

NEIL ABERCROMBIE  
GOVERNOR



CATHERINE PAYNE  
CHAIRPERSON

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

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DATE: July 10, 2014

TO: Catherine Payne, Chairperson

FROM: Tom Hutton, Executive Director

AGENDA ITEM: Action on Financial Insolvency of Hālau Lōkahi Charter School; Educational Program, Exhibit A, for inclusion in the Charter Contract, effective July 1, 2014; and Appointment of Members of New Governing Board

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I. DESCRIPTION

Recommendation that the Commission:

1. Approve the Educational Program, Exhibit A (“Exhibit A”), for Hālau Lōkahi Charter School (“Halau Lokahi”), and ratify the inclusion of Exhibit A in the State Public Charter School Contract, effective July 1, 2014, with special provisions (“Amended Charter Contract”), which was executed by Halau Lokahi on and the Commission on June 30, 2014;
2. Consider the skill sets described in Hawaii Revised Statutes (“HRS”) Section 302D-12 when appointing new members to Halau Lokahi’s governing board; and
3. Adopt a contingency dissolution plan for Halau Lokahi in the event of school-initiated closure or dissolution.

II. AUTHORITY

Pursuant to 302D-5(a)(4), Hawaii Revised Statutes (“HRS”), “[a]uthorizers are responsible for executing the following essential powers and duties: . . . “Negotiating and executing sound charter contracts with each approved charter applicant and with existing public charter schools[.]”

Pursuant to Chapter 302D-19, Hawaii Revised Statutes, in the event of a school closure for any reason, the Commission shall oversee and work with the school to ensure a smooth and orderly closure and transition for students and parents.

### III. BACKGROUND

**Approval of Exhibit A and Ratification.** The background on the Charter Contract template and Exhibit A review process were covered in the Recommendation Submittal provided for the Commission's June 26, 2014 General Business Meeting and will not be repeated here.

At its June 18, 2014, General Business Meeting, the Commission took action on an agenda item pertaining to the financial insolvency of Halau Lokahi and voted to offer the New Charter Contract to the school subject to some special provisions. The special provisions included the resignation of the current governing board members and the current school director, to be effective upon the Commission's appointment of a new governing board. The Commission's motion at the meeting included the statement that the Commission will offer an Amended Charter Contract "with the intent that the Commission will approve the school's Exhibit A, Educational Program at a Commission meeting to be held on June 26, 2014." Commission staff transmitted the New Charter Contract to Halau Lokahi's current governing board on June 19, 2014.

Due to time constraints, the Commission did not approve Halau Lokahi's Exhibit A at its June 26, 2014 General Business Meeting. Halau Lokahi's current governing board and the Commission executed the New Charter Contract on June 30, 2014.

**New Governing Board.** One of the special provisions in the Amended Charter Contract provided that the school consented to the Commission's appointment of the new governing board. Section 302D-12, HRS, describes charter school governing boards and their membership, powers, and duties.

As described in Section 302D-12(b), HRS, "in selecting governing board members, consideration should be given to persons who: (1) provide the governing board with a diversity of perspective and a level of objectivity that accurately represent the interests of the charter school students and the surrounding community; (2) demonstrate an understanding of best practices of non-profit governance; and (3) possess strong financial and academic management and oversight abilities, as well as human resource and fundraising experience.

**Dissolution Contingency Plan.** The background on the dissolution contingency plan was covered in the Recommendation Submittal provided for the Commission's June 26, 2014 General Business Meeting and will not be repeated here.

### IV. DECISION MAKING STATEMENT

**Approval of Exhibit A and Ratification.** At its June 18, 2014, General Business Meeting, the Commission took action on an agenda item pertaining to the financial insolvency of Halau Lokahi and voted to offer an Amended Charter Contract to the school, subject to special provisions, with the intent to approve Halau Lokahi's Exhibit A at the June 26, 2014 meeting and ratify its inclusion in the Amended Charter Contract (which it was unable to do due to lengthy public testimony and discussion). The Amended Charter Contract was offered and transmitted to the School on June 19, 2014.

On June 30, 2014, the governing board of Halau Lokahi submitted the signed Amended Charter Contract to the Commission, thereby accepting the terms of the special provisions included with the Contract. As such, staff recommends the Commission approve Halau Lokahi's Exhibit A, and ratify the inclusion of Exhibit A in the Amended State Public Charter School Contract, effective July 1, 2014. The attached **Exhibit 1** contains the Educational Program, Exhibit A, of Hālau Lōkahi, effective July 1, 2014.

**New Governing Board.** The special provisions of the Amended Charter Contract required the resignation of current governing board members and the current school director, to be effective upon the Commission's appointment of a new governing board. At its June 26, 2014, General Business Meeting, the Commission announced the school's new governing board would have five members. The Commission would propose names for two members and an advisory group, made up of two Commissioners and three school community members, was formed to propose names, for the Commission's consideration, for three members.

Based on the guidance provided by statute, the Commission should consider whether the individuals being considered to be on the new governing board have the following skill sets:

1. Represents the interests of the students and surrounding community;
2. Non-profit governance;
3. Financial management;
4. Academic management;
5. Human resources; and
6. Fundraising experience.

A board would be well served by having all of the aforementioned skill sets represented. Staff recommends the Commission consider the skill sets listed above as it appoints new members to the governing board of Halau Lokahi.

**Dissolution Contingency Plan.** It would be prudent for the Commission to adopt now a dissolution contingency plan to be ready in the event that the new governing board concludes (after assuming governance of the school and attempting to find a way for the school to survive that it is in the best interests of the students, parents, and community) that it should voluntarily cease operation and surrender the Charter Contract.

Staff recommends the Commission adopt the dissolution contingency plan attached as **Exhibit 2**, with the understanding that these plans shall be exclusively used for Halau Lokahi Charter School under the present unique circumstances and under above contingency. The contingency plan is based on the school closure protocol drafted for the Commission by the National Association of Charter School Authorizers ("NACSA"), but adopted for the current situation. The protocol developed by NACSA contemplated a more routine closure scenario than one in which the school already was financially insolvent weeks before the start of the new academic year.

V. RECOMMENDATION

**“Moved that the Commission:**

- 1. Approve the Educational Program, Exhibit A, for Hālau Lōkahi Charter School and ratify the inclusion of Exhibit A in the Amended State Public Charter School Contract, effective July 1, 2014, which was executed by Hālau Lōkahi Charter School and the Commission on June 30, 2014;**
- 2. Consider the skill sets described in Section 302D-12(b), HRS, in its appointment of new governing board members for the governing board of Halau Lokahi; and**
- 3. Adopt the dissolution contingency plan for Halau Lokahi attached to this submittal dated July 10, 2014, as Exhibit 2, to be implemented only in the event of a school-initiated closure or dissolution.**

**Exhibit 1**  
**Educational Program, Exhibit A, from Halau Lokahi**

**Exhibit A**  
**Educational Program**

| <b>Material Term</b>                               |   |
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| <b>School Name:</b>                                | Hālau Lōkahi Charter School   |
| <b>Mission:</b><br><b>(Not formally evaluated)</b> | <p>The mission of Halau Lokahi is to provide a means to personal sovereignty through the use of the principles of Lokahi, acceptance and self-responsibility. We call this commitment:</p> <p style="text-align: center;"><b>“Learning to be self responsibly free”</b></p>   |
| <b>Vision:</b><br><b>(Not formally evaluated)</b>  | <p>Halau Lokahi students are equipped with 2 two kinds of literacy necessary in the 21<sup>st</sup> century. Students read, write, speak and calculate with clarity and precision, along with participating passionately and responsibly in the life of the community. As a community based, <b>FAMILY</b> oriented school, Halau Lokahi actively involves parents and extended family as well as community members in the educational process. As a result, the community and the surrounding environment become living learning laboratories where students and community work together to create a future that is pono.</p> <p>As a preferred model of education for Hawai’i’s indigenous student population, Halau Lokahi’s curriculum, instruction, assessment, educational philosophy and school structure are congruent with Hawaiian values and learning modalities, which have guided our behavior for centuries. These educational foundations are shared not only by Halau Lokahi but by many other indigenous educators throughout the world. They include:</p> <ul style="list-style-type: none"><li>• A formal and informal system guided by native values with instruction and assessment tailored to native learning styles and multiple intelligences</li><li>• An educational environment that recognizes, respects and promotes native values, ideologies, philosophies and spiritual principles</li><li>• Retrieval and implementation of traditional native sustainability methods such as interdisciplinary and interactive education, hands on and project based experiences, aural/oral learning, and multi age groupings</li></ul> |

- Strong familial relationships and family involvement especially utilizing the essential wisdom of elders in the process
- A strong integration of the natural environment and the community into daily learning including protocol and traditional spirituality

Reinstating traditional values designed to maintain physical, spiritual and economic health of the family and community.

**Essential Term #1:  
(formally evaluated)**

Students' Well Being: Teachers and staff will create, model and demonstrate a position of strength and calmness to allow for healing and moving forward in what might be frightening tasks and environments; knowing how to find one's way is an important part of success in life, as well as in school. All students will practice and engage in *LOKAHI* to balance spirit, body and mind. Overarching focus is "Ola pono", big picture vision to lead a pono life.

In addition to designing curriculum based on an indigenous model, HL has used Kamehameha curriculum, Edith Kanakaole Foundation, Ma'i Ola and Ku'ula, Malama 'Aina Foundation's E Ola Pono, Center for Disabilities Lokahi curriculum.

Student well-being is measured through the Culture-Based Education (Parent/Student/Teacher) Tool developed by Kamehameha Schools.

**Essential Term #2:  
(formally evaluated)**

Students will build character and leadership skills through appropriate degrees of responsibilities to strive towards meeting individual obligations and learn to understand their role to themselves and to the larger 'ohana as Halau Lokahi emphasizes strengthening the community one child, one family at a time creating a healthier and happier society.

Grounded in the schools mission of 'learning to be self responsibly free', Malama kou kuleana is not an option. It is an expectation of not only students but of staff and families.

HL has been using Art Costa's *Habits of Mind*. Students, staff and families are aware of these habits, posters are in classrooms, students are visually reminded daily and habits are identified during a school day.

HOM are introduced at orientation to students & parents. Then

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|  | <p>they are incl in skits &amp; activities to familiarize students. HOM are displayed throughout school in each classroom. Sprinkled as artwork around facility, students are asked to identify after a lesson.</p> <p>Community service is done regularly at learning sites,i.e., Kalihi Valley, Waimanalo.</p>   |
| <b>Essential Term #3:<br/>(formally evaluated)</b>   | <p>Learning by Doing: Students will have a deeper and longer lasting meaningful life than knowledge obtained through mere lecture through a variety of experiential learning opportunities. Students will be able to teach peers and other youth based on their individual and group experiences from knowledge obtained through hands on learning, supported by subsequent analysis and group discussions.</p> <p>‘Olelo no’eau – Ma ka hana ka ike (In doing there is learning) is demonstrated by student projects, student-led discussions, and other projects, which are completed.</p>   |
| <b>Essential Term #4:<br/>(formally evaluated)</b>   | <p>How do we know they understand their kuleana?</p> <p>Assessments: Students will perform and present at <i>ho’ike</i> (a traditional performance based assessment) to an authentic audience to demonstrate how they integrate native culture, language, arts and science as well as other core areas. Students are also able to teach each other.</p> <p>Student understanding and progress will be tracked through Diary maps which allow students to reflect on what worked, what did not work, what the next steps are, what extended activities can be done, what other areas their lessons might lead to, and how things could be improved.</p> |
| <b>Essential Term #5:<br/>(formally evaluated)</b>   | N/A  |
| <b>Geographic Area Served:</b>   | Hawai’i & Hawaiian Communities   |
| <b>Location:</b>   | 401 Waiakamilo Road, Unit 1A<br>Oahu, HI 96817   |
| <b>Grades Currently Served:</b>  | K-12   |
| <p>Is the school a virtual school?     <input checked="" type="checkbox"/>_X_ Yes     <input type="checkbox"/>_No</p> <p><i>For the purposes of this Exhibit, a virtual school is defined as a school that uses an</i></p> |  |

*online instructional model with students typically spending fewer than five hours per week in a school building.*

Does the school offer blended learning?  Yes  No

*For the purposes of this Exhibit, blended learning is defined as the delivery of instruction in a combination of time on-site in a supervised, physical location away from home and online delivery where the student has some control over time, place, path, or pace of learning.*

If yes, approximately what percentage of students participates in blended learning?

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Does the school offer digital learning?  Yes  No

*For the purposes of this Exhibit, digital learning is defined as learning facilitated by technology that gives students some element of control over time, place, path, or pace of learning.*

If yes, approximately what percentage of students participates in digital learning? \_\_\_\_\_

**Educational Service**    N/A  
**Provider:**

**Exhibit 2**  
**Dissolution Contingency Plan**

# State Public Charter School Commission Contingency Plan for Halau Lokahi Charter School Dissolution

For purposes of this document, "dissolution date" refers to the date by which the school voluntarily surrenders its Charter Contract or dissolves in accordance with Section 13 of the Charter Contract, or the date on which the school ceases to exist as a public charter school as a function of law.

For all actions items assigned to Commission staff, the school governing board shall cooperate with actions.

## IMMEDIATE ACTIONS

| ACTION ITEM | COMPLETION DATE   | STATUS   |
|-------------|---|--|
| 1           | <p><b>“Halau Lokahi Dissolution: Frequently Asked Questions” Document</b><br/>Commission staff will create and disseminate a general document from Commission outlining Commission’s policies, commitment to quality authorizing through supporting the transition of students and staff to new settings, overview of transition steps, general timelines, checklist for parents transitioning to a new school in the next school year, and Commission contact information.</p>   | Within 3 business days of the dissolution date |
| 2           | <p><b>Establish Transition Team and Assign Roles</b><br/>Commission staff will create a team dedicated to ensuring the smooth transition of students and staff and close down of the school’s business. The team shall include an SPCSC Commissioner, the executive director of the SPCSC or his designee, the SPCSC Financial Performance Manager, and, if possible, at least one member of the school's governing board, and the lead administrator from the school, and the lead finance person from the school.</p> | Within 5 business days of the dissolution date |

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| 3 | <p><b>Initial Closure Notification Letter: Parents &amp; School</b><br/> Commission staff shall provide written letter to faculty, staff, and parents outlining:</p> <ul style="list-style-type: none"> <li>- Closure decision;</li> <li>- Timeline for transition; and</li> <li>- Help Line information.</li> </ul>   | Within 5 business days of the dissolution date  |  |
| 4 | <p><b>Initial Closure Notification Letter: State &amp; Local Agencies</b><br/> Commission staff shall notify HIDOE and complex areas, as appropriate, of the closure for purposes of preparation to enroll students, with notification to include:</p> <ul style="list-style-type: none"> <li>- notification materials distributed to parents;</li> <li>- notification materials distributed to faculty and staff; and</li> <li>- Commission decision materials, resolution to close school, copy of any termination agreement (if applicable).</li> </ul> <p>Copy local complex areas as required by quality practice, state statute and regulation</p> | Within 5 business days of the dissolution date  |  |
| 5 | <p><b>Secure Student Records</b><br/> Commission staff shall ensure all student records are organized, up to date, and maintained in a secure location.</p>  | Within 15 business days of the dissolution date |  |
| 6 | <p><b>Secure Financial Records</b><br/> Commission staff shall ensure all financial records are organized, up to date, and maintained in a secure location.</p>  | Within 15 business days of the dissolution date |  |
| 7 | <p><b>Parent Contact Information</b><br/> Commission staff shall create Parent Contact List to include:</p> <ul style="list-style-type: none"> <li>- student name;</li> <li>- address;</li> <li>- telephone; and</li> <li>- email, if possible.</li> </ul> <p>Provide a copy of the parent contact information to the Commission.</p>  | Within 24 hours of the dissolution date         |  |

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| 8  | <p><b>Faculty Contact Information</b><br/> Commission staff shall create Faculty Contact List that includes:</p> <ul style="list-style-type: none"> <li>- name;</li> <li>- position;</li> <li>- address;</li> <li>- telephone; and</li> <li>- email.</li> </ul> <p>Provide a copy of the list to the Commission.</p>   | Within 24 hours of the dissolution date         |  |
| 9  | <p><b>Assign Transition Team Action Item Responsibilities</b><br/> Commission staff shall distribute contact information to all transition team members, set calendar for meetings, and assign dates for completion of each charter school closure action item.</p>  | Within 10 business days of the dissolution date |  |
| 10 | <p><b>Convene Parent Dissolution Meeting</b><br/> Commission staff shall ensure that a parent meeting is held. At the meeting:</p> <ul style="list-style-type: none"> <li>- Copies of "Dissolution FAQ" document shall be made available;</li> <li>- An overview of the events prompton dissolution of Halau Lokahi and the dissolution plan shall be presented;</li> <li>- Parents shall be provided with a calendar of important dates, including a timeline for dissolving school operations; and</li> <li>- Parents shall be provided with contact and Help Line information.</li> </ul> | Within 10 business days of the dissolution date |  |

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| 11 | <p><b>Communicate with Faculty/Staff</b><br/> Staff shall ensure that the school communicates the following to faculty and staff:</p> <ul style="list-style-type: none"> <li>– commitment to continuing coherent school operations throughout dissolution transition;</li> <li>– plan to assist students and staff by making closing as smooth as possible;</li> <li>– reasons for dissolution;</li> <li>– timeline for transition details;</li> <li>– compensation and benefits timeline; and</li> <li>– contact information for ongoing questions.</li> </ul>   | Within 10 business days of the dissolution date |  |
| 12 | <p><b>Establish Use of Reserve Funds</b><br/> If school has reserve funds, Commission staff shall identify acceptable use of such funds to support the orderly closure of the school.</p>   | Within 10 business days of the dissolution date |  |
| 13 | <p><b>Maintenance of Location and Communication</b><br/> Commission staff will determine whether the school will maintain the current facility as its locus of operation for the duration of closing out the school’s business, regulatory, and legal obligations. In the event the facility is sold or otherwise vacated before concluding the school’s affairs, the school must relocate its business records and remaining assets to a location where a responsive and knowledgeable party is available to assist with closure operations. The school must maintain operational telephone service with voice message capability and maintain custody of business records until all business and transactions are completed and legal obligations are satisfied. The school must immediately inform the Commission if any change in location or contact information occurs.</p> | Ongoing until closure complete                  |  |

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| 14 | <p><b>Insurance</b></p> <p>The school's assets and any assets in the school that belong to others must be protected against theft, misappropriation, and deterioration. The school should:</p> <ul style="list-style-type: none"> <li>- maintain existing insurance coverage until the disposal of such assets under the school closure action plan;</li> <li>- continue existing insurance for the facility, vehicles, and other assets until 1) disposal or transfer of real estate or termination of lease, and 2) disposal, transfer, or sale of vehicles and other assets;</li> <li>- negotiate facility insurance with entities that may take possession of school facility (lenders, mortgagors, bond holders, etc.);</li> <li>- continue or obtain appropriate security services; and</li> <li>- plan to move assets to secure storage after closure of the school facility.</li> </ul> <p>If applicable under state statute, the school should maintain existing directors and officers liability (D&amp;O) insurance, if any, until final dissolution of the school.</p> | Ongoing until all business related to closure is completed |  |
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## NOTIFICATIONS

| ACTION ITEM  | COMPLETION DATE   | STATUS |
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| <p data-bbox="342 422 938 478"><b>Union Notification Pursuant to any Collective Bargaining Agreement</b></p> <p data-bbox="342 480 963 730">If applicable, the school should contact legal counsel and work with them to notify any unions of termination of collective bargaining agreements (CBAs) and the pending cessation of instruction, pursuant to the notice requirements set forth in any existing CBA or notice requirements of applicable federal, state, and local law. The school should:</p> <ul data-bbox="342 762 963 1178" style="list-style-type: none"> <li>- consult with legal counsel with respect to notice requirements for terminating the CBA and the legal implications with respect to termination of CBAs and the termination of employees connected to the CBAs;</li> <li>- provide a copy of the latest CBA to the Commission;</li> <li>- provide a copy of the notice to the Commission; and</li> <li>- keep the Commission informed of the implications, penalties, and damages in connection with any termination of a CBA and ongoing discussions and negotiations with the union in connection with termination.</li> </ul> | <p data-bbox="971 762 1230 842">Within 10 business days of the dissolution date</p> |        |

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| <p>16</p> | <p><b>Parent/Guardian Closure Transition Letter</b><br/> Commission staff shall ensure that parents/guardances receive letter with detailed guidance regarding transition plan. Notification should include, but not be limited to:</p> <ul style="list-style-type: none"> <li>- notification of mandatory enrollment under state law;</li> <li>- date(s) of any planned school choice fair(s);</li> <li>- listing of the contact and enrollment information for charter, parochial, public, and private schools in the area;</li> <li>- information on obtaining student records pursuant to the state Freedom of Information Law before the Commission's vote to close the charter school; and</li> <li>- contact information for parent/guardian assistance/questions.</li> </ul> <p>Provide the Commission with a copy of the letter.</p> | <p>Within 10 business days of dissolution date</p>     |  |
| <p>17</p> | <p><b>Staff/Faculty Closure Transition Letter</b><br/> Outline transition plans and timelines for staff, including but not limited to:</p> <ul style="list-style-type: none"> <li>- commitment of school's board to transitioning staff;</li> <li>- commitment to positive transition of children into new educational settings;</li> <li>- timelines for compensation and benefits;</li> <li>- timelines for outstanding professional development issues;</li> <li>- COBRA information;</li> <li>- pertinent licensure information; and</li> <li>- transition team member contact information.</li> </ul> <p>Provide the Commission with a copy of the letter and any accompanying materials.</p>  | <p>Within 10 business days of the dissolution date</p> |  |

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| 18 | <p><b>Agency Notifications</b></p> <p>The Commission staff shall ensure that the school satisfies statutory and regulatory obligations to ensure a smooth transition for students. Check requirements under state statute and regulation. Agency notifications may include:</p> <ul style="list-style-type: none"> <li>- State Department of Education;</li> <li>- Department of Budget and Finance;</li> <li>- office of the Governor;</li> <li>- State Legislature;</li> <li>- state retirement system;</li> <li>- Department of Accounting and General Services;</li> <li>- Employer-Union health benefits trust fund;</li> </ul>   | Within 10 business days of the dissolution date      |  |
| 19 | <p><b>Notification of Contractors Agreement</b></p> <p>Commission staff shall ensure that the school provides a list of all contractors with contracts in effect and:</p> <ul style="list-style-type: none"> <li>- notifies them regarding school dissolution and cessation of operations;</li> <li>- instructs contractors to make arrangements to remove any contractor property from the school by a certain date (copying machines, water coolers, other rented property);</li> <li>- retains records of past contracts as proof of full payment; and <ul style="list-style-type: none"> <li>- maintains telephone, gas, electric, water, and insurance (including Directors and Officers liability insurance) long enough to cover the time period required for all necessary dissolution procedures to be complete.</li> </ul> </li> </ul> | Within fifteen business days of the dissolution date |  |

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| 20 | <p><b>Notification to Creditor</b></p> <p>SPCSC Financial Performance Manage shall solicit from each creditor a final accounting of the school's accrued and unpaid debt. Compare the figures provided with the school's calculation of the debt and reconcile.</p> <p>Where possible, negotiate a settlement of debts consummated by a settlement agreement reflecting satisfaction and release of the existing obligations.</p> | <p>Within 20 business days of the dissolution date</p>                       |  |
| 21 | <p><b>Notification to Debtors</b></p> <p>Contact all debtors and demand payment. If collection efforts are unsuccessful, consider turning the debt over to a commercial debt collection agency. All records regarding such collection or disputes by debtors regarding amounts owed must be retained.</p> <p>Provide the Commission a written summary of this activity.</p>   | <p>Within one month of the Commission's vote to close the charter school</p> |  |

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| <p>22</p> | <p><b>Notification of Employees and Benefit Providers</b><br/> The school should establish an employee termination date and:</p> <ul style="list-style-type: none"> <li>- notify all employees of termination of employment and/or contracts;</li> <li>- notify benefit providers of pending termination of all employees;</li> <li>- notify employees and providers of termination of all benefit programs;</li> <li>- terminate all programs as of the last date of service in accordance with applicable law and regulations (e.g., COBRA), including: <ul style="list-style-type: none"> <li>- health care/health insurance;</li> <li>- life insurance;</li> <li>- dental plans;</li> <li>- eyeglass plans;</li> <li>- cafeteria plans;</li> <li>- 401(k) retirement plans; and</li> <li>- pension plans.</li> </ul> </li> </ul> <p>Specific rules and regulations may apply to such programs, especially teachers' retirement plans, so legal counsel should be consulted.</p> <p>Provide the Commission copies of all materials.</p> | <p>Within 45 days of the Commission's vote to close the charter school</p> |  |
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## RECORDS

| ACTION ITEM | COMPLETION DATE  | STATUS  |
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| <p>23</p>   | <p><b>Final Report Cards and Student Records Notice</b><br/>           Commission staff shall ensure that:</p> <ul style="list-style-type: none"> <li>- all student records and report cards are complete and up to date;</li> <li>- parents/guardians are provided with copies of final report cards and notice of where student records will be sent (with specific contact information); and</li> <li>- parents/guardians receive a reminder letter or post card reminding them of the opportunity to access student records under Freedom of Information law.</li> </ul>   | <p>Within 10 business days of the dissolution date</p>  |
| <p>24</p>   | <p><b>Transfer of Testing Materials</b><br/>           Commission staff shall ensure that the school meets state requirements regarding disposition of state assessment materials stored at the school and return as required.</p> <p>Provide Commission with letter outlining transference of testing materials.</p>  | <p>Within 10 business days of the dissolution date</p>  |
| <p>25</p>   | <p><b>Transfer of Student Records</b><br/>           Commission staff shall ensure that the school, as required by state statute, transfers all student records to students' new schools, a state agency, or another entity. Student records to include:</p> <ul style="list-style-type: none"> <li>- grades and any evaluation;</li> <li>- all materials associated with Individual Education Plans;</li> <li>- immunization records; and</li> <li>- parent/guardian information.</li> </ul> <p>The school must contact the DOE and complex areas, as appropriate, to notify them of how (and when) records—including special education records—will be transferred. In addition, the school must create a master list of all records to be transferred and state their destination(s).</p> | <p>Within 20 business days of the dissolution date or prior to the start of the new school year</p> |

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| 26 | <p><b>Documenting Transfer of Records</b></p> <p>The school must ensure that written documentation of the transfer of records accompanies the transfer of all student materials. The written verification must include:</p> <ul style="list-style-type: none"> <li>- the number of general education records transferred;</li> <li>- the number of special education records transferred;</li> <li>- the date of transfer;</li> <li>- the signature and printed name of the charter school representative releasing the records; and</li> <li>- the signature and printed name of the recipient(s) of the records.</li> </ul> <p>Provide copies of all materials documenting the transfer of student records to the Commission.</p>   | Within 20 business days of the dissolution date             |  |
| 27 | <p><b>Disposition of Records</b></p> <p>If the school's governing board has a records retention policy, or if records retention in charters is governed by state law, follow the appropriate policy and/or law.</p> <p>Commission staff shall ensure that the school shall maintain all corporate records related to:</p> <ul style="list-style-type: none"> <li>- loans, bonds, mortgages, and other financing;</li> <li>- contracts;</li> <li>- leases;</li> <li>- assets and asset sales;</li> <li>- grants (records relating to federal grants must be kept in accordance with 34 CFR 80.42)</li> <li>- governance (minutes, by-laws, policies);</li> <li>- employees (background checks, personnel files);</li> <li>- accounting/audit, taxes, and tax status;</li> <li>- employee benefit programs and benefits;</li> <li>and</li> <li>- any items provided for in the closure action plan.</li> </ul> <p>If the school does not have a records retention policy, and no state law governs records retention in charter schools, or if the school's board abdicates responsibility for records, Commissions that seek to take possession of personnel, non-student, and non-personnel records should consult legal counsel about liabilities.</p> | Within 60 business days of the dissolution date and ongoing |  |

## FINANCIAL

| ACTION ITEM |   | COMPLETION DATE   | STATUS |
|-------------|---|---|--------|
| 28          | <p><b>Inventory</b></p> <p>The SPCSC Financial Performance Manager shall ensure that the school must:</p> <ul style="list-style-type: none"> <li>- create a fixed asset list segregating state and federal dollars;</li> <li>- note source codes for funds and price for each purchase; and,</li> <li>- establish fair market value, initial and amortized for all fixed assets.</li> </ul> <p>Provide the Commission with a copy of all documents.</p>   | <p>Within 15 business days of the dissolution date</p>  |        |
| 29          | <p><b>Disposition of Inventory</b></p> <p>The SPCSC Financial Manager shall establish a disposition plan (e.g., auction), and establish a payment process (e.g., cash, checks, credit cards) for any remaining items. Properly dispose of property purchased with federal funds</p> <p>Provide the Commission with a copy of all documents.</p>   | <p>Within 45 business days dissolution date</p>   |        |
| 30          | <p><b>Payment of Funds</b></p> <p>The SPCSC Financial Performance Manager should work with the school to develop a prioritized payment strategy considering state and local requirements. Using available revenue and any funds from auction proceeds, pay the following entities:</p> <ul style="list-style-type: none"> <li>- retirement systems;</li> <li>- teachers and staff;</li> <li>- employment taxes and federal taxes;</li> <li>- audit preparation;</li> <li>- private creditors;</li> <li>- overpayments from state/Commission; and</li> <li>- other as identified by the Commission.</li> </ul> | <p>Plan complete within 45 business days of the dissolution date and ongoing activity until completed</p> |        |

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| 31 | <p><b>Itemized Financials</b></p> <p>The SPCSC Financial Performance Manager shall review, prepare, and make available:</p> <ul style="list-style-type: none"> <li>- fiscal year-end financial statements;</li> <li>- cash analysis;</li> <li>- list of compiled bank statements for the year;</li> <li>- list of investments;</li> <li>- list of payables (and determinations of when a check used to pay the liability will clear the bank);</li> <li>- list of all unused checks;</li> <li>- list of petty cash; and</li> <li>- list of bank accounts.</li> </ul> <p>Additionally, collect and void all unused checks as well as close accounts once transactions have cleared. Establish a date by which to complete a final close out audit by an independent firm.</p> | Within 90 business days of the dissolution date |  |
| 32 | <p><b>Payroll Reports</b></p> <p>SPCSC Financial Performance Manager shall ensure that the school generates a list of all payroll reports including taxes, retirement, or adjustments on employee contracts.</p>   | Within 45 business days of the dissolution date |  |

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| <p>33</p> | <p><b>Property Purchased with Charter School Program (CSP) funds</b> The SPCSC Financial Performanc Manager shall establish under state or individual school agreements required disposition of property purchased with CSP funds. Generally, property purchased with CSP funds must first be offered to other charter schools within the same region in which the closing school is located, with requisite board resolutions consistent with the purpose of the CSP. If no schools want the property, an auction must be held to dispose of the CSP assets. The school must:</p> <ul style="list-style-type: none"> <li>- ensure public notice of the auction is made widely;</li> <li>- price items at fair market value, as determined from inventory and fixed assets policy; and</li> <li>- determine with the state education department how to return funds if any remain.</li> </ul> <p>Provide the Commission board resolutions and minutes of any transfer of assets with a dollar value of zero (0) to another school.</p> | <p>Within 60 business days of the dissolution date</p> |  |
|-----------|--|--|--|