



February 9, 2022

(VIA: E-MAIL ONLY)

Oceanside Collegiate Academy
Marvin Arnsdorff, Board Chair
Christina Brown, Principal
580 Faison Road
Mount Pleasant, SC 29466

RE: Notice of Waiver of Transfer Policy Deadline and School Compliance Status

Dear School Leader and Board Members,

The Charter Institute at Erskine (“Charter Institute” or “Institute”) is the charter school sponsor and authorizer of your School, Oceanside Collegiate Academy (“School”). In accordance with the South Carolina Charter Schools Act of 1996 as amended located at S.C. Code Ann. § 59-40-10 *et seq.* (the “Act”), the sponsor of the charter is the charter school’s local education agency (“LEA”) and a charter school is a school within that LEA.

As you are aware, at the January 19, 2022 Institute Board Meeting, the Board granted a one-time waiver of the September 1st School Transfer Policy deadline for your School’s November 8, 2021 transfer request. This one-time waiver is based on extenuating circumstances arising from the Institute Board adopting the Transfer Policy at its August meeting immediately following receipt of the July 2021 Legislative Audit Council Report and the policy deadline, which aligned with State mandated timelines for authorizers to submit annual budget requests to the General Assembly, being approximately one month later.

The Institute has requested the Institute Board place your School’s transfer request on the agenda for its March 16, 2022 board meeting. The Institute’s duty as an authorizer is to hold each of their school’s accountable for their performance and legal and fiscal compliance.

To keep our accountability philosophy in mind, the Institute is preparing a “Compliance Summary” for each school seeking to transfer, which includes the School’s compliance status. This letter provides a summary of same and will be provided to the Institute Board for consideration of the School’s Transfer Request. In addition, the Institute has included a “School Snapshot” as a summary of the School’s compliance background with supporting documents - which can also be found on our website. <https://erskinecharters.org/transfer-out-updates/>

Compliance Background & Current Compliance Status

On August 20, 2021, the Charter Institute issued a Corrective Action Plan, which addressed concerns related to the School Board’s lack of oversight and improper delegation of duties by the School Board to its Education Management Organization. Based on the Institute’s review of the School’s ongoing, August 20, 2021 Corrective Action Plan, Oceanside Collegiate Academy has not resolved several corrective action items. Below are the items of the Corrective Action Plan that are still outstanding:

- **All OCA Board members must attend the South Carolina Department of Education’s board training and certify completion of training to the Institute.**

- **Note:** The Institute notified the School about the Department held training for School Boards on January 25, 2022. The School Board has not certified completion of the training with the Institute.
- **The Oceanside Collegiate Academy Board will submit a certification to the Institute that all contracts providing services or goods to the School have been reviewed for compliance with the School-approved Institute finance, procurement and conflict of interest policies.**
 - **Note:** The Institute is in receipt of correspondence from the Board Chair regarding his evaluation of the contracts. This certification needs to be provided by the School Board. Additionally, this evaluation needs to include evaluation of all contracts, including the School's EMO and related entities, which were not included in the Board Chair's correspondence.
- **For any contracts where the School failed to follow the Institute policies, the OCA Board is required to remedy the non-compliance and certify compliance with the Institute policies.**
 - **Note:** The Institute will support the solution to this item being the School board identifying the contracts that do not comply with the Institute policies and providing a plan to bring them into compliance.
- **OCA shall retain an Institute-approved third-party auditing firm to audit its financial and procurement activities to ensure proper financial controls are established and utilized. The scope of the audit must be approved by the Institute.**
 - **Note:** The Institute will support the solution to this item being to have the School's auditor to audit its financial and procurement activities to ensure proper financial controls are established and utilized.
- **OCA must provide the completed 2019-2020 and 2020-2021 audits.**
 - **Note:** Both 2019-2020 and 2020-2021 audits have still not been turned in, as of the date of this letter. The Institute would note that it has concluded its investigation under the Fraud Prevention Policy. The Institute has made referrals to other investigative authorities where appropriate, and does not intend to issue any findings of fraud at this time. However, the Institute would note that it has not received the School's 2019-2020 and 2020-2021 audits, and cannot speak to its contents or any findings or concerns that may arise from its review of the audits, if any.

Therefore, at this time, the School's compliance status is **Non-Compliant**. Additionally, the Institute does have concerns about the next authorizer being the **third authorizer** for Oceanside Collegiate Academy in **six years**. If the School can submit its 2019-2020 and 2020-2021 audits and complete the outstanding corrective action items by **March 9, 2022**, the Institute will re-evaluate the School's compliance status.

If the Institute reviews and approves the School's audits and completed corrective actions, the Institute will consider placing the School in good compliance and will send an updated Compliance Status letter, which may include providing the School a **Letter of Good Standing**. The Institute will present the updated Status Letter to the Institute Board for its consideration of your School's Transfer Request. If the School fails to complete the outstanding corrective items listed above, the Institute will present this letter, along with any updates to the Institute Board.

The Institute encourages the School to take prompt action to remedy these deficiencies prior to the Charter Institute Board's consideration of your transfer request.

The Charter Institute is available to answer questions or talk through School plans for resolution to the outstanding areas of concern. Thank you in advance for your cooperation in this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Vamshi Rudrapati". The signature is stylized with a long horizontal stroke at the end.

Vamshi Rudrapati

cc: Cameron Runyan, Superintendent
Sarah Timmons, Counsel
Dr. Tom Hellams, Institute Board Chair
Joe Bowers, Coordinator of Authorization