendar year of operation and each subsequent calendar year, the School shall provide the Sponsor with a school calendar setting forth the days the School will be in session.
  - e) By June 30th of each calendar year, the School shall submit to the Sponsor its school safety plan so that the Sponsor can complete its annual submission in compliance with S.C. Code Ann. §59-5-65.
- H. Electronic communications and data management systems.** The School shall adhere to the Sponsor's acceptable use policy to access Sponsor network resources.

## Section Four: Governance

- 4.1 Governance.** The School's articles of incorporation and bylaws shall not conflict with the School's obligation to operate in a manner consistent with this Contract and the Charter. Similarly, the

policies of the School's governing board shall provide for governance of the operation of the School in a manner consistent with this Contract and the Charter.

- 4.2 Governing board.** The School's governing board shall operate in accordance with the School's articles of incorporation and bylaws. The School shall ensure that the governing board membership is consistent with the requirements outlined in S.C. Code Ann. §59-40-50(B)(9). Additionally, the School, in accordance with S.C. Code Ann. §59-40-155(A), shall ensure that within one year of taking office, all persons elected or appointed as members of its board shall successfully complete an orientation program in the powers, duties, and responsibilities of a board member including, but not limited to, topics on policy development, personnel, instructional programs, school finance, school law, ethics, and community relations.
- 4.3 Transparency.** In accordance with S.C. Code Ann. §59-40-50(B)(10), both the School and its governing board shall be subject to the Freedom of Information Act. In addition, the governing board of the School shall notify the Sponsor in writing of any regular meeting of the board at least forty-eight (48) hours prior to the date on which such meeting is to occur and shall conduct all meetings consistent with the Freedom of Information Act. The School shall also ensure that its governing board adopts and strictly enforces a conflict of interest policy and that all board policies, meeting agendas, minutes, and related documents are readily available for public inspection.
- 4.4 Conflict of interest.** The School's governing board shall establish a formal conflict of interest policy consistent with South Carolina Code of Laws, Chapter 13, Title 8, industry standards and all applicable federal and state statutes and regulations.
- 4.5 Parental, educator, and community involvement.** The School shall ensure parental, educator, and community involvement in accordance with the Charter. The School shall also ensure that its governing board consists of at least 50% members elected by parents and employees of the school or as required by S.C. Code Ann. §59-40-50(B)(9).
- 4.6 Contracting with an Education Management Organization (EMO).** The School and the Sponsor agree that the School has contracted with and expects to continue contracting with an education management organization (EMO) to manage its operations and perform functions such as hiring, professional development, public relations, marketing, enrollment of students and data analysis.
- a) No provision of the EMO contract shall interfere with the charter school board's duty to exercise its statutory, contractual and fiduciary responsibilities governing the operation of the school;
  - b) No provision of the EMO contract shall conflict with the school's charter, this contract, Sponsor policy at the time the EMO contract was entered into, or applicable state and federal statutes, laws and regulations;
  - c) The EMO contract shall not restrict the charter school board from waiving its governmental immunity or require a charter school board to assert, waive or not waive its governmental immunity;
  - d) The EMO Contract must provide that all funds received by the school belong to the school and not the EMO;

- e) The EMO contract must provide that the financial, educational and student records pertaining to the School are the School's property, must be reasonably accessible (physically or virtually) at the School's physical location. All such records, subject to federal and state privacy laws, are subject to the provisions of South Carolina's Freedom of Information Act;
- f) Any equipment, materials and supplies purchased by the EMO on behalf of the School for use by School (excluding EMO equipment, materials, and supplies) are property of the School, and EMO shall not charge any added fees or other costs related to procurement of such equipment, materials or supplies; provided however, that the school may lease equipment from the EMO or purchase equipment from the EMO on credit as long as any lease or credit arrangement is recorded as a liability in the school's accounting records.
- g) The EMO contract must identify any curriculum or educational materials for which EMO claims ownership or proprietary rights;
- h) The EMO contract must include a provision identifying any deficit credits or other expenditure of funds that may be required to be repaid by the school as indebtedness by the school to the EMO and that such deficit credits are not income to the school or to the Sponsor; and, that such deficit credits require the agreement of the School.
- i) The EMO contract must not require the repayment of deficit credits as a condition of renewal, or promise to forgive deficit credits as a condition of renewal;
- j) The EMO contract must state that the EMO is not a third-party beneficiary of the charter or the School's contract with the Sponsor. If necessary, within 365 days the School will amend its EMO contract to include a provision requiring the School to be in compliance with this provision.
- k) The EMO contract must provide that the charter school's board will select and retain an independent accounting firm to perform an annual financial audit;
- l) The EMO contract must require that all EMO records related to the school be available to the school's independent auditor and must require the EMO to cooperate with the school's independent auditor;
- m) The EMO contract must contain insurance and indemnification provisions outlining the coverage the EMO will obtain, which shall be separate from and in addition to the insurance purchased by the school as set forth in the charter application and as required by S.C. Code Ann. § 59-40-190;
- n) The EMO contract shall provide that the marketing plan provided by the EMO is approved by the charter school Governing board. If necessary, within 365 days the School will amend its EMO contract to include a provision requiring the School to be in compliance with this provision. The EMO contract shall provide that the marketing plan provided by the EMO is approved by the School Governing board. The EMO Contract shall provide that marketing and development costs paid by or charged to the School must be limited to costs specific to the School, and shall not include any costs for the marketing and development of the EMO or any other school served by the EMO. The costs specific to the School may include an allocation of online search costs if the bases of allocation is reasonable and related to the recruitment of students to the School. The EMO Contract shall provide that the EMO will be transparent and fair in its efforts to market multiple schools with the State.

- o) The maximum term of the EMO contract must not exceed the term of the charter and must provide that the EMO contract automatically terminates upon revocation or termination of the charter. The EMO contract must contain a provision permitting the School to terminate the contract due to unsatisfactory performance by the EMO, including but not limited to failure to provide educational products or services that produce improved student academic achievement. The EMO contract must provide that termination be made in a manner that is least disruptive to students and at least 90 days-notice must be provided prior to termination except where the health and safety of students is a concern. The EMO contract shall not require advance notice of termination or non-renewal that exceeds 180 days. If necessary, within 365 days the School will amend its EMO Contract to include a provision requiring the School to be in compliance with this provision.
- p) The EMO must provide information to the School board regarding any loan or other financial arrangement, including the issuance of deficit credits, before the School incurs any financial obligation to the EMO, and the School board must present this information to the Sponsor for review;
- q) The School board must develop and implement an annual evaluation process by which it evaluates the EMO using specific academic performance measures aligned with the charter, Sponsor policy and federal and state performance standards. The process must include methods for addressing unsatisfactory performance; and
- r) The EMO and the School must maintain sufficient funds in the School's budget for at least the following: independent legal counsel, an independent auditor, and sufficient funds to hire staff or other consultants necessary to oversee the performance of the School. If necessary, within 365 days the School will amend its EMO contract to include a provision requiring the School to be in compliance with this provision.

## **Section Five: Operation of School and Waivers**

- 5.1 Operational powers.** The School must limit operations to activities within the scope of the mission set forth in its articles of incorporation and the Charter.
- 5.2 Transportation.** [Reserved].
- 5.3 Food services.** [Reserved].
- 5.4 Waivers.** [Reserved].

## **Section Six: School Enrollment and Demographics**

- 6.1 School grade levels.** In accordance with its Charter, which is expressly incorporated by referenced, the School will serve students in grades Ninth through Twelfth. The School shall not be permitted to modify the grade levels it serves without prior written approval of the Sponsor.
- 6.2 Student demographics.** School demographics are expected to be similar of that of the state as a whole as set forth in the charter.
- 6.3 Maximum and minimum enrollment.** The School may not exceed the projected enrollment as set forth in the Charter by more than ten percent (10%) without express written permission of Sponsor.

- 6.4 Eligibility for enrollment.** Enrollment in the School shall be open to any child who resides within the state and is eligible to attend public school, subject to space limitations. The School shall admit students in accordance with S.C. Code Ann. §59-40-50(B)(7) and as permitted or required by state and federal statutes, laws and regulations. In all cases, student recruitment and enrollment decisions shall be made in a nondiscriminatory manner specified by the School in the Charter. In all cases, student recruitment and enrollment decisions shall be made without regard to race, color, creed, national origin, sex, religion, ancestry, and disability.
- 6.5 Enrollment procedures, priority enrollment, and dates of the enrollment period.** The School shall follow enrollment procedures as set forth in the Charter and as permitted or required by state and federal statutes, laws and regulations. In accordance with S.C. Code Ann. §59-40-55(B)(10), the School shall notify the Sponsor of its enrollment procedures and dates of its enrollment period no less than sixty (60) days prior to the first day of each enrollment period.
- 6.6 Admission policies and procedures, including lottery procedures.** The School shall follow the admission and lottery procedures as set forth in the Charter and as permitted or required by state and federal statutes, laws, regulations, and Sponsor policy. Any decision to deny admission to a student may be appealed to the Sponsor, as set forth in §59-40-50(C)(1).
- 6.7 Discipline and expulsion procedures.** The School shall follow discipline and expulsion procedures as set forth in the Charter and as permitted or required by state and federal statutes, laws, regulations, and Sponsor policy.

## **Section Seven: Educational Program**

- 7.1 Mission.** The School’s mission, as set forth in the Charter, shall be “Oceanside Collegiate Academy (OCA) serves high school students in a safe, small setting who seek the opportunity and challenge of a rigorous curriculum, high academic standards, and outstanding athletics while earning up to two years of college credit while in high school.” The School’s governing board shall operate the School in a manner consistent with the mission statement. Revisions to the mission statement or general implementation thereof shall be considered a material change to the contract and shall require prior written approval of the Sponsor.
- 7.2 Goals, objectives, and pupil achievement standards.** The School shall meet or make reasonable progress towards meeting the academic performance standards and expectations as set forth in the charter and those required by applicable state and federal laws, statues and regulations and as agreed upon per the Student Success Framework. Whether the School has met its goals, objectives, and pupil achievement standards, will be determined by the Sponsor’s annual evaluation/review of the School and the implementation of any Student Success Framework developed by the School and approved by the School’s board and the Sponsor. The specific form, terms, indicators, metrics, measures, and targets, used in the Student Success Framework and the Sponsor’s annual evaluation/review of the School, shall be disseminated by the Sponsor, and will be binding on the School to the extent they are consistent with the Charter, this Contract, applicable law, and the School’s Board’s prior approval of the Student Success Framework. In addition, components and requirements of the Student Success Framework and annual evaluation/review may be modified or amended from time to time by the Sponsor upon agreement with both the School leaders and the School board. For a material change to the Student Success Framework, the School will go through a panel review with the Sponsor. For a minor change, a panel review may not be necessary. The School will not make any changes without input from the Sponsor.

- 7.3 Description of the school's educational program.** The School shall implement the educational program as outlined in the Charter.
- 7.4 Curriculum.** The School shall implement a dual credit learning curriculum as outlined in the Charter. The School's curriculum shall meet or exceed any content standards adopted by the SBE and the Sponsor and shall be designed to enable each student to achieve these standards.
- 7.5 Plan for evaluating pupil achievement and progress.** The School shall evaluate pupil achievement and progress as outlined in the Charter. Pupil achievement and progress shall be evaluated by the Sponsor in accordance with the Sponsor's annual evaluation/review of the School, the implementation of any student success frameworks implemented by the Sponsor, and industry standards and practices.
- 7.6 Graduation requirements.** The School shall comply with state laws and regulations in order to meet requirements for students to earn a State-issued high school diploma.
- 7.7 Education of students with disabilities.** The School shall serve students with disabilities as required by state and federal statutes, laws, regulations, and Sponsor policies. The Sponsor is responsible for serving as the Local Education Agency ("LEA") as defined by state and federal statutes, laws and regulations. If, for any reason, it is determined by any competent authority (including but not limited to a duly constituted IEP Team as defined by the Individuals with Disabilities Education Act ("IDEA")), that the School is not capable of serving a student with disability as required by law, the Sponsor may enter into agreements with third parties, including other school districts, to provide services to a student at the School's expense; provided however, that in no event shall the School's expense exceed the amount of state and federal funds allocated to the school for the student being served by the third party.
- 7.8 English language learners.** The School shall provide resources and support to English language learners to enable them to acquire sufficient English language proficiency to progress academically. The School shall adhere to the state and federal statutes, laws, regulations, and Sponsor procedures for identifying, assessing, and exiting English language learners.
- 7.9 State Mandated Testing.** The School shall ensure that all requirements for testing mandated by state or federal governments are met for each enrolled student.

## **Section Eight: Financial Matters**

- 8.1 Budget.** The School must use the same budget codes as are required of school districts in the State. The budget shall be based on documented SCDE estimated revenues in accordance with the allocations in S.C. Code Ann. § 59-40-140(A)-(C). The School shall establish and maintain adequate operating reserves in order to avoid possible financial hardships. When determining the reserve amount, the School shall take into account such factors as the School's mission and long-term strategy, current and future commitments and day-to-day operating costs. On or before April 30 of each year, the School shall submit to the Sponsor the School's preliminary proposed budget for the upcoming school year, with the School's final budget submitted to the Sponsor by July 01 subject to modifications throughout the year as are required or are permitted.

- 8.2 Audits.** Pursuant to S.C. Code Ann. §59-40-50(B)(3), the School shall adhere to the same financial audits, audit procedures, and audit requirements as are applied to public schools. Sponsor may audit School financial records at any time at Sponsor's expense; provided all of Sponsor's schools are generally held to consistent audit standards. Nothing in this Contract shall be construed to limit the School's authority to audit its own records as it deems necessary or desirable. In addition, the School shall obtain at its expense and submit to the Sponsor an independent annual audit from a qualified auditing or accounting firm of all financial records. The audit and its findings shall be submitted in hard and electronic copy to the Sponsor by November 1 of each year for inclusion in the Sponsor's report to the SCDE. The School shall provide the Sponsor with contact information of the School's auditor (i.e. name, address, phone number (s) and email address).
- 8.3 Revenues.** The School shall record revenues in accordance with the South Carolina Department of Education's Accounting and Funding Handbook.
- 8.4 Disbursement of per pupil revenue.** The Sponsor shall provide 100 percent of the per pupil state revenues to the School minus the following: no more than two percent of the total state appropriations to cover the costs of overseeing the charter school and deductions for purchased services and/or expenditures of the charter school that are paid at the Sponsor level. The Sponsor shall distribute federal funds to the School consistent with state and federal rules and regulations governing the use of federal funds.
- A. Pursuant to S.C. Code Ann. §59-40-140(B), the Sponsor shall receive and distribute state funds to the School as provided by the General Assembly on a monthly basis beginning in July of the School's fiscal year of operations.
  - B. Pursuant to S.C. Code Ann. §59-40-140(C), the Sponsor shall during the School's fiscal year of operation, as received, and to the extent allowed by federal law, distribute to the School federal funds which are allocated to the Sponsor on the basis of the number of special characteristics of the students attending the School. These amounts must be verified by the SCDE before the first disbursement of funds.
  - C. Pursuant to S.C. Code Ann. §59-40-140(D), the Sponsor shall distribute within ten business days after receipt of federal or state categorical aid funds, the proportional share of each categorical fund for which the School qualifies unless the School is under revocation or nonrenewal and the Sponsor is under court order to withhold payments to the School. The Sponsor shall notify the school when the Sponsor is notified of the allocation amount by the SCDE and provide a timeline consistent with applicable law for when the funds will be distributed.
  - D. For IDEA funds, the Sponsor shall provide funds pursuant to state and federal statutes, laws, and regulations.
  - E. The Sponsor will develop a grievance process for the School to challenge funding provided to the School.
- 8.5 Enrollment projections.** Material changes in the School's enrollment shall be reported to the Sponsor. Any adjustments to enrollment, other than those outlined in the Charter must be presented to the Sponsor for review and approval.
- 8.6 Liability.** Pursuant to S.C. Code Ann. §59-40-190, the Sponsor is not liable for any of the debts of the School.

- 8.7 Monthly and quarterly reporting.** The School shall be responsible for entering a monthly upload of all financial transactions in the format prescribed by the Sponsor by the 15<sup>th</sup> day of the subsequent month and a yearly upload of the audited adjustments by November 15. In addition, the School shall be responsible for submitting a quarterly financial statement in the format prescribed by the Sponsor by the 15<sup>th</sup> day of the month following the end of each quarter. The Parties agree that it is the responsibility of the Sponsor to use any financial information it obtains, including reports and audits, to monitor the fiscal condition and compliance of the School.
- 8.8 Non-commingling.** Assets, funds, liabilities, and financial records of the School shall be kept separate from assets, funds, liabilities, and financial records of any other person, entity or organization.
- 8.9 Accountability.** Financial Resources are to be allocated, expended, and accounted for in accordance with accounting practices specified in the Financial Accounting Handbook, Funding Manual, the Audit Guide, and the Pupil and Staff Accountability Manual.
- 8.10 Contracting, encumbrances and borrowing.** Any contracts and/or leases entered into by the School, entered into after the date this contract is signed shall contain the following sentence: “No indebtedness of any kind incurred or created by the School shall constitute an indebtedness of the State or the Sponsor, and no indebtedness of the School shall involve or be secured by the faith, credit or taxing power of the State or the Sponsor.” The School shall not extend the faith and credit of the Sponsor to any third person or entity. The School acknowledges that it has no authority to enter into a Contract with a third party that would bind the Sponsor. Unless otherwise agreed in writing by the Sponsor, each contract or legal relationship entered into by the School will include the following provisions: a) The contractor acknowledges that the School is not an agent of the Sponsor, and accordingly contractor expressly releases the Sponsor from any and all liability under this agreement. b) Any financial obligations of the School arising out of the agreement are subject to annual appropriation by the Sponsor.
- 8.11 Loans.** No loans may be made by the School to any person or entity for any purpose.
- 8.12 Gifts and donations.** Awards, grants or gifts may be accepted by the School and its governing body to the extent allowed by S.C. Code Ann. §59-40-140(F) and (G). The School shall report to the Sponsor in its annual audit report all gifts, donations, or grants it receives in accordance with S.C. Code Ann. § 59-40-50(B)(3) and §59-40-140(G).
- 8.13 Non-appropriation of funds.** The Sponsor’s funding obligations under this Contract will be from year-to-year only and will not constitute a multiple fiscal year direct obligation of the Sponsor. The Sponsor’s obligation to fund the School will terminate upon non-appropriation of funds for that purpose by the General Assembly for any fiscal year, any provision of this Contract to the contrary notwithstanding. The Parties further agree that the Sponsor has not irrevocably pledged and held for payment sufficient cash reserves for funding the School at or above the current year per pupil allocation or for providing services described herein for the entire term of the Contract.
- 8.14 Inventory of fixed assets.** The School shall arrange for an inventory of fixed assets, including furniture and equipment utilized by the school in its operations and including the identity of the owner of the furniture and equipment. The inventory shall include the purchase price and serial number of all fixed assets. The inventory shall occur annually. The School shall ensure that its lead administrator maintains the inventory on file in his/her office. The School shall provide a copy of the furniture and equipment inventory to the Sponsor’s Finance Office for accounting purposes.

## Section Nine: Personnel

- 9.1 Employee and contractor status.** The School shall employ or contract with such personnel as are required for the efficient and effective operation of the School. The School shall adopt and implement personnel policies to address, among other topics, the hiring, evaluation, and termination of employees, terms of employment and compensation consistent with the provisions of the Charter. All employees hired by the School will be employees of the School and not the Sponsor and will be employees at will, subject to SBE Reg 43-601(III)(M). All employee discipline decisions will be made by the School. Other terms of the employment relationship shall be described in an Employee Handbook, as set forth in the Charter.
- 9.2 Background checks.** The School shall establish and implement procedures for conducting background checks (including a check for a criminal record) of all employees and contractors to the extent required by applicable law, rules, and regulations. No teacher or administrator with a criminal record that would ordinarily preclude such individuals from obtaining a teacher license or from public school employment will be employed at the School or contracted with to provide services at the School.
- 9.3 Staff evaluation procedures.** The School shall employ procedures for the evaluation of staff as outlined by the charter. The School shall utilize South Carolina’s comprehensive system for Assisting, Developing and Evaluating Professional Teaching (ADEPT).
- 9.4 Grievance and termination procedures.** The School shall adopt the procedures for employment and dismissal of teachers set forth in its Charter application and consistent with the requirements set forth in SBE Regulation 43-601(III)(M). The School shall include language in any employee handbooks and teacher contracts providing that the provisions of Article 5, Chapter 25, Title 59 of the South Carolina Code (Teacher Employment and Dismissal Act) do not apply to the employment and dismissal of teachers at the School.
- 9.5 Certification.** In accordance with S.C. Code Ann. §59-40-50 (B)(6), the School shall hire or contract for at least one administrative staff member certified or experienced in the field of school administration. Pursuant to S.C. Code Ann. §59-40-50 (B)(5) and SBE Reg 43-601 II (H), the School’s teachers of core academic areas shall be certified in their respective areas or hold a bachelor's or graduate degree in those areas.
- 9.6 Non-discrimination.** It shall be the policy of the School to make all decisions regarding recruitment, hiring, promotion, and all other terms and conditions of employment without regard to race, color, creed, religion, sex, national origin, age, disability, or other factors which cannot lawfully be the basis for an employment decision. The School shall follow all federal and state statutes, laws, and regulations regarding non-discrimination and enact specific policies and procedures consistent with those statutes, laws, and regulations. The School shall post on its website and any document it publishes for public consumption the name of the School employee to whom inquiries regarding the non-discrimination policies shall be made and the following notice: “The (name of the School) does not discriminate on the basis of race, color, national origin, sex, disability, or age in its programs and activities and provides equal access to the Boy Scouts and other designated youth groups.” For further information on federal non-discrimination regulations, including Title IX, individuals may contact the Assistant secretary for Civil Rights at OCR.DC@ed.gov or call 1-800-421-3481.

## **Section Ten: Service Contracts with the Sponsor**

- 10.1 Direct costs.** Not applicable.
- 10.2 Sponsor services.** The Sponsor is committed to providing appropriate support to the School, including but not limited to, shared services agreements that will entered into by separate contract.

## **Section Eleven: Facilities**

- 11.1 Facility.** The School shall ensure that it maintains facilities in compliance with all applicable local, state, and federal laws and regulations, including but not limited to those relating to accessibility and student safety. The School shall satisfy all permit, life, safety, and inspection requirements of the SCDE/Office of School Facilities (OSF.)
- 11.2 Construction, renovation, and maintenance of facilities.** The School shall be responsible for the construction, renovation, and maintenance of the facilities in accordance with the latest edition of the South Carolina School Facilities Planning and Construction Guide. The School shall obtain prior approval of the OSF for all work to facilities. The School shall also obtain an inspection and the approval of the OSF before occupancy and use.

## **Section Twelve: Charter Renewal, Revocation, and School-Initiated Closure**

- 12.1 Renewal timeline and process.** If the School seeks renewal of its charter, the School shall submit its renewal application in accordance with the renewal timelines promulgated by the Sponsor and agreed to by the School in the year before the Charter expires. The Sponsor will act on the renewal application in accordance with renewal timelines promulgated by the Sponsor and agreed to by the School in the year before the Charter expires following a public hearing at which the School shall have the opportunity to address the Sponsor about its renewal request.
- 12.2 Renewal application content.** If the School seeks renewal of its charter, pursuant to S.C. Code Ann. §59-40-110 (B), the School shall submit a charter renewal application to the Sponsor containing (1) a report on the progress of the School in achieving the goals, objectives, pupil achievement standards, and other terms of the initially approved charter application, and (2) a financial statement that discloses the costs of administration, instruction, and other spending categories for the School that is understandable to the general public and that allows for comparison of these costs to other schools or other comparable organizations, in a format required by the SBE. The format of the renewal application shall be provided to the School by the Sponsor at least one year before the renewal application is due or by the date prescribed by the Sponsor of the year in which the application is due, but in all cases, the Sponsor shall give the School notice by December 31 of the final fiscal year of the charter contract of the format of the renewal application. The School shall have at least 30 days after being provided the format of the renewal application to complete and submit the renewal application. The Sponsor may modify this format but shall not do so prior to seeking input from the School and shall not do so if it would materially prejudice the School's ability to complete and submit a renewal application. Failure to submit a renewal application is deemed to be conclusive evidence that the School has agreed to seek and obtain other sponsorship or close.
- 12.3 Criteria for renewal, nonrenewal, and revocation.** The Sponsor must and may only revoke or not renew the School's Charter for any of the grounds provided by S.C. Code Ann. §59-40-110, as they exist now, or may be amended.

- 12.4 Revocation/nonrenewal and hearing procedures.** In accordance with S.C. Code Ann. §59-40-110(F), at least sixty days before not renewing, revoking, or terminating a charter, the Sponsor shall notify in writing the School board of the proposed action. The notification shall specify the grounds for the proposed action in reasonable detail. Pursuant to S.C. Code Ann. §59-40-110(H), the School board may request in writing a hearing before the Sponsor within fourteen days of receiving notice of nonrenewal or revocation of the charter. Failure of the School board to make a written request for a hearing within fourteen days must be treated as acquiescence to the proposed action. Upon receiving a timely written request for a hearing, the sponsor shall give reasonable notice to the School board of the hearing date. The Sponsor shall conduct a hearing before taking final action. The Sponsor shall take final action to renew or to revoke a charter by the last day of classes in the last school year for which the charter school is authorized.
- 12.5 School-initiated termination of contract with Sponsor.** Pursuant to S.C. Code Ann. §59-40-115, the School may terminate its contract with the Sponsor before the ten-year term of contract if both Parties agree to the dissolution. Should the School choose to terminate this Contract before the end of the Contract term, it may do so in consultation with the Sponsor at the close of any school year and upon written notice to the Sponsor given at least ninety days before the end of the school year or as School and Sponsor may otherwise mutually agree. The School shall make every effort to provide notice of ten months to the Sponsor to allow families to take advantage of any available school choice enrollment dates.
- 12.6 Return of property.** Pursuant to S.C. Code Ann. §59-40-120, upon dissolution of the School as evidenced by the School's filing of Articles of Dissolution with the South Carolina Secretary of State, the School's assets may not inure to the benefit of any private person. Any assets obtained through restricted agreements with a donor through awards, grants, or gifts must be returned to that entity. All other assets shall become the property of the Sponsor.

## Section Thirteen

- 13.1 New School Applicants.** In considering new school applications, for any applicant that may be located within a 10-mile radius of the School, the Sponsor shall consult in good faith with the School regarding the demand for such new school and whether the demand may be filled by the School expanding its services or grade levels.

## Section Fourteen: General Provisions

- 14.1 Entire agreement/amendments.** This Agreement constitutes the entire agreement between the Parties and all prior representations, understandings, and discussions are merged herein and superseded and cancelled by this Contract. Pursuant to S.C. Code Ann. §59-40-60(C), a material revision of the terms of the contract between the School and the Sponsor may be made only with the approval of both Parties and must be documented in a writing signed by both Parties.
- 14.2 Non-assignment.** Neither party to this Contract shall assign or attempt to assign any rights, benefits, or obligations accruing to the party under this Contract unless the other party agrees in writing to any such assignment.
- 14.3 Governing law and enforceability.** This Contract shall be governed and construed according to the laws and regulations of the State of South Carolina, as amended from time to time. If any

provision of this Contract or any application of this Contract to the School is found contrary to law, such provision or application shall have effect only to the extent permitted by law.

**14.4 No waiver.** The Parties agree that no assent, express or implied, to any breach by either of them of any one or more of the provisions of this Contract shall constitute a waiver of any other breach.

**14.5 No third-party beneficiary.** The enforcement of the terms and conditions of this Contract and all rights of action relating to such enforcement shall be strictly reserved to the Sponsor and the School. Nothing contained in this Contract shall give or allow any claim or right of action whatsoever by any other or third person. It is the express intent of the Parties to this Contract that any person receiving services or benefits hereunder shall be deemed an incidental beneficiary only.

**14.6 Notice.** Any notice required or permitted under this Contract shall be in writing and shall be effective upon personal delivery (subject to verification of service or acknowledgement of receipt) or three days after mailing when sent by certified mail, postage prepaid to the respective addresses set forth below. Either party may change the address for notice by giving written notice to the other party.

Notice to the Sponsor shall be sent to: Charter Institute at Erskine, 1201 Main Street, Suite 300, Columbia, SC 29201

Notice to the School shall be sent to: 580 Faison Rd., Mount Pleasant, SC, 29466 843-936-7128

**14.7 Severability.** The terms of this Contract are severable. In the event that any of the provisions are determined to be unenforceable or invalid for any reason, the remainder of the agreement shall remain in effect, unless mutually agreed otherwise by the Sponsor and the School.

**14.8 Authority to enter into contract.** The Sponsor and School expressly affirm that the signatories on their respective behalves who sign below have the authority to enter into this Contract on behalf of the entity and that the board of directors of the entity has duly approved this Contract. The School shall provide a copy of its written resolution to the Sponsor authorizing the School to enter into this Contract.

**14.9 Delegation.** The School shall not delegate any of its rights, obligations, or responsibilities to any third party.

Intending to be legally bound hereby, the parties hereby execute the foregoing Charter School Contract this 17 day of August, 2018, with an effective date of July 01, 2018.

**Charter Institute at Erskine**

By: Cameron Runyan



Its: Chief Executive Officer

**Oceanside Collegiate Academy**

By: \_\_\_\_\_

Its: \_\_\_\_\_