

CCSD BOARD OF TRUSTEES
Board Meeting
June 27, 2016
75 Calhoun St., Charleston, SC 29401
Agenda


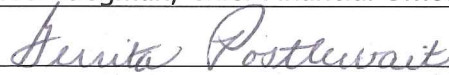
EXECUTIVE SESSION 3:00 p.m.			
I.	1.1:	Teacher Appeal Hearing <i>The board will discuss a hearing officers' recommendation regarding a teacher appeal.</i>	Information
II.	2.1:	Teacher Appeal – Mr. John Emerson <i>The board will discuss a teacher appeal.</i>	Action
	2.2:	Legal Advice – Mr. Steve Matthews	Information
	2.3:	Legal Update – Mr. John Emerson <i>General Counsel will brief the Board on legal matters.</i>	Information
	2.4:	Student Transfer <i>The board will discuss a student transfer appeal.</i>	Action
	2.5:	Personnel Contractual Matters <i>The board will discuss personnel contractual matters.</i>	Action
III.	CALL TO ORDER, INVOCATION/MOMENT OF SILENCE, & PLEDGE OF ALLEGIANCE		
IV.	ADOPTION OF AGENDA/APPROVAL OF CONSENT AGENDA ITEMS		
V.	APPROVAL OF MINUTES		
	5.1:	A. Open Session Minutes – May 23, 2016 <i>The board will consider a recommendation to approve the May 23, 2016 minutes, including financial impact statement.</i>	Action
		B. Open Session Minutes – Special Called Meeting - May 31, 2016 <i>The board will consider a recommendation to approve the May 31, 2016 minutes, including financial impact statement.</i>	Action
		C. Open Session Minutes – Special Called Meeting June 13, 2016 <i>The board will consider a recommendation to approve the June 13, 2016 minutes, including financial impact statement.</i>	Action
	5.2:	Approval of Executive Session Items	Action
VI.	SPECIAL RECOGNITIONS		
	6.1:	A. Swiss Scholar Recipient B. Behind the Scenes Hero Award C. SMAART Presentation D. Athletic Recognitions E. CTE Teacher of the Year	Information
VII.	VISITORS/PUBLIC COMMENTS		
VIII.	SUPERINTENDENT'S REPORT – Dr. Gerrita Postlewait – Superintendent of Schools		

	8.1:	Financial Report – Mr. Glenn Stiegman <i>The board will receive the Financial Report as information.</i>	Information
	8.2:	Year-end Updates	Information
IX.	COMMITTEE REPORT(S)		
Audit & Finance Committee			
	9.1:	Tax Anticipation Note (TAN) Resolution – Mr. Glenn Stiegman <i>The board will consider a recommendation coming from the Audit & Finance Committee to authorize the issuance of the Tax Anticipation Note to meet cash flow requirements.</i> <i>NOTE: This item was not on the 6/13/16 COW agenda, because the legal documents were not complete in time.</i>	Action
Policy & Personnel Committee			
	9.2:	A. Policy JFAB – Non-Resident Students <i>The board will consider a recommendation coming from the Policy and Personnel Committee to approve the second reading of Policy JFAB.</i>	Action
		B. Policy BG/BGD – School Board Policy Process/Board Review of Regulations - Mr. John Emerson <i>The board will consider a recommendation coming from the Policy and Personnel Committee to approve the second reading of Policy BG/BGD.</i>	Action
		C. Policy GCB – Professional Staff Contracts - Mr. John Emerson <i>The board will consider a recommendation coming from the Policy and Personnel Committee to approve the second reading of Policy GCB.</i>	Action
		D. Policy GCEC – Posting and Advertising Professional Vacancies - Mr. John Emerson <i>The board will consider a recommendation coming from the Policy and Personnel Committee to approve the second reading of Policy GCEC.</i>	Action
		E. Policy IHBF – Homebound Instructions - Mr. John Emerson <i>The board will consider a recommendation coming from the Policy and Personnel Committee to approve the second reading of Policy IHBF.</i>	Action
		F. Policy JICJA – Electronic Devices Other than Cellular Phones & Policy JICJ – Possession/Use of Paging Device – Mr. John Emerson <i>The board will consider a recommendation coming from the Policy and Personnel Committee to approve the second reading of Policy JICJA.</i>	Action
New Business			
	9.3:	Results Policies <i>The board will discuss a recommendation to adopt the Results Policies as developed by the board.</i>	Action
CONSENT AGENDA ITEMS			
X. Audit & Finance Committee	10.1:	A. Pace Facility Lease – Mrs. Michelle English-Watson <i>The board will consider a recommendation from the Operations Committee to approve a one-year lease for Pace Charter School.</i>	Action

		<i>Committee vote: 9-0</i>	
Audit & Finance Committee		B. Head Start/Early Head Start COLA Application – Mrs. Ruth Taylor <i>The board will consider a recommendation from the Operations Committee to approve the Head Start/Early Head Start COLA application to offset increased operating costs.</i> <i>Committee vote: 8-1 (Collins opposed).</i>	Action
Audit & Finance Committee		C. Forensic Audit – Mr. Todd Garrett <i>District management is directed to follow guidance from the Citizens Oversight Steering Committee related to timing of the agreed-upon procedures audit of the 2010-2016 Building Program. The Citizens Oversight Steering Committee is planning to engage auditors for another review of the Capital Program. The board had asked staff to review and provide to the Board all previous Capital Program Audits.</i>	Action
Operations Committee	10.2:	A. Lincoln Middle High School <i>The board will consider a recommendation from the Operations Committee to (1) include Middle School as part of the 2017-2022 Capital Program Sales Tax Referendum project for Lincoln High School; (2) direct staff to begin the advanced design of the Middle High School; (3) direct staff to complete a demographic study of Districts 1 and 2 to provide the Board of Trustees recommendations for a middle school of at least 500 students and a high school of at least 500 students by July 20, 2016; (4) direct staff to provide a recommendation for construction of a replacement for Lincoln Middle and High School in August 2016; conditioned upon the zone being defined by District 1 and District 2 Constituent Boards by July 2017. If this deadline is not met, then the CCSD Board of Trustees will step in to keep the process moving.</i> <i>Committee vote: 8-0 (Garrett was absent).</i>	Action
Operations Committee		B. Lincoln Middle High School <i>The board will consider a recommendation from the Operations Committee to direct staff to appropriately preserve all archives and memorabilia of Lincoln Middle High School.</i>	Action
Operations Committee		C. SWMBE Goals <i>The board will consider a recommendation coming from the Operations Committee to review and compare FY2015 to FY2016 SWMBE business plan and bring an analysis and recommendation to the board at the July 2016 Committee of the Whole meeting.</i> <i>Committee vote: 7-1 (Wiles opposed; Garrett was absent).</i>	Action
Operations Committee		D. 2010-2016 Capital Building Program (Phase III) – Sales Tax – Lowcountry Tech Academy at Burke <i>The board will consider a recommendation coming from the Operations Committee to approve the reallocation of funds in the amount of \$1,300,000 as shown on the resolution provided.</i> <i>Committee vote: 8-0 (Garrett was absent).</i>	Action
XI.	Upcoming Meetings <ul style="list-style-type: none"> • July 11 <ul style="list-style-type: none"> ○ 9:00-11:00 Meeting Street Academy Workshop 		Information

	<ul style="list-style-type: none">○ 11:30 – Lunch○ 1:00 – Committee of the Whole• July 21 – Visit to three school sites• July 25 – Regular Board Meeting	
XII.	Adjournment	

BOARD AGENDA ACTION FORM
June 27, 2016 Board Meeting

Section:	Audit & Finance Committee	
Subject:	2016 Tax Anticipation Note	
Name/Department:	Glenn A. Stiegman, Chief Financial Officer	
Agenda Item Number:	9 . 1	
Background:	Each year the School District issues a tax anticipation note (TAN) to defray the cost of operation of the School District pending the collection of ad valorem property taxes and receipt of reimbursements from the State of South Carolina paid in lieu of ad valorem taxes levied against owner-occupied residential real property pursuant to Section 11-11-156 of the Code of Laws of South Carolina 1976, as amended.	
Discussion:	The TAN is issued to meet cash flow requirements prior to the receipt of ad valorem taxes. The issuance of the TAN is a borrowing in advance of the receipt of tax collections and State reimbursements and does not create an additional debt obligation of the School District. The School District anticipates the need to issue the TAN in July to meet cash flow needs.	
Goals & Budget:	N/A	
This recommendation supports CCSD goal #:	N/A	
Overall budget for implementing CCSD goal:	N/A	
Request approval for funds within that budget in the amount of \$:	N/A	Funding Source
		Ad valorem property taxes and State reimbursements.
Resulting positive impact for students in our District will be:	N/A	
Potential impact of this decision on other budget areas will be:	N/A	
Future Fiscal Impact:	None	
Recommendation:	<input checked="" type="checkbox"/> Action	<input type="checkbox"/> Open Session
It is hereby recommended that the Board of Trustees authorize the issuance of the Tax Anticipation Note to meet cash flow requirements.		
Person(s) Responsible for Implementation:	 Glenn A. Stiegman, Chief Financial Officer	
Superintendent's Approval:		
Board Member(s) Approval:		
Attachment(s):	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

A RESOLUTION

MAKING PROVISION FOR TAX ANTICIPATION BORROWING BY CHARLESTON COUNTY SCHOOL DISTRICT, SOUTH CAROLINA, IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING \$86,000,000, IN ANTICIPATION OF THE COLLECTION OF AD VALOREM TAXES AND CERTAIN REIMBURSEMENTS FROM THE STATE OF SOUTH CAROLINA FOR THE FISCAL YEAR BEGINNING THE FIRST DAY OF JULY 2016 AND ENDING THE 30TH DAY OF JUNE 2017; TO PRESCRIBE THE TERMS AND CONDITIONS OF SUCH BORROWING AND THE FORM OF THE NOTES TO BE EXECUTED EVIDENCING THE SAME; AND TO MAKE PROVISION FOR THE PAYMENT THEREOF.

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF CHARLESTON COUNTY SCHOOL DISTRICT, SOUTH CAROLINA, IN MEETING DULY ASSEMBLED, AS FOLLOWS:

SECTION 1. *Findings and Determinations.* As an incident to the adoption of this Resolution, the Board of Trustees of Charleston County School District, South Carolina (the "Board"), the governing body of Charleston County School District, South Carolina (the "School District"), has made the following findings of fact:

(a) Pursuant to action duly taken, the Board has adopted the operating budget for the School District for the fiscal year beginning July 1, 2016 and ending June 30, 2017 ("Fiscal Year 2016-17"), which budget sets forth the expenditures necessary for the operations of the School District. Such estimated expenditures for Fiscal Year 2016-17 total \$424,202,000, which expenses will be paid from the receipt of ad valorem taxes, as well as from State and Federal moneys.

(b) Pursuant to the provisions of the budget duly adopted by the Board, the Board has determined that funds to the extent of \$338,305,908 must be raised by the receipt of ad valorem taxes and reimbursements from the State of South Carolina paid in lieu of ad valorem taxes levied against owner-occupied residential real property in order to defray a portion of such budget.

(c) Much of the cost of conducting the activities of the School District must be met prior to the last occasion when the aforesaid ad valorem taxes are payable without penalty; viz., January 15, 2017, and thus, it is necessary that the School District borrow in anticipation of the receipt of the moneys to be collected from such ad valorem tax levy. It has been determined that the School District may require approximately \$86,000,000 to meet the cost of conducting its corporate activity until such time as payment of taxes is received.

(d) The South Carolina General Assembly adopted during the 2006 legislative session Act 388, which exempts all homesteads from 100% of all taxes imposed for school operating purposes. Pursuant to Act 388, reimbursements are made to the school districts of the State pursuant to Section 11-11-156 of the Code of Laws of South Carolina 1976, as amended, in lieu of taxes for school operating purposes on homesteads. In order to assure that the borrowing authorized by this Resolution will also be secured by such reimbursing State aid, the Board has determined to adopt this Resolution under Section 11-27-50(4) and, acting under those powers of the former County Board of Education of Charleston County devolved upon it by Act No. 340 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina for the year 1967, to approve pursuant to Section 59-69-270 of the Code of Laws of South Carolina 1976, as amended, a borrowing in anticipation of State aid.

(e) It has been determined that the School District should raise the sum of not exceeding \$86,000,000 by borrowing in anticipation of the collection of ad valorem taxes and State aid received

pursuant to Section 11-11-156 and that it should pledge for the payment of such borrowing the full faith, credit and taxing power of the School District, and in addition thereto, all of the proceeds of the tax levies and such State aid with the exception of such amounts as are required to defray the cost of operations in the School District from July 1, 2016 to January 15, 2017, less all other funds available therefor.

(f) No previous sums have been borrowed in anticipation of the collection of the ad valorem taxes or reimbursement amounts herein spoken of and no pledge of the proceeds of the taxes or reimbursement amounts has been made.

(g) On the basis of the foregoing, the Board adopts this Resolution as a means of providing for the issuance of not exceeding \$86,000,000 Tax Anticipation Notes of the School District.

SECTION 2. *Authorization of Notes.* Pursuant to the Constitution and laws of the State of South Carolina, there is hereby authorized to be issued tax anticipation notes of the School District ("TANs", and each such note, a "TAN") in an aggregate amount not exceeding \$86,000,000 to obtain funds to defray the cost of operation of the School District pending the collection of ad valorem property taxes levied for Fiscal Year 2016-17 and State aid as described in Section 1(d) hereof.

SECTION 3. *Exemption from State Taxes.* Both the principal of and interest on the TANs shall be exempt, in accordance with the provisions of Section 12-2-50 of the Code of Laws of South Carolina 1976, as amended, from all State, county, municipal, school district and all other taxes or assessments, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate, or transfer taxes, but the interest on the TANs may be included for certain franchise fees or taxes.

SECTION 4. *Details of Tax Anticipation Notes.* The TANs shall be subject to the following particulars:

(a) The TANs shall be dated and bear interest from the date of delivery thereof, payable upon the stated maturity thereof and shall mature without privilege of prepayment on March 31, 2017.

(b) The TANs shall be initially issued under the DTC Book-Entry Only System in the form of a single fully-registered tax anticipation note, registered in the name of Cede & Co. as the registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the TANs.

(i) Transfers of beneficial ownership of the TANs will be effected pursuant to rules and procedures established by such securities depository. The initial securities depository for the TANs will be DTC. DTC and any successor securities depositories are hereinafter referred to as the "Securities Depository." The TANs shall be registered in the name of Cede & Co., as the initial securities depository nominee for the TANs. Cede & Co. and successor securities depository nominees are hereinafter referred to as the "Securities Depository Nominee."

(ii) As long as a book-entry system is in effect for a TAN, the Securities Depository Nominee will be recognized as the holder of that TAN for the purposes of (a) paying the principal and interest on the TAN at the maturity thereof, (b) giving any notice permitted or required to be given to beneficial owners of the TAN under this Resolution, (c) registering the transfer of beneficial ownership of the TAN, and (d) requesting any consent or other action to be taken by the holders of the TAN, and for all other purposes whatsoever, and the School District shall not be affected by any notice to the contrary.

(iii) The School District shall not have any responsibility or obligation to any participant, any beneficial owner or any other person claiming a beneficial ownership in the TANs when registered to a Securities Depository Nominee under or through the Securities Depository with respect to any action taken by the Securities Depository as holder of the TANs.

(iv) Both the principal of and interest on the TANs shall be payable in any coin or currency of the United States of America which is, at the time of payment, legal tender for public and private debts. During such time as a TAN is held in book-entry only form the School District, acting through the Secretary of the Board, shall serve as the Registrar/Paying Agent for that TAN (the "Registrar/Paying Agent") at the Administrative Office of the School District and shall fulfill all functions of the Registrar/Paying Agent enumerated herein. In the event a TAN is no longer held in book-entry only form and no other securities depository is named, the School District shall appoint a financial institution maintaining corporate trust offices to serve as Registrar/Paying Agent for that TAN.

(c) Bids for the purchase of the TANs shall be solicited pursuant to a Preliminary Official Statement as described in Section 7 hereof with an accompanying notice of sale. Bids may be submitted by mail, by facsimile transmission or through the *PARITY* electronic bidding system. The Superintendent of the School District (the "Superintendent") or the Chief Financial Officer or Interim or Acting Chief Financial Officer (the "Chief Financial Officer") is authorized to set the date and time for the sale of the TANs and to award the TANs to the bidder offering to purchase the TANs at the lowest net interest cost to the School District at a price of not less than par. Net interest cost will be determined by deducting premium, if any, from the interest on the TANs, with an assumed delivery date as established by the Superintendent or Chief Financial Officer, until maturity.

(d) Each TAN shall be in substantially the form attached hereto as Exhibit A.

(e) Proposals for the purchase of the TANs shall be solicited by means of an Official Notice of Sale therefor, which need not be published, but shall be made available electronically along with the Preliminary Official Statement. The Official Notice of Sale shall be in substantially the form attached hereto as Exhibit B.

SECTION 5. *Registration, Transfer and Exchange.*

(a) The School District shall cause books of registration (the "Registry Books") to be kept at the offices of the Registrar/Paying Agent for the registration and transfer of the TANs. Upon presentation at its office for such purpose the Registrar/Paying Agent shall register or transfer, or cause to be registered or transferred, on such Registry Books, the TANs under such reasonable regulations as the Registrar/Paying Agent may prescribe.

(b) Each TAN shall be transferable only upon the Registry Books of the School District, which shall be kept for such purpose at the principal office of the Registrar/Paying Agent, by the registered owner thereof in person or by his duly authorized attorney upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar/Paying Agent duly executed by the registered owner or his duly authorized attorney. Upon the transfer of any such TAN, the Registrar/Paying Agent on behalf of the School District shall issue in the name of the transferee a new fully registered TAN or TANs, of the same aggregate principal amount, interest rate and maturity as the surrendered TAN. Any TAN surrendered in exchange for a new registered TAN pursuant to this Section shall be cancelled by the Registrar/Paying Agent.

(c) The School District and the Registrar/Paying Agent may deem or treat the person in whose name any fully-registered TAN shall be registered upon the Registry Books as the absolute owner of such TAN, whether such TAN shall be overdue or not, for the purpose of receiving payment of the principal of and interest on such TAN and for all other purposes and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such TAN to the extent of the sum or sums so paid, and neither the School District nor the Registrar/Paying Agent shall be affected by any notice to the contrary. In all cases in which the privilege of transferring TANs is exercised, the School District shall execute and the Registrar/Paying Agent shall authenticate and deliver TANs in accordance with the provisions of this Resolution. Neither the School District nor the Registrar/Paying Agent shall be obliged to make any such transfer of TANs during the period beginning on the day after the fifteenth calendar day preceding the maturity date thereof.

(d) In the event any TAN is mutilated, lost, stolen or destroyed, the School District may execute a new TAN of like date and denomination as that mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated TAN, such mutilated TAN shall first be surrendered to the School District, and in the case of any lost, stolen or destroyed TAN, there shall be first furnished to the School District evidence of such loss, theft or destruction satisfactory to the School District, together with indemnity satisfactory to it; provided that, in the case of a holder which is a bank or insurance company, the agreement of such bank or insurance company to indemnify shall be sufficient. In the event any such TAN shall have matured, instead of issuing a duplicate TAN, the School District may pay the same without surrender thereof. The School District may charge the holder of such TAN with its reasonable fees and expenses in this connection.

SECTION 6. *Security for Tax Anticipation Notes.* For the payment of the principal of and interest on the TANs as the same respectively mature, there are hereby pledged the full faith, credit and taxing power of the School District and all sums realized from the ad valorem taxes to be levied upon all taxable property in the School District for the Fiscal Year 2016-17, together with amounts received as State aid as described in Section 1(d) hereof, with the exception of such amounts as are required to defray the cost of operations in the School District from July 1, 2016 to January 15, 2017, less all other funds available therefor.

SECTION 7. *Preliminary and Final Official Statement.* The Board hereby authorizes the Chief Financial Officer to prepare, or cause to be prepared, a Preliminary Official Statement to be distributed to prospective purchasers of the TANs. The Board authorizes the Chief Financial Officer to designate the Preliminary Official Statement as "near final" for purposes of Rule 15c2-12 of the Securities Exchange Commission. The Chief Financial Officer is further authorized to complete or cause the completion of the final form of the Official Statement upon the sale of the TANs and to provide the same to the purchaser of the TANs.

SECTION 8. *Deposit and Use of Proceeds.* The proceeds derived from the sale of the TANs issued pursuant to this Resolution shall be paid to the School District and shall be applied to defray the cost of operation of the School District. Pending the use of proceeds of the TANs, the same shall be invested and reinvested at the direction of the Chief Financial Officer in such investments as are authorized by the Code of Laws of South Carolina 1976, as amended, with respect to funds of the school districts of the State of South Carolina. All earnings from such investments shall be applied, at the direction of the Chief Financial Officer, either (1) to defray the cost of operation of the School District, (2) to pay costs of issuance associated with the TANs or (3) to pay interest on the TANs.

SECTION 9. *Defeasance.* If all of the TANs issued pursuant to this Resolution and all interest thereon shall have been paid and discharged, then the obligations of the School District under this Resolution and all other rights granted hereby shall cease and determine. The TANs shall be deemed to

have been paid and discharged within the meaning of this Section under each of the following circumstances, viz.:

(1) A financial institution appointed as escrow agent (the "Escrow Agent") shall hold, at the stated maturity of the TANs, in trust and irrevocably appropriated thereto, sufficient moneys for the payment of the principal of and interest thereon; or

(2) If default in the payment of the principal of the TANs or the interest thereon shall have occurred, and thereafter tender of such payment shall have been made, and at such time as the Escrow Agent shall hold in trust and irrevocably appropriated thereto, sufficient moneys for the payment thereof to the date of the tender of such payment; or

(3) If the School District shall elect to provide for the payment of the TANs prior to their stated maturities and shall have deposited with the Escrow Agent in an irrevocable trust moneys which shall be sufficient, or Government Obligations, the principal of and interest on which when due will provide moneys, which together with moneys, if any, deposited with the Registrar/Paying Agent or Escrow Agent at the same time, shall be sufficient to pay when due the principal of and interest due and to become due on the TANs on their maturity date.

Neither the Government Obligations nor moneys deposited with the Registrar/Paying Agent or Escrow Agent pursuant to this Section nor the principal or interest payments thereon shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on said TANs; provided that any cash received from such principal or interest payments on Government Obligations deposited with the Registrar/Paying Agent, if not then needed for such purpose, shall, to the extent practicable, be invested and reinvested in Government Obligations maturing at times and in amounts sufficient to pay when due the principal of and interest to become due on the TANs on the maturity date thereof, and interest earned from such reinvestments not required for the payment of the principal of and interest on the TANs may be paid over to the School District, as received by the Registrar/Paying Agent or Escrow Agent, free and clear of any trust, lien or pledge.

For purposes of this Section 9, "Government Obligations" means and includes direct general obligations of the United States of America or agencies thereof or obligations, the payment of principal or interest on which is fully and unconditionally guaranteed by the United States of America.

SECTION 10. *Tax and Securities Law Covenants.*

(a) The School District will comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), in order to preserve the tax-exempt status of the TANs, including without limitation, (i) the requirement to file the information report 8038-G with the Internal Revenue Service, and (ii) the requirement to rebate certain arbitrage earnings to the United States Government pursuant to Section 148(f) of the Code. In this connection, the School District covenants to execute any and all agreements, certificates and other documentation as it may be advised by bond counsel will enable it to comply with this Section, and such agreements, certificates and other documentation may be executed by the Superintendent, the Chief Financial Officer or either of them.

Careful consideration has been given to the time in which the expenditures of proceeds of the TANs will be made. It has been ascertained that all of the money received from the proceeds of the TANs will be expended within the limitations imposed by Section 148 of the Code and the Treasury regulations promulgated pursuant thereto. Accordingly, the Board will be able to certify upon reasonable grounds that the TANs herein provided for are not "arbitrage bonds" within the meaning of Section 148 of the Code.

(b) The School District hereby represents and covenants that it will not take any action which will, or fail to take any action which failure will, cause interest on the TANs to become includable in the gross income of the Holder thereof for federal income tax purposes pursuant to the provisions of the Code and regulations promulgated thereunder in effect on the date of original issuance of TANs.

(c) The School District hereby covenants and agrees that it will comply with and carry out all of the provisions of a continuing disclosure certificate which will meet the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission.

SECTION 11. *No Prior Pledge of Taxes.* The School District covenants that it has not authorized or issued any notes or certificates of indebtedness of any type in anticipation of the collection of the ad valorem taxes or reimbursement amounts pledged to the payment of the TANs authorized hereunder except the TANs authorized by this Resolution; provided, however, that the School District may issue other notes on a parity with the TANs to the extent necessary to provide sufficient operating funds in anticipation of the collection of such taxes and reimbursement amounts in an amount that, when added to the principal amount of the TANs, will not exceed the maximum amount allowed by law; and, provided further, the School District may issue the TANs authorized hereby on separate issue dates and all of such TANs shall constitute but one issue for purposes hereof. The School District may issue notes or other certificates of indebtedness junior, inferior and subordinate in all respects to the pledge herein made to secure the TANs.

SECTION 12. *Miscellaneous.*

(a) The Board hereby authorizes the Chair, the Vice-Chair and the Secretary of the Board, the Superintendent and the Chief Financial Officer to execute such documents and instruments as may be necessary to effect the issuance of the TANs; including, but limited to, such documents as are required by Section 10 hereof.

(b) All rules, regulations, resolutions and parts thereof, procedural or otherwise, in conflict herewith or the proceedings authorizing the issuance of the TANs are, to the extent of such conflict, hereby repealed and this Resolution shall take effect and be in full force from and after its adoption.

Adopted this 27th day of June, 2016.

BOARD OF TRUSTEES OF CHARLESTON COUNTY
SCHOOL DISTRICT, SOUTH CAROLINA

Chair

(SEAL)

ATTEST:

Secretary

**UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
CHARLESTON COUNTY SCHOOL DISTRICT
TAX ANTICIPATION NOTE OF 2016**

No. R-1

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>ORIGINAL ISSUE DATE</u>	<u>CUSIP</u>
%	March 31, 2017		

Registered Holder: CEDE & CO.

Principal Amount: _____ AND NO/100 DOLLARS (\$_____)

KNOW ALL MEN BY THESE PRESENTS that Charleston County School District, South Carolina (the "School District") hereby acknowledges itself indebted, and for value received promises to pay to the registered owner hereof or registered assigns, the principal sum of _____ AND NO/100 DOLLARS at the Administrative Office of the School District in the City of Charleston, State of South Carolina on the 31st day of March, 2017, and to pay interest, calculated on the basis of a 360-day year consisting of twelve months of 30 days each, on the principal sum from the date hereof, at the rate of _____ per centum (___%) per annum, payable upon the maturity of this Note. This Note is not subject to prepayment prior to its maturity.

Both the principal of and interest on this Note are payable in any coin or currency of the United States of America which is, at the time of payment, legal tender for the payment of public and private debts.

This note is the single Tax Anticipation Note (the "Note") issued by the School District pursuant to the authorization of Article X, Section 15(7) of the Constitution of the State of South Carolina and Section 11-27-50 and Section 59-69-270 of the Code of Laws of South Carolina 1976, as amended, in anticipation of the collection of the ad valorem taxes levied within the School District and the receipt of certain State aid for the operation of the School District for the Fiscal Year beginning July 1, 2016 and ending June 30, 2017, and a resolution duly adopted by the Board of Trustees of the School District on June 27, 2016 (the "Resolution"). For the payment of the principal of and interest on this Note when due, the full faith, credit, and taxing power of the School District are irrevocably pledged, and in addition the proceeds of the ad valorem taxes levied within the School District for the Fiscal Year beginning July 1, 2016 and ending June 30, 2017 and State aid received in substitution therefor pursuant to Section 11-11-156 of the Code of Laws of South Carolina 1976, as amended (with the exception of such amounts as are required to defray the cost of operations in the School District from July 1, 2016 to January 15, 2017, less all other funds available therefor) are pledged for the payment of the principal of and interest on this Note.

This Note and the interest hereon are exempt from all state, county, municipal, school district, and all other taxes or assessments of the State of South Carolina, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate or transfer taxes, but the interest hereon may be included as franchise fees or taxes.

This Note is being issued by means of a book-entry system with no physical distribution of certificates to be made. This Note, registered in the name of the Securities Depository Nominee, is being issued and required to be deposited with the Securities Depository and immobilized in its custody. The book-entry system will evidence positions held in the Note by the Securities Depository's Participants,

beneficial ownership of the Note in the principal amount of \$5,000 or any multiple thereof being evidenced in the records of such Participants. Transfers of ownership shall be effected on the records of the Securities Depository and its Participants pursuant to rules and procedures established by the Securities Depository and its Participants. The School District and the Registrar/Paying Agent will recognize the Securities Depository Nominee, while the registered owner of this Note, as the owner of this Note for all purposes, including payments of principal of and interest on this Note, notices and voting. Transfer of principal and interest payments to Participants of the Securities Depository will be the responsibility of the Securities Depository, and transfer of principal and interest payments to beneficial owners of this Note by Participants of the Securities Depository will be the responsibility of such Participants and other nominees of such beneficial owners. The School District will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by the Securities Depository, the Securities Depository Nominee, its Participants or persons acting through such Participants. While the Securities Depository Nominee is the owner of this Note, notwithstanding the provision hereinabove contained, payments of principal of and interest on this Note shall be made in accordance with existing arrangements between the Registrar/Paying Agent or its successors under the Resolution and the Securities Depository.

The School District may issue other tax anticipation notes on a parity with this Note to the extent necessary to provide sufficient operating funds in anticipation of the collection of the proceeds of the ad valorem taxes levied within the School District for the Fiscal Year beginning July 1, 2016 and ending June 30, 2017 and the State aid received in substitution therefor in an amount that, when added to the principal amount of this Note, will not exceed the maximum amount allowed by law. The School District also reserves the right to hereafter issue notes or other certificates of indebtedness junior, inferior and subordinate in all respects to the pledge herein made to secure this Note.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and Statutes of the State of South Carolina to exist, to happen, or to be performed precedent to or in the issuance of this Note do exist, have happened, and have been performed in regular and due time, form and manner, and the amount of this Note does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, CHARLESTON COUNTY SCHOOL DISTRICT, SOUTH CAROLINA, has caused this Note to be manually signed by the Chair of the Board of Trustees, attested by the manual signature of the Secretary of the Board of Trustees, the seal of the School District impressed hereon and this Note to be dated the ____ day of ____, 2016.

CHARLESTON COUNTY SCHOOL DISTRICT,
SOUTH CAROLINA

Chair, Board of Trustees

(SEAL)

ATTEST:

Secretary, Board of Trustees

CERTIFICATE OF AUTHENTICATION

This Note is the Note of the issue described in the within mentioned Resolution.

CHARLESTON COUNTY SCHOOL DISTRICT,
SOUTH CAROLINA, as Registrar/Paying Agent

Secretary, Board of Trustees

Date of Authentication: _____, 2016

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(Name and Address of Transferee)

_____ the within note and does hereby irrevocably constitute and appoint _____ attorney to transfer the within note on the books kept for registration thereof, with full power of substitution in the premises.

Dated:

Signature Guaranteed

(Authorized Officer)

(Signature must be guaranteed by a participant in the Securities Transfer Agent Medallions Program (STAMP))

Notice: The signature to the assignment must correspond with the name of the registered owner as it appears upon the face of the within note in every particular, without alteration or enlargement or any change whatever.

OFFICIAL NOTICE OF SALE

**§ _____
CHARLESTON COUNTY SCHOOL DISTRICT, SOUTH CAROLINA
TAX ANTICIPATION NOTES OF 2016**

NOTICE IS HEREBY GIVEN that proposals addressed to the undersigned will be received by the Board of Trustees (the "Board") of Charleston County School District, South Carolina (the "School District") at 3999 Bridge View Drive, North Charleston, South Carolina 29405, until 11:00 a.m., South Carolina time, on Tuesday, July 12, 2016, at which time such proposals will be opened for the purchase of \$ _____ Tax Anticipation Notes of 2016 of the School District (the "Notes"). The School District reserves the right to decrease the principal amount of the Notes following the sale by such amount, if any, as necessary so that the total purchase price of the Notes, including premium, does not exceed \$ _____. In the event the School District decreases the principal amount of the Notes, the amount of the premium will be reduced proportionately.

Details of the Notes. The Notes will be issued initially under the DTC Book-Entry Only System registered in the name of Cede & Co. as the registered owner and nominee of The Depository Trust Company, New York, New York, which will act as securities depository for the Notes. The Notes will be issued in the denomination of \$5,000 each or any integral multiple thereof provided that the total amount of Notes shall not exceed the aggregate principal thereof; will be without coupons; and will mature as to principal and interest on March 31, 2017. Interest on the Notes shall be computed on a 30-day month, 360-day year basis.

Redemption. The Notes will not be subject to redemption prior to maturity.

Bid Form. Proposals may be delivered by mail, by facsimile transmission or through the *PARITY* electronic bidding system, but no proposal shall be considered which is not actually received by the School District at the place, date and time appointed, and the School District shall not be responsible for any delay, failure, misdirection or error in the means of transmission selected by any bidder. No agent or employee of the School District will undertake to receive proposals by means of oral communication. No good faith deposit is required. The School District is not liable for any costs incurred in the preparation, delivery, acceptance or rejection of any bid.

It is requested, but not required, that written bids be submitted on the bid form attached to the Preliminary Official Statement. Each proposal should be marked "Proposal for \$ _____ Tax Anticipation Notes of 2016, Charleston County School District, South Carolina," and should be directed to the School District at the address in the first paragraph hereof. Bids by facsimile should be transmitted to the attention of Glenn Stiegman at 843-566-1973. Please be advised that there is only one fax machine connected to this number. Please verify receipt of facsimile bids by calling 843-566-8198.

Electronic bids must be submitted to the Parity Electronic Bid Submission System ("*PARITY*"). No other provider of electronic bidding services will be accepted. Both written bids and electronic bids must be unconditional and received by the School District and/or *PARITY*, respectively, before the time stated above. Such bids are to be publicly opened and read at such time and place on said day. For the purposes of both the written sealed bid process and the electronic bidding process, the time as maintained by *PARITY* shall constitute the official time with respect to all bids submitted.

If any provisions of this Official Notice of Sale conflict with information provided by *PARITY* as the approved provider of electronic bidding services, this Official Notice of Sale shall control. Further

information about *PARITY* may be obtained from *PARITY*, 1359 Broadway, 2nd Floor, New York, New York 10018, telephone (212) 849-5021.

Bids; Award. Bidders shall specify a single fixed rate of interest per annum which the Notes are to bear, to be expressed as a percentage interest rate of one-hundredth (1/100th) of a percent. Any sum named by way of premium shall be paid in cash as part of the purchase price. For purposes of calculating the premium, if any, it will be assumed that the Notes will be dated July 26, 2016. No bid for less than 100% of par will be accepted.

The Notes will be awarded to the bidder offering to purchase the Notes in conformity with the terms hereof at the lowest net interest cost to the School District. Such interest cost will be determined by computing the total dollar interest cost from the date of the Notes to the maturity date and deducting therefrom the amount of the premium offered, if any, over and above the principal amount. In the event two or more bids have the same lowest net interest cost, the Notes will be awarded on the basis of a coin flip. The Board reserves the right to reject any and all bids or to waive irregularities in any bid. Bids will be accepted or rejected not later than 4:00 p.m., South Carolina time, on the date of the sale.

Tax Exemption. In the opinion of Bond Counsel, assuming continuing compliance by the School District with certain covenants, interest on the Notes is excludable from gross income for federal income tax purposes under existing statutes, regulations and judicial decisions. Interest on the Notes is not an item of tax preference in computing the alternative minimum taxable income of individuals or corporations. Interest on the Notes will, however, be included in the computation of certain taxes including alternative minimum tax for corporations. The Notes and the interest thereon will also be exempt from all State, county, municipal and school district and other taxes or assessments imposed within the State of South Carolina, except estate, transfer and certain franchise taxes.

Purpose. The proceeds of the Notes will be used to fund the operational expenditures of the School District during the fiscal year beginning July 1, 2016 and ending June 30, 2017 (the "2016-17 Fiscal Year") pending the collection of ad valorem taxes to be levied for such purposes and the receipt of certain State aid.

Security for the Notes. The Notes are issued in anticipation of the collection of ad valorem taxes levied within the School District for the School District's operational purposes for the 2016-17 Fiscal Year and the receipt of State aid received in substitution therefor pursuant to Section 11-11-156 of the Code of Laws of South Carolina 1976, as amended, and are payable, both as to principal and interest, from the proceeds thereof. The Notes are general obligations of the School District and there is also pledged to the payment of the principal of and interest on the Notes, the full faith, credit and taxing power of the School District. The School District has not issued any other notes in anticipation of the collection of the ad valorem taxes or the State aid pledged to the payment of the Notes, but may issue additional notes secured by a similar pledge in an amount that, when added to the amount of the Notes, will not exceed the maximum amount allowed by law. The School District also reserves the right to issue additional obligations secured by the proceeds of the 2016-17 Fiscal Year tax levy and State aid which are junior and subordinate to the Notes.

Official Statement. The Preliminary Official Statement dated July 5, 2016, has been deemed final by the School District for purposes of paragraph (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") but is subject to revision, amendment and completion in a final Official Statement as provided in the Rule. The Preliminary Official Statement is available at www.i-dealprospectus.com. The School District will furnish the successful bidder with a sufficient number of copies of the final Official Statement in order to allow the bidder to comply with the Rule, without charge, within seven business days of the acceptance of a bid for the Notes.

Continuing Disclosure. In order to assist bidders in complying with the Rule, the School District will undertake, pursuant to a Disclosure Dissemination Agent Agreement, to provide notices of certain events. The form of this undertaking is included in the Preliminary Official Statement as Appendix B thereto and will also be so included in the final Official Statement.

Legal Opinion. The School District shall furnish upon the delivery of the Notes the final approving opinion of Haynsworth Sinkler Boyd, P.A., Bond Counsel, Charleston, South Carolina, together with the usual closing documents, including a certificate that no litigation is pending affecting the Notes.

Certificates as to Issue Price and Yield. The successful bidder for the Notes must provide a certificate to the School District not later than two business days following the sale date, and confirmed by a certificate delivered at closing, stating the initial reoffering price of the Notes to the public (excluding bond houses and brokers) and the price at which a substantial amount of the Notes were sold to the public, in substantially the form attached to the Official Notice of Sale as is satisfactory to Bond Counsel. As a condition precedent to the delivery of the Notes and in order to assist the School District in compliance with applicable federal tax law, bidders must certify to the School District the "yield" on the Notes, calculated in accordance with Section 1.148-4 of the United States Treasury Regulations.

Delivery. The Notes shall be delivered on or about July 26, 2016, or as soon thereafter as possible, through the facilities of The Depository Trust Company in New York, New York, at the expense of the School District, and are expected to be available through DTC's Book-Entry Only System on such date. The purchase price then due must be paid in Federal Funds. The cost of preparing the Notes will be borne by the School District.

CUSIP Numbers. It is anticipated that CUSIP identification numbers will be printed on the Notes, but neither the failure to print such numbers on any Note nor any error with respect thereto shall constitute cause for failure or refusal by the purchaser thereof to accept delivery of and pay for the Notes in accordance with the terms of its proposal. All expenses in relation to the printing of CUSIP identification numbers on the Notes shall be paid for by the School District; provided, however, that the CUSIP Service Bureau charge for the assignment of said numbers shall be the responsibility of and shall be paid for by the successful bidder.

Additional Information. Persons seeking additional information should communicate with Glenn A. Stiegman, Interim Chief Financial Officer, Charleston County School District, 3999 Bridge View Drive, North Charleston, South Carolina 29405, telephone (843) 566-8198; Carol L. Clark, Esq., Haynsworth Sinkler Boyd, P.A., 134 Meeting Street, Charleston, South Carolina 29401, telephone (843) 724-1123, Bond Counsel to the School District; or David Moore or Jeremy Niedfeldt, Public Financial Management, Inc., 300 South Orange Avenue, Suite 1170, Orlando, Florida, 32801, telephone (407) 648-2208, Financial Advisor to the School District.

This Notice is given to evidence the School District's intent to receive bids for and award the Notes on the date stated above. Such sale may be postponed prior to the time bids are to be received through Thomson Municipal Market Monitor, Bloomberg, or other electronic information service. If canceled, the sale may be thereafter rescheduled within 60 days of the date of the publication of this Official Notice of Sale, and notice of such rescheduled date of sale will be posted at least 48 hours prior to the time for receipt of bids through Thomson Municipal Market Monitor, Bloomberg, i-dealprospectus.com or other electronic information service.

Superintendent of Schools
Charleston County School District,
South Carolina

**CHARLESTON COUNTY SCHOOL DISTRICT,
SOUTH CAROLINA**

BOARD OF TRUSTEES

Cindy Bohn Coats, Chair
Chris Staubes, Vice Chair
Chris Collins
Kate Darby
Tom Ducker
Todd Garrett
Eric Mack
Michael Miller
Tripp Wiles

SCHOOL DISTRICT ADMINISTRATION

Dr. Gerrita Postlewait, Superintendent of Schools
Glenn A. Stiegman, Interim Chief Financial Officer

BOND COUNSEL

Haynsworth Sinkler Boyd, P.A.
Charleston, South Carolina

FINANCIAL ADVISOR

Public Financial Management, Inc.
Orlando, Florida

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APPENDIX A - Audited Financial Statements for Fiscal Year 2015
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APPENDIX C - Form of Opinion of Bond Counsel
APPENDIX D - Official Bid Form

OFFICIAL NOTICE OF SALE

\$ _____^{*} CHARLESTON COUNTY SCHOOL DISTRICT, SOUTH CAROLINA TAX ANTICIPATION NOTES OF 2016

NOTICE IS HEREBY GIVEN that proposals addressed to the undersigned will be received by the Board of Trustees (the "Board") of Charleston County School District, South Carolina (the "School District") at 3999 Bridge View Drive, North Charleston, South Carolina 29405, until 11:00 a.m., South Carolina time, on Tuesday, July 12, 2016, at which time such proposals will be opened for the purchase of \$ _____^{*} Tax Anticipation Notes of 2016 of the School District (the "Notes"). The School District reserves the right to decrease the principal amount of the Notes following the sale by such amount, if any, as necessary so that the total purchase price of the Notes, including premium, does not exceed \$ _____. In the event the School District decreases the principal amount of the Notes, the amount of the premium will be reduced proportionately.

Details of the Notes. The Notes will be issued initially under the DTC Book-Entry Only System registered in the name of Cede & Co. as the registered owner and nominee of The Depository Trust Company, New York, New York, which will act as securities depository for the Notes. The Notes will be issued in the denomination of \$5,000 each or any integral multiple thereof provided that the total amount of Notes shall not exceed the aggregate principal thereof; will be without coupons; and will mature as to principal and interest on March 31, 2017. Interest on the Notes shall be computed on a 30-day month, 360-day year basis.

Redemption. The Notes will not be subject to redemption prior to maturity.

Bid Form. Proposals may be delivered by mail, by facsimile transmission or through the *PARITY* electronic bidding system, but no proposal shall be considered which is not actually received by the School District at the place, date and time appointed, and the School District shall not be responsible for any delay, failure, misdirection or error in the means of transmission selected by any bidder. No agent or employee of the School District will undertake to receive proposals by means of oral communication. No good faith deposit is required. The School District is not liable for any costs incurred in the preparation, delivery, acceptance or rejection of any bid.

It is requested, but not required, that written bids be submitted on the bid form attached to the Preliminary Official Statement. Each proposal should be marked "Proposal for \$ _____ Tax Anticipation Notes of 2016, Charleston County School District, South Carolina," and should be directed to the School District at the address in the first paragraph hereof. Bids by facsimile should be transmitted to the attention of Glenn Stiegman at 843-566-1973. Please be advised that there is only one fax machine connected to this number. Please verify receipt of facsimile bids by calling 843-566-8198.

Electronic bids must be submitted to the Parity Electronic Bid Submission System ("*PARITY*"). No other provider of electronic bidding services will be accepted. Both written bids and electronic bids must be unconditional and received by the School District and/or *PARITY*, respectively, before the time stated above. Such bids are to be publicly opened and read at such time and place on said day. For the purposes of both the written sealed bid process and the electronic bidding process, the time as maintained by *PARITY* shall constitute the official time with respect to all bids submitted.

If any provisions of this Official Notice of Sale conflict with information provided by *PARITY* as the approved provider of electronic bidding services, this Official Notice of Sale shall control. Further information about *PARITY* may be obtained from *PARITY*, 1359 Broadway, 2nd Floor, New York, New York 10018, telephone (212) 849-5021.

^{*}Preliminary, subject to change.

Bids; Award. Bidders shall specify a single fixed rate of interest per annum which the Notes are to bear, to be expressed as a percentage interest rate of one-hundredth (1/100th) of a percent. Any sum named by way of premium shall be paid in cash as part of the purchase price. For purposes of calculating the premium, if any, it will be assumed that the Notes will be dated July 26, 2016. No bid for less than 100% of par will be accepted.

The Notes will be awarded to the bidder offering to purchase the Notes in conformity with the terms hereof at the lowest net interest cost to the School District. Such interest cost will be determined by computing the total dollar interest cost from the date of the Notes to the maturity date and deducting therefrom the amount of the premium offered, if any, over and above the principal amount. In the event two or more bids have the same lowest net interest cost, the Notes will be awarded on the basis of a coin flip. The Board reserves the right to reject any and all bids or to waive irregularities in any bid. Bids will be accepted or rejected not later than 4:00 p.m., South Carolina time, on the date of the sale.

Tax Exemption. In the opinion of Bond Counsel, assuming continuing compliance by the School District with certain covenants, interest on the Notes is excludable from gross income for federal income tax purposes under existing statutes, regulations and judicial decisions. Interest on the Notes is not an item of tax preference in computing the alternative minimum taxable income of individuals or corporations. Interest on the Notes will, however, be included in the computation of certain taxes including alternative minimum tax for corporations. The Notes and the interest thereon will also be exempt from all State, county, municipal and school district and other taxes or assessments imposed within the State of South Carolina, except estate, transfer and certain franchise taxes.

Purpose. The proceeds of the Notes will be used to fund the operational expenditures of the School District during the fiscal year beginning July 1, 2016 and ending June 30, 2017 (the "2016-17 Fiscal Year") pending the collection of ad valorem taxes to be levied for such purposes and the receipt of certain State aid.

Security for the Notes. The Notes are issued in anticipation of the collection of ad valorem taxes levied within the School District for the School District's operational purposes for the 2016-17 Fiscal Year and the receipt of State aid received in substitution therefor pursuant to Section 11-11-156 of the Code of Laws of South Carolina 1976, as amended, and are payable, both as to principal and interest, from the proceeds thereof. The Notes are general obligations of the School District and there is also pledged to the payment of the principal of and interest on the Notes, the full faith, credit and taxing power of the School District. The School District has not issued any other notes in anticipation of the collection of the ad valorem taxes or the State aid pledged to the payment of the Notes, but may issue additional notes secured by a similar pledge in an amount that, when added to the amount of the Notes, will not exceed the maximum amount allowed by law. The School District also reserves the right to issue additional obligations secured by the proceeds of the 2016-17 Fiscal Year tax levy and State aid which are junior and subordinate to the Notes.

Official Statement. The Preliminary Official Statement dated July 5, 2016, has been deemed final by the School District for purposes of paragraph (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") but is subject to revision, amendment and completion in a final Official Statement as provided in the Rule. The Preliminary Official Statement is available at www.i-dealprospectus.com. The School District will furnish the successful bidder with a sufficient number of copies of the final Official Statement in order to allow the bidder to comply with the Rule, without charge, within seven business days of the acceptance of a bid for the Notes.

Continuing Disclosure. In order to assist bidders in complying with the Rule, the School District will undertake, pursuant to a Disclosure Dissemination Agent Agreement, to provide notices of certain events. The form of this undertaking is included in the Preliminary Official Statement as Appendix B thereto and will also be so included in the final Official Statement.

Legal Opinion. The School District shall furnish upon the delivery of the Notes the final approving opinion of Haynsworth Sinkler Boyd, P.A., Bond Counsel, Charleston, South Carolina, together with the usual closing documents, including a certificate that no litigation is pending affecting the Notes.

Certificates as to Issue Price and Yield. The successful bidder for the Notes must provide a certificate to the School District not later than two business days following the sale date, and confirmed by a certificate delivered at closing, stating the initial reoffering price of the Notes to the public (excluding bond houses and brokers) and the

price at which a substantial amount of the Notes were sold to the public, in substantially the form attached to this Official Notice of Sale as is satisfactory to Bond Counsel. As a condition precedent to the delivery of the Notes and in order to assist the School District in compliance with applicable federal tax law, bidders must certify to the School District the "yield" on the Notes, calculated in accordance with Section 1.148-4 of the United States Treasury Regulations.

Delivery. The Notes shall be delivered on or about July 26, 2016, or as soon thereafter as possible, through the facilities of The Depository Trust Company in New York, New York, at the expense of the School District, and are expected to be available through DTC's Book-Entry Only System on such date. The purchase price then due must be paid in Federal Funds. The cost of preparing the Notes will be borne by the School District.

CUSIP Numbers. It is anticipated that CUSIP identification numbers will be printed on the Notes, but neither the failure to print such numbers on any Note nor any error with respect thereto shall constitute cause for failure or refusal by the purchaser thereof to accept delivery of and pay for the Notes in accordance with the terms of its proposal. All expenses in relation to the printing of CUSIP identification numbers on the Notes shall be paid for by the School District; provided, however, that the CUSIP Service Bureau charge for the assignment of said numbers shall be the responsibility of and shall be paid for by the successful bidder.

Additional Information. Persons seeking additional information should communicate with Glenn A. Stiegman, Interim Chief Financial Officer, Charleston County School District, 3999 Bridge View Drive, North Charleston, South Carolina 29405, telephone (843) 566-8198; Carol L. Clark, Esq., Haynsworth Sinkler Boyd, P.A., 134 Meeting Street, Charleston, South Carolina 29401, telephone (843) 724-1123, Bond Counsel to the School District; or David Moore or Jeremy Niedfeldt, Public Financial Management, Inc., 300 South Orange Avenue, Suite 1170, Orlando, Florida, 32801, telephone (407) 648-2208, Financial Advisor to the School District.

This Notice is given to evidence the School District's intent to receive bids for and award the Notes on the date stated above. Such sale may be postponed prior to the time bids are to be received through Thomson Municipal Market Monitor, Bloomberg, or other electronic information service. If canceled, the sale may be thereafter rescheduled within 60 days of the date of the publication of this Official Notice of Sale, and notice of such rescheduled date of sale will be posted at least 48 hours prior to the time for receipt of bids through Thomson Municipal Market Monitor, Bloomberg, i-dealprospectus.com or other electronic information service.

Superintendent of Schools
Charleston County School District,
South Carolina

FORM OF CERTIFICATE AS TO ISSUE PRICE

Re: \$_____ Tax Anticipation Notes of 2016 of Charleston County School District, South Carolina

This certificate is furnished by _____ ("_____") as purchaser of the above-captioned tax anticipation notes (the "Notes") within the meaning of Section 1273 of the Internal Revenue Code of 1986, as amended.

We hereby certify as follows:

1. _____ has made a bona fide offering of all the Notes to the public (excluding bond houses and brokers) at not in excess of the Initial Public Offering Price (expressed as a percentage of principal amount) set forth below:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Initial Public Offering Price</u>
4/1/2017	\$ _____	_____ %

2. The spread for the above captioned issue is \$ _____.

3. _____ reasonably expected to sell at least 10% of the aggregate face amount of the Notes to the public (excluding bond houses and brokers) at a price equal to or less than the respective Initial Public Offering Price.

Signed this ____ day of _____, 2016.

[PURCHASER]

By: _____

§ _____ *

**CHARLESTON COUNTY SCHOOL DISTRICT, SOUTH CAROLINA
TAX ANTICIPATION NOTES OF 2016**

INTRODUCTION

This Introduction briefly describes the contents of this Official Statement and is expressly qualified by reference to the entire contents hereof, including appendices, as well as of the documents summarized or described herein.

The Issuer

The § _____ * Tax Anticipation Notes of 2016 (the "Notes") are being issued by Charleston County School District, South Carolina (the "School District"), a body politic and corporate and a political subdivision of the State of South Carolina (the "State").

Purpose of the Notes

The Notes are being issued for the purposes of providing funds to pay the operational expenditures of the School District during the fiscal year beginning July 1, 2016, and ending June 30, 2017 (the "2016-17 Fiscal Year"), pending the collection of ad valorem taxes levied therefor and the receipt of certain State funds. See "THE NOTES - Authorization" herein.

Security for the Notes

The Notes are secured by an irrevocable pledge of the full faith, credit, and taxing power of the School District, and are payable from the proceeds of the ad valorem tax levy within the School District for ordinary operating purposes of the School District for the 2016-17 Fiscal Year, together with reimbursements received by the School District from the State pursuant to Section 11-11-156 of the Code of Laws of South Carolina 1976, as amended, in lieu of certain property taxes. See "THE NOTES - Security" herein for a description of additional tax anticipation notes that may be issued on a parity with the Notes.

Details of the Notes

The Notes will be issuable in fully-registered form in denominations of \$5,000 each or any whole multiple thereof and, when issued, will be registered to Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). The Notes will be dated as of the date of their delivery (which is expected to be July 26, 2016) and will bear interest from their date at the rate shown on the cover hereof and will mature as to principal and interest on March 31, 2017. The School District is serving as registrar/paying agent (the "Registrar/Paying Agent") for the Notes. The Notes are not subject to redemption prior to their stated maturity. See "THE NOTES" for further information.

Tax Status of Interest on the Notes

In the opinion of Bond Counsel, assuming continuing compliance by the School District with certain covenants, interest on the Notes is excludable from gross income for federal income tax purposes under existing statutes, regulations and judicial decisions. Interest on the Notes is not an item of tax preference in computing the alternative minimum taxable income of individuals or corporations. Interest on the Notes will, however, be included in the computation of certain taxes including alternative minimum tax for corporations. See "TAX EXEMPTION" for a brief description of alternative minimum tax treatment and certain other federal income tax consequences to certain recipients of interest on the Notes. The Notes and the interest thereon will also be exempt from all State,

*Preliminary, subject to change.

county, municipal and school district and other taxes or assessments imposed within the State of South Carolina, except estate, transfer and certain franchise taxes.

Professionals Involved in the Offering

Haynsworth Sinkler Boyd, P.A., Charleston, South Carolina, is acting as Bond Counsel in connection with the issuance of the Notes. Public Financial Management, Inc., Orlando, Florida, is acting as financial advisor to the School District. Greene, Finney & Horton, LLP, Certified Public Accountants, Mauldin, South Carolina, audited the financial statements of the School District for the year ended June 30, 2015, included as Appendix A.

Authorization

The Notes are being issued pursuant to the Constitution and laws of the State of South Carolina, including Article X, Section 15 of the Constitution of the State of South Carolina 1895, as amended; Section 11-27-50 and Section 59-69-270 of the Code of Laws of South Carolina 1976, as amended; and a resolution (the "Resolution") duly adopted by the Board of Trustees of the School District (the "Board") on June 27, 2016.

Information Concerning Terms of the Offering

The Notes are being issued in book-entry-only form. It is expected that the Notes will be delivered to Cede & Co., at the offices of DTC, on or about July 26, 2016, and will be available for credit to the accounts of the DTC Participants and, through them, the Beneficial Owners on such date. Information on limitations on transfer of ownership is set forth in "THE NOTES - Book-Entry-Only System" and "THE NOTES - Discontinuance of Book-Entry-Only System."

General

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Copies of the Official Statement will be filed with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access ("EMMA") system. Copies of the Preliminary Official Statement, the Official Statement, the Resolution and related documents and information are available by contacting Glenn A. Stiegman, Interim Chief Financial Officer, Charleston County School District, 3999 Bridge View Drive, North Charleston, South Carolina 29405 (843-566-8198).

THE NOTES

Description

The Notes will be tax anticipation notes of the School District; will be issuable initially as a single fully registered note in book-entry only form and when issued will be registered to Cede & Co., as nominee for DTC. Purchases of beneficial interests in the Notes will be made in book-entry form only, in the principal amounts of \$5,000 or any whole multiple thereof. The Notes will be dated as of the date of delivery thereof, which is expected to be July 26, 2016; will bear interest from their date at the rate shown on the front cover hereof (based on a 360-day year consisting of twelve 30-day months) and will mature as to principal and interest on March 31, 2017.

Book-Entry-Only System

DTC will initially act as securities depository for the Notes. The Notes will be issued as fully registered securities in the name of Cede & Co. (DTC's partnership nominee). Upon issuance of the Notes, one fully registered Note for each Series of Notes will be issued in the aggregate principal amount of the Notes of that Series and will be deposited with DTC. So long as Cede & Co., as nominee of DTC, is the registered owner of the Notes references herein to the holders or registered owners of the Notes shall mean Cede & Co. and shall not mean the Beneficial Owners (hereinafter defined) of the Notes.

The information under this caption concerning DTC and DTC's book-entry system has been obtained from sources believed to be reliable, but the School District does not take any responsibility for the accuracy or completeness thereof.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation, Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTC is owned by the users of its regulated subdivisions. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of the actual purchaser of the Notes ("Beneficial Owner") is in turn to be recorded on the DTC Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other names may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

The School District and the Registrar/Paying Agent will recognize DTC or its nominee, Cede & Co., as the registered owner of the Notes for all purposes. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Notes unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the School District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Notes are credited on the record date (identified on a listing attached to the Omnibus Proxy).

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit DTC Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the School District or the Registrar/Paying Agent

on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the School District or the Registrar/Paying Agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the School District acting through the Registrar/Paying Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Notes at any time by giving reasonable notice to the School District or the Registrar/Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Note certificates are required to be printed and delivered.

The School District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Note certificates will be printed and delivered to DTC.

Discontinuance of Book-Entry-Only System

In the event that Notes are no longer in book-entry only form, the following provisions shall apply with respect to such Notes: The School District will appoint another securities depository for the Notes or the Notes held by DTC will be cancelled and the School District will execute and deliver the Notes in fully certificated form to the DTC Participants shown on the records of DTC. If no other securities depository is named, principal and interest on the Notes shall be payable to the Registered Owner at maturity upon presentation and surrender thereof to a paying agent appointed by the School District at its principal corporate trust office. The School District would then maintain through the paying agent books of registry for the purpose of registering ownership and transfer of the Notes. The Notes would be transferable by the registered owner in person or by his duly authorized attorney upon surrender of the Note to be transferred together with a written instrument of transfer duly executed by the registered owner or his duly authorized attorney. The paying agent will, upon receipt thereof, authenticate and deliver a new Note or Notes in like principal amount as the Note so presented. The School District and the paying agent will deem and treat the person in whose name each Note is registered as the absolute owner thereof for all purposes.

Redemption

The Notes are not subject to redemption prior to their stated maturity.

Authorization

The Notes will be issued pursuant to and in accordance with the Constitution and statutes of the State of South Carolina, including Article X, Section 15 of the Constitution of the State of South Carolina 1895, as amended; Section 11-27-50 and Section 59-69-270 of the Code of Laws of South Carolina 1976, as amended; and the Resolution.

Purpose

The Notes are being issued for the purpose of providing funds to pay the operational expenditures of the School District during the 2016-17 Fiscal Year, pending the collection of ad valorem taxes levied therefor and the receipt of certain State funds.

Projected Cash Flow

The following table sets forth the anticipated cash flow of the School District through June 2017. The table does not reflect the receipt of proceeds of the Notes. Numbers have been rounded to the nearest dollar.

<u>FY 2017</u>	<u>Anticipated Receipts</u>	<u>Anticipated Expenditures</u>	<u>Cumulative Surplus (Deficit) as of End of Month⁽²⁾</u>
July ⁽¹⁾	\$ 19,022,899	\$48,536,809	\$17,872,896
August	19,978,698	46,536,809	(8,685,214)
September	16,263,955	50,536,809	(42,958,068)
October	19,382,523	39,536,809	(63,112,354)
November	39,072,347	38,536,809	(62,576,815)
December	76,468,030	46,036,809	(32,145,594)
January	106,214,498	38,023,320	36,045,585
February	96,708,553	37,536,809	95,217,329
March	19,615,007	43,036,809	71,795,528
April	46,345,994	44,536,809	73,604,714
May	26,263,638	44,536,809	55,331,543
June	43,592,070	51,536,809	47,386,805

⁽¹⁾ Starting with a balance of \$47,386,805; exclusive of interest earnings.

⁽²⁾ The highest anticipated cash flow deficit is \$82,820,861 occurring on November 15, 2016.

Security

The Notes are issued in anticipation of the collection of ad valorem taxes levied within the School District for the School District's operational purposes for the 2016-17 Fiscal Year and the receipt of reimbursements from the State in lieu of certain property taxes pursuant to Section 11-11-156 of the Code of Laws of South Carolina 1976, as amended, and are payable, both as to principal and interest, from the proceeds thereof. The full faith, credit, and taxing power of the School District are pledged to the payment of the principal of and interest on the Notes. The School District has not issued any other notes in anticipation of the collection of the ad valorem taxes or the State aid pledged to the payment of the Notes except the Notes authorized by the Resolution; provided, however, the School District may issue other tax anticipation notes on a parity with the Notes to the extent necessary to provide sufficient operating funds in anticipation of the collection of such taxes and State aid in an amount that, when added to the principal amount of the Notes, will not exceed the maximum amount allowed by law. The School District may issue notes or other certificates of indebtedness junior, inferior and subordinate in all respects to the pledge securing the Notes.

Additional Security for the Notes

Article X, Section 15, Paragraph (4) of the Constitution of the State of South Carolina 1895, as amended, provides:

If at any time any school district shall fail to effect the punctual payment of the principal and interest of its general obligation debt, the State Treasurer shall withhold from such school district sufficient moneys from any state appropriation to which such political subdivision may be entitled and apply so much as shall be necessary to the payment of the principal and interest on the indebtedness of the school district then due.

The following table shows the amount of State General Fund appropriations subject to being so withheld, including sales tax distributed to the School District as described under "FINANCIAL AND TAX INFORMATION – New Homestead Exemption" herein, which were received by the School District for the fiscal years shown:

<u>Fiscal Year Ended June 30</u>	<u>Amounts Received</u>
2011	\$124,236,892
2012	143,428,831
2013	154,186,502
2014	152,515,947
2015	159,943,958
2016*	163,149,241

*Projection

Miscellaneous

Neither the Notes nor any of the documents relating to their issuance contain any covenants or periodic reporting requirements that could result in a default. Payment of principal of and interest on the Notes may be enforced against the School District and the pledge of the full faith, credit, resources and taxing power is enforceable by mandamus. The Notes contain no provision for amendment of any of the terms thereof.

THE SCHOOL DISTRICT

General Description

The School District was created in July, 1968, through the merger of eight former school districts (which became "Constituent Districts") to form a single countywide district. The Constituent Districts continue to function administratively to administer discipline, handle expulsion hearings, and develop attendance lines. The Constituent Districts are governed by separate boards elected from the residents of each Constituent District. Each of the Constituent Districts is governed by trustees who are, in most cases, elected by the voters of their individual Constituent District and possess limited powers over discipline and operations in their respective Constituent Districts. The nine-member Board of Trustees of the School District (the "Board") is responsible for the operation of School District affairs and has general supervisory authority over the boards of the Constituent Districts.

Board of Trustees and Principal Administrative Officials

The members of the Board are elected for staggered four-year terms in a general election. The members of the Board are elected from and represent the original eight Constituent Districts of the County, but they are voted on at large by all registered voters in the County. The Board is given broad duties, powers, and responsibilities, including those provided by law for county boards of education and for school district trustees. The current members of the Board, the area they represent, and the expiration of their current term are as follows:

<u>Name</u>	<u>Area Represented</u>	<u>Term Expires</u>
Cindy Bohn Coats, <i>Chair</i>	North Charleston	11/2018
Chris Staubes, <i>Vice Chair</i>	East Cooper	11/2018
Chris Collins	North Charleston	11/2016
Kate Darby	East Cooper	11/2018
Tom Ducker	North Charleston	11/2016
Todd Garrett	Peninsula City	11/2016
Eric Mack	West Ashley	11/2018
Michael Miller	West Ashley	11/2016
Tripp Wiles	West Ashley	11/2016

The chief administrative officer of the School District is the Superintendent of Schools, Dr. Gerrita Postlewait. Dr. Postlewait joined the School District on July 8, 2015. Prior to joining the School District, she served as Assistant Vice President of ACT in Iowa City, Iowa and as Chief K-12 Officer for The Stupski Foundation in San Francisco, California, both non-profit organizations aimed at promoting student achievement. Dr. Postlewait previously served as Chief Academic Officer and Superintendent of Horry County School District, South Carolina and Superintendent of Wetzel County Schools, West Virginia. Dr. Postlewait received her Bachelor of Science degree, Master of Arts in Education Leadership and her Doctorate in Education Administration from West Virginia University.

The Interim Chief Financial Officer is Glenn A. Stiegman. Mr. Stiegman joined the School District on November 16, 2015. Prior to joining the School District, he served as a consultant for numerous school districts across the State in which he acted as Chief Financial Officer. Mr. Stiegman previously served as Assistant Superintendent, Business Services for Spartanburg County School District 7, South Carolina and Assistant Superintendent, Finance & Operations for Greenville County School District, South Carolina.

Educational Programs and Services

The School District provides primary and secondary education, as well as a number of special programs, to its residents. All seventy-seven schools in the School District are fully accredited by the State and the Southern Association of Colleges and Schools. The School District offers a number of choices for students and parents, including neighborhood schools, specialized programs ranging from pre-kindergarten to alternative and special needs, district-wide magnet schools, "partial magnet" options based on particular themes, and charter schools. The instructional programs of the School District are described below. Funding for the programs of the School District is provided from the State and Federal Government as well as local property taxes. See "FINANCIAL AND TAX INFORMATION" herein.

Special Programs. The School District has a number of choice offerings and special programs including the following:

Neighborhood Schools: The School District has 45 neighborhood schools which serve an assigned geographic attendance zone. Some of these schools have themes which are integrated into instruction and school activities.

County-Wide Magnet Schools: The School District has seven county-wide magnet schools which, unlike neighborhood schools, do not have an assigned attendance zone. In addition to teaching according to the School District's core curriculum and the State's standards, county-wide magnet schools have a theme or focus area which is integrated into instruction and school activities. Any student residing in Charleston County who is interested in the school's focus may apply, but acceptance may depend on how well the student meets admission criteria and the availability of seats. Some county-wide magnet schools hold lotteries to determine enrollment for the following year. Transportation is provided for all students.

Partial Magnet Schools: The School District has 16 partial magnet schools which are neighborhood schools that, in addition to serving students in their assigned attendance zone, also have a specific number of seats allocated to students who live outside the attendance zone including students living in the same constituent district or outside the constituent district but in the County. In addition to teaching according to the School District's core curriculum and the State's standards, each partial magnet school has a theme or focus area which is integrated into instruction and school activities. Students living outside the assigned attendance zone must apply to the school in order to be considered for admission, and acceptance may depend on the availability of seats. Some partial magnet schools hold lotteries to determine enrollment for the following year.

Constituent Magnet Schools: The School District has one constituent magnet school which is a neighborhood school that, in addition to serving students in its assigned attendance zone, also has a specific number of seats allocated to students who live outside the attendance zone but within the constituent district. In addition to teaching according to the School District's core curriculum and the State's standards,

the constituent magnet school has a theme or focus area which is integrated into instruction and school activities. Students living outside the assigned attendance zone must apply to the school in order to be considered for admission, and acceptance may depend on the availability of seats. Some constituent magnet schools hold lotteries to determine enrollment for the following year.

Charter Schools: Charter schools are public schools that operate with freedom from many of the local regulations that apply to traditional public schools. A charter school does not have an assigned neighborhood or attendance zone. In addition to teaching according to the State's standards, a charter school generally has a theme or focus area which is integrated into instruction and school activities. Any student residing in Charleston County who is interested in the school's focus may contact a charter school about registering but enrollment may depend on the availability of seats. The School District sponsors nine charter schools.

Specialized Programs: The School District has six specialized programs that serve students with particular needs. Similar to the School District's schools, each specialized program has its own facility, faculty, and instructional leadership. Because each specialized program is unique, each program has its own referral or application process.

Other Programs. The School District offers programs at twenty sites for children age birth to 36 months in its Early Head Start programs and ages three to five in its Head Start programs. The School District also offers programs for at-risk four year olds at 42 sites throughout the School District. Most of the Early Head Start and Head Start programs are held in schools, but there are also four stand-alone sites housing these programs. Additionally, the School District offers programs for students in alternative settings such as adult education.

Students with Special Needs. There are more than 5,000 students with a variety of special needs. Programs operate for students who require additional resources in order to function in the regular school. Programs are available for students with disabilities such as hearing, visual or speech limitations as well as autism, emotional or learning disabilities. There are special projects with other groups and agencies to ensure that all students are receiving the services they need.

Business Education Partnerships. The School District brings local businesses and schools together to foster a better understanding of the public school system. Many schools have more than one partner, and several School District programs are now paired in the Business in Education Partnership. The number of partnerships now totals more than 200.

School Volunteers. More than 20,000 volunteers provide services worth more than \$4 million to educators and students during the school year. Volunteers help improve academic achievement and extend educational services to students as well as provide resources from the community to enrich the school program.

Community Education. Community education programs effectively deliver a variety of recreational, cultural and enrichment activities through the utilization of local school facilities.

School Facilities and Capital Plans

In 1999, the School District developed its first comprehensive, five-year capital improvement program (the "2000-04 CIP"). Projects in the 2000-04 CIP were financed in part with proceeds of general obligation bonds of the School District. The Charleston Educational Excellence Financing Corporation ("CEEFC") issued its Installment Purchase Revenue Bonds (Charleston County School District, South Carolina Project) Series 2004, in the original aggregate principal amount of \$135,620,000 (the "Series 2004 Installment Purchase Bonds") pursuant to the 2004 Trust Agreement for funding the last projects slated for the 2000-04 CIP. On January 14, 2013, CEEFC issued its Installment Purchase Revenue Refunding Bonds (Charleston County School District, South Carolina Project) Series 2013A in the original aggregate principal amount of \$76,000,000 (the "Series 2013A Installment Purchase Bonds") to refund a portion of the Series 2004 Installment Purchase Bonds. The School District successfully completed the projects in the 2000-04 CIP under budget and within schedule and next moved forward with a subsequent five-year Capital Improvement Program (the "2005-09 CIP"). CEEFC issued its Installment Purchase Revenue Bonds (Charleston County School District, South Carolina Project) Series 2005, in the original aggregate principal amount

of \$406,675,000 (the "Series 2005 Installment Purchase Bonds") for funding projects slated for the School District's 2005-09 CIP. On June 27, 2006, CEEFC issued its Installment Purchase Revenue Bonds (Charleston County School District, South Carolina Project) Series 2006, in the original aggregate principal amount of \$132,995,000 (the "Series 2006 Installment Purchase Bonds") for funding additional projects in the School District's 2005-09 CIP. On May 9, 2013, CEEFC issued its Installment Purchase Revenue Refunding Bonds (Charleston County School District, South Carolina Project) Series 2013B in the original aggregate principal amount of \$343,420,000 (the "Series 2013B Installment Purchase Bonds") pursuant to the 2013B Trust Agreement to refund all of the outstanding Series 2005 Installment Purchase Bonds. On September 9, 2014, CEEFC issued its Installment Purchase Revenue Refunding Bonds (Charleston County School District, South Carolina Project) Series 2014 in the original aggregate principal amount of \$111,565,000 (the "Series 2014 Installment Purchase Bonds") pursuant to the 2014 Trust Agreement to refund all of the outstanding Series 2006 Installment Purchase Bonds.

In connection with the 2005-09 CIP, the School District performed a comprehensive Condition Assessment of all its schools. A condition code was established for each of the schools. Staff identified the schools with the most urgent needs with the code "C-4". The Board approved as part of the 2005-09 CIP the funding of the majority of projects needed to replace or renovate and expand all C-4 schools. The Board also approved the purchase of sites for future schools and funding for the advance design of schools for the 2005-09 CIP.

The 2010-16 CIP addresses the remaining needs across the School District and will impact 17 school sites. The School District used local condition assessments, enrollment data and nationally recognized K-12 metrics to identify the School District's current facility needs and to focus on three specific areas: life safety, growth and programmatic support. The same condition assessment codes were used in identifying the needs of the School District as were used in the 2005-09 CIP. These assessments were crucial in determining the "renovate or rebuild" decision for several schools. Enrollment assessments were used to determine where new schools were needed in the School District and where schools needed additional building space. Program needs and School District priorities were used in determining the design and addition of neighborhood schools, career and technology centers as well as renovating existing space for improved technology and support facilities. The previous two phases of the building program have transformed the School District's schools and have enabled communities to use school campuses after hours for a wide range of activities. The third phase of this program will further enable the School District to build on these community partnerships and will continue to protect and expand investment in the schools by working collaboratively with all of the communities where schools are located.

To fund the 2010-16 CIP, the School District considered several options including pay-as-you-go, general obligation bonds and a local Sales and Use Tax. The Sales and Use Tax option was determined to be the most cost-effective method. On November 2, 2010, voters in Charleston County approved a referendum authorizing the imposition of a one percent Sales and Use Tax within the County (the "Sales and Use Tax – Phase III") for a period of six years to fund the Sales Tax Projects – Phase III set forth in the referendum. Collection of the Sales and Use Tax – Phase III commenced on March 1, 2011 and will continue until December 31, 2016. The anticipated six-year revenue from the Sales and Use Tax – Phase III is estimated at \$450 million. The Sales and Use Tax – Phase III allows the School District to continue the third phase of the capital building program without passing a property tax increase to the citizens of the County. On August 14, 2014, the Board voted to extend the Sales and Use Tax for a period of six years upon the termination of the Sales and Use Tax – Phase III to fund the fourth phase of the capital building program. On November 4, 2014, voters approved the extension of the Sales and Use Tax (the "Sales and Use Tax – Phase IV") which will continue until December 31, 2022. See "FINANCIAL AND TAX INFORMATION – Revenues – *Revenues from Sales and Use Tax*" herein.

Public School Enrollment in the School District

Public school enrollment in the School District for the last 10 school years is shown in the following table. These figures are based on 135-day average daily membership, and include Special Education and Charter School students.

<u>Year</u>	<u>Kindergarten</u>	<u>Grades 1-8</u>	<u>Grades 9-12</u>	<u>Total</u>	<u>Percent Change</u>
2006-2007	3,316	25,057	12,182	40,555	(2.00)%
2007-2008	3,343	24,808	12,051	40,202	(0.87)
2008-2009	3,420	24,986	11,705	40,111	(0.23)
2009-2010	3,477	25,579	11,739	40,795	1.71
2010-2011	3,665	26,445	11,655	41,765	2.38
2011-2012	3,817	26,796	11,528	42,141	0.90
2012-2013	3,999	27,296	11,573	42,868	1.73
2013-2014	3,945	27,957	11,899	43,801	2.18
2014-2015	4,025	28,706	12,165	44,896	2.50
2015-2016	3,896	29,621	12,632	46,149	2.79

Source: School District

FINANCIAL AND TAX INFORMATION

Five-Year Summary of General Fund Operations

The following table sets forth a summary of the School District's General Fund operations for the fiscal years ended June 30, 2011 through 2015.

Five-Year Analysis of General Fund Revenues and Expenditures

	<u>6/30/2011</u>	<u>6/30/12</u>	<u>6/30/13</u>	<u>6/30/14</u>	<u>6/30/15</u>
<u>Revenues</u>					
Local Sources	\$188,843,893	\$190,085,324	\$200,543,424	\$207,916,534	\$213,323,181
State Sources	124,236,891	143,428,831	154,186,502	152,515,947	159,943,958
Federal Sources	290,988	295,735	145,941	96,631	127,916
Intergovernmental	<u>60,611</u>	<u>41,237</u>	<u>95,053</u>	<u>152,772</u>	<u>119,481</u>
Total Revenues	\$313,432,383	\$333,851,127	\$354,970,920	\$360,681,884	\$373,514,536
<u>Expenditures</u>					
Instructional	\$174,522,375	\$181,418,172	\$191,076,135	\$207,862,609	\$217,993,245
Support Services	112,517,369	114,134,582	134,264,246	147,398,166	161,842,859
Community Service	184,770	276,994	273,535	230,355	307,423
Intergovernmental	67,299	177,074	141,895	172,474	551,975
Debt Service	277,326	232,050	249,843	228,641	123,163
Capital Outlay	<u>93,693</u>	<u>321,472</u>	<u>275,598</u>	<u>109,940</u>	<u>110,864</u>
Total Expenditures	\$287,662,832	\$296,560,344	\$326,281,252	\$356,002,185	\$380,929,529
<u>Excess Revenues Over (Under)Expenditures</u>	<u>25,769,551</u>	<u>37,290,783</u>	<u>28,689,668</u>	<u>4,679,699</u>	<u>(7,414,993)</u>
 Sale of Fixed Assets	 93,618	 108,272	 54,855	 0	 0
Transfers In	8,712,922	9,481,700	13,223,468	13,365,603	13,730,354
Transfers Out/ Payments to Component Units	<u>(24,157,789)</u>	<u>(25,877,616)</u>	<u>(28,116,568)</u>	<u>(30,327,599)</u>	<u>(32,230,796)</u>
Total Other Financing Sources (Uses)	\$(15,351,249)	\$(16,287,644)	\$(14,838,245)	\$(16,961,996)	\$(18,500,442)
 Excess (Deficiency) of Revenues over Expenditures	 10,418,302	 21,003,139	 13,851,423	 (12,282,297)	 (25,915,435)
 Fund Balance—July 1 of Fiscal Year	 23,971,961	 34,390,263	 55,393,402	 69,244,825	 56,962,528
 <u>Fund Balance - June 30 of Fiscal Year</u>	 <u>\$ 34,390,263</u>	 <u>\$ 55,393,402</u>	 <u>\$ 69,244,825</u>	 <u>\$ 56,962,528</u>	 <u>\$ 31,047,093</u>

For Fiscal Year 2015, the School District set aside \$7.4 million of undesignated fund balance to fund some one-time expenditures.

Source: Audited Financial Statements of the School District for the Years Ended June 30, 2011 through 2015.

Financial Statements

The financial statements of the School District for the years ended June 30, 2011 through June 30, 2015 have been audited by Greene, Finney & Horton, LLP. A copy of the general purpose financial statements of the School District for the year ended June 30, 2015 is attached to this Official Statement as Appendix A. Copies of

complete audited financial statements for the year ended June 30, 2015, and prior years are available for inspection at the School District offices.

For a discussion of the School District's undesignated fund balance, see the heading "Fund Balance Policy" herein.

Budget Procedure and Accounting Policies

General. The State Constitution provides that each school district shall prepare and maintain annual budgets which provide for sufficient income to meet the estimated expenses for each year. State law provides that the fiscal year for school districts begins on July 1 of each year and ends on June 30 of the following year. A school district board of trustees is required to adopt annually, prior to the beginning of each fiscal year, an operating budget for the operation of the school district. A public hearing, following notice thereof published in a newspaper of general circulation in the school district, must be conducted prior to the adoption of the budget. The budget must identify the sources of anticipated revenue including taxes necessary to meet the financial requirements of the budget adopted. The school district is required to provide for the levy and collection of taxes necessary to meet all budget requirements except as provided for by other revenue sources.

A school district may make supplemental appropriations, which shall specify the source of funds for such appropriations. A supplemental appropriation is defined as an appropriation of additional funds which have come available during the fiscal year and which have not been previously obligated by the current operating or capital budget.

Upon adoption of a school district budget by its board of trustees, two copies of the budget are mailed to the State Department of Education.

The School District. Budgets are prepared and adopted on a fiscal year basis beginning July 1 and ending June 30 (the "Fiscal Year") of each year for the General, Special Revenue, and Education Improvement Act Funds of the District. Student enrollments are projected for the next year and these projections are used to determine teacher allocations and per pupil supply allocations. Input is obtained from the individual school principals and department heads on additional or extraordinary requests. The data is summarized and compiled into a workable format by the School District's Office of Financial Services. The administrative team comprised of the Superintendent and key School District personnel reviews the budget information. Priorities for funding are established to equitably distribute available funds to meet the needs of all the students in the School District. The administrative team, along with appropriate support personnel, meets with the entire Board in work sessions to review the proposed budget in detail. The full Board then meets in formal session to amend the proposed budget and ultimately approve a final budget. The approved budget is then submitted to the State Department of Education by September 1 of each year.

The following budget summary for the 2014-15 Fiscal Year is based upon the final reading of the School District's operating budget for that year. Also shown is a summary of the revised budget for that year. Final action and approval of the School District's 2015-16 Fiscal Year budget as summarized below occurred on June 29, 2015.

2015-16 Fiscal Year Budget Summary; 2016-17 Fiscal Year Approved Budget

	<u>Original Budget 2015-2016</u>	<u>Revised Budget 2015-2016</u>	<u>Approved Budget 2016-2017</u>
Revenues:			
Local Sources	\$242,402,923	\$242,402,923	\$248,935,100
State Sources	163,149,241	163,149,241	168,468,887
Federal Sources	106,861	106,861	106,861
Transfers/Other	<u>21,114,454</u>	<u>21,114,454</u>	<u>11,691,152</u>
TOTAL	\$426,773,479	\$426,773,479	\$429,202,000
Expenditures:			
Current			
Instruction	\$224,934,722	\$223,638,822	\$221,021,696
Support Services	165,490,468	169,623,786	164,992,693
Community Services	158,180	158,656	419,687
Intergovernmental/Transfers	35,190,109	36,634,759	37,667,924
Reserves	900,000	(1,065,775)	0
Debt Service/Capital Outlay	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
TOTAL	\$426,773,479	\$429,090,248	\$424,202,000

NOTE: Totals may not add due to rounding.

The School District allocated \$5.5 million of undesignated fund balance to balance the 2012-13 Fiscal Year budget. However, the School District ended the fiscal year within budget, and the full \$5.5 million of undesignated fund balance therefore increased the 2012-13 year-end fund balance position of the School District. For the 2013-14 Fiscal Year, the School District set aside \$10 million of undesignated fund balance to fund some one-time expenditures and provide funding for a mid-year expansion of the four-year-old program. For the 2014-15 Fiscal Year, the School District set aside \$7.4 million of undesignated fund balance for one-time expenditures, and set aside \$7.8 million for one-time expenditures for the 2015-16 Fiscal Year. For the 2016-17 Fiscal Year, the School District has budgeted to add \$5 million to the undesignated fund balance.

Fund Balance Policy

On May 12, 2003, the School District adopted a Fund Balance Policy which provides that the operating budget for the School District will be increased by not less than 1 percent each year to be applied exclusively to undesignated fund balance until such time as the total undesignated fund balance equals not less than 8.3% of the total operating budget. Thereafter, not less than 50 percent of any general fund moneys remaining unspent at the end of each fiscal year will be placed in the undesignated fund balance and will not be available for expenditures except as provided in the Fund Balance Policy. No part of the undesignated fund balance may be spent for any purpose without an affirmative vote of a majority of the Board of Trustees at a meeting held in accordance with Board policy.

<u>Fiscal Year</u>	<u>Undesignated Fund Balance</u>	<u>Total Fund Balance</u>
2010	\$16,007,169	\$23,971,961
2011	29,266,687	34,390,263
2012	42,569,376	55,393,402
2013	44,485,056	69,244,825
2014	39,217,371	56,962,528
2015	16,132,962	31,047,093

The Education Accountability Act of 1998

At its 1998 legislative session, the General Assembly of the State of South Carolina adopted the "Education Accountability Act of 1998" (the "Accountability Act"). The purpose of the Accountability Act is to establish a

"performance based accountability system" which focuses on improving teaching and learning in order to equip students with a strong academic foundation.

The Accountability Act requires all school districts, among other things, to establish local accountability systems to stimulate quality teaching and learning practices and target assistance to low performing schools. The linchpin for the Accountability Act is the annual report card which will be provided to each school and school district. These report cards are expected to furnish clear and specific information about school and district academic performance and other performance to parents and the public.

From a school district's perspective, the Accountability Act requires boards of trustees, among other things, to establish and annually review a performance based accountability system (or modify its existing system) to reinforce the state accountability system. The School District's current accountability plan is expected to be modified each year in order to conform to State accountability system requirements.

If a school receives a rating of below average or at-risk, that school must review and revise its improvement plan (required of every school under the EFA (as defined herein)). Once the revised plan is developed, a school district's superintendent and board of trustees must review and approve the plan. In addition, schools which receive at-risk ratings (or those receiving a below average rating which so request) will be assigned an external review team. If the recommendations of the review team are not implemented satisfactorily or within the period expected, or if student academic performance has not met expected progress, the State Board of Education may declare a state of emergency in the school.

Revenues

The audited financial statements of the School District for the fiscal year ended June 30, 2015, indicate that over 43% of general fund revenues came from the State and over 57% came from local sources.

Revenues from the State. The second largest source of operating revenues is the State of South Carolina. These revenues come in the form of general fund revenues, which are available for general operating expenses of the School District, and special revenues, which are available for use only in connection with specific programs. The amounts the School District has received as general fund and special revenues from the State, including sales tax distributed to the School District as described under "New Homestead Exemption" herein, for the fiscal years shown are listed in the following table:

<u>Fiscal Year</u>	<u>General Fund</u>	<u>Special Revenue</u>	<u>Total</u>
2010-11	\$124,236,892	\$31,933,108	\$156,170,000
2011-12	143,428,831	32,233,678	175,662,509
2012-13	148,893,474	37,595,311	186,488,785
2013-14	152,515,947	34,332,936	186,848,883
2014-15	159,943,958	34,350,967	194,294,925
2015-16*	163,149,241	34,203,913	197,353,154

*Projection

EFA. Most of the general fund revenues received from the State are paid to the School District under the Education Finance Act of 1977 (the "EFA"). The EFA was enacted in order to implement a basic education program, known as the Foundation Program. The State funds an average of 70% of the cost of the Foundation Program on a statewide basis, using an "index of taxpaying ability" to adjust required local contribution and State contribution toward the cost of the Foundation Program. The State's share and the School District's share of funding of the Foundation Program is shown below.

<u>Contributions to EFA Foundation Program</u>				
<u>Fiscal Year</u>	<u>State Contributions</u>	<u>State Percentage</u>	<u>School District Contributions</u>	<u>School District Percentage</u>
2010-11	\$19,293,508	23%	\$63,690,135	77%
2011-12	32,823,100	34	64,559,693	66
2012-13	36,778,059	35	69,168,596	65
2013-14	35,665,888	32	77,292,367	68
2014-15	39,396,142	32	83,847,019	68
2015-16*	44,331,208	34	87,397,396	66

*Projection

Appropriations made by the State are monitored against income throughout the fiscal year by the State Budget and Control Board. If State revenues are below budget estimates, the Budget and Control Board has the authority to reduce appropriations by amounts sufficient to maintain a balanced budget for the State. For example, during the 2001-02 Fiscal Year, the Budget and Control Board adopted reductions in State appropriated funding for the EFA Foundation Program in an amount equal to approximately 9% of original appropriations. The reductions applied to State general fund appropriations including EFA funding and various other State funded programs, but not EIA funding (see below). School districts in South Carolina, including the School District, accordingly had their funding affected by these cuts and made budget revisions to accommodate funding reductions.

EIA. Almost all of the special revenues received from the State are paid to the School District under the Education Improvement Act of 1984 (the "EIA"). The EIA was enacted to improve the quality of public education in the State through special programs and incentives. The EIA program is funded by a 1¢ increase in the general sales tax. Amounts received by the School District under the EIA are restricted to the programs authorized or mandated by the EIA.

<u>Fiscal Year</u>	<u>Amount</u>
2010-11	\$25,115,381
2011-12	26,314,008
2012-13	30,292,565
2013-14	29,250,624
2014-15	26,364,560
2015-16*	24,019,253

*Projection

As stated above under "—EFA", appropriations made by the State are monitored against income throughout the fiscal year by the State Budget and Control Board. If State revenues are below budget estimates, the Budget and Control Board has the authority to reduce appropriations by amounts sufficient to maintain a balanced budget for the State.

Revenues from Ad Valorem Taxes. The largest source of School District general operating revenues comes from ad valorem taxes paid by taxpayers within the School District. A discussion of general tax information, tax rates, and millage levied upon taxpayers of the School District for School District purposes is presented under the headings "—Property Taxation and Assessment", "—Assessed Value", "—Tax Collection Procedure", "—Tax Collections for Last Five Years", "—Ten Largest Taxpayers", and "—Millage History" below. All the revenues from ad valorem taxes are either general fund revenues, and, therefore, may be used by the School District on an unrestricted basis, or are collected for the purposes of paying debt service on general obligation bonds of the School District. Listed below are the amounts the School District received as general fund revenues from ad valorem taxes for the fiscal years shown:

<u>Fiscal Year</u>	<u>General Fund*</u>
2010-11	\$274,341,844
2011-12	276,581,505
2012-13	291,935,907
2013-14	297,379,931
2014-15	301,349,087
2015-16**	322,913,511

*Includes amounts received as Homestead Exemption and Property Tax Relief Exemption as such terms are defined in "—Homestead Exemption-Property Tax Relief" herein.

**Projection

Revenues from Federal Sources. The School District receives a portion of its revenues from the Federal Government, including federal grants which are tied to specific uses, such as the school lunch program and aid for the handicapped, vocational education and adult education, and Subchapter I of the Elementary and Secondary Education Block Grant program (PL 97-35), which funds are used to pay operational costs (including teachers' salaries). These revenues are restricted and must be used for specific programs.

The amounts received by the School District as special revenues and food services from Federal sources for the fiscal years shown are set forth below:

<u>Fiscal Year</u>	<u>Food Services</u>	<u>Special Revenues</u>
2010-11	\$14,447,632	\$ 62,633,882
2011-12	16,141,467	56,011,731
2012-13	17,177,290	53,484,394
2013-14	17,524,204	57,904,305
2014-15	19,402,686	52,442,214
2015-16*	19,906,395	61,882,171

*Projection

Revenues from Sales and Use Tax. On November 2, 2010, voters in Charleston County approved the 2010 Referendum authorizing the imposition of the one percent Sales and Use Tax – Phase III within the County for a period of six years to fund the Sales Tax Projects – Phase III set forth in the 2010 Referendum. Collection of the Sales and Use Tax – Phase III commenced on March 1, 2011 and will continue until December 31, 2016.

As provided in the Sales and Use Tax Act, the Sales and Use Tax is administered and collected by the South Carolina Department of Revenue in the same manner as other sales and use taxes. The revenues of the Sales and Use Tax are remitted to the State Treasurer and credited to a fund separate and distinct from the general fund of the State. After deducting the amount of any refunds made and costs to the Department of Revenue of administering the tax (not to exceed one percent of the revenues), the State Treasurer will distribute the revenues monthly to the County Treasurer for the benefit of the School District. Revenues received by the County Treasurer must be deposited in an account for the School District, separate from accounts established for any other purpose, and investment earnings derived from amounts held in such account must be credited to the account. Withdrawals by the School District of proceeds of the Sales and Use Tax must be made in the same manner as funds appropriated to the School District by the State. The School District must maintain records which demonstrate that proceeds of the Sales and Use Tax are only used to pay the costs of the Sales Tax Projects or to pay debt service on general obligation debt incurred by the School District to pay the costs of the Sales Tax Projects.

The School District has received Sales and Use Tax – Phase III collections as follows:

<u>Fiscal Year</u>	<u>Collections</u>
2010-11	\$22,321,034*
2011-12	71,241,431
2012-13	75,929,160
2013-14	84,130,252
2014-15	89,429,173
2015-16	46,504,766**

*Collections from March 1, 2011 (when imposition of tax began) through June 30, 2011.

**Collections from July 1, 2015 through December 31, 2015, compared to \$43,968,282 collected during the same period in 2014-15.

On November 4, 2014, voters in Charleston County approved the 2014 Referendum authorizing the imposition of the one percent Sales and Use Tax – Phase IV within the County for a period of six years to fund the Sales Tax Projects – Phase IV. Collection of the Sales and Use Tax – Phase IV will commence on January 1, 2017 and will continue until December 31, 2022.

Investment Policies

The School District holds and invests all operating funds directly. General obligation bond proceeds and tax collections used to pay debt service on bonds are held and invested by the County Treasurer. In both cases, the funds may only be invested in investments specified under Section 6-5-10 of the Code of Laws of South Carolina 1976, as amended, or the South Carolina Pooled Investment Fund. The South Carolina Pooled Investment Fund is managed by the South Carolina State Treasurer.

Property Taxation and Assessment

Article X, Section 1 of the State Constitution requires equal and uniform assessments of property throughout the State for the following classes of property and at the following ratios:

- (1) Real and personal property owned by or leased to manufacturers, utilities and mining operations and used in the conduct of such business - 10.5% of fair market value;
- (2) Real and personal property owned by or leased to companies primarily engaged in transportation for hire of persons or property and used in the conduct of such business - 9.5% of fair market value;
- (3) Legal residence and not more than five contiguous acres - 4% of fair market value (if the property owner makes proper application and qualifies);
- (4) Agricultural real property used for such purposes owned by individuals and certain corporations - 4% of use value (if the property owner makes proper application and qualifies);
- (5) Agricultural property and timberlands belonging to corporations having more than 10 shareholders - 6% of use value (if property owner makes proper application and qualifies);
- (6) All other real property - 6% of fair market value;
- (7) Business inventories - 6% of fair market value (as of 1988, there is available an exemption from taxation of property in this category, hence this item is no longer significant, except that the assessed value of business inventory as of tax year 1987 is taken into account in determining total assessed value for purposes of the bonded debt limit);

- (8) Motor vehicles - 6% of fair market value; and
- (9) All other personal property - 10.5% of fair market value.

The South Carolina Department of Revenue ("DOR") has been charged with the responsibility of taking steps necessary to ensure equalization of assessments statewide in order that all property is assessed uniformly and equitably throughout the State and may require reassessment of any part or all of the property within the County. Regulations of DOR effectively require that a reappraisal program must be instituted by a county if the median appraisal for all property in such county (as a whole or for any class of property) is higher than 105% or lower than 80% of fair market value. In addition, in its 1995 session, the South Carolina General Assembly enacted provisions requiring each county to appraise and equalize the properties under its jurisdiction once every fourth year and requiring each county to assess all properties on the newly appraised values every fifth year. Section 12-43-217(B) of the Code of Laws of South Carolina 1976, as amended, authorizes a county by ordinance to postpone its reassessment program for not more than one year. Upon completion of a reassessment or equalization program, the total *ad valorem* millage for any school district or political subdivision of the State may not exceed the total *ad valorem* tax millage of such school district or political subdivision for the year immediately prior to completion of such program, adjusted for new taxable property, by more than the increase in the consumer price index for the year in question. The County last completed and implemented a reassessment program for the 2015 tax year (which corresponds to the School District's 2015-16 Fiscal Year).

In addition to the appraisal and reassessment procedures enacted in 1995, the General Assembly imposed a limitation on millage rate for the year in which the reassessment is implemented referred to as the "rollback millage," which is that millage rate which, following reassessment, will produce the same revenues as were produced in the year preceding reassessment. The rollback millage may only be increased pursuant to the provisions of Act No. 388 (defined herein).

Act No. 388 adopted by the South Carolina General Assembly on June 1, 2006 ("Act 388") provides that, beginning July 1, 2007, the growth in valuation of real property attributable to reassessment may not exceed 15% for each five year reassessment cycle. Growth in valuation resulting from improvements to real property are exempt from this restriction. Moreover, upon the sale of any parcel of real property or other "assessable transfer of interest", including long-term leases, conveyances out of trusts, and other defined events, but excluding transfers between spouses, such parcel will be reassessed to its then-current market value. The foregoing limitation on increases in assessed value may materially effect the growth in the School District's assessed value, and, thus, debt limit, over time. Limitations on increases in assessed value were further modified by the South Carolina General Assembly in its 2011 session (the "2011 Amendments").

The 2011 Amendments further limit the reassessment of property assessed at six percent (6%) of market value, e.g. commercial property and non-owner occupied homes. Upon an assessable transfer of interest of such property, the new assessed value for tax purposes is the greater of (a) 75% of the fair market value of the property at the time of sale or (b) 100% of the fair market value of the property according to the most recently completed county-wide reassessment.

The County Assessor appraises and assesses all the real property and mobile homes located within the County and certifies the results to the County Auditor. The County Auditor appraises and assesses all motor vehicles, marine equipment, business personal property and airplanes. The DOR furnishes guides for use by the counties in the assessment of automobiles, automotive equipment, farm equipment and certain other classes of property and directly assesses the real and personal property of public utilities, manufacturers, transportation companies for hire and merchants' floor stock inventories.

Each year the DOR certifies its assessments to the County Auditor who prepares assessment summaries from the respective certifications, determines the appropriate millage levies, prepares tax bills and then in September charges the County Treasurer with the collection of taxes. South Carolina has no statewide property tax.

Payments in Lieu of Taxes

The State has adopted an array of property tax inducements and incentives to promote investment in the State. Qualifying investments of \$2.5 million (\$1 million in some counties and for certain "Brownfield" sites) or more may negotiate for payments in lieu of taxes for a period of up to 30 years (with the possibility of an additional 10 year extension at the option of the county) based on assessment ratios of as little as 6% and using millage rates that are either fixed for up to 30 years (with the possibility of an additional 10 year extension at the option of the county) or adjusted every fifth year. Certain of those projects may also design a payment schedule so long as the present value of the payments under the schedule are equal to the present value of the payments that would have been made without the schedule. The State also provides a more generous inducement for projects creating at least 125 new jobs and which provide new investment of not less than \$150 million or for projects which have total investment of not less than \$400 million within the State. These projects may negotiate for payments based on assessment ratios of as low as 4% and for a term of up to 40 years.

The State provides alternative provisions respecting the distribution of payments in lieu of taxes to entities having taxing jurisdiction at the location of the investment: (i) revenues received in respect of property that is not included in a multicounty park are allocated in proportion to the amounts that would have been received by the taxing entities if the payments were taxes; (ii) revenues received from property that is in a multicounty park, however, is distributed in accordance with the agreement creating the park; the amount of the distribution to each taxing entity is, for all practical purposes, controlled by the County. Property may be included in a multicounty park under terms of agreements between two or more counties with individual sites being determined primarily by the county in which they are located. Payments in lieu of taxes may be diverted from taxing entities in the sole discretion of the County to fund projects which support economic development activities, including projects that are used solely by a single enterprise, and such other uses as directed by the County.

In addition to the above-described incentives, under State law a county may issue special source revenue bonds or grant equivalent credits against payments in lieu of taxes in order to pay for certain infrastructure costs to support economic development activities. Such bonds or credits are payable from, and effectively allow for the capturing of, portions of the payments in lieu of taxes payable by industry.

The effect of the above-described incentives, is that, notwithstanding the fixed payments by the industry, the County's share of these payments will vary in each year in accordance with the ratio its millage rates for that year bear to the total millage that would otherwise apply to the property. Projects on which these payments in lieu of taxes are made are considered taxable property at the level of the negotiated payment for purposes of calculating bonded indebtedness limits and for purposes of computing the index of taxpaying ability pursuant to the South Carolina Education Financing Act. If the property is situated in a multicounty park, the calculation of assessed value for debt limit purposes is based upon the relative share of payments received by all taxing entities which overlap the multicounty park. Accordingly, a recipient of payments from a multicounty park is able to include only a fraction of the assessed value of property therein in calculating its debt limit.

Change In Millage Levy Authority

Act 388 and the 2011 Amendments limited future increases in the rate of millage levied for operational purposes by all political subdivisions and school districts. The annual millage rate for operations may increase only at a rate equal to the sum of (a) the increase in the consumer price index, plus (b) the rate of population growth of the political subdivision or school district, plus (c) the operating millage increase allowed by operation of clauses (a) and (b) above, but not imposed, for the three property tax years preceding the year to which the current limit applies. This limitation may be overridden by a vote of two-thirds of the governing body of the political subdivision or school district, but only for the following purposes and only in a year in which such condition exists:

- (1) a deficiency of the preceding year;
- (2) any catastrophic event outside the control of the governing body such as a natural disaster, severe weather event, act of God, or act of terrorism, fire, war, or riot;
- (3) compliance with a court order or decree;

(4) taxpayer closure due to circumstances outside the control of the governing body that decreases by ten percent or more the amount of revenue payable to the taxing jurisdiction in the preceding year; or

(5) compliance with a regulation promulgated or statute enacted by the federal or state government after January 1, 2007 for which an appropriation or a method for obtaining an appropriation is not provided by the federal or state government.

Act 388 does not, however, limit the ability of the General Assembly to set or restrict school operating millage for a particular school district, nor does it amend any caps on school millage provided by current law or any statute or limitation on the fiscal autonomy of a school district under existing law. Accordingly, the budgetary limitations applicable to the School District described under "THE SCHOOL DISTRICT—Budget Procedure and Accounting Policies" herein remain in force and effect, but subject to the limitations on annual increases in millage discussed above.

Act 388 removes the authority of the governing bodies of school districts to increase operating millage in any year to "meet the minimum required local Education Improvement Act inflation factor as projected by the State Budget and Control Board, Division of Research and Statistics, and the per pupil maintenance of effort requirement of Section 59-21-1030, if applicable" as presently provided in Section 6-1-320 of the South Carolina Code. Act 388 does not, however, explicitly repeal the requirement found in Section 59-21-1030 of the South Carolina Code that county auditors "establish a millage rate (for school districts) so that the level of financial effort per pupil for noncapital programs adjusted for an inflation factor estimated by the Division of Research and Statistical Services is maintained as a minimum effort." Whether Act 388 acts as an implied repeal of Section 59-21-1030 is unclear, and may require judicial or further legislative clarification.

Homestead Exemptions – Property Tax Relief

South Carolina provides, among other exemptions, three exemptions for homesteads. The first is a general exemption from all ad valorem property taxes and applies to the first \$50,000 of the fair market value of the dwelling place of persons who are at least 65 years of age, totally and permanently disabled or legally blind (the "Homestead Exemption"). In the case of the Homestead Exemption, the State pays each taxing entity the amount to which it is entitled by April 15 of each year from the State's general fund. Amounts received by the School District under the Homestead Exemption are set forth below:

<u>Fiscal Year</u>	<u>Amount</u>
2010-11	\$3,557,262
2011-12	3,557,262
2012-13	3,557,262
2013-14	3,557,262
2014-15	3,557,262
2015-16*	3,557,262

*Projection

The second exemption (the "Property Tax Relief Exemption") applies only to ad valorem taxes levied for school operating budgets (exclusive of amounts in those budgets for the payment of lease-purchase agreements for capital construction) and has no effect on county and municipal taxes. The Property Tax Relief Exemption applies to property classified as the legal residence and up to five acres of land contiguous thereto when owned by the occupant of such residence. The Property Tax Relief Exemption is funded from amounts appropriated each year for the Trust Fund for Property Tax Relief. That amount is required to be the amount that would have been required to fund the exemption for the first \$100,000 of fair market value of property or the lesser of the school operations millage for 1995 or the current year, all as adjusted periodically for reassessment. The resulting amounts are distributed to school districts per capita subject to certain limits. The exemption continues to apply to the first \$100,000 of fair market value of qualifying property. In the event the amount of reimbursement is less than would have been received from the property exempted, the School District may, subject to other restrictions on tax

increases, recover the difference by increasing tax millage rates. Legislation adopted by the General Assembly in 1999 effectively froze the level of reimbursement which the School District will receive by way of the Property Tax Relief Exemption. Thus, the School District has received \$16,955,781 every year and expects to receive the same amount in the 2015-16 Fiscal Year. Beginning in the 2007-08 Fiscal Year, the Property Tax Relief Exemption has been significantly expanded pursuant to Act 388 with the third exemption, the New Homestead Exemption. See "New Homestead Exemption" herein.

New Homestead Exemption

Pursuant to Act 388, an additional one percent sales tax has been imposed State-wide since June 1, 2007. The additional tax does not apply to certain items, including certain accommodations (e.g., hotels, motels, campgrounds and the like), items taxed at a defined maximum tax (e.g., automobiles, taxed at a maximum of \$300, regardless of sales price), and unprepared food. Receipts from the new one percent sales tax must be credited to the "Homestead Exemption Fund" created pursuant to Act 388.

For Fiscal Year 2007-08, all owner-occupied real property in the State was exempted from *ad valorem* property taxes levied for school district operations (the "New Homestead Exemption"). Proceeds of the sales tax deposited in the Homestead Exemption Fund is distributed to the school districts of the State in substitution for the *ad valorem* property taxes not collected as a consequence of the New Homestead Exemption, provided, however, that in no event shall the amount of sales taxes distributed to the school district or districts within any county be less than \$2,500,000 in the aggregate. Act 388 contains provisions for distribution to multiple school districts within a single county of any amounts made available under the preceding sentence. The table below shows payments received by the School District from the State as a result of the New Homestead Exemption.

<u>Fiscal Year</u>	<u>Amount Received</u>
2010	\$62,346,841
2011	62,833,726
2012	63,947,141
2013	65,617,652
2014	66,882,062
2015	67,956,670
2016*	69,182,445

*Projection

Act 388 provides that reimbursements in Fiscal Year 2007-08 for amounts not collected by reason of the New Homestead Exemption shall be equal to the amount estimated to be otherwise collected in Fiscal Year 2007-08 by the school district from school operating millage imposed on owner-occupied residential property therein. Beginning in Fiscal Year 2008-09 and continuing each year thereafter, the aggregate reimbursement to the school districts of the State will increase by an amount equal to the percentage increase in the previous year of the Consumer Price Index, Southeast Region, as published by the United States Department of Labor, Bureau of Labor Statistics plus the percentage increase in the previous year in the population of the State as determined by the Office of Research and Statistics of the State Budget and Control Board. The aggregate amount of the reimbursement increase in any year will be distributed among the school districts of the State proportionately based on each school district's weighted pupil units as a percentage of statewide weighted pupil units as determined annually pursuant to the Education Finance Act.¹

¹ The EFA establishes a weighting system, with pupils in grades four through eight weighted at a base 1.0 units. Additions or subtractions to this base are made by the EFA for various categories of pupils, determined by both grade year and any special services required. For example, primary school students are assigned a weighting of 1.24 pupil units each and high school students are assigned a weighting of 1.25 pupil units. Pupils with learning disabilities are assigned a weighting of 1.74. H4449 provides a further weighting category, namely an extra 0.2 pupil units to be added for each pupil in kindergarten through grade twelve who qualifies for Medicaid or who qualifies for reduced or free lunches, or both. Reimbursements received by a school district as a consequence of this special weighting must be used by districts and schools to provide services and research-based strategies for addressing academic or health needs of these students to ensure their future academic success, to provide summer school, reduced class size, after school programs, extended day, instructional materials, or any other research-based educational strategy to improve student academic performance.

Any amounts remaining in the Homestead Exemption Fund after the distribution of moneys as described in the preceding paragraphs must be distributed to the 46 counties of the State, proportionately based upon population, and applied as a credit against *ad valorem* property taxes levied against, first, owner-occupied real property, and, thereafter, to all other classes of taxable property, for county operating purposes.

To the extent revenues in the Homestead Exemption Fund are insufficient to pay all reimbursements to the school districts of the State as described above, the difference must be paid from the State's general fund. Enforcement of the requirement described in the preceding sentence is not self-executing, and will in each applicable year be subject to the appropriation of the necessary amounts by the General Assembly.

The statutory changes discussed in the preceding paragraphs under the subheading "New Homestead Exemption" could have a material impact on School District operations, to the extent that growth in its operating expenses exceeds the growth rate of sales tax reimbursements from the State. Growth in sales tax reimbursements is subject both to restrictions contained in Act 388, and to the growth in State sales tax collections generally. The School District's ability to compensate for insufficiencies in sales tax reimbursements (regardless of the cause of insufficiency) through an increase in its millage rate will be limited as discussed under the heading "FINANCIAL AND TAX INFORMATION—Change In Millage Levy Authority" above. The School District cannot predict whether in any year the sales tax reimbursement will be insufficient to meet growth in operating expenses.

Assessed Value

The assessed value and estimated true value of taxable real and personal property in the School District for each of the last six tax years is set forth in the following table.

Tax Year	<u>Charleston County⁽¹⁾</u>					
	<u>Real Property</u>		<u>Personal Property</u>		<u>Total</u>	
	<u>Assessed Value</u>	<u>Estimated True Value</u>	<u>Assessed Value</u>	<u>Estimated True Value</u>	<u>Assessed Value</u>	<u>Estimated True Value</u>
2010	\$2,517,177,864	\$49,556,393,113	\$424,220,274	\$5,181,456,376	\$2,941,398,138	\$54,737,849,489
2011 ⁽²⁾	2,711,809,491	53,444,055,912	421,466,067	4,874,106,394	3,133,275,558	58,318,162,306
2012	2,691,370,840	53,327,979,750	495,302,164	6,091,965,636	3,186,673,004	59,419,945,386
2013	2,741,657,290	55,307,669,212	510,559,761	6,807,470,265	3,252,217,051	62,115,139,477
2014	2,778,409,299	55,246,387,650	483,824,638	6,118,113,526	3,262,233,937	61,364,501,176
2015 ⁽²⁾	2,967,367,731	59,148,667,700	571,572,903	7,810,580,757	3,538,940,634	66,959,248,457

⁽¹⁾These values do not include merchants inventory figures at the 1987 level of \$21,657,390.

⁽²⁾Reassessment year.

Source: Charleston County Auditor

Exempt Manufacturing Property

Article X, Section 3 of the Constitution provides that all new manufacturing establishments located in any county after July 1, 1977, and all additions (in excess of \$50,000) to existing manufacturing establishments are exempt from *ad valorem* taxation for five years for county taxes only. No exemption is granted from school or municipal taxes.

Tax Increment Financing Districts

A portion of the increase in the assessed value of real property located within tax increment financing ("TIF") districts may not be available for taxation by governmental entities other than the municipality creating the TIF district during the period that TIF obligation is outstanding. The assessed value of TIF properties not subject to School District millage for the last seven tax years, for which information is available, is set forth below:

<u>Tax Year</u>	<u>Assessed Values</u>	<u>Appraised Values</u>
2008	\$103,322,280	\$1,767,002,798
2009	114,980,290	1,969,485,440
2010	112,869,960	1,935,772,547
2011	126,002,386	2,165,815,458
2012	129,433,510	2,221,869,096
2013	94,565,260	1,632,561,798
2014	141,710,760	2,450,777,416

Source: Auditor's Office

Estimated True Value of all Taxable Property

The 2015 tax year (2015-16 Fiscal Year) estimated true and assessed value of all taxable property (original abstract) located within the School District is set forth below:

	<u>Estimated Assessed Value*</u>	<u>Estimated True Value*</u>
1. Real Property (Non-Manufacturing) and Mobile Homes	\$2,967,367,731	\$59,148,667,700
2. Motor Vehicles	192,141,230	2,855,620,466
3. Public Utilities	104,204,060	992,419,619
4. Manufacturing Property		
Full Levy	11,674,990	111,190,381
Special Levy	5,746,100	54,724,762
5. Watercraft	31,690,330	323,393,857
6. Business Personal – County	23,866,710	234,546,810
7. Business Personal – State	71,006,306	676,250,533
8. Aircraft	5,990,220	57,049,714
9. Railroads	2,674,330	28,150,842
10. Rental Residential	3,127,490	29,785,619
11. Fee in Lieu/MCP	119,451,137	2,447,448,154
TOTAL	\$3,538,940,634	\$66,959,248,457

* Some variance from the Table of Assessed Value may be the result of daily fluctuations in various categories including Motor Vehicles. Figures do not include merchants inventory.

Source: Charleston County Auditor

Tax Collection Procedure

In the School District, taxes are levied for County and School District purposes by the County Auditor as a single tax bill, which must be paid in full by the individual taxpayer.

Real and personal taxes are due on or before January 15 of each year with the exception of taxes on motor vehicles. All personal property taxes on motor vehicles are due on or before the last day of the month in which the license tag for each such motor vehicle expires. If property taxes, other than taxes on motor vehicles, are not paid on or before January 16, a penalty of 3% is added; if not paid by February 1, an additional penalty of 7% is added; if not paid on or before March 17, an additional penalty of 5% is added and taxes go into execution. Taxes on motor vehicles are subject to similar penalties measured from the due date thereof. Unpaid taxes, both real and personal,

constitute a first lien against the property. To effectuate the collection of delinquent taxes, the tax collector is empowered to seize and sell so much of the defaulting taxpayer's estate, real and personal or both, as may be sufficient to satisfy the taxes.

Tax Collections for Last Five Years

The following table shows taxes levied for operational and debt service purposes (adjusted to include additions, abatements, and nulla bonae) for the School District, taxes collected as of June 30 of the year following the year in which the levy was made, and the amount of delinquent taxes collected for the last five years and year-to-date information for the current year. Delinquent taxes include taxes levied in prior years but collected in the year shown. The table reflects only the levy and collections in connection with real and personal property other than motor vehicle taxes.

<u>Fiscal Year</u>	<u>Adjusted Tax Levy</u>	<u>Current Taxes Collected</u>	<u>Current Percentage Collected</u>	<u>Delinquent Taxes Collected</u>	<u>Total Taxes Collected</u>
2010-11	\$351,133,409	\$335,682,841	96%	\$15,419,121	\$351,101,962
2011-12	368,350,296	346,472,730	94	20,358,814	366,831,544
2012-13	368,867,409	351,983,534	95	20,370,065	372,353,599
2013-14	372,453,701	357,163,153	96	13,666,002	370,829,155
2014-15	381,930,044	362,065,477	95	11,778,232	373,843,709
2015-16*	408,396,751	394,687,199	97	6,591,432	401,278,631

Source: Charleston County Treasurer

*Through March 31, 2016

Ten Largest Taxpayers

The ten largest taxpayers in the County, the 2015 Tax Year assessed value for the taxable property of each located within the County, and the amount of 2015-16 Fiscal Year School District taxes paid for each are shown below.

<u>Name</u>	<u>Estimated Assessed Valuation</u>	<u>Total Taxes Paid</u>
SCE&G Co.	\$ 65,515,570	\$ 6,597,418
The Boeing Company	59,171,387	5,958,559
Kapstone Charleston Kraft LLC	14,164,140	1,426,329
Kiawah Real Estate Company	9,058,050	912,146
Bellsouth Telecommunications, Inc.	8,062,100	811,854
Charleston/North Charleston MSA	6,494,410	653,987
Northwoods Mall CMBS, LLC	6,015,640	605,775
Berkeley Electric Co-Op, Inc.	5,899,960	594,126
Charleston Place, LLC	5,759,770	580,009
Tanger Properties LTD	5,525,820	556,450
TOTAL	\$185,666,847	\$18,696,653

Source: Charleston County Auditor

Millage History

All residents of the School District pay property taxes for the debt service of the School District. Property taxes for the operations of the School District are paid with respect to all real property except owner-occupied residential real property. Presented below is the millage history for School District taxes broken down into Operations and Debt Service for the past five fiscal years.

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Operations	100.5	100.5	100.5	100.75	110.3
Debt Service	<u>26.0</u>	<u>26.0</u>	<u>26.0</u>	<u>26.00</u>	<u>26.0</u>
School District Total	126.5	126.5	126.5	126.75	136.3

Source: School District

Fringe Benefits, Retirement, and Health Insurance

The School District contributes to the South Carolina Retirement System (the "System"), a cost-sharing, multiple-employer, defined-benefit pension plan. The System provides both retirement and death benefits on an employee and employer contribution basis. Member employees currently contribute 8% of their annual compensation. For Fiscal Year 2014-15, employer contribution is 15.9% of the total membership's annual compensation and the entire cost of group life insurance for covered employees is included. Total employer retirement contributions to the System paid on behalf of the School District are set forth in the table below.

The School District also provides comprehensive group health insurance through the State Employees Group Plan administered by Blue Cross-Blue Shield of South Carolina. Employees are eligible for the State of South Carolina Dental Assistance Program administered by R. E. Harrington. The School District also offers a health maintenance organization, a cancer policy, a term basic, optional and dependent life insurance policy, an accidental death and dismemberment policy and a supplemental hospital cash plan. Employer's contributions are made on behalf of the employees at fixed rates. Health and dental insurance contributions to the System paid on behalf of the employees are shown in the following table.

<u>Fiscal Year</u>	<u>Retirement</u>	<u>Health Insurance</u>
2011	\$31,882,460	\$21,290,718
2012	31,324,837	22,081,333
2013	37,209,257	24,883,240
2014	40,567,214	25,051,878
2015	43,482,608	28,796,759

The School District has paid all required contributions for fringe benefits and insurance as they come due and there are no liabilities for underfundings of such benefits.

Liability Insurance

Subject to specific immunity set forth in the South Carolina Tort Claims Act (the "Act"), local governments, including the School District, may be liable for damages not to exceed \$300,000 per incident/person and \$600,000 per occurrence/aggregate. No punitive or exemplary damages are permitted under the Act. Insurance protection to units of local government is provided from either the South Carolina Insurance Reserve Fund established by the State Budget and Control Board, private carriers, self-insurance or pooled self-insurance funds. The School District currently maintains liability insurance coverage with the South Carolina School Boards Insurance Trust, with a self-insured retention per incident of \$100,000. In the opinion of the Superintendent the amount of liability coverage maintained by the School District is sufficient to provide protection against any loss arising under the Act. In the opinion of legal counsel for the School District, there is no litigation pending or threatened against the School District, which is not adequately insured by such coverage.

Property Insurance

Because of the geographic location of the School District on the South Carolina coast and the risk of hurricanes due to its location, property insurance coverage demands a higher premium than at many other locations; however, the School District is of the opinion that it is adequately covered with respect to property damage.

DEBT STRUCTURE

The School District is authorized by law to incur general obligation indebtedness and may also contract for the acquisition of capital assets through lease-purchase agreements subject to annual appropriation termination clauses. The School District has issued general obligation bonded indebtedness as described below and has incurred an equipment lease-purchase obligation described below. Payment of debt service on the School District's obligations is handled by the Charleston County Treasurer.

Legal Debt Limit of the School District

The School District has a limit on the amount of general obligation debt it may incur from and after November 30, 1982, equal to 8% of the assessed valuation of property within its jurisdiction. Indebtedness outstanding on November 30, 1982, and any refunding thereof, and any indebtedness approved in a referendum or any refunding thereof is excluded from the limit. Also excluded from the debt limit is debt issued in anticipation of the collection of ad valorem taxes.

The School District's estimated general obligation bonded debt limitation as of the date hereof is computed below:

Assessed Value*	\$3,560,598,024
Constitutional Debt Limit	$\frac{x}{8\%}$
	\$ 284,847,842
General Obligation Debt Subject to Debt Limit**	<u>166,100,000</u>
General Obligation Debt Available Without Referendum	\$ 118,747,842

* Based on Tax Year 2015 assessed value; includes merchants inventory in the amount of \$21,657,390.

** Includes the School District's outstanding 2009 QSCBs, 2010 QSCBs, 2016A BAN, 2016B BAN, 2016C BAN and a portion of 2012A Bonds.

Source: Charleston County Auditor

The Notes offered hereby will not count against the School District's debt limit.

Outstanding Indebtedness

The following table gives specific information concerning all general obligation debt of the School District outstanding as of the date hereof.

<u>Date of Issue</u>	<u>Date of Final Maturity</u>	<u>Amount Issued</u>	<u>Amount Outstanding As of the Date Hereof</u>
12-8-09 ⁽¹⁾	9-15-26	\$ 13,517,000	\$ 12,390,000
5-27-10 ⁽²⁾	2-1-25	62,655,000	43,475,000
10-14-10 ⁽³⁾	8-1-27	15,075,000	14,510,000
10-6-11 ⁽⁴⁾	2-1-23	64,200,000	64,025,000
3-20-12 ⁽⁵⁾	2-1-24	44,965,000	34,595,000
5-3-16 ⁽⁶⁾	11-4-16	41,710,000	41,710,000
5-3-16 ⁽⁷⁾	5-2-17	24,525,000	24,525,000
5-3-16 ⁽⁸⁾	5-2-17	<u>54,985,000</u>	<u>54,985,000</u>
Total		\$321,632,000	\$290,215,000

⁽¹⁾ The 2009 QSCBs are included in the amount of bonded indebtedness applicable to the debt limit.

⁽²⁾ All of the 2010A Bonds refunded referendum-approved bonds.

⁽³⁾ The 2010 QSCBs are included in the amount of bonded indebtedness applicable to the debt limit.

⁽⁴⁾ All of the 2011A Bonds refunded referendum-approved bonds.

⁽⁵⁾ A portion of the 2012A Bonds in the principal amount of \$17,980,000 is applicable to the debt limit; the remainder of the 2012A Bonds refunded referendum-approved bonds.

⁽⁶⁾ The 2016A BAN is included in the amount of bonded indebtedness applicable to the debt limit.

⁽⁷⁾ The 2016B BAN is included in the amount of bonded indebtedness applicable to the debt limit.

⁽⁸⁾ The 2016C BAN is included in the amount of bonded indebtedness applicable to the debt limit.

Installment Purchase Obligations

On September 2, 2004, CEEFC issued its Series 2004 Installment Purchase Bonds in the original principal amount of \$135,620,000 for the purpose of funding certain projects for the School District's 2000-04 CIP. In connection with the issuance of the Series 2004 Installment Purchase Bonds, the School District entered into the 2004 Facilities Agreement with CEEFC pursuant to which the School District agreed to pay to CEEFC installment payments of purchase price for the facilities financed by CEEFC in such amounts and at such times as will be sufficient to make payments on the Series 2004 Installment Purchase Bonds, subject to the School District's right to elect not to appropriate funds to make such installment payments. In order to maintain occupancy of such facilities, the School District must appropriate funds to make such installment payments annually. The School District may elect not to appropriate such amounts, in which case it will forfeit the right to occupy a portion of such facilities, but will not be in default. The obligations of the School District under the 2004 Facilities Agreement do not represent or constitute a legal obligation of, or a pledge of the faith and credit or taxing power of, the School District, but are subject to and dependent upon lawful appropriations being made by the School District. On January 14, 2013, CEEFC issued its Series 2013A Installment Purchase Bonds in the original principal amount of \$76,000,000 for the purpose of refunding the Series 2004 Installment Purchase Bonds maturing in the years 2015 through 2018, inclusive. In connection with the issuance of the Series 2013A Installment Purchase Bonds, the School District entered into the 2013A Supplemental Facilities Agreement with CEEFC. Below are the installment payments due under the 2004 Facilities Agreement as supplemented by the 2013A Supplemental Facilities Agreement.

<u>Year Ending June 30</u>	<u>Series 2013A Installment Purchase Bonds</u>
2017	\$19,774,440
2018	20,644,180
2019	<u>10,912,930</u>
Total	\$51,331,550

On May 9, 2013, CEEFC issued its Series 2013B Installment Purchase Bonds in the original principal amount of \$343,420,000 to refund all of the Series 2005 Installment Purchase Bonds. The Series 2005 Installment Purchase Bonds were issued for the purpose of funding certain projects for the School District's 2005-09 CIP. In connection with the issuance of the Series 2013B Installment Purchase Bonds, the School District entered into the 2013B Facilities Agreement with CEEFC pursuant to which the School District agreed to pay to CEEFC installment payments of purchase price for the facilities refinanced by CEEFC in such amounts and at such times as will be sufficient to make payments on the Series 2013B Installment Purchase Bonds, subject to the School District's right to elect not to appropriate funds to make such installment payments. In order to maintain occupancy of such facilities, the School District must appropriate funds to make such installment payments annually. The School District may elect not to appropriate such amounts, in which case it will forfeit the right to occupy a portion of such facilities, but will not be in default. The obligations of the School District under the 2013B Facilities Agreement do not represent or constitute a legal obligation of, or a pledge of the faith and credit or taxing power of, the School District, but are subject to and dependent upon lawful appropriations being made by the School District. Below are the installment payments which will become due under the 2013B Facilities Agreement.

<u>Year Ending</u>	
<u>June 30</u>	<u>Amount</u>
2017	\$16,671,050
2018	16,671,050
2019	18,651,050
2020	27,702,175
2021	27,495,175
2022	27,274,550
2023	27,059,550
2024	25,869,050
2025	43,159,425
2026	47,427,925
2027	47,148,925
2028	47,995,550
2029	49,526,400
2030	49,014,000
2031	<u>48,718,250</u>
Total	\$520,384,125

On September 9, 2014, CEEFC issued its Series 2014 Installment Purchase Bonds in the original principal amount of \$111,565,000 to refund all of the Series 2006 Installment Purchase Bonds. The Series 2006 Installment Purchase Bonds were issued for the purpose of funding certain additional projects for the School District's 2005-09 CIP. In connection with the issuance of the Series 2014 Installment Purchase Bonds, the School District entered into the 2014 Facilities Agreement with CEEFC pursuant to which the School District agreed to pay to CEEFC installment payments of purchase price for the facilities refinanced by CEEFC in such amounts and at such times as will be sufficient to make payments on the Series 2014 Installment Purchase Bonds, subject to the School District's right to elect not to appropriate funds to make such installment payments. In order to maintain occupancy of such facilities, the School District must appropriate funds to make such installment payments annually. The School District may elect not to appropriate such amounts, in which case it will forfeit the right to occupy a portion of such facilities, but will not be in default. The obligations of the School District under the 2014 Facilities Agreement do not represent or constitute a legal obligation of, or a pledge of the faith and credit or taxing power of, the School District, but are subject to and dependent upon lawful appropriations being made by the School District. Below are the installment payments which will become due under the 2014 Facilities Agreement.

<u>June 30</u>	<u>Amount</u>
2017	\$ 5,478,250
2018	5,478,250
2019	5,478,250
2020	11,581,750
2021	11,580,750
2022	11,583,250
2023	11,583,375
2024	11,585,250
2025	11,583,000
2026	11,585,625
2027	11,591,875
2028	11,590,750
2029	11,621,750
2030	11,600,500
2031	11,605,250
2032	<u>11,603,000</u>
Total	\$167,130,875

Composite General Obligation Debt Service

The following table sets forth the debt service requirements for all outstanding general obligation indebtedness of the School District, together with the debt service requirements for the Notes. Numbers have been rounded to the nearest dollar.

<u>Fiscal Year Ended</u>	<u>Outstanding Debt</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017*	\$132,740,000	\$11,893,822	\$144,633,822
2018	12,020,000	6,662,919	18,682,919
2019	22,425,000	6,215,306	28,640,306
2020	18,245,000	5,251,794	23,496,794
2021	19,100,000	4,383,981	23,483,981
2022	19,885,000	3,589,519	23,474,519
2023	20,755,000	2,709,444	23,464,444
2024	22,695,000	1,757,331	24,452,331
2025	5,575,000	904,169	6,479,169
2026	1,125,000	714,356	1,839,356
2027	1,140,000	702,465	1,842,465
2028	<u>14,510,000</u>	<u>348,240</u>	<u>14,858,240</u>
	\$290,215,000	\$45,133,346	\$335,348,346

*Includes the \$41,710,000 principal amount General Obligation Bond Anticipation Note, Series 2016A which matures on November 4, 2016, and the \$24,525,000 principal amount General Obligation Bond Anticipation Note, Series 2016B and the \$54,985,000 principal amount General Obligation Bond Anticipation Note, Series 2016C which mature on May 2, 2017.

The following table sets forth the total amount of outstanding indebtedness of the School District as of the last five Fiscal Years:

<u>Year Ended June 30</u>	<u>General Obligation Indebtedness</u>	<u>School District Debt Per Capita*</u>	<u>% of Assessed Value</u>
2011	\$256,207,000	\$731.58	8.71%
2012	256,790,000	733.25	8.19
2013	267,065,000	762.59	8.38
2014	284,345,000	811.93	8.74
2015	290,215,000	828.69	8.20

*Debt per capita based on the 2010 population of 350,209.

Source: School District and County Officials

Legal Debt Limit of Overlapping Taxing Entities

Under the provisions of Article X, Section 14 of the Constitution, each county, incorporated municipality, and special purpose district may, in such manner and upon such terms and conditions as the General Assembly shall prescribe by general law, incur general obligation debt authorized by a majority vote of the qualified electors thereof voting in a referendum, without limitation as to amount, and incur, without an election, general obligation debt (in addition to bonded indebtedness existing on November 30, 1977, and bonded indebtedness authorized by a majority vote of qualified electors) in an amount not exceeding 8% of the assessed value of all taxable property therein. Pursuant to referenda held in 2004 and 2006, voters in Charleston County approved the issuance of general obligation transportation sales tax bonds in the principal amount of not exceeding \$413,000,000, the proceeds of which will be used for various transportation, mass transit and greenspace projects. Based on this authorization, the County issued bonds in the aggregate principal amount of \$382,000,000 pursuant to the referendum. Except as otherwise discussed herein, as of the date hereof the School District is not aware of any general obligation debt of such political subdivisions which has been authorized by a referendum and not yet issued.

Miscellaneous Debt Information

The School District has not defaulted in the payment of principal or interest, or in any other material respect, with respect to any of its securities at any time within the last 25 years, nor has the School District within such time issued any refunding bonds for the purpose of preventing a default in the payment of principal or interest on any of its securities then outstanding. The School District has not used the proceeds of any bonds or other securities (other than tax anticipation notes) for current operating expenses at any time within the last 25 years.

ECONOMIC CHARACTERISTICS

Commerce and Industry

The County is located on South Carolina's southeastern coast. The County covers an area of 1,357 square miles and has a 100-mile coastline along the Atlantic Ocean. The County seat, the City of Charleston, is a major deep-water port as well as a nationally renowned resort and convention center. The County is the largest business and financial center for the Southeastern section of South Carolina.

Port of Charleston

The South Carolina Ports Authority ("SCPA") owns and operates the Port of Charleston, which includes five public seaport facilities located in Charleston County. In addition, the SCPA operates the Port of Georgetown and the South Carolina Inland Port in Greer, South Carolina. In total, the SCPA directly employs approximately 500 people. With facilities that handle containerized, breakbulk, project cargo and cruise vessels, the SCPA annually handles goods valued at more than \$53 billion in statewide economic activity and helps facilitate the employment of an estimated 187,200 residents of the State of South Carolina.

Tourism

The historic character, architecture, moderate climate, and coastal location of the City of Charleston all make the area a major national tourist attraction. The Chamber of Commerce estimates that 5 million tourists visit Charleston annually and 35,000 direct and indirect jobs are generated by this industry.

Population Growth

The U.S. Bureau of the Census reports that the 2010 population of the County was 350,209. This figure represents an approximate 12.98% increase in population over the 2000 census of 309,969. According to the 2010 Census, the County was the third most populous county in the State. The Charleston Metropolitan Statistical Area (comprising Charleston, Berkeley, and Dorchester Counties) (the "Charleston MSA") is the fastest growing metropolitan statistical area in the State with a 2010 population of 664,607.

The following table shows population information for the County for the last four decades.

<u>Year</u>	<u>Charleston County</u>	<u>Percent Increase Prior Census</u>
1980	276,974	11.84%
1990	295,039	6.52%
2000	309,969	5.06%
2010	350,209	12.98%

Source: U.S. Bureau of the Census; Division of Research and Statistical Services of the State Budget and Control Board of South Carolina

Per Capita Income

The per capita income in the County, the State, and the United States for each of the last five years for which information is available is shown below.

<u>Year</u>	<u>County</u>	<u>State</u>	<u>United States</u>
2009	\$38,199	\$32,338	\$38,637
2010	38,969	31,890	39,791
2011	39,536	32,505	41,560
2012	40,075	32,462	42,784
2013	46,686	35,831	44,765

Source: Division of Research and Statistical Services of the State Budget and Control Board of South Carolina; U.S. Department of Commerce

Construction

The following table shows the approximate number of all construction building permits issued in the County and the approximate cost of construction represented by those permits in each of the following years for which information is available.

<u>Year</u>	<u>Single Family Residential</u>		<u>Multi Family Residential</u>		<u>Commercial</u>	
	<u>Number of Permits</u>	<u>Estimated Construction Costs</u>	<u>Number of Permits</u>	<u>Estimated Construction Costs</u>	<u>Number of Permits</u>	<u>Estimated Construction Costs</u>
2010	966	\$240,003,728	19	\$ 24,837,124	178	\$458,999,683
2011	1,202	299,532,390	521	32,341,075	117	270,598,029
2012	1,354	361,348,114	1,248	99,072,480	79	173,356,458
2013	2,058	529,833,715	300	194,226,602	591	509,771,296
2014	2,205	576,388,108	230	201,788,163	817	679,228,981

Source: BCD Council of Governments

Retail Sales

The State imposes a 6% sales tax on all retail sales and the County has adopted a 1% local option sales tax. The following table shows the level of gross retail sales over the last six years for businesses located in the County and the percentage increase (decrease) over the previous year:

<u>Year Ended December 31</u>	<u>Total Retail Sales</u>	<u>Increase Over Previous Year</u>
2009	\$11,172,271,759	
2010	12,351,741,358	10.6%
2011	12,837,471,143	3.9
2012	13,279,094,116	3.4
2013	14,312,337,605	1.1
2014	14,233,035,529	(1.0)

Source: South Carolina Department of Revenue, Administrative Division

Sales and Use Tax/Referenda

On November 2, 2004, voters in Charleston County approved a county-wide one-half percent sales and use tax to be used to finance certain projects, including building, repairing and maintaining highways, streets and bridges, supporting mass transit systems operated within the County and providing greenspace. The one-half percent sales tax went into effect on May 1, 2005. Voters also approved in 2004 the issuance of not exceeding \$113,000,000 of general obligation bonds of Charleston County payable from the sales and use tax to fund the projects described above.

On November 2, 2010, voters in Charleston County approved a county-wide one percent sales and use tax to fund certain education capital improvements for the School District as set forth in the referendum as described under "FINANCIAL AND TAX INFORMATION – Revenues – *Revenues from Sales and Use Tax*" herein. Collection of the sales and use tax commenced on March 1, 2011 and will continue until December 31, 2016. On November 4, 2014, voters approved an extension of the sales and use tax for an additional six-year period ending on December 31, 2022.

Commercial and Savings Bank Deposits

As of June 30, 2015, Charleston County was served by 140 offices of 30 FDIC-insured institutions with total deposits of \$9,188,778,000 according to the Federal Deposit Insurance Corporation. The continuing

reorganization of the banking system in the United States, with its attendant mergers and consolidations, is likely to affect the total number of branch offices in the County. (Source: Commission of Banking)

Capital Investment

The County has experienced growth in industrial operations through additions and expansions to manufacturing plants. Listed below are the total capital investment and additional employment for new and expanded industry in the County for the last five years.

<u>Year</u>	<u>Total Capital Investment</u>	<u>Additional Employment</u>
2010	\$ 152,529,000	744
2011	89,772,596	822
2012	162,054,950	950
2013	1,158,727,428	2,483
2014	193,021,010	823

Source: South Carolina Department of Commerce

Major Employers

The largest employers, including the School District, located within the Charleston Metropolitan Statistical Area ("MSA") and the approximate number of employees are listed below.

<u>Company</u>	<u>Product or Service</u>	<u>Employees</u>
Joint Base Charleston	Area U.S. military commands	36,000
Medical University of South Carolina (MUSC)	Hospital, post-secondary education, research	12,200
Boeing Company	Commercial jetliner manufacturer	8,104
Charleston County School District	Education/public schools	5,300
Berkeley County School District	Education/public schools	4,200
Dorchester County School District II	Education/public schools	3,500
Charleston County	Local government	2,500
College of Charleston	Post secondary education	2,200
City of Charleston	Local government	1,800
Santee Cooper	Electric and water utility	1,700
Trident Technical College	Post secondary education	1,500
U.S. Postal Service	Postal service	1,100
Berkeley County	Local government	1,100
City of North Charleston	Local government	1,100

Source: Center for Business Research, Charleston Metro Chamber of Commerce, April 2015.

Unemployment

The average annual unemployment rates in the County, the State, and the United States for the last five years are shown below.

<u>Year</u>	<u>County</u>	<u>State</u>	<u>United States</u>
2011	8.3%	10.3%	8.9%
2012	7.2	9.0	8.1
2013	6.2	7.6	7.4
2014	5.0	6.4	6.2
2015	4.8	6.0	N/A

Source: South Carolina Employment Security Commission, Labor Market Information

Transportation

Interstate I-26 links Charleston directly with Columbia, the State capital, and interchanges with Interstate I-95, a major interstate running from Boston to Miami, a few miles west of the County. Four U.S. highways and seven major state roads serve Charleston. The easy accessibility provided by these highways and roads has helped in the continued growth of the County's tourism and shipping industries.

CSX Railroad and the Norfolk Southern Railroad are the freight railroads servicing the Charleston area. Passenger service is provided by four Amtrak trains daily. Charleston's Port is served by train service to more major markets than any other southern port with daily container trains providing large, well-equipped intermodal yards with rail and highway access. Over 100 motor freight lines serve the Charleston area with expected overnight service to cities within a 300 to 450-mile radius.

The Charleston International Airport serves the City and surrounding region. The airport, located in the City of North Charleston, is currently being served by five commercial airlines and is classified as a "small hub" by the Federal Aviation Administration. Scheduled airline carriers enplaned approximately 1,569,064 passengers and deplaned over 1,562,008 passengers during the airport's calendar year 2014.

Hospital Facilities

One of the largest medical centers in the southeast is located on an eight-block area in downtown Charleston. The medical center, with over 1,279 beds, comprises Roper Hospital, the Veterans Administration Medical Center and the Medical University of South Carolina Medical Campus. Four additional hospitals serve the area. They are Trident Regional Medical Center with approximately 296 beds, Bon Secours St. Francis Hospital with 204 beds, East Cooper Community Hospital with 140 beds and Roper Hospital located in Mount Pleasant with 85 beds.

Education

Four major institutions of higher learning are located in the Charleston area. Three (the College of Charleston, the Medical University of South Carolina and The Citadel) are located within the corporate limits of the City of Charleston. Charleston Southern University is located on a 300-acre campus approximately 17 miles north of the City. Trident Technical College (serving Charleston, Berkeley, and Dorchester Counties) is also located in the County and provides courses designed to meet the technical workforce needs of the area.

CERTAIN LEGAL MATTERS

Litigation

There is no litigation presently pending or threatened challenging the validity of any general obligation debt issued or proposed to be issued by the School District, including the Notes.

A certificate to the effect that there is no litigation threatened or pending to restrain the issuance and sale of the Notes will be delivered at closing.

Legal Opinion

The form of the opinion of Bond Counsel, Haynsworth Sinkler Boyd, P.A., Charleston, South Carolina, prepared in connection with the issuance of the Notes is attached to this Official Statement as Appendix C.

Haynsworth Sinkler Boyd, P.A. has assisted the School District by compiling certain information supplied by the School District and others and included in this Official Statement, but has not undertaken to verify the accuracy of such information. The opinion of Haynsworth Sinkler Boyd, P.A. will be limited solely to the legality and enforceability of the Notes, and no opinion will be given with respect to this Official Statement.

The legal opinion to be delivered concurrently with the delivery of the Notes expresses the professional judgment of the attorneys rendering the opinion as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to such transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

United States Bankruptcy Code

The undertakings of the School District should be considered with reference to Chapter 9 of the Bankruptcy Code, 11 U.S.C. Section 901, et seq., as amended, and other laws affecting creditors' rights and municipalities generally. Chapter 9 permits a municipality, political subdivision, public agency, or other instrumentality of a State that is insolvent or unable to meet its debts as such debts mature to file a petition in the United States Bankruptcy Court for the purpose of effecting a plan to adjust its debts; directs such a petitioner to file with the court a list of its creditors; provides that the filing of the petition under that Chapter operates as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; directs a petitioner to file a plan for the adjustment of its debts; permits the petitioner in its plan to modify the rights to payment of its creditors; and provides that the plan must be accepted in writing by or on behalf of creditors of each impaired class of claims holding at least two-thirds in amount and more than one-half in number of the creditors which have accepted or rejected the plan. The plan may be confirmed notwithstanding the negative vote of one or more classes of claims if the court finds that the plan is in the best interest of creditors, is feasible, and is fair and equitable with respect to the dissenting classes of creditors. A petitioner has the right to reinstate indebtedness under its plan according to the original maturity schedule of such indebtedness or alter the payment terms, maturity schedule and other provisions governing the indebtedness notwithstanding any provision in the documents under which the indebtedness arose relating to the insolvency or financial condition of the debtor before the confirmation of the plan, the commencement of a case under the Bankruptcy Code, or the appointment of or taking possession by a trustee in a case under the Bankruptcy Code or by a receiver or other custodian prior to the commencement of a case under the Bankruptcy Code.

TAX EXEMPTION

Federal Income Tax Generally

On the date of issuance of the Notes, Haynsworth Sinkler Boyd, P.A., Charleston, South Carolina ("Bond Counsel"), will render an opinion that, assuming continuing compliance by the School District with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), and the applicable regulations promulgated thereunder (the "Regulations") and further subject to certain considerations described in "Collateral Federal Tax Considerations" below, under existing statutes, regulations and judicial decisions, interest on the Notes is excludable from the gross income of the registered owners thereof for federal income tax purposes. The amount treated as interest on the Notes and excluded from gross income may depend upon the taxpayer's election under Internal Revenue Service Notice 94-84. Interest on the Notes will not be treated as an item of tax preference in calculating the alternative minimum taxable income of individuals or corporations; however, interest on the Notes will be included in the calculation of adjusted current earnings in determining the alternative minimum tax liability of corporations. The Code contains other provisions that could result in tax consequences, upon which no opinion will be rendered by Bond Counsel, as a result of (i) ownership of the Notes or (ii) the inclusion in certain computations (including, without limitation, those related to the corporate alternative minimum tax) of interest that is excluded from gross income.

The opinion of Bond Counsel will be limited to matters relating to the authorization and validity of the Notes and the tax-exempt status of interest on the Notes as described herein. Bond Counsel makes no statement regarding the accuracy and completeness of this Official Statement.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Notes for federal income tax purposes. Bond Counsel's opinions are based upon existing law, which is subject to change.

Such opinions are further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel's opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service (the "IRS") or the courts; rather, such opinions represent Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinions.

The opinion of Bond Counsel described above is subject to the condition that the School District comply with all requirements of the Code and the Regulations, including, without limitation, certain restrictions on the use, expenditure and investment of the gross proceeds of the Notes and the obligation to rebate certain earnings on investments of such gross proceeds to the United States Government, that must be satisfied subsequent to the issuance of the Notes in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The School District has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Notes in gross income for federal income tax purposes retroactive to the date of issuance of the Notes. The opinion of Bond Counsel delivered on the date of issuance of the Notes is conditioned on compliance by the School District with such requirements and Bond Counsel has not been retained to monitor compliance with the requirements subsequent to the issuance of such Notes.

Collateral Federal Tax Considerations

Prospective purchasers of the Notes should be aware that ownership of tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, life insurance companies, certain foreign corporations, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. The Notes have not been designated "bank-qualified tax-exempt obligations" under Section 265(b)(3) of the Code. Bond Counsel expresses no opinion concerning such collateral income tax consequences and prospective purchasers of Notes should consult their tax advisors as to the applicability thereof.

Future legislation, if enacted into law, or clarification of the Code may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation, or otherwise prevent owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such future legislation or clarification of the Code may also affect the market price for, or marketability of, the Notes. Prospective purchasers of the Notes should consult their own tax advisers regarding any pending or proposed federal tax legislation, as to which Bond Counsel expresses no opinion.

The IRS has established an ongoing program to audit tax-exempt obligations to determine whether interest on such obligations is includable in gross income for federal income tax purposes. Bond Counsel cannot predict whether the IRS will commence an audit of the Notes. Bond Counsel's engagement with respect to the Notes ends with the issuance of the Notes, and, unless separately engaged, Bond Counsel is not obligated to defend the School District or the Owners regarding the tax-exempt status of the Notes in the event of an audit examination by the IRS. Under current procedures, parties other than the Issuer and their appointed counsel, including the Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the School District legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Notes for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Notes, and may cause the School District or the Owners to incur significant expense, regardless of the ultimate outcome. Under certain circumstances, the School District may be obligated to disclose the commencement of an audit under the Continuing Disclosure Agreement. See "MISCELLANEOUS - Continuing Disclosure" herein.

[Original Issue Premium]

The Notes have been sold at initial public offering prices which are greater than the amounts payable at maturity. An amount equal to the excess of the purchase price of the Notes over their stated redemption prices at maturity constitutes premium on the Notes. A purchaser of a Note must amortize any premium over such Note's term using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the purchaser's basis in its Note is reduced by a corresponding amount, resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Note prior to its maturity. Even though the purchaser's basis is reduced, no federal income tax deduction is allowed. Purchasers of any Notes at a premium, whether at the time of initial issuance or subsequent thereto, should consult with their own tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to state and local tax consequences of owning such Notes.]

State Tax Exemption

Bond Counsel is of the further opinion that the Notes and the interest thereon are exempt from all taxation by the State of South Carolina, its counties, municipalities and school districts except estate, transfer or certain franchise taxes. Interest paid on the Notes is currently subject to the tax imposed on banks by Section 12-11-20 of the Code of Laws of South Carolina 1976, as amended, which is enforced by the South Carolina Department of Revenue and Taxation as a franchise tax. The opinion of Bond Counsel is limited to the laws of the State of South Carolina and federal tax laws. No opinion is rendered by Bond Counsel concerning the taxation of the Notes or the interest thereon under the laws of any other jurisdiction.

MISCELLANEOUS

Closing Certifications

The School District will furnish, without cost to the successful bidder, certifications by appropriate officials that the Official Statement relating to the Notes as of its date and as of the date of delivery of the Notes, does not contain an untrue statement of a material fact or omit to state a material fact which should be included therein for the purpose for which the Official Statement is intended to be used or which is necessary to make the statements contained therein, in the light of the circumstances in which they were made, not misleading.

Appropriate certification will be given by School District officials to establish that the Notes are not "arbitrage bonds" within the meaning of Section 148 of the Code, and applicable regulations thereunder in effect on the occasion of the delivery of the Notes.

Continuing Disclosure

In order to provide certain continuing disclosure with respect to the Notes in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time ("Rule 15c2-12"), the School District has entered into a Disclosure Dissemination Agent Agreement dated the date of the issuance of the Notes ("Disclosure Dissemination Agreement") for the benefit of the beneficial owners of the Notes with Digital Assurance Certification, L.L.C. ("DAC") under which the School District has designated DAC as Disclosure Dissemination Agent. The form of Disclosure Dissemination Agreement is attached as Appendix B.

To the knowledge of the School District, it has complied with all of the requirements of its continuing disclosure undertakings and no default has occurred under any of these continuing disclosure undertakings.

Rating

Moody's Investors Service, Inc. ("Moody's") has assigned a rating of ____ to the Notes. Such rating reflects only the views of Moody's and an explanation of the significance of such rating may be obtained from Moody's. The School District has furnished to Moody's certain information and materials respecting the School

District and the Notes. Generally, Moody's bases its rating on such information and materials and on investigations, studies and assumptions furnished to and obtained and made by it. There is no assurance that such rating will remain unchanged for any period of time or that they may not be lowered or withdrawn entirely by Moody's, if in their judgment circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Notes.

Sale and Award

The Notes have been purchased at a competitive sale for resale by _____ (the "Purchaser"), at a purchase price of \$ _____ (representing par plus original issue premium of \$ _____). The initial public offering price of the Notes is stated on the cover hereof. The Purchaser may offer and sell the Notes to certain dealers (including dealers depositing Notes into investment trusts) and others at prices lower than the stated initial public offering price. In addition, the initial public offering price may be changed from time to time by the Purchaser without prior notice.

Conclusion

Further inquiries should be addressed to the School District's Financial Advisor, Jeremy Niedfeldt, Public Financial Management, Inc., 300 South Orange Avenue, Suite 1170, Orlando, Florida 32801-3470, (407) 648-2208 or Glenn A. Stiegman, Interim Chief Financial Officer, Charleston County School District, 3999 Bridge View Drive, North Charleston, South Carolina 29405, (843) 566-8198. Requests for additional copies of this Official Statement may be addressed to the Financial Advisor, or may be addressed to Carol L. Clark, Esquire, Haynsworth Sinkler Boyd, P.A., P. O. Box 340, Charleston, South Carolina 29402 (843) 724-1123.

CHARLESTON COUNTY SCHOOL DISTRICT,
SOUTH CAROLINA

/s/ Dr. Gerrita Postlewait
Dr. Gerrita Postlewait, Superintendent of Schools

PRELIMINARY OFFICIAL STATEMENT DATED JULY 5, 2016

NEW ISSUE
FULL BOOK-ENTRY ONLY

RATING: Moody's: _____
(See "MISCELLANEOUS – Rating" herein)

DAC Bond®

In the opinion of Bond Counsel, assuming continuing compliance by the School District with certain covenants, interest on the Notes is excludable from gross income for federal income tax purposes under existing statutes, regulations and judicial decisions. Interest on the Notes is not an item of tax preference in computing the alternative minimum taxable income of individuals or corporations. Interest on the Notes will, however, be included in the computation of certain taxes including alternative minimum tax for corporations. See "TAX EXEMPTION" for a brief description of alternative minimum tax treatment and certain other federal income tax consequences to certain recipients of interest on the Notes. The Notes and the interest thereon will also be exempt from all State, county, municipal and school district and other taxes or assessments imposed within the State of South Carolina, except estate, transfer and certain franchise taxes.

\$ _____ CHARLESTON COUNTY SCHOOL DISTRICT, SOUTH CAROLINA TAX ANTICIPATION NOTES OF 2016

The \$ _____* Charleston County School District, South Carolina, Tax Anticipation Notes of 2016 (the "Notes") are secured by an irrevocable pledge of the full faith, credit, resources and taxing power of Charleston County School District, South Carolina (the "School District") and are payable from the proceeds of the ad valorem tax levy within the School District for ordinary operating purposes of the School District for the fiscal year ending June 30, 2017, together with reimbursements from the State of South Carolina in lieu of certain property taxes. See "THE NOTES – Security" herein.

The Notes are issuable in fully registered form and when issued will be registered to Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), to which principal and interest payments on the Notes will be made. Individual purchases of beneficial ownership interests in the Notes will be made in book-entry form only, in the principal amounts of \$5,000 or any whole multiple thereof. So long as Cede & Co., as nominee of DTC, is the registered owner of the Notes, references herein to the holders of the Notes or registered owners of the Notes shall mean Cede & Co. and shall not mean the beneficial owners of the Notes. So long as Cede & Co. is the registered owner of the Notes, the principal and interest on the Notes are payable to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to the DTC Participants (as defined herein) for subsequent disbursement to the beneficial owners of the Notes. See "THE NOTES – Book-Entry Only System." The School District will act as Registrar and Paying Agent for the Notes for so long as they are held in a Book-Entry-Only System.

The Notes will be dated as of the date of delivery and payment therefor, which is expected to be July 26, 2016, and will mature as to principal and interest on ~~April 1,~~ March 31, 2017. The Notes will bear interest from their date at the rate per annum specified below. The Notes are not subject to redemption prior to maturity.

TAX ANTICIPATION NOTES OF 2016

<u>Maturity</u>	<u>CUSIP</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>
April 1, <u>March 31,</u> 2017		\$ _____*	%	%

Sealed bids in accordance with the Official Notice of Sale will be received until 11:00 a.m. (prevailing local time), Tuesday, July 12, 2016 at 3999 Bridge View Drive, North Charleston, South Carolina.

The Notes are offered when, as and if issued and subject to the approving opinion as to legality of Haynsworth Sinkler Boyd, P.A., Bond Counsel, Charleston, South Carolina. Public Financial Management, Inc., Orlando, Florida, is acting as financial advisor to the School District with respect to the Notes. It is expected that the Notes in definitive form will be delivered to DTC and be available for credit to the account of the DTC Participants on or about July 26, 2016.

This cover page contains certain information for quick reference only. It is not a summary of the issue. Investors should read the entire Official Statement to obtain information essential to the making of an informed investment decision. This Preliminary Official Statement has been deemed "final" by the School District for purposes of S.E.C. Rule 15c2-12 except for information which may be omitted pursuant to Rule 15c2-12.

*Preliminary, subject to change.

This Official Statement is dated _____, 2016

No dealer, broker, salesman or other person has been authorized by Charleston County School District, South Carolina (the "School District") to give any information or to make any representations with respect to the Notes other than those contained in this Official Statement, and, if given or made, such other information or representation may not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy, nor shall there be any sale of the Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been provided by the School District and other sources which are believed to be reliable. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the School District since the date hereof.

This Official Statement has been deemed final by the School District for purposes of paragraph (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), but is subject to revision, amendment and completion in a final Official Statement as provided in the Rule.

BOARD AGENDA ACTION FORM

May 9, 2016 Committee Meeting

June 27, 2016 Board Meeting

Section:	Policy and Personnel Committee	
Subject:	Policy JFAB – Nonresident Students	
Name/Department:	John Emerson, Office of General Counsel	
Agenda Item Number:	9 . 2A	
Background:	Policy JFAB outlines the provisions associated with admitting students who do not reside in the district to CCSD.	
Discussion:	<p>The proposed revisions authorize the Superintendent to make a recommendation to the county board when students who reside outside of Charleston County request to be admitted to a district school. Recommendations from the associate superintendent to the constituent board have been removed. It further clarifies the provision regarding students who move out of the county during the school year having to obtain board approval to continue attending a CCSD school tuition free for the remainder of that school year. If the student is granted permission to remain subsequent years, tuition will be charged as established in policy.</p> <p>SECOND READING REVISION – Between first and second reading, this policy has been revised by staff to reflect that the Finance Office is responsible for collecting tuition; that the amount of tuition paid by non-resident parents will be reduced by the property tax assessed for the benefit of CCSD; and those payments will be made in two equal installments due prior to the first and second semesters, not monthly.</p>	
Goals & Budget:		
This recommendation supports CCSD goal #:	Effective Governance.	
Overall budget for implementing CCSD goal:	NA.	
Request approval for funds within that budget in the amount of \$:	NA.	Funding Source
Resulting positive impact for students in our District will be:	NA.	
Potential impact of this decision on other budget areas will be:	NA.	
Future Fiscal Impact:	NA.	
Recommendation:	<input checked="" type="checkbox"/> Action <input checked="" type="checkbox"/> Open Session	<input type="checkbox"/> Information <input type="checkbox"/> Executive Session
<p>Draft Motion: Approve the second reading recommendation to amend Policy JFAB to clarify the practice of allowing the Superintendent to make a recommendation to the county board when students who reside outside of Charleston County request to be admitted to a district school and further clarify the provision regarding students who move out of the county during the school year.</p>		
Person(s) Responsible for Implementation:	John Emerson, Office of General Counsel	

Superintendent's Approval:	<i>Genita Postlewait</i>	
Board Member(s) Approval:		
Attachment(s):	<input checked="checked" type="checkbox"/> Yes	<input type="checkbox"/> No

NONRESIDENT STUDENTS

Code **JFAB** Issued **4/14**

Purpose: To establish guidelines for admitting to Charleston County School District schools those students who do not reside in the district.

The ~~associate~~ superintendent shall make recommendations to the ~~constituent~~ boards when students residing outside of Charleston County request to be admitted to district schools. These recommendations shall follow applicable state law. No out-of-district student may be admitted unless the parent/legal guardian assumes responsibility for transportation. Behavioral and academic requirements set out in policy JFAA, Admission of Resident Students, apply to non-resident students.

Tuition

The district shall charge tuition to certain non-resident students.

Examples of students who must pay tuition include the following.

- a student in one county who resides closer to schools in an adjacent county (59-63-480)
- a student so situated as to be better accommodated by a school of an adjoining district (59-63-490)
- a student who qualifies for attendance only by virtue of owning real property with an assessed value of \$300.00 or more, pursuant to S.C. Code Ann. §59-63-30

The ~~associate-superintendent~~ Finance Office shall collect the tuition as specified in S.C. Code Ann. §59-63-480. In accordance therewith, the district shall determine the ~~monthly~~ yearly per student cost of all overhead expenses of the school, which shall include all expenses of the school not paid by the state, ~~less the property tax assessed for the benefit of CCSD~~, and shall require that the parent/legal guardian make those ~~monthly~~ payments ~~in two equal installments, prior to the beginning of the first and second semesters.~~

Student planning to move into the district

The superintendent shall not charge tuition for a student planning to move into the district, provided the parent/legal guardian provides a release from the district in which the student resides and demonstrates by a statement from a builder, buyer or lessor that the student and his/her parent/legal guardian ~~plan to will~~ establish ~~residence~~ residency in the district ~~by the end of that school year. If residency is not established by the end of the school year in which the student has been admitted, the student must be withdrawn from the district school and may not use this provision for enrollment until residency has been established.~~

Students who own real property

The location of real property owned by a student who is attending school in the district pursuant to S.C. Code Ann. §59-63-30(c) does not dictate the school or attendance area in which the student will attend. Such student may apply through the relevant constituent district board for enrollment at a specific school; however, for each such student, the district reserves the right to designate a "home school" or "home attendance zone" based on school capacity and other criteria.

PAGE 2 - JFAB - NONRESIDENT STUDENTS

Magnet schools/programs

To attend a magnet school or program, a non-resident student must be authorized to attend in the attendance area, if any, served by that magnet school or program.

Student who move during the school year

Students who move out of the district at ~~after the first reporting period may continue attending the district schools for the remainder of the school year without tuition.~~ any time during the school year shall withdraw from the district school. Such students may appeal to the county board for permission to continue enrollment for the remainder of that school year. Pending any such appeal, the student may remain enrolled in the school. If the student moves outside of the district ~~before the 135th day of school, and is given Board permission to remain at the school, the student's parent/guardian will be required to pay a pro-rated amount of tuition for the remainder of the school year.~~ If the student moves outside of the district ~~after the 135th day of school, and is given Board permission to remain at the school, tuition will be waived for the remainder of that school year.~~ If the student is granted permission to return to the school in the fall and in subsequent years, tuition will be charged as established by policy.

Foreign exchange students

The district shall admit students from foreign countries who are age eligible and who are participating in a foreign student exchange program based on space availability in the requested school.

Charleston County School District shall not deny admission to any student on the basis of race, religion, color, creed, sex, gender preference, immigrant status or English-speaking status, national origin or disabling condition.

See policy JRA and administrative regulations for information pertaining to the transfer of student records.

Adopted 10/25/76; Revised 1/23/06, 2/11/08, 9/27/10, 1/13/14, 4/28/14

Legal references:

A. Federal Law:

1. McKinney-Vento Homeless Education Assistance Improvements Act of 2001, 42 U.S.C.A. Section 11431 *et seq.*
2. Title VI of the Civil Rights Act of 1964 - Prohibits discrimination on the basis of race, color, national origin, religion or sex.
3. No Child Left Behind Act of 2001, P.L. 107-110, Section 4155.

B. S. C. Code, 1976, as amended:

1. Section 44-29-180 - Students must show immunization prior to admission.
2. Section 59-63-30 - Qualifications for attendance.
3. Section 59-63-45 - Procedures for reimbursement for districts for cost of educating non-resident students.
4. Section 59-63-480 & 490 - Attendance of non-resident students.
5. Section 59-19-90(10) - Power of board to transfer and assign pupils.
6. Section 59-38-10 - South Carolina Education Bill of Rights for Children in Foster Care.

C. Federal Court Decisions:

1. Evans v. Buchanan, 555 F.2d 373 (3d Cir. 1977).
2. Tasby v. Estes, 572 F.2d 1010 (5th Cir. 1978).
3. Armour v. Nix, No.79-6108 (N.D. Ga. May 12, 1979).

D. U.S. Supreme Court:

Charleston County School District

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1. Milliken v. Bradley, 433 U.S. 267 (1977).
 2. Parents Involved in Community Schools v. Seattle School District No. 1, 551 U.S. 701 (2007).
- E. S.C. Supreme Court
1. Storm M.H. ex rel. McSwain v. Charleston County Board of Trustees, 400 S.C. 478, 735 S.E.2d 492 (2012).
- F. State Board of Education Regulations:
1. R-43-272 - School admission.
 2. R-43-273 - Transfers and withdrawals.

BOARD AGENDA ACTION FORM

May 9, 2016 Committee Meeting

June 27, 2016 Board Meeting

Section:	Policy and Personnel Committee	
Subject:	Policy BG/BGD – School Board Policy Process/Board Review of Regulations	
Name/Department:	John F. Emerson, Office of General Counsel	
Agenda Item Number:	9 . 2B	
Background:	As written, Policy BG/BGD calls for two readings of a new or amended policy, at regular meetings of the board at least 30 days, but no more than 60 days, apart. Typically, in the months of December and July, this has caused policy approval to be delayed due to the time constraints.	
Discussion:	Removing the time constraint issue would reduce the likelihood of having to restart the approval process based on the schedules of the meetings of the Committee of the Whole and the Board.	
Goals & Budget:		
This recommendation supports CCSD goal #:	Effective Governance.	
Overall budget for implementing CCSD goal:	N/A	
Request approval for funds within that budget in the amount of \$:	N/A	Funding Source
Resulting positive impact for students in our District will be:	N/A	
Potential impact of this decision on other budget areas will be:	N/A	
Future Fiscal Impact:	N/A	
Recommendation:	<input checked="" type="checkbox"/> Action	<input type="checkbox"/> Information
	<input checked="" type="checkbox"/> Open Session	<input type="checkbox"/> Executive Session
Draft Motion: Approve the second reading of Policy BG/BGD revision to remove the requirement of at least 30 days, but no more than 60 days, between the two readings necessary for new or amended policies.		
Person(s) Responsible for Implementation:	John F. Emerson, Office of General Counsel	
Superintendent's Approval:	<i>Annita Postlewait</i>	
Board Member(s) Approval:		
Attachment(s):	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

SCHOOL BOARD POLICY PROCESS/BOARD REVIEW OF REGULATIONS

Code **BG/BGD** Issued **7/04**

Purpose: To establish the basic structure for the development of board policy and board review of regulations.

Policy development is the board's chief function. The board shall develop written policies to serve as guidelines for its own operations and for the successful and efficient functioning of the public schools. Written policies are guides for the discretionary action of those to whom the board delegates authority and a source of information and guidance for all those who are interested in and affected by the district schools.

Proposals regarding policies may originate with a member of the district board, a member of a constituent board, the superintendent, a staff member, parent, student, consultant, civic group, advisory committee or any resident of the district. The board shall use a careful and orderly process in examining such proposals prior to action upon them by the board.

The board shall establish a schedule to study and evaluate its written policies for the purpose of evaluating the adequacy and effectiveness of those policies. Changes in needs, conditions, purposes and objectives may require revisions, deletions or additions to the policies. Before a final vote is taken on a new or amended policy, the board may require a written impact statement related to anticipated cost and/or educational impact.

Each proposed policy shall require two readings **before final approval. The time between the two readings shall not exceed 90 days. at regular meetings of the board. Such readings will occur at least 30 days apart, but no more than 60 days apart.** The formal adoption of the policies shall be recorded in the minutes of the board meeting. Only those written statements so adopted and so recorded shall be regarded as official board policy. The superintendent shall publish proposed and adopted policies by all reasonable means.

Suspension or repeal of policy

In emergency situations, a majority of the board members present at a regular or special meeting may temporarily suspend the operation of any section or sections of board policy which are not established by law or contract. A proposal for such change must be listed on the agenda of the meeting. All members must be notified in writing of such meeting.

The board may also suspend a policy on a two-thirds vote of the members present at a duly constituted meeting of the board although such change was not listed on the agenda of the meeting.

Review of regulations

Often policies of the board are accompanied by regulations and exhibits that are referred to as regulations. These regulations are generally drawn up by the operational organization to execute the policies of the board.

The board shall approve regulations when such approval is required by law or otherwise advisable. The superintendent shall have freedom, however, to issue additional regulations and procedures provided they are in harmony with board policies. The board reserves the right to review and veto regulations should they, in the board's judgment, be inconsistent with the policies adopted by the board.

Adopted 12/8/75; Revised 8/13/79, 12/8/86, 11/23/87, 11/11/91, 7/26/04

BOARD AGENDA ACTION FORM

May 9, 2016 Committee Meeting

June 27, 2016 Board Meeting

Section:	Policy and Personnel Committee	
Subject:	Policy GCB – Professional Staff Contracts	
Name/Department:	John F. Emerson, Office of General Counsel	
Agenda Item Number:	9 . 2C	
Background:	Policy GCB has been updated to remove the constituent board reference related to approval of professional staff contracts and to remove the “appropriate employing” board referenced since only the county board is approving professional staff contracts.	
Discussion:	See above.	
Goals & Budget:		
This recommendation supports CCSD goal #:	Priority Goal #7 – Build a robust pool of teacher candidates for all content areas for the 2016-2017 school year.	
Overall budget for implementing CCSD goal:	N/A	
Request approval for funds within that budget in the amount of \$:	N/A	Funding Source
Resulting positive impact for students in our District will be:	N/A	
Potential impact of this decision on other budget areas will be:	N/A	
Future Fiscal Impact:	N/A	
Recommendation:	<input checked="" type="checkbox"/> Action	<input type="checkbox"/> Information
	<input checked="" type="checkbox"/> Open Session	<input type="checkbox"/> Executive Session
Draft Motion: Approve the second reading of Policy GCB revisions to remove the constituent board references related to the approval of professional staff contracts.		
Person(s) Responsible for Implementation:	John F. Emerson, Office of General Counsel	
Superintendent’s Approval:	<i>Herrita Postlewait</i>	
Board Member(s) Approval:		
Attachment(s):	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

PROFESSIONAL STAFF CONTRACTS

Code **GCB** Issued **2/06**

Purpose: To establish the basic structure for professional staff contracts.

Contracts

In March of each year, the principal/supervisor shall recommend to the associate superintendent or the superintendent the contract status (renewal, non-renewal, position retention, transfer, etc.) for each teacher and administrative position under his/her supervision.

Contracts shall be confirmed by the superintendent after personnel requiring contracts have been approved by the ~~authorized constituent board and approved by the~~ county board, in compliance with applicable law. Special provisions may be included in the contract as recommended and approved by the ~~appropriate employing~~ board.

Upon recommendation of the superintendent, the board awards teacher contracts on or before April 15th of each year. Teachers must give written acceptance of their contracts to the superintendent on or before April 25th. Failure to give such notification constitutes contract rejection.

Throughout the contractual period, all conditions of employment contained in the contract or board policy shall be maintained at no less than the highest standard in effect in the district or area where services are to be performed.

Contract releases

For release of teachers from contracts, see policy GCQC/GCQD.

Teacher and Employee Retention Incentive Program (TERI) participants

Should a mid-year vacancy occur in a contract position held by a TERI employee, the board authorizes the superintendent or his/her designee to fill such vacancy for the remainder of the school year in which the vacancy occurs through a letter of agreement, when appropriate. This letter of agreement shall state that the employee has no right to or expectation of employment unless specifically offered by the district for that year or subsequent years.

When issuing contracts, Charleston County School District shall offer TERI employees working under TERI agreements that shall expire during the upcoming school year the same type of contract that the participant had the previous year, including the condition that the employee contract expires on the date listed in the employee's TERI agreement.

Adopted 5/10/73; Revised 2/17/75, 2/17/85, 3/25/85, 3/10/86, 2/12/96, 3/23/98, 2/13/06

Legal references:

A. S. C. Code, 1976, as amended:

1. Section 59-19-80 - Requirements as to purchases and teacher employment (teacher contracts to be awarded in public).

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2. Section 59-19-290 - Contracts in excess of apportioned funds void.
 3. Section 59-20-50 - Minimum salary schedule.
 4. Section 59-21-20 - Teacher contracts to be based on school term of 190 days.
 5. Section 59-25-410 - Notice to teacher of employment status.
 6. Section 59-25-420 - Teacher required to notify board of acceptance; opportunity for hearing if not reemployed.
 7. Section 59-25-710 - Salary complaints.
 8. Section 9-1-2210 - Teacher and Employee Retention Incentive Program; operation.
- B. S.C. Acts and Joint Resolutions:
1. 1967 Act 340 - Creates the School District of Charleston County and abolishes the county board of education; sets forth the powers of the constituent district boards.

BOARD AGENDA ACTION FORM

May 9, 2016 Committee Meeting

June 27, 2016 Board Meeting

Section:	Policy and Personnel Committee	
Subject:	Policy GCEC – Posting and Advertising Professional Vacancies	
Name/Department:	John F. Emerson, Office of General Counsel	
Agenda Item Number:	9 . 2D	
Background:	This policy has been revised to remove the words “national origin,” which appeared twice in the second paragraph. The proposed revision removes a reference to posting vacancy notices in all schools and office buildings but, instead, adding that they will be posted online as is our current practice. Finally, the posting initiation by the constituent board has been removed as this is solely a Human Resource function.	
Discussion:	See above.	
Goals & Budget:		
This recommendation supports CCSD goal #:	Priority Goal #7.	
Overall budget for implementing CCSD goal:	N/A	
Request approval for funds within that budget in the amount of \$:	N/A	Funding Source
Resulting positive impact for students in our District will be:	N/A	
Potential impact of this decision on other budget areas will be:	N/A	
Future Fiscal Impact:	N/A	
Recommendation:	<input checked="" type="checkbox"/> Action	<input type="checkbox"/> Information
	<input checked="" type="checkbox"/> Open Session	<input type="checkbox"/> Executive Session
Draft Motion: Approve the second reading of Policy GCEC to remove a duplicate reference to of an applicant's national origin, remove the reference to posting vacancy notices in all schools and office buildings, but instead, adding that vacancies will be posted online as is our current practice, and remove the posting initiation by the constituent board as this is solely a Human Resource function.		
Person(s) Responsible for Implementation:	John F. Emerson, Office of General Counsel	
Superintendent's Approval:	<i>Quinta Portnowait</i>	
Board Member(s) Approval:		
Attachment(s):	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

POSTING AND ADVERTISING PROFESSIONAL VACANCIES

Code **GCEC** Issued **2/06**

Purpose: To establish the basic structure for posting and advertising professional vacancies.

The board believes it has the obligation to provide the best administrative and supervisory personnel available for Charleston County School District regardless of race, color, creed, national origin, sex, age, disability ~~or national origin~~.

Except in extreme emergencies, the human resources department of recruitment and staffing shall advertise all job vacancies within Charleston County School District.

Promotional positions

The board declares its support of a policy to give teachers from its present staff consideration with respect to the filling of promotional vacancies. The superintendent shall have posted ~~online in all schools and office buildings~~ a notice of vacancy for all certificated positions as they occur.

Central staff and school-level administrative positions are considered promotional opportunities and, except in cases of emergency, shall not be filled until such vacancies have been posted for at least 15 calendar days.

School level non-administrative positions shall be initiated by the ~~constituent district~~ and posted weekly by the human resources department of recruitment and staffing. These positions are exempt from the 15-calendar day waiting period.

Adopted 5/10/73; Revised 12/8/75, 2/24/86, 2/13/06

BOARD AGENDA ACTION FORM

May 9, 2016 Committee Meeting

June 27, 2016 Board Meeting

Section:	Policy and Personnel Committee		
Subject:	Policy IHBF: Homebound Instruction		
Name/Department:	Jennifer Coker, Department of Alternative Programs Kala Goodwine, Principal on Special Assignment		
Agenda Item Number:	9 . 2E		
Background:	Charleston County School District conducted an audit of the Homebound services during the 2014-2015 school year. The audit contained findings that Homebound procedures needed to be reviewed and monitored more closely. When the Department of Alternative Programs was created, Homebound services was one of the areas assigned for the department to monitor. Ms. Kala Goodwine has been supervising Homebound since that time.		
Discussion:	After reviewing the State Regulations, the CCSD Audit, and consulting with other school districts across South Carolina, the Department of Alternative Programs is recommending policy changes. The changes will ensure that a Homebound Manual is created and that schools work with physicians and families every 45 days to ensure that Homebound is the appropriate educational setting.		
Goals & Budget:			
This recommendation supports CCSD goal #:	Priority Goal #6		
Overall budget for implementing CCSD goal:	N/A		
Request approval for funds within that budget in the amount of \$:	N/A	Funding Source (GOF, IDEA, Title I, Capital, etc.)	
Resulting positive impact for students in our District will be:	Revising the Homebound Policy will allow development of procedures that ensure students that need Homebound instruction receive it. It will also allow for the development of a Homebound Manual for consistency. Finally, it requires review of the Homebound status every 45 days so that students are exposed to the most quality educational offerings possible.		
Potential impact of this decision on other budget areas will be:	N/A		
Future Fiscal Impact:	N/A		
Recommendation:	<input checked="" type="checkbox"/> Action <input checked="" type="checkbox"/> Open Session	<input type="checkbox"/> Information <input type="checkbox"/> Executive Session	
Draft Motion: Approve the second reading of the proposed revisions of Policy IHBF -Homebound Instruction.			
Person(s) Responsible for Implementation:	Jennifer Coker and John Emerson		

Superintendent's Approval:	<i>Amie Postlewaite</i>	
Board Member(s) Approval:		
Attachment(s):	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

HOMEBOUND INSTRUCTION

(Updated at 5/9/16 COW)

Code **IHBF** Issued **9/05**

Purpose: To establish the basic structure for the provision of medical homebound instruction to students in grades one through twelve in the Charleston County School District.

South Carolina State Board of Education Regulation 43-241 states that students who cannot attend public school because of illness, accident, or pregnancy are eligible for medical homebound or hospitalized instruction.

- A physician must certify that the student is unable to attend school but may profit from instruction given in the home (with a parent present), hospital, or another mutually agreed upon location.
- Any student participating in a program of medical homebound instruction must be approved by the superintendent or his or her designee on homebound forms provided by the school district.
- The principal's designee is expected to call the doctor's office as necessary to discuss terms and conditions of the homebound placement.

Homebound instruction may only be approved for a maximum of 45 instructional days at one time. If the homebound period must be extended, a new medical homebound form signed by the doctor is required. Any time missed during the interim, will not be excused unless a medical note is provided.

~~The educational program may not fail to comply with state law in offering instruction to students who cannot attend public school because of illness, accident or pregnancy, or use for that purpose any teacher not holding a valid South Carolina teacher's certificate, provided that the superintendent or his/her designee certifies the following:~~

- ~~• The student is of legal school age, enrolled in grades one through twelve in Charleston County School District.~~
- ~~• A physician has certified that the student is unable to attend school but may profit from medical homebound instruction.~~

Any student who is not provided the periods of medical homebound instruction to which that student is entitled is eligible to make up the medical homebound instruction, either during the student's remaining eligibility for medical homebound instruction or after the student returns to school. The superintendent may not permit schools to hold make-up periods during the regular school day. If the school delays the start of services for any reason and the student is still entitled to the services, the district must make up the missed instructional periods even if the regular school year has ended.

Medical and student records are considered to be confidential and subject to the provisions of Charleston County School District policy JRA and administrative regulations and applicable federal and state laws on confidentiality.

All medical homebound standard operating procedures, reference documents, and required forms will be outlined in the Charleston County Homebound Manual.

Adopted 9/12/05

Legal references:

A. S.C. Code, 1976, as amended:

1. Section 59-21-540 - Special education services for which state aid allowed.
2. Section 59-33-20(c) - Homebound instruction available to certain handicapped children.
3. Section 59-33-30 - Establishment by state board of education of program of specialized education for handicapped children; rules and regulations.

B. State Board of Education Regulations:

1. R-43-241 - Medical homebound instruction.

BOARD AGENDA ACTION FORM

May 9, 2016 Committee Meeting

June 27, 2016 Board Meeting

Section:	Policy and Personnel Committee	
Subject:	Combining Policy JICJA (Electronic Devices Other than Cellular Phones) and Policy JICJ (Possession/Use of Paging Devices/Cellular Phones and other Communications Devices) and revising aspects of JICJ.	
Name/Department:	Jennifer Coker, Department of Alternative Programs	
Agenda Item Number:	9 . 2F	
Background:	The Department of Alternative Programs developed committees to review the CCSD Student Code of Conduct. The Code of Conduct Committee reviewed Board Policy, State Regulations, and the CCSD Code of Conduct to ensure that all the documents are aligned. Policy JICJA (Electronic Devices Other than Cellular Phones) and Policy JICJ (Possession/Use of Paging Devices/Cellular Phones and other Communications Devices) were reviewed by the committee.	
Discussion:	The Code of Conduct Committee recommends combining Policy JICJ and JICJA to form one policy in reference to wireless communication devices. The revisions include guidelines for use in the Elementary, Middle, and High Schools. The committee further recommends ensuring the disciplinary action is focused on student conduct rather than on possession of a device. In the revisions, the requirements for confiscation are removed. The Progressive Discipline Plan will detail the appropriate response from school administration. Finally, the committee recommends adding details about liability.	
Goals & Budget:		
This recommendation supports CCSD goal #:	Priority Goal #6 – Comprehensive Student Support Systems.	
Overall budget for implementing CCSD goal:	N/A	
Request approval for funds within that budget in the amount of \$:	N/A	Funding Source (GOF, IDEA, Title I, Capital, etc.)
Resulting positive impact for students in our District will be:	Combining and revising the Cellular Phone and Wireless Communication Policy will create consistency of coding and enforcement across the district. It will also allow for intervention/consequences according to the CCSD Progressive Discipline Plan.	
Potential impact of this decision on other budget areas will be:	N/A	
Future Fiscal Impact:	N/A	
Recommendation:	<input checked="" type="checkbox"/> Action <input checked="" type="checkbox"/> Open Session	<input type="checkbox"/> Information <input type="checkbox"/> Executive Session
Draft Motion: Approve second reading of amendments to Policy JICJ to absorb the content of JICJA, to rescind JICJA and to revise the name and provisions of JICJ so as to focus on more current technology, and to address aspects of the disciplinary measures.		

Person(s) Responsible for Implementation:	Jennifer Coker and John Emerson	
Superintendent's Approval:	<i>Genita Posthumus</i>	
Board Member(s) Approval:		
Attachment(s):	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

STUDENT POSSESSION/USE OF MOBILE COMMUNICATION, COMPUTER AND OTHER WIRELESS DEVICES

Code **JICJ** Issued **1/06**

Purpose: To combine Policy JICJA (Electronic Devices Other than Cellular Phones) and Policy JICJ (Possession/Use of Paging Devices/Cellular Phones and other Communications Devices). To set the parameters for student possession and use of ~~paging devices/cellular phones and other communications~~ mobile communication, computer and other wireless devices.

~~For purposes of this policy, paging devices are defined as telecommunications devices, (including cellular telephones) that emit an audible signal, vibrate, display a message or otherwise summon or deliver a communication to the possessor, including the camera portion of a camera phone.~~

~~Unless an emergency condition is present, no student shall be permitted to use a cellular phone on school property during school hours. All students must store cellular phones turned off and out of sight. Each principal may set the hours in which this prohibition applies for his/her school and shall inform students of such times.~~

~~At no time may a cellular phone be used for illegal or unethical purposes.~~

~~Students using or having cellular phones or telecommunications devices visible during the school day or after school hours inside of school buildings shall have their cellular phone or communications device confiscated. A parent/legal guardian may retrieve the device from the school or the cellular phone will be returned to the student at the end of the school year. Failure to retrieve the device within 30 days of the end of the school year will result in the disposal of the device.~~

The Board recognizes that, depending on how they are used, mobile communication, computer and other wireless devices can be either valuable learning tools or a source of disruption in the learning environment. In order to maintain a secure and orderly learning environment, student use and possession of mobile communication, computer and other wireless devices shall be subject to the limitations as set forth in this policy.

- "Wireless electronic device" means a handheld electronic device having the ability to receive and/or transmit voice, text, or data messages without a cable connection, such may include, but is not limited to, mobile telephones, smart phones, tablets and computer and communications devices currently in existence. This also includes any current or emerging wireless technologies or portable information technology systems developed for similar purposes.
- This policy applies to all CCSD property, school grounds, school buildings, personal vehicles on school property, buses, CCSD vehicles at any time (during or outside of school hours), or at any school or district sponsored events.
- The "Instructional school day" is from the arrival bell until the final dismissal bell. The "instructional school day" includes, but is not limited to, study halls, lunch break, class changes and any other structured or unstructured activities.
- Students may possess mobile telephones, smart phones or other such devices as described above as long as the students adhere to the restrictions provided herein. Any unauthorized use of mobile telephones, smart phones or other such wireless devices

during the instructional school day is prohibited as it can disrupt the instructional program and/or distract from the educational environment.

- Earbuds and/or headphones may be worn in the classroom for instructional purposes and while in the cafeteria. Earbuds / Headphones may not be worn at any other time during the instructional school day.

- **Elementary School Students (PK - 5th grade)** may possess mobile telephones, smart phones or other such devices as described above provided such devices are not visible, used, or activated, and are kept in the "off" position throughout the instructional school day. Students must keep such devices stored in a purse, locker, backpack, or other non-visible secure location during the instructional school day.

- Times of Authorized Use for Elementary School

- Before the beginning of the instructional school day
- After the dismissal bell at the end of the instructional school day
- During classroom instruction when directed by the teacher

- **Middle School Students (6th - 8th grade)** may possess mobile telephones, smart phones or other such devices as described above on school property and school-sponsored transportation, provided they are not visible, used or activated, and are kept in a silent or "airplane" mode, blocking all alerts throughout the instructional school day and while on school-sponsored transportation. Middle school students must keep their mobile telephones, smart phones or other such devices as described above stored in a vehicle, locker, pocket, purse, backpack, or other non-visible secure location.

- Times of Authorized Use for Middle School

- Before the beginning of the instructional school day
- After the dismissal bell at the end of the instructional school day
- During classroom instruction when directed by the teacher
- During lunch while in the cafeteria

- **High School Students (9th - 12th grades)** may possess mobile telephones, smart phones or other such devices as described above on school property and school-sponsored transportation, provided such devices are not visible, used or activated, and are kept in a silent or "airplane" mode, blocking all alerts, throughout the instructional school day and while on school-sponsored transportation. High school students must keep their mobile telephones, smart phones or other such devices as described above stored in a vehicle, locker, pocket, purse, backpack, or other non-visible secure location. High school principals may modify the instructional school day to establish other authorized times of use.

- Times of Authorized Use for High School

- Before the beginning of the instructional school day
- After the dismissal bell at the end of the instructional school day
- During classroom instruction when directed by the teacher
- During lunch while in the cafeteria
- Other times authorized by the Principal*

**Communication to Students and Parents. If the principal modifies the instructional school day to permit high school students to use mobile telephones, smart phones or other such devices as described above at times other than the authorized times, the principal shall include such information in the school's student/parent handbook and other communications to parents/students.*

- Any student who violates this policy is subject to the interventions/consequences of the Charleston County Progressive Discipline Plan. Students will be disciplined for their conduct rather than solely for the use of a device. Conduct infractions will follow the guidelines set forth in CCSD Student Code of Conduct. .
- A student's possession, display or use of a mobile telephone, smart phone, or other such devices as described above on school property, contrary to the provisions of this policy, shall be viewed as the unauthorized use of such devices when such possession, display or use of such devices results in conduct that includes, but is not limited to:
 - a. Use that violates academic integrity, such as the reproduction of images of tests, the communication of test or examination contents or answers; to provide access to unauthorized school information, or assistance to students in any aspect of their instructional program in a manner that violates school board policy or the Student Code of Conduct.
 - b. The communication of the marks or grades assigned to students resulting from evaluation or the actual contents, or parts thereof, of any evaluation activity being completed by an individual(s).
 - c. Use to commit a crime, under federal or state law.
 - d. Violation of a student's or other person's reasonable expectation of privacy, by using such devices with image and/or sound recording capabilities in student locker rooms, restrooms, any other student changing areas, or in the classroom, whether such use occurs during the instructional school day or on school property.
 - e. Use of mobile telephones, smart phones or other such devices as described above, to take "photographs" or "videos" while on school property, while on school-sponsored transportation or while a student is engaged in school-sponsored activities, except for classroom purposes as directed by the teacher.
 - f. Use in a manner that is profane, indecent, obscene, threatening, discriminatory, bullying or harassing through language, pictures or gestures.

Other Acceptable Uses

- Use of mobile telephones, smart phones or other such devices as described above are permissible in the following circumstances:
 - a. *Instructional or Educational Purposes.* mobile telephones, smart phones or other such devices as described above may be used during a class period or school activity when specifically approved by the principal or teacher in conjunction with educationally appropriate objectives.
 - b. *IEP, 504, or Health Care/Medical Plan.* Students may use mobile telephones, smart phones or other such devices as described above during class time when authorized pursuant to an Individual Education Plan (IEP), a Section 504 Accommodation Plan, or a Health Care/Medical Plan with supportive documentation from the student's physician.
 - c. *Health, Safety or Emergency Reasons.* Principals may make exceptions to the restrictions in this policy, in part or in its entirety, for health, safety or emergency reasons.
 - d. *School Trips or School Sponsored Activities.* The use, display or activation of mobile telephones, smart phones or other such devices as described above during school trips or school sponsored activities shall be at the discretion of the principal or designee, but shall not be disruptive to the activity.
 - e. *Other Reasons.* Other reasons determined appropriate by the principal.

Responsibility/Liability

- Any student who chooses to bring to school a mobile telephone, smart phone or other such device as described above, shall do so at his or her own risk and shall be personally responsible for the security of his or her device. Neither the school personnel nor Board will assume any responsibility or liability for loss, theft, damage or vandalism to a mobile telephone, smart phone or other such devices as described above, brought onto school property, or for the unauthorized use of any such device.

Cf. JICDA, JICJA

Adopted 1/23/06

Legal references:

A. S.C. Code of laws, 1976, as amended:

1. Section 59-63-280 - Possession of paging devices by public school students; mobile telephones included; adoption of policies.

BOARD AGENDA ACTION FORM
June 27, 2016

Section:	New Business	
Subject:	Results Policies	
Name/Department:	Gerrita Postlewait, Superintendent's Office	
Agenda Item Number:	9 . 3	
Background:	The Board worked throughout the day on June 13 to establish increased and accountable student achievement expectations.	
Discussion:	<p>The board has considered its focus, its work and its role in ensuring higher levels of student achievement. To that end, we have refined our expectations for each student to achieve.</p> <p>These Results for Student Achievement will drive all work—by every employee and by every student. In other words, systemic and systematic alignment throughout the district on student performance, starting with us the board.</p> <p>We hold ourselves accountable to remain focused on these Results and we hold our superintendent accountable for ensuring reasonable progress is being made by students. We will be strongly supporting and rigorously monitoring performance.</p>	
Goals& Budget:		
This recommendation supports CCSD goal #:		
Overall budget for implementing CCSD goal:		
Request approval for funds within that budget in the amount of \$:	None at this time	Funding Source
Resulting positive impact for students in our District will be:	Improved student outcomes	
Potential impact of this decision on other budget areas will be:		
Future Fiscal Impact:		
Recommendation:	<input checked="" type="checkbox"/> Action	<input type="checkbox"/> Information
	<input checked="" type="checkbox"/> Open Session	<input type="checkbox"/> Executive Session
Recommend adopting the Results Policies as developed by the board.		
Person(s) Responsible for Implementation:	Gerrita Postlewait	

Superintendent's Approval:	<i>Genita Posthumus</i>	
Board Member(s) Approval:		
Attachment(s):	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Policy Type: Results

Mega Result

Students graduate as responsible citizens prepared for college or career.

Adopted:

Monitoring Method: Internal Report
Monitoring Frequency: Annually

Charleston County School District Board of Education

AGI Aspen Group International, LLC ©

Policy Type: Results

Academic Performance

All students will demonstrate proficiency at each successive level of learning and complete high school prepared for success.

Each student will:

- 2.1 Achieve one year's academic gain or more each year, with lower performing students progressing more quickly.
- 2.2 Achieve language and mathematical literacy, and apply the resulting knowledge, skills and competencies acquired across all academic disciplines.

Adopted:

Monitoring Method: Internal Report
Monitoring Frequency: Annually

Charleston County School District Board of Education

AGI Aspen Group International, LLC ©

Policy Type: Results

Contributing Citizens

Students are people of strong character with a commitment to improving their communities through citizenship and service.

Each student will:

- 3.1 Demonstrate strong character by practicing personal honesty, integrity, trustworthiness and treating others with respect.
- 3.2 Contribute to the well being of the community.
- 3.3 Lead and follow, as appropriate, able to develop and maintain positive relationships with other individuals and groups in order to manage conflict and to reach consensus in the pursuit of common goals.
- 3.4 Demonstrate understanding of the political and governmental foundations of the United States and how our democratic political system works.

Adopted:

Monitoring Method: Internal Report
Monitoring Frequency: Annually

Charleston County School District Board of Education

AGI Aspen Group International, LLC ©

Policy Type: Results

Workplace Readiness

Students will complete high school prepared for success in the workplace.

Each student will:

- 4.1 Demonstrate a strong work ethic.
- 4.2 Establish and maintain positive work relationships with others.
- 4.3 Be an effective problem solver able to adapt to changing conditions and be creative in identifying and responding to emerging opportunities.
- 4.4 Willingly take responsibility for personal decisions and actions.
- 4.5 Exhibit self-control, able to self-monitor and self-correct personal behavior and performance.
- 4.6 Communicate effectively.
- 4.7 Be technologically fluent.

Adopted:

Monitoring Method: Internal Report
Monitoring Frequency: Annually

Charleston County School District Board of Education

AGI Aspen Group International, LLC ©

Policy Type: Results

Prepared for Early Childhood Success

All CCSD Pre Kindergarten and Kindergarten students will demonstrate literacy, numeracy, social and emotional readiness prior to entering their next level of learning.

Each student will demonstrate age appropriate readiness in:

- 5.1 Language skills
- 5.2 Mathematical skills
- 5.3 Social skills
- 5.4 Emotional development

Adopted:

Monitoring Method: Internal Report
Monitoring Frequency: Annually

Charleston County School District Board of Education


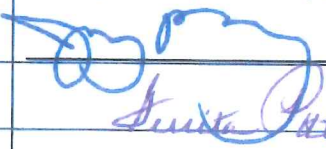

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BOARD AGENDA ACTION FORM

June 13, 2016 Committee Meeting

June 27, 2016 Board Meeting

Section:	Audit & Finance	
Subject:	Pace Center Facility Lease	
Name/Department:	Michele English-Watson / Federal Programs & Jeffrey Borowy / Operations	
Agenda Item Number:	10.1A	
Background:	The Superintendent set up a transition team for PACE Charter School for the 2016-2017 school year. That team is lead by Michele English-Watson, Executive Director of Federal Programs. As part of that team's responsibilities, several facility scenarios were reviewed as possibilities. Following that review, the option to lease the current space was selected based on student welfare, cost, and time.	
Discussion:	<p>As part of the execution of the transition plan for PACE Charter School, the facility currently occupied by PACE needs to be retained for at least one (1) year in order to provide for continued school operations. The facility is located on Bees Ferry Road in West Ashley at Grace on the Ashley. As part of the transition strategy, CCSD would lease this space for the purpose of operating a school containing the children who are currently in PACE this year.</p> <p>The lease (Attachment 1) costs \$7490 per month, or \$88,880 annually. This cost includes rent, utilities, and a monthly gym floor cleaning. The term is for one (1) year with the option to extend for an additional year with the same terms except rent, which may be renegotiated by the landlord.</p> <p>Please note: CCSD will be paying for rent in July when PACE has requested to hold their summer program there.</p>	
Goals & Budget:		
This recommendation supports CCSD goal #:	#8 – Increase the number of students who are college, career and citizenship ready.	
Overall budget for implementing CCSD goal:		
Request approval for funds within that budget in the amount of \$:	\$88,880 for FY17	Funding Source GOF
Resulting positive impact for students in our District will be:	Smooth transition for students currently attending PACE, avoided unnecessary costs for CCSD.	
Potential impact of this decision on other budget areas will be:	Additional leasing expenses	
Future Fiscal Impact:	The one year lease necessitates this location being reviewed early in FY17 to determine future action and impacts.	

Recommendation:	<input checked="" type="checkbox"/> Action	<input type="checkbox"/> Information
	<input checked="" type="checkbox"/> Open Session	<input type="checkbox"/> Executive Session
Draft Motion:	Motion to approve the lease at Grace on the Ashley Church for the purpose of operating the Pace Center beginning July 1, 2016 for a period of 1 year.	
Person(s) Responsible for Implementation:	Michele English-Watson, Executive Director of Federal Programs Sean Hughes, Director of Operational Planning  Jeffrey Borowy, Chief Operating Officer 	
Superintendent's Approval:		
Board Member(s) Approval:		
Attachment(s):		
1. Pace Center Lease at Grace on the Ashley Church	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

LEASE AGREEMENT

THIS LEASE AGREEMENT (the "Lease" or "Agreement") entered into as of the 1st day of July, 2016, by and between **CHARLESTON COUNTY SCHOOL DISTRICT** (the "Lessee") and **GRACE ON THE ASHLEY BAPTIST CHURCH**, a South Carolina Non-profit Corporation (the "Lessor") whose address is 2014 Bees Ferry Road, Charleston, South Carolina 29414.

WITNESSETH:

For and in consideration of the payment of rent and the keeping and performing of the covenants and agreements hereinafter set forth to be kept and performed by Lessor and Lessee, Lessor hereby leases to Lessee and Lessee hereby leases from Lessor certain "Premises" (hereinafter defined) situated in Charleston County for the term, at the rent, and subject to and upon all of the terms and conditions hereinafter set forth.

1. **PREMISES.** Lessee hereby leases from Lessor the school building facility of Grace on the Ashley Baptist Church located at 2014 Bees Ferry Road, together with improvements thereon, which consist of approximately 22,334 square feet of buildings, including classrooms, restrooms, office space, staff space, and gymnasium (hereinafter "the Premises").
2. **TERM.** The term of this Lease shall be from July 1, 2016 to June 30, 2017 (the "Initial Term"). Prior to the beginning of the Initial Term, Lessee may cancel this Agreement without penalty or damages to Lessor if (i) the number of children enrolled is not greater than 25, or (ii) there is a change in Federal or South Carolina education laws, regulations or funding that renders Lessee's operation of a school for children with multiple disabilities at the Premises impracticable or impossible, or in violation of any Federal or State laws or regulations.
3. **OPTION TO RENEW.** The Lessee shall have the option to renew this Lease upon the same terms and conditions, other than the amount of Rent, which may be renegotiated, for one additional Term (the Initial Term and any renewal term hereunder are referred to herein as the "Term").
4. **USE OF PREMISES.** The Premises shall be used by Lessee solely for the operation of a school for children.
5. **RENT.** Commencing on the July 1, 2016, Lessee agrees to pay to Lessor (a) the "fixed rent" and (b) other charges due from Lessee to Lessor for water and electricity above the Lessor's previously yearly period hereunder as "additional rent".
 - A. **Fixed Rent.** Lessee shall pay the fixed rent in monthly installments of \$5,800 due by the 5th of each month during the Term of this Lease, at the address of Lessor set forth above or at such other address or to such other party as may be designated by Lessor.

B. Additional Rent. Lessee agrees to pay an additional amount equal to the difference between the monthly bill for electricity and water and the amount paid by Lessor, or its predecessor as applicable, Grace on the Ashley Baptist Church, for these utility services for the same period in the immediately preceding year. By the 5th of each month lessee will pay \$1,570.00 for (i) the amount of the utility bills for water and electricity.

C. Additional Rent. Lessee agrees to pay an additional amount of \$120 per month to reimburse the Lessor for gym floor cleaning.

UTILITIES. Lessor agrees to timely pay all charges for telephone, electricity, water, gas, internet, security and trash removal ("Utilities") used by Lessee on the Premises, subject to Lessee's obligations under Section 5. Lessor agrees at all times to provide Lessee with access to all such Utilities at the Premises; provided that Lessor shall not be liable for any interruption of utility services due to causes beyond Lessor's control. Notwithstanding the foregoing, in the event said interruption renders the Premises unsuitable for operation of a school, and is not restored within seven (7) calendar days, rent shall abate until said utilities are restored.

6. LESSEE'S CARE, MAINTENANCE AND REPAIR. Lessee at its cost shall provide usual and customary care to the Premises including custodial services and interior maintenance and painting. Upon request by the Lessor, but no more than two (2) times during the Term or any renewal term, Lessee agrees to refinish the hallway and classroom floors in the Premises. Lessee shall be responsible for and shall pay for any repairs or replacements which are occasioned or made necessary by reason of the use of said Premises by Lessee or its agents or employees. Lessee shall not be responsible for damage thereto by building or structural defects, earthquake, act of God or the elements. Lessor shall not be responsible for repairs to furnishings and equipment belonging to Lessee located on or about the Premises.
7. INSPECTION BY LESSOR. Lessee shall permit Lessor or Lessor's agents, representatives or employees to enter said Premises at all reasonable times and with reasonable notice for the purpose of inspecting said Premises to determine whether Lessee is complying with the terms of this Lease and for the purpose of doing other lawful acts that may be necessary to protect Lessor's interest in said Premises under this Lease or to perform Lessor's duties under this Lease.
8. ALTERATIONS. No alterations may be made by Lessee without consent of Lessor, which shall not be unreasonably withheld. Lessee must submit a change of facilities form to the Property Committee for the Lessor and receive approval before beginning any alteration. Any alterations, additions or improvements Lessee has made to the Premises shall become the property of Lessor at the end of this or any subsequent Lease term.
9. HOLD HARMLESS. Lessee shall hold harmless, defend and indemnify Lessor, its officers, agents and employees, from and against any liability, claim, action, cost, damage or loss, including reasonable costs and attorneys' fees, for injury, including death, to any person or damage to any property arising out of Lessee's activities under this Lease, but

excluding liability due to the sole negligence or willful misconduct of Lessor. This obligation shall continue beyond the term of this Lease as to any act or omission which occurred during or under this Lease. This indemnification obligation is not limited in any way by any limitation on the amount or type of damages or compensation payable to or for Lessee or its employees or agents under workers' compensation acts, disability benefit acts, or other employee benefit acts.

10. INSURANCE.

A. Lessee: With respect to this Lease, Lessee shall maintain insurance as described below:

1. Workers' compensation insurance with an insurance carrier satisfactory to the Lessor. Said policy shall be endorsed with the following specific language: "This policy shall not be canceled or materially changed without first giving thirty (30) days prior written notice to Lessor.
2. Commercial or Comprehensive General Liability insurance covering bodily injury and property damage utilizing an occurrence policy form, in an amount no less than \$1,000,000.00 combined single limit for each occurrence. Said insurance shall include, but not be limited to: Premises and operations liability, independent contractors liability, and personal injury liability.
3. Each said comprehensive or commercial general liability insurance policy shall be endorsed with the following specific language:
 - (a) Lessor, its Elders, officers and employees, and Lessor's mortgage holder shall be named as additional insured for all liability arising out of the operations by or on behalf of the name insured in the performance of this Lease.
 - (b) This policy shall not be canceled or materially changed without first giving thirty (30) days prior written notice to Lessor.

4. Documentation

The following documentation shall be submitted to Lessor:

- (a) Properly executed Certificates of Insurance clearly evidencing all coverage, limits, and endorsements required above. Said certificates shall be submitted prior to the execution of this Lease.
- (b) Signed copies of the specified endorsements for each policy. Said endorsement copies shall be submitted within thirty (30) days of execution of this Lease.
- (c) Upon Lessor's written request, certified copies of insurance policies. Said policy copies shall be submitted within thirty (30) days of Lessor's request.

5. Policy Obligations

Lessee's indemnity and other obligations shall not be limited by the foregoing insurance requirements.

6. Material Breach

If Lessee, for any reason, fails to maintain insurance coverage which is required pursuant to this Agreement, the same shall be deemed a material breach of Lease.

11. **DESTRUCTION OR INABILITY TO USE PREMISES.** In the event of damages to the leased Property rendering it unusable for longer than seven (7) days or destruction of the leased Premises, Lessee shall be entitled, at its election, to terminate the Lease and all liability of Lessee for rent accruing subsequent to the date of destruction shall cease.
12. **ASSIGNMENT.** This Lease, or any interest of Lessee therein, shall not be assignable by Lessee or by operation of law. Any attempt to so assign shall be null and void.
13. **ABANDONMENT BY LESSEE.** Should Lessee breach this Lease and abandon Premises prior to the natural expiration of the term of this Lease, Lessor may terminate this Lease.
14. **LESSOR'S REMEDIES ON DEFAULT.** If Lessee defaults in the payment of rent, or any additional rent, or defaults in the performance of any of the other covenants or conditions of this agreement, Lessor may give Lessee notice of such default and if Lessee does not cure any default within 30 days, after the giving of such notice, or if such default is of such nature that it cannot be completely cured within such period, if Lessee does not commence such curing within such 30 days and thereafter proceed with reasonable diligence and in good faith to cure such default, then Lessor may terminate this Lease on not less than 30 days' notice to Lessee. On the date specified in the notice, the term of this Lease shall terminate and Lessee shall then quit and surrender the Premises to Lessor, but Lessee shall remain liable as provided below. If this Lease shall have been so terminated by Lessor, Lessor may at any time thereafter resume possession of the Premises by any lawful means and remove Lessee or other occupants and their effects.
15. **QUIET ENJOYMENT AND PERMITTED USE.** Lessor warrants that Lessee, so long as no event of Default has occurred and is then continuing under this Lease, shall have peaceful possession and quiet enjoyment of the Premises during the term of this Lease and that Lessee may use the same for a school or for any related purposes. Lessee's use of the Premises shall not violate any ordinance, law or regulations of any Governmental Authority. Except as provided otherwise herein, all signs and the location thereof shall be furnished at the sole cost and expense of Lessee, and shall be subject to the prior approval of Lessor, such approval not to be unreasonably withheld or unduly delayed.
16. **COMPLIANCE WITH RULES AND REGULATIONS.** The rules and regulations contained in this Lease, as well as such rules and regulations as may be adopted in the

future by Lessor for the safety, care, and cleanliness of the Premises and the preservation of good order on the Premises, are expressly made a part of this Lease, and Lessee agrees to obey all such rules and regulations. With the exception of safety rules and regulations, Lessee shall be given thirty (30) days written notice prior to Lessor's adoption of any change in the rules and regulations regarding the Premises.

17. **COMPLIANCE WITH LAW.** Lessee shall not use the Premises or permit anything to be done in or about the Premises which will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or which may hereafter be enacted or promulgated. Lessee shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force, and with the requirements of any board of fire insurance underwriters or other similar bodies now or hereafter constituted, relating to, or affecting the condition, use or occupancy of the Premises. The judgment of any court of competent jurisdiction or the admission of Lessee in any action against Lessee, whether Lessor is a party thereto or not, that Lessee has violated any law, statute, ordinance or governmental rule, regulation or requirement, shall be conclusive of that fact as between the Lessor and Lessee.
18. **SEVERABILITY.** The invalidity or illegality of any provision shall not affect the remainder of the Lease.
19. **NOTICE.** As used in this Lease, notice includes but is not limited to the communication of notice, request, demand, approval, statement, report, acceptance, consent, waiver and appointment. All notices must be in writing. Notice is considered given either (a) when delivered in person to the recipient named as below, or (b) when deposited in the United States mail in a sealed envelope or container, postage and postal charges prepaid, addressed by name and address to the party or person intended as follows:
20. **SUCCESSORS IN INTEREST.** The provisions and conditions of this Lease shall extend to and bind the assignees or transferees under said Lease, and shall also extend to and bind heirs, executors, administrators and successors in interest of the parties hereto.
21. **HOLDING OVER.** If Lessee, with Lessor's consent, remains in possession of the Premises after expiration or termination of the term, or after the date in any notice given by Lessor to Lessee terminating this Lease, such possession by Lessee shall be deemed to be a month-to-month tenancy terminable on 30 days' notice given at any time by either party. All provisions of this Lease, except those pertaining to term and option to extend shall apply to the month-to-month tenancy.
22. **AMERICANS WITH DISABILITIES ACT (ADA).** Lessor warrants that the Premises, at time of original occupancy by Lessee, was in compliance with the Americans with Disabilities Act ("ADA"). Lessee is responsible for compliance with the ADA, its supporting regulations, and all similar Federal, state or local laws, regulations and ordinances relating to removal of barriers within the workplace, i.e. arrangement of interior furnishings and access within the Premises, and any improvements installed by

Lessee. If Lessor's consent would be required for alterations to bring the Premises into compliance, Lessor agrees not to unreasonably withhold its consent.

23. **CONDITION AT TERMINATION.** During the term of this Lease, Lessee shall at all times maintain the Premises in a good, clean and safe condition. Upon the expiration of the term of this Lease and any renewals thereof or upon the sooner termination thereof, Lessee shall surrender to Lessor possession of the Premises. Lessee shall leave the Premises in as good order and condition as said Premises were in at the beginning of the term of this Lease, ordinary wear and tear thereof and damage by the elements, fire, earthquake, flood, act of God, or public calamity excepted.
24. **MISCELLANEOUS.** No amendment to this Lease and no waiver of any right hereunder shall be binding upon any party hereto unless such amendment or waiver is in writing and is signed by the party against whom enforcement thereof is sought. All titles or captions of paragraphs set forth in this Lease are inserted as a matter of convenience, and in no way define, limit, extend or describe the scope or intent of any provision of this Lease. Unless the context clearly requires otherwise, the words "herein", "hereunder", and "hereby", whenever used in this Lease, shall refer to this Lease as a whole, and not only to the paragraphs or subparagraphs of this Lease in which such words appear. Whenever the last day for the exercise of any right or the discharge of any obligation under this Lease shall fall upon a Saturday, Sunday, or any public or legal holiday, the party having such right or obligation shall have until 5:00 o'clock p.m. on the next succeeding regular business day to exercise such right or discharge such obligation. For the purposes of this Lease, a "business day" is any day other than a Saturday, Sunday, or any public or legal holiday.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed the day and year first above written.

CHARLESTON COUNTY SCHOOL
DISTRICT

GRACE ON THE ASHLEY BAPTIST
CHURCH

By: _____

By:  _____

Its: _____

Its: Lead Pastor _____

BOARD AGENDA ACTION FORM

June 13, 2016 Committee Meeting

June 27, 2016 Board Meeting

Section:	Audit & Finance (Open Session)	
Subject:	Head Start/Early Head Start COLA Application	
Name/Department:	Ruth Taylor, Head Start/Early Head Start	
Agenda Item Number:	10.1B	
Background:	Each grantee, including those with EHS-CC Partnership funding, may apply for a COLA increase of 1.8 percent of the FY 2015 base funding level. COLA funds may be used to offset increased operating costs in other areas of the budget. This includes increased costs in rent, utilities, facilities maintenance and insurance, contractual arrangements, vehicle fuel, and maintenance, supplies, and equipment.	
Discussion:	Approve the Head Start/Early Head Start COLA application to offset increased operating costs.	
Goals & Budget:		
This recommendation supports CCSD goal #:	Closing the Achievement Gap	
Overall budget for implementing CCSD goal:	\$7,050.00	
Request approval for funds within that budget in the amount of \$:	N/A	Funding Source
		Head Start/Early Head Start
Resulting positive impact for students in our District will be:	Closing the Pre-School Preparation Gap thereby increasing the number of students ready to learn by the time they enter kindergarten.	
Potential impact of this decision on other budget areas will be:	None	
Future Fiscal Impact:	None	
Recommendation:	<input checked="" type="checkbox"/> Action	<input type="checkbox"/> Information
	<input checked="" type="checkbox"/> Open Session	<input type="checkbox"/> Executive Session
Draft Motion: Approve the Head Start/Early Head Start COLA application to offset increased operating costs.		
Person(s) Responsible for Implementation:	<i>Ruth B. Taylor</i>	
Superintendent's Approval:	<i>Genita Postlewait</i>	
Board Member(s) Approval:		
Attachment(s):	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No



ADMINISTRATION FOR
CHILDREN & FAMILIES

Office of Head Start | Region IV | 61 Forsyth Street, Suite 4M60, Atlanta, GA 30303 | www.eclkc.ohs.acf.hhs.gov

May 5, 2016

Cindy Bohn Coats, Charleston County School District Board Chair
CHARLESTON COUNTY SCHOOL DISTRICT (INC)
75 Calhoun St, Fl 2
Charleston, SC 29401

Re: Grant No. 04CH4625

Dear Ms. Bohn Coats:

On December 18, 2015, President Obama signed Public Law 114-113, Consolidated Appropriations Act, 2016, which contains an increase of approximately \$570 million for programs under the Head Start Act for Fiscal Year (FY) 2016. A portion of the increase provides a cost-of-living adjustment (COLA) of 1.8 percent, depending on final funding decisions, to assist grantees in increasing staff salaries and fringe benefits and offsetting higher operating costs.

Program Instruction ACF-PI-HS-16-03, dated April 27, 2016, informed Head Start and Early Head Start grantees and delegate agencies of the intended uses of these funds and announced the opportunity for grantees to apply for the funds. Please review the Program Instruction carefully to ensure your supplemental application meets the requirements for funding and contains all of the necessary information.

The following table reflects the amount of the COLA available to your organization, depending on final funding decisions, for the Head Start and/or Early Head Start programs through June 30, 2016.

Common Accounting Number (CAN)	Program	COLA Amount
G044122	Head Start	\$5,576
G044125	Early Head Start	\$1,474
TOTAL		\$7,050

Submission Requirements

The supplemental application is due May 31, 2016 and must be submitted in the Head Start Enterprise System (HSES) at <https://hses.ohs.acf.hhs.gov/hsprograms>. Please select the Financials tab, Application tab, Fiscal Year 2016 and the budget period to add the 'Supplement' amendment type. For technical assistance in preparing the application, please contact the HSES Help Desk at help@hsesinfo.org or 1-866-771-4737.

Please ensure the program narrative, budget and detailed budget justification submitted in the application documents demonstrate:

- An increase of 1.8 percent in the hourly rate of pay for each Head Start/Early Head Start employee and the pay scale subject to the provisions of Sections 653 and 640(j) of the Head Start Act;
- The rationale if employees are receiving less than the 1.8 percent COLA or differential COLA increases;
- The provision of the 1.8 percent increase to all delegate agencies and partners or justification if the full percentage is not provided to delegate agencies and partners;
- The planned uses for the balance of the COLA funds to offset higher operating costs;
- Each source of non-federal match, including the estimated amount per source and the valuation methodology; and
- A detailed justification that conforms with the criteria under Section 640(b)(1)-(5) of the Head Start Act if the application proposes a waiver of any portion of the non-federal match requirement.

Signed statements of the Governing Body and Policy Council Chairs along with Governing Body and Policy Council minutes documenting each group's participation in the development and approval of the supplemental application must be provided. The application must be submitted on behalf of the Authorizing Official registered in the HSES. **Incomplete applications will not be processed.**

Please ensure the application contains all of the required information. If you have any questions or need assistance, please contact Clarissa Simons, Head Start Program Specialist, at (404) 562-2744 or clarissa.simons@acf.hhs.gov or Antonia Astin, Grants Management Specialist, at (404) 562-2911 or antonio.astin@acf.hhs.gov. Thank you for your cooperation and timely submission of the grant application.

Sincerely,



Robert Bialas
Captain, USPHS
Regional Program Manager
Office of Head Start

cc: Ruth Taylor, Executive Director
Dena Davis, Head Start Director

**Charleston County School District
Head Start Grant Application - Baseline Budget**

Budget Category	Year 1 (FY15-16)			Total
	Head Start COLA Budget	Training & Technical Assistance	Non Federal Share (in-kind)	
OTHER				
Facility expenses that are incurred on a regular basis such as insurance, building and grounds maintenance, pest control, as well as maintenance for office equipment, vehicles, and playgrounds.	\$ 5,576.00		\$ 1,394.00	\$ 6,970.00
<i>Subtotal Other</i>	\$ 5,576.00	\$ -	\$ 1,394.00	\$ 6,970.00
TOTAL DIRECT COSTS	\$ 5,576.00	\$ -	\$ 1,394.00	\$ 6,970.00
INDIRECT COST <i>aprove restricted rate of 3.74%</i>				\$ -
TOTAL COSTS	\$ 5,576.00	\$ -	\$ 1,394.00	\$ 6,970.00

Charleston County School District
Head Start Grant Application - Baseline Budget

Year 1 (FY15-16)				
Budget Category	Early Head Start COLA Budget	Training & Technical Assistance	Non Federal Share (in-kind)	Total
OTHER				
Facility expenses that are incurred on a regular basis such as insurance, building and grounds maintenance, pest control, as well as maintenance for office equipment, vehicles, and playgrounds.	\$ 1,474.00		\$ 368.50	\$ 1,842.50
<i>Subtotal Other</i>	\$ 1,474.00	\$ -	\$ 368.50	\$ 1,842.50
TOTAL DIRECT COSTS	\$ 1,474.00	\$ -	\$ 368.50	\$ 1,842.50
<i>INDIRECT COST approved restricted rate of 3.74%</i>				
TOTAL COSTS	\$ 1,474.00	\$ -	\$ 368.50	\$ 1,842.50

BOARD AGENDA ACTION FORM

June 13, 2016 Committee Meeting

June 27, 2016 Board Meeting

Section:	Audit & Finance Committee	
Subject:	Forensic Audit – 2010 – 2016 (Phase III) Capital Projects Program	
Name/Department:	Cathleen M. Milne, Director of Internal Audit Glenn A. Stiegman Jr., Chief Financial Officer	
Agenda Item Number:	10.1C	
Background:	The Capital Construction Program is funded by a 1 Cent Sales Tax approved by referendum. Irregularities associated with the General Fund budgeting and accounting resulted in a forensic audit being performed. In exercising prudence, the Board is considering undertaking a forensic audit of the 2010-2016 Capital Program.	
Discussion:	See attached.	
Goals & Budget:		
This recommendation supports CCSD goal #:	Goals for Standard 2 and 4 – Governance & Leadership and Resources & Support Systems	
Overall budget for implementing CCSD goal:		
Request approval for funds within that budget in the amount of \$:		Funding Source
		Capital
Resulting positive impact for students in our District will be:		
Potential impact of this decision on other budget areas will be:		
Future Fiscal Impact:		
Recommendation:	<input checked="" type="checkbox"/> Action <input checked="" type="checkbox"/> Open Session	<input type="checkbox"/> Information <input type="checkbox"/> Executive Session

District management is directed to follow guidance from the Citizens Oversight Steering Committee related to timing of the agreed-upon procedures audit on the 2010-2016 Building Program. The Citizens Oversight Steering Committee is planning to engage auditors for another review of the Capital Program. The Board asks that staff review and provide to the Board the results of all previous capital program audits.

Person(s) Responsible for Implementation:	<div style="text-align: right;"><i>Cathleen M. Milne</i></div> <div>Glenn Stiegman Cathleen Milne</div>	
Superintendent's Approval:	<i>Denita Pottelwait</i>	
Board Member(s) Approval:		
Attachment(s):	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Board Action Item June 27, 2016
Forensic Audit – 2010 – 2016 (Phase III) Capital Projects Program
Discussion Attachment

Copies of prior reports issued by public accounting firms on the District's capital programs were provided to the Board on June 16, 2016. The agreed-upon procedures report issued by Elliot Davis on the 1 Cent Sales Tax Building Program is attached for reference. The fees for each of the reports were paid from capital projects funds, as detailed below.

1. Agreed-Upon Procedures Report issued by Greene, Finney, and Horton, LLP dated September 7, 2010 on the Capital Construction Projects 2005-2010; procedures through December 31, 2009. The cost of the services was \$24,704.
2. Agreed-Upon Procedures Report issued by Elliot Davis, LLC dated May 21, 2014 on the 1 Cent Sales Tax Building Program for the period of January 1, 2011 through December 31, 2013. The cost of services was \$20,000.
3. Agreed-Upon Procedures Report issued by Greene, Finney, and Horton, LLP dated December 17, 2014 on the 2005-2009 Building Program; procedures for January 1, 2010 through June 30, 2014. The cost of services was \$17,300.

The agreed-upon procedures engagements were conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.

For the 1 Cent Sales Tax Program, the agreed-upon procedures process was a method whereby a third party audit firm, Elliott Davis, conducted certain testing and analysis of the program to ensure it was carried out and executed in an effective and efficient manner. These procedures were requested by the Citizens Oversight Steering Committee.

The procedures and the associated results related to the District's 2011-2016 One Cent Sales Tax Building Program, through December 31, 2013, were enumerated in the report. In summary, the results were exemplary and revealed no exceptions.

The Committee has expressed its intention to have the agreed-upon procedures engagements completed for the program at the mid-point and upon completion of all projects. The mid-point and completion approach was implemented by the District for the 2005-2009 construction program. At direction of the Citizens Oversight Steering Committee, the process began for the 2010-2016 Building Program (Phase III). Further, the approach has been recommended by the Phase III Steering Committee to the Citizens Oversight Steering Committee II for the 2017-2022 Building Program (Phase IV).

The Citizens Oversight Steering Committee began meeting in June 2011 and has held 36 meetings since that date. The Committee follows a standard agenda that includes a financial report from PFM and a Construction Report from Jeff Borowy and Cumming. With the Committee's oversight, the District has achieved having all projects on the referendum funded, all projects-to-date completed at or below budget, and all projects-to-date completed on schedule. Currently, the total amount not encumbered is \$68.6 million, of which \$11.3 million is projects placed on hold by the board. Total program expenditures through May 31, 2016 is \$396M.

Based on the results of the Elliott Davis' testing, management's assertions that controls over program management, financial management, and construction procurement have not changed since Elliot Davis' procedures were performed, and continued oversight of the program by the Steering Committee:

District management is directed to follow guidance from the Citizens Oversight Steering Committee related to timing of the agreed-upon procedures audit on the

2010-2016 Building Program. The Citizens Oversight Steering Committee is planning to engage auditors for another review of the Capital Program. The Board asks that staff review and provide to the Board the results of all previous capital program audits

Sources:

Bret Johnson, Chair of the Citizens Oversight Steering Committee

Glenn A. Stiegman, Jr., Chief Financial Officer

Cathleen M. Milne, Director of internal Audit

BOARD AGENDA ACTION FORM

June 13, 2016 Committee Meeting

June 27, 2016 Board Meeting

Section:	Operations Committee	
Subject:	Lincoln Middle High School	
Name/Department:	Rev. Collins, Rev. Dr. Mack and Mr. Miller	
Agenda Item Number:	10.2A	
Background:	None.	
Discussion:	<p><i>(1) include Middle School as part of the 2017-2022 Capital Program Sales Tax Referendum project for Lincoln High School;</i></p> <p><i>(2) direct staff to begin the advanced design of the Middle High School;</i></p> <p><i>(3) direct staff to complete a demographic study of Districts 1 and 2 to provide the Board of Trustees recommendations for middle school of at least 500 students and a high school of at least 500 students by July 20, 2016;</i></p> <p><i>(4) direct staff to provide a recommendation for construction of a replacement for Lincoln Middle and High School in August 2016; conditioned upon the zone being defined by District 1 and District 2 Constituent Boards by July 2017. If this deadline is not met then the CCSD Board of Trustees will step in to keep the process moving.</i></p>	
Goals & Budget:		
This recommendation supports CCSD goal #:	#8 – Increase the number of students who are college, career and citizenship ready.	
Overall budget for implementing CCSD goal:		
Request approval for funds within that budget in the amount of \$:	\$200,000-\$300,000	Funding Source 2017-2022 Capital Program (Phase IV) Sales Tax Referendum initially funded with General Obligation Bond Anticipation Note (BAN)
Resulting positive impact for students in our District will be:	Provide a long-term quality learning environment for students.	
Potential impact of this decision on other budget areas will be:	None within current action items.	
Future Fiscal Impact:	None within current action items.	
Recommendation:	<input checked="" type="checkbox"/> Action <input checked="" type="checkbox"/> Open Session	<input type="checkbox"/> Information <input type="checkbox"/> Executive Session


It is hereby recommended that the Board of Trustees (1) include Middle School as part of the 2017-2022 Capital Program Sales Tax Referendum project for Lincoln High School; (2) direct staff to begin the advanced design of the Middle High School; (3) direct staff to complete a demographic study of Districts 1 and 2 to provide the Board of Trustees recommendations for middle school of at least 500 students and a high school of at least 500 students by July 20, 2016; (4) direct staff to provide a recommendation for construction of a replacement for Lincoln Middle and High School in August 2016; conditioned upon the zone being defined by District 1 and District 2 Constituent Boards by July 2017. If this deadline is not met then the CCSD Board of Trustees will step in to keep the process moving.

Person(s) Responsible for Implementation:	Jeff Borowy, Chief Operating Officer	
Superintendent's Approval:	<i>James Postlewait</i>	
Board Member(s) Approval:		
Attachment(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

BOARD AGENDA ACTION FORM

June 13, 2016 Committee Meeting

June 27, 2016 Board Meeting

Section:	Operations Committee	
Subject:	Lincoln Middle High School	
Name/Department:	Rev. Collins, Rev. Dr. Mack and Mr. Miller	
Agenda Item Number:	10.2B	
Background:	None.	
Discussion:	(Lincoln Middle High School memorabilia: To ensure its long-term protection, appropriately preserve all archives and memorabilia of Lincoln Middle High School.	
Goals & Budget:		
This recommendation supports CCSD goal #:	#8 – Increase the number of students who are college, career and citizenship ready.	
Overall budget for implementing CCSD goal:		
Request approval for funds within that budget in the amount of \$:	\$200,000-\$300,000	Funding Source 2017-2022 Capital Program (Phase IV) Sales Tax Referendum initially funded with General Obligation Bond Anticipation Note (BAN)
Resulting positive impact for students in our District will be:	Provide a long-term quality learning environment for students.	
Potential impact of this decision on other budget areas will be:	None within current action items.	
Future Fiscal Impact:	None within current action items.	
Recommendation:	<input checked="" type="checkbox"/> Action <input checked="" type="checkbox"/> Open Session	<input type="checkbox"/> Information <input type="checkbox"/> Executive Session
It is hereby recommended that the Board of Trustees direct staff to appropriately preserve all archives and memorabilia of Lincoln Middle High School.		
Person(s) Responsible for Implementation:	Jeff Borowy, Chief Operating Officer	
Superintendent's Approval:		
Board Member(s) Approval:		

Attachment(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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BOARD AGENDA ACTION FORM

6/13/16 Committee Meeting

6/27/16 Board Meeting

Section:	Operations Committee		
Subject:	SWMBE Goals		
Name/Department:	Mack, Miller & Collins		
Agenda Item Number:	10.2C		
Background:	CCSD has a goal of twenty percent for SWMBE.		
Discussion:	Typically CCSD has typically failed to meet its goal of 20% minority participation.		
Goals & Budget:			
This recommendation supports CCSD goal #:			
Overall budget for implementing CCSD goal:	No impact		
Request approval for funds within that budget in the amount of \$:		Funding Source	
Resulting positive impact for students in our District will be:			
Potential impact of this decision on other budget areas will be:			
Future Fiscal Impact:			
Recommendation:	<input checked="" type="checkbox"/> Action	<input checked="" type="checkbox"/> Information	
	<input type="checkbox"/> Open Session	<input type="checkbox"/> Executive Session	
<i>Draft motion: The Operations Committee will consider a recommendation to review and compare FY2015 to FY2016 SMWBE business plan and bring an analysis and recommendation to the board at the July 2016 Committee of the Whole meeting.</i>			
Person(s) Responsible for Implementation:			
Superintendent's Approval:			
Board Member(s) Approval:	Mack, Miller and Collins		
Attachment(s):	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	


Charleston
County SCHOOL DISTRICT

BOARD AGENDA ACTION FORM

N/A Committee Meeting

June 13, 2016 Board Meeting

Section:	Audit & Finance Committee	
Subject:	2010-2016 Capital Building Program (Phase III) – Sales Tax – LTA @ Burke Reallocation	
Name/Department:	Jeffrey T. Borowy, Chief Operating Officer	
Agenda Item Number:	10.2D	
Background:	<p>The Charleston County School District is currently in the 2010-2016 Capital Building Program (Phase III). This Building Program was funded by an approved referendum to establish the one (1) cent sales tax for a term of six (6) years.</p> <p>The master list of projects was approved at the time of the referendum. The order and sequence was approved following the referendum by the Board of Trustees.</p>	
Discussion:	<p>We have been reporting to the Charleston County School District Board of Trustees project savings in the 2010-2016 Capital Building Program (Phase III). Projects from the approved program have been substantially completed below budget, creating project savings.</p> <p>The original scope of work for Burke CTE and the LTA move to Burke has been modified considerably, and has increased in scope as well, due to unforeseen construction issues with the Culinary Arts project such as replacement of rusted floor joist underneath building, severe damage to existing cooler/freezer due to moisture infiltration over the years, removal and replacement of existing water heater/boiler due to deterioration and replacement of existing roof over the majority of this building. Also, Project Lead the Way was added to the CTE/LTA Program.</p> <p>Staff requests the Board of Trustees approve reallocation of funds as noted on Attachment 1.</p>	
Goals & Budget:	District's continued ability to support the desired level of quality and equity across the District, for everything from technology to facility conditions and furnishings and equipment.	
This recommendation supports CCSD goal #:	#8 – Increase the number of students who are college, career, and citizenship ready.	
Overall budget for implementing CCSD goal:	\$103,133,033	
Request approval for funds within that budget in the amount of \$:	\$1,300,000	<p>Funding Source</p> <p>2010-2016 Capital Building Program (Phase III) – Sales Tax, funded by the one (1) cent sales tax revenues</p>
Resulting positive impact for students in our District		

will be:		
Potential impact of this decision on other budget areas will be:	N/A	
Future Fiscal Impact:	N/A	
Recommendation:	<input checked="" type="checkbox"/> Action	<input type="checkbox"/> Information
	<input checked="" type="checkbox"/> Open Session	<input type="checkbox"/> Executive Session
Draft Motion: It is hereby recommended that the Board of Trustees receive and approve the reallocation of funds in the amount of \$1,300,000 as shown on the attached resolution.		
Person(s) Responsible for Implementation:	Jeffrey T. Borowy, Chief Operating Officer 	
Superintendent's Approval:	Gerrita Postlewait, Superintendent 	
Board Member(s) Approval:		
Attachment(s): 1- Resolution Requesting Reallocation of Funding	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

**RESOLUTION REQUESTING REALLOCATION OF FUNDING
2010-2016 CAPITAL BUILDING PROGRAM (Phase III) - SALES TAX**

2010-2016 CAPITAL BUILDING PROGRAM (Phase III)- SALES TAX - TOTAL BUDGETS AND ADJUSTMENTS				
PROJECT #	PROJECT	APPROVED BUDGET	PROPOSED BUDGET	VARIANCE
5149	ST ANDREWS MATH & SCIENCE	\$33,100,000.00	\$32,900,000.00	(\$200,000.00)
5147	LAING MIDDLE SCHOOL	\$38,021,198.00	\$37,571,198.00	(\$450,000.00)
5151	SPRINGFIELD ELEMENTARY SCHOOL	\$23,587,896.00	\$22,937,896.00	(\$650,000.00)
5159	LOWCOUNTRY TECH @ BURKE HIGH SCHOOL	\$5,000,000.00	\$5,600,000.00	\$600,000.00
	PROGRAM CONTINGENCY	\$3,423,939.00	\$4,123,939.00	\$700,000.00
	TOTAL	\$103,133,033.00	\$103,133,033.00	\$0.00

Resolved this 13th day of June 2016

By: _____
Glenn Stiegman
Chief Financial Officer
Date _____

By:  _____
Jeffrey Borowy
Chief Operating Officer
Date 6/17/2016