

DAVID Y. IGE
GOVERNOR



CATHERINE PAYNE
CHAIRPERSON

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

1111 Bishop Street, Suite 516, Honolulu, Hawaii 96813
Tel: (808) 586-3775 Fax: (808) 586-3776
<http://www.chartercommission.hawaii.edu>

RECOMMENDATION SHEET

DATE: September 10, 2015

TO: Catherine Payne, Chairperson
State Public Charter School Commission

FROM: Catherine Payne, Chairperson
Performance and Accountability Committee

AGENDA ITEM: Action on Methodology for Determining a Charter School’s Overall Annual Rating
Under the Organizational Performance Framework

I. DESCRIPTION

Recommendation from the Performance and Accountability Committee (“Committee”) that the Commission approve the methodology to determine a charter school’s overall annual rating under the Organizational Performance Framework (“Framework”), starting with school year 2015-2016.

II. POLICY CONTEXT

Pursuant to §302D-16(a), Hawaii Revised Statutes (“HRS”), 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.

Establishing an overall annual rating for organizational performance will provide a clear and responsible means for organizational performance to be factored into charter contract renewal decisions.

III. BACKGROUND

The first step in implementing an evaluation system for the Organizational Performance Framework was the completion of the Preliminary Organizational Performance Assessment (“POPA”) in early 2014. This preliminary assessment was designed to help the Commission determine whether schools were meeting basic requirements captured in the Framework and to learn which parts of the Framework posed particular challenges to schools, why they posed such challenges, and what could be done to help minimize or eliminate the challenges. The POPA was the first step in the development of a fair and effective system that protected school autonomy while assuring stakeholders that charter schools were meeting their legal and contractual obligations.

Following the first Charter Contract, the term of which was July 1, 2013 through June 30, 2014, the Commission’s 2013 annual report included only one measure from the Organizational Performance Framework: whether the school was complying with governance requirements. Schools were assessed to determine whether the composition of the governing board was in compliance with statute and whether the school had provided a roster of its membership.

The 2014 annual report reported on the results of the POPA by providing ratings for five of the six areas of the Framework (the Additional Obligations area of the Framework was not covered, as this is a catch-all section that is not specifically defined). While a rating for each individual section of the Framework was provided, a single rating of the school’s overall performance on the Framework had not yet been developed. For the 2014-2015 school year, evaluation criteria for the Framework and the single rating had not been developed.

A single annual rating under the Organizational Performance Framework was initially proposed at the July Commission general business meeting. The Commission postponed taking action on the proposed single Organizational Performance annual rating in order to facilitate discussion and feedback on the annual rating and overall renewal criteria from the charter schools and other stakeholders.

Several discussions, meetings, and webinars with charter school leaders and staff, as well as other interested stakeholders, have since occurred. As of the writing of this submittal, the feedback received on the proposed annual rating methodology has been limited to a request for clarification on when a Notice of Deficiency may be issued for late fulfillment and/or non-fulfillment of compliance requirements and a request for further explanation of compliance review site visits.

At the Performance and Accountability Committee meeting, there were few comments and discussion points raised by in public testimony. Most of those who testified stated that there were no issues or concerns regarding the methodology to determine an annual overall rating for the Organizational Performance Framework. Rather, the comments were directed towards a concern that the methodology could possibly be altered pending changes to the overall Charter Contract renewal criteria, into which the annual overall rating factors. Commissioners responded that, while

changes to the renewal criteria are possible, it would not be beneficial or prudent to delay the approval of the annual overall rating given that it is a straightforward proposal and that it goes into effect this school year. To address the concern, however, the Committee passed a motion recommending the Commission approve the methodology for determining the annual overall Organizational Performance, but subject to reconsideration should the overall rating be used in a manner significantly different from what has been presented so far in discussion of the proposed Charter Contract renewal criteria.

As a follow up to some of the discussion in meetings relating to Charter Contract renewal criteria, there also was also discussion in the Committee meeting of whether WASC accreditation could be factored somehow into the Organizational Performance Framework methodology, as a function of how the accreditation process focuses on school structures, processes and procedures, and governance. In response, the Committee passed a second motion which requested Commission staff bring a recommendation to the full Commission as to whether and how WASC accreditation might fit into this methodology.

IV. DECISION MAKING STATEMENT

The proposed contract renewal rubric incorporates a single rating for the Organizational Performance Framework. It is recommended that the Commission adopt the proposed Organizational Performance Framework evaluation criteria in order to implement an equitable accountability system that will clearly communicate to the charter schools how the single rating will be determined.

As directed by the Commission, several discussions and meetings with charter school leaders, staff, and interested stakeholders have been conducted to receive feedback on the annual rating and the overall renewal criteria. Up to this point, there has been little feedback or suggestions on the proposed methodology to determine an annual Organizational Performance rating. As a result, only one change to a single Organizational Performance indicator in the proposed annual rating methodology, which will be explained in detail below, has been made.

Organizational Performance Indicators

Figure 1 below shows the five proposed Organizational Performance Indicators that will be evaluated to determine performance on the Organizational Performance Framework.

FIGURE 1

Organizational Performance Indicators	SY 2013-2014	SY 2014-2015	SY 2015-2016	<i>Target/Standard</i>
1. On-time completion rate for Epicenter tasks	-	-	[rate]	<i>70% or higher</i>
2. Number of Notices of Deficiency	-	-	[#]	<i>1 or fewer</i>

received				
3. Number of incidents of non-compliance with governing board meeting requirements, as set forth in Hawaii Revised Statutes (HRS), Section 302D-12(h)	-	-	[#]	<i>2 or fewer</i>
4. Number of incidents of non-compliance with school policy requirements, as set forth in the Charter Contract, Section 11.4.1	-	-	[#]	<i>1 or fewer</i>
5. Satisfactory completion of Compliance Review tasks	-	-	Number of items not completed satisfactorily	<i>1 or fewer items not completed satisfactorily</i>
OVERALL RATING	-	-	[overall rating]	<i>Meets standard</i>

These five Indicators would provide evidence that the school has demonstrated its organizational capacity to comply with legal and contractual requirements and its ability to meet these requirements in a responsible and effective manner. [Figure 2](#) below shows the rating criteria for the Indicators.

FIGURE 2

Individual Rating Criteria	Meets Standard	Does Not Meet Standard
On-time completion rate for Epicenter tasks	70% or higher	69-51%
Number of Notices of Deficiency issued	1 or fewer	2-3
Number of incidents of non-compliance with governing board meeting requirements, as set forth in Hawaii Revised Statutes (HRS), Section 302D-12(h)	2 or fewer	3-5
Number of incidents of non-compliance with school policy requirements, as set forth in the Charter Contract, Section 11.4.1	1 or fewer	2
Satisfactory completion of Compliance Review tasks	<i>1 or fewer items not completed satisfactorily</i>	<i>2 or more items not completed satisfactorily</i>

Further explanation of the criteria is as follows:

- **Receive an on-time rating of 70% or higher in Epicenter:** Schools will be required to complete most Epicenter-scheduled tasks in a timely manner. Epicenter is the Commission’s online platform for monitoring, reporting, and reminders. The on-time percentage already is calculated continually by Epicenter and is available to the school at all times. The

Commission has already released the 2015-2016 school year Master Calendar on the Commission website and has completed scheduling all the Epicenter tasks listed in the calendar for the upcoming school year. The Commission will be tracking any tasks and/or information requests that may be added at a later date and will make every effort to convey this information to the schools and provide them ample notice of the deadlines associated with these additional tasks.

- **Receive fewer than two Notices of Deficiency in a school year:** A Notice of Deficiency is a written notification informing a charter school of non-compliance with legal or contractual requirements or unsatisfactory performance in the other Charter Contract frameworks. For incidents that do not involve legal and contractual non-compliance but more a missed deadline that is not critical, schools could receive a Notice of Concern, which generally would not directly factor into the Organizational Performance criteria. A Notice of Concern could escalate into a Notice of Deficiency if the school ignored the notice and did not respond, and a consistent pattern of Notices of Concern could at some point result in a Notice of Deficiency.

- **Meet governing board meeting requirements as set forth in Section 302D-12(h), HRS:** Charter school governing boards are required to:
 - Hold open meetings;
 - Post meeting agendas on the school website not fewer than six calendar days prior to the meeting;
 - Post minutes from the public meetings within thirty days; and
 - Maintain a list of current names and contact information of the governing board members.

This criterion is intended to ensure transparency of governing board operations and decisions for students, parent, and the general public. The statutory exemption that governing boards are granted from the state open meetings law is predicated on their fulfilling these minimal transparency requirements. Schools will be allowed two incidents of non-compliance, after which they would receive a “Does not meet standard.”

- **Meet the requirements regarding school policies as set forth in Section 11.4.1 of the Charter Contract:** The Charter Contract requires that charter schools make the current versions of the following policies available from the school website:
 - Conflict of Interest;
 - Admissions;
 - Student Conduct and Discipline;
 - Complaints;

- Procurement;
- Accounting Policies and Procedures; and
- Personnel.

This past school year, charter schools were already required to post the listed policies on their school websites. This criterion, too, is intended to ensure transparency of school operations for students, parent, and the general public. The Commission will regularly monitor school websites to ensure that schools maintain and keep this information posted. If the Commission finds that a policy is not posted, the school will be contacted and allowed at least two weeks to rectify the situation. Failure to post the policy with this timeframe will result in an incident of non-compliance. If the school's governing board is in the process of reviewing and amending any policies, the school should post its current policy until the amended policy is finalized. In the case of admission policies, the school will need to post the admission policy that has been approved by the Commission; posting a revised or different policy that has not received Commission approval could result in an incident of non-compliance.

- **Complete the compliance review that will be conducted during school monitoring visits with one or fewer items not satisfactory:** The Commission intends to conduct monitoring visits beginning in the 2015-2016 school year. Though in-person site visits are preferred, in some instances travel difficulties and restrictions may result in requests for information instead of a site visit. Monitoring visits will be announced and schools will be provided with a complete list of the requested information (the compliance review) in advance of the visit. A preliminary draft of the compliance review is provided as **Exhibit 1** for informational purposes; note that the compliance review could be subject to revision as changes to laws, rules, or requirements occur.

In the initial proposal on the annual overall rating made to the Commission at its July general business meeting, the percentage of items completed satisfactorily on the compliance review would determine whether a school fulfilled this indicator. After assessing this methodology, it was determined that the number of items instead of the percentages would provide more clarity and understanding.

Overall Annual Rating

A school would receive a "Does Not meet the standard" if it failed to meet one or more of the criteria previously discussed. For example, a school could receive "Meets standard" for four of the indicators, but if it had an Epicenter on-time completion rate of 65%, this would result in a "Does not meet standards." As a result, the school would receive an overall rating of "Does not meet standards" for the Organizational Performance Framework.

Another change to the proposal as initially floated by the Commission is that the "Falls Far Below the Standard" rating has been removed. This change was made to have the annual rating for the

Organizational Performance Framework consistent with the Financial Performance Framework, which utilizes a rating of “Meets standard” or “Does not meet standard”.

Figure 3 explains how the indicators are used to determine the overall annual rating that a school will receive for the Organizational Performance Framework.

FIGURE 3

Meets standard	Does not meet standard
Falls in the “Meets standard” category for all 5 Organizational Performance Indicators	Falls in the “Does not meet standard” category for 1 Organizational Performance Indicator or more

Also, while this does not constitute a change to the standards of the Organizational Performance Indicators, the following additional guidelines will be used to determine when a Notice of Deficiency and/or Concern will be issued. Figure 4 explains the guidelines the Commission will be utilizing:

FIGURE 4

	Number of Days Overdue Before a Notice of Concern is Issued*	Number of Days Overdue Before a Notice of Deficiency is Issued*
Compliance Requests Listed in the Master Calendar (Including financial reporting)	7 Calendar Days	14 Calendar Days
Compliance Requests Added After the Master Calendar was Issued	15 Calendar Days	30 Calendar Days

*Should the date fall on a weekend or holiday, the next business day will be used.

As specified in Organizational Performance indicators, the number of Notices of Deficiency issued to a charter school can affect the annual overall rating the school receives on the Organizational Performance Framework. The guidelines provided above are intended to clearly define the parameters under which the late submission of compliance requests can lead to a Notice of Deficiency. They also afford schools additional time.

In response to the Committee’s request to look into whether WASC accreditation could be factored into the Organizational Performance annual rating methodology, Commission staff reviewed WASC template accreditation reports and actual reports on several Hawaii charter schools and met with a former WASC Commission member who has had extensive experience with WASC accreditation requirements and school visits in Hawaii. WASC envisions accreditation not as an outcome or the assigning of a grade, but as an ongoing process. The purpose of schools that engaging in the pursuit and attainment of WASC Accreditation is the on-going process of self-reflection and school

improvement, which does not end with the attainment of the accreditation but occasions the continual re-evaluation of practices in which the school engages. Accreditation is not intended as an outcome measure, but rather validation that indeed the school commits to this practice and process for as long as the school is in operation.

A review of the WASC accreditation reports found that the reports primarily function as school improvement plans and do not provide outcomes or measures that would satisfy Organizational Performance requirements. Because those actual outcomes and measures are straightforward, readily available, and more directly to the point than are the processes ultimately intended to yield the outcomes and measures, WASC accreditation does not warrant inclusion as an organizational performance measure or a factor in the methodology for assigning an overall annual Organizational Performance rating. However, the potential relevance of information from the WASC accreditation process to Charter Contract renewal will be further discussed in the update on that discussion, a separate agenda item for today's meeting.

V. RECOMMENDATION

Recommendation from the Performance and Accountability Committee:

Moved to recommend that the Commission adopt the methodology as set forth in this submittal to determine a charter school's overall annual organizational performance rating, starting with school year 2015-2016, subject to reconsideration should the annual overall rating be employed in the charter contract renewal criteria in a significantly different way than contemplated in the discussion draft of those criteria.

Exhibit 1
Draft of Compliance Review

Compliance Review

Charter schools will be required to provide the information listed below to Commission staff during the monitoring visit or upon request. Schools will receive one of the following ratings for each item after staff has completed a review of the information:

- **Satisfactory-** The charter school provided the information requested and all compliance requirements have been met.
- **Unsatisfactory-** The charter school provided the information requested but did not meet compliance requirements.
- **Failed to Provide-** The charter school did not provide the information requested.

Items that do not receive a “Satisfactory” will negatively affect the overall score for the compliance review.

Items to Review	Area of Organizational Performance Framework
1. Special Education Student Files	Education Program- Measure 1c
2. Governing Board Agendas, Minutes, and List of Members	Governance and Reporting- Measure 3a
3. Principal/School Director Evaluation System	Governance and Reporting- Measure 3b
4. Notification of Students' Rights of Privacy/FERPA	Students and Employees- Measure 4a
5. Student Records	Students and Employees- Measure 4a
6. Non-HQT Notifications to Parents	Students and Employees- Measure 4b
7. Criminal Background Checks	Students and Employees- Measure 4b
8. Teachers Evaluation System	Students and Employees- Measure 4b
9. Supplemental Collective Bargaining Agreement	Students and Employees- Measure 4c
10. Safety Plan	School Environment- Measure 5a
11. Fire Drill Log	School Environment- Measure 5a
12. Driver Qualification Folder	School Environment- Measure 5a
13. Vehicle Inspection documentation	School Environment- Measure 5a
14. Certificate of Occupancy and Building Permits	School Environment- Measure 5a
15. Student Health Services	School Environment- Measure 5b
16. Student Withdrawal/Transfer Procedures	School Environment- Measure 5c

Specific Documentation needed and/or What Staff will be reviewing

1. Special Education Student Files: No documentation will need to be submitted; Staff will conduct a spot check of the records to determine: 1) are the records secure? 2) are the records organized?
2. Governing Board Agendas, Minutes, and List of Members: The school will need to provide evidence that the listed documents are available at a publicly accessible area in the school office so as to be available for review during regular business hours [302D-12(h); Section 11.4(b)- Charter Contract]
3. Principal/School Director Evaluation System: The school will need to provide evidence that it has developed a Principal/School Director Evaluation System and that evaluations have taken place or are scheduled to take place. Staff will not be reviewing the contents of any evaluations; staff will need conformation that the governing board has reviewed and signed off on the evaluation.
4. Notification of Students' Rights of Privacy/FERPA: The School will need to provide evidence that the requirements pertaining to FERPA have been met. A form will be provided for assistance.
5. Student Records: No documentation will need to be submitted; Staff will conduct a spot check of the records to determine: 1) are the records secure? 2) are the records organized?
6. Non-HQT Notifications to Parents: Schools will need to provide a list of Non-HQT teachers as determined by the DOE and the letters sent to parents informing them of this.
7. Criminal Background Checks: Schools will need to provide evidence that background checks have been conducted for employees hired within the last school year. The contents of the background checks will not be reviewed.
8. Teacher Evaluation System: The school will need to provide evidence that it has developed a teacher Evaluation System and that evaluations have taken place or are scheduled to take place. Staff will not be reviewing the contents of any evaluations; staff will need confirmation that the school director and/or governing board has reviewed and signed off on the evaluations.
9. Supplemental Collective Bargaining Agreement: The school will need to show that the supplemental CBA is on file and available for review, if requested.
10. Safety Plan: The school will need to show that the safety plan is on file and available for review, if requested. If the safety plan is available on the school website, the school will need to confirm that the posted plan is current.
11. Fire Drill Log: The school will need to provide its fire drill log. Staff will review whether the school meets county fire requirements; if the school does not meet requirements, it will receive an unsatisfactory rating.

12. Driver Qualification Folder: The school will need to provide a driver qualification folder for all employees who operate school vehicles that transport pupils to and from school, or school functions, or school related events. The following explains the requirement: **Section 19-143-7(d)-** **“Each employer of a school bus driver shall maintain a current driver qualification file for each driver the employer employs which includes a record of the following:**
 1. Current medical certificate;
 2. Annual traffic abstract from Hawaii and the state in which the driver is licensed;
 3. Copy of a valid driver’s license of the appropriate class, type 3 or 4 as designated by HRS;
 4. Copy of bus driver’s examination on school bus laws and rules;
 5. Participation in school bus driver training activities;
 6. Commendations or complaints;
 7. Accidents involving the bus driver; and
 8. Certification of a negative tuberculosis examination.
13. Vehicle Inspection documentation: The school will need to provide evidence that the school vehicles that provide student transportation have been inspected and certified once every six months.
14. Certificate of Occupancy and Building Permits: The school will need to show that the Certificate of Occupancy is posted and that building permits/certifications are on file and available for review, if requested.
15. Student Health Services: The school will need to provide policies and/or procedures regarding how student health services are provided.
16. Student Withdrawal/Transfer Procedures: The school will need to provide policies and/or procedures regarding how withdrawals and/or transfers are processed.