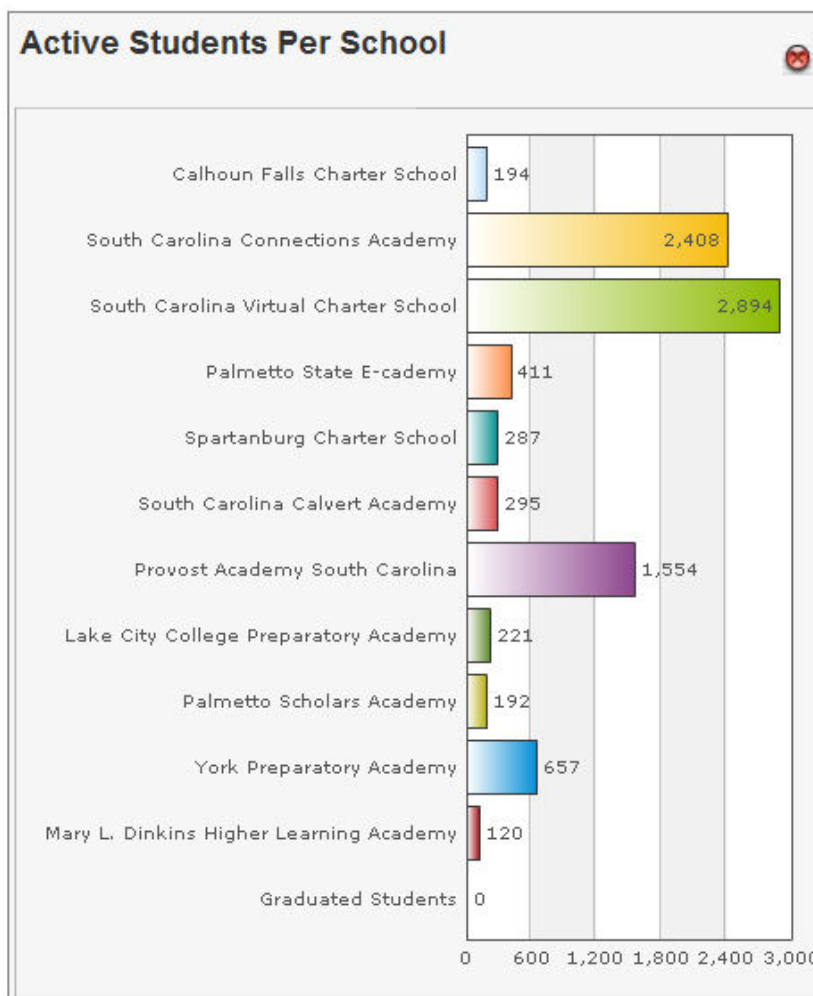**South Carolina Public Charter School District**
Report from Superintendent, Wayne Brazell, Ph. D.

I am delighted that when we met last time, so many folks appreciated the teaching demonstration that was provided by our district Teacher of the Year, Laura Howard. Sometimes understanding virtual public school learning can be a challenge. We find that when people see our programs in action, they quickly come to better appreciate how our virtual schools are successfully providing innovative public education.

We at the he South Carolina Public Charter School District are now at the mid-point of our third academic year, but I remain very concerned about the viability of these schools, their learning programs, and their ability to successfully provide innovative high-quality public education in this state. My concern does not come from a lack of interest in South Carolina for public charter education. Our district enrollment reflects continued excitement regarding our schools. As seen below, our district has over 9,400 students.

Active Students Per School

School	Active Students
Calhoun Falls Charter School	194
South Carolina Connections Academy	2,408
South Carolina Virtual Charter School	2,894
Palmetto State E-cademy	411
Spartanburg Charter School	287
South Carolina Calvert Academy	295
Provost Academy South Carolina	1,554
Lake City College Preparatory Academy	221
Palmetto Scholars Academy	192
York Preparatory Academy	657
Mary L. Dinkins Higher Learning Academy	120
Graduated Students	0

Nor does my concern come from a lack of talented teachers, world-class curriculum, or from any shortcomings in our students. I speak, of course, of our lack of financial sustainability.

Since I was before you last, we have had time to carefully review the certified financial audits of two of our schools regarding the 2009-2010 academic year. One of these schools is a brick and mortar school and the other school is a virtual school. We selected these two schools since they were two of the first schools in the district. These schools can give us an indication of what is to come for all of the schools in our district. The results of our financial review show four disturbing trends:

- Our schools have been living off of start-up grant money that was provided by the federal charter schools grant program to support launching new schools. Unfortunately, our schools have been forced to use much of that money for routine teaching expenses. That money is all but gone.

- Our schools have also been living off of the federal stimulus funding, which, as we know, is a source of funding that will end in a few months. While this is true for many districts in this state, such funding has been a disproportionately high amount of revenue for the schools in our district.

- Our brick and mortar schools have been operating with large amounts of donated money from families, which is not a sustainable method of operation.

- Our virtual schools have been financially subsidized and underwritten by their management companies, which are writing off large losses to keep our virtual public schools open. Obviously, such red ink is not sustainable.

When combined with the basic student cost and other governmental categorical funds, a $4,000 proviso would put our schools at between 60% and 75% of the state-wide funding average, depending on the categorical funding level for each school in our district. This is not equitable. This is not fair. This continues to treat the students in our district as second-class people. However, a $4,000 proviso will keep our schools open. Anything less than that will not keep them open. It is that simple. We understand that this is a tough financial time for our state. We are not asking for the same funding that every other student in this state receives. We are not asking for anything near that. For now, we're simply asking for the resources to survive while we partner with the Legislature to create a fair and sustainable funding arrangement for the long term.

Our parents have been patient. Parents of public charter school students in other states have gone to court and won over less funding differences than 30% or 25%. I do not know how much longer our parents can be patient, but I do know that our public charter schools are on the brink of closing, and the time to act was a year ago. We need a resolution to this problem as soon as the Legislature can reach a consensus in the upcoming session.

Thank you,

Wayne Brazell, Ph. D.
Superintendent, SCPCSD