



## SUMMARY

# REVIEW OF THE SOUTH CAROLINA PUBLIC CHARTER SCHOOL DISTRICT



### AUTHORIZERS/SPONSORS

Members of the S.C. General Assembly requested that we conduct an audit of the S.C. Public Charter School District (District).

#### OBJECTIVES REVIEWED

- South Carolina’s state laws and regulations regarding charter schools to determine if the District’s role could be better defined.
- The relationship between the District and its charter schools.
- The relationship between the District and the S.C. Department of Education (SCDE).
- The District’s evaluations of charter schools.
- The District’s administrative fee policy.

#### BACKGROUND

The S.C. General Assembly passed legislation in 1996 allowing public charter schools to operate in the state and created the District in 2006. The District began operating in 2008 and now sponsors 33 charter schools serving more than 20,000 students. The District is responsible for monitoring the academic and financial performance of its charter schools and also acts as a local education agency. The District’s superintendent is supervised by a board of trustees who are appointed by the Governor, the Speaker of the House of Representatives, and the President of the Senate.

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#### CHARTER SCHOOLS

Charter schools can operate under the sponsorship of a state public school district, the District, or an institution of higher education. Charter schools are eligible to receive state and federal funding, have more freedom to determine how they operate, and are free to attend.

Across the Southeast, there is variation among the states in regard to charter authorizing structures and appellate entities.

CHARTER SCHOOL AUTHORIZING AND APPELLATE ENTITIES IN THE SOUTHEAST		
STATE	AUTHORIZING ENTITIES	APPELLATE ENTITIES
ALABAMA	Local Education Board <i>or</i> Charter Commission	Charter Commission
FLORIDA	Local Education Board <i>or</i> Institutions of Higher Education	State Education Board
GEORGIA	Local Education Board <i>or</i> State Education Board <i>or</i> Charter Commission	State Education Board
NORTH CAROLINA	State Education Board	None
SOUTH CAROLINA	District <i>or</i> Institutions of Higher Education <i>or</i> Local Education Board	Administrative Law Court
TENNESSEE	Local Education Board <i>or</i> Charter Commission <i>or</i> Special Charter District <i>or</i> State Education Board	Charter Commission

#### AUTHORIZER SHOPPING

According to the National Association of Charter School Authorizers, “authorizer shopping” occurs when an underperforming charter school “attempts to transfer to a new authorizer to avoid accountability measures.” In 2017, four underperforming schools transferred from the District to the Charter Institute at Erskine (Erskine) over the objections of the District’s board of trustees. This presents a challenge to accountability efforts and overall charter school quality.

In August 2020, the District and Erskine signed a joint memorandum of agreement in which they agreed to suspend all school transfers for three years. However, this is only a temporary measure and does not guarantee authorizer shopping will not happen in the future.

# ACCOUNTABILITY

## SCHOOL CLOSURE

S.C. Code §59-40-110(E), intended to close persistently underperforming charter schools, lacks clarity and has been ineffective. Beginning with SY 13-14, charter schools shall:

...automatically and permanently close [if they receive] ...the lowest performance level rating as defined by the federal accountability system for three consecutive years.

However, since 2013, there have not been three consecutive school years wherein South Carolina schools have received federal accountability ratings.

The District's 2019 closure of Quest Leadership Academy, a District charter school located in Greenville, S.C., appears adequate.

## ACCOUNTABILITY MEASURES

The accountability measures used by the District were:

- Inconsistent between charter schools.
- Inconsistent with industry standards.
- Not properly documented.

## CHARTER SCHOOL BOARDS

The District does not regularly monitor its charter schools' board member composition and qualifications, for which there are specific requirements in S.C. Code §59-40-50(B)(9). By not monitoring its charter schools' boards, the District is not fulfilling its statutory requirement to ensure its charter schools are legally compliant, and there is less assurance that its schools' boards are providing an adequately representative voice for their students.

# ADMINISTRATIVE FEES AND COSTS

## NO POLICY

The District does not have an administrative fee policy, limiting transparency regarding the percentage charged, the state funds to which the fee applies, and any exceptions to the fee. By law, the District may retain up to 2% of the total state appropriations for each charter school it authorizes to cover costs for overseeing its charter schools. Currently, the District applies a 2% administrative fee to each charter school's funding from the Education Finance Act, select programs funded by the Education Improvement Act, and charter school proviso funding.

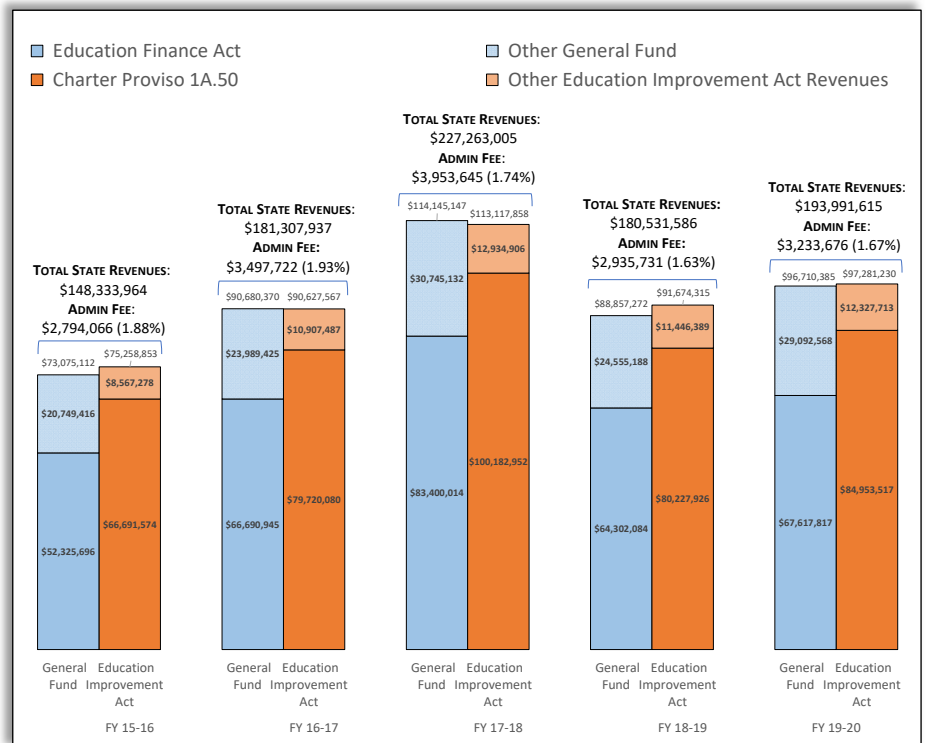
## COSTS NOT PUBLICIZED

The District has not publicized its administrative cost reports since FY 14-15 and does not publicize its operating costs, both of which are required by law.

## REDUCED ADMINISTRATIVE FEE

In FY 17-18 and FY 18-19, the District implemented a reduced administrative fee charge for charter schools regarded as "good standing."

**DISTRICT'S TOTAL STATE REVENUE AND ADMINISTRATIVE FEE  
FY 15-16 – FY 19-20**



## FOR MORE INFORMATION

Our full report, including comments from relevant agencies, is published on our website. Copies can also be obtained by contacting our office.

LAC.SC.GOV

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## SUPPORT FUNCTIONS

### SUPPORT

Despite its designation as a local education agency, it is unclear whether the District's statutory responsibilities include those of a traditional school district or are limited to those of the S.C. Charter Schools Act.

### RELATIONSHIP WITH S.C. DEPARTMENT OF EDUCATION

Poor communication between the District and SCDE sometimes led to confusion about deadlines and policies.

### INTERVIEWS WITH SCHOOL LEADERS

School leaders representing 21 of the District's 33 charter schools were interviewed.

#### Results

- 18 expressed satisfaction with communication between their schools and the District.
- 10 expressed interest in having more guidance for schools just starting out and guidance in general.
- 5 expressed interest in having more collaboration among schools in the District.
- 8 expressed concern about accountability measures.
- 6 expressed frustration with PowerSchool®, a data system used by SCDE.
- 5 expressed concerns over staff turnover at the District, particularly finance.

## WEBSITE REVIEW

### INADEQUACIES

- Legally required information was not posted.
- The District's organizational chart was not posted.
- The District's employee listing was not current.
- The annual report each charter school is required to send to its charter authorizer was not posted.
- The board of trustees' minutes were not adequately detailed.
- There were problems with the functionality and design of the website.