



January 18, 2022

VIA E-MAIL (hellams@erskine.edu)

Charter Institute at Erskine Board of Directors

Attn: Dr. Tom Hellams, Board Chair

1201 Main Street, Suite 300

Columbia, SC 29201

Dear Charter Institute at Erskine Board of Directors:

The purpose of this letter is to respond to correspondence dated January 10, 2022, sent by Vamshi Rudrapati, Director of the Charter Institute at Erskine (the "Institute"), regarding the Horse Creek Academy Board of Directors' ("HCA Board") request to transfer HCA's charter to the Limestone Charter Association ("Limestone") at the beginning of the 2022-2023 school year. A copy of our Board's letter requesting to transfer HCA's charter to Limestone is attached as Exhibit 1.

In considering the significant issue of whether to transfer HCA's charter to another sponsor, the HCA Board prudently took its time to thoroughly complete the due diligence necessary to make an informed decision. As you are likely aware, Limestone was announced publicly as a new statewide authorizer on or around July 20, 2021. Limestone did not select and announce Angel Malone as its Superintendent until September 8, 2021. The HCA Board took the time to meet both the Limestone Board Chair, Dr. Parker, and Superintendent Malone, learn about their professional backgrounds, and understand their vision and philosophy for Limestone before carefully deciding to transfer HCA's charter to Limestone. Submitting a request to transfer HCA's charter without completing appropriate due diligence would have been irresponsible, and it is unreasonable for the Institute to expect HCA or any school to make uninformed and hurried decisions on major issues.

In his letter dated December 20, 2021, Mr. Rudrapati asserts that the transfer policy approved by the Institute Board at its August 11, 2021 meeting "formally codified the existing deadline of September 1st for schools to submit transfer requests into or out of the Institute." However, the HCA Board was not aware of any existing deadline for a school to request a transfer of its charter. The Institute never communicated to HCA a deadline to submit charter transfer requests until October 4, 2021, when Institute Superintendent Cameron Runyan informed Institute-sponsored schools of the alleged September 1 deadline, thirty-four (34) days after the alleged deadline had expired. HCA seeks to transfer its charter, in part, because of

Horse Creek Academy
1200 Toolebeck Road, Aiken, SC 29803

Limestone's commitment to timely and effectively communicate with the schools that it sponsors.

Mr. Rudrapati's letter also states that the Institute's transfer policy and September 1 deadline "aligns with the required time to review and take action on any transfer request(s) in advance of the State mandated timelines for authorizers to submit annual budget requests to the General Assembly." However, in 2017, upon the request of Governor Henry McMaster, the South Carolina Attorney General's office addressed transferring the funds allocated to a charter school between two statewide charter school authorizers when several schools sought to transfer their charters from the South Carolina Public Charter School District to the Institute. 2017 WL 4221347 (S.C. Att'y Gen. Sept. 7, 2017). The South Carolina Attorney General's office opined that transferring the funds allocated to a charter school that has sought to transfer its charter from one statewide authorizer to another statewide authorizer during the fiscal year would present few issues and that a court would "likely [] find that such a transfer of funds is consistent with the General Assembly's intent" Moreover, in this instance, HCA does not seek to transfer its charter from the Institute to Limestone during the fiscal year. Rather, HCA seeks to transfer its charter to Limestone at the beginning of the next fiscal year (2022-2023). Accordingly, while the Institute may be required to submit an estimation of funds requested from the General Assembly by a certain date, this reasoning must not dictate when a school may request to transfer its charter from one statewide authorizer to another because the General Appropriations Bill for Fiscal Year 2022-2023 has not been adopted and the General Assembly has enacted procedures and mechanisms for transferring funds between statewide authorizers during the fiscal year, if necessary.

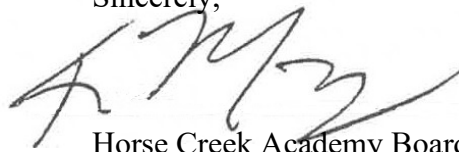
Further, the Institute's unilaterally adopted transfer policy attempts to impose a notification deadline for contract termination that supersedes that which is included in the mutually agreed upon charter contract between HCA and the Institute. Section 12.5 of the charter contract between the HCA Board and the Institute states that the HCA Board is required to give the Institute written notice of at least ninety days before the end of the school year if the HCA Board desires to terminate the charter contract before the end of the contract term. HCA more than fulfilled this requirement by providing notice to the Institute of its intent to transfer its charter to Limestone by letter dated November 2, 2021, nearly eight months before the beginning of the 2022-2023 school year. The HCA Board sees no practical reason why the Institute is attempting to impose a unilateral September 1 deadline for transfer requests, especially given this mutually agreed upon contract provision. Additionally, Section 1.2 of the charter contract between HCA and the Institute requires HCA to comply with "all applicable and reasonable Sponsor policies." A transfer policy unilaterally adopted by the Institute without the knowledge or agreement of the HCA Board that attempts to impose a transfer notification deadline of September 1, which the Institute first informed HCA of 34 days after the alleged notification deadline expired is not reasonable or enforceable.

Lastly, your request that all future communications from the HCA Board be directed away from the Institute Board and to an Institute staff member emphasizes the lack of support and effective communication the HCA Board has received from the Institute Board. The Institute Board's latest attempt to avoid communication with our Board is one more example of the lack of support we have received from the Institute. In summary, we are astonished that

despite the Institute Board having a statutory and contractual relationship with our Board, the Institute Board has continuously refused to communicate with us. We hope the Institute Board will not attempt to prevent HCA from transferring its charter to a sponsor that is willing to communicate openly and effectively with our Board.

In closing, the Institute's stated belief that the HCA Board should have complied with the Institute's unilaterally alleged September 1 deadline to request a transfer of HCA's charter to Limestone, which the Institute did not timely communicate to HCA until 34 days after the alleged deadline had expired, is unreasonable. Moreover, the HCA Board timely submitted written notice of its intent to the Institute pursuant to Section 12.5 of the charter contract between the HCA Board and the Institute. The HCA Board will be glad to answer any questions the Institute Board may have about our request to transfer our charter to Limestone.

Sincerely,



Horse Creek Academy Board of Directors

c: HCA Board Members
Dr. Ann Marie Taylor, School Leader
Cameron Runyan, Institute Superintendent