

STATE OF SOUTH CAROLINA
BEFORE THE BOARD OF TRUSTEES FOR THE
SOUTH CAROLINA PUBLIC CHARTER SCHOOL DISTRICT

IN RE: CHARLESTON ADVANCEMENT)
ACADEMY)
)
)
_____)

FINAL DECISION

This matter is before the Board of Trustees of the South Carolina Public Charter School District ("District Board") upon request for a hearing by Charleston Advancement Academy ("School" or "CAA") pursuant to S.C. Code Ann. § 59-40-110(H). A public hearing was held on May 11, 2023, with a quorum of the board present and both parties represented by legal counsel. The Parties stipulated as to certain documents that should be entered into evidence and, upon proper motion, the documents consented to as evidence by both parties was submitted into evidence. After considering the testimony, arguments of counsel, evidence, exhibits and all other materials and information submitted by the School and the staff of the South Carolina Public Charter School District ("District"), the Board hereby concludes that the School's Charter is revoked as of June 30, 2023, pursuant to Section 59-40-110, for the reasons set forth below.

FINDINGS OF FACT

1. School is a charter school with campuses in North Charleston, South Carolina, and James Island, South Carolina. The School serves grades 9 through 12.
2. The School was granted a Charter by the Board on May 20, 2017, and began operating in August 2018, pursuant to the South Carolina Public Charter Schools Act of 1996, S.C. Code Ann. §§ 59-40-10 to -240 ("the Act").
3. The School is designated as an Alternative Education Campus ("AEC") under the Act because it serves students that have dropped out of high school or are at-risk for dropping out

of high school based on specific statutory criteria.

4. The Charter required the School to use an Education Management Organization (“EMO”) called Pathways in Education, Inc. (“Pathways”) to provide certain services.

5. Prior to the School opening in August 2018, the contract between the School and Pathways was terminated.

6. The School selected a different EMO, Acceleration Academies, Inc. (“Acceleration Academies”), to replace Pathways in the Charter.

7. The District Board approved an amendment of the Charter to allow Acceleration Academies to replace Pathways in the Charter.

8. On October 31, 2019, the School Board terminated its contract with Acceleration Academies effective immediately and demanded Acceleration Academies to stop providing services under the management contract with the School.

9. On November 11, 2019, the School Board submitted a request to amend its Charter to remove Acceleration Academies from the Charter.

10. On November 14, 2019, the District Board denied the amendment request because it determined the amendment lacked sufficient detail regarding how the services of Acceleration Academies would be replaced.

11. On December 2, 2019, the District issued sanctions short of revocation requiring, among other things, the School Board to resubmit the charter amendment adequately detailing the services of Acceleration Academies to be approved by the District Board.

12. Acceleration Academies filed an arbitration claim against the School alleging damages for wrongful termination of contract.

13. On April 23, 2020, the United States District Court for the Western District of North

Carolina, Civ. No. 3:20-cv-00062-MOC-DSC (aff'd *Acceleration Academies v. Charleston Acceleration Academy, Inc.*, 858 Fed. Appx. 606 (4th Cir. 2021)), confirmed the arbitration award (“Award”) for Acceleration Academies against School in the amount of \$859,142.41.

14. The Award provided, in relevant part, that (a) the arbitrator previously required the parties to return to the status quo regarding services to be provided as of October 31, 2019; (b) School failed to meet its obligation to terminate its contract with Acceleration Academies in a “manner least disruptive to students”; and (c) there was “no credible evidence of a threat to public health and safety which was proximately caused by [Acceleration Academies] to justify immediate termination of the contract, given the affirmative obligation of the parties to terminate the contract in a manner least disruptive to the students.”

15. On November 12, 2020, after the School added sufficient details to describe how the services of the management company were being replaced, the District Board approved the School’s request to amend the Charter.

16. The Charter on pages 42-48 was amended to include revised academic goals and performance standards submitted by the School and approved by both the School Board and the District Board.

17. The Charter was amended to identify “two critical goals and objectives” to “help monitor and measure CAA’s success towards achieving its mission.” The two critical goals identified were:

- a. “a target graduation rate of 65% or a goal of 80% or greater;” and
- b. “a target of 40% of the School’s students earning at least 6.0 credits per academic year to be on track to achieve graduation within 4 years.”

18. The Charter also was amended to identify 14 “Achievement Indicators” the Charter

identifies as “goals.”

19. The Charter states that the School will use the PowerSchool student information system to “enable the smooth transfer of student information between [the School], [the District], and South Carolina’s Department of Education and ensure that all three entities are working from a common data source.” The Charter further states, “CAA’s director will be responsible for the efficient and accurate distribution of student assessment and progress information to parents or guardians, CAA’s Board of Directors, the authorizer and the South Carolina Department of Education.”

20. On December 7, 2021, the School Board requested to transfer its Charter to Limestone University and the Limestone Charter Association for the 2022-2023 school year. However, transfer requests were due on or before October 31, 2021, and the District Board denied the request because it was untimely.

21. On or about December 31, 2021, the School submitted the Annual Report required by the Act, which requires the School to report on its academic performance over the past year. The data submitted by the School in its Annual Report did not include any data from the revised goals in the Amended Charter.

22. On June 14, 2022, the District formally responded to the Annual Report submitted on or about December 31, 2021 by stating, in relevant part: “The school did not provide data for its goals in 2020-2021 Annual Report. The only summative academic data available to the District from the school is graduation rate. It does not appear the graduation rate is increasing or near levels required by the charter based on the available data.”

23. On August 17, 2022, the School Board again submitted a request to transfer its Charter to Limestone University and the Limestone Charter Association for school year 2023-

2024.

24. In Fall 2022, the South Carolina Department of Education resumed report card ratings. CAA received a rating of unsatisfactory overall and unsatisfactory for multiple indicators on the state/federal accountability level, for which they must comply as outlined in South Carolina Code section 59-40-111(F).

25. In accordance with District policy, the District Board provided notice to the School Board on November 4, 2023, that its request to transfer its Charter to Limestone University and the Limestone Charter Association would be placed on the agenda for an upcoming regularly scheduled District Board meeting on December 15, January 19, or February 9.

26. On December 6-8, 2022, School held School Board elections. The School Board Chair, Nadine Dief, and School Board Secretary, Traci Combs, were not re-elected. Chair Dief only received 7 out of 139 votes. Secretary Combs only received 9 out of 139 votes.

27. On December 13, 2022, before newly elected board members were sworn in, the School Board reappointed Chair Dief and Secretary Combs to vacant board seats at a special called board meeting.

28. Also on December 13, 2022, the School Board announced to School staff that the School leader, Wayne Stevens, had resigned.

29. On December 14, 2022, approximately half of the School's 31 staff members did not report to work in protest of the School Board's actions.

30. On January 4, 2023, the District Board notified the School Board that it would consider the School Board's request to transfer the Charter at the District Board's regularly scheduled public board meeting on January 19, 2023. The January 4, 2023, correspondence stated, "The [District] Board reserves the right to take any action related to CAA's charter that it deems

appropriate after considering the information available to it.”

31. On January 12, 2023, the District provided School the Transfer Request Report, which summarized information the District Board may consider when evaluating a transfer request.

32. After noting multiple concerns with the validity of data provided by the School, the Transfer Request Report noted the following regarding the School’s academic performance for Measures 1-4 for academic year 2021-2022 based on the available data:

Goal Number	Goal	Performance	Goal Met?
Critical Goal 1	target graduation rate of 65% or a goal of 80% or greater	8.8% 4-year cohort graduation rate	Goal not met
Critical Goal 2	40% of students earn 6 credits per year	2.2% of students earn 6 credits/year	Goal not met
Measure 1	Percent of students that are enrolled on the 45th day of the school year and enrolled on the first day of testing, with no break in enrollment, who score at least 70 percent on the English II EOCEP ¹ assessment.	52.38% of 21 students scored 70% or higher	Goal not met
Measure 2	Percent of students that are enrolled on the 45th day of the school year and enrolled on the first day of testing, with no break in enrollment, who score at least 70 percent on the Algebra I assessment.	0% of 42 students scored 70% or higher	Goal not met
Measure 3	Percent of students that are enrolled on the 45th day of the school year and enrolled on the first day of testing, with no break in enrollment, who score at least 70 percent on the Biology I assessment.	10.34% of 41 students scored 70% or higher	Goal not met
Measure 4	Percent of students enrolled on the 45th day of the school year and enrolled on the first day of testing, with no break in enrollment, who score at least 70 percent in the U.S. History and Constitution EOCEP assessment.	4.88% of 29 students scored 70% or higher	Goal not met

¹ EOCEP refers to End of Course Examination Program. Measures 1-4 all refer to EOCEP assessments.

33. The Charter required the School to set benchmarks for Measures 5-14, but the School never set the benchmarks as required.

34. On January 18, 2023, School provided the District Board its rebuttal to the Transfer Request Report. The rebuttal did not provide any information to refute the failure of the School to meet the goals reflected in Measures 1-14.

35. The Agenda posted for the January 19, 2023 District Board meeting included an action item for “Action on Charleston Advancement Academy’s Charter.”

36. At the regularly scheduled January 19, 2023, District Board meeting, District staff presented the Transfer Request Report to the District Board, and the School presented additional information in support of its request to transfer its Charter. Both the District and School were represented by counsel at the Board meeting.

37. The School’s rebuttal to the Transfer Request Report and presentation to the District Board contended that the graduation rate should have been 12.64% instead of 8.8%, still falling far short of the target graduation rate of 65% or a goal of 80% or greater.

38. The School’s rebuttal to the Transfer Request Report and presentation to the District Board included data related to the number of courses completed in a software program called Edgenuity, not PowerSchool data reflecting courses taken for credit toward graduation. PowerSchool is the records system required by the Charter, the State Department of Education, and the District for official records.

39. The School did not rebut data provided for EOCEP assessments.

40. The District Board voted to deny the transfer request and voted to issue Notice of Revocation of the Charter effective June 30, 2023.

41. The District sent Notice of Revocation to the School on January 23, 2023.

42. The School requested a hearing in writing pursuant to the Act on January 30, 2023.

43. The hearing was held on May 11, 2023, in a public meeting before the District Board.

44. At the hearing, Deputy Superintendent John R. Payne² testified to verify that the information in the Transfer Request Report remained valid.

45. Dep. Supt. Payne further testified that his analysis showed no students that were enrolled in CAA as a senior in the academic year 2020-2021 earned a diploma from the School within twelve months.

46. Dep. Supt. Payne further testified that he confirmed his analysis regarding graduation and credit attainment by review of individual high school transcripts from CAA students and information from the South Carolina Department of Education “DOTS” diploma ordering system.

47. Dep. Supt. Payne testified the School’s graduation rate was lower than the graduation rates of other AEC’s, including charter AEC’s, based on nationally reported data.

48. Dep. Supt. Payne testified that his review of individual student data revealed multiple students showing passing grades in PowerSchool but could not earn credit for the course due to excessive absences. In some cases, student records showed students with more than 50 absences from one course.

49. Dep. Supt. Payne also testified that his review of individual student data revealed the School failed to have adequate contact with students. For example, Dep. Supt. Payne testified that a student had passed away without the School knowing for several months.

50. The School’s data consultant, Curtis Askew of DataNgin, testified at the hearing

² Dep. Supt. Payne is not related to District Board Chairman John S. Payne.

that the DOTS system was the most reliable data source for determining the number of actual graduates from the School.

51. Askew testified that the School's data in PowerSchool had "tremendous deficiencies," specifically detailing that there were duplicate records in PowerSchool.

52. Askew testified that his analysis would show that the four-year adjusted graduation rate should be approximately 32%.

53. Askew further testified that he believed the School was being treated differently than another charter school sponsored by the District, NEXT High School. However, Askew was not aware that the District already had closed NEXT.

54. The School called Dr. Carrie Tucker, Assistant Director at the School's Trident Technical College Campus, as a witness. Like Askew, Tucker testified the School's data was deficient. Tucker testified that the 2021-2022 graduation rate should be 21.86% by counting students outside of cohort.

55. The District offered testimony from Michael Thom, Deputy Superintendent for Finance and the Chief Financial Officer of the District. Thom testified that the School spent the least amount of money per student of any school in the District based on a South Carolina State Department of Education reporting tool.

56. Thom also testified that the School had almost \$4 million of State funds in its accounts based on banking information it submitted to the District.

57. Thom further testified that screenshots provided to the District by School Board Chair Nadine Dief indicated that Chair Dief had access to the School's bank accounts from her personal mobile phone, where it appeared she could readily transfer funds from the School's account to her own accounts or third-party accounts without any safeguards.

58. The School submitted into evidence a letter from Ken Martin of Martin Smith & Co., the independent auditor that audited the School for fiscal year 2022, to Chair Dief alone stating, “[o]ur assessment is that online access by you does not violate generally accepted auditing standards, GAAP, or SCDOE standards, particularly given the control exercised by [Prestige School Solutions].”³

59. Following the close of evidence, and upon proper motion, the District Board publicly voted to proceed with revocation of CAA’s Charter effective June 30, 2023.

CONCLUSIONS OF LAW

60. South Carolina Code section 59-40-110(C) requires a sponsoring school district to revoke the charter of a school that “(1) committed a material violation of the conditions, standards, performance expectations, or procedures provided for in the charter application or charter school contract, or both; (2) failed to meet the academic performance standards and expectations as defined in the charter application or charter school contract, or both; (3) failed to maintain its books and records according to generally accepted accounting principles or failed to create an appropriate system of internal control, or both; or (4) violated any provision of law from which the charter school was not specifically exempted.”

61. The evidence at the hearing shows that the School (1) committed a material violation of the conditions, standards, performance expectations, or procedures provided for in the charter application or charter school contract, or both; and (2) failed to meet the academic performance standards and expectations as defined in the charter application or charter school contract, or both.

³ Prestige School Solutions, according to Martin, “provides comprehensive financial and back-office support” to the School.

62. The evidence shows the School failed to meet the goals in its Charter, including but not limited to those goals the School itself identified as “critical goals” to its mission. No calculation of graduation rate offered by the School, or the District meets the first critical goal of a 65% graduation rate stated in the CAA charter. The District provided credible evidence that the credit attainment goal of 6 credits per year was not met, and the School did not provide any alternative calculation evidencing the goal was met. Further, the School did not dispute the EOCEP data showing the School did not meet Measures 1-4, and CAA did not dispute that it had not set benchmarks for Measures 5-14 as required.

63. The Charter requires the School to maintain accurate data and transmit accurate data in PowerSchool to the District and State Department of Education. However, both District and School witnesses agreed that the School’s PowerSchool data was deficient and unreliable. The School has failed to meet performance standards or procedures in the Charter regarding data management, record keeping, and academic progress reporting.

64. The Charter requires the School to allocate its funding to prioritize the delivery of CAA’s educational and experiential learning activities. Pursuant to the Charter, the CAA Board is responsible for ensuring the effectiveness of the School’s academic program and fiscal performance. The CAA Board has failed to meet the governance performance standards under the Charter by hoarding cash reserves instead of allocating funds to improving academic achievement.

65. The School Board also has failed to meet the governance performance standards under the Charter by failing to maintain consistent and effective leadership at the School, which has had two EMO’s and at least six school leaders since the School began serving students in 2018, and by reappointing two board members that lost in the board election before new board members could be installed, resulting in a staff revolt.

66. The School Board failed to exercise proper internal controls over public money by allowing circumstances to exist where the School Board Chair could unilaterally exercise control over school funds by transferring money from the school account without any limitation on amount or secondary approval authority, relying solely on post-transaction means to prevent fraud or improper spending of State money.

67. Each of the grounds stated above provides an independent basis requiring revocation of the School's charter.

68. The School received adequate notice and the right to a hearing, which it voluntarily requested and participated in with the assistance of legal counsel, thereby satisfying the elements of the Charter Act and constitutional due process. Moreover, the District complied with its notice obligations under the Freedom of Information Act by providing timely public notice of its January 19, 2023 meeting, in which it specified that the District Board would consider "Action on Charleston Advancement Academy's Charter." S.C. Code Ann. § 30-4-80(A). A quorum of the Board was present for that meeting, and it publicly voted to take action to revoke the charter. The District Board denies any suggestion that it did not fully comply with its obligations under FOIA.

69. Pursuant to Section 59-40-55(B)(7) of the South Carolina Code, no corrective action or sanction short of revocation is required when circumstances warranting revocation exist. The Act clearly states that revocation timelines apply when circumstances warrant revocation. However, in this case, the District issued the School sanctions short of revocation in December 2019 and provided the School the opportunity to cure any defects by amending its Charter, which it did in November 2020. It further provided notice of the deficiencies in academic performance and the Charter in 2021-2022 by letter dated June 14, 2022. The School has had more notice, and more opportunities to correct deficiencies, than is required by the Act.

70. The District did not treat the School unfairly as compared to other charter schools as alleged by the School. The only evidence submitted in this regard was through testimony that the School was treated differently than the NEXT Schools in Greenville, South Carolina. However, the School's own data consultant did not even know NEXT had been closed by the District almost a year ago. The School's claim that it was treated differently than NEXT is not credible. Even if the School was treated differently, that treatment would not provide a basis to delay revocation because the evidence clearly shows the School is not meeting performance expectations.

71. Similarly, the School provided testimony from School Board Secretary Combs that the District desired to close the School to benefit another school, Lowcountry Acceleration Academy ("Lowcountry"). However, CAA witnesses could not even agree on how close Lowcountry is located in proximity to CAA, with Dr. Tucker testifying Lowcountry was ten miles away and Secretary Combs testifying it was within two miles. CAA witnesses also could not explain how closure of CAA would benefit Lowcountry as opposed to Learn4Life, another District school with the same mission located in the exact same area. Again, the School's argument is not credible. Even if it were, it would not provide a basis to delay revocation because the evidence clearly shows the School is not meeting performance expectations.

72. The School also argued that the District intended to close the School because of racial discrimination. This argument contradicts the School's position in Paragraph 68, above. Both Learn4Life and Lowcountry enroll more students of color than CAA based on State Department of Education 135-Day Enrollment data. In fact, 13 schools sponsored by the District have higher population of students of color by percentage than CAA. The School's argument that the District's decision to revoke its Charter based on racial discrimination is not credible.

73. The School received the Notice of Revocation on or about January 23, 2023, and the revocation is effective as of June 30, 2023. The School therefore received more than sixty days' notice prior to the revocation and revocation of the Charter is proper.

CONCLUSION

After careful consideration of the entire Record before it, the Board's final decision is that the School's Charter is revoked as of June 30, 2023. In accordance with its Contract, the Act, and the Injunction Order issued by the Administrative Law Court dated May 8, 2023, the School must comply with the District's Closure Protocol. The School is not authorized to expend any further funds on any activities other than completing the Closure Protocol.

The School may appeal this decision to the Administrative Law Court pursuant to S.C. Code Ann. § 59-40-110(J) and 59-40-90 within thirty (30) days of the date set forth below.

AND IT IS SO DECIDED.



John S. Payne, Chairman

Columbia, South Carolina
May 25, 2023