

NEIL ABERCROMBIE  
GOVERNOR



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STATE OF HAWAII  
**STATE PUBLIC CHARTER SCHOOL COMMISSION**  
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## RECOMMENDATION SUBMITTAL

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DATE: April 24, 2014

TO: Mitch D’Olier, Chairperson  
Applications Committee

FROM: Tom Hutton, Executive Director

AGENDA ITEM: Action on Charter School Application for Ka’u Learning Academy (KLA)

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### I. DESCRIPTION

That the Committee recommend that the Commission approve Ka’u Learning Academy (KLA) (“KLA”) 2013 charter school application.

### II. AUTHORITY

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

### III. APPLICANT PROFILE

**Proposed School Name:** Ka’u Learning Academy (KLA)

**Mission:** Ka’u Learning Academy (“KLA”) will be a school that holds high social and academic expectations for the children of Ka’u despite the socioeconomic challenges that exist in the community because KLA believes that all students can and will learn given the right educational environment. KLA recognizes that each child is an individual with unique educational needs. KLA will strive to develop and implement individual education plans that stimulate each child at his/her zone of proximal development so that every child is engaged in learning in a safe, supportive, and nurturing environment.

**Vision:** KLA will give students the academic and social roots that they need to grow strong in curiosity, creativity, leadership, and a general passion for life. KLA students will master all the necessary social and academic skills that colleges and businesses seek when recruiting. They will be prepared to begin college at or above the level necessary to excel on a collegiate level.

**Geographical Area:** Ka’u district on the southern end of Hawaii Island

**Program Synopsis:** KLA identifies its school model as specializing in blended learning and virtual or virtual hybrid. Most students will participate in the blended learning program, which combines online learning with individual face-to-face time, while a small group of students will participate in a virtual program, completing the majority of work off campus. The individually adaptable, online curriculum is supported by Edmentum and KLA’s own “Contextual Foundation Learning techniques.”

**Enrollment Summary**

Grade Level	Number of Students					
	Year 1 2015	Year 2 2016	Year 3 2017	Year 4 2018	Year 5 2019	Capacity 2020
K	0	0	0	25	25	25
1	0	0	0	25	25	25
2	0	0	0	25	25	25
3	0	0	0	25	25	25
4	27	27	27	27	27	30
5	27	27	27	27	27	30
6	27	27	27	27	27	30
7	0	0	0	0	0	20 (virtual)
8	0	0	0	0	0	20 (virtual)
9	-	-	-	-	-	-
10	-	-	-	-	-	-
11	-	-	-	-	-	-
12	-	-	-	-	-	-
Virtual	30	35	40	50	50	110
<b>Totals</b>	<b>111</b>	<b>116</b>	<b>121</b>	<b>231</b>	<b>231</b>	<b>300</b>

**IV. BACKGROUND**

On January 6, 2014, a community group submitted a charter application for the proposed charter school KLA. The Evaluation Team assigned to the KLA application was comprised of Doug Muraoka, Nikki Trautman Baszynski, Ray L’Hereux, Leila Shar, and Danny Vasconcellos. In conjunction with the application, the Evaluation Team reviewed the Applicant’s Responses to the Request for Clarification and interviewed applicant group members. The applicant group members that attended the

interview were Kathryn Tydlacka, Joe Iacuzzo, Mary Caris Herzog, Mark Fournier, and Michael Richards.

After evaluating the information presented in the application, Request for Clarification response, and capacity interview, the Evaluation Team published its Recommendation Report. The applicant chose not to write a response to the Recommendation Report. Therefore, the Recommendation Report is the only document within the Recommendation Packet, which is attached as **Exhibit A**.

In addition, the Commission held a public hearing on the application on March 13, 2014. State Representative Richard Creagan, Hawaii County Council Member Brenda Ford, and a concerned individual submitted written testimony in support of KLA, including a petition with 180 signatures. There was no oral testimony at the hearing.

### **Recommendation Report.**

The Evaluation Team recommends that the application for KLA be approved. The Recommendation Report states that the academic plan, organizational plan, financial plan, and evidence of capacity meet the standard of approval and summarizes that the application “demonstrates a compelling need for a charter school in the challenging, rural region of Kau on Hawaii Island.”

The report notes that the academic plan is feasible and has a proven track record and an experienced and qualified proposed school director to implement it. Other highlights about the academic plan include:

- Rigorous academic achievement standards and several intervention strategies for students who fall behind;
- A curriculum that “will benefit the student population in the geographic area, is aligned with Common Core State Standards, and sets ambitious goals to improve proficiency with a high-needs student population;” and
- A proposed school director with experience in public education “whose instructional strategies have resulted in significant proficiency improvements for students in the Kau area.”

The report also notes minor gaps in the academic plan and states that “the applicant has committed to looking into the concerns and having them resolved” prior to opening.

The report notes that the governing board is comprised of “proven leaders with diverse skills and expertise.” Other highlights about the organizational plan include:

- An advisory board with “extensive educational experience,” including in charter schools;
- Policies that comply with state law;
- A facility that has already been secured for two years; and
- A plan for recruiting teachers and demonstrating the applicant’s understanding of the challenges in recruiting teachers in the Kau area.

The report also notes that some adaptations need to be made to the student conduct and discipline procedures, which the applicant is willing to do. The report identifies one concern, though, that the applicant will need to address prior to opening, which is deciding whether it will provide food services to its students in an area that has a significant number that qualify for Free and Reduced Lunch.

The report notes that all of the Evaluation Team’s initial concerns with budget have been addressed. Originally, the Evaluation Team had concerns about the school opening with a deficit. However, further conversation with the applicant revealed the financial plan did not specifically identify revenue from fundraising, grants, donations, and profits from its café operations. The report states that the financial plan is coherent and that the applicant is capable of implementing it along with its ability to successfully fundraise and solicit grants; however, the report recommends that the applicant provide the Commission with a revised budget, should the applicant be approved.

The report notes that the applicant possesses the “necessary expertise and competency to execute its plans.” Other highlights about the applicant’s capacity include:

- An “experienced and dedicated” proposed school director with a “sound educational philosophy;” and
- The applicant’s ability to manage its proposed budget, raise significant funds, and cultivate community partnerships.

## V. DECISION MAKING STATEMENT

### **Introduction.**

#### Scope of Commissioner Review.

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

#### Staff Recommendation Focuses on Key Points.

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

Applicant has provided an overall school plan that meets standards and demonstrates the capacity and proven experience needed to successfully open a school. There are some concerns that need to be addressed during the start-up period, which are described in more detail below.

**The academic plan meets standard.**

The academic plan is clear, coherent, and generally comprehensive. According to the Evaluation Team, the curriculum developed by the proposed school director has a proven track record of success at public schools in the area that serve the same student population that the proposed school would serve. The projected student population includes a large percentage of high-needs groups, which the academic plan is designed to assist. While acknowledging the challenging student population, the applicant sets ambitious proficiency goals instead of lowering student performance expectations. Staff agrees with the Evaluation Team’s assessments.

The Evaluation Team expressed some concerns with some minor gaps in the academic plan, including concerns with the 7<sup>th</sup> grade transition to a virtual program and enrollment capacity of the virtual program. Staff recommends having the applicant work with the staff during the start-up period to address these concerns.

**The organizational plan meets standard.**

The organizational plan is coherent, comprehensive, complies with Hawaii law, and aligns with the charter school governance system. Applicant has proposed a sound governance structure with a governing board and advisory board with members that have the requisite skill sets.

Applicant has provided policies that comply with state law and show an understanding of charter school governance. The proposed admission and enrollment policy emphasizes that it is a school of choice open to all students with special education provisions that meet state requirements and the terms of the policy reflect this statement. Staff notes that the applicant described preferences for children of KLA staff, board and founding board, siblings of children already admitted to KLA and children in the geographic areas of Ocean View, Naalehu and Pahala. These preferences (other than those for siblings) would require further inquiry into the basis for the preferences and Commission approval, but the preferences do not facially signal a cause for concern. Applicant also provided conduct and discipline policies that were based on the appropriate rules and requirements with the appropriate adaptations to charter schools, reflecting knowledge of the charter school governance system.

Applicant has secured a lease for a facility for the first two years of its operation with favorable lease terms that require the applicant to pay \$30 a month and pay for the cost of utilities and maintenance of the grounds. Applicant has also received an offer of donation of land for a permanent campus in two other locations. Applicant is working with the Hawaii County planning department to ensure that it obtains the proper permits and complies with all building and zoning requirements.

The Evaluation Team expressed concern that the applicant had not decided whether it would provide food services to its students. Because the area has a high number of students that would qualify for Free and Reduced Lunch services, the Evaluation Team believed that the applicant needed to determine whether the service was vital and, if so, how to provide the service.

Staff recommends that during the start-up period, the applicant work with staff on: their policies and preferences, including requesting Commission approval during the start-up period, as necessary; and determine whether and, if necessary, how to provide food services.

**The financial plan meets standard.**

The financial plan is coherent, practical, and has adequate contingencies. The Evaluation Team initially had concerns with the year zero projected budget, but applicant was able to clarify the reason for the deficit and proposed a viable contingency plan to address the deficit. Applicant has also demonstrated its ability to fundraise and solicit grants and donations.

Staff recommends that during the start-up period, the applicant work with staff on revising its budget to reflect the clarifications the applicant made during the capacity interview, including removing the salaries as an expense and adding the grants, donations, and café profits.

**Applicant’s evidence of capacity meets standard.**

The applicant has assembled a committed team with the appropriate qualifications, evidence of experience, and the team has demonstrated its capacity.

Applicant’s team has an extensive list of credentials, qualifications, and experience in financial and organizational management that includes experience specific to educational related and nonprofit organizations.

Applicant’s proposed school director has experience as a teacher, an administrator, and in community service and has shown her effectiveness in all of these areas.

Moreover, the applicant’s team has provided evidence of its capacity both in the team’s ability to demonstrate capacity at its interview; successfully fundraise and garner donations of not only money, but also time; and create beneficial community partnerships and support. At the interview the board members assumed their roles and the appropriate member answered the appropriate questions. This shows that the team has capacity and is also working together as a cohesive group that has the right skill sets.

**Conclusion.**

In conclusion, applicant has met standard in all areas, but there are some minor concerns that should be addressed during the start-up period. Therefore, staff recommends approval of this application, provided that the applicant works with staff during the start-up period to address the concerns described in this submittal. Staff admires the impressive grassroots effort and an applicant team that brought a local community together in a coordinated and informed effort to provide exciting educational options to a challenging, isolated, and rural population.

VI. RECOMMENDATION

Motion to the Commission:

**“Moved to recommend that the Commission approve Ka’u Learning Academy (KLA) 2013 charter school application, provided that the applicant works with staff during the start-up period to address the concerns described in this submittal dated April 24, 2014.”**

**Exhibit A**

**Recommendation Report for Ka'u Learning Academy (KLA)**



# State Public Charter School Commission 2013 Recommendation Report

Charter Application for  
**Ka'u Learning Academy (KLA)**

Submitted by  
**Ka'u Learning Academy**

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

## Introduction

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

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

## Evaluation Process

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

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

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

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

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

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

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

## Report Contents

This Recommendation Report includes the following:

### Proposal Overview

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

### Recommendation

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

### Evaluation

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

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

### Rating Characteristics

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

# Proposal Overview

## Proposed School Name

Ka’u Learning Academy (KLA)

## Applicant Name

Ka’u Learning Academy

## Mission and Vision

Mission: Ka’u Learning Academy (“KLA”) will be a school that holds high social and academic expectations for the children of Ka’u despite the socioeconomic challenges that exist in the community because KLA believes that all students can and will learn given the right educational environment. KLA recognizes that each child is an individual with unique educational needs. KLA will strive to develop and implement individual education plans that stimulate each child at his/her zone of proximal development so that every child is engaged in learning in a safe, supportive, and nurturing environment.

Vision: KLA will give students the academic and social roots that they need to grow strong in curiosity, creativity, leadership, and a general passion for life. KLA students will master all the necessary social and academic skills that colleges and businesses seek when recruiting. They will be prepared to begin college at or above the level necessary to excel on a collegiate level.

## Geographical Area

Ka’u district on the southern end of Hawaii Island

## Enrollment Summary

Grade Level	Number of Students					
	Year 1 2015	Year 2 2016	Year 3 2017	Year 4 2018	Year 5 2019	Capacity 2020
K	0	0	0	25	25	25
1	0	0	0	25	25	25
2	0	0	0	25	25	25
3	0	0	0	25	25	25
4	27	27	27	27	27	30
5	27	27	27	27	27	30
6	27	27	27	27	27	30
7	0	0	0	0	0	20 (virtual)
8	0	0	0	0	0	20 (virtual)
9	-	-	-	-	-	-
10	-	-	-	-	-	-
11	-	-	-	-	-	-
12	-	-	-	-	-	-
Virtual	30	35	40	50	50	110
<b>Totals</b>	<b>111</b>	<b>116</b>	<b>121</b>	<b>231</b>	<b>231</b>	<b>300</b>

# Executive Summary

Ka'u Learning Academy (KLA)

## Recommendation

**Approve**

### Summary Analysis

The application for the Ka'u Learning Academy ("KLA") demonstrates a compelling need for a charter school in the challenging, rural region of Ka'u on Hawaii Island. The applicant has already partnered with the Fournier Center for Empowerment ("Fournier Center") as its 501(c)(3) nonprofit entity. The applicant has a constant source of income through sales of a fully operational café and has solicited a number of monetary and physical donations.

The application has a clear academic plan with a focus on curriculum development and professional development to support implementation of an ambitious academic program with both blended and virtual learning. The proposal also presents an organizational plan that includes a clear understanding of effective governance. All members of the applicant group displayed their capacity during the interview by answering complex questions immediately and informatively. Prior to the interview, the Evaluation Team had concerns about the financial plan, however, the applicant satisfactorily addressed these concerns during the capacity interview.

### Summary of Section Ratings

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

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

Academic Plan

**Meets the Standard**

Financial Plan

**Meets the Standard**

Organizational Plan

**Meets the Standard**

Evidence of Capacity

**Meets the Standard**

# Academic Plan

Ka'u Learning Academy (KLA)

Rating

**Meets the Standard**

## Plan Summary

KLA will use a Flex Blended Learning program which will combine online learning with individual face-to-face time between students and teachers at a “brick and mortar” campus. The majority of students will participate in the blended-learning on campus, but KLA will also provide a virtual learning program where the majority of the work is completed off campus. The delivery of the online curriculum will be supported by Edmentum online curriculum and the proposed school’s own “Contextual Foundation Learning techniques.”

The academic plan is intended to serve the local community as it addresses their needs by offering online learning and an adaptable curriculum to serve the high population of English Language Learners. The academic plan incorporates the use of Individual Learning Plans for each student in the school. The Individual Learning Plans allow all students including special needs students the ability to move through coursework at their own pace.

The proposed school director has taught in the Kau area and has tested the proposed academic plan with positive results. She has taught multiple grade levels and also has administrative experience at the school level.

## Analysis

The academic plan meets the standard for approval because of its feasibility, proven track record and an experienced and qualified proposed school director. The applicant provides a sound academic plan that is based on experience, expertise and a skilled and qualified director to carry out and implement the plan. The application applies rigorous academic achievement standards and a number of intervention strategies for students who fall behind.

The applicant has shown that the academic plan and curriculum it proposes will benefit the student population in the geographic area, is aligned with Common Core State Standards, and sets ambitious goals to improve proficiency with a high-needs student population. Individual Learning Plans and the Flex Blended Learning program allows the academic plan to be adapted to each child and his or her unique educational needs. The applicant has chosen a curriculum that is aligned with Common Core Standards and includes resources for English Language Learners and special education students, two high-needs groups that make up a large percentage of the projected student population. According to the applicant, this is a challenging demographic area as the existing school’s academic proficiency rates are among the lowest in the state and the challenge is magnified by an unusually high population of English Language Learners. Yet, the application sets an ambitious goal of significantly improving on proficiency ratings.

Moreover, the proposed school director is an educator whose instructional strategies have resulted in significant proficiency improvements for students in the Kau area. For example, using techniques and strategies developed by the proposed school’s executive director, the sixth grade math class at Naalehu School achieved 66% proficiency on the Hawaii State Assessment in math compared to 33% proficiency under the school’s existing educational consulting firm and leadership.

The Evaluation Team discussed minor gaps in the academic plan with the applicant in the capacity interview, like concerns about the seventh grade transition to a virtual program and the enrollment capacity of the virtual program. However, the applicant has committed to looking into the concerns and having them resolved by the opening of the proposed school.

# Organizational Plan

Ka'u Learning Academy (KLA)

Rating

Meets the Standard

## Plan Summary

KLA's organizational plan is predicated on establishing policies and procedures that insure compliance with all state and federal requirements while allowing the mission and vision of the school to be fully implemented. KLA's founding board was selected for their "key skills" which were identified as: non-profit experience, business, curriculum design, expertise in the arts and technology, leadership and advanced degrees in education. Each member displays past experience in these areas. KLA has formed a collaborative relationship with a non-profit organization, the Fournier Center which will serve as the on-going fiscal sponsor of the school. The Fournier Center will take the lead in fund-raising activity and can assist if in the event of budgetary shortfalls. The founder of the Fournier Center is also serving as a member of KLA's founding board.

KLA has also created advisory boards covering academics, community relations, and facilities. Currently, KLA has recruited members for its academic advisory board which include Ph.D's and school administrators.

KLA has obtained a lease for an existing building on five acres in the Naalehu/Discovery Harbor area for the first two years of operation. The existing building is a former golf course clubhouse that now serves as a café, which is currently providing revenue for the proposed school. The lease terms allow KLA to use the building for \$30 per month and the cost of utilities, upkeep, and grounds maintenance. KLA is currently working with the Hawaii County planning department to ensure the appropriate use permits to operate the property as a school facility are secured in a timely manner. The organizational plan also includes policies, such as enrollment and admissions and student conduct and discipline. The organizational plan also provides a teacher recruiting plan which attempts to address the challenges of attracting teachers to rural areas by recruiting both new and experienced teachers and by providing assistance to meet Highly Qualified requirements.

## Analysis

The organizational plan meets the standard for approval due to its skilled and experienced founding board and a facilities plan with a favorable lease.

KLA has assembled a governing board of proven leaders with diverse skills and expertise, including non-profit experience, business expertise and curriculum design, experts in the arts and in technology and individuals with advanced degrees in education. In addition to the governing board, the proposed school has assembled an advisory board with extensive educational experience whose members include college professors and former charter school leaders.

KLA has provided enrollment and admissions policies and student conduct and discipline procedures which comply with state law. The school's enrollment and admissions policy emphasizes it is a school of choice open to all and also includes provisions for special education students that meet state requirements. The student conduct and discipline procedures are based on the appropriate rules and requirements but require some adaptations specific to charter schools. In the capacity interview, the proposed school director demonstrated a willingness to revise the policies and research any needed changes to ensure compliance.

KLA's facilities plan is exemplary as they have already secured a facility for two years, which is a significant accomplishment for a not-yet-approved charter school applicant. In addition, the applicant has demonstrated its commitment to complying with building and zoning requirements by beginning to secure the necessary building and zoning permits. The proposed school director stated in the capacity interview that though expansion may be an option in the future, the immediate goal and focus is on creating a quality program for the grade levels identified in the school application. This demonstrates the applicant is practical and focused on the task at hand rather than setting goals and expectations it may not be able to achieve. This practicality, along with the wide range of skills and experience among the applicant group, reinforces the position that the applicant is capable of executing the organizational plan.

In addition, the school recognizes the challenge of recruiting teachers to the Kau area and has developed a recruiting plan which includes various options such as reaching out to retired and semi-retired teachers, developing a relationship with Teach for America, and providing opportunities for teachers in the area. The school intends to begin recruiting teachers in February 2015 and will also assist with teachers in becoming Highly Qualified.

One area of concern is that the applicant has not decided whether it will provide food services to its students. As the area has a significant number of students who would qualify for Free and Reduced Lunch (85%), during the start-up period, the applicant must determine whether this is a vital service and, if so, how to provide this service.

# Financial Plan

Ka'u Learning Academy (KLA)

Rating

**Meets the Standard**

## Plan Summary

KLA's financial plan is based on a projected enrollment of 111 students in Year 1 and envisions an enrollment of 231 students by Year 5.

The Year 0 startup budget projects a deficit of approximately \$131,000; the Year 1 budget anticipates a surplus of almost \$98,000. The financial plan was drafted from a using a "fiscally conservative" approach meaning that priority values were assigned to each item and items were added to the budget from the highest to lowest priority until they were able reconcile anticipated funding with budgetary needs.

The managing director, assistant, and proposed school director will have on-site responsibility of all budget related issues and will provide weekly budget reports to the Board Treasurer.

## Analysis

The financial plan meets the standard for approval as all concerns surrounding the initial budget have been addressed.

The proposed financial plan is coherent, and the applicant has demonstrated that it is capable of implementing it. Prior to the capacity interview, the Evaluation Team was concerned that the applicant's start-up year budget would cause the school to open with a deficit. However, in the interview, the proposed business manager explained that the budget in the financial plan did not include fundraising monies and possible grants. The plan only showed guaranteed revenue and expenses, with the bulk of the expenses being the salaries of the proposed school director and the business manager. Both individuals explained that they were willing to forego a salary if the budget did not allow for it. In addition to foregoing salaries to cut costs, the applicant plans to offset the deficit at the end of the start-up year through two grants, donations, and profits from its café operations. The café's hours may be expanded and operations may continue after the start-up year, providing more funds to the proposed school. Also, projected equipment costs are now lower than originally provided for in the application due to the private donation of 50 laptops and iPads.

KLA has demonstrated the ability to successfully fundraise and solicit grants. It has been invited to apply to sizeable grants including, but not limited to a grant for \$70,000 from Atherton, and the Castle Foundation for \$50,000. Additionally, KLA has already received donations of projector screens, and additional technology equipment. KLA is looking to develop relationships with corporations for equipment sponsorship and/or subsidies.

Should the applicant be approved, the Evaluation Team recommends that the applicant provide the Commission with a revised budget that removes the salaries as an expense and reflects the grants, donations, and café profits described in the capacity interview.

# Evidence of Capacity

Ka'u Learning Academy (KLA)

Rating

**Meets the Standard**

## Plan Summary

The KLA governing board is comprised of members with diverse skills and expertise. Michael Richards, Mark Fournier, and Joe Iacuzzo all have backgrounds in financial management and also have experience in the financial management of non-profit organization, and each have founded or served as a director of a non-profit organization. Mr. Fournier, the Board President, has experience in fund-raising and has created and donated his expertise, videos, and promotional materials to many non-profit organizations such as United Way, Make a Wish, and United Cerebral Palsy to name a few.

Joe Iacuzzo has project management experience developing marketing and communications programs in the science education field and is a former managing director of a large non-profit professional association with over twenty full time employees. Mr. Iacuzzo will assume the role of business manager of the school during the start-up period. Michael Richards is the former owner of a management software company and founded a non-profit educational organization. He is currently the chief technology officer for a Hawaii based start-up that creates web and mobile applications and is responsible for the design and development of the software infrastructure and user interface.

Kathryn Tydlacka (M.Ed, School Administration) is the proposed school director who has teaching and education experience, including two years at Naalehu Elementary School, and administrative experience by way of her position as director of education at the Huntington Learning Center in Tulsa, Oklahoma. Kathryn has a record of community service including, town treasurer (Westport, OK), school community council chairperson (Naalehu, HI), and community performance director (Sapulpa, OK). Ms. Tydlacka has also been awarded grants to study in Europe, prepared and conducted teacher training workshops, and organized a number of community events designed to educate or benefit children.

## Analysis

The capacity of the applicant meets the standard for approval because the applicant has the necessary expertise and competency to execute its plans. The proposed school director is an experienced and dedicated educator with a sound educational philosophy and experience with management positions in education. The evaluators were concerned that when a school director has such a proven track record of success, innovation and creativity can sometimes be stifled as teachers work to adhere to the academic plan. Even though Ms. Tydlacka has a track record of teaching success, she expressed that her own beliefs about teaching do not take priority over students' best interests and would welcome thoughtful changes to her own academic plan.

During the interview, the expertise and diversity of the founding board was evident as each member assumed his/her role for the intended school. The Evaluation Team purposefully presented difficult and challenging scenarios to gauge the applicant's capacity. Every scenario was addressed by the appropriate expert of the applicant group.

Mr. Iacuzzo was quick to answer every financial question asked during the interview. The evaluators were concerned that the budgetary shortfall stated in the budget plan for Year 0 would dominate most of the conversation during the interview. To the contrary, Mr. Iacuzzo knew exactly the issue to which the evaluators were referring and immediately rectified the issue to the satisfaction of the review team.

Mr. Edwards displays the characteristics of an innovative, outside-the-box thinker necessary to problem solve complex problems that arise in running a school. During the interview he fielded a number of

questions pertaining to implantation of the school's technological requirement necessary for delivering its academic plan.

The evaluators were equally impressed with the intended Board President, Mr. Fournier. His pledge of support by way of his non-profit is added assurance of the school's ongoing financial stability. Because his residence is in Chicago, his effort to be present at the capacity interview was appreciated by the evaluators.

While at times the interview group was forced to admit the difficulty addressing the posed scenario, the answers provided were indicative of the knowledge and expertise possessed by each, free of jargon and nonsensical responses.

Lastly, the applicant has the capacity to appropriately manage its budget and a proven ability to raise significant funds and cultivate community partnerships. For example, the proposed school has received a pledge of full support from the Fournier Center and the governing board president volunteered to personally conduct speaking engagements to raise funds for the proposed school.

The applicant has already received in-kind donations, pledged grants, and a two-year lease for a facility, which is already being used as a revenue-producing component of the proposed school's budget.

## **Evaluator Biographies**

### **Doug Muraoka**

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

### **Nikki Trautman Baszynski**

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

### **Ray L'Heureux**

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

### **Leila Shar**

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

### **Danny Vasconcellos**

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

### **Charter School Business Management Inc. (External Financial Review)**

CSBM is a firm experienced and focused on financial and organizational consultancy for charter schools. It is based in New York and has extensive nationwide charter school experience.