



Charter School Contract

Section One: Introduction and Recitals

*This Contract is made and entered into between **PALMETTO SCHOLARS ACADEMY** (the "School"), a public charter school organized as a nonprofit corporate entity, and the **South Carolina Public Charter School District** (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."*

- 1.1 Reference to the South Carolina Charter Schools Act.** *WHEREAS, the South Carolina General Assembly has enacted the South Carolina Charter Schools Act, S.C. Code Ann. §§ 59-40-10 et seq. (the "Act") for certain purposes as enumerated in S.C. Code Ann. § 59-40-20.*
- 1.2 Reference to the previous Charter Application and approval date.** *WHEREAS on April 28, 2009, the School submitted a Charter Application to the Sponsor, which was approved on July 9, 2009;*
- 1.3 Reference to previous charter term.** *WHEREAS, the School has and will operate from July 1, 2009 through June 30, 2019 pursuant to a 10-year charter contract with the Sponsor;*
- 1.4 Reference to new charter Application.** *WHEREAS, the SCPCSD received renewal materials from the School with the intent of entering into a contract with the Sponsor beginning July 1, 2019;*
- 1.5 Reference to approval date.** *WHEREAS, on March 18, 2019, the Sponsor approved the School's renewal request and renewed the School's charter ("Charter") for a term of ten years;*

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

Section Two: Establishment of School

- 2.1 Term.** *In accordance with S.C. Code Ann. §59-40-110(A), the term of the Charter is ten years, beginning on July 1, 2019. This Contract is effective as of the date of execution and shall terminate on June 30, 2029, unless terminated sooner or renewed pursuant to this Contract and the Act.*
- 2.2 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 by-laws. 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. 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.

Section Three: Sponsor/School Relationship

3.1 Sponsor responsibilities, roles, powers, and performance expectations.

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 technical assistance to the School in satisfying state submission and reporting requirements affiliated with LEA obligations, including, but not limited to, administration of state software and systems including PowerSchool and Enrich, coordination of state assessments, and request for funds processes affiliated with state and federal programming.

A. Oversight and monitoring. *In accordance with S.C. Code Ann. § 59-40-55, the Sponsor shall:*

- i. adopt national industry standards of quality charter schools and shall authorize and implement practices consistent with those standards;*
- ii. 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;*
- iii. 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;*
- iv. 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 the date set forth by the SCDE.*
- v. 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;*
- vi. 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;*
- vii. determine whether the School's Charter merits renewal, non-renewal, or revocation;*
 - viii. 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*
 - ix. 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). Subject to rulings by the State Department of Education or amendment of 59-40-110(E), and recognizing that the current ratings available under the federal accountability system are divided by elementary, middle and high school and no aggregate rating is provided for schools including combinations of elementary, middle and/or high school, the School and Sponsor agree that the "lowest performance level rating" for a given year shall be defined to mean that all grade ranges taught elementary, middle and/or high school must receive the lowest performance level rating in order for the School to be permanently closed pursuant to 59-40-110(E); provided, however, that nothing in this section ix shall prevent the Sponsor from terminating or not renewing the School's contract under Section 59-40-110 of the South Carolina Charter Schools Act based on academic performance or any other reason permissible by law under any provision of this Contract or the Charter Schools Act.*

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 such School records and other information 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 and 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. Sponsor is an authorized user of all student records, including but not limited to all documents covered by FERPA. Information that must be made available for review and inspection includes, but is not limited to, the following:*

- i. School records including but not limited to student cumulative files, policies, and files related to student services, including special education;*
- ii. School financial records;*
- iii. Records related to School's educational program including but not limited to curriculum, state-required and school-administered interim testing, discipline,*

special education, student life, extracurricular activities and the like;

- iv. Personnel records, including but not limited to evidence of credentials and qualifications;*
- v. Evidence that criminal background checks of all school personnel have been conducted prior to hiring;*
- vi. School's operations, including, but not limited to, health, safety and occupancy requirements; and*
- vii. The Sponsor may make announced or unannounced visits to inspect the facility, interview personnel, attend scheduled board meetings, or otherwise fulfill its oversight responsibilities. Except in emergencies that involve the safety or health of students or employees at the School, 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 all 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.*

3.2 School responsibilities, roles, powers, and performance expectations

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 federal, state, and 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 the South Carolina Audit Guide published by the SCDE and reconciled at least monthly.*

B. Access to records. *The School shall maintain all records, including but not limited to*

those referenced in this Section and Section 3.1(B) of this Contract, at the School. 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:*

- i. 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;*
- ii. Any complaints filed against the School by or with any governmental agency or in any court of law;*
- iii. Conditions that may cause it to vary from the terms of this Contract, applicable Sponsor requirements, federal, and/or state laws, statutes, and regulations;*
- iv. Any circumstance requiring the lockdown of the School or 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;*
- v. 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;*
- vi. Misappropriation of funds;*
- vii. A default on any obligation, which shall include debts for which payments are past due by sixty (60) days or more;*
- viii. Any change in its corporate status with the South Carolina Secretary of State's Office as a non-profit corporation;*
- ix. Any material changes in insurance coverage;*
- x. Any change to the membership of the board or any changes to officers and directors;*
- xi. Any change to school administration; and*
- xii. Any changes in the by-laws of the nonprofit corporation.*

D. Academic achievement. *The School shall meet the performance standards and expectations set forth in the Charter and Contract within the timeline for expected yearly progress toward meeting the school's long-term performance goals, as defined in the Charter and Contract, as measured by performance frameworks or similar models. In accordance with SBE Regulation 43-601, the School also shall demonstrate that student*

academic achievement is improving and shall provide evidence of increased student academic achievement for all groups of students.

- E. Indemnification.** Pursuant to S.C. Code Ann. §59-40-60(F)(14) 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 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.

 - i. The School shall annually provide the District with an Annual Report by December 31, in accordance with reasonable Sponsor requirements provided to the School with sufficient notice and S.C. Code Ann. §59-40-140(H).*
 - ii. The School shall provide the District with a copy of its annual independent audit by the due date as determined by the Sponsor.*
 - iii. The School shall maintain accurate and up-to-date student records in the SIS as determined by the Sponsor. 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.*
 - iv. By June 15th 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.*
 - v. By July 1st of each calendar year, the School shall provide the Sponsor with its emergency/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 by-laws 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 by-laws. 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, shall ensure that all board members receive (1) the board training required by S.C. Code Ann. §59-40-155(A), which requires 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; and (2) at least annually, the board shall receive at least three (3) hours of governance training together as a board.*
- 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 adopt a conflict of interest policy and a code of ethics consistent with South Carolina Code of Laws, Chapter 13, Title 8 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% of its members elected by parents and employees of the school as required by S.C. Code Ann. §59-40-50(9).*
- 4.6 Contracting with an Education Management Organization (EMO)/Charter Management Organization (CMO)/Educational Service Provider (ESP).** *The School and the Sponsor agree that the School does not intend to contract with an EMO, CMO, or ESP to manage its operations and perform functions such as hiring, professional development, public relations, marketing, enrollment of students and data analysis. Unless otherwise agreed in writing by the Sponsor, the School shall not have the authority to enter into a contract with an EMO.*

Section Five: Operation of School and Waivers

- 5.1 Operational powers.** *The School must limit operations to activities within the scope of any mission set forth in its articles of incorporation and the Charter.*
- 5.2 Transportation.** *If providing or contracting for transportation, the School will comply with all state safety requirements for buses and all state safety and training requirements for drivers.*

- 5.3 Food services.** *If providing or contracting for food services, the school will comply with all applicable state health and safety requirements.*
- 5.4 Rehabilitation and Related Services.** *The School may bill for Medicaid Services, and the School shall comply with all applicable and enforceable federal and state laws, regulations, and contracts in billing for Medicaid Services. The School agrees to comply with the District onboarding process prior to billing for Medicaid Services, and further agrees that it shall be responsible for all costs required to be covered with non-federal Provider funds. It is expressly understood that no Sponsor funds are intended to be used to cover any costs associated with any service by the School, including but not limited to Rehabilitation and Related Services*
- 5.5 Waivers. [Reserved]**

Section Six: School Enrollment and Demographics

- 6.1 School grade levels.** *In accordance with its Charter, which is expressly incorporated by reference, the School serves grades Sixth 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 to that of the local school district in which the School is located or of the targeted student population as set forth in the Charter, differing by no more than twenty percent of that population. In the event that the racial composition of the School's enrollment differs from the enrollment of the local school district in which the School is located or of the targeted student population by more than twenty percent, despite the School's best efforts, the Sponsor shall consider the School's recruitment efforts and racial composition applicant pool in determining whether the School is operating in a nondiscriminatory manner.*
- 6.3 Maximum and minimum enrollment.** *The School may not exceed the projected enrollment as set forth in the Charter by more than then (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(A)(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, is as follows: "Palmetto Scholars Academy (PSA) will provide a differentiated program designed to meet the educational needs of intellectually gifted learners, address their distinctive social and emotional needs, promote individual character development and instill a life-long love of learning." 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 Charter and Contract and shall require prior written approval of the Sponsor.*

- 7.2 Goals, objectives, and pupil achievement standards.** *The School shall meet the academic performance goals, objectives, and pupil performance standards as defined in the Charter and Contract. The School also shall meet or make reasonable progress towards meeting all academic performance standards and expectations set forth by any state or federal accountability system applicable to School. Whether the School has met its goals, objectives, and pupil performance standards will be communicated by the Sponsor's annual evaluation/review of the School through the implementation of a performance framework developed by the Sponsor and provided to School. The performance framework currently in place by the Sponsor is attached as Exhibit A.*

The performance framework and annual evaluation/review may be modified or amended at any time to the extent consistent with applicable state or federal accountability requirements as established by law, or aligned with other requirements, standards or methods set forth in state or federal law applicable to the School. In the event that such modifications or amendments are made by the Sponsor, the Sponsor will use best efforts to communicate changes and solicit input from School prior to implementation. Further, the School may submit to the Sponsor requests to reconsider the ratings reported in the Performance Frameworks and annual evaluation/review of the School each year.

- 7.3 Description of the school's educational program.** *The School will have the authority and responsibility for designing and implementing its educational program, subject to the conditions of this Contract and in alignment with the Charter. Material changes to the school model will be made only with the prior approval of the Sponsor.*

- 7.4 Curriculum.** *The School shall have the authority and responsibility for refining the design and implementation of its educational program, subject to the conditions of this Contract, in a manner that is consistent with state law. 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 performance frameworks implemented by the Sponsor as described above, 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 Improvement 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 the 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 Sponsor's reasonable procedures for identifying, assessing, and exiting English language learners.*
- 7.9 Homeless, Migrant and Foster Care Students.** *The School shall provide staff, resources and support to homeless, migrant and foster care students as required by Sponsor policy, state law and federal law.*
- 7.10 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 30th of each year, the School shall submit to the Sponsor the School's proposed budget for the upcoming school year, with the School's final budget submitted to the Sponsor by July 1, 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 all other public schools. Sponsor may audit School 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*

numbers and email address).

- 8.3 Revenues.** *The School shall record revenues in accordance with the South Carolina Department of Education’s Accounting Handbook and Funding Manual.*
- 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, subject to the exceptions described herein, to cover the costs of overseeing the charter school, as provided by law, 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. The Sponsor warrants and represents that it intends to continue with the Schools of Distinction program as long as the District’s state revenues allowable to be used for operating expenses remain at current gross amounts or higher.*
- 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 10 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.*
- 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 15th 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 15th 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, and the School's authority to contract is limited by the same provisions of law that apply to 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. § 594050(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.*
- 8.15 Expenditure of Federal Program Funds.** *The School shall follow District, state and federal policies regarding the expenditure of federal program funds. The School shall operate its federal programs as required by the Office of Management and Budget (OMB) for federal award*

programs entitled *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (also known as the *Super Circular*) codified at 2 CRF 200.

Section Nine: Personnel

- 9.1 Employee and contractor status.** *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 will be employees of the School, and not the Sponsor. All employees will be employees at will, except for the Head of School/Executive Director, 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 and required by state and federal statutes, laws and regulations.*
- 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)(N). 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. *Not applicable.*

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, Automatic Closure, and School-Initiated Closure

12.1 Renewal timeline and process. *Pursuant to S.C. Code Ann. §59-40-110 (B), the School shall submit a charter renewal application to its sponsor one hundred and twenty calendar days before the end of the school year for term of the charter contract. The Parties agree that this language in the statute regarding the timing of submissions of renewal applications is ambiguous and is insufficient for the Parties to determine when the Legislature intended for the application to be submitted. Therefore, the Sponsor shall provide the Renewal Application to the School by November 1, 2028, and School agrees to submit its Renewal Application by January 5, 2029. Sponsor will provide written notice of its decision to revoke or not renew on or before March 1, 2029. The School may request a hearing with regard to a decision not to renew the Charter within fourteen (14) days of receipt of the notice of non-renewal. After receipt of a timely request for a hearing, the Sponsor shall schedule a hearing before taking final action. The Sponsor shall take final action to renew or not renew a Charter by the last day of classes in the last school year for which the charter school is authorized. If the School fails to submit the renewal application by February 1, 2029, then the School agrees that the Charter will expire on June 30, 2029, and the School will seek and obtain other sponsorship or dissolve in accordance with Section 59-40-120 upon expiration of the Charter on June 30, 2029.*

12.2 Renewal application content. *At the request of the Sponsor, the renewal application may contain (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; (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; and 3) any proposed material changes to the Charter or Contract to be implemented in the next ten year charter term. 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. The Sponsor*

may modify this format but shall not do so prior to seeking input from the School. 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 revoke or not renew the School's Charter for any of the grounds provided by S.C. Code Ann. §59-40-110 (C), as they exist now, or may be amended. In accordance with S.C. Code Ann. §59-40-110(D), the Sponsor may summarily revoke the School's Charter if it determines that the School poses an imminent threat of harm to the health or safety of students, or both, based on documented and clear and convincing data.*
- 12.4 Criteria for automatic closure.** *In accordance with S.C. Code Ann. §59-40-110(E), the School shall automatically and permanently close at the conclusion of the school year in which the School first becomes subject to automatic closure for receiving the lowest performance level rating as defined by the federal accountability system for three consecutive years beginning with student achievement data from the 2019-2020 school year. The determination of closure is final and the School does not have the right to a notice or a hearing if the criteria for automatic closure is met.*
- 12.5 Revocation/nonrenewal and hearing procedures.** *In accordance with S.C. Code Ann. §59-40-110(F), at least sixty days before not renewing or terminating a charter school, 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.*
- 12.6 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 tenyear 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. In the event the School decides to dissolve, 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. In the event the School seeks to transfer sponsors, the School shall inform the Sponsor of its desire to transfer no later than December 31 prior to the fiscal year in which the transfer would become effective. To the extent that another charter school sponsor can provide the necessary affiliation with the School to provide cap exemption for visiting teachers from China at School and Sponsor cannot do the same, the parties acknowledge that would be a factor in support of School transferring to such other sponsor.*
- 12.7 Return of property.** *Pursuant to S.C. Code Ann. §59-40-120, upon dissolution of the School, the School 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.*

If the Sponsor's staff believes that the School has dissolved, the Sponsor's staff shall provide the School with written notice of its belief that the School has dissolved and allow the School no less than fourteen (14) days from receipt of such notice to respond in writing. If the School fails to respond or responds that it has dissolved, the Sponsor may initiate its closure protocol. If the School responds that it has not dissolved and the Sponsor's staff disagrees, the School shall be entitled to a hearing, after reasonable notice, before the Sponsor's Board on the issue of whether a dissolution has occurred.

The School shall execute a Provisional Power of Attorney granting the Sponsor power of attorney over all school accounts and assets upon an event of dissolution that shall be held in trust by the District in the event dissolution occurs; however, in the event that the Sponsor and the School disagree as to whether the school has dissolved, the Sponsor shall not utilize the Power of Attorney until the disagreement is resolved by the parties or, if necessary, through the judicial system.

Section Thirteen: General Provisions

- 13.1 Formal Communication of Concerns to the Board.** *Sponsor Board policy encourages School to offer suggestions as to Sponsor policies and procedures, and to raise any concerns with Sponsor operations to the Sponsor's Board after reasonable efforts to resolve concerns with Sponsor's staff have been exhausted. The Sponsor's Board recognizes that public comment may not offer enough time for School to communicate regarding these issues. Therefore, School may request to and shall be added to the agenda of any regular board meeting to discuss a policy, procedure or operational concern by submitting the request in writing at least ten (10) days in advance of the board meeting describing (1) the matter to be addressed; (2) any supporting documentation; and (3) those who will be appearing before the board for the school. For any formal appearance by the School before the Sponsor's Board, it is expected that at least one School board member will appear unless otherwise agreed in advance.*
- 13.2 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.*
- 13.3 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.*
- 13.4 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.*
- 13.5 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.*
- 13.6 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.

13.7 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: Superintendent, South Carolina Public Charter School District, 3710 Landmark Drive, Suite 201, Columbia, SC 29204.

Notice to the School shall be sent to: Board Chair, Palmetto Scholars Academy, 7499 Dorchester Road, North Charleston, SC 29418.

13.8 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.*

13.9 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.*

13.10 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 ____ day of _____, 2019 with an effective date of July 1, 2019.

SOUTH CAROLINA PUBLIC CHARTER SCHOOL DISTRICT By: _____ Its: Superintendent By: _____ Its: Board Chair	PALMETTO SCHOLARS ACADEMY By: _____ Its: Leader By: _____ Its: Board Chair
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