

South Carolina Public Charter School District

Educational Management Organization Guidelines

A charter committee awarded approval of its charter by the SCPCSD Board of Trustees may contract with an education management organization (EMO) provided the contract between the charter committee and the EMO is approved in advance by the SCPCSD and complies with the following requirements:

- A. No provision of the EMO contract shall interfere with the charter school board's duty to exercise its statutory, contractual and fiduciary responsibilities governing the operation of the school;
- B. No provision of the EMO contract shall conflict with the school's charter, the contract with the SCPCSD, SCPCSD policy at the time the EMO contract was entered into, or state and federal statutes, laws and regulations;
- C. The EMO contract shall not restrict the charter school board from waiving its governmental immunity or require a charter school board to assert, waive or not waive its governmental immunity;
- D. The EMO Contract must provide that all funds received by the school belong to the school and not the EMO;
- E. The EMO contract must provide that the financial, educational and student records pertaining to the school are the school's property, must be maintained or readily available (physically or virtually) at the school's physical location, and are subject to the provisions of South Carolina's Freedom of Information Act;
- F. The EMO contract must provide that any equipment, materials and supplies purchased by the EMO for use by school (excluding EMO equipment, materials, and supplies) are property of the school, and EMO shall not charge any added fees or other costs related to procurement of such equipment, materials or supplies; provided however, that the school may lease equipment from the EMO or purchase equipment from the EMO on credit as long as any lease or credit arrangement is recorded as a liability in the school's accounting records.
- G. The EMO contract must identify any curriculum or educational materials for which EMO claims ownership or proprietary rights;
- H. The EMO contract must include a provision identifying any deficit credits or other expenditure of funds that may be required to be repaid by the school as indebtedness by the school to the EMO and that such deficit credits or funds to be repaid represent indebtedness by the school to the EMO and are not income to the school or to the SCPCSD;
- I. The EMO contract must not require the repayment of deficit credits as a condition of renewal, or promise to forgive deficit credits as a condition of renewal;
- J. The EMO contract must state that the EMO is not a third party beneficiary of the charter or the school's contract with the SCPCSD;

- K. The EMO contract must provide that the charter school's board will select and retain an independent accounting firm to perform an annual financial audit;
- L. The EMO contract must require that all EMO records related to the school be available to the school's independent auditor and must require the EMO to cooperate with the school's independent auditor;
- M. The EMO contract must contain insurance and indemnification provisions outlining the coverage the EMO will obtain, which shall be separate from and in addition to the insurance purchased by the school as set forth in the charter application and as required by S.C. Code Ann. § 59-40-190;
- N. The EMO contract shall provide that the marketing plan provided by the EMO is approved by the charter school board;
- O. The maximum term of the EMO contract must not exceed the term of the charter, and must provide that the EMO contract automatically terminates upon revocation or termination of the charter. The EMO contract must contain a provision permitting the school to terminate the contract due to unsatisfactory performance by the EMO. The EMO contract must provide that termination be made in a manner that is least disruptive to students and at least 90 days-notice must be provided prior to termination except where the health and safety of students is a concern;
- P. The EMO must provide information to the school board regarding any loan or other financial arrangement, including the issuance of deficit credits, before the school incurs any financial obligation to the EMO, and the charter school board must present this information to the SCPCSD for review;
- Q. The charter school board must develop and implement an annual evaluation process by which it evaluates the EMO using specific academic performance measures aligned with the charter, SCPCSD policy and federal and state performance standards. The process must include methods for addressing unsatisfactory performance; and
- R. The EMO contract must include a provision requiring the school to maintain sufficient funds in its budget for at least the following: independent legal counsel, an independent auditor, and sufficient funds to hire staff or other consultants necessary to oversee the performance of the school.