NEIL ABERCROMBIE
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STATE PUBLIC CHARTER SCHOOL COMMISSION
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RECOMMENDATION SUBMITTAL

DATE: April 24, 2014

TO: Mitch D'Olier, Chairperson
Applications Committee

FROM: Tom Hutton, Executive Director

AGENDA ITEM: Action on Charter School Application for Hawaii Arts Repertoire & Tech (HART)

I. DESCRIPTION

That the Committee recommend that the Commission deny Hawaii Arts Repertoire & Tech's (HART) ("HART") 2013 charter school application.

II. AUTHORITY

Charter School Applications: Pursuant to §302D-5(a), Hawaii Revised Statutes, "[a]uthorizers are responsible for executing the following essential powers and duties: . . . (1) Soliciting and evaluating charter applications; (2) Approving quality charter applications that meet identified educational needs and promote a diversity of educational choices; [and] (3) Declining to approve weak or inadequate charter applications[.]"

III. APPLICANT PROFILE

Proposed School Name: Hawaii Arts Repertoire & Tech's (HART)

Mission: The mission of Hawaii Arts Repertoire & Tech (HART) is to facilitate delight-driven learning for students of Hawaii by engaging them creatively through art and technology to change their communities and the world.

Vision: The vision of HART is to empower students in the ownership of their education in an ever-changing world.

Geographical Area: West side of Hawaii Island, central to North and South Kona

Program Synopsis: HART identifies its school model as specializing in arts, blended learning, career and technical education, and virtual or virtual hybrid. Most students will participate in the blended learning program, reporting to campus at least once a week, while a small group of students will participate in a virtual program, completing the majority of work off campus. HART will us an online curriculum that is adaptable to special needs students and includes a focus on the arts.

Enrollment Summary

Grade Level	Number of Students					
	Year 1 2015	Year 2 2016	Year 3 2017	Year 4 2018	Year 5 2019	Capacity 2020
K	-	-	-	-	-	-
1	-	-	-	-	-	-
2	-	-	-	-	-	-
3	-	-	-	-	-	-
4	-	-	-	-	-	-
5	-	-	-	-	-	-
6	50	40	30	30	30	30
7	30	50	40	30	30	30
8	20	30	50	40	30	30
9	50	30	30	50	50	50
10	20	50	30	30	50	50
11	0	20	50	30	30	30
12	0	0	20	50	30	30
Virtual	30	30	30	30	50	50
Totals	**200**	**250**	**280**	**280**	**300**	**300**

IV. BACKGROUND

On January 6, 2014, the nonprofit organization HART Friends submitted a charter application for the proposed charter school HART. The Evaluation Team assigned to the HART application was comprised of Doug Muraoka, Nikki Trautman Baszynski, Ray L'Hereux, Leila Shar, and Danny Vasconcellos. In conjunction with the application, the Evaluation Team reviewed the applicant's responses to the Request for Clarification and interviewed applicant group members. The applicant submitted a corrected Financial Plan Workbook as part of its response to the Request for Clarification because the applicant's original submission modified the Financial Plan Workbook template, which is not allowable. The applicant group members that attended the interview were Dana Chisholm, Denise McAndrews, Laura Owens, LaWana Richmond, and Christine Sommer.

After evaluating the information presented in the application, Request for Clarification response, and capacity interview, the Evaluation Team published its Recommendation Report. The applicant exercised its option to write a response to the Recommendation Report, and the Evaluation Team

drafted a rebuttal to that response. The Recommendation Report (**Exhibit A**), Applicant Response (**Exhibit B**), and Evaluation Team Rebuttal (**Exhibit C**) make up the Recommendation Packet.

In addition, the Commission held a public hearing on the application on March 13, 2014. Two concerned individuals submitted written testimony in support of HART, and two others provided oral testimony in support of HART.

Recommendation Report.

The Evaluation Team recommends that the application for HART be denied. The Recommendation Report states that the academic plan, organizational plan, financial plan, and evidence of capacity do not meet the standard of approval and concludes that sections of the application are "not fully developed or aligned to reflect a comprehensive plan for a viable school."

The report notes that the application does not adequately explain how the arts, a major component of the curriculum, will be delivered and that the application suggests a heavy reliance on volunteers and field experts to deliver this component. Other key concerns about the academic plan include:

- The feasibility of the online component of the program in a population with a high percentage of economically disadvantaged students, many without home internet access;
- Supports for special education students and adaptability of the online curriculum; and
- The role of educational aides as it relates to the student-teacher ratio and the academic plan.

The report's concerns regarding the organizational plan are in large part due to the absence of a plan to renovate the proposed facility to be compliance with building codes. Other key concerns about the organizational plan include:

- The absence of a plan to install an adequate technology infrastructure needed for the proposed curriculum;
- The lack of financial and business expertise on the proposed governing board; and
- An unclear understanding on the applicant's part of the lines of authority between the school, its governing board, and the Commission.

The report states that the budget lacks key expenses and includes a number of unrealistic assumptions. Other key concerns about the financial plan include:

- A heavy reliance on volunteers and donations without evidence of successful fundraising;
- A failure to budget for the necessary technology expenses that the proposed curriculum requires the renovation expenses needed to bring the proposed facility into compliance with building codes; and
- An absence of an adequate contingency plan in the event enrollment figures fall short of projections.

The report states a number of areas in which the applicant lacks capacity, including:

- Finance, which is limited to "accounting and day-to-day experience;"
- Facilities planning, especially with the lack of a plan to renovate the proposed facility;

- Technology infrastructure, especially since the applicant did not provide an adequate solution for economically disadvantage students that may not have internet access at home; and
- The proposed school director's lack of experience in the K-12 setting.

Applicant Response.

The applicant's response to the Recommendation Report attempts to clarify the key concerns brought forth in the report.

In regard to the academic plan concerns, the response:

- Disputes that the arts component of the curriculum will be delivered by volunteers and states that art elective courses will be provided and developed by credentialed teachers;
- Notes that the application budgets for Wi-Fi on campus and proposes to allow students to take technology devices home, thus enabling them to download coursework on campus and bring it home, diminishing the need for home internet access;
- Notes that "credentialed teachers will employ strategies consistent with students' [Individualized Education Plans ("IEP")] and 504 [plans] to differentiate instruction and maintain accommodations," and "specific strategies on how teachers will adjust curriculum for special needs students are listed [in the application, which] states that teachers will employ other strategies as needed to accommodate the IEP or 504 plan;" and
- Refutes that the application proposes to hire educational aides to justify HART's student-teacher ratio.

In regard to the organizational plan concerns, the response:

- Notes that the proposed facility that the Recommendation Report finds does not have not a renovation plan associated with it is not the only option for HART and that a "back-up plan B" facility on a college campus would not require renovations;
- Acknowledges an oversight regarding some technology infrastructure, specifically a server, that is needed, but notes that on-campus Wi-Fi is included in the plan via the budget;
- Highlights the business and financial experience of the governing board treasurer; and
- Acknowledges errors within the application's proposed complaint procedures, which the Recommendation Report uses as an example of the applicant's lack of understanding of authority within the charter school system, and provides corrections to those errors.

The response notes that the financial plan concerns "can be addressed by the contingencies stated within [the] application," which include:

- The grant writing experience of applicant group members;
- Staggered hiring of staff, as funds become available;
- Staggered hiring of teachers, as enrollment numbers accrue;
- Financial support garnered so far for HART;
- Budgeting for Wi-Fi installation and monthly fees;
- Budgeting for furniture; and
- Basing revenue on 90% of enrollment projections while expenses are based on 100% of enrollment projections.

In regard to the capacity concerns, the response:

- Notes the business and financial experience of the governing board treasurer;
- Notes that a technology advisory team is in place; and
- Notes the proposed school director's experience in the K-12 setting.

Evaluation Team Rebuttal.

The Evaluation Team's rebuttal attempts to address points raised in the applicant's response.

In regard to the applicant's response to the academic plan concerns, the rebuttal:

- Maintains there is no evidence in the application that the arts are essential to the proposed curriculum and philosophy;
- Maintains that the applicant did not offer a viable alternative for disadvantaged students without home internet access;
- Acknowledges that the application describes teacher credentialing and training and the adaptability of technology to special needs students but maintains that the applicant has not adequately connected the two by describing how the teachers determine the appropriate accommodations for special needs students; and
- Acknowledges that the application does not, in fact, propose to hire educational aides to justify HART's student-teacher ratio.

In regard to the applicant's response to the organizational plan concerns, the rebuttal notes that the corrections to the applicant's complaint procedures are new information that was not available to the Evaluation Team and thus cannot be considered.

In regard to the applicant's response to the financial plan concerns, the rebuttal:

- Maintains that the absence of a facilities budget for physical and technology infrastructure upgrades is a major weakness of the application; and
- Maintains that the contingency plan for an enrollment shortfall is inadequate, as it does not quantify savings, thus making it impossible for the Evaluation Team to assess.

In regard to the applicant's response to the capacity concerns, the rebuttal:

- Notes that even though the applicant may now have a technology advisory team is in place to address technology infrastructure questions, the application was developed without the appropriate technology expertise and guidance; and
- Maintains there are still questions about the proposed school director's "familiarity with elementary and secondary students in the K-12 setting and knowledge of the complex educational system in Hawaii."

V. DECISION MAKING STATEMENT

Introduction.

Scope of Commissioner Review.
Applicants were advised at the beginning of the application process that the application should be a complete and accurate depiction of their proposed plan; no new information would be accepted at later stages in the application process. Responses to Requests for Clarification and answers given during the capacity interview needed to be clarifications, not new information. This is done because if applicants are constantly making significant changes to their plan during the application process, it makes it difficult for Evaluation Teams to provide a holistic review of the applicant's overall plan. The Request for Applications states that the Commission will not consider new information in making its decision. As such, Commissioners should not consider new information that was not originally a part of the application in their review and decision-making. New information is specifically flagged in the Evaluation Team Rebuttal and, where relevant, is noted in this submittal.

Staff Recommendation Focuses on Key Points.
While the Recommendation Report, Applicant Response, and Evaluation Team Rebuttal cover a variety of issues, staff has attempted to focus on the few issues that appear to be the most significant and would have the biggest impact an applicant's ability to successfully start and operate a high-quality charter school. The omission of an issue from this review is not meant to indicate that the staff believes that the issue was resolved one way or another, only that it is not a major point of contention or is not a critical point that warrants further analysis here. For each key point staff reaches a conclusion for the Committee's and Commission's consideration, but at a minimum the inclusion of these points in this submittal are intended to draw out the key points for an approval or denial of the application.

The facility plan is unclear and facility renovations are unrealistic and applicant's capacity in this area is questionable.
The facility plan is unclear, in large part because the applicant describes two facilities, a warehouse and a "Plan B" facility located on a college campus, but it is unclear which one the applicant is referencing in its budget. At times it appears to be both. Applicant does not allocate any money for renovations at the Plan B location because it has previously been used as a school. It is not reasonable to rely on the past use alone as an indication of full compliance with all building and zoning requirements. In staff's experience, it is highly unlikely that the school will not have to do any renovations, even if the site was previously used as a school. Applicant made similar statements about the minimal cost of renovating the warehouse to make it appropriate for use as a school. Applicant's statements about both of the facility options, minimizing or completely disregarding the need for renovations, even after flagged by the Evaluation Team, calls into question the applicant's capacity.

Applicant's capacity for technology and technology infrastructure is questionable.
Applicant's initial statements about not needing servers or other technology infrastructure suggests a lack of capacity in this area. Lack of capacity in the area of technology and the infrastructure needed to implement the plan is important for this application because technology is such a significant part of the school's proposed plan. Applicant acknowledges its error regarding servers and in its response notes that it has a technology advisory team in place with individuals that bring high-quality technical support and that the applicant will increasingly rely on them for technical

infrastructure decisions. It appears that these individuals were already in place on the advisory board at the time the application was submitted. Applicant's response states that it "acknowledges its oversight not to have previously consulted with its technology advisors regarding the use of a server." That this was an oversight is perhaps no more comforting.

Applicant's budget fails to include significant costs relating to facilities and technology infrastructure or a contingency plan.
Applicant did not allocate funds to renovation of its facility because applicant either assumed that the Plan B facility would not require any renovations or that the minimal money, time, and material necessary to renovate the warehouse would be donated. Applicant also failed to budget for servers and any associated infrastructure installation under the mistaken belief that servers would not be required if the school used cloud technology. Also, applicant did not include an adequate contingency plan if its enrollment projections were not met.

Although the applicant based its budget on 90% of the per pupil allocation, this is not enough of a contingency plan. Facility renovations and technology infrastructure are big ticket items that can easily consume a large part of a school's budget. By not including these items, applicant has created the very real possibility of a deficit at the end of year zero. Applicant's response points to its fundraising ability, which it says has allowed it to raise close to $10,000 in three months. Applicant does not specify how this money was raised or whether there are any restrictions on these funds.

Applicant's overall capacity is questionable.
Applicant's demonstrated capacity, especially in facilities, finance, and technology, call in into question the applicant's overall capacity and ability to successfully open a high-performing charter school with the described curriculum. Although, not specifically mentioned in this section, the Evaluation Team had also expressed concerns with the implementation of the academic plan. Staff did not go into an in-depth discussion of this because the issues relating to the other areas were significant enough to endanger the overall feasibility of the proposed school plan.

Conclusion.

In conclusion, the applicant has demonstrated a lack of capacity that is especially evident in the areas of facilities, finance, and technology by providing plans that are not feasible or properly funded. Therefore, staff recommends denial of this application.

Applicant has presented an interesting idea that proposes to integrate arts and technology, something unique in the Kona area, and a compelling plan for developing this arts curriculum. Applicant has also shown that it can successfully garner community support for its proposal. Staff is looking forward to reviewing a fully developed, implementable plan in the future and thanks the applicant team for its dedication and for sharing its innovative ideas.

VI. RECOMMENDATION

Motion to the Commission:

"Moved to recommend that the Commission deny Hawaii Arts Repertoire & Tech's (HART) 2013 charter school application."

Exhibit A

Recommendation Report for HART

State Public Charter School Commission
2013 Recommendation Report

Charter Application for
Hawaii Arts Repertoire & Tech (HART)

Submitted by
HART Friends

Evaluation Team
Team Lead: Doug Muraoka
Evaluators: Nikki Trautman Baszynski
Ray L'Heureux
Leila Shar
Danny Vasconcellos

Introduction

In 2012, the Hawaii State Legislature passed Act 130, replacing the state's previous charter school law, Hawaii Revised Statutes ("HRS") Chapter 302B, with our new law, codified as HRS Chapter 302D. Act 130 instituted a rigorous, transparent accountability system that at the same time honors the autonomy and local decision-making of Hawaii's charter schools. The law created the State Public Charter School Commission ("Commission"), assigned it statewide chartering jurisdiction and authority, and directed it to enter into State Public Charter School Contracts ("Charter Contract") with every existing charter school and every newly approved charter school applicant.

The 2013 Request for Applications and the resulting evaluation process are rigorous, thorough, transparent, and demanding. The process is meant to ensure that charter school operators possess the capacity to implement sound strategies, practices, and methodologies. Successful applicants will clearly demonstrate high levels of expertise in the areas of education, school finance, administration, and management as well as high expectations for excellence in professional standards and student achievement.

Evaluation Process

The Commission has worked with the National Association of Charter School Authorizers ("NACSA") to develop the new charter school application evaluation process. NACSA provided its advice and expertise in creating standardized evaluation forms, providing evaluator training, and assisting with the assembly of the evaluation teams to help ensure that the Commission implements the national best practices, policies, and standards needed to authorize high-performing charter schools. The highlights of the process are as follows:

Proposal Evaluation. The evaluation teams conducted individual and group assessments of completed applications. The Commission's Operations staff conducted a completeness check to ensure evaluation teams only reviewed complete submissions.

Request for Clarification. After the initial review, the evaluation teams identified any areas of the application that required clarification. Applicants had the opportunity to respond to the evaluation teams' Request for Clarification in writing to address these issues.

External Financial Review. An external review by Charter School Business Management Inc. was conducted to answer several critical questions relating to the financial information submitted by applicants. Evaluation teams could consider these reviews when drafting their evaluation.

Capacity Interview. After reviewing each response to the Request for Clarification, the evaluation teams conducted an in-person or virtual assessment of the applicant's capacity.

Consensus Judgment. The evaluation teams came to consensus regarding whether to recommend the application for approval or denial.

The duty of the evaluation teams is to recommend approval or denial of each application based on its merits. The Commission's Operations staff is charged with reviewing this recommendation report, the testimony at public hearings, and other information obtained during the application process in making their final recommendation to the Commission. The authority and responsibility to decide whether to approve or deny each application rests with the Commissioners.

Report Contents

This Recommendation Report includes the following:

Proposal Overview
Basic information about the proposed school as presented in the application.

Recommendation
An overall judgment regarding whether the proposal meets the criteria for approval.

Evaluation
Analysis of the proposal based on four primary areas of plan development and the capacity of the applicant to execute the plan as presented:

1. Academic Plan
2. Organizational Plan
3. Financial Plan
4. Evidence of Capacity

Rating Characteristics

Rating	Characteristics
Meets the Standard	The response reflects a thorough understanding of key issues. It addresses the topic with specific and accurate information that shows thorough preparation; presents a clear, realistic picture of how the school expects to operate; and inspires confidence in the applicant's capacity to carry out the plan effectively.
Does Not Meet the Standard	The response meets the criteria in some respects but has substantial gaps, lacks detail and/or requires additional information in one or more areas.
Falls Far Below the Standard	The response is wholly undeveloped or significantly incomplete; demonstrates lack of preparation; or otherwise raises substantial concerns about the viability of the plan or the applicant's ability to carry it out.

Proposal Overview

Proposed School Name
Hawaii Arts Repertoire & Tech (HART)

Applicant Name
HART Friends

Mission and Vision

Mission: The mission of Hawaii Arts Repertoire & Tech (HART) is to facilitate delight-driven learning for students of Hawaii by engaging them creatively through art and technology to change their communities and the world.

Vision: The vision of HART is to empower students in the ownership of their education in an ever-changing world.

Geographical Area
West side of Hawaii Island, central to North and South Kona

Enrollment Summary

Grade Level	Number of Students					
	Year 1 2015	Year 2 2016	Year 3 2017	Year 4 2018	Year 5 2019	Capacity 2020
K	-	-	-	-	-	-
1	-	-	-	-	-	-
2	-	-	-	-	-	-
3	-	-	-	-	-	-
4	-	-	-	-	-	-
5	-	-	-	-	-	-
6	50	40	30	30	30	30
7	30	50	40	30	30	30
8	20	30	50	40	30	30
9	50	30	30	50	50	50
10	20	50	30	30	50	50
11	0	20	50	30	30	30
12	0	0	20	50	30	30
Virtual	30	30	30	30	50	50
Totals	**200**	**250**	**280**	**280**	**300**	**300**

Executive Summary

Hawaii Arts Repertoire & Tech (HART)

Recommendation

Deny

Summary Analysis

While HART Friends has assembled a team of inspired and dedicated people, the application for the Hawaii Arts Repertoire & Tech ("HART") does not meet the criteria for approval because sections of the proposal are not fully developed or aligned to reflect a comprehensive plan for a viable school.

While the proposed school concept has potential and the community appears to be very supportive of a new charter school, more work is needed to either fully develop or implement the academic, organizational, and financial plans. The school proposes using a sophisticated Flex Blended Learning model (which is online learning with some face-to-face time with a teacher at a "brick and mortar" campus) however, a more developed, comprehensive, and cohesive implementation plan for the academic plan is needed. In particular, addressing how the school will effectively deliver a quality arts curriculum without relying primarily on volunteers to deliver the curriculum. Also, it is not reasonable to expect delivery of the intended online curriculum solely by offering "cloud" technology as stated by the applicant. The organizational plan does not include a fully developed plan for governance that demonstrates that the board would be able to provide effective financial oversight. The budget lacks key expenses (like money for servers and upgrading the facility for the necessary technology) that would be essential to successfully implement a Flex Blended Learning approach and also includes a number of unrealistic expense assumptions. The absence of a plan and budget to renovate the facility to make it compliant and suitable for educating children was a major concern for the evaluators.

The evaluation team commends the effort of HART Friends for their attempt at improving education in Hawaii. A comprehensive arts curriculum would be a unique offering in the Kona area.

Summary of Section Ratings

Opening and maintaining a successful, high-performing charter school depends on having a complete, coherent plan and identifying highly capable individuals to execute that plan. It is not an endeavor for which strengths in some areas can compensate for material weakness in others.

Therefore, in order to receive a recommendation for approval, the application must Meet the Standard in all areas.

Academic Plan	Financial Plan
Does Not Meet the Standard	**Does Not Meet the Standard**
Organizational Plan	Evidence of Capacity
Does Not Meet the Standard	**Does Not Meet the Standard**

Academic Plan

Hawaii Arts Repertoire & Tech (HART)

Rating

Does Not Meet the Standard

Plan Summary

Most of the students will participate in a Flex Blended Learning environment which requires that each student report to the facility at least one hour per week. A small group of students is will be designated "virtual students" where a majority of their work is completed off campus. Each student will be given Individual Learning Plans specifying their pace and order of his/her coursework. The delivery of the online element will be offered by the Edmentum and Apex learning programs, online curriculum that allows for modification to for students with special needs. Included in the virtual and Flex Blended Learning environment is a focus on the arts which will include drama, film making, music, performing arts, digital media and technology, as well as an offering of foreign languages. The applicant intends to maintain a 20:1 student to teacher ratio in an area with a high number of economically disadvantaged students.

Analysis

The academic plan does not meet the standard for approval because essential components, like delivery of major areas of curriculum, serving economically disadvantaged and special needs students, and staffing are undeveloped or unclear. Arts are intended to be a major component of the proposed school's curriculum, however, the applicant has not adequately explained how this component will be delivered. The application suggests that the plan is to leave teachers to their own devices to deliver the arts component and to use volunteers and field experts to deliver the content, but how this relates to the overall academic plan of the school remains unclear.

The Evaluation Team is not confident of the feasibility of the Flex Blended Learning program for the intended population of 57%-70% economically disadvantaged students, many who may not have adequate internet access at home. Applicant was unable to adequately address this issue in the applicant and in the capacity interview. Additionally, it remains unclear how all special education students will be supported in this learning environment. While the online curriculum purports to be adaptable for students with special needs, applicant was unable to clearly communicate to the Evaluation Team how the differentiation of the curriculum takes place and how the teacher maintains the accommodations of Flex Blended Program's Individual Learning Plans as well as 504 plans and Individual Education Plans for students with special needs.

The application stated that the proposed school would maintain a 1:20 student-teacher ratio but, the staffing plan and budget within the application indicate a 1:40 student-teacher ratio. The applicant clarified that they would hire educational aides to justify the 1:20 ratio. However, the role of these aides and how they fit into the academic plan of the proposed school was never fully explained.

Organizational Plan

Hawaii Arts Repertoire & Tech (HART)

Rating

Does Not Meet the Standard

Plan Summary

Applicant proposes having a governing board of seven members comprised of varying skills and backgrounds. The governing board was selected for their experience in budget management, school development, grant writing, and fundraising. Applicant anticipates that six of the current board members will transition to the school's permanent governing board. This governing board will meet monthly. The ideal facility space described in the application is a 4,000-5,000 square foot warehouse.

Analysis

The organizational plan does not meet the standard for approval due to an absence of adequate planning surrounding facility compliance renovation, installation of adequate technology infrastructure, a lack of financial and business capacity, and confusion regarding lines of authority.

Of primary concern was the absence of a plan renovating its proposed facility to comply with building standards to house children for educational purposes or considered this necessary. Applicant appears to be under the impression that a warehouse that was not previously used for an educational purposes would not need any renovations to bring it into compliance, which is implausible.

Another concern was the applicant's intent use curriculum that relies heavily on technology, but an absence of any plan to install adequate technology infrastructure. The applicant intends to create their online environment in a "cloud" based environment, but does not consider any minimum requirements, such as the set-up of a stable broadband infrastructure, the use of a server, switches, and WiFi to support the Learning Center. The applicant contends that the only infrastructure necessary for the Learning Center are power cords to charge the tablets that students will use.

Another concern is the lack of financial and business expertise. While there is one governing board member with financial experience, the applicant's financial experience is sparse, with only limited accounting and day-to-day experience. This lack of experience was acknowledged by the governing board, and there is an attempt to address this shortfall by consulting with Laura Brown, a private accountant. However, Laura Brown is not listed as a key member of the applicant group and her intended contribution to the applicant group is not clearly stated. Because applicant does not intend to hire a business manager that could provide the necessary capacity until July 2015, the month when the proposed school would open its doors the applicant would not have adequate financial or business experience during the crucial start-up period.

HART submitted complaints procedures which name the State Department of Education as the final adjudicating body for due process rather than the school's governing board, and in extreme cases, the State Public Charter School Commission. This inaccurate statement raises questions regarding the applicant's understanding of lines of authority within the charter school system in Hawaii. In addition, the applicant's student conduct and discipline policy adopts Hawaii Administrative Rules, Title 8, Chapter 19, in its entirety, without adapting the procedures to recognize the role of the school and its governing board. Both policies raise questions regarding the applicant's understanding of the authority and responsibilities of the school, its governing board, and the State Public Charter School Commission.

Financial Plan

Hawaii Arts Repertoire & Tech (HART)

Rating

Does Not Meet the Standard

Plan Summary

The applicant's proposed budget is based on 90% of the per pupil allocation should the school's intended enrollment not be met. The applicant intends to submit to several grant applications and apply for the Federal Charter School grant to cover $100,000 of its budget in year 1. The school is in the process of raising funds by way of individual donations and an online Rocket Hub campaign. Current fundraising efforts have raised approximately $7,000.

The applicant states that the ideal facility space as presented in the application is a warehouse of 4000-5000 square feet in size. The applicant has budgeted only for salaries in its startup year. No monies have been budgeted for rent, renovations, and infrastructure needed in the pre-opening phase. The year 1 budget includes costs for rent, equipment, and maintenance, but does not include infrastructure and renovations, including money to pay for construction of its Learning Center, an area central to the proposed school that is intended to accommodate 200 individual student learning centers and which is modeled after the Carpe Diem School in Arizona.

Analysis

The financial plan does not meet the standard for approval because the budget does not include items, with significant associated costs (such as facility renovation and technology infrastructure), relies heavily upon volunteers and donation (but does not provide evidence of successful fundraising), and fails to provide a contingency plan if enrollment figures fall short of its projections. While funding is a concern for all charter schools, the application significantly underestimates the amount of money needed to open a school. The applicant has not allocated any money to renovate the proposed facility to meet building code requirements, which will be necessary because the applicant is proposing to use a warehouse as a facility.

The applicant purports that its Learning Center will be built primarily by donation of materials, time, and labor. If however, the applicant intends to build anything similar to the Carpe Diem School, as proposed, a considerable amount of materials, time, and labor will need to be donated, which is unlikely, as applicant has failed to provide convincing evidence that it would be able to amass substantial donations.

The applicant stated it intends to rely on cloud technology alone to meet its technology infrastructure needs; however, this is not practical as physical hardware and software (as described in the Organizational Section) will be needed, especially due to the proposed school's heavy reliance on technology as the primary means to deliver its curriculum. Applicant has failed to budget for any of these expenses beyond power cords to charge tablets.

In addition to the budget underestimations and heavy reliance on volunteerism and in-kind donations described above, the applicant failed to provide an adequate contingency plan should enrollment figures fall short of its projection.

Evidence of Capacity

Hawaii Arts Repertoire & Tech (HART)

Rating

Does Not Meet the Standard

Plan Summary

During the Start-Up period Chris Sommer will serve as director of curriculum; Dana Chisholm will serve as grant writer and board developer/trainer; Karen Cochrane will serve as facilities leader along with Denise McAndrews; Laura Owens will serve as the parent and volunteer advisor and governing board secretary; and LaWana Richmond will continue to serve as the financial advisor and governing board treasurer. Upon opening of the school, Denise McAndrews will serve as the executive director.

Ms. Chisholm is the founding president for her own family foundation and also has an international teaching background. Ms. Sommer is a former Principal in the Valley Center-Pauma Unified School District. Ms. Richmond has extensive experience as a Business Analyst. Ms. Cochrane has an extensive background in child services, and Ms. McAndrews has extensive experience in adult education and youth services.

No governing board member or outside source has been identified to set up and manage the technical infrastructure of the online school. Though interim financial advisors have been named in the application, a permanent business manager will not be hired until 2015.

Analysis

The capacity of the applicant does not meet the standard for approval because of clear capacity deficiencies in finances, facilities planning, technology infrastructure, and the proposed school director's lack of experience in the K-12 setting.

The applicant failed to provide a plan for renovating the facility so that it would meet educational building code requirements or a plan for providing for adequate technology infrastructure. The application indicated that it would encourage students to use the free WiFi being developed in the surrounding rural area, but the Evaluation Team believes that this is not a reliable solution for families who lack internet access in their homes. With a demographic that has a high percentage of economically disadvantaged students, the absence of internet access at home is a real possibility that the applicant has not provided an adequate solution for.

In addition to the failure to provide a plan for facility renovations or technology infrastructure, the applicant either failed to budget or significantly under budgeted for these items. Because the Flex Blended Learning program relies heavily on technology, which has not been adequately planned or budgeted for, the Evaluation Team has serious concerns about the capacity of the applicant and its ability to successfully implement the curriculum delivery method it has proposed.

Another concern is that the proposed school director has no experience in the K-12 setting and no plan or intention to get the relevant experience. The proposed school director's experience is predominantly in the areas of adult education and consultation in the areas of career and technical education and managing a diploma program for students in independent study courses.

Evaluator Biographies

Doug Muraoka
Mr. Muraoka is the Commission's Academic Performance Manager. He has extensive experience with educational data and professional development in assessment data analysis. He has several years of experience as a high school teacher and also served as an academic advisor for Hawaii Pacific University. He co-authored a publication on social studies and physical education and has been a guest speaker at numerous engagements. He holds a Master of Education, Curriculum, and Instruction from the University of Nevada Las Vegas.

Nikki Trautman Baszynski
Ms. Baszynski is currently working as an attorney as the first Greif Fellow, a fellowship created to fight juvenile human trafficking. Previously she was a founding teacher at the Columbus Collegiate Academy, one of the highest-performing charter schools in Columbus, Ohio, and worked as the school's Strategic Development Coordinator. She has experience as a teacher with Teach for America and has been presented with numerous awards, both during law school and her teaching career.

Ray L'Heureux
Mr. L'Heureux is currently the Assistant Superintendent of the Office of School Facilities and Support Services at the Hawaii Department of Education. He has a 30-year military career with numerous executive positions in strategic and management operations with the United States Pacific Command and Marine Corps. These positions include Special Envoy for the Commanding General Joint POW/MIA at Hickam Air Force Base, Marine Forces Pacific Chief of Staff, and Marine Helicopter Squadron One HMX-1 Commanding Officer (a position which allowed him to personally fly two United States Presidents). He holds an Executive Master of Business Administration from the University of Virginia.

Leila Shar
Ms. Shar is the Commission's Financial Performance Manager. She has over 20 years of experience in financial and operations management, including holding the position of Chief Financial Officer of the Queen's Development Corporation, a subsidiary of the Queen's Health System. In addition to overseeing financial operations, she has developed strategic plans for large Hawaii corporations and managed three large physician office buildings, with responsibilities ranging from oversight of renovations to leasing. She holds a Master in Business from the University of Michigan.

Danny Vasconcellos
Mr. Vasconcellos is the Commission's Organizational Performance Specialist. He previously worked at the State Office of the Auditor as an Analyst where he worked on or lead projects (such as the audit of Hawaii's charter schools and a study of the Hawaii Teacher Standards Board) where he analyzed agency effectiveness and efficiency and identified internal control weaknesses. He also served as a researcher for the Hawaii State Legislature's House Finance Committee and has extensive knowledge of Hawaii's legislative process and funding. He holds a Master of Public Administration from the University of Hawaii at Manoa.

Charter School Business Management Inc. (External Financial Review)
CSBM is a firm experienced and focused on financial and organizational consultancy for charter schools. It is based in New York and has extensive nationwide charter school experience.

Exhibit B

Applicant Response for HART

79-7266 Mamalahoa Hwy, Suite 8, Kealakekua, HI 96750 * 760-715-2370 * NewHawaiiCharterSchool@gmail.com * HawaiiCharterSchool.blogspot.com

April 4, 2014

State Public Charter School Commission
1111 Bishop Street, Suite 516
Honolulu, HI 96813

Dear Evaluation Team Members,

Re: Recommendation Report for Hawaii Arts Repertoire & Tech (HART)

The HART Team wishes to express their heartfelt gratitude to their evaluation team members for their time and commitment to advancing new ideas in education that support student learning. We especially appreciate your time helping the HART team enhance its ability to open a successful charter school to serve the needs of the many students of the Big Island who await a new arts and technology themed school option. We hope by submitting this response, we will continue to work towards the direction of the needs of the Commission in its goal of authorizing high-quality schools. Thank you in advance for reading our comments.

Summary Analysis

The school proposes a sophisticated Flex Blended Learning model of education which is by nature somewhat difficult to grasp and explain. The development team has spent the last nine months attempting to articulate the plan as well as listen to the needs of the community, being reflexive to both. It has been our intent to provide the Commission with an understanding of the plan while at the same time leaving room for contingencies. We hope this response helps clarify some of the misunderstandings and shed more light on our application.

First, the school intends to deliver a high-quality arts program which must be developed over a period of time. It is the intent to provide all of the basics required for a high-quality core education from "day one" of the school. However, the school has budgeted for and talked about both its arts and media pathway build-out. As such, the development team is puzzled as to how the concept of a volunteer arts program became about in the eyes of the evaluators. We address this issue in sections of this letter.

The second large concern is that of the Wi-Fi. The development team made the assumption that the evaluators were aware that Wi-Fi would be available on campus for all students and that most students (all but about 30) will be on campus most of the time. Wi-Fi is listed in the HART budget and HART has always recognized it as a critical necessity to our cloud-based system. This is also discussed at great length below.

HART acknowledges its oversight not to have previously consulted with its technology advisors regarding the use of a server but rather the team assumed having its programs based "in the cloud" meant there was no need for a server.

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The third large concern is surrounding the issue of the "ideal" facility. The development team believes there was a "disconnect" when discussing the "ideal" with the Evaluation Team and developers should have clarified its intention for our "Plan B" facility as described in the application in the event that the "ideal" is not available or useable in its existing state. Details of this discussion are below and pertinent pages of the application are referenced.

The development team realizes that Commission staff and the other evaluation team members have several responsibilities, including that of managing the affairs as authorizer of over thirty charter schools in the state of Hawaii, in addition to evaluating proposals. We appreciate your time and consideration of our work which is meant to be philanthropic in every sense of the word. We have logged countless donated hours and resources to this endeavor and truly wish to see it succeed. Therefore, we wish to thank you in advance for this helpful process.

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Academic Plan Analysis

THE ARTS

Arts are intended to be a major component of the proposed school's curriculum. As such, HART students will experience a menu of art elective courses provided by HART credentialed teachers. As stated on page 20, paragraph 1 of the application, a variety of elective courses will be offered such as Drama, and Music. Page 10, paragraph 4 of the application states HART elective courses are Career and Technical Education pathway courses in Arts and Communication. Page 10, paragraph 5 of the application refers to a curriculum chart of courses and career sectors which have been developed; will continue to be refined; and more that will be developed by staff and advisors in the start-up phase and through year three. It is also stated that Chris Sommer will oversee curriculum development, as well as other Board members, during year zero.

When referencing the chart on page 11, one can see the pathways of the Visual and Performing Arts as well as the Media and Technology sectors. Page 11 also states that Credentialed HART teachers will develop some of these courses and that course outlines are complete for four of the Media courses (page 11). Page 12, paragraph 1 states that HART will work closely with the State CTE program to ensure elective courses meet CTE articulation requirements already established with colleges. This is further supported by the statement on page 18, paragraph 3 where it is noted that HART will adopt Arts & Communication pathway standards developed with input from industry professionals. Industry council advisement for career and technical education is also referenced on page 20, paragraph 2. The State CTE Department recognizes this as a tried and true method for CTE course development. HART takes the development of its arts courses one more step by stating it is considering adding the integration of *The National Standards of Theatre Education* in course development. In addition to the formal arts program, students will be encouraged to participate in co-curricular activities at the Aloha Teen Theatre as discussed on page 24, paragraph 2.

INTERNET ACCESS

The feasibility of the Flex Blended Learning program for the intended population of economically disadvantaged students has been taken into account as HART developers are keenly aware of the barriers to success for students from low socioeconomic households. Budget item 415 entitled "Utilities" includes the ongoing cost of campus-based Wi-Fi (for our cloud-based programs) which is available to all students, all day, all week, while school is in session. And, line item 430, "Networking and Telecommunications", includes the cost for installation of Wi-Fi on campus. In its initial application, HART listed details in the Financial Workbook spread sheet describing what each line item contained in detail. These notes were removed upon request by Commission Staff in the first review of the application in early January 2014.

HART is predominantly a campus-based program. Page 13, paragraph 1, as well as page 17, paragraph 2, discuss how the majority of students will be on campus the majority of the week to access the curriculum. As such, Wi-Fi is available to all students during school operational hours from 8:00AM to 3:00PM (page 21, paragraph 2) and technically even more hours than this because students may access it before and after school.

Most profoundly, in support of HART's desire to bring access to students, HART plans to put technology devices in the hands of all students! This will most surely benefit those who have little or no chances of having their own devices. It will put students closer to an equal playing field with their peers who have regular access to devices. And, since most students will be campus based students, and Wi-Fi will be readily available on campus, the need for all students to have Wi-Fi at home is diminished. For students who do not have Wi-Fi at home, they are still able to take home their tablets downloaded with reading assignments, videos, and word processing capabilities which allow them to complete work outside of school.

HART staff will continue to address barriers to success on a holistic basis, looking at home factors and attempting to offer solutions to students and family needs through community services. One possible way of this occurring is the anticipated free, fiber-optic Wi-Fi expected in the near future of the Kona area (mentioned on the top of page 28). This will be an extra added benefit for all families when it becomes available and HART will ensure all households of students are aware of its presence.

SPECIAL EDUCATION

Special education students will be supported in the learning environment in a variety of ways. First, the school will staff a special education teacher as evidenced in the Financial Workbook, page A2, line item 231 and discussed on page 27 in paragraph "g" where it states discusses the priority to actively recruit a highly qualified special education teacher in the initial recruitment phase in order to have that person on-board early in the school year; to be prepared for special needs students. In addition, page 25, paragraph "c" states all HART teachers will receive basic training in understanding 504 Plans and IEP's. The application also states teachers will consult with the school's special education teacher on any students of concern. Page 12, paragraph 4 discusses how all students with Disabilities will be provided with proper services by HART educators in coordination with the District/Complex Area Special Education Office (DES). It also states that HART embraces all the federal mandates and state regulations and the Least Restrictive Environment will be used for special needs students. Page 8, paragraph 1, says, for students with IEP's and 504's, oversight of their courses will be by the resource (special education) instructor.

HART credentialed teachers will employ strategies consistent with students' IEP's and 504's to differentiate instruction and maintain accommodations. This is discussed on pages 15 and 16 in detail. Specific strategies on how teachers will adjust curriculum for special needs students are listed and it states that teachers will employ other strategies as needed to accommodate the IEP or 504 Plan. On page 24, paragraph c, Response to Intervention (RTI) is discussed. Page 26, paragraph 2 discusses assessment and annual performance goals for students with IEP's and 504's which include "short-term benchmark goals and all services that the team has agreed to." Page 26, paragraph 3 and 4 discusses how computers will be retrofitted with items such as glare guards, software will be reviewed for 504 compliance and goal attainment will be monitored by the use of tracking sheets designed for students' IEP's and 504 Plans. Page 27, paragraph 3 further discusses how adaptations can be made and technical tools used to meet IEP and 504 Plan goals such as the use of Dragon Speak.

The model itself is ideal for students with IEP's and 504's. As referred to on page 8, paragraph 2, it leverages great face-to-face teaching with technology at a brick and mortar site utilizing adaptive instructional programs and leveraging resources and creating flexible solutions for learning. In addition, as stated on page 10, paragraph 1, the curriculum provides learning tutorials for specific chunks of instruction relevant to the diverse learning needs of students. And, on page 12, paragraph 3, the nature of the courses to be used with varied strategies, such as varied pacing, benefits in delivering instruction to students with IEP's and 504 Plans.

RATIO OF TEACHERS

The applicant is unclear why the Recommendation Report states the team "clarified that they would hire educational aides to justify the 1:20 ratio." The HART team did not make this statement. Rather, when asked about how the school would operate with four teachers, HART Leader, Denise Mc Andrews, requested the Evaluation Team Members turn to page 269 of the HART application. Where Ms. Mc Andrews discussed with the team how the application formatting could not be modified to reflect one 6-12 school. So, the applicant listed the numbers of teachers on two charts where the sum of each would need to be added for the total. The staffing numbers needed to be separated in order to comply with the application format.

Ms. Mc Andrews requested the Evaluation Team note where half of the teaching staff (4 + 1) are listed under the Middle School Staff Chart and half (4 + 1) are listed under the High School Staff Chart. The total teacher numbers reflected on the two charts would serve all students, grades 6-12, and may be seen as a sum of 10 teachers which places the school at a 20:1 ratio.

It's important to note, there are three teacher aides listed separately from the teaching staff. HART Friends did not say it was prepared to hire additional aides and we do not believe any reference was made about aides in our applicant team interview. In fact, HART believes it's ratio of 20:1 teachers along with the three aides listed in the plan and budget are sufficient for 200 students in the Flex Model. These items can be cross-referenced to the Financial Workbook, page A2 line items 221 (core teachers), 222 (specials teachers), 231 (special education teacher), and 232 (instructional aides).

HART Friends believes it complied with the application formatting process on this question; showed clearly that it plans to hire ten teachers and three aides; and was forthright in its answer during the interview showing how the application shows a 20:1 ratio plan utilizing teachers. HART Friends does not believe it made any statements in its applicant interview to the effect of hiring additional instructional aides. In light of this, we request redaction of the statement made on page 3, paragraph 4 of the Evaluation Team's Recommendation which states, "the applicant clarified that they would hire educational aides to justify the 1:20 ratio"

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Organizational Plan Analysis

ADEQUATE TECHNOLOGY INFRASTRUCTURE

Wi-Fi is discussed as the plan for technology infrastructure and is listed in the applicant's Financial Workbook. Budget item 415 entitled "Utilities" includes the ongoing cost of campus-based Wi-Fi (for our cloud-based programs) which is available to all students, all day, all week, while school is in session. And, line item 430, "Networking and Telecommunications", includes the cost for installation of Wi-Fi on campus. In its initial application, HART listed details in the Financial Workbook spread sheet describing what each line item contained in detail. These notes were removed upon request by Commission Staff in the first review of the application in early January 2014. As the school program is a mostly campus-based program relying on cloud technology, Wi-Fi on campus is the primary, technical infrastructure.

PHYSICAL INFRASTRUCTURE

In discussing the ideal facility of a warehouse, HART application page 50, paragraph 3 makes it clear "the team will continue to pursue a variety of options to seek the final best choice." This paragraph goes on to say that there are several facilities being reviewed, one of which is the final back-up plan B, the current college facility in Kealakekua which is already approved for school use and has no need of improvements. The use document is listed in attachment cc as evidence of this. Paragraph 4 of page 50 and the top of page 51 continues the discussion of this Plan B option and shows it as a viable alternative. It also explains the logic behind our plan: if we are able to garner grants and other resources to make an ideal facility work for the school we will utilize a warehouse type facility. If we are unable to garner year zero funding to support making a facility meet the needs for the school, we will rent the space where the college is currently, knowing it complies and is safe. Pg 26, paragraph "d" discusses how HART will ensure its facilities are in ADA compliance. Page 9, paragraph 3 discusses another adaptable plan for facilities (which also references ten teachers). These facility plans show a variety of contingencies for HART start up and should be read in entirety and in context with the budget scenarios as discussed.

BUSINESS MANAGER DUTIES

It is the intent of the Board to apply for grants to fund the start up. As such the Board has applied as a 501c 3 entity to be able to qualify for grant applications. Should grants or other funding resources become available; HART will fund positions during year zero as stated in the application. In the meantime, volunteers, such as the HART Friends/school board members and advisors will continue to fulfill the duties of the Business Manager. Advisory to the Board is delineated on page 42, paragraph 6 where it states that advisors will be comprised of members with specialties in technology, law, finance, etc. Each member has experience in business operations where five of the team have owned and operated their own businesses. Board Treasurer, LaWana Richmond has served as an Award Analyst (2005-2008) for the University of California, San Diego. In doing so, she has developed financial reports ranging from $5,000 - $5,000,000; reviewed and audited financial transactions; and utilized fund accounting practices. Please see page 234 of the application for more details.

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AUTHORITY WITHIN THE CHARTER SCHOOL SYSTEM

In error, HART submitted a section on Complaint Procedures (application page 43, paragraph 2, 3) which did not accurately reflect the school's position. HART Friends Board members discussed this error after the application was submitted and felt it was easily corrected since the DRAFT policy in attachment K specifies the school's Board as the authority. However, HART members acknowledge this error shows a lack of professionalism in its application.

To clarify, the accurate statements found on the bottom of page 31 state "the Director immediately notifies the HART School Board" to initiate proceedings etc. Paragraph "j" of this same page also states the rules will be further refined by the HART Board showing the Board as the authority. The length of the information discussing how the HART Board has authority is in attachment "k" on pages 124 and 125 in the Student Discipline Policy Draft where it states the school's board is the responsible entity such as:

> ***Due process for suspensions exceeding ten days, disciplinary transfers, and dismissal:*** *(a) If, based upon the investigation, the Director or designee believes that a student engaged in an activity which constitutes a violation of this chapter, and if the Director or designee recommends that serious discipline other than crisis removal be imposed, the Director or designee shall immediately notify the* ***HART School Board (herein noted as the Board)*** *to initiate disciplinary proceedings by obtaining verbal authorization from the* ***Board.***
> *(b) Upon obtaining verbal authorization from the* ***Board****, the Director or the designee will make a good faith effort to inform the parent of: (1) The serious discipline incident, (2) The opportunity to appeal, and (3) That the disciplinary action will be implemented immediately.*
> *(c) Within three school days of the verbal authorization from the* ***Board****, the Director or designee shall mail a written notice of the serious discipline incident with the appeal form to the parent. A facsimile signature of or an electronic approval confirmation of the Board on the serious discipline incident form is sufficient. The written notice of serious discipline shall contain the following statements:*
> *(1) Allegations of the specific acts committed by the student that form the basis of the serious discipline; (2) The allegations of the specific acts that were substantiated; (3) A statement of the disciplinary action(s); and (4) A statement that the parent has a right to an appeal to the* ***Board*** *at which time the parent may present evidence, call and cross-examine witnesses, and be represented by legal counsel and to the extent the parent provides a written notice of legal representation at least ten calendar days prior to the appeal. (5) If the student or parent would like to file an appeal, the appeal must be submitted in writing and received by the* ***Board*** *by the close of business of the seventh school day from the date of the issued serious discipline notice. Upon discretion of the Director the student may or may not continue attending school, including school activities, during an appeal.*
> *(d) Upon receipt of a written request for an appeal, the* ***Board*** *shall, within ten school days, schedule an appeal and shall inform the parent of the date, time, and*

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place. Written notice of the appeal shall be mailed to the parent and Director or designee at least fifteen calendar days before the appeal. The appeal shall be conducted by the ***Board*** *or by an impartial department of education person, or an impartial designee, who may be an official of the department, designated by the Board. The appeal shall be conducted as follows:*

(1) The appeal shall be closed unless the student or parent requests that it be public;
(2) Parent and Director or Director's designee have the right to present evidence, cross-examine witnesses, and submit response testimony;
(3) Parent and Director or Director's designee may be represented by legal counsel;
(4) The ***Board*** *or the designee need not follow the formal rules of evidence;*
(5) The ***Board*** *or the designee shall impartially weigh the evidence presented;*
(6) A parent, at the parent's own expense, may record or obtain a copy of the department's tape recording, or transcript of the department's tape recording of the proceedings only if requested for purposes of court review. The ***Board*** *or the designee shall record a transcript or tape recording of the proceedings;*
(7) The ***Board*** *shall no later than seven school days from the close of the appeal render a decision in writing stating clearly the action(s) to be taken and the bases for such actions. The written decision shall be mailed or personally delivered to the parent, the student's attorney of record, and a copy to the school.*

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Financial Plan Analysis

CONTINGENCY PLANS

The sum of the critique of the financial plan can be addressed by the contingencies stated within HART's application. The contingencies are summarized here.

1. Three of the team members have successful grant-writing experience which is anticipated to provide resources which are ear-marked for specific needs such as staff, facilities, and infrastructure. However, without the confirmation of such grants, the team has planned to manage the tasks and utilize other venues to accommodate the minimal necessities for opening a school. For example, the ideal space is a warehouse. We acknowledge that it must be ADA compliant, safe, and secure for our students and staff. If this type of a facility is not available, and we cannot afford to retrofit a non-compliant facility, we are prepared to open our doors in our plan B location. We have provided a use document for our Plan B location on application page 298 with photographs of the facility on page 299.
2. Staffing is staggered with the hiring of the most needed staff first as funds become available. Again, it is hoped that grants and other funds will be available to bring in the Business Manager, the Technology Leader, and an office staff member during year zero as stated in the application. The contingency plan allows for this work to be completed by qualified board members and advisors who are vested and willing to volunteer their time. This includes a public accountant, Laura Brown, whose biography is listed in the application on page 257. Another plan involves partial FTE's if needed as is discussed on page 52, paragraph 2.
3. Teacher staffing is staggered in two phases as enrollment numbers accrue. Whereas it is stated that the first set of core teachers will be hired first along with a specials teacher and each additional teacher will be hired as enrollment numbers increase by 20 students up to the full ten instructional staff members. This is another example of a contingency plan which will be utilized if enrollment numbers fall short of projections. See page 52, paragraph 2.
4. The applicant has managed to garner financial support for the school within a short three month period of time – close to $10,000.
5. The applicant has budgeted for Wi-Fi installation and monthly fees.
6. The applicant has budgeted for furniture which will initially simulate what the Carpe Diem school uses but certainly not in the same aesthetic style. It has calculated the cost of plywood tables and molded chairs and has budgeted for this expense. It has also created a space for donated in items to be collected in advance of the school opening.
7. The applicant has based its revenue on 90% of its projections but its expenses on 100% of the enrollment. In this way, the applicant has created a buffer for a contingency. Should full enrollment be reached, revenues will be more than listed in the plan.

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Evidence of Capacity Analysis

CAPACITY

The plans for Wi-Fi, along with the plan for facilities and infrastructure, have been previously discussed in this response.

A technology team advisory is in place with Jon Goodman (page 258) and Hunter Owens as members (page 250-251). Both of these individuals bring high-quality technical support to HART's endeavors and HART will increasingly rely on them for technical infrastructure decisions.

The proposed school's director, Denise Mc Andrews has experience both in teaching and administration in the K-12 setting with her experience at the Valley Center-Pauma Unified School District and the Escondido Elementary School District where she served as a public K-12 school administrator and teacher. She has hired and evaluated instructional and classified staff; developed school programs, including high school diploma programs; managed a learning center using Edmentum products; been responsible for school accreditation and student testing; been responsible for evaluating credits, analyzing transcripts, and awarding and signing high school diplomas as the administrator in charge of the school; managed and written school budgets, including writing successfully awarded grants; presenting information to the School Board, and maintaining all aspects of a school campus. Her direct supervisor was the Assistant Superintendent of the K-12 school district in which she served for nearly a decade. She has expertise in career and technical education (CTE), having developed both arts and media pathway programs for students grades seven (7) through adult by creating a team of instructors to lead standards-based CTE programs. See page 10, paragraph 2; page 11, paragraph 2; top of page 35; top of page 41; page 60, paragraph 2; and pages 137-144 for more information.

Exhibit C

Evaluation Team Rebuttal for HART

State Public Charter School Commission 2013 Evaluation Team Rebuttal to the Applicant Response

Charter Application for
Hawaii Arts Repertoire & Tech (HART)

Submitted by
HART Friends

Evaluation Team
Team Lead: Doug Muraoka
Evaluators: Nikki Trautman Baszynski
Ray L'Heureux
Leila Shar
Danny Vasconcellos

The Evaluation Team offers the following comments to address the issues raised in the response from the applicant, Hawaii Arts Repertoire & Tech (HART) ("HART"), dated April 4, 2014.

In brief, the Evaluation Team does not recommend the HART charter school application be approved due to the following four primary concerns, which are referred to in HART's response and described in further detail below:

1. A lack of clarity of whether an arts curriculum would be an essential component of the school's identity;
2. An unclear plan for the implementation and delivery of its blended learning and virtual curriculum;
3. The absence of a facilities budget that accounts for the school's heavy technological dependence; and
4. An inadequate plan for an enrollment shortfall.

1. A lack of clarity of whether an arts curriculum would be an essential component of the school's identity.

As indicated in the proposed name of the school "Hawaii Arts Repertoire & Tech," the evaluators were intrigued by the possibility of an arts-focused charter school and expected the arts to be a central part of its curriculum and everyday philosophy. Following the review of the application and the capacity interview, the Evaluation Team was still unclear as to whether the arts are a primary or secondary component of the proposed school's curriculum.

For example, the Evaluation Team was concerned because no arts teachers were included in the staffing plan. The plan indicated four core teachers and one "special." During the interview, the applicant stated that the delivery of the arts would be taught by credentialed HART teachers developing the classes aligned to Department of Education Authorized Courses and Code Number offerings, which are authorized courses in the state educational system. If these areas of the arts are vital to the proposed school's mission and curriculum, they should be taught by teachers licensed in these areas. The applicant did not mention hiring licensed theater, arts, or music teachers, which the Evaluation Team contends should be done if the arts are a primary component of the curriculum.

The Evaluation Team highlighted this as an area of concern, as the focus on the arts is potentially a strength that can demonstrate the innovation and uniqueness of charter schools. The proposed name of the school implies the arts will be central to the school's identity and mission. However, the applicant's response only listed the various art-based electives and courses it would offer but did not elaborate on how "arts are intended to be a major component of the proposed school's curriculum."

2. Concerns regarding the feasibility of the plan to implement and deliver the school's blended learning and virtual curriculum.

The plan for implementing the blended learning curriculum highlighted two concerns. The first concern was whether this blended learning/online curriculum with a focus on the arts and career and technical education was truly modifiable for special needs students. While the application shows an understanding of differentiation and accommodation requirements for special needs students, the question from the Evaluation Team was a bit more fundamental in that we wanted to know how the online curriculum, including Edmentum, Apex Learning, and all of the other online programs offered in

the academic plan, would accommodate special needs students. The Evaluation Team could not find more specific examples in the application of how the accommodations happen in an online environment. The applicant has described how teachers will be credentialed and trained and how the technology can be adapted to special needs students, but does not describe the connection between the two. The teachers, or some other individual, must be able to determine whether accommodation is needed and what kind of accommodation is needed for special needs students. This process of adapting the curriculum to accommodate special needs students was not described in the application and the applicant did not explain how it would work specifically.

The second concern was how disadvantaged students would be able to access the online programs if internet access is not available in their homes. As stated in the application, interview, and now the response, the applicant stated, "One possible way of this occurring is the anticipated free, fiber-optic Wi-Fi expected in the near future of the Kona area. This will be an added benefit for all families when it becomes available and HART will ensure all households of students are aware of its presence." An evaluator specifically asked the applicant if they would encourage their students to utilize free Wi-Fi in the community. The affirmative answer created concerns of feasibility among the Evaluation Team as it makes the feasibility of a large component of the curriculum dependent on a project being developed by a third-party. The applicant offers no other viable internet alternatives for disadvantaged students if the free Wi-Fi project is not completed when anticipated (which is around the time the proposed school would open). Also, there are safety concerns when a school is encouraging students to use internet options that are outside of the home and school without supervision. The concern regarding internet access is directly associated with the next factor in the Evaluation Team's recommendation of denial of the HART application, which is the absence of a technology infrastructure budget.

3. The absence of a facilities budget that accounts for the school's heavy technological dependence.

The absence of a facilities budget in the proposed school's start-up year that allocated funds to the school's physical and technological infrastructure was a significant weakness for the applicant. The evaluators were concerned about the absence of funds to transform an empty warehouse into a functional school. This transformation extends beyond setting up desks and laying carpeting or flooring. For example, to meet the proposed school's technological needs, the building's wiring would need to be checked and a room to accommodate servers and other technology equipment would need to be built and provided adequate cooling.

This concern was voiced in the Request for Clarification when the applicant was asked whether funds were allocated in the budget that would cover renovations necessary to convert a warehouse into a useable classroom. The applicant responded:

> "A large warehouse will need little in the way of renovation or build-out since the school design is based on a large, open-room format such as is seen in the Arizona charter school, Carpe Diem at http://www.carpediemschools.com. We anticipate building portable walls and room dividers for the needed smaller "break out" areas which allows the most flexibility of space. These will be requested as donated items from local builders, contractors, and home improvement stores."

In the applicant's response, similar statements were made that did not address the concerns of the Evaluation Team regarding the technological infrastructure needed. The applicant has stated that HART would utilize cloud-based learning and that physical servers would not be needed and are, subsequently, not budgeted for. This is not feasible for a proposed school that intends to enroll approximately 200 students and rely on an online curriculum. The applicant mentions in the "Evidence of Capacity" section of its response that a technology advisory team will be relied on for the technology infrastructure questions; this emphasizes the Evaluation Team's concern that, up to this point of the application process, the applicant has been lacking technology expertise and guidance.

4. An inadequate contingency plan for an enrollment shortfall.

The contingency plan offered by the applicant in the event that enrollment did not meet projections was seen as problematic. The concerns for this contingency plan were exacerbated by the fact that the applicant has budgeted only $10,000 in its start-up year. With such a limited budget in year zero, the applicant is heavily dependent on the monies received from the State in year one. If enrollment projections are not met, this will have a significant effect on the school's finances, as the Evaluation Team believes a significant amount of expenses in the pre-opening phase has not been budgeted for. It appears the applicant is relying on the year one per-pupil allocations to cover start-up year expenses. This concern was confirmed in the capacity interview when the applicant repeated that the plan of staggered hiring is its solution.

Listed in the application and the response are seven steps the school would take if enrollment were to fall below projections:

1. Grant writing;
2. Staffing adjustments;
3. Staggered staffing;
4. Budget based on 90% enrollment;
5. Donations;
6. Budgeted Wi-Fi; and
7. Budgeted furniture.

Neither the response nor any other information provided by the applicant quantifies, as a whole, savings that would come from the above steps; as a result, the Evaluation Team cannot assess whether the actions listed above would have a significant impact on enrollment shortfalls.

Errors and Additional Comments.

The response mentions the following errors that occurred throughout the application process. HART submitted complaints procedures which name the Hawaii State Department of Education as the final adjudicating body for due process rather than the school's governing board, and in extreme cases, the State Public Charter School Commission. While the applicant apologized for the error, the clarifying statement following this acknowledgement should be considered as new information not previously available to the evaluators.

The Evaluation Team acknowledges the contention by the applicant that the application does not propose to hire educational aides to fulfill the intended 1:20 student to teacher ratio. The Evaluation Team acknowledges there may have been some misunderstanding on this issue. However, this was not

significant in the overall evaluation of the application and does not change the Evaluation Team's recommendation.

Also, the applicant response's on the proposed director's experience states that she served as a K-12 school administrator and teacher. However, the Evaluation Team's review of the proposed director's resume and follow-up questions in the capacity interview found that a significant amount of her experience is with Valley Center Adult School and regional occupational programs in California. While the Evaluation Team acknowledges this experience, there are still questions regarding her familiarity with elementary and secondary students in the K-12 setting and knowledge of the complex educational system in Hawaii.

The Evaluation Team appreciates the effort and dedication the applicant has shown throughout the application process.