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**STATE PUBLIC CHARTER SCHOOL COMMISSION**  
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**PERFORMANCE & ACCOUNTABILITY COMMITTEE RECOMMENDATION**

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DATE OF POSTED SUBMITTAL: March 8, 2024

DATE OF MEETING: March 14, 2024

TO: Cathy K. Ikeda, Chairperson  
State Public Charter School Commission

FROM: Lehua Veincent, Chairperson  
Performance & Accountability Committee

AGENDA ITEM: IX. b. Action on the Pre-K-only Charter Contract and  
Performance Frameworks

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I. DESCRIPTION

Action on the Pre-K-only Charter Contract and Performance Frameworks.

II. AUTHORITY

Pursuant to Hawaii Revised Statutes (“HRS”) §302D-16(a), §302D-16, “The performance provisions within the charter contract shall be based on a performance framework that clearly sets forth the academic, financial, organizational, and operational performance indicators, measures, and metrics that will guide the authorizer's evaluations of each public charter school. The performance framework, as established by the authorizer, shall include indicators, measures, and metrics for, at a minimum: (1) Student academic proficiency; (2) Student academic growth; (3) Achievement gaps in proficiency and growth between major student subgroups; (4) Attendance; (5) Enrollment variance; (6) Postsecondary readiness, as applicable for high schools; (7) Financial performance and sustainability; (8) Performance and stewardship, including compliance with all applicable laws, rules, and terms of the charter contract; and (9) Organizational viability.”

Additionally, HRS §302D-5(a)(6) articulates that the Commission, as the authorizer of its public

charter schools, is responsible for determining whether each charter contract merits renewal, nonrenewal, or revocation.

[§302D-39 Public early learning and preschool programs; administrative authority.](#)

III. BACKGROUND

On July 13, 2023, the State Public Charter School Commission (“Commission”) issued the pre-k only charter school application cycle. On January 11, 2024, the Commission approved its first pre-k-only charter school to PACT Parkway Villages.

To open its doors, PACT Parkway Villages will need to enter into a contract agreement with the State Public Charter Commission.

On February 8, 2024<sup>1</sup>, the Performance & Accountability (P&A) Committee deliberated and recommended approval of the draft pre-k only charter contract (Exhibit 1) and performance frameworks (Exhibit 2).

IV. INFORMATION FOR CONSIDERATION

The draft pre-k-only charter contract is aligned to, but not identical to, the most current version of charter contract 4.0 and its performance frameworks. This is the Commission’s first pre-k-only charter contract.

The Financial and Organization Performance Frameworks are the same as in charter contract 4.0 except for a few minor clarifications in the Financial Performance Framework that bring the contract into alignment with HRS 302D-39. The Academic Performance Framework is aligned to the pre-k addendum that is in place with Commission’s 18 operating pre-k classrooms.

V. DECISION MAKING STATEMENT

The Commission should consider the recommendation by the Performance & Accountability Committee and deliberate on the draft pre-k-only charter contract and performance frameworks.

P&A Committee recommendation:

**“Motion to approve the pre-k-only charter contract”**

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<sup>1</sup> February 8, 2024 P&A Committee meeting material links:

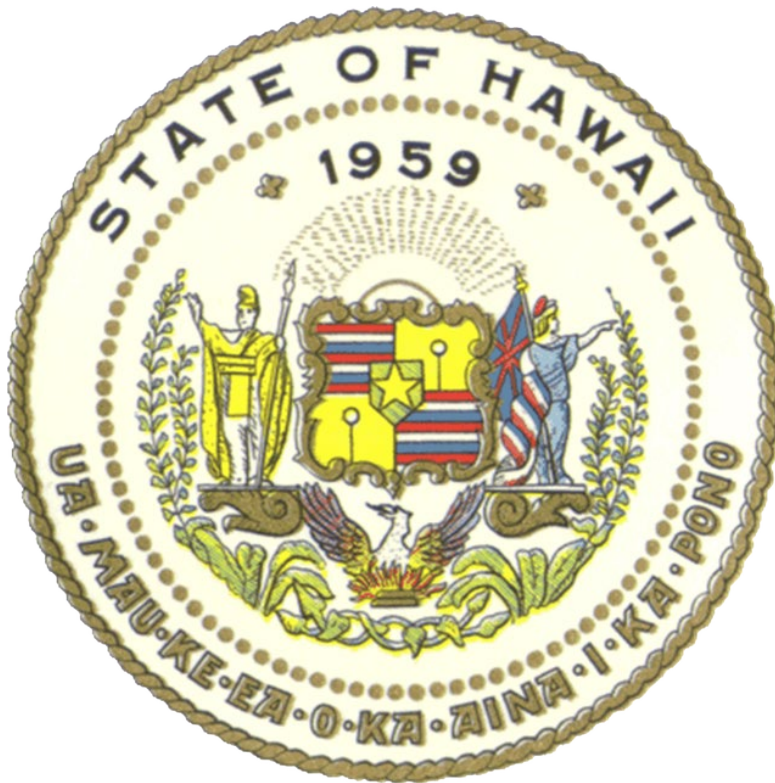
Agenda: <http://sharepoint.spcsc.hawaii.gov/SPCSC/Documents/Final%20PA%20Agenda%202024-2-8.pdf>

Submittal: <http://sharepoint.spcsc.hawaii.gov/SPCSC/Documents/IX.%20Action%20on%20the%20Pre-K-only%20charter%20contract%20draft.pdf>

Meeting recording: <https://drive.google.com/drive/folders/1M0YxZg4AYYgf7nCNmu7jUcuusTlyJpe1>

**Exhibit 1**

**Draft Pre-K-only Charter contract**



**Prekindergarten-only  
Public Charter School Contract  
with  
[SCHOOL NAME]  
Effective July 01, \_\_**

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**PREKINDERGARTEN-ONLY CHARTER CONTRACT  
FOR PARTICIPATION IN  
THE STATE PUBLIC CHARTER SCHOOL EARLY LEARNING PROGRAM**

**PARTIES**

This Prekindergarten-only Public Charter School Contract is effective as of **July 1, 2024, through June 30, 2029**, unless sooner revoked or terminated in accordance with HRS §302D-18 and as provided herein, is entered into by and between the following State of Hawai'i entities: Hawai'i State Public Charter School Commission (hereafter referred to as the "COMMISSION"), whose mailing address is 1164 Bishop St., Suite 1100, Honolulu, Hawai'i 96813 and the **[name of charter school]** PUBLIC CHARTER SCHOOL (hereafter referred to as "**[name of charter school]**" or "SCHOOL"), whose mailing address is **[address of charter school]**. The COMMISSION and **[name of charter school]** are collectively referred to as the "Parties."

**PURPOSE**

The purpose of this Prekindergarten-only Charter Contract is to implement Act 210, Section 4, SLH 2021 by identifying HRS §302D-39, Hawaii Revised Statutes (HRS), as the statutory basis for the State Public Charter School Early Learning Program, and establish a framework of collaboration, as well as articulate specific roles and responsibilities agreed upon by the Parties in support of the State in its implementation of the State Public Charter School Early Learning Program. Each agreement regarding the State Public Charter School Early Learning Program between the COMMISSION and **[name of charter school]** shall be documented using a contract between the COMMISSION and **[name of charter school]**.

## RECITALS

**WHEREAS**, pursuant to Chapter §302D-39 and §302D of the Hawai'i Revised Statutes (the "**HRS**"), the COMMISSION has the authority to approve quality charter applications to establish a public charter SCHOOL, to monitor, oversee, evaluate, and renew, not renew and/or revoke charters consistent with the spirit and intent of this chapter;

**WHEREAS**, on [DATE], the SCHOOL submitted a [Renewal] Application following HRS §302D-18 to continue to operate as a prekindergarten-only public charter SCHOOL;

**WHEREAS**, the COMMISSION has determined: (i) that the [Renewal] Application satisfies the requirements found in HRS Chapter 302D and any other requirements set by the COMMISSION as allowed by statute; and (ii) approved the [Renewal] Application subject to the execution of this Contract by and between the COMMISSION and the SCHOOL as represented by their Governing Board;

**WHEREAS**, HRS §302D-12 gives broad decision-making authority over SCHOOL operations to the Governing Board of the SCHOOL (the "**Governing Board**"), including oversight and responsibility for the financial, organizational, and academic viability of the Charter SCHOOL, implementation of the prekindergarten-only charter contract, and the independent authority to determine the organization and management of the SCHOOL, the curriculum, virtual education, and compliance with applicable federal and state laws;

**WHEREAS**, the COMMISSION and the SCHOOL seek to foster a cooperative and responsive relationship, to commit to act in the best interests of the students, families, and communities that they serve by contributing meaningfully to the continued improvement of Hawai'i's public education system with a high-quality SCHOOL to meet educational needs, and innovative practices that reflect Hawai'i's values;

**NOW, THEREFORE**, in consideration of the mutual covenants, representations, warranties, provisions, and agreements contained herein, the parties agree as follows:

DRAFT

## ARTICLE I: PURPOSE AND TERM OF CONTRACT

### *Section 1.1 Purpose*

This Contract outlines the roles, powers, responsibilities, and performance expectations for each party to this Prekindergarten-only Charter Contract in the renewal and operation of [name of charter school] (the “**SCHOOL**”). Both parties must comply with all the terms and provisions of this Prekindergarten-only Charter School Contract (the “**Charter Contract**”) and all applicable rules, regulations, and laws.

The purpose of this Prekindergarten-only Charter Contract is to implement Act 210, Section 4, SLH 2021 by identifying HRS §302D-39, Hawaii Revised Statutes (HRS), as the statutory basis for the State Public Charter School Early Learning Program, and articulate specific roles and responsibilities agreed upon by the Parties in support of the State in its implementation of the State Public Charter School Early Learning Program. Each agreement regarding the State Public Charter School Early Learning Program between the COMMISSION and [name of charter school] shall be documented using a contract between the COMMISSION and [name of charter school].

### *Section 1.2 Term of Contract*

This is a five (5) year Contract and is effective as of July 01, 2024, and will remain in full force and effect through June 30, 2029, unless sooner revoked or terminated in accordance with HRS §302D-18 and as provided herein.

## ARTICLE II: SCHOOL CHARTER AND MISSION

### *Section 2.1 Charter*

The SCHOOL shall establish a public preK only charter SCHOOL in the State of Hawai'i on the island(s) listed in the table below. The SCHOOL operates its educational program in the manner and at the facilities located at the address(es) indicated in the table below, along with the prekindergarten grade served in accordance with this Charter Contract, the Hawai'i Revised Statutes, and other applicable federal, state, and county laws, ordinances, codes, rules, and regulations. Enrollment in the SCHOOL shall be open to all students of ages and grades as set forth in HRS Chapter 302D and Article IX of this Charter Contract, who are residents of the State of Hawai'i. This Charter Contract shall constitute the SCHOOL'S charter and shall be binding on the SCHOOL, the Governing Board, and the COMMISSION.

Island	Brick and Mortar Address	Grade Levels Served
[ISLAND]	[ADDRESS]	[GRADE LEVELS]

Island	Blended Learning Program Instructional Site	Grade Levels Served
[ISLAND]	[ADDRESS]	[GRADE LEVELS]

Island	Virtual Learning Program Non-Instructional Site	Grade Levels Served
[ISLAND]	[ADDRESS]	[GRADE LEVELS]

Education Service Provider (ESP)	Contact Information of ESP	Effective Dates of ESP
[NAME]	[ADDRESS]	[TERM DATES]

Island	Non-Instructional Site / Use
[ISLAND]	[ADDRESS ]/ [USE]

**Section 2.2 Mission Statement**

The SCHOOL shall operate in accordance with its mission statement: [insert mission statement]

**Section 2.3 Amendment to Charter Contract**

The SCHOOL shall submit for the COMMISSION’s approval the “SPCSC Request To Amend Charter Contract Form” for any proposed changes to the provisions of this Charter Contract, except that a SCHOOL shall not be required to provide the COMMISSION with a request to amend the Charter Contract for any proposed changes to its Bylaws. Failure to obtain the COMMISSION’s approval shall be considered a material breach of this Charter Contract and subject to Non-renewal or Revocation proceedings pursuant to Article XVIII below.

## ARTICLE III: DEFINITIONS

For the purposes of this Contract, and in addition to the terms defined throughout this Charter Contract, each of the following words or expressions shall have the meaning set forth in this section:

**“Applicable Law”** means all federal, state, and county laws, ordinances, codes, rules, and regulations applicable to the operation of a charter school in the State of Hawai‘i, as they currently exist or are amended throughout the duration of this Charter Contract. When a provision of this Charter Contract requires the SCHOOL to comply with all federal, state, and county laws, ordinances, codes, rules, and regulations, or some combination thereof, without specific reference or citation, the language encompasses those laws that are applicable to charter SCHOOLS. If there is a disagreement about what laws are applicable or the extent to which a given law is applicable, the parties shall engage in good faith discussions in an effort to determine applicability and the associated scope. However, the COMMISSION shall be the ultimate authority regarding what laws apply to the charter SCHOOLS it has authorized and the extent to which they apply.

**“Asset”** means land, infrastructure, improvements to land, buildings, leasehold improvements, vehicles, furnishings, equipment, collections, and all other tangible and intangible assets used in SCHOOL operations, including “Small and Attractive Assets”.

**“Authorizer”** means an entity established under HRS Chapter 302D with chartering authority to review charter applications, decide whether to approve or deny charter applications, enter into charter contracts with applicants, oversee public charter SCHOOLS, and decide whether to authorize, renew, deny renewal of, or revoke charter contracts. The term may include the COMMISSION when appropriate.



**“Blended Learning Program”** means a combination of online educational materials and opportunities for interaction online and in-person on-site instruction, requiring the use of a SCHOOL facility or authorized location. A Blended Learning Program shall adhere to the COMMISSION’s Online Virtual and Blended Learning Guidelines, as amended, and can be found on the COMMISSION’s official website.

**“Board of Education”** means the Hawai’i Board of Education (**BOE**) which has authority to promulgate rules for educational policy.

**“Charter Contract”** means in addition to the definition set forth in HRS §302D-1, the Terms and Conditions, and Exhibits.

**“Commission”** means the State Public Charter School Commission established pursuant to HRS §302D-3 as a statewide authorizer. The term COMMISSION includes the COMMISSION members, COMMISSION’s staff, employees, or other designee.

**“Department”** means the Hawai’i Department of Education (**HIDOE**).

**“Educational Service Provider” (ESP)** means a non-profit or for-profit entity that is contracted by the SCHOOL to provide services that would otherwise be handled by employees of the SCHOOL, which include, but are not limited to, operational back office functions and services related to the instructional design or operation of the School, in return for fees.

**“English Language Arts” (ELA)** means the instruction and assessment of English Language Arts/Literacy in Hawai’i’s public charter schools.

**“Governing Board”** means, in addition to the definition set forth in HRS §302D-1, is the independent board of the School that must at all times be appointed, operated, and governed in accordance with its Bylaws, the Charter School Application, legal obligations, and this Charter Contract. The Governing Board is responsible for the financial, organizational, and academic viability of the School; possesses the independent authority to determine the organization and

management of the School, the curriculum, and the instructional methods; has the power to negotiate supplemental collective bargaining agreements with exclusive representatives of their employees and is considered the employer of SCHOOL employees for purposes of HRS Chapters 76, 78 and 89; and ensures compliance with all applicable federal, State, and County laws, codes and ordinances. For purposes of this Charter Contract, the SCHOOL and SCHOOL Governing Board are one and the same and are responsible for compliance with all legal requirements to which the SCHOOL is subject under Applicable Law and this Charter Contract.

**“Hawaiian Language Arts” (HLA)** means the instruction and assessment of Hawaiian Language Arts within Kaiapuni Educational Programs authorized by the COMMISSION to operate Hawaiian Language Medium-Immersion Public Charter SCHOOLS.

**“Hawai‘i Administrative Rules (HAR)”** means the currently effective regulations promulgated by the State agencies of Hawai‘i.

**“Hawai‘i Revised Statutes (HRS)”** means the current effective laws of Hawai‘i.

**“Known”** or **“Knowledge”** means a representative of the SCHOOL’S Governing Board and/or the SCHOOL is aware of a fact, circumstance, or result or has information that would lead a reasonable person in the same situation to believe that the facts, circumstances, or results exist. When knowledge triggers or impacts a legal responsibility or obligation of the SCHOOL’S Governing Board or SCHOOL, then failure to act in accordance with those legal responsibilities or obligations may be considered a material and substantial violation of this Charter Contract.

**“Material”** means a provision or term that concerns significant issues, subject matter, and contractual expectations, and is of such a nature and importance to be considered essential to the agreement, decision-making, and or performance under this Charter Contract by both parties.

**“Mission Aligned Initiative (MAI)”** means the mission-focused educational goal(s) measured through documentation and a written narrative as part of the Academic Performance Framework.

**“Performance Framework”** means the assessment tool that sets forth the performance indicators, measures, and metrics used by the COMMISSION to guide their evaluation of the SCHOOL’S academic, organizational, and financial performance under this Charter Contract.

**“Pre-Kindergarten-only (Pre-K-only) Charter School”** means those public schools and their respective governing boards, as defined in this section, that are holding current charter contracts to operate as charter schools under this chapter, including start-up and conversion charter schools, that provide developmentally appropriate early childhood development and education for children prior to kindergarten.

**“Pre-Kindergarten-only Charter School Application”** means a fixed-term, renewable contract between an early learning charter program and the COMMISSION that outlines the roles, powers, responsibilities, and performance expectations for each party to the contract.

**“Public Charter School”** means a public school and its respective Governing Board authorized by the COMMISSION and holding a current charter contract to operate as a Charter School under HRS §302D, with flexibility and independent authority with regard to curriculum, facilities management, and personnel management.

**“School Board” or “Charter School Board”** means the “Governing Board”, as used in this Charter Contract and defined in HRS Chapter 302D. For purposes of this Charter Contract, the SCHOOL, SCHOOL Board, Charter SCHOOL Board, Governing Board, and Applicant are one and the same and are responsible for compliance with all legal requirements to which the Charter SCHOOL is subject

under Applicable Law and this Charter Contract.

**“School Community”** means the SCHOOL administration, teachers, non-certificated staff, students, parents, other community members, and members of the Governing Board.

**“Site-Relevant Diagnostics”** is a formative assessment process typically administered three times per SCHOOL year (fall, winter, and spring) to determine students’ knowledge, skills, and understanding levels. All students on campus participate in the process, including those identified as needing special education or gifted services.

**“Small and Attractive Assets”** are theft-sensitive items that are easily converted to personal use or easily pawned, including personal computer equipment, photographic equipment, video equipment, television sets, and communication equipment.

**“Virtual Learning Program”** is the instruction that takes place in an online environment. A Virtual Learning Program shall adhere to the COMMISSION’s Online Virtual and Blended Learning Guidelines, as amended, and can be found on the COMMISSION’s official website.

## **ARTICLE IV: GOVERNANCE OF SCHOOL**

### ***Section 4.1 Governing Board Responsibilities***

The Governing Board, as defined by HRS §302D, is a party to this Charter Contract with the COMMISSION, is responsible for the oversight of the SCHOOL, including but not limited to academic outcomes, operations, and financial management. The Governing Board is also responsible for ensuring compliance with the Applicable Laws and managing any contracts with administrative personnel and/or Educational Service Providers.

### ***Section 4.2 State Code of Ethics and Code of Conduct***

Charter SCHOOLS are public SCHOOLS, therefore Governing Board and SCHOOL employees shall comply with the State Code of Ethics, codified in HRS Chapter 84. The SCHOOL'S Governing Board, employees, contractors, and volunteers must also comply with the Code of Conduct developed and implemented by the COMMISSION, as required in BOE Policy 201-1.

### ***Section 4.3 Governing Board Membership***

1. The Governing Board shall have a consistent process for and maintain records of the selection of Governing Board Members. The selection records shall include the candidate's qualifications to serve, and the Governing Board's decision on the Board Member's application.
2. The Governing Board members should meet the individual standards set in HRS §302D-12, and collectively possess the knowledge, experience, and skills to effectively oversee the SCHOOL'S academic, organizational, and financial program.

### ***Section 4.4 Governing Board Meetings***

The SCHOOL'S Governing Board is a public body accountable to the authorizer, to the federal and state government, and to the community their SCHOOL serves. Pursuant to HRS §302D-12, the Governing Board shall hold meetings open to the public. To enable public attendance and participation in person or through remote

technology, Governing Board meetings must be held in a way sufficient to accommodate public participation.

### ***Section 4.5 Governing Board Reporting***

To ensure the SCHOOL Community can attend and participate in Governing Board meetings, in accordance with HRS §302D-12, the Governing Board shall have the following available in a public area in the SCHOOL'S office, accessible for review during regular business hours, and posted on the SCHOOL'S official website:

1. Governing Board meeting notices and agendas as specified in HRS §302D-12;
2. Written Governing Board meeting minutes as specified in HRS §302D-12;
3. A list of the current names and contact information of the Governing Board's members and officers; and
4. The schedule of Governing Board meetings by September 1 of each year. The COMMISSION may regularly review the SCHOOL'S website to ensure compliance with these provisions and to verify that other information on the website is accurate, and complies with this Charter Contract and applicable laws. Failure to meet statutory requirements will result in the SCHOOL submitting its Governing Board meeting notices, agenda, and minutes directly to the COMMISSION. Noncompliance with this section may result in a **Notice of Concern**.
5. SCHOOL Governing Board Member Information. In order to facilitate regular and emergency communications, the Governing Board shall provide the COMMISSION an updated list of all current member names and contact information, which will include the following for each member:
  - a) Name, position held, term dates (mm/dd/yy - mm/dd/yy) with the board;
  - b) Public facing phone number and email address; and
  - c) Emergency contact phone number and email, (COMMISSION use only, not for public posting). Providing a generic email address or phone number for all members will not satisfy this requirement. This

information shall be provided within fourteen (14) business days of the start of the SCHOOL year and kept updated thereafter. When vacancies occur and new members are added, the Governing Board shall update and submit the “SPCSC SCHOOL Governing Board Member Information Form” to the COMMISSION, including a copy of the minutes of the meeting where the new member was approved, within fourteen (14) business days of the new member being seated.

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## **ARTICLE V: SCHOOL PERFORMANCE FRAMEWORKS**

### ***Section 5.1 Performance Frameworks***

The SCHOOL'S academic, organizational, and financial performance under this Charter Contract shall be evaluated using the Academic, Organizational, and Financial Performance Frameworks, respectively, all are collectively attached as Exhibit "A," to this Charter Contract. The specific terms, forms, and requirements of the Performance Frameworks, including any required indicators, measures, metrics, and targets, are maintained and disseminated by the COMMISSION and shall be binding on the SCHOOL. Material changes to the Performance Frameworks shall require approval by the COMMISSION.

1. The COMMISSION shall monitor and annually report on the SCHOOL'S progress as set out in the Performance Frameworks.
2. The evaluation of the SCHOOL under the Performance Frameworks shall provide guidance for the COMMISSION to take appropriate corrective action, to renew, revoke, terminate, or take other action on the Charter Contract.
3. The COMMISSION reserves the right to amend the Charter SCHOOL Performance Frameworks set out in Exhibit "A" in the event of legal or statutory changes to the requirements in the Performance Frameworks in Exhibit "A". The SCHOOL will be required to comply with any amendments of the Charter SCHOOL Performance Frameworks required in case of any such legal or statutory changes.
4. If the SCHOOL does not meet the performance standards in the Performance Frameworks, it may receive a Notice of Concern pursuant to Section 17.8 of this Charter Contract.
5. Failure to meet or make sufficient progress toward meeting the performance standards may be sufficient justification to revoke or non-renew the SCHOOL'S Charter Contract.
6. The COMMISSION is not required to allow the SCHOOL the opportunity to



remedy the problem if an unsatisfactory review warrants revocation in accordance with HRS §302D-17(c) and/or HRS §302D-18(g).

### ***Section 5.2 Modification to Performance Frameworks***

The Parties acknowledge that specific terms, forms, and requirements of the Performance Frameworks may be modified to the extent required to align with changes to applicable law, federal or state accountability requirements as set forth in law or policies, or circumstances that make assessment based on the existing Performance Frameworks impracticable.

### ***Section 5.3 Data and Reports***

The SCHOOL shall designate the COMMISSION an authorized representative for FERPA-permitted activities and promptly provide to the COMMISSION, upon request, any information (including personally identifiable student information), data, documentation, evidence, and reports necessary for the COMMISSION to efficiently meet its oversight and reporting obligations as outlined in HRS §302D-17. When the request is for on-site inspection of records. Promptly is defined as immediate access. If the request is for the reproduction of records, then the COMMISSION will include a reasonable timeframe to allow the SCHOOL to provide the requested records and adherence to this timeframe will be considered prompt.

The SCHOOL shall submit all data, worksheets, reports, and other information required by HIDOE and the COMMISSION in accordance with any deadlines imposed. Failure to provide reports, data, documentation, or evidence by the date due is a material violation of the Charter Contract.

The COMMISSION shall maintain personally identifiable student information received under this section for as long as it is in operation as a state charter SCHOOL authorizer, after which time the data will be destroyed.

### ***Section 5.4 Multiple School Locations and Oversight***

SCHOOLS operating on more than one campus or classrooms in multiple locations, other than the main site, are required to address identified Performance Frameworks concerns or deficiencies at all of its locations.

### ***Section 5.5 Federal and State Accountability System***

The SCHOOL shall be subject to the Federal and State public SCHOOL accountability system and comply with all requirements related to the State assessment for all public SCHOOLS. The SCHOOL shall also be subject to mandatory reporting requirements from the U.S. Department of Education. The SCHOOL shall administer all student testing as required by applicable federal and state laws, rules, policies, and procedures.

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## ARTICLE VI: ACADEMIC PERFORMANCE

[name of charter school] shall be accountable for:

### ***Section 6.1 Annual Progress***

Making annual progress toward implementing a high-quality early learning program, which aligns preschool through third grade based on evidence of early childhood development and education, including developmentally appropriate practices, within the SCHOOL and community.

### ***Section 6.2 Enrollment***

Enrolling in the prekindergarten class not to exceed a maximum of twenty (20) children in accordance with HRS §302D-39 who are three- or four-years-old on or before July 31 of the school year, as aligned with the DOE kindergarten age entry requirements in accordance with HRS §302D-39.

### ***Section 6.3 Special Education Guidelines/Individuals with Disabilities***

#### ***Education Act - Eligible Children***

The Department of Education (the “HIDOE”) is the State of Hawai‘i’s “state education agency” (the “SEA”) and “local education agency” (the “LEA”) for purposes of compliance with the Individuals with Disabilities Education Act (the “IDEA”). All public SCHOOLS, including charter SCHOOLS, are part of and fall under the LEA. As such, the SCHOOL shall comply with all applicable federal and state laws, rules, procedures, and directives regarding the education of students with disabilities, including but not limited to HAR Chapter 8-60.

[name of charter school] shall collaborate with the Hawai‘i Department of Education to coordinate services for children with disabilities who are placed in the classroom offered through the State Public Charter School Early Learning Program in the charter schools. [name of charter school] shall appoint a Special Education (“SPED”) Contact Person for the purpose of collaborating to coordinate services for special education children who require placement in a general education setting through their IEPs.

The COMMISSION shall collaborate with HIDOE to refine and improve upon the guidelines issued by HIDOE for the provision of special education services and resources to each charter SCHOOL. The SCHOOL shall adhere to the Hawaii State Public Charter School Guidelines for the Implementation of Individuals with Disabilities Education Act of 2004 issued by HIDOE.

***Section 6.4 Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act Amendments Act of 2008***

The SCHOOL shall comply with Section 504 and the Americans with Disabilities Act Amendments Act of 2008, Citation 29 C.F.R. Part 1630; 42 U.S.C. 12101 et seq.; Pub. L. 110-325, (the “**ADAAA**”) and all related HIDOE rules, policies, and procedures in its general curriculum, including but not limited to the implementation of any Section 504 plan that has been developed for a student. The HIDOE may provide training, consultation, and advice to the SCHOOL as needed with regard to Section 504 compliance, including legal interpretations, recommendations for intervention strategies, and assistance in conducting Section 504 plan and review meetings.

The SCHOOL shall provide services and accommodations to students with disabilities in accordance with part B of the Individuals with Disabilities Education Act (20 U.S.C. §1411 *et seq.*), the Americans with Disabilities Act Amendments Act of 2008, Citation 29 C.F.R. Part 1630; 42 U.S.C. 12101 et seq.; Pub. L. 110-325, Section 504 of the Rehabilitation Act of 1973 (20 U.S.C. §794), and any other federal requirements concerning the education of students with disabilities.

***Section 6.5 Curriculum, Instruction, Assessment, and Professional Learning***

[name of charter school] shall adhere to the standards for curriculum design and implementation, instructional and assessment practices, and professional learning support as determined by the COMMISSION which is informed by data. The COMMISSION shall work with [name of charter school] in the areas of curriculum, instruction, assessment, and professional learning support as provided in this

Charter Contract.

### ***Section 6.6 Health and Safety Standards***

Adhering to health and safety standards for a preschool classroom that is aligned with Department of Human Services (DHS) Licensing of Group Child Care Centers, HAR Title 17, Chapter 892.1.

### ***Section 6.7 Implement a Developmentally Appropriate Program***

Ensuring the implementation of a developmentally appropriate program aligned with the Hawai'i Early Learning and Development Standards (Act 210, Section 4, SLH 2021 in accordance with HRS §302D-39) with learning environments that are healthy and safe, promotes high-quality interactions between adults and children, embeds inquiry-based approaches, and promotes higher-order thinking skills;

### ***Section 6.8 Utilize a Child-centered Curriculum***

Implements a child-centered approach to planning and instruction that applies: 1) evidence-based knowledge from curriculum areas (including social-emotional learning, physical, language, cognitive, literacy, mathematics, science and the arts) and maintains the intellectual integrity from the specific curriculum areas, 2) conceptual organizers that make content meaningful and accessible for the children in the program, 3) child development knowledge, and 4) research-based development and learning curricula;

### ***Section 6.9 Formative Assessment Practices***

The school uses ongoing individual child assessment data to inform ongoing instructional planning and implementation relating to all areas of child development and learning, including cognitive, linguistic, social, and emotional approaches to learning and health and physical development (Act 210, Section 4, SLH 2021 in accordance with HRS §302D-39), with the classroom assessment tool as approved by the COMMISSION to report on children's development/progress over three reporting periods, based on the schedule required by the COMMISSION. The teaching staff shall use the results of each formative assessment checkpoint period to develop a report that shall be used for the purposes of parent-teacher

conferences.

### ***Section 6.10 Observations of Teacher-Child Interactions***

Ensures that staff participate in observations conducted using a tool to measure effective teacher-child interactions (Act 210, Section 4, SLH 2021 in accordance with HRS §302D-39) conducted by a certified observer who is employed, designated, and/or contracted by the COMMISSION at least two times per school year – once in Fall, and once in the Spring – and that teaching staff use the feedback provided to improve teacher-child interactions. Observations shall not be used for the purposes of teacher evaluation (Act 210, Section 4, SLH 2021 in accordance with HRS §302D-39).

### ***Section 6.11 Observations of the Early Childhood Learning Environments***

Ensures that staff participate in observations using a tool to measure the effectiveness of the early learning environment conducted by a certified observer who is employed, designated, and/or contracted by the COMMISSION at least two times per school year – once in the Fall and once in the Spring – and that staff use the feedback provided to improve the quality of the learning environment. Observations shall not be used for the purposes of teacher evaluation (Act 210, Section 4, SLH 2021 in accordance with HRS §302D-39).

### ***Section 6.12 Communication with Families***

Implements culturally and linguistically responsive outreach and communication efforts to enroll isolated or hard-to-reach families and engage families in their children's education (Act 210, Section 4, SLH 2021 in accordance with HRS §302D-39). Families shall have the opportunity to contribute to their child's learning progress through parent-teacher conferences, which shall be held following each checkpoint period and other ongoing communication opportunities.

### ***Section 6.13 Virtual and Blended Programs***

Virtual and blended instructional programs align to the stated mission and vision for all curriculum, instruction, and assessments. There is a detailed plan as to how all students enrolled in a blended program are scheduled to come to a school facility

or location for instruction for **more than 50% of the instructional week**. A blended school shall have a facility or location for instruction for all or part of the coursework. There is a detailed plan identifying the administrative iterative oversight of this instructional model and methods in which staff monitor progress of each student and ensure that students are meeting the required developmental milestones. The program identifies strategies in which struggling students be identified and supported.

### ***Section 6.14 Academic Performance Evaluation***

The SCHOOL shall report annually on the SCHOOL'S Mission Aligned Initiatives ("MAI").

### ***Section 6.15 Academic Review and Renewal***

1. The SCHOOL will be deemed to have met its goals and academic achievement expectations for Charter review and renewal if it has earned no less than 76 points during the first four years of this Charter Contract. The annual Academic Performance Framework (APF) is based on a 120-point scale. Improvement Provision: In cases where a SCHOOL has not achieved the above threshold, the COMMISSION may, at its discretion, determine that a SCHOOL has met its goals and student achievement expectations if the SCHOOL has demonstrated consistent improvement in overall scores over the first four years of this Charter Contract.

## **ARTICLE VII: ORGANIZATIONAL PERFORMANCE**

### ***Section 7.1 Organizational Framework***

The Organizational Performance Framework is comprised of the following indicators:

1. School Charter Mission
2. Governance
3. School Performance
4. Academic Performance
5. Financial Management
6. Admission, Enrollment, and Attendance
7. General Operation of School
8. Educational Service Provider
9. Health and Safety
10. Student Records and Data
11. School Facilities
12. Personnel and Employment
13. Insurance and Legal Liabilities
14. Commission Oversight and Responsibilities
15. Notice

### ***Section 7.2 Organizational Performance Evaluation***

The School shall:

1. Comply with applicable laws, rules, regulations, and provisions of the charter contract.
2. Timely complete and submit all necessary document requests from the COMMISSION in its monitoring and oversight.
3. Create and implement policies and procedures following general practices and guidelines to manage SCHOOL operations.



4. Maintain and make accessible the policies and procedures as listed but not limited to those found in Section 10.8 SCHOOL Policies.
5. Comply with all material legal, statutory, regulatory, or contractual requirements contained in the charter contract that are not otherwise stated herein.
6. Meet the requirements by other entities to which the SCHOOL is accountable in addition to the COMMISSION.
7. Comply with the COMMISSION as they conduct or require oversight activities including, but not limited to, inquiries, records review, investigations and site visits consistent with HRS §302D-17.

### ***Section 7.3 Organizational Performance Review and Renewal***

SCHOOLS will receive an evaluation of “Meets” or, “Does Not Meet”, for each of the indicators listed in Exhibit “A”.

The SCHOOL will be deemed to have met its organizational requirements and expectations for review and renewal if the SCHOOL receives an evaluation of “Meets” in the indicators listed in the above Section 7.1 of this Charter Contract.

SCHOOLS that receive an evaluation of “Does Not Meet” in any category will receive a **Notice of Concern** requiring the SPCSC Corrective Action Plan Form to be submitted to the COMMISSION. Three or more successive years of “Does Not Meet” evaluations in the same category may result in a **Notice of Deficiency** per Section 17.9.

### ***Section 7.4 Academic School Year***

Operate the State Public Charter School Early Learning Program in the charter school based on the SCHOOL’s academic year schedule, aligned with the full-day kindergarten classroom hours and schedule of each SCHOOL in accordance with HRS §302D-39.

### ***Section 7.5 Classroom Use***

The classroom designated for implementing the State Public Charter School Early Learning Program in [name of charter school] shall be used solely for the purposes

of the State Public Charter School Early Learning Program during its hours of charter school operation.

### ***Section 7.6 No Cost***

Offer the State Public Charter School Early Learning Program in the charter school at no cost to families.

### ***Section 7.7 Eligibility Verification***

Ensure that all families submit verification of eligibility (Act 210, Section 4, SLH 2021 in accordance with HRS §302D-39)

### ***Section 7.8 Staffing Requirements and Qualifications***

[name of charter school] shall hire one (1) full-time pre-kindergarten Teacher and one (1) full-time pre-kindergarten Educational Assistant for each prekindergarten classroom. Teacher(s) and Educational Assistant(s) shall meet the following qualifications for the positions they are hired:

1. Teachers. Meet licensing requirements for public school teachers pursuant to HRS §302A-805 and section 8-54-1.1, Hawai'i Administrative Rules (HAR), and meet Hawai'i Teacher Standards Board (HTSB) licensing requirements for a prekindergarten teacher, which include coursework in early childhood education, or is enrolled in a State-approved teacher education program and working toward satisfying the HTSB licensing requirements (Act 210, Section 4, SLH 2021 in accordance with HRS §302D-39).
2. Educational Assistants. Have a current Child Development Associate (CDA) Credential™, coursework for a certificate that meets the requirements for CDA Credential™ preparation, or is enrolled in and working toward completing a program that prepares the individual to obtain the CDA Credential™ (Act 210, Section 4, SLH 2021 in accordance with HRS §302D-39).
3. [name of charter school] shall provide this information to the COMMISSION with identifiable information relating to the license and credentials of the Teaching Staff.

### ***Section 7.9 Background Checks***

Ensure that employees undergo criminal history record checks pursuant to HRS §302D-33 before working with children.

### ***Section 7.10 Teaching Staff Requirements***

1. Teaching Staff hired for the early learning classroom provide direct services solely to children enrolled in the State Public Charter School Early Learning Program in the charter schools and shall be provided time for co-planning and team meetings regarding child learning, instructional practices, and other aspects of the SCHOOL's implementation of the State Public Charter School Early Learning Program in the charter schools (Act 210, Section 4, SLH 2021 in accordance with HRS §302D-39).
2. Include Teaching Staff in SCHOOL meetings and activities to promote alignment between all grade levels, programs, and settings (Act 210, Section 4, SLH 2021 in accordance with HRS §302D-39);
3. Professional Learning, Coaching and Mentoring. Participating in all professional learning sessions or relevant meetings, including as follows:
  1. Teachers and designated Administrators shall attend two (2) joint professional learning sessions throughout the SCHOOL year that are delivered by the COMMISSION;
  2. Teachers shall attend additional professional learning sessions as required by the COMMISSION throughout the SCHOOL year that are delivered by the COMMISSION;
  3. Designated Administrators shall attend additional professional learning sessions throughout the SCHOOL year that are delivered by the COMMISSION;
  4. Teaching Staff shall participate in ongoing coaching and mentoring sessions throughout the SCHOOL year with the COMMISSION's Early Learning Instructional Coaches;
  5. Teaching Staff and Administrators may also attend other relevant professional learning sessions and meetings that are delivered or sponsored by the COMMISSION, provided that [name of charter school]

has funding available to cover the associated costs, including substitute teachers and neighbor island travel. COMMISSION staff may also attend these sessions; and

6. If a SCHOOL wishes to include other SCHOOL staff in these professional learning sessions and meetings to promote P-3 alignment between grade levels, programs, and settings (Act 210, Section 4, SLH 2021 in accordance with HRS §302D-39), [name of charter school] shall use its own funds to cover the associated costs; provided the COMMISSION gives approval for sessions and meetings.

### ***Section 7.11 Early Learning System***

[name of charter school] shall promote the development of a cohesive, comprehensive, and sustainable P-3 early learning system, to the extent possible, by:

1. Collaborating with early childhood development and learning providers in the community to promote alignment between pre-kindergarten and elementary programs and to support children and their families in making successful transitions from prekindergarten into kindergarten, including children from other community-provided early learning programs such as:
  - Center-based program providers
  - Family child care providers
  - Family-child interaction learning program providers
  - Home-based instruction program providers and/or
  - Early intervention programs

### ***Section 7.12 Surveys and Evaluations***

Participate, as requested, in an annual survey and evaluations conducted by the COMMISSION. [name of charter school] shall share the results of the surveys and evaluations with the COMMISSION and work with the COMMISSION to evaluate services provided and make any improvements to the implementation of the State Public Charter School Early Learning Program and charter school based on these results (Act 210, Section 4, SLH 2021 in accordance with HRS §302D-39).

### ***Section 7.13 Data and Reporting***

Providing data and reports to the COMMISSION related to the following in a timely manner and in the format specified by the COMMISSION (Act 210, Section 4, SLH 2021 in accordance with HRS § 302D-39).

1. Assessments conducted using an early childhood assessment tool. Reporting shall be completed for each child enrolled based on checkpoint due dates established by the COMMISSION.
2. Observations conducted by the COMMISSION or individuals contracted by the COMMISSION, using an evidence-based tool to measure effective teacher-child interactions at least two times per school year – September-November, and March-May; This information shall be shared aggregately in the annual report to the Legislature regarding State-funded prekindergarten programs as required by Act 210, SLH 2021.
3. A written plan for the next three years to promote, within [name of charter school] and community, alignment of and transitions between grade levels, programs, and settings from prekindergarten through the third grade to ensure developmentally appropriate learning experiences as defined by the field of early childhood. This plan shall be submitted and updated annually by the end of each school year that the State Public Charter School Early Learning Program is offered in the SCHOOL, sharing the progress made toward this plan. The plan shall be jointly developed with the COMMISSION (Act 210, Section 4, SLH 2021 in accordance with HRS §302D-39).
4. For the purpose of evaluating the efficacy of and making any improvements to the State Public Charter School Early Learning Program in the charter schools, All reports shall be reviewed by [name of charter school] and the COMMISSION for accuracy and completeness.

### ***Section 7.14 Organizational Performance Evaluation***

The SCHOOL shall:

1. Comply with applicable laws, rules, regulations, and provisions of the charter contract.
2. Complete and submit all necessary document requests from the COMMISSION in its monitoring and oversight in a timely manner.
3. Create and implement policies and procedures following general practices and guidelines to manage SCHOOL operations.
4. Maintain and make accessible the policies and procedures as listed but not limited to those found in Section 10.8 SCHOOL Policies.
5. Comply with all material legal, statutory, regulatory, or contractual requirements in the charter contract that are not otherwise stated herein.
6. Meet the requirements by other entities to which the SCHOOL is accountable in addition to the COMMISSION.
7. Comply with the COMMISSION as they conduct or require oversight activities including, but not limited to, inquiries, records review, investigations, and site visits consistent with HRS §302D-17.

### ***Section 7.15 Organizational Performance Review and Renewal***

SCHOOLS will receive an evaluation of “Meets” or “Does Not Meet” for each of the indicators listed in Exhibit “A”. The SCHOOL will be deemed to have met its organizational requirements and expectations for review and renewal if the SCHOOL receives an evaluation of “Meets” in the indicators listed in the above Section 7.1 of this Charter Contract.

SCHOOLS that receive an evaluation of “Does Not Meet” in any category will receive a **Notice of Concern** requiring the SPCSC Corrective Action Plan Form to be submitted to the COMMISSION. Three or more successive years of “Does Not Meet” evaluations in the same category may result in a **Notice of Deficiency** per Section 17.9.

## ARTICLE VIII: FINANCIAL

[name of charter school] shall be accountable for:

### ***Section 8.1 Fiscal Responsibilities***

The SCHOOL shall comply with all applicable laws, including but not limited to state financial and budget rules, regulations, and financial reporting requirements, as well as the requirements contained in the Performance Frameworks (see Exhibit “A”). The SCHOOL shall operate, maintain accurate, comprehensive financial records, and practice governmental accounting in accordance with Generally Accepted Accounting Principles (“GAAP”) and other generally accepted standards of fiscal management and sound business practices to use public funds in a fiscally responsible manner.

### ***Section 8.2 Financial Oversight***

The COMMISSION shall have the authority to conduct or require appropriate inquiries, financial reviews, audits, and investigations pursuant to HRS §302D-17, so long as those activities are consistent with that statute and adhere to the terms of this Charter Contract. The SCHOOL shall, upon request, provide the COMMISSION with the name of each financial institution with which it holds an account and all relevant account information.

### ***Section 8.3 Fiscal Year***

The SCHOOL shall adhere to the State fiscal year which begins on July 1 and ends on June 30 of the subsequent calendar year.

### ***Section 8.4 Financial Terms and Concepts***

All financial terms and concepts used in this Charter Contract shall conform and adhere to the definitions and principles in GAAP, as may be amended by the Financial Accounting Standards Board (“FASB”).

### ***Section 8.5 Financial Management Policies***

The SCHOOL'S Governing Board shall develop and adhere to policies for the SCHOOL'S financial management. The SCHOOL'S current policies must be

posted on the SCHOOL'S official website. These policies shall allow the SCHOOL to maintain and implement appropriate governance and management procedures and financial controls which shall include, but not be limited to:

1. Development and monitoring of annual budgets;
2. Implementation of payroll procedures that adhere to collective bargaining requirements and state leave policies;
3. Maintenance of asset registers and financial procedures for grants in accordance with applicable federal and state law;
4. Preparation, review, and monitoring of all financial reporting requirements; and
5. Implementation of internal accounting procedures and controls for receipts, disbursements, purchases, payroll, inventory, use of credit cards, debit cards, and fixed assets.

### ***Section 8.6 Procurement***

Pursuant to HRS §§302D-25 and 302D-12, while the SCHOOL and its Governing Board shall be exempt from HRS Chapter 103D, the Governing Board shall develop a policy for the procurement of goods, services, and construction consistent with the goals of public accountability and public procurement practices. The Governing Board shall develop procedures to monitor the SCHOOL'S adherence to this policy. The SCHOOL'S current policies must be posted on the SCHOOL'S official website. Costs relating to the maintenance of such facilities that are \$30,000 and higher shall be subject to approval by the COMMISSION.

### ***Section 8.7 Quarterly Reports***

The SCHOOL shall prepare quarterly financial reports that shall be submitted to the COMMISSION in a form that will be determined by the COMMISSION. Within thirty (30) days of the end of the first, second, and third quarters, the SCHOOL shall submit the quarterly report to the COMMISSION. Within thirty (30) days after the end of the fiscal year, the SCHOOL shall submit its year-end report to the COMMISSION.

### ***Section 8.8 Annual Budgets***



The SCHOOL shall adopt an annual budget for the upcoming fiscal year approved by the Governing Board. The SCHOOL will submit to the COMMISSION the SCHOOL'S adopted budget within forty-five (45) days of the final adoption of the state budget.

Should the SCHOOL need to revise its adopted annual budget, the SCHOOL shall submit this revised budget to the COMMISSION, once approved by the Governing Board, no later than May 15 of each fiscal year.

### ***Section 8.9 Annual Audits***

Each fiscal year, the SCHOOL shall provide for an independent annual financial audit pursuant to HRS §302D-32.

The SCHOOL shall submit the completed audit by November 1 of each fiscal year. The COMMISSION, with reasonable notice to the SCHOOL, may change this deadline depending on circumstances that allow adequate time for the COMMISSION to meet federal and state financial reporting requirements.

### ***Section 8.10 Maintenance of Financial Records and Information***

The SCHOOL shall maintain all financial information, physical and electronic, in accordance with the requirements of the Department of Accounting and General Services, Archives Division, Records Management Branch.

### ***Section 8.11 Assets***

The SCHOOL shall maintain a complete and current inventory of all of its property and shall update the inventory annually. The SCHOOL shall take all necessary precautions to safeguard assets acquired with public funds.

### ***Section 8.12 Chart of Accounts***

The COMMISSION may require the SCHOOL to follow a uniform chart of accounts should it be required for federal or state financial reporting requirements; provided that the COMMISSION shall provide a reasonable time period for the SCHOOL to convert to such a chart of accounts.

### ***Section 8.13 Transfer of Funds to an Affiliated Non-profit or Educational Service Provider***

The SCHOOL **shall not** transfer public funds to any affiliated non-profit or educational service provider except for legitimate and reasonable payments from the SCHOOL to the affiliated non-profit or educational service provider pursuant to a written legal agreement. The SCHOOL shall provide the COMMISSION a copy of any newly executed agreement between the affiliated non-profit or educational service provider and the SCHOOL within fourteen (14) business days of execution. Under no circumstances shall SCHOOL funds be used as a line of credit or a short-term loan to any affiliated non-profit or educational service provider. Assets, funds, liabilities, and financial records of the SCHOOL shall be kept separate from assets, funds, liabilities, and financial records of any affiliated non-profit or educational service provider unless approved in writing by the COMMISSION.

#### ***Section 8.14 Financial Agreements and Lines of Credit***

The SCHOOL shall comply with HRS Chapter 37D, relating to financing agreements, which requires the approval of the Attorney General and the director of the Department of Budget and Finance.

Any credit cards or other lines of credit issued to the SCHOOL and used by SCHOOL staff must be paid in full each month unless other arrangements have been determined and approved as provided for in HRS Chapter 37D. Use of credit and debit cards issued to the SCHOOL must be covered by the financial management policies required by Section 8.4 of this Charter Contract.

#### ***Section 8.15 Additional Funds***

The SCHOOL may accept monetary contributions or grants and shall comply with all applicable federal or state laws regarding such monetary contributions or grants. These monetary contributions or grants should be appropriately noted in any applicable financial reporting requirements for the federal or state government and/or COMMISSION.

#### ***Section 8.16 Fees***

To the extent permitted by HRS §302D-28, the SCHOOL may charge reasonable fees for co-curricular activities. The SCHOOL may charge reasonable fees to the

extent permitted by law or other payment for before- and/or after-SCHOOL programs, field trips, or co-curricular activities.

### ***Section 8.17 Funding***

The COMMISSION shall provide funding to [name of charter SCHOOL] as appropriated by the Legislature for the purpose of implementing the State Public Charter School Early Learning Program classroom in accordance HRS §302D-39. These funds shall be provided to [name of charter school] for:

1. Personnel costs equivalent to one (1) full -time pre-kindergarten Teacher and one (1) full-time pre-kindergarten Educational Assistant for each classroom;
2. Operations and maintenance costs shall include:
  - a. Administrative costs and the costs of items, materials, and equipment to implement a high-quality early learning experience in the State Public Charter School Early Learning Program in the charter school
  - b. Unless otherwise specified in Section III.A.13, the costs of substitute teachers and neighbor island travel for Teaching Staff and designated Administrators to attend professional learning sessions or relevant meetings that are delivered by the COMMISSION (Act 210, Section 4, SLH 2021 in accordance with HRS §302D-39), and approved by the SCHOOL Administrator; and
  - c. Leasing and/or rental of facilities associated with implementing the State Public Charter School Early Learning Program in the SCHOOL. Costs relating to the maintenance of such facilities that are \$30,000 and higher shall be subject to approval by the COMMISSION.
  - d. Adhering to specifications set by the COMMISSION for funding provided to [name of charter school] for the purposes of the State Public Charter School Early Learning Program in the charter schools. Funding shall not supplant funding provided to the school pursuant to HRS §302D-29.

### ***Section 8.18 Recordkeeping and Budget and Expenditure Reports***

Maintaining accurate recordkeeping of all purchases where State Public Charter School Early Learning Program funds are utilized. [name of charter school] shall send all fiscal reports to the COMMISSION as requested by the COMMISSION. [name of charter school] shall submit a budget breakdown of its portion of the total funding provided by the COMMISSION for the purposes of implementing the State Public Charter School Early Learning Program in the charter schools on a quarterly basis, with the due dates determined by the COMMISSION. These obligations shall survive the termination or expiration of this contract. The COMMISSION may work with [name of charter school] to evaluate services provided and make any improvements to the implementation of the State Public Charter School Early Learning Program in the charter schools based on these reports (Act 210, Section 4, SLH 2021 in accordance with HRS §302D-39).

## **ARTICLE IX: ADMISSION, ENROLLMENT, AND ATTENDANCE**

### ***Section 9.1 Voluntary and Non-compulsory***

Enrollment shall be voluntary and non-compulsory. The SCHOOL shall follow the age requirements in accordance with HRS §302D-39.

### ***Section 9.2 No Tuition or Fees for Admission, Enrollment, or Attendance***

Pursuant to HRS §302D-28 and §302D-39, the SCHOOL may not assess tuition, contributions, or fees of any kind as a condition of admission, enrollment, or attendance. The SCHOOL may charge reasonable fees to the extent permitted by law or other payment for after SCHOOL programs, field trips, or co-curricular activities.

### ***Section 9.3 Applications and Admissions***

The SCHOOL shall comply with its admission policies and procedures as approved by the COMMISSION. If the number of applicants exceeds the SCHOOL'S capacity of a program, class, grade level, or building, the SCHOOL shall select students to enroll using a public lottery that shall be publicly noticed.

The SCHOOL shall submit a description of its current lottery process to the COMMISSION and shall provide notice to the COMMISSION if there is a material change made to the current lottery process. The SCHOOL shall provide the COMMISSION with a written notice of any material change to the lottery process at least thirty (30) days prior to the date of the proposed implementation for comment. The admission policies and procedures, including the lottery procedure, must be posted on the SCHOOL'S official website.

### ***Section 9.4 Enrollment***

Enrollment in the SCHOOL shall be open to all students of ages and grades as set forth in Section 2.1 of this Charter Contract above who are residents of the State of Hawai'i. Pursuant to HRS §302D-39, the SCHOOL shall make all student recruitment, admissions, enrollment, and retention decisions in a nondiscriminatory manner and without regard to race, color, ethnicity, national origin, religion, gender,

sexual orientation, income level, disability, level of proficiency in the English, need for special education services, academic or athletic ability.

The SCHOOL shall not impose enrollment preferences, except as allowed for in HRS §302D-34. Any enrollment preferences adopted by the SCHOOL shall be included in the admissions policy and procedure. The SCHOOL shall admit students at any time during the SCHOOL year until the SCHOOL has met its grade-level enrollment targets or per classroom enrollment limits approved by the COMMISSION and set forth in Sections 2.1 and 6.4 of this Charter Contract.

### ***Section 9.5 Amendment to Enrollment***

Contingent upon available funding provided by the legislature, the SCHOOL shall submit to the COMMISSION the “SPCSC Request to Amend Charter Contract Form” to approve an increase in the maximum number of classrooms to increase the enrollment of the SCHOOL no later than one (1) year before the requested change date with evidence that the SCHOOL Property has sufficient capacity to accommodate the increased enrollment, and the quality of the educational program at the SCHOOL is satisfactory and will not deteriorate as a result of such increase; and such other items as the COMMISSION may request. The SCHOOL shall maintain accurate and complete enrollment data. The school shall maintain classroom enrollment requirements in accordance with HRS §302D-39.

### ***Section 9.6 Attendance***

The SCHOOL shall maintain and adhere to its attendance policy. The SCHOOL’S current policy must be posted on the SCHOOL’S official website, as described in Section 10.8 of this Charter Contract. The SCHOOL shall maintain daily records of student attendance and absences.

### ***Section 9.7 Attendance: Virtual and/or Blended Learning Program***

If the SCHOOL has a virtual or blended learning program, the SCHOOL’S attendance policy shall include:

1. Procedures to account for student attendance online; and

2. Requirements for on-site attendance for each course and grade level. The School shall maintain daily records of virtual and/or blended student attendance and absences.

### ***Section 9.8 Right to Remain***

Students who fail to attend the SCHOOL may be removed from the SCHOOL'S enrollment only after the requisite unexcused absences have been documented and all follow-up and support services offered to the student's family have been exhausted, consistent with the provisions of the McKinney-Vento Act, and COMMISSION policy.

### ***Section 9.9 Dismissal***

The SCHOOL shall not dismiss or transfer a student involuntarily, unless it is requested by the family.

### ***Section 9.10 Withdrawal and Transfer***

The SCHOOL shall adopt and adhere to withdrawal and transfer procedures which provide for the timely release of any student who withdraws from the SCHOOL and/or transfers to another SCHOOL. The SCHOOL'S withdrawal and transfer procedures shall also provide for the transfer of the student's records to the new SCHOOL in a reasonable timeframe.

## **ARTICLE X: GENERAL OPERATIONS OF THE SCHOOL**

### ***Section 10.1 Student Records***

The SCHOOL shall maintain student records for current and former students in accordance with the requirements of federal and state law, including the Family Education Rights and Privacy Act, 20 U.S.C. §1232g (“FERPA”), as may be amended from time to time.

### ***Section 10.2 Records Retention***

The SCHOOL shall comply with all applicable federal and state requirements pertaining to the retention of all SCHOOL records. As a state entity, the SCHOOL shall comply with the policies and guidelines of the Department of Accounting and General Services, Archives Division, Records Management Branch, with regard to the retention and disposal of government records.

### ***Section 10.3 Open Records Law***

The SCHOOL shall comply with HRS Chapter 92F, the Uniform Information Practices Act.

### ***Section 10.4 Student Conduct and Discipline***

“The SCHOOL shall adopt, update, and adhere to written policies concerning standards of student conduct and discipline which shall comply with all applicable federal and state laws. Expulsions and suspensions in early childhood settings threaten the development of positive relationships, disrupt the learning process, and deny children access to critical supports that a high-quality early childhood education can provide. The Hawaii Department of Education (HIDOE) prohibits suspension and expulsion of Pre-Kindergarten (Pre-K) students. Any disciplinary action pursuant to Hawaii Administrative Rules (HAR), Title 8, Chapter 19, Student Misconduct, Discipline, School Searches and Seizures, Reporting Offenses, Police Interviews and Arrests, and Restitution for Vandalism for all class offenses shall not apply to Pre-K students. Pre-K students shall be provided with developmentally appropriate interventions and supports to address their behavioral needs” (DOE



Memo dated February 28, 2019). SCHOOLS should avoid suspending pre-K students. The SCHOOL shall provide this policy to parent(s)/legal guardian(s) and students at the start of each SCHOOL year. The SCHOOL'S current policies must be posted on the SCHOOL'S official website, as described in Section 10.8 of this Charter Contract.

### ***Section 10.5 Punishment of Pupils***

Pursuant to HRS §302A-1141, no physical punishment of any kind may be inflicted upon any pupil.

### ***Section 10.6 Complaints Process***

The SCHOOL shall adopt and adhere to a process for resolving public complaints which shall include an opportunity for complainants to be heard by the SCHOOL'S Governing Board. For matters concerning the operations and administration of the SCHOOL, the decision by the SCHOOL'S Governing Board shall be considered final, except where the complaint pertains to a possible violation of any law or breach of this Charter Contract. In the case of a possible violation of law or breach of the Charter Contract, the COMMISSION or other appropriate state agency may investigate the validity of the complaint to determine whether additional actions are needed. The complaints process must be posted on the SCHOOL'S official website, as described in Section 10.8 of this Charter Contract.

### ***Section 10.7 Transportation***

The SCHOOL may provide its own transportation services, provide transportation through an agreement or contract with a private provider, or access any other SCHOOL transportation provided to it by law. Pursuant to HRS §286-181, any transportation services provided by the SCHOOL shall follow the safety rules and standards relating to SCHOOL vehicles, equipment, and drivers adopted by the Hawai'i State Department of Transportation.

### ***Section 10.8 School Policies***

The SCHOOL shall post the current versions of the following policies and procedures on its official website:

1. Admissions policies and procedures, including the lottery procedure, as described in Section 9.3 of this Charter Contract;
2. Student conduct and discipline policy, as described in Section 10.4 of this Charter Contract;
3. Complaints procedures, as described in Section 10.6 of this Charter Contract;
4. Attendance policies and procedures, as described in Sections 9.6 and 9.7 of this Charter Contract;
5. Procurement policy, as described in Section 8.6 of this Charter Contract;
6. Safety plan, as described in Section 12.1 of this Charter Contract;
7. Financial management policies and procedures, as described in Section 8.5 of this Charter Contract;
8. Personnel policies, as described in Section 15.9 of this Charter Contract;
9. Policies and procedures for reporting crime related incidents and suspected child abuse or neglect pursuant to Section 12.5 of this Charter Contract; and
10. Policies and procedures related to the prohibited use of tobacco and tobacco products pursuant to section 12.6 of this Charter Contract.

## **ARTICLE XI: EDUCATIONAL SERVICE PROVIDER**

### ***Section 11.1 Contracting with an Educational Service Provider***

The SCHOOL shall not enter into a contract or subcontract for comprehensive management or administration services which include, but are not limited to, operational back office functions and services related to the instructional design and operation of the SCHOOL, in return for fees, unless otherwise agreed to in writing by the COMMISSION and reviewed and approved by the SCHOOL'S Deputy Attorney General. The SCHOOL shall submit for the COMMISSION'S approval the "SPCSC Request to Amend Charter Contract Form" for any proposed changes or termination of any ESP agreement.

### ***Section 11.2 Educational Service Provider ("ESP") Requirements***

The COMMISSION has an obligation to ensure that the SCHOOL'S Governing Board retains its statutory responsibilities and that the School-service provider relationship will not inhibit the COMMISSION from fulfilling its oversight responsibilities. The following requirements ensure that both the SCHOOL'S Governing Board and the COMMISSION retain authority to fulfill their legal rights and responsibilities under this Charter Contract and applicable law:

1. The ESP agreement shall be subject to, and shall incorporate by reference, the terms and conditions of this Charter Contract.
2. The term of the ESP agreement shall not exceed the term of this Charter Contract.
3. No provision of the ESP agreement shall interfere with the duty of the Governing Board to exercise its statutory, contractual, and fiduciary responsibilities governing the operation of the SCHOOL. No provision of the ESP agreement shall prohibit the SCHOOL'S Governing Board from acting as an independent, self-governing public body, or allow decisions to be made other than in compliance with HRS Chapter 302D.
4. The ESP agreement shall require the ESP to defend, indemnify, and hold

harmless the State of Hawai'i, the COMMISSION and the SCHOOL, and their officers, employees and agents from and against all liability, loss, damage, cost and expense, including all attorneys' fees, and all claims, suits and demands therefore, arising out of or resulting from the acts or omissions of the ESP or the ESP's employees, officers, agents, or subcontractors under the ESP agreement. The ESP agreement shall not require the SCHOOL to defend, indemnify or hold harmless the ESP. The ESP agreement shall contain insurance and indemnification provisions outlining the coverage the ESP will obtain.

5. The ESP agreement shall describe the specific services for which the ESP is responsible and shall clearly delineate the respective roles and responsibilities of the ESP and the SCHOOL in the management and operation of the SCHOOL, including development, approval, and oversight of the SCHOOL'S budget; development, approval, and oversight of the SCHOOL'S curriculum; and oversight of the ESP's services.
6. The ESP agreement shall expressly provide that the SCHOOL retains, at all times, ultimate responsibility for the SCHOOL'S budget and curriculum.
7. The ESP agreement shall include procedures by which the ESP will be accountable to the SCHOOL including expressly addressing how the SCHOOL will evaluate and hold the ESP accountable in relation to the Performance Frameworks (Exhibit "A").
8. The ESP agreement shall be terminable by the SCHOOL in accordance with its established termination procedures.
  - a. Upon default by the ESP, including without limitation any act or omission of the ESP that causes a default under the Charter Contract or that causes the SCHOOL to be in material violation of applicable law; or

- b. For other good cause as agreed by the SCHOOL and the ESP.
9. The ESP agreement shall provide that the financial, educational, and student records pertaining to the SCHOOL are SCHOOL property and that such records are subject to the provisions of the Uniform Information Practices Act (HRS Chapter 92F). All SCHOOL records shall be physically or electronically available, upon request, at the SCHOOL'S physical facilities. Except as permitted under this Contract and applicable law, no ESP agreement shall restrict access to the SCHOOL'S records by the COMMISSION, the HIDEOE, the Office of the State Auditor, or other authorized party in compliance with Section 17.3 of this Charter Contract.
10. The ESP agreement shall require that the ESP furnish the SCHOOL with all information deemed necessary by the SCHOOL or the COMMISSION for the proper completion of the budget, quarterly reports, or financial audits required under this Charter Contract.
11. The ESP agreement shall provide that all financial reports provided or prepared by the ESP shall be presented in the format prescribed by the COMMISSION.
12. The ESP agreement shall provide that all employees or contractors of the ESP who work in close proximity to students of the SCHOOL shall be subject to criminal background check requirements in accordance with Section 15.2 of this Charter Contract.
13. The ESP agreement shall contain provisions requiring compliance with all requirements, terms, and conditions established by any federal or state funding source.
14. The ESP agreement shall provide that the SCHOOL retains responsibility for selecting and hiring the auditor for the independent annual audit required by HRS §302D-32 and this Charter Contract.

15. If an ESP purchases equipment, materials, and supplies using public funds on behalf of or as the agent of the SCHOOL, the ESP agreement shall provide that such equipment, materials, and supplies shall be included in the SCHOOL'S inventory and remain the property of the SCHOOL.
16. The ESP agreement shall contain a provision that clearly allocates the respective proprietary rights of the SCHOOL governing board and the ESP to curriculum or educational materials. At a minimum, the ESP agreement shall provide that the SCHOOL owns all proprietary rights to curriculum or educational materials that: 1) are both directly developed and paid for by the SCHOOL; or 2) were developed by the ESP at the direction of the SCHOOL'S Governing Board with SCHOOL funds dedicated for the specific purpose of developing such curriculum or materials. The ESP agreement may also include a provision that restricts the SCHOOL'S proprietary rights over curriculum or educational materials that are developed by the ESP from SCHOOL funds or that are not otherwise dedicated for the specific purpose of developing SCHOOL curriculum or educational materials. The ESP agreement shall recognize that the ESP's educational materials and teaching techniques used by the SCHOOL are subject to state disclosure laws and the Uniform Information Practices Act.
17. If the SCHOOL intends to enter into a lease, execute promissory notes or other negotiable instruments, or enter into a lease-purchase agreement or other financing relationships with the ESP, then such agreements shall be separately documented and not be a part of or incorporated into the ESP agreement. Such agreements shall comply with HRS Chapter 37D, if applicable, and shall be consistent with the SCHOOL'S authority to terminate the ESP agreement and continue operation of the SCHOOL.
18. The ESP agreement shall provide that Hawai'i law governs any legal proceeding arising out of a dispute between the SCHOOL and the ESP.

## **ARTICLE XII: HEALTH AND SAFETY**

### ***Section 12.1 Safe Environment***

The SCHOOL shall maintain a healthy and safe learning environment for preschoolers at all times which is in alignment with HAR Title 17, Chapter 892.1 Department of Human Services Licensing of Group Child Care Centers for preschoolers. The SCHOOL shall develop and adhere to a safety plan. The SCHOOL'S plan must be posted on the SCHOOL'S official website, as described in Section 10.8 of this Charter Contract.

### ***Section 12.2 Food Services***

If a SCHOOL offers any type of food service on campus, the SCHOOL shall comply with all applicable federal, state and county laws, ordinances, codes, rules, or regulations related to food services, including the handling, preparing, and serving of food.

### ***Section 12.3 Health Clearances***

The SCHOOL shall comply with HRS §§302A-1154 to 302A-1163, and HAR Chapter 11-157, requiring documentation that each student has received immunizations against communicable diseases, is free from tuberculosis in a communicable form, and has received a physical examination. Pursuant to HRS §302A-1161, if a child does not complete the immunizations or physical examination required within the period provided by HRS §302A-1155, after provisional entry into SCHOOL, the SCHOOL shall notify the parent or guardian of the child that if the required immunizations or physical examination is not completed within thirty (30) days of the date of the notice, the child shall not be admitted to the SCHOOL.

### ***Section 12.4 Student Health***

The SCHOOL shall provide appropriate first aid care for ill and injured students. The SCHOOL may recommend that parents seek the help of medical professionals or appropriate health agencies for cases beyond its scope of responsibility. The

SCHOOL will comply with applicable laws, rules, and regulations related to safety and the provision of health related services, including but not limited to, appropriate SCHOOL nursing and/ or other public health services, and the dispensing and storage of medications.

### ***Section 12.5 Reporting of Crime-related Incidents***

The SCHOOL shall adopt policies and procedures to:

1. Require a report to appropriate authorities from a teacher, official, or other employee of the SCHOOL who knows or has reason to believe that an act has been committed or will be committed, which:
  - a. Occurred or will occur on SCHOOL property during SCHOOL hours or during activities supervised by the SCHOOL;
  - b. Involves crimes relating to arson, assault, burglary, disorderly conduct, dangerous weapons, dangerous drugs, harmful drugs, extortion, firearms, gambling, harassment, intoxicating drugs, marijuana or marijuana concentrate, murder, attempted murder, sexual offenses, rendering a false alarm, criminal property damage, robbery, terroristic threatening, theft, or trespass; and
  - c. Involves suspected child abuse or neglect pursuant to HRS §350-1.1.
2. Establish procedures for reporting any incident; and
3. Impose appropriate disciplinary action for failure to report these incidents, including probation, suspension, demotion, and discharge of SCHOOL officials.
4. Establish procedures for reporting any incident; and
5. Impose appropriate disciplinary action for failure to report these incidents, including probation, suspension, demotion, and discharge of SCHOOL officials.



***Section 12.6 Use of Tobacco Prohibited***

Pursuant to HRS §302A-102, and HAR §8-19-6, the SCHOOL shall prohibit the use of tobacco and tobacco products at the SCHOOL or at SCHOOL functions.

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## **ARTICLE XIII: STUDENT RECORDS AND DATA**

### ***Section 13.1 Educational Data***

Pursuant to HRS §302D-23, the SCHOOL shall comply with the minimum educational data reporting standards established by the BOE with additional data reporting required by the COMMISSION in its oversight of this Charter Contract and shall ensure all data is accurate and complete.

### ***Section 13.2 Reporting of Data and School Information***

The SCHOOL shall provide to the COMMISSION, in the format and timeframe prescribed by the COMMISSION, any data necessary and reasonably required by the COMMISSION to meet its oversight and reporting obligations. The COMMISSION shall provide by June 1 the list of anticipated reports and due dates and provide this information to the SCHOOL.

### ***Section 13.3 Commission's Annual Report to the BOE and Legislature***

Pursuant to HRS §302D-17 and HRS §302D-39, the COMMISSION shall publish and provide an annual report on the SCHOOL'S performance in accordance with the Performance Frameworks.

### ***Section 13.4 Permitted Disclosures and Uses by Operators***

Pursuant to HRS §302A-500, the SCHOOL shall be responsible for notifying operators, as defined in HRS §302A-499, with access to student data and information of the operators' statutory responsibilities and restrictions.

## **ARTICLE XIV: SCHOOL FACILITIES**

### ***Section 14.1 Location***

The SCHOOL facilities are located at the address(es) indicated in Section I of this Charter Contract.

### ***Section 14.2 Occupancy Rights***

The SCHOOL shall possess the lawful right to occupy and use the premises on which the SCHOOL operates. The SCHOOL shall provide the COMMISSION a copy of the SCHOOL'S lease, deed, or other occupancy agreement for all locations identified in Section 2.1 of this Charter Contract.

### ***Section 14.3 Compliance with Codes***

The SCHOOL shall be located in facilities that comply with all applicable state and county building, zoning, fire, health, and safety code requirements.

If the SCHOOL is located in facilities other than State or HIDEOE facilities, the SCHOOL shall obtain and maintain any necessary certificates or permits required for use and occupancy of the SCHOOL'S facilities from the applicable building, zoning, fire, health, and safety authorities. The SCHOOL shall immediately notify the COMMISSION in the event that any such certificate or permit is jeopardized, suspended, or revoked. The SCHOOL shall comply at all times with the occupancy capacity limits set by zoning, building, fire, and other applicable codes and regulations.

### ***Section 14.4 Alignment with Child Care Licensing Standards***

Facilities must align with the HAR Title 17, Chapter 892.1 Department of Human Services Licensing of Group Child Care Centers for preschoolers.

### ***Section 14.5 Emergency Relocation***

In the event of natural disasters, emergencies, and/or damage to a SCHOOL'S facilities, the SCHOOL may provide educational services at a temporary location not identified in Section 2.1 of this Charter Contract, provided the SCHOOL notify the COMMISSION of the location prior to the start of services at the temporary

location and submit monthly updates on location status using the “SPCSC Facility Amendment Form”.

### ***Section 14.6 Non-Emergency Relocation or Expansion of Facilities***

The SCHOOL’S relocation from the original facility or the request for additional facilities for non-emergency reasons shall constitute a material change to the Charter Contract and shall require prior written approval by the COMMISSION pursuant to Section 2.4 of this Charter Contract.

1. Consideration by the COMMISSION for the SCHOOL’S facility relocation or an additional campus at a different location will require the SCHOOL to meet the following conditions:
2. Any previously authorized campuses must have opened;
3. The SCHOOL’S educational programs earn at least a 73, or its equivalent, on the Academic Performance Framework for the most recent years of this Charter Contract;
4. There have been no material violations of the law and neither the SCHOOL nor any existing campus is under a **Notice of Concern** described in Section 17.7 of this Charter Contract;
5. The SCHOOL shall provide educational services, including the delivery of instruction, primarily at locations identified in Section I of this Charter Contract.
6. The SCHOOL shall submit to the COMMISSION for its approval of the proposed relocation or additional campus no later than April 1 prior to the Academic Year in which the relocated or additional campus will open.
7. The COMMISSION shall approve or deny the proposed location within ninety (90) days of the SCHOOL’S submitted proposal.
8. For new charter schools, the COMMISSION reserves the right to delay or prohibit the School’s opening of an additional campus until the SCHOOL has satisfied each of the pre-opening conditions.
9. Final approval of the relocation or additional campus location shall be contingent upon meeting the following conditions:

- a. Submission of enrollment projections for the upcoming SCHOOL year, should the SCHOOL seek to increase enrollment;
- b. Submission to the COMMISSION a Certificate of Occupancy for the new facilities prior to the first day of occupancy;
- c. Submission to the COMMISSION of a lease, deed, or other document showing the SCHOOL possesses the right to occupy the new premises;
- d. Submission to the COMMISSION documentation that the new facilities meet applicable health, safety, fire, building, and zoning code requirements; and
- e. Submission to the COMMISSION documentation that the new facilities are of sufficient size to safely house the maximum anticipated enrollment.

## **ARTICLE XV: CHARTER SCHOOL PERSONNEL AND EMPLOYMENT**

### ***Section 15.1 Relationship***

All employees hired by the SCHOOL shall be employees of the SCHOOL and, pursuant to HRS §302D-12, shall be subject to HRS Chapter 84 and considered to be an employee of the State of Hawai'i.

### ***Section 15.2 Criminal History Checks***

The SCHOOL shall conduct criminal history checks, administered by the Hawai'i Criminal Justice Data Center, in accordance with HRS §846-2.7, to determine whether a prospective employee, vendor, volunteer, or agent is suitable prior to the commencement of such employment, services, or volunteer work. The SCHOOL shall consider the results of such background checks in its decision to employ or utilize such persons either directly or through a SCHOOL Management Contract. The SCHOOL may terminate the employment of any employee or deny employment to an applicant if the person has been convicted of a crime, and if the SCHOOL finds by reason of the nature and circumstances of the crime that the person poses a risk to the health, safety, or well-being of others. All such decisions shall be subject to applicable federal and state laws and regulations.

### ***Section 15.3 Collective Bargaining***

All employees of the SCHOOL shall be subject to collective bargaining under HRS Chapter 89, and shall comply with the master agreements as negotiated by the State; provided that the SCHOOL may enter into supplemental collective bargaining agreements that contain cost and non-cost items to facilitate decentralized decision-making. The SCHOOL shall provide a copy of any supplemental collective bargaining agreement to the COMMISSION and the HIDOE.

### ***Section 15.4 Nondiscrimination***

The SCHOOL, including any employees or agents of the SCHOOL, shall not engage in any discrimination that is prohibited by any applicable federal, state, or

county law, including but not limited to HRS §378-2. The SCHOOL shall include a nondiscrimination policy in its policy manual that complies with BOE Policy 900-1.

### ***Section 15.5 Teacher Credentials***

All teachers employed to teach at the SCHOOL must be licensed pursuant to State licensing requirements and meet any other applicable requirements established by federal and state law, or applicable collective bargaining agreements as such requirements may be amended including those as stated in section 8-54-1.1, Hawai'i Administrative Rules (HAR), and meet Hawai'i Teacher Standards Board (HTSB) licensing requirements for a prekindergarten teacher as stated in Section 7.8. Unlicensed teachers may be employed at the SCHOOL only in emergency and other limited situations, provided that the SCHOOL meets the requirements, outlined in HRS §302A-804 for reporting and filling the vacancies with licensed staff as soon as possible.

### ***Section 15.6 Personnel Data***

The SCHOOL shall maintain accurate and complete personnel and payroll information and shall provide such information to the COMMISSION, in the format and timeframe prescribed by the COMMISSION, as required for the Legislature, HIDOE, or any State agency including but not limited to the Department of Budget & Finance, Employees' Retirement System, and the Hawai'i Employer-Union Health Benefits Trust Fund. The SCHOOL shall ensure each employee that qualifies for State benefits receives such benefits.

### ***Section 15.7 Evaluations***

Pursuant to federal and state law and policy, the SCHOOL is responsible for implementing principal and teacher evaluation systems. The SCHOOL shall ensure that the evaluation systems are in compliance with all applicable laws, regulations, and policies, including, but not limited to federal and state education law requirements and collective bargaining requirements.

### ***Section 15.8 Non-Instructional Employees***

The SCHOOL shall ensure that the SCHOOL'S non-instructional employees or agents are experienced and fully qualified to engage in the activities and perform the services required under this Charter Contract, and that all applicable licensing and operating requirements imposed or required under federal, state, or county laws, and all applicable accreditation and other standards of quality generally accepted in the field of the activities of such employees and agents are complied with and satisfied, as well as any applicable collective bargaining agreements.

***Section 15.9 Personnel Policies***

The Governing Board shall adopt and adhere to personnel policies for all SCHOOL employees. The SCHOOL'S current policies must be posted on the SCHOOL'S official website and a copy submitted to the COMMISSION.

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## **ARTICLE XVI: INSURANCE AND LEGAL LIABILITIES**

### ***Section 16.1 Insurance***

The SCHOOL shall be covered under the Statewide Risk Management Program pursuant to HRS Chapter 41D, for liability, property, crime, and automobile insurance. The SCHOOL shall comply with all applicable laws, rules, policies, procedures, and directives of the Department of Accounting and General Services' Risk Management Office.

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## **ARTICLE XVII: COMMISSION OVERSIGHT AND RESPONSIBILITIES**

### ***Section 17.1 Oversight and Enforcement***

The COMMISSION will manage, supervise, and enforce this Charter Contract. Pursuant to HRS §302D-17, the COMMISSION shall continually monitor the performance and legal compliance of the SCHOOL under this Charter Contract and hold the SCHOOL accountable to the performance of its obligations as required by federal and state laws and regulations, the Performance Framework, as well as the terms of this Charter Contract.

The COMMISSION shall have the authority to conduct oversight activities that enable the COMMISSION to fulfill its responsibilities under HRS Chapter 302D, including conducting appropriate inquiries and investigations, so long as those activities are consistent with the intent of HRS Chapter 302D, and adhere to the terms of this Charter Contract. Enforcement of this Charter Contract may include, but is not limited to, taking corrective action, development of corrective action plans, imposing sanctions, non-renewal, revocation, or termination of this Charter Contract.

### ***Section 17.2 Monitoring Related to Federal Programs***

The SCHOOL shall allow the HIDOE access to and provide any information needed to meet its oversight and reporting obligations as the SEA or LEA. The HIDOE may monitor the SCHOOL for compliance with programmatic or fiscal requirements, including requiring reports or other documentation, under any applicable law related to federal programs, including but not limited to special education.

### ***Section 17.3 Access to Records***

Consistent with the SCHOOL'S obligations under FERPA, the SCHOOL shall make

all SCHOOL records open to inspection by the COMMISSION, the HIDEOE, the Office of the State Auditor, law enforcement officials, contractors, or any other federal or state regulatory agency within five (5) business days after request is made, or sooner if required by law.

### ***Section 17.4 Right to Review***

The COMMISSION is a state educational agency with oversight and regulatory authority over the SCHOOLS that it authorizes as provided by HRS Chapter 302D. Upon request, the COMMISSION, or its designee, shall have the right to review all records created, established or maintained by the SCHOOL in accordance with the provisions of this Charter Contract, applicable federal and state law and regulations. This right shall be in addition to the COMMISSION'S right to require the SCHOOL to submit data and other information to aid in the Commission'S oversight and monitoring of the SCHOOL as provided under this Charter Contract and applicable law.

When the request is for on-site inspection of records, the COMMISSION shall be granted immediate access. If the request is for the production of records, then the COMMISSION will include a timeframe in which the records must be produced and provided; the SCHOOL must adhere to this timeframe.

This information, regardless of the form in which it is disclosed, will be used by the COMMISSION, and its authorized representatives, to satisfy its obligations to audit, evaluate, and conduct compliance and enforcement activities relative to the SCHOOL.

### ***Section 17.5 Inquiries and Investigations***

The COMMISSION may conduct or require oversight activities including, but not limited to, inquiries and investigations consistent with HRS Chapter 302D, regulations, and the terms of this Charter Contract. The COMMISSION may gather

information or evidence from any individual or entity with information or evidence that may be relevant to the inquiry or investigation.

### ***Section 17.6 Site Visits***

The COMMISSION may visit the SCHOOL at any time and may, at its discretion, conduct site visits and monitoring. When appropriate, the COMMISSION shall make reasonable efforts to provide notice of visits. Such site visits may include any activities reasonably related to fulfillment of the COMMISSION'S oversight responsibilities including, but not limited to, inspection of the facilities; audit of financial books and records; inspection of records maintained by the SCHOOL; interviews and observations of the principal, staff, SCHOOL families, staff of an affiliated nonprofit or educational service provider and community members; and observation of classroom instruction.

### ***Section 17.7 Notice of Concern***

The COMMISSION shall notify the SCHOOL of perceived problems about unsatisfactory performance or failure to meet legal or contractual compliance obligations (including any goals, objectives, or outcomes set in the performance frameworks) and may issue a **Notice of Concern**. The SCHOOL will be given reasonable opportunity to respond and remedy the problem, unless revocation is warranted in accord with HRS §302D-17(c) and/or HRS §302D-18(g).

Failure to issue a **Notice of Concern** shall not be (i) construed as a waiver or relinquishment of any requirement under applicable laws, rules, policies, procedures, contractual terms and conditions, or performance expectations; or (ii) deemed a necessary precedent to non-renewal or revocation.

### ***Section 17.8 Notice of Concern Intervention Protocols***

Upon receiving a **Notice of Concern**, the SCHOOL'S Governing Board will be required to provide a written response to the COMMISSION within fourteen (14) calendar days and the response must include at least one of the following:

1. A description of the remedy of the compliance breach, if the breach has been completely remedied, including evidence of such remedy;
2. a written notification disputing the determination that a compliance breach has occurred with accompanying evidence in support of that assertion; or
3. The SPCSC Corrective Action Plan Form, describing how the SCHOOL will remedy the compliance breach that includes timelines and persons responsible for each action within the plan. If the submitted corrective action plan is not mutually agreeable to both the SCHOOL and the COMMISSION staff, the matter will be brought to the COMMISSION at a General Business Meeting.

If the SCHOOL disputes the **Notice of Concern**, the COMMISSION will consider the matter at a General Business Meeting and retract, modify, or uphold the **Notice of Concern**.

### ***Section 17.9 Notice of Deficiency and Notice of Prospect of Revocation***

If the SCHOOL fails to respond or make progress towards correcting the breach in the time allowed by the Corrective Action Plan, repeatedly fails to comply with applicable law or Contract provision(s), or when the breach presents an immediate concern for student or employee health and safety, the COMMISSION may take any or all of the following actions:

1. Issue a **Notice of Deficiency** which may include prescriptive, specific action plans and conditions for the SCHOOL; or
2. Issue a **Notification of Prospect of Revocation**, which initiates revocation proceedings, in accordance with HAR §8-505-16.

In accordance with HRS §302D-17, this Intervention Protocol shall not apply in any circumstance in which the COMMISSION determines that a problem or deficiency warrants revocation, in which case HRS Chapter 302D, and the established rules, procedures and protocols for revocation shall apply.

### ***Section 17.10 Other Legal Obligations***

Nothing in this Charter Contract will be construed to alter or interfere with the COMMISSION'S performance of any obligations imposed under federal or state law.

1. Any items purchased using State Public Charter School Early Learning Program funds shall be inventoried by the SCHOOL and considered to be the property of the COMMISSION.
2. The SCHOOL shall reimburse the COMMISSION for costs associated with the use of the classroom assessment tool required by the COMMISSION to report on children's development/progress. This obligation shall survive termination or expiration of this Contract.

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## **ARTICLE XVIII: RENEWAL, BREACH OF CONTRACT, TERMINATION, AND DISSOLUTION**

### ***Section 18.1 Charter Contract Renewal***

Pursuant to HRS §302D-18, a Charter Contract may be renewed for a successive five-year term of duration. SCHOOLS seeking to renew their Charter Contract will submit an Application for Contract Renewal in the final year of their contract. The Final Performance Report shall summarize the SCHOOL'S performance record to date as well as the due process afforded to the SCHOOL through HAR §§8-505-10 through 8-505-13. Each SCHOOL will have thirty (30) days from the time of receipt of the Final Performance Report to respond to the Performance Report, and to complete and submit the contract renewal application. The COMMISSION will conduct a performance review within forty-five (45) days of receiving the SCHOOL'S application for renewal. During the performance review, the COMMISSION will determine whether or not the SCHOOL has earned a renewal of the Charter Contract and may apply conditions if applicable.

### ***Section 18.2 Non-Renewal of a Charter Contract***

At the performance review, the COMMISSION may decide not to renew the Charter Contract if it is determined that the SCHOOL:

- 1. Committed a material and substantial violation of any of the terms, conditions, standards, or procedures required under HRS Chapter 302D, or this Charter Contract.**

In evaluating this provision, the COMMISSION will place a heavier emphasis on violations of law or Charter Contract when the law or contract provision was designed to protect the health or safety of students or protect equal access and equity of educational opportunities.

- 2. Failed to meet or make sufficient progress toward performance expectations set forth in this Charter Contract.**

In evaluating this provision for the Academic Performance Framework, when there is a pattern of failing to meet expectations, coupled with a downward trend or lack of progress in performance, or there is a pattern of failure to implement corrective action plans in a timely manner, the COMMISSION shall find that sufficient progress was not made toward academic performance expectations.

In evaluating this provision for the Organizational and Financial Performance Frameworks, when expectations and/or standards have not been met and/or there is a pattern of failure to implement corrective action plans in a timely manner, the COMMISSION shall find that progress has not been made toward organizational and/or financial performance expectations.

**3. Failed to meet generally accepted accounting principles of fiscal management.**

The COMMISSION shall find failure to meet standards when there is a pattern of fiscal mismanagement in addition to failing to take corrective actions to address significant financial risks identified during the contract period.

**4. Substantially violated any material provision of law from which the School is not exempted.**

When evaluating this provision, the COMMISSION will place a heavier emphasis on violations of law that were designed to protect the health and safety of students and access and equity of educational opportunities.

***Section 18.3 Revocation***

The COMMISSION may revoke a charter contract pursuant to HRS §302D-18 and HAR §8-505-15.



### ***Section 18.4 Breach by the School***

Violation of any material provision of this contract may, at the discretion of the COMMISSION, be deemed a breach and be grounds for corrective action up to and including revocation or nonrenewal of this Charter Contract. In making this determination, the COMMISSION will consider the underlying facts and circumstances including, but not limited to, the severity of the violation as well as the frequency of violations and adhere to the applicable procedures contained in HRS §302D-18. Material provisions include, but are not limited to, provisions imposing a requirement to comply with the COMMISSION rules and policies and all applicable laws.

### ***Section 18.5 Termination by the Commission***

This Charter Contract may be terminated, after written notice to the SCHOOL, and the Charter Contract revoked by the COMMISSION in accordance with the provisions of HRS §302D-18 and associated administrative rules in HAR Title 8 Chapter 505.

The COMMISSION may terminate the Charter Contract for any of the following reasons:

1. Any of the grounds provided for under HRS §302D-18, as it exists now or may be amended;
2. A material and substantial violation of any of the terms, condition, standards, or procedures set forth in the Charter Contract;
3. Failure to meet generally accepted standards of fiscal management and/or SCHOOL'S lack of financial viability;
4. Failure to provide the COMMISSION with access to information and records;
5. Substantial violation of any provision of Applicable Law;
6. Failure to meet or make sufficient progress towards the goals, objectives, Performance Frameworks expectations, applicable federal requirements or other terms identified in this Charter Contract;

7. Bankruptcy, insolvency, or substantial delinquency in payments, by the SCHOOL; and
8. Submission of inaccurate, incomplete, or misleading information in its Application or in response to a COMMISSION'S request for information or documentation.

This Charter Contract may also be terminated if the COMMISSION determines that there are insufficient funds available for the operation of the SCHOOL. Insufficient funds shall include, but not be limited to, reduction in, or elimination of, state allocation of funds. It shall also include depletion of grants or other funding sources to a degree that the COMMISSION determines the SCHOOL is no longer financially viable. Such termination will be effective on the date identified in the notice, which will be thirty (30) days or sooner, if the COMMISSION determines that a shorter period is warranted.

### ***Section 18.6 Other Remedies***

The COMMISSION may impose other appropriate remedies for breach including, but not limited to, imposing sanctions or corrective actions to address apparent deficiencies or noncompliance with legal requirements. These may include a requirement that the SCHOOL develop and execute a corrective action plan within a specified timeframe. Failure to develop, execute, and/or complete the corrective action plan within the timeframe specified by the COMMISSION will constitute a material and substantial violation of this Charter Contract. This provision shall be implemented in accordance with HRS §302D-5 and §302D-17 and guidance issued by the COMMISSION.

### ***Section 18.7 School-Initiated Closure***

Should the SCHOOL choose to terminate this Charter Contract before the end of the Contract term, it must provide the COMMISSION with notice of the decision immediately after it is made, but no later than ninety (90) days before the closure of the SCHOOL year. Notice shall be made in writing to the COMMISSION.

Upon termination of the contract, [name of charter school] shall collect and return to the COMMISSION any unspent funds allocated to the SCHOOL, and any items purchased using State Public Charter School Early Learning Program funds shall be returned to the COMMISSION.

### ***Section 18.8 Invalid Provision***

If any provision of this Charter Contract or the legal authority for entering into this Charter Contract is invalidated by the decision of any court of competent jurisdiction, the COMMISSION shall determine whether any of the Contract provisions can be given effect in light of the decision and notify the Governing Board of the extent to which the Charter Contract can remain in effect without the invalid contract provision. If the COMMISSION determines that the decision implicates the legal authority for entering into this Charter Contract, or materially and substantially alters the contract provision, the Charter Contract shall terminate on the date that the decision becomes final.

If the legal authority for entering into this Charter Contract is invalidated, then this Charter Contract shall immediately terminate when the Court's order becomes final.

### ***Section 18.9 Financial Insolvency***

Pursuant to HRS §302D-28.5, any public charter school that becomes financially insolvent shall be deemed to have surrendered its Charter Contract. For the purpose of this provision, the SCHOOL shall be determined to be financially insolvent when it is unable to pay its staff when payroll is due. The SCHOOL shall cooperate with the COMMISSION in ensuring the orderly closure of the SCHOOL. The SCHOOL shall comply with the COMMISSION'S closure policies and protocol, as adopted by the COMMISSION.

### ***Section 18.10 Termination for Withdrawal of Authority***

In the event that the COMMISSION's authority to perform any of its duties is limited in any way, such that it cannot perform its duties or obligation under the law and/or this Charter Contract, after the commencement of this Charter Contract and prior to

normal completion, the COMMISSION may terminate this Charter Contract, in whole or in part, by providing written notice to the Governing Board within seven (7) calendar days (or other appropriate time period). No penalty shall accrue to the COMMISSION in the event this section shall be exercised.

### ***Section 18.11 Termination for Non-Allocation of Funds***

If funds are not allocated to continue this Charter Contract in any future period, or it appears that the legislature may not appropriate sufficient funding for the continual operation of the SCHOOL, the COMMISSION may terminate or suspend this Charter Contract by providing written notice to the Governing Board within seven (7) calendar days (or other appropriate time period). No penalty shall accrue to the COMMISSION in the event this section shall be exercised.

### ***Section 18.12 Termination for Conflict of Interest***

The COMMISSION may terminate this Charter Contract by written notice to the Governing Board if it is determined, after due notice and examination, that any party to this Charter Contract has violated the ethics or conflicts of interest provisions of this Charter Contract, or any other laws regarding ethics in public acquisitions and procurement and performance of contracts.

### ***Section 18.13 Dissolution***

Upon termination of this Charter Contract for any reason by the SCHOOL, the COMMISSION, upon expiration of this Charter Contract, or if the SCHOOL should cease operations or otherwise dissolve, the COMMISSION may supervise the dissolution of the business and other affairs of the SCHOOL; provided, however, that in doing so the COMMISSION will not be responsible for and will not assume any liability incurred by the SCHOOL under this Charter Contract. The Governing Board and SCHOOL personnel shall cooperate fully with the dissolution of the affairs of the SCHOOL. The SCHOOL'S obligations for following a termination protocol and dissolving the affairs of the SCHOOL shall survive the term of this Charter Contract.

### ***Section 18.14 Disposition of Remaining Assets***

In the event that the SCHOOL closes, in accordance with COMMISSION policy and Applicable Law, the SCHOOL shall return to the State any and all remaining public assets, including tangible, intangible, and real property in use by the SCHOOL but originally owned by the State or assets purchased using at least 25 percent of public funds, provided that any outstanding obligations of the SCHOOL are fulfilled first pursuant to HRS §302D-19. SCHOOL owned assets, including tangible, intangible, and real property, remaining after paying the SCHOOL'S debts and obligations and not requiring return or transfer to donors or grantor, or other disposition in accordance with federal and state law, will be disposed of in accordance with federal and state law, including but not limited to HRS §302D-19 as amended. This provision shall survive the term of this Charter Contract.

## **ARTICLE XIX: GENERAL TERMS**

### ***Section 19.1 Entire Contract***

The Parties intend this Charter Contract, including all attachments, exhibits, and amendments thereto, to contain all the terms and conditions agreed upon by the Parties, and represents a final and complete expression of their agreement, which shall be considered the Charter Contract. All prior representations, understandings, and discussions are merged herein, and no course of prior dealings, other understandings, oral or otherwise, regarding the subject matter of this Charter Contract shall be deemed to exist, supplement, explain any terms used in this document or to bind any of the Parties hereto. The Parties understand that any amendments to this Charter Contract need to be in writing and expressly approved by the COMMISSION.

### ***Section 19.2 Amendments***

Any amendment to this Charter Contract shall be effective only if approved by a majority vote of the COMMISSION at a public meeting. The SCHOOL shall submit any proposed amendment to the COMMISSION using the SPCSC Amendment Forms for Schools listed on the COMMISSION website. The SCHOOL shall not take action related to the requested amendment until the COMMISSION has approved said amendment. A violation of this provision shall be considered material and substantial and may be grounds for immediate revocation of this Charter Contract. Changes in operation that require the SCHOOL to obtain an amendment to this Charter Contract include but are not limited to the following:

1. Any material term in Article II of this Charter Contract (Exhibit "A");
2. Any SCHOOL location changes, such as relocation of site or adding or terminating sites;
3. Any SCHOOL management arrangement(s), such as intention to hire or terminate a ESP; and
4. Any admissions or enrollment changes to policies or procedures.

### ***Section 19.3 Governing Law***

This Charter Contract shall be governed by and construed in accordance with the laws of the State of Hawai'i, including all requirements imposed by applicable policy and regulation, and all applicable federal laws of the United States.

### ***Section 19.4 Compliance with Laws***

The SCHOOL and the COMMISSION shall comply with all applicable federal, state, and county laws, ordinances, codes, rules, or regulations, as the same may be amended from time to time.

### ***Section 19.5 Conflict Between Charter Contract, Law, and Administrative Rules***

In the event of a conflict between this Charter Contract, state law, and the administrative rules pertaining to charter SCHOOLS, the order of precedence shall be state law, followed by administrative rules, followed by the terms and conditions of this Charter Contract.

### ***Section 19.6 Legal Status of School***

Pursuant to HRS §§302D-1 and 302D-25, the SCHOOL is a public school and entity of the State and may not bring suit against any other entity or agency of the State. The SCHOOL shall be nonsectarian in its operations.

### ***Section 19.7 Board of Education Authority***

Pursuant to its duties under Article X, Section 3, of the Hawai'i State Constitution, the BOE has the power to formulate statewide educational policy. The SCHOOL shall only be subject to BOE policies expressly identified by the BOE as applying to charter SCHOOLS. Should conflicts between an applicable BOE policy and a provision in this Charter Contract occur, the BOE policy shall control.

### ***Section 19.8 Non-Assignability***

The SCHOOL shall not assign or subcontract any duty, obligation, right, or interest under this Charter Contract without prior written COMMISSION approval. A violation of this provision shall be considered material and substantial and may be grounds for immediate revocation of this Charter Contract.

### ***Section 19.9 Severability***

In the event that any provision of this Charter Contract is declared invalid or unenforceable by a court, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining terms of this Charter Contract.

### ***Section 19.10 Waiver***

The failure of either Party to insist upon the strict performance of or compliance with any term, provision, or condition of this Charter Contract shall not constitute or be deemed to constitute a waiver or relinquishment of the Parties' right to enforce the same in accordance with this Charter Contract.

### ***Section 19.11 No Third-Party Beneficiary***

The enforcement of the terms and conditions of this Charter Contract shall be strictly reserved to the COMMISSION and the SCHOOL. Nothing contained in this Charter Contract shall give or allow any claim or right of action whatsoever by any other person. It is the express intent of the Parties to this Charter Contract that any person receiving services or benefits hereunder shall be deemed an incidental beneficiary only, without enforceable rights against a Party to this Charter Contract.



## **ARTICLE XX: NOTICE**

### ***Section 20.1 School Emergency Closure***

The SCHOOL shall promptly notify the COMMISSION, the appropriate county civil defense office(s), and the public, of any circumstance requiring the closure of the SCHOOL, including, but not limited to, a natural disaster or destruction of or damage to the SCHOOL facility.

### ***Section 20.2 Mandatory Notification***

The SCHOOL shall notify the COMMISSION within two (2) calendar days when it has knowledge of any of the following:

1. Any condition that may cause the SCHOOL to vary from the terms of this Charter Contract or applicable requirements, federal and/or state law;
2. The arrest of any members of the SCHOOL Governing Board or SCHOOL employees for a crime punishable as a felony or any crime related to the misappropriation of funds or theft;
3. A court judgment that any members of the SCHOOL Governing Board or SCHOOL employees have been found guilty; pled no-contest, or accepted a deferred acceptance of a no-contest plea;
4. Any complaint, citation, or default filed against the SCHOOL by a government agency or lessor;
5. Any inaccuracy found in enrollment count or other data provided to the COMMISSION;
6. The SCHOOL receives a notice or is otherwise informed that the SCHOOL is a party to a legal suit;
7. Severe damage to a SCHOOL's facilities that render the facilities unusable and require the SCHOOL to relocate; or

8. A default on any obligation, which shall include debts for which payments are past due by ninety (90) calendar days or more.

### **Section 20.3 Notices**

Unless otherwise specified by law, any notice required or permitted under this Charter Contract shall be in writing and shall be effective upon delivery: (a) personally, (b) electronically via email, or (c) by United States first class mail, postage prepaid addressed as follows:

<p>If to the Commission:</p> <p>State Public Charter School Commission 1164 Bishop Street, Suite 1100 Honolulu, Hawai'i 96813 Attention: Executive Director Email: <a href="mailto:Commission.Mail@spcsc.hawaii.gov">Commission.Mail@spcsc.hawaii.gov</a> Telephone: (808)586-3775</p>	<p>If to the School:</p> <p>Name of School Address Attention: Governing Board Chair email: Telephone: (808)***</p>
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A notice shall be deemed to have been received three (3) business days after mailing or at the time of actual receipt, whichever is earlier. For notices sent electronically via email, the notice shall be deemed to be received once the Party sending the notice receives confirmation via an email tracking notice.

Parties are responsible for notifying each other in writing of any change of mailing and email addresses. Any change in address shall be immediately given to the other party in writing. Any notice that is undeliverable due to change of

address without proper notification to the other party will be deemed received on the date delivery to the last known address was attempted.

If a notice is received on a weekend or on a national or Hawai'i state holiday, it shall be deemed received on the next regularly scheduled business day.

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## ARTICLE XXI: AGREEMENT

IN WITNESS WHEREOF, the Parties have caused this Charter Contract to be duly executed and entered into as of the effective dates written below.

STATE PUBLIC CHARTER SCHOOL  
COMMISSION

[SCHOOL NAME]

\_\_\_\_\_  
Signature

XXXXXX

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Executive Director

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Governing Board Chair

\_\_\_\_\_  
Date

\_\_\_\_\_  
APPROVED AS TO FORM:

\_\_\_\_\_  
Deputy Attorney General

\_\_\_\_\_  
APPROVED AS TO FORM:

\_\_\_\_\_  
Deputy Attorney General

## **EXHIBIT “A”: PERFORMANCE FRAMEWORKS**

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***Exhibit “A”: Academic Performance Framework***

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***Exhibit "A": Organizational Performance Framework***

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***Exhibit "A": Financial Performance Framework***

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**Exhibit 2**

**Draft Pre-K-only Performance Frameworks**

## DRAFT

### PREKINDERGARTEN-ONLY CHARTER SCHOOL

#### EXHIBIT A: PERFORMANCE FRAMEWORKS

##### Introduction

High-quality charter schools improve the public education system for all students by leading with a mission, and diverse and innovative practices across the school system while promoting a culture of continuous learning ([Commission approved definition of the Characteristics of High-Quality Public Charter Schools](#), July 14, 2022).

The School's academic, financial, and organizational performance under this Charter Contract shall be evaluated using the Academic, Financial, and Organizational Performance Frameworks, respectively, and are attached as Exhibit "A" to this Charter Contract. Collectively, the three Performance Frameworks provide a comprehensive performance management system that is data-driven to promote School success by establishing and communicating expectations that are objective, transparent, and directly related to school quality. The Performance Frameworks' specific terms, forms, and requirements, including any required indicators, measures, metrics, and targets, are maintained and disseminated by the Commission and shall be binding on the School. Changes and amendments to the Performance Frameworks shall require approval by the Commission.

- (a). The Commission will monitor and annually report on the School's progress as set out in the Performance Frameworks.
- (b). The evaluation of the School under the Performance Frameworks shall provide guidance for the Commission to renew, revoke, terminate or take other action on the Charter Contract.
- (c). The Commission reserves the right to amend the Charter School Performance Frameworks set out in Exhibit "A". The School will be required to comply with any amendments to the Charter School Performance Frameworks.
- (d). If the School does not meet the performance standards in the Performance Frameworks, it may receive a **Notice of Concern** pursuant to Section 17.7 of this Charter Contract.
- (e). Failure to meet or make substantial progress toward meeting the performance standards may be sufficient justification to revoke or non-renew the School's Charter.
- (f). The Commission is not required to allow the school the opportunity to remedy the problem if an unsatisfactory review warrants revocation.

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**EXHIBIT A**

**PREKINDERGARTEN-ONLY CHARTER SCHOOL  
ACADEMIC PERFORMANCE FRAMEWORK**

**Introduction**

High-quality charter schools improve the public education system for all students by leading with a mission and innovative practices across the school system while promoting a culture of continuous learning. These schools provide targeted and innovative support to student populations by implementing appropriate services for at-risk students.

The Academic Performance Framework (“**APF**”) outlines the measures by which a prekindergarten-only charter school’s academic performance will be evaluated for the purposes of annual monitoring, potential interventions, plans for improvement, and renewal and revocation decisions.

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Indicator 1. Mission Aligned Initiative (maximum 5 points)

Indicator 1(A): The school is implementing its mission and vision based on its mission statement.

High-quality charter schools lead with a mission consistent across the school program focused on learning based on student needs, current educational research, and the belief that all students can achieve at high academic levels.

The mission drives every aspect of the school's instructional system. It reflects the school's vision to experiment and be creative with organization structure, scheduling, curriculum, and instruction to close student achievement gaps while challenging students academically. (MAI Narrative 1,000-word limit Submission (maximum 5 points))

<b>Measure</b>	<b>Basic</b>  Articulation of the school's mission/vision  <b>(1 point)</b>	<b>Practiced</b>  Articulation of units/lessons (curriculum, instruction, and assessment) that target an aspect of the school mission/vision  <b>(3 points)</b>	<b>Ingrained</b>  Articulation of a yearlong curriculum with units/lessons and assessments that target aspects of the school mission/vision  <b>(5 points)</b>	<b>Score</b>  <b>Score (5)</b>
<b>Mission Alignment to Student Success School Process.</b>  <b>The school shall provide the mission statement, educational goals, rubrics, and disaggregated data as documentation on how the school has developed and implemented its</b>				

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<b>model based on its mission statement.</b>				
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Comments:

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Indicator 1(B): Efforts to Meet the School’s Mission.

**Using the criteria below, describe how your school has demonstrated and assessed student performance aligned to the school mission for this school year. (Maximum 5 points)**

<p><b>Measure</b></p>	<p><b>Approaches</b></p> <p>Minimal to some effort to meet the school mission/vision</p> <p><b>(1 point)</b></p>	<p><b>Practices</b></p> <p>School provides evidence that units and lessons (curriculum, instruction, and assessment) target an aspect of the school mission/vision</p> <p><b>(3 points)</b></p>	<p><b>Ingrained</b></p> <p>School provides evidence that units and lessons (curriculum, instruction, and assessment) target aspects of the school mission/vision</p> <p><b>(5 points)</b></p>	<p><b>Score (5)</b></p>
<ul style="list-style-type: none"> <li>● <b>The educational program is aligned with the mission.</b></li> <li>● <b>The mission guides decision-making and priority-setting.</b></li> <li>● <b>The mission is reflected in student learning and progress.</b></li> </ul>				

Comments:

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Indicator 2. Annual Progress. Promoting a Culture of Continuous Learning and Improvement:  
 Social-Emotional Development

High-quality charter schools improve the public education system for all students by leading with a mission and innovative practices across the school system while promoting a culture of continuous learning. High-quality charter schools use continuous learning and improvement plans for student success.

<b>Measure</b>	<b>Approaches</b>  50% of aggregated student data reflects growth  <b>(5 points)</b>	<b>Practices</b>  51% - 75% of aggregated student data reflects growth  <b>(7 points)</b>	<b>Ingrained</b>  76% - 100% of aggregated student data reflects growth  <b>(10 points)</b>	<b>Score (10)</b>
<p><b>The school is making annual progress toward implementing a high-quality early learning program.</b></p> <p><b>This is evidenced by aggregated student outcomes data that reflect growth in social-emotional development when comparing Fall to Spring data.</b></p>				

**Comments: (Attach TSG Growth Report or culture-based assessment report)**

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Indicator 3. Annual Progress. Promoting a Culture of Continuous Learning and Improvement:  
 Physical Development

High-quality charter schools improve the public education system for all students by leading with a mission and innovative practices across the school system while promoting a culture of continuous learning. High-quality charter schools use continuous learning and improvement plans for student success.

<b>Measure</b>	<b>Approaches</b>  50% of aggregated student data reflects growth  <b>(5 points)</b>	<b>Practices</b>  51% - 75% of aggregated student data reflects growth  <b>(7 points)</b>	<b>Ingrained</b>  76% - 100% of aggregated student data reflects growth  <b>(10 points)</b>	<b>Score (10)</b>
<p><b>The school is making annual progress toward implementing a high-quality early learning program.</b></p> <p><b>This is evidenced by aggregated student outcome data that reflect growth when comparing Fall to Spring data in the area of physical development.</b></p>				

**Comments: (Attach TSG Growth Report or culture-based assessment report)**



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Indicator 4: Annual Progress. Promoting a Culture of Continuous Learning and Improvement:  
 Language Development

High-quality charter schools improve the public education system for all students by leading with a mission and innovative practices across the school system while promoting a culture of continuous learning. High-quality charter schools use continuous learning and improvement plans for student success.

<b>Measure</b>	<b>Approaches</b>  50% of aggregated student data reflects growth  <b>(5 points)</b>	<b>Practices</b>  75% of aggregated student data reflects growth  <b>(7 points)</b>	<b>Ingrained</b>  90 - 100% of aggregated student data reflects growth  <b>(10 points)</b>	<b>Score (10)</b>
<p><b>The school is making annual progress toward implementing a high-quality early learning program.</b></p> <p><b>This is evidenced by aggregated student outcomes data that reflect growth when comparing Fall to Spring data in the area of language development.</b></p>				

**Comments: (Attach TSG Growth Report or culture-based assessment report)**

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Indicator 5. Annual Progress. Promoting a Culture of Continuous Learning and Improvement:  
 Cognitive Development

High-quality charter schools improve the public education system for all students by leading with a mission and innovative practices across the school system while promoting a culture of continuous learning. High-quality charter schools use continuous learning and improvement plans for student success.

<b>Measure</b>	<b>Approaches</b>  50% of aggregated student data reflects growth  <b>(5 points)</b>	<b>Practices</b>  75% of aggregated student data reflects growth  <b>(7 points)</b>	<b>Ingrained</b>  90 - 100% of aggregated student data reflects growth  <b>(10 points)</b>	<b>Score (10)</b>
<p><b>The school is making annual progress toward implementing a high-quality early learning program.</b></p> <p><b>This is evidenced by aggregated student outcomes data that reflect growth when comparing Fall to Spring data in the area of cognitive development.</b></p>				

**Comments: (Attach TSG Growth Report or culture-based assessment report)**

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Indicator 6. Annual Progress. Promoting a Culture of Continuous Learning and Improvement:  
 Literacy Development

High-quality charter schools improve the public education system for all students by leading with a mission and innovative practices across the school system while promoting a culture of continuous learning. High-quality charter schools use continuous learning and improvement plans for student success.

<b>Measure</b>	<b>Approaches</b>  50% of aggregated student data reflects growth  <b>(5 points)</b>	<b>Practices</b>  75% of aggregated student data reflects growth  <b>(7 points)</b>	<b>Ingrained</b>  90 - 100% of aggregated student data reflects growth  <b>(10 points)</b>	<b>Score (10)</b>
<p><b>The school is making annual progress toward implementing a high-quality early learning program.</b></p> <p><b>This is evidenced by aggregated student outcomes data that reflect growth when comparing Fall to Spring data in the area of literacy development.</b></p>				

**Comments: (Attach TSG Growth Report or culture-based assessment report)**

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Indicator 7. Annual Progress. Promoting a Culture of Continuous Learning and Improvement:  
 Mathematics Development

High-quality charter schools improve the public education system for all students by leading with a mission and innovative practices across the school system while promoting a culture of continuous learning. High-quality charter schools use continuous learning and improvement plans for student success.

<b>Measure</b>	<b>Approaches</b>  50% of aggregated student data reflects growth  <b>(5 points)</b>	<b>Practices</b>  75% of aggregated student data reflects growth  <b>(7 points)</b>	<b>Ingrained</b>  90 - 100% of aggregated student data reflects growth  <b>(10 points)</b>	<b>Score (10)</b>
<p><b>The school is making annual progress toward implementing a high-quality early learning program.</b></p> <p><b>This is evidenced by aggregated student outcomes data that reflect growth when comparing Fall to Spring data in the area of mathematics development</b></p>				

**Comments: (Attach TSG Growth Report or culture-based assessment report)**

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Indicator 8: Formative Assessment Practices

High-quality charter schools improve the public education system for all students by leading with a mission and innovative practices across the school system while promoting a culture of continuous learning. High-quality charter schools use continuous learning and improvement plans for student success.

<b>Measure</b>	<b>Approaches</b>  Teachers enter student documentation for at least 25% of the learning indicators  <b>(5 points)</b>	<b>Practices</b>  Teachers enter student documentation for at least 50% of the learning indicators with some evidence that this is used to inform student lessons  <b>(7 points)</b>	<b>Ingrained</b>  Teachers enter student documentation for more than 75% of the learning indicators. Teachers routinely use student documentation to inform student lessons  <b>(10 points)</b>	<b>Score (10)</b>
<b>The teaching staff has a system to enter student documentation to inform instructional next steps routinely to progress student learning.</b>				

Comments:

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Indicator 9: Academic Plans Embrace a System of Accountability: Scheduling and Participating in Classroom Observations – Teacher-child Interactions and the Observation of the Learning Environment.

This data will be used to progress high-quality teacher-child interactions and the effectiveness of early learning environments. It shall not be used for evaluative purposes.

<b>Measure</b>	<b>Approaches</b> Two of Four Observations Completed <b>(5 points)</b>	<b>Practices</b> Three of Four Observations Completed <b>(7 points)</b>	<b>Ingrained</b> Four of Four Observations Completed <b>(10 points)</b>	<b>Score (10)</b>
<b>The school makes every effort to schedule and allow for the completion of the Fall and Spring Observations for both tools.</b>				

Comments:



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Indicator 10: Academic Plans Embrace a System of Accountability: Teacher Participation in Professional Learning Sessions

Charter schools have the ability to recruit, hire, develop, retain, and sustain mission-driven, highly qualified talent. Charter schools promote a strong iterative system of growth and improvement (coaching, professional learning system based on classroom observations and student outcomes data).

<b>Measure</b>	<b>Approaches</b>  50% attendance at all professional learning sessions  <b>(5 points)</b>	<b>Practices</b>  At least 75% attendance at all professional learning sessions  <b>(7 points)</b>	<b>Ingrained</b>  More than 75% attendance at all professional learning sessions  <b>(10 points)</b>	<b>Score (10)</b>
<b>The school makes every effort which allow teachers to attend professional learning sessions.</b>				

Comments:

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Indicator 11: Academic Plans Embrace a System of Accountability: School Leader Participation in Professional Learning Sessions

High-quality charter schools use continuous learning and improvement plans including professional learning opportunities aimed at progressing student success.

<b>Measure</b>	<b>Approaches</b>  50% attendance - a school leader attends at least two of four sessions/year  <b>(5 points)</b>	<b>Practices</b>  At least 75% attendance - a school leader attends at least three sessions/year  <b>(7 points)</b>	<b>Ingrained</b>  More than 75% attendance - a school leader attends at least four sessions/year  <b>(10 points)</b>	<b>Score (10)</b>
<b>Attendance of a school leader's participation in professional learning sessions.</b>				

Comments:





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Indicator 12: Communication and Engagement with Families

High-quality charter schools create a sense of interdependence with families and the community that is connected to. Families and the school’s community partners are key players that contribute to the vision and mission of the school, allowing students to reach their highest potential.

<p><b>Measure</b></p>	<p><b>Approaches</b></p> <p>Schools create at least four opportunities/year for parents to participate per year.</p> <p><b>(5 points)</b></p>	<p><b>Practices</b></p> <p>Schools create at least six to eight opportunities/year for parents to participate per year.</p> <p><b>(7 points)</b></p>	<p><b>Ingrained</b></p> <p>Schools create more than eight opportunities/year for parents to participate per year.</p> <p><b>(10 points)</b></p>	<p><b>Score (10)</b></p>
<p><b>The school creates a variety of opportunities for families to engage with the school and contribute to their child’s learning.</b></p> <p><b>These opportunities extend beyond simply attending children’s performances.</b></p> <p><b>Family opportunities may include parent-teacher conferences to increase families’ ability as their child’s first teacher, allowing family members to access and provide feedback to family surveys, leading the learning, and</b></p>				

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including family members to participate in school-related shared decision-making,				
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**Comments:**

Indicator 13: Promoting a Culture of Continuous Learning and Improvement: School Leader Participation in Data Team Meetings

High-quality charter schools use a data-driven, evidence-based approach that applies interventions before the school is at risk for failure, and interventions are implemented before students are in danger of failing.

<b>Measure</b>	<b>Approaches</b>	<b>Practices</b>	<b>Ingrained</b>	
<p>At least one school administrator prepares for and participates in each classroom’s data team meeting following each assessment cycle (Fall, Winter, and Spring).</p> <p>There is a system of internal accountability for monitoring systems that includes</p>	<p>34% attendance - a school administrator attends at least one of three sessions/year</p> <p><b>(5 points)</b></p>	<p>At least 67% attendance - a school administrator attends at least two of three sessions/year</p> <p><b>(7 points)</b></p>	<p>100% attendance - a school administrator attends all three sessions/year</p> <p><b>(10 points)</b></p>	<p><b>Score (10)</b></p>

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<p><b>academic performance expectations.</b></p> <p><b>Leadership prioritizes improvement and monitors short- and long-term goals. There is differentiated, targeted support to meet individual needs which use frequent data analysis to inform responses to interventions.</b></p>				
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Comments:

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### EXHIBIT "A":

## ORGANIZATIONAL PERFORMANCE FRAMEWORK

### Introduction

**§302D-16 Performance framework.** (a) The performance provisions within the charter contract shall be based on a performance framework that clearly sets forth the academic, financial, organizational, and operational performance indicators, measures, and metrics that will guide the authorizer's evaluations of each public charter school.

The Organizational Performance Framework serves as the means by which the Commission addresses one of an authorizer's core responsibilities: protecting the public interest. The Framework requires the School to meet all applicable federal, state, and local laws, regulations, and contractual requirements.

The Commission shall continually monitor the performance and legal compliance of the public charter schools. It will evaluate and assess performance under the Organizational framework annually and at renewal by:

1. Conducting interviews and/or reviews for any compliance requirements associated with the references identified in the Organizational Framework;
2. Conducting at least one school site visit in person or virtually during the term of the Charter Contract;
3. Requiring submission of documentation verifying compliance through the Commission's online compliance management system; and
4. Reporting on the School's fulfillment of compliance requirements specified in this Organizational Framework.

The level of oversight the School will receive may vary during the term of the Charter Contract. If the School does not comply with the requirements of this Organizational Performance Framework, the School may receive a **Notice of Concern** requiring a corrective action plan to be submitted to the Commission as provided in Article XVII of this Charter Contract.

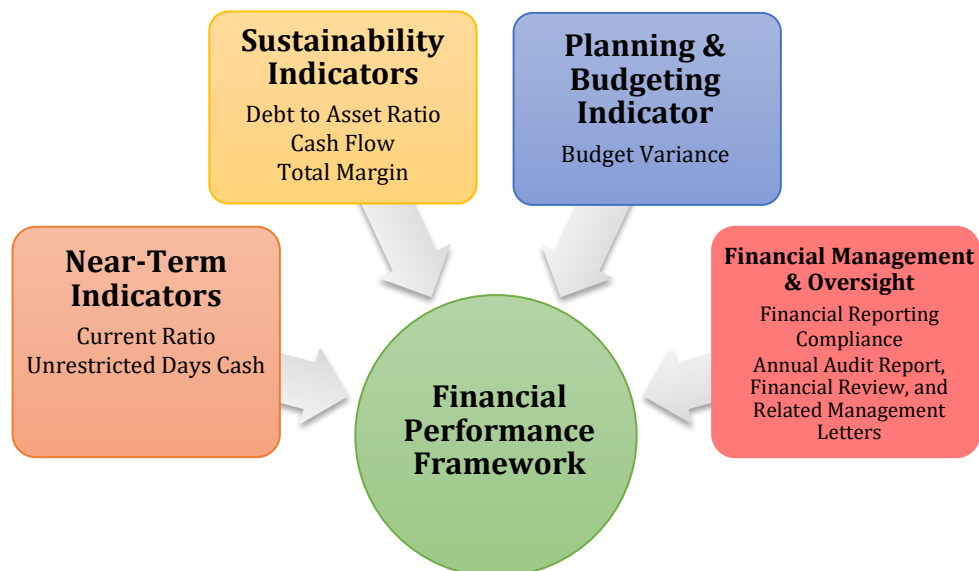
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### EXHIBIT “A”

## FINANCIAL PERFORMANCE FRAMEWORK

### Introduction

The Financial Performance Framework (“Framework”) serves as a tool for the Commission to assess the financial health and viability of charter schools in its portfolio. The framework intends to provide a financial frame of reference based on charter schools’ current and past financial performance. The indicators used in the framework are based on industry-standard financial measures (e.g., ratios, variances) designed to be viewed in the aggregate with other complementary and supplementary information (e.g., timely and accurate financial and reporting practices, management practices). No single indicator or point in time data point gives a full picture of the financial situation of a school. The indicators provide a qualitative assessment of the school’s near-term financial health, mid-term capacity, and long-term financial sustainability.



### Risk-Based Approach

The framework adopts a risk assessment model as part of ongoing oversight and monitoring of charter schools’ fiscal activities and renewal decision-making. The model aligns the framework to the unique funding and governance environment for charter schools in the State of Hawai`i. This risk-based approach will help identify areas of strength and weakness, highlighting controls that are designed to mitigate risks.

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The school will be closely monitored if there is a heightened risk of financial problems. Financial monitoring may include, but is not limited to, requests for reports or other documentation, inquiries through written or telephone communications, desk audits, or on-site visits, announced or otherwise. Moreover, a school may be requested to develop an appropriate corrective action plan to address any monitoring issues identified during the risk assessment. The corrective action plan provides a school an opportunity to explain the issue(s); identify measurable solution(s); identify the person(s) who will be responsible for each solution; set timelines; and monitor the progress of the corrective action plan.

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## **Annual Risk Assessment Process**

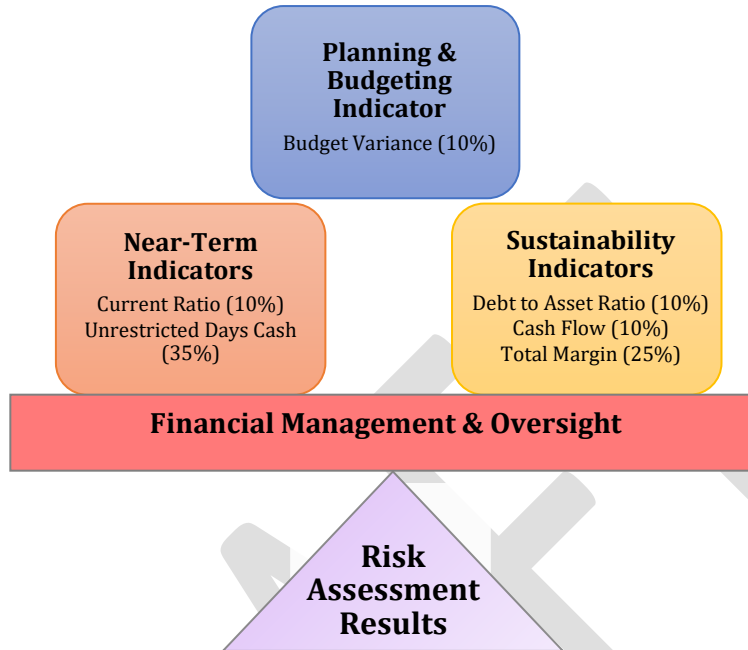
The annual risk assessment evaluates whether the financial viability of a school is at-risk based on the Commission’s review of financial information which will be drawn from the school’s annual audited financial statements or financial review. The inclusion of a “component unit” (an affiliated non-profit entity) may apply when a school’s annual audited financial statements include the presentation of reporting the audited component unit. The Commission’s assessment may also include other financial information and/or a more detailed examination of the school’s financial position and practices, as needed. The Commission may also consider the more current and more detailed information to determine whether the risk assessment result is still applicable throughout the assessment period and the degree to which it is, in fact, an indication of financial risk or distress or mitigation.

The risk assessment will focus on six indicators or measures based on the National Association of Charter School Authorizers (“**NACSA**”) standards. Each indicator will be assessed on a scale from 1 to 5, with 1 being the lowest risk and 5 the highest risk. All six indicators will collectively make up a school’s overall risk level. The annual risk assessment result for a school will be determined using a balanced weighted formula utilizing the individual scores calculated for each indicator as follows:

$$(Current\ Ratio \times 0.10) + (Unrestricted\ Days\ Cash \times 0.35) + (Debt\ to\ Asset\ Ratio \times 0.10) +$$

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$$(Cash\ Flow \times 0.10) + (Total\ Margin \times 0.25) + (Budget\ Variance \times 0.10)$$



The individual and final risk assessment results will be represented as one of five categories based on the school’s risk assessment calculations as color-coded below and will be rounded to the nearest whole number.

Low	Acceptable	Moderate	High	Significant
1	2	3	4	5

**Near Term Indicators**

**Current Ratio**

$$Current\ Ratio = Current\ Assets \div Current\ Liabilities$$

The current ratio shows the relationship between a school’s current assets and current liabilities. Current assets are balance sheet accounts (e.g. cash, receivables) that



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include the value of all assets that are expected to be converted to cash through normal operations within the current fiscal year. Current liabilities represent obligations (e.g. payables, accrued payroll, accrued vacation) that are payable in cash within a fiscal year. This ratio gives an indication of a school’s ability to pay its obligations over the next twelve months. A school may be at-risk if it cannot meet its current obligations.

This indicator accounts for **10 percent** of a school’s aggregate final risk assessment.

Low	Acceptable	Moderate	High	Significant
Ratio is greater than (>) 1.5	Ratio is between 1.35 – 1.5	Ratio is between 1.2 – 1.35	Ratio is between 1.0 – 1.2	Ratio is less than (<) 1.0

**Unrestricted Days of Cash on Hand**

$$\text{Unrestricted Days Cash} = \text{Days Cash} \div [(\text{Total Expenses} - \text{Depreciation Expense}) \div 365]$$

The unrestricted days of cash on hand provides the number of days a school can pay its current expenses without another inflow of cash. Cash balances fluctuate since schools can expend and receive money almost daily. It indicates whether a school maintains a sufficient cash balance to meet its cash obligations. A school may be at-risk if there is insufficient cash to meet its cash obligations.

The indicator looks at a fixed point in time (the time the financial statement is prepared) and a trend over a period of time. Although this indicator is at a fixed point in time, it tells whether a school may have challenges in meeting its cash obligations. Note that this indicator looks at unrestricted cash, not cash that already has been earmarked for a specific purpose, such as renovations or facilities.

This indicator accounts for **35 percent** of a school’s aggregate final risk assessment.

Low	Acceptable	Moderate	High	Significant
Days Cash is more than 60 days and having an upward or	Days Cash is between 50 – 60 days and having an upward or	Days Cash is between 30 – 50 days and having an upward or	Days Cash is between 20 – 30 days and having an upward or	Days Cash is less than 20 days and having a downward

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downward trend over three years or more	downward trend over three years or more	downward trend over three years or more	downward trend over three years or more	trend over three years or more
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**Sustainability Indicators**

**Debt to Asset Ratio**

*Debt to Asset Ratio = Total Liabilities ÷ Total Assets*

The Debt to Asset Ratio compares a school’s financial liabilities against the assets it owns. A lower ratio generally indicates stronger financial health. A higher ratio indicates that the school may be at-risk of not being able to pay back its debts. It is generally accepted indicator of potential long-term financial issues.

This indicator accounts for **10 percent** of a school’s aggregate final risk assessment.

Low	Acceptable	Moderate	High	Significant
Ratio is less than (<) 0.2	Ratio is between 0.2 – 0.4	Ratio is between 0.4 – 0.5	Ratio is between 0.5 – 0.75	Ratio is greater than (>) 0.75

**Cash Flow**

*Cash Flow = Year-end Cash Balance – Beginning Year Cash Balance*

Cash Flow measures a school’s change in cash balance from one period to another. This indicator is similar to days’ cash on hand, but it provides insight into a school’s long-term stability, as it helps to assess a school’s sustainability over a period of time in an uncertain funding environment. A positive cash flow over time generally indicates increasing financial health and sustainability.

This indicator and accounts for **10 percent** of a school’s aggregate final risk assessment.

Low	Acceptable	Moderate	High	Significant
Current Year Cash Flow is positive (+) and having an upward trend	Current Year Cash Flow is positive (+) and having an upward or a	Current Year Cash Flow is either positive or negative (+/-) and having an	Current Year Cash Flow is negative (-) and having an upward or a	Current Year Cash Flow is negative (-) and having a downward trend

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over three years or more	downward trend over three years or more	upward or a downward trend over three years or more	downward trend over three years or more	over three years or more
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**Total Margin**

$$Total\ Margin = Net\ Income \div Total\ Revenue$$

Total Margin measures the surplus or deficit a school yields out of its total revenues. This indicator is important because a school cannot operate at a deficit for a sustained period of time without the risk of closure. The intent of this indicator is not for the schools to be profitable, but is important for charter schools to operate within its available resources in a particular year and to build a reserve to support growth and sustainability.

This indicator is calculated by dividing net income by total revenue and accounts for **25 percent** of a school’s aggregate final risk assessment.

Low	Acceptable	Moderate	High	Significant
Current Year Margin is positive (+) and having an upward trend over three years or more	Current Year Margin is positive (+) and having an upward or a downward trend over three years or more	Current Year Margin is either positive or negative (+/-) and having an upward or a downward trend over three years or more	Current Year Margin is negative (-) and having an upward or a downward trend over three years or more	Current Year Margin is negative (-) and having a downward trend over three years or more

**Planning & Budgeting**  
**Budget Variance**

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$$\text{Budget Variance} = \text{Actual Total Revenues} \div \text{Projected Total Revenues in the Charter School's Board-Approved Budget}$$

The budget variance depicts actual versus projected incoming revenues for a fiscal year. This indicator is important because revenues drive the development of a school's budget. While the per-classroom funding is the primary revenue source for pre-K-only charter schools, there are other sources (e.g. federal funds, grants, and other state funds) that provide the basis for determining costs, such as staffing and supplies. A budget based on expenditures that are significantly more than its actual revenues may be at-risk of not meeting all of its budgeted expenses. Budgeted revenues that do not exceed actual revenues would not have a significant impact to the risk assessment rating scale.

This indicator accounts for **10 percent** of a school's aggregate final risk assessment.

Low	Acceptable	Moderate	High	Significant
Variance is greater than (>) 99%	Variance is between 96% – 98%	Variance is between 94% – 95%	Variance is between 91% – 93%	Variance is less than (<) 90%

**Financial Management and Oversight**

**Compliance**

The Commission ensures that the school complies with applicable laws, rules, regulations and provisions of the charter contract relating to financial reporting requirements, and to financial management and oversight expectations as evidenced by an annual independent audit or review, including but not limited to:

- (a). Complete and on-time submission of financial reports, including annual budget, revised budgets (if applicable), periodic financial reports as required by the authorizer and any reporting requirements if the board contracts with an Education Service Provider (ESP)
- (b). On-time submission and completion of the annual independent audit and corrective action plans, if applicable
- (c). No charging of tuition
- (d). Adequate management and financial controls

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- (e). All reporting requirements related to the use of public funds
- (f). An unqualified audit opinion
- (g). An audit devoid of significant findings and conditions, material weaknesses or significant internal control weaknesses
- (h). An audit that does not include a going concern disclosure in the notes or an explanatory paragraph within the audit report

If the School does not comply with the requirements of this Financial Performance Framework, the School is subject to the Intervention Protocols, provided in Article XVII of this Charter Contract.<sup>1</sup>

As provided in the Charter Contract:

### **Section 17.1 Oversight and Enforcement**

The Commission will manage, supervise, and enforce this Charter Contract. Pursuant to HRS §302D-17, the Commission shall continually monitor the performance and legal compliance of the School under this Charter Contract and hold the School accountable to the performance of its obligations as required by federal and state laws and regulations, the Performance Framework, as well as the terms of this Charter Contract.

The Commission shall have the authority to conduct oversight activities that enable the Commission to fulfill its responsibilities under HRS Chapter 302D, including conducting appropriate inquiries and investigations, so long as those activities are consistent with the intent of HRS Chapter 302D, and adhere to the terms of this Charter Contract. Enforcement of this Charter Contract may include, but is not limited to, taking corrective action, development of corrective action plans, imposing sanctions, non-renewal, revocation, or termination of this Charter Contract.

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<sup>1</sup> in accordance with **§302D-17 Ongoing oversight and corrective actions;**

(a) An authorizer shall continually monitor the performance and legal compliance of the public charter schools it oversees, including collecting and analyzing data to support ongoing evaluation according to the Charter Contract.