

APPROVED



STATE OF HAWAII
STATE PUBLIC CHARTER SCHOOL COMMISSION
(‘AHA KULA HO‘ĀMANA)

**MINUTES OF THE AUGUST 27, 2020 PERFORMANCE &
ACCOUNTABILITY COMMITTEE MEETING**
VIA ONLINE ZOOM MEETING

PRESENT

Makalapua Alencastre (Chairperson)
Jill Baldemor (Vice Chairperson) (entered at 1:01 p.m.)
Terry Holck
Cathy Ikeda
John Kim
Matthew Kodama

ALSO PRESENT

Yvonne Lau, Interim Executive Director
PJ Foehr, Interim Deputy Director
Lauren Endo, Performance/Applications & Start-up Specialist
Pua Ka'ai, School Improvement Specialist

I. Call to Order

Committee Chair Makalapua Alencastre called the meeting to order at 1:00 p.m. She went over meeting protocols and asked if any Commissioners have conflicts with the agenda items. None stated.

II. Public Testimony on all Agenda Items

No public or written testimony provided.

III. Approval of the March 12, 2020 Performance & Accountability Committee Meeting Minutes

ACTION: Motion to approve the March 12, 2020 Performance & Accountability Committee Meeting minutes (Kim/Ikeda). The motion passed unanimously.

APPROVED

IV. Update on the Charter Schools Fourth Quarter Financial Performance Report SY2019-2020

Finance & Operations Director Danny Vasconcellos provided background on the charter schools fourth quarter financial performance report for the school year 2019-2020. He noted that the information used for this report is provided by the charter schools. He added that the Commission will use audited financial information to report to the Board of Education (BOE) and Legislature which are conducted by independent auditors.

Vasconcellos referred to exhibit 1 of the submittal which provided information on the Financial Performance Framework (FPF) that is in the charter contract. He acknowledged former staff Amy Cheung and Services Specialist Scott Hall for the development of the framework. He shared the framework includes a risk model that indicates a charter school's level of risk based on its financial viability.

Vasconcellos referred to exhibit 2 which provided the financial information and risk assessment for charter schools. He thanked Accountant Sora Jin for the work in crunching the data. He stated 34 out of the 37 charter schools have been designated as either 'low' or 'acceptable' risk. He shared three are identified as 'moderate' risk. He stated the submittal included indicators or factors that could have contributed to the 'moderate' risk assessment. He gave an example of Kula Aupuni Niihau A Kahelelani Aloha (KANAKA) a New Century Public Charter School (PCS) which is one of the smaller schools and services students from Niihau which could have contributed to the smaller numbers. He shared with the other two schools, Alaka'i O Kauai Public Charter School (Alaka'i) and Kamalani Academy, they are newer schools and may not have had much time to accumulate any financial reserves to help offset any of the financial issues. He stated that staff will continue to work with the schools and wait to see the audited numbers. He noted for Alaka'i the school is going through a leadership change. He added that the Governing Board Treasurer has been involved with the school's finances.

Vasconcellos referenced exhibit 3 that contains the financial information that feeds into the framework.

Commissioner Cathy Ikeda asked if the staff is worried about the new schools not having reserves in regards to the budget cuts. Vasconcellos responded yes, staff is worried. He added that the risk assessment model is a snapshot for that year. He shared the first and possibly the second quarter financial reports may not demonstrate too much financial strain as charter schools would receive 90% of their per pupil funding. However, if there is a strain in the first or more likely the second, it will be telling on the outlook for charter schools. Interim Executive Director Yvonne Lau echoed Vasconcellos' comments. She shared that staff has been talking with the schools and urging them to be cautious and judicious in their spending. She stated the question everyone is waiting on is the per pupil funding. She shared hope that it's not too much strain on the overall system. She discussed the potential enrollment increase for public school students due to the economic situation. She reminded that the Legislature allocated funds

APPROVED

based on last year's enrollment numbers which means that funding could be 'watered down'. She stated staff will continue to monitor the enrollment numbers. She shared that the conversations with schools have been focused around expenditures. She discussed other costs associated with COVID-19 and the CARES Act funds received.

Committee Chair Alencastre asked when the financial reports are due. Vasconcellos responded November 1st. He added that the deadline for the audit reports are driven by the State's financial reporting deadlines. The audit reports are compiled into the State report. He added moving forward, it would be the Committee's prerogative to do financial monitoring if it shows any financial stress. He pointed out that with the work of the School Leads, the communication has improved.

Commissioner John Kim asked if there is any need for financial monitoring or reporting for the three schools. Vasconcellos responded that he does not believe so at this time. He shared that Alaka'i may be the one that is most concerning out of the three but reminded that there is new school leadership. He noted that he visited the school last year and had a brief conversation with the Governing Board Treasurer. He added that they are in the communication stage. Jin shared that she compared last year's audit with the current fourth quarter report and feels that it will change with the audit. She suggested waiting to decide until the audits are received.

V. Update on the Upcoming Performance Framework effective July 1, 2021

Applications & Start-up/Performance Specialist Lauren Endo provided an update on the upcoming performance framework to be effective July 1, 2021. She shared since the last meeting, the Commission staff has conducted listening sessions over three dates during the summer. She stated the purpose of the listening sessions were to hear from schools about their thoughts as it pertains to the framework both the current and moving forward. She shared the Commission's working group, composed of Commissioners Alencastre and Ikeda, helped Commission staff facilitate the feedback sessions. She discussed the structure of the sessions which included comments around the current and future framework. She stated there were 19 out of 37 charter schools that participated. She shared the one major take away shared by a number of charter schools is having a mission aligned piece within the next framework.

Endo discussed the process and timeline. She said Commission staff is in the process of creating the framework and will be bringing a draft of the framework to the Committee in November. Following that, the staff will have feedback sessions in November through December with the charter schools. She shared hope to come back to the Commission with a draft framework in January 2021. She stated in January and February Commission staff will work on individualizing contracts for each school. She noted that was also something that came out of the listening session. In March through April 2021, it will be sent to the Attorney General for review and final approval of the contract to the Commission in May 2021. She shared in June, the charter contract will be given to the charter schools.

APPROVED

Committee Chair Alencastre discussed the feedback sessions. She clarified that the contract 4.0 will be in effect July 1st for the 13 charter schools that have been renewed. Endo confirmed yes. Committee Chair Alencastre recalled a discussion needed around the stipulation and conditions of the charter schools' renewal and needing revision in terms of entering into a new contract. Endo shared that staff hopes to bring it to the Committee for further discussion on how we move forward with the conditions and renewal that are set to expire in 2021.

Committee Chair Alencastre shared major concern on the type of achievement data that will be available for this last year since there was a pause in testing. In addition, what will happen this school year. She asked what will the Commission hold the schools accountable for in this climate. She discussed the statutory obligations through Strive HI. She thanked the staff for their work and looks forward to the future meeting that will incorporate the feedback and ideas received. She added that there was a survey to collect further input and feedback. She shared importance in having opportunities at this early stage. Endo shared that Performance Specialists Haunani Bush and Martha Evans have been working hard and it has been a group effort. Evans added that they have been working hard to develop a quality product that schools and Commission will be pleased with.

VI. Presentation on the Work of the School Leads

Interim Deputy Director PJ Foehr provided an update on the work of School Leads. He provided background on the establishment of the position which was to work with governing boards and school leaders and strengthen the communication between school and office. He discussed the collaborative relationship between the Commission, school leader and governing board; support and communication; and asking hard questions that strengthen the success of a school.

Foehr provided an update on the current status of the school lead position and changes to staffing within the office. He shared the school assignments between him and Pua Ka'ai which include Ka'ai working with Title I schools. He discussed next steps and recommendations that included focusing on the governing board roles, continuing to fulfill the role of liaison between the school and Commission office, continuing to attend governing board meetings quarterly rather than monthly, and calibrating the information captured from governing board meetings.

Foehr discussed the process which included ensuring governing boards are meeting their basic responsibilities such as posting agendas and minutes, being fiscally responsible, and maintaining the executed charter contract. He stated they are exploring other materials and options to help guide schools on their choices. He shared a priority is to attend governing board meetings but that it can make for a long day depending on the schedules. He highlighted the financial challenges for schools and potential problems. He shared the more we help with understanding the roles and responsibilities the more opportunity for success and improvement in practices.

APPROVED

Foehr referenced the earlier conversation regarding the fourth quarter financial report and schools working hard to get their internal controls set. He stated the more information is gathered for best practices the more schools can be successful and meet their charter contract. He concluded that although there are no school lead positions, that they felt the work is helpful and positive to continue the relationship with governing board chairs.

Committee Chair Alencastre asked that reducing the number of schools leads to two if it's sufficient. Foehr responded that the work is important and that there are different ranges of school function. He added there are schools that may be a bit more novice and others who function well. He noted that it's challenging to attend all the meetings due to scheduling but make it work. He added that he feels it's enough and that we must also honor the budget. Ka'ai concurred with Foehr's sentiments. She shared the first 12 to 18 months provided a landscape and now believes they have a good handle on what are the areas of support. Foehr added that their intent is to help governing boards understand and identify their roles and responsibilities and relationship with the school leader. He provided an example of a person holding two roles and how staff would help guide a governing board to think about the questions to limit any impression of unethical behavior. Ka'ai added that the position has helped enhance her new work around Title I. She shared the connection with academic needs and governance.

Committee Chair Alencastre shared serving on a local board is a lot of commitment and any support that the Commission can provide is critical to their success. She asked how many Title CSI schools. Foehr and Ka'ai responded that there are 22 Title I schools and 12 are comprehensive support & improvement (CSI) and two are targeted support and improvement (TSI). Committee Chair Alencastre thanked for the update. Foehr added that they will keep the Committee updated and to reach out if there are any more questions.

VII. Adjournment

Committee Chair Alencastre adjourned the meeting at 1:50 p.m.