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**INFORMATIONAL SUBMITTAL**

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DATE OF SUBMITTAL: July 11, 2016

DATE OF MEETING: July 14, 2016

TO: Catherine Payne, Chairperson

FROM: Mitch D’Olier, Commissioner

AGENDA ITEM: VII. Update on the Investigative Committee’s (a Permitted Interaction Group), Pursuant to Hawaii Revised Statutes Section 92-2.5(b)(1), Communications Process Between the Board of Education and the Commission and Study Several Questions Raised in the Charter School Listening Tour

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BACKGROUND

The Charter Commission Permitted Interaction Group (Commission Review Group) reviewed the procedures for special review adopted by the Board of Education (5/3/2016) and evaluated each question using the BOE’s ratings, as set forth in Appendix A of the April 19, 2016 Status Report on the Permitted Interaction Group.

UPDATE

Of the 23 performance measures, the Commission Review Group determined that the Commission “meets” 17 of the performance measures, “partially meets” 4 performance measures, and “does not meet” 2 performance measures. Based on this review, the Commission Review Group identified five areas for additional follow up by the Commission:

1. **Long term strategic vision** – The Commission Review Group is not aware of a comprehensive long-term strategic vision for Hawaii’s charter school, and believes that the Commission and charter schools would benefit from a strategic vision and plan, aligned to the Board of Education’s vision for charter schools. [A-2, B-2]
2. **Professional development for staff** – The Commission Review Group is not aware of the full suite of professional development provided for leadership and staff, and believes that resources should be provided to the Commission for professional development. [A-6, A-8]

3. **Resources** – The Commission Review Group believes that additional resources may be needed to effectively oversee its portfolio of charter schools. [A-6, A-9]. Moreover, the Commission Review Group believes that the Commission and charter schools would benefit from a more consistent process for distribution of funds to charter schools. [A-10]
4. **Closure Protocols** – The Commission Review Group believes that the Commission and charter schools would benefit from a more consistent process and protocol for school closure. [B-13]
5. **Autonomy** – While the Commission Review Group believes that the Commission meets the standard for respecting school autonomy (see NACSA Standard #4), the Commission Review Group is aware that some schools have expressed complaints around administrative burdens and believes that the Commission and charter schools would benefit from an assessment and understanding of Epicenter and the requests made of charter schools. [B-9]. Additionally, the Commission Review Group believes that charter schools would benefit from continued outreach, information, and support around School Specific Measures. [B-6].

DRAFT RECOMMENDATIONS

Once the new Charter Commission Executive Director transitions into the role, we recommend:

1. A process be developed for working with the BOE to ensure all stakeholders are aligned on a clear vision for Hawaii charter schools. Once the vision is set, the Executive Director should create a process to develop the long term strategic plan aligned to the vision.
2. An audit of the charter school budget to determine whether additional resources are necessary to effectively oversee charter schools, including professional development for staff. As part of this process, we recommend a comprehensive articulation of the responsibilities taken on by the Commission and the roles and responsibilities of staff
3. A process is developed for consistent distribution of funds to charter schools & closure protocols.
4. A review of Epicenter and a comprehensive list of requests made to charter schools, with explanation of why these requests are required as part of the Commission’s role.
5. Continued outreach, information, and support to schools around School Specific Measures.

APPENDIX

The Commission Review Group’s evaluation of each performance measure is detailed below.

Measure & NACSA Standard	Guiding Question	Commission Review Group Rating	Notes
A.1: Authorizer Mission NACSA Standard #1 – Planning and Commitment to Excellence	Does the authorizer have a clear and compelling mission for charter school authorizing?	Meets	The Commission’s mission is established by law. HRS s 302-D(3)(b): the mission of the commission shall be to authorize high quality public charter schools throughout the state.
A.2: Strategic Vision and Organizational Goals	Does the authorizer have a comprehensive long-term strategic vision for Hawaii’s charter schools with clear	Does Not Meet	While the Commission’s mission is clearly established, there does not seem to be full alignment of vision between the Board of Education,

NACSA Standard #1 – Planning and Commitment to Excellence, Advanced Standards	organizational goals and timeframes for achievement that are aligned with, support, and advance the intent of law?		Legislature, Commission, and charter schools regarding the vision for Hawaii’s charter schools and the role of the Commission. With an aligned vision, the Commission can better create a comprehensive strategic plan with goals and timeframes.
A.3: Commitment to Quality Authorizing NACSA Standard #1 – Planning and Commitment to Excellence	To what degree are the authorizer and its leadership and staff committed to maintaining high standards for schools, upholding school autonomy, and protecting student and public interests?	Meets	
A.4: Operational Conflicts of Interest NACSA Standard #1 – Planning and Commitment to Excellence	To what degree does the authorizer implement a clear policy to address conflicts of interest in all decision-making processes concerning the portfolio of charter schools	Meets	
A.5: Self-Evaluation of Capacity, Infrastructure, and Practices NACSA Standard #1 – Planning and Commitment to Excellence	To what degree does the authorizer self-evaluate its internal ability (capacity, infrastructure, and practices) to oversee the portfolio of charter schools?	Meets	
A.6: Structure of Operations NACSA Standard #1 – Human Resources	To what degree does the authorizer operate with a clear structure of duties and responsibilities, including appropriate lines of authority and delegation of duties between decision-makers and staff, and sufficient resources to effectively oversee its portfolio of charter schools	Partially Meets	The Commission has a clear structure of duties and responsibilities. However, it is unclear whether there are sufficient resources to effectively oversee its portfolio of charter schools, particularly given the geography of our charter schools and additional responsibilities taken on by the Commission. The high staff turn-over (with significant movement from the

			Charter Commission to DOE/BOE where there is a pay differential), has further exacerbated the strain on people resources.
A.7: Authorizer Leadership and Staff Expertise NACSA Standard #1 - Human Resources	To what degree does the authorizer have appropriate experience, expertise, and skills to sufficiently oversee the portfolio of charter schools?	Meets	
A.8: Capacity and Skill Development of Leadership and Staff NACSA Standard #1 – Human Resources	To what degree does the authorizer build the knowledge and skill base of its authorizing leadership and staff through professional development? Is professional development aligned with its operations, vision, and goals for overseeing its portfolio of charter schools?	Partially Meets	The Commission leadership and staff has had limited opportunities to engage with NACSA. However, the Commission Review Group is uncertain of other professional development this is offered. Additionally, per note above for A.2, additional work is needed to align professional development with vision and goals.
A.9: Authorizing Operational Budget NACSA Standard #1 – Financial Resources	To what degree is the authorizer’s actual resource allocation commensurate with its stated budget, needs, and responsibilities of authorizing the portfolio of charter schools? To what degree are state and federal funds deployed effectively and efficiently with the public’s interest in mind?	Does Not Meet	As the budget is under legislative control, the Commission Review Group does not believe there has been a full audit by the Commission of the resource needs required for authorizing the portfolio of charter schools, accounting for the additional responsibilities taken on by the Commission.
A.10: Compliance to Statutory Responsibilities	To what degree does the authorizer comply with reporting requirements and other statutory responsibilities, including the appropriate distribution of state and federal funds to its charter schools?	Meets	The Commission complies with all reporting requirements, including the appropriate distribution of funds. However, the Commission Review Group notes that charter schools would benefit from a more consistent process for distribution of funds that they can plan for year-to-year.
B.1: Application Process, Timeline, and Guidance NACSA Standard #2 – Fair,	To what degree does the authorizer have a comprehensive and well-publicized application process that includes realistic timelines, fair and transparent procedures, and guidance that clearly describes each stage of	Meets	

Transparent, Quality-Focused Procedures	the process?		
B.2: Request for Proposals NACSA Standard #2 – Proposal Information, Questions, and Guidance	To what degree is the authorizer’s request for proposals clear, comprehensive, and aligned to its vision? To what degree does the authorizer’s request for proposals encourage diverse educational models from both new applicants and existing operators and expansion and replication of successful charter school models?	Partially Meets	The Commission’s request for proposals are clear and comprehensive and encourage diverse educational models. However, per note above for A.2, additional work can be done regarding alignment to vision. Further, the Commission has not yet encouraged replication of existing charter school models.
B.3: Approval Criteria for Charter School Applications NACSA Standard #2 – Rigorous Approval Criteria	To what degree does the authorizer have clear and comprehensive approval criteria to rigorously evaluate new charter school proposals?	Meets	
B.4: Evaluation and Decision-Making Process NACSA Standard #2 – Rigorous Decision Making	To what degree does the authorizer have clear and comprehensive process standards to rigorously evaluate new charter school proposals using qualified evaluators? To what degree did the authorizer’s decisions and resulting actions align to its stated approval criteria and process standards?	Meets	
B.5: Charter Contract Terms, Negotiation, and Execution NACSA Standard #3 – Contract Term, Negotiation, and Execution	To what degree does the authorizer negotiate and execute charter contracts that clearly define material terms and rights and responsibilities of the school and the authorizer?	Meets	The Commission meets the terms articulated in NACSA Standard #3 – Contract Term, Negotiation, and Execution. See full details below the chart. The Commission Review Group notes that the NACSA Standard states that the authorizer defines material terms and ensures understanding. It does not suggest that schools negotiate material terms of the base contract.
B.6: Charter School	To what degree does the authorizer negotiate and execute	Meets	The Commission meets the terms articulated in NACSA Standard #3 –

<p>Performance Standards NACSA Standard #3 – Performance Standards</p>	<p>charter contracts with clear, measurable, and attainable performance standards?</p>		<p>Performance Standards. See full details below the chart. The Commission Review Group notes that the NACSA Standard states that the authorizer establish and define performance standards. It does not suggest that schools negotiate performance standards. However, the Commission does provide a process for charter schools to propose School Specific Measures (SSM) and has provided support to schools that have expressed interest in SSMs. The Commission Review Group recommends continued outreach, information, and support to schools around SSMs.</p>
<p>B.7: Process for Ongoing Oversight of Charter Schools NACSA Standard #4 – Performance Evaluation and Compliance Monitoring</p>	<p>To what degree does the authorizer monitor and oversee the charter schools in the areas of academics, finances, and operations according to the processes outlined in the charter contract?</p>	<p>Meets</p>	
<p>B.8: Communicating Oversight NACSA Standard #4 – Performance Evaluation and Compliance Monitoring</p>	<p>To what degree does the authorizer regularly communicate with schools and provide guidance to ensure timely compliance with charter contracts and applicable laws, including clearly defining the process and methods of gathering and reporting performance and compliance data and providing timely notice of charter contract violations or performance deficiencies?</p>	<p>Meets</p>	<p>The Commission meets the terms articulated in NACSA Standard #4 – Performance Evaluation and Compliance Monitoring. See full details below the chart.</p>
<p>B.9: Protecting School Autonomy NACSA Standard #4 – Respecting School</p>	<p>To what degree does the authorizer respect, preserve, and support the essential autonomies of the portfolio of charter schools?</p>	<p>Meets</p>	<p>The Commission Review Group believes that the Commission does respect, preserve, and support the essential autonomies of its charter schools. However, it is aware that some charter schools have voiced concerns around Epicenter and</p>

Autonomy			administrative burdens. Accordingly, the Commission Review Group proposes a review of Epicenter and the requests made of charter schools to demonstrate alignment with the authorizer’s responsibilities, including but not limited to performance evaluation and compliance monitoring detailed in NACSA Standard #4. See full details below the chart.
B.10: Standards and Processes for Interventions, Corrective Action, and Response to Complaints NACSA Standard #4 – Intervention	To what degree does the authorizer have clear and comprehensive standards and processes to address complaints, intervention, and corrective action?	Meets	
B.11: Performance Reports and Renewal Application NACSA Standard #5 – Cumulative Report and Renewal Application	To what degree do the authorizer’s performance reports of charter schools within its portfolio clearly summarize each school’s performance record and state the authorizer’s finding concerning the school’s performance and its prospects for renewal? To what degree does the authorizer allow, through a renewal application, a meaningful opportunity and reasonable time for a charter school seeking renewal to respond to the performance report, correct the record, and present additional evidence regarding its performance?	Meets	
B.12: Charter Contract Renewal or Revocation Processes and Decisions NACSA Standard #5 –	To what degree does the authorizer have clear and comprehensive standards and processes to make high-stakes renewal and revocation decisions? To what degree does the authorizer’s renewal and revocation decisions align to its	Meets	

Revocation; Renewal Decisions Based on Merit and Inclusive Evidence; Fair, Transparent Process	stated renewal standards and processes and promote the growth of high-quality charter schools?		
B.13: School Closure Protocol NACSA Standard #5 – Closure	To what degree does the authorizer, in the event of school closure, work with the school governing board and leadership to employ a closure protocol that ensures timely notification to parents, orderly transition of students and student records, and proper disposition of school funds and assets?	Partially Meets	In the one instance when a school was closed, the Commission did work with the school governing board to employ a closure protocol that included notification to parents and transition of students and student records. The Commission could benefit from proactively creating clear closure protocols to be followed consistently if needed in the future.

**NACSA Standard #3 – Contract Term, Negotiation, and Execution:** A high quality authorizer:

- Executes a contract with a legally incorporated governing board independent of the authorizer
- Grants charter contracts for an initial term of five operating years or longer only with periodic high-stakes reviews every five years.
- Defines material terms of the contract.
- Ensures mutual understanding and acceptance of the terms of the contract by the school’s governing board prior to authorization or charter granting by the authorizing board.
- Allows – and requires contract amendments for – occasional material changes to a school’s plans, but does not require amending the contract for non-material modifications.

**NACSA Standard #3 – Performance Standards:** A high quality authorizer:

- Establish the performance standards under which schools will be evaluated, using objective and verifiable measures of student achievement as the primary measure of school quality;
- Define clear, measurable, and attainable academic, financial, and organizational performance standards and targets that the school must meet as a condition of renewal, including but not limited to state and federal measures;
- Include expectations for appropriate access, education, support services, and outcomes for students with disabilities;
- Define the sources of academic data that will form the evidence base for ongoing and renewal evaluation, including state-mandated and other standardized assessments, student academic growth measures, internal assessments, qualitative reviews, and performance comparisons with other public schools in the district and state;
- Define the sources of financial data that will form the evidence base for ongoing and renewal evaluation, grounded in professional standards for sound financial operations and sustainability;



- Define the sources of organizational data that will form the evidence base for ongoing and renewal evaluation, focusing on fulfillment of legal obligations, fiduciary duties, and sound public stewardship; and
- Include clear, measurable performance standards to judge the effectiveness of alternative schools, if applicable – requiring and appropriately weighting rigorous mission-specific performance measures and metrics that credibly demonstrate each school’s success in fulfilling its mission and serving its special population.

**NACSA Standard #4 – Performance Evaluation and Compliance Monitoring:** A high quality authorizer:

- Implements comprehensive performance accountability and compliance monitoring system that is defined by the charter contract and provides the information necessary to make rigorous and standards based renewal, revocation, and intervention decisions.
- Defines and communicates to schools the process, methods, and timing of gathering and reporting school performance and compliance data.
- Implements an accountability system that effectively streamlines federal, state, and local performance expectations and compliance requirements while protecting schools’ legally entitled autonomy and minimizing schools’ administrative and reporting burdens.
- Provides clear technical guidance to schools as needed to ensure timely compliance with applicable rules and regulations.
- Visits each school as appropriate and necessary for collecting data that cannot be obtained otherwise and in accordance with the contract, while ensuring that the frequency, purposes, and methods of such visits respect school autonomy and avoid operational interference.
- Evaluates each school annually on its performance and progress toward meeting the standards and targets state in the charter contract, including essential compliance requirements, and clearly communicates evaluation results to the school’s governing board and leadership.
- Requires and reviews annual financial audits of schools, conducted by a qualified independent auditor.
- Communicates regularly with schools as needed, including both the school leaders and governing boards, and provides timely notice of contract violations or performance deficiencies.
- Provides an annual written report to each school, summarizing its performance and compliance to date and identifying areas of strength and areas needing improvement.
- Articulates and enforces stated consequences for failing to meet performance expectations or compliance requirements.