

NEIL ABERCROMBIE
GOVERNOR



CATHERINE PAYNE
CHAIRPERSON

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

DATE: April 24, 2014

TO: Mitch D’Olier, Chairperson
Applications Committee

FROM: Tom Hutton, Executive Director

AGENDA ITEM: Action on Charter School Application for Montessori of O’ahu Public Charter School

I. DESCRIPTION

That the Committee recommend that the Commission deny Montessori of O’ahu Public Charter School’s (“Mo’O”) 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: Montessori of O’ahu Public Charter School

Mission: Montessori of O’ahu Public Charter School (“Mo’O PCS”) is committed to creating a high-quality school publicly accessible to families of Oahu which is consistent with the standards set forth by the Association Montessori Internationale (“AMI”). Our school will be a structured, nurturing environment grounded in the cultures of Hawaii where children can grow into happy, healthy and productive citizens of their communities.

Vision: We envision Mo’O PCS becoming the first publicly funded and accessible Montessori school in Hawaii. We believe that the wisdom of the Montessori approach to pedagogy, as first articulated by Dr. Maria Montessori more than 100 years ago, with its deep respect for the inherent human tendencies of children, provides us with a strong foundation from which to implement a successful school. It is an approach to teaching, learning and preparing a classroom that has proven effective in many corners of the world with many different types of children. We propose Montessori as an alternative voice within the education landscape on Oahu and throughout Hawaii. As parents, we know that the Montessori method works with any child, having witnessed its positive effects on our own children.

Geographical Area: East Oahu, from Kalihi to Kakaako to Aina Haina

Program Synopsis: Mo’O identifies its school model as specializing in Montessori. The academic pedagogy will follow the educational philosophy of Dr. Maria Montessori, as implemented through teacher training programs offered by the Association Montessori International (“AMI”). The associated nonprofit organization plans to offer a private preschool program in conjunction with the public charter school grades. The charter school intends to include an admissions preference for students who have attended a Montessori program for one year and children of staff and founding families.

Enrollment Summary

| Grade Level | Number of Students | | | | | Capacity 2020 |
|---------------|--------------------|-------------|-------------|-------------|-------------|---------------|
| | Year 1 2015 | Year 2 2016 | Year 3 2017 | Year 4 2018 | Year 5 2019 | |
| K | 8 | 10 | 20 | 32 | 40 | 40 |
| 1 | 30 | 30 | 30 | 48 | 58 | 120 |
| 2 | | | | | | |
| 3 | | | | | | |
| 4 | 15 | 25 | 30 | 32 | 49 | 120 |
| 5 | | | | | | |
| 6 | | | | | | |
| 7 | - | - | - | - | - | - |
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| 9 | - | - | - | - | - | - |
| 10 | - | - | - | - | - | - |
| 11 | - | - | - | - | - | - |
| 12 | - | - | - | - | - | - |
| Totals | 53 | 65 | 80 | 112 | 147 | 280 |

IV. BACKGROUND

On January 6, 2014, a community group submitted a charter application for the proposed charter school Mo'O. The Evaluation Team assigned to the Mo'O application was comprised of Stephanie Klupinski, Kathy Olsen, Jeff Poentis, Kirsten Rogers, and Stephanie Shipton. 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 who attended the interview were Mary "Mamie" Lawrence Gallagher, Michael Lawrence Gallagher, Wendy Ikeda, Martha "Molly" Jenkins, and Miniver "Minnie" Wales.

After evaluating the information presented in the application, Request for Clarification response, and capacity interview, the Evaluation Team published its Recommendation Report. The applicant exercised its option to write a response to the Recommendation Report, and the Evaluation Team drafted a rebuttal to that response. The Recommendation Report (**Exhibit A**), Applicant Response (**Exhibit B**), and Evaluation Team Rebuttal (**Exhibit C**) make up the Recommendation Packet.

In addition, the Commission held a public hearing on the application on March 13, 2014. Two applicant group members submitted written testimony in support of Mo'O. Six applicant group members provided oral testimony in support of Mo'O.

Recommendation Report.

The Evaluation Team recommends that the application for Mo'O be denied. The Recommendation Report states that the academic plan, organizational plan, financial plan, and evidence of capacity do not meet the standards of approval and concludes that the applicant has more work to do to reconcile some of what it proposes to do with the requirements of being a Hawaii public school.

The report finds that the applicant was "not forthcoming in explaining the relationship" between the affiliated nonprofit organization and Mo'O and suggests that, in some ways, the nonprofit is like an education service provider or charter management organization. Other key concerns about the academic plan include:

- An absence of a timeline for aligning the curriculum with Common Core State Standards;
- An enrollment policy that could limit the socioeconomic and demographic diversity of the school; and
- A failure to demonstrate how the curriculum and instruction would be modified for at-risk and special needs students, including a plan to monitor English proficiency progress of English Language Learners.

The report notes that significant overlap between the nonprofit board and the governing board creates a situation where violations of the State Code of Ethics become a high possibility. Other key concerns about the organizational plan include:

- An inadequate plan to "transform" the governing board and recruit more members;
- The applicant's inability or unwillingness to address "real or perceived conflicts of interest" between the governing board and nonprofit board;
- The specific omission of statutory language, which prohibits admissions based on academic ability, from the nondiscrimination policy within the governing boards bylaws;
- The mandatory Montessori certification for Mo'O teachers and the "connection to the nonprofit's fee-for-service training institute;" and

- The potential impact of the mandatory certification on collective bargaining.

The report states that the financial plan raises concerns and lacks specificity in many areas, including:

- Undetailed budget assumptions for key revenue items;
- Significant, unexplained year-to-year fluctuations in several expense items;
- The nonprofit acting as a pass-through for private preschool tuition being funneled to the charter school, with implications that the public charter school might be providing or subsidizing services to private school students and/or charging tuition; and
- A clear delineation of budgets between the public charter school and private preschool.

On the question of the applicant's capacity, the report recognizes the capability and commitment of the applicant group but primarily flags concerns about the group's ability to adapt its private school model to a public school. Among the key concerns about capacity are:

- Lack of experience in public schools, as most of the applicant group's education experience is in the private setting;
- An inadequate demonstration of the applicant's ability to effectively serve special needs students and English Language Learners; and
- An inadequate understanding of the "expectations the school would have through a contract with the Commission," especially in regard to state accountability requirements.

Applicant Response.

The Applicant Response attempts to clarify some key concerns brought forth in the Recommendation Report.

In regard to the academic plan concerns, the response:

- Notes that the mathematics section of the curriculum is aligned to Common Core and that English language arts will align by Spring 2014;
- Contends that the admissions policy complies with statute and does not discriminate against "any protected class of student;"
- Notes that the whole intent of Mo'O is to make Montessori education available to students who would otherwise be unable to afford it;
- Asserts that the applicant will conduct "broad-based outreach" to attract a diverse student body;
- Notes that a couple of governing board members have experience with supporting special needs students in regular and charter public schools; and
- Explains that Mo'O will follow the Department of Education's process of identifying and monitoring English Language Learners.

In regard to the organizational plan concerns, the response:

- Notes that the applicant will seek an advisory opinion from the State Ethics Commission on the legality of the overlap between the nonprofit's board and the governing board and implement any reasonable changes necessary;
- Notes that recruitment and changes to membership will occur for both the nonprofit and governing boards;

- Acknowledges an oversight of omitting specific statutory language from the board’s bylaws and policy and notes that the board will amend its bylaws;
- Acknowledges the Evaluation Team’s concerns about nonprofit’s “fee-for-service training institute” and states that the nonprofit will not pursue the initiative and will instead “work with the community to establish a separate entity under which to pursue [the initiative];” and
- Notes the applicant will seek to include the mandatory Montessori teacher certification in the supplemental collective bargaining agreement it will be pursuing anyway.

In regard to the financial plan concerns, the response:

- Provides more details and specificity on the application’s budget assumptions and fluctuations, noting that these details were not requested in either the Request for Clarification or interview;
- Explains that the charter school will provide preschool services to the nonprofit “in exchange for revenue to support its operations;”
- Notes that the charter school will not be subsidizing the private preschool but rather the reverse; and
- Notes that the charter school will not collect tuition for “children covered by state funding.”

In regard to the capacity concerns, the response:

- Notes that the proposed model was “developed specifically for public schools by AMI” and has been implemented in other charter schools throughout the nation;
- Notes that two applicant group members have “extensive” experience in public education, including experience in charter schools and with special education; and
- Notes that all applicant group members understand state accountability and charter contract requirements.

Evaluation Team Rebuttal.

The Evaluation Team Rebuttal attempts to address points raised in the Applicant Response.

In regard to the applicant’s response to the academic plan concerns, the rebuttal:

- Notes that the Evaluation Team was unable to review “the mapping of the full curriculum” and its alignment to Common Core because it was not completed at the time;
- Notes that the Applicant Response introduces new information relating to concerns about the enrollment policy and recruitment strategy, which the Evaluation Team cannot evaluate;
- Maintains that an enrollment preference for students with prior Montessori experience “favor[s] wealthier students;”
- Maintains that the applicant did not demonstrate evidence of success of the curriculum with special needs students; and
- Maintains that the Applicant Response does not address concerns about “monitor[ing] ELL progress given [the] unique program.”

In regard to the applicant's response to the organizational plan concerns, the rebuttal:

- Notes that the Applicant Response contains new information and strategies, which the Evaluation Team cannot evaluate, to address concerns surrounding the legality of the overlap between the nonprofit's board and the governing board; and
- Notes that the applicant acknowledges a number of concerns brought forth in the Recommendation Report but fails to address many of them, most importantly concerns about private preschoolers and public school kindergarteners sharing facilities, teachers, and funding.

In regard to the applicant's response to the financial plan concerns, the rebuttal:

- Again notes that the Applicant's Response contains new information, which the Evaluation Team cannot evaluate, that details the breakdown of funds between the private preschool and public kindergarteners; and
- Contends the structure regarding the relationship between the private preschool and public charter school proposed in the Request for Clarification is "significantly different" from the explanation in the Applicant's Response.

In regard to the applicant's response to the capacity concerns, the rebuttal:

- Notes that because of the size of the applicant's governing board, the Evaluation Team had a difficult time assessing the capacity of the entire board; and
- Notes that the Applicant Response contains new information, which the Evaluation Team cannot evaluate, about a "desire to obtain Continuous Improvement status," when previously the applicant stated that it would "push back" on the performance frameworks.

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 on 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.

Not enough information was provided about significant issues that could affect the proposed school's overall plan.

The proposed school has an affiliated nonprofit that is planning to open a private school for children aged 3 through 12¹ school for the 2014-15 school year until the proposed charter school opens, although the applicant did not explicitly state in its application that it was doing so. If the proposed charter school is approved, the private school would stop serving the grades that the proposed charter school would serve. In other words, the private school would continue to operate a private preschool and the proposed charter school would serve grades K-6. This information is potentially significant for a number of reasons. Some of these reasons overlap with questions about the continued services to preschool students, which is addressed next.

First, under the structure applicant proposes, the nonprofit's board and the proposed school's governing board would share a number of members, so it is important to understand the structure of the private school, the structure of the interaction between the private and public school, and how the private and public schools will be governed.

Second, in the Applicant Response, it also appears that the nonprofit would be entering into contracts with the proposed school's governing board for services that would be provided to private school students. It would be important to understand what services the private school would be providing and the students it would be serving.

Third, there are budget implications relating to the private school purchasing services. There would be potential revenue, but there are also possible expenses relating to staffing, facilities, equipment, and materials to provide these services to private school students.

Finally, it is also unclear whether all of the details were established at the time the applicant developed the overall plan for submittal in the application; these may be additions or revisions to the original plan. Details were not provided in the application. The Applicant Response started to explain some of these details, but there is much that remains unexplained. If the details in Applicant Response are additions or revisions, they are new information that should not be considered, especially since they may have significant impacts on the overall plan as originally described.

A significant part of the proposed school plan is a mixed-age private preschool-public kindergarten, which was also not explicitly described in the application. The details of this class started emerging at the capacity interview and in the Applicant Response. This mixed-age private-public class and related issues are discussed in the next section.

The mixed-age private preschool-public kindergarten plan is unclear and problematic.

¹ Note that the Recommendation Report indicates that the private school is K-12, but it actually is for children aged 3-12, so it is for grades preschool through sixth grade.

As stated above, the staffing, financial, and organizational structure relating to mixed-age private preschool-public kindergarten is not described in detail in the application. During the capacity interview and in the Applicant Response, it came to light that applicant planned to offer a mixed-age class with preschoolers who are a part of the private school and kindergarteners that are a part of the public charter school. The class was to be taught by a public school teacher in a public school classroom. Initially, the applicant team described the tuition as passing through the nonprofit and going to the public school. The Applicant Response later appears either to change the structure, providing a budget breaking down expenses between the private nonprofit and the public school. Because the Evaluation Team did not have these details from the beginning, it was unable to evaluate this mixed-age public-private class as a part of the overall school plan. As such, this information can be considered new information that the Commission should not consider. Even if the Commission chose to take this information into consideration, however, other issues remain. In addition to the paucity of details that precluded a holistic evaluation, a number of legal and policy questions cannot be resolved based on the information provided in the application. Among the major questions still outstanding, even at this late stage in the application process, are:

- How the private-public partnership would work.
- How the governance structure would work.
- How funds would pass between the private nonprofit and public school.
- How the school's budget would be affected by the private preschool – both revenue and expenses.
- What kinds of things the school would have to negotiate in its supplemental collective bargaining agreement to allow a state teacher to teach private preschoolers and public school kindergarteners at the same time.
- The contractual relationship between the private nonprofit and public school.
- How the teacher's salary would be paid, *e.g.*, partly from the nonprofit and partly from the public school or entirely from the public school.
- Which entity would employ and pay the teacher.
- Whether current law permits a mixed-age public-private class using state funds and facilities.
- Whether the funding structure proposed constitutes public subsidization of a private preschool.
- Whether there are union issues regarding a public school teacher teaching private preschoolers that can be resolved through a supplemental agreement.
- Whether the contractual relationship between the private nonprofit and public charter school is legal and in compliance with Hawaii's Code of Ethics.
- Whether the proposed governance structure is in compliance with Hawaii's Code of Ethics.
- Whether the funding structure is the equivalent of a public school collecting tuition, which is prohibited by law.
- Whether the teacher will be an employee of the nonprofit in any way or can be construed as such.

Staff also notes that early education in Hawaii is in a state of flux, with new legislation pending that could make significant changes to the structure of delivery of early education services; a constitutional amendment regarding the use of public funds to support or benefit private educational institutions (which voters will decide on later this year); and a lawsuit that was filed by

the American Civil Liberties Union of Hawaii regarding public funds and private preschools. Any one of these things could affect the landscape of early education and could bear on the viability of the proposed model in the application.

According to applicant, mixed-age classrooms are a “central tenet of Montessori education in general.” Applicant also appears to place great importance on early childhood education and children getting Montessori experience at an early age. Because of this, it appears that offering separate preschool and kindergarten classes or forgoing a preschool class altogether, although either would help address legal and policy concerns, would present serious challenges to applicant’s model.

In conclusion, applicant has not provided enough detail on its mixed-age, private-public program and how it fits within and affects the proposed school’s overall plan

Several proposed enrollment policy preferences call into question the application’s translation of the current private school model into a public school proposal.

The application calls for enrollment policy preferences for students who have at least one year of Montessori experience and for children of school founding members and working groups. The preference for students with prior Montessori experience is troublesome because currently only private school Montessori options exist on Oahu. This amounts to a preference for families that have the financial means to send their children to a private school. Under HRS §302D-34, a public charter school’s enrollment policies shall not discriminate on the basis of either income level or academic ability. Similarly, because most, if not all, of the school founding members and working group members have children who currently are attending or who have attended Montessori schools, this preference raises the same concern.

The Applicant Response raises salient points regarding these preferences, namely that there are financial aid programs at existing private Montessori schools that allow some families without the required financial means to attend these schools, and that the applicant’s intent is to seek community partnerships with organizations like Kokua Kalihi Valley and Keiki o Ka Aina and conduct the necessary outreach. Financial aid could provide relief for some families, but staff does not believe that this adequately addresses the problem for enough of the student population. The proposed partnerships and outreach, while salutary, may be insufficient to counter the outright enrollment preferences, even if this approach did not also have some practical geographic and transportation limitations. It is also unclear whether the school would consider preschool students to be already enrolled at the school and thus not subject to any kindergarten enrollment lottery.

As described in the applicant’s enrollment and admissions policy, the “preference for students with Montessori experience is due to both the sequential nature of the Montessori lessons and the requirement that students be acclimated to independently motivated work.” Because of this, it appears that if the applicant chose to forgo this enrollment preference, it would have to make significant adjustments to its curriculum or develop a program to assist students without Montessori experience to get up to the appropriate level in Montessori lessons. As such, removal of this policy could require substantive changes to applicant’s academic plan. Even if that is not the case, applicant would still need to explain how it would assist children without prior Montessori experience.

Staff would also point out that these enrollment preferences would require Commission approval before the school could institute them. While it would be the Commission’s decision to make, staff

would not recommend approval of these kinds of preferences, which raise questions about the applicant's stated objective offering a public Montessori option to an audience beyond those with the financial means currently to afford it.

Ethical questions about governance structure are not fatal, but raise questions about the proposed school's overall plan.

The applicant and Evaluation Team are in agreement that the governance structure, as proposed in the application contained potential violations of Hawaii's Code of Ethics. Applicant provides new information in its response regarding how it would address the possible conflict. Assuming the Commission could take this new information into account, applicant appears to have addressed the issues or proposed a viable plan for addressing the issues in its response, so staff is not explicitly addressing this issue. Staff would like to note, however, that the initial structure proposed raises questions about whether the applicant had fully thought through or were aware of the significant legal and ethical issues that could affect their proposed overall school plan.

There are concerns with the applicant group's ability to successfully adapt to the realm of public education.

The Evaluation Team expressed concern with the applicant group's ability to successfully adapt to the realm of public education. The Evaluation Team and Applicant Response focus on the fact that the curriculum was developed for public schools and that team members have some public school experience. In addition to these concerns, staff is further concerned with the applicant's ability to successfully embrace and implement other elements of being a state agency. Charter schools are state entities entrusted with public funds. Because of this, charter schools must be open with how they spend these funds, ensure that their conduct is ethical, and be good stewards of these funds. They must also open their doors to all children. It is clear that applicant is aware of these tenants and has ample capacity to understand them, but these principles are not always evident in the structure that the applicant has proposed. The lack of detailed information on the private-public partnership and how funds flow between the private and public entities, and more importantly the enrollment policy preferences, all run contrary to a how charter school as a public entity that uses public funds should operate.

Conclusion.

In conclusion, applicant did not provide enough detailed information about significant issues that could affect the proposed school's overall plan, including a mixed-age private-public class that raise a number of legal and policy issues; has proposed enrollment policy preferences that discourages a diverse student body; has proposed a governance structure that potentially violates Hawaii's Code of Ethics; and there are concerns that the applicant cannot successfully adapt from the realm of private entities to an entity that must answer to the public. Therefore, staff recommends denial of this application.

The applicant is clearly knowledgeable and passionate about the Montessori curriculum and culture. Its curriculum appears to be generally well-developed and the applicant takes pride in its teachers' mastery of its delivery. It is admirable that the applicant is looking for creative ways to make the Montessori curriculum and culture available to the public and has engaged in eloquent and intelligent discussions regarding its program. This applicant group clearly has the potential to learn from this application cycle and return to the Commission in a future application cycle having learned from its experience in operating the private school and having addressed the challenges of successfully transitioning to a public education model. Staff is looking forward to seeing what the

applicant team can provide in the future and wishes the group the best in its endeavors with its private school in the 2014-15 school year.

VI. RECOMMENDATION

Motion to the Commission:

“Moved to recommend that the Commission deny Montessori of O’ahu Public Charter School 2013 charter school application.”

Exhibit A
Recommendation Report for Mo'O



State Public Charter School Commission 2013 Recommendation Report

Charter Application for
Montessori of O'ahu Public Charter School

Submitted by
Montessori of O'ahu Foundation

Evaluation Team
Team Lead: Stephanie Klupinski
Evaluators: Kathy Olsen
Jeff Poentis
Kirsten Rogers
Stephanie Shipton

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 |
|-------------------------------------|---|
| Meets the Standard | 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. |
| Does Not Meet the Standard | The response meets the criteria in some respects but has substantial gaps, lacks detail and/or requires additional information in one or more areas. |
| Falls Far Below the Standard | 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

Montessori of O‘ahu Public Charter School

Applicant Name

Montessori of O‘ahu Foundation

Mission and Vision

Mission: Montessori of O‘ahu Public Charter School (“Mo‘O PCS”) is committed to creating a high-quality school publicly accessible to families of Oahu which is consistent with the standards set forth by the Association Montessori Internationale (“AMI”). Our school will be a structured, nurturing environment grounded in the cultures of Hawaii where children can grow into happy, healthy and productive citizens of their communities.

Vision: We envision Mo‘O PCS becoming the first publicly funded and accessible Montessori school in Hawaii. We believe that the wisdom of the Montessori approach to pedagogy, as first articulated by Dr. Maria Montessori more than 100 years ago, with its deep respect for the inherent human tendencies of children, provides us with a strong foundation from which to implement a successful school. It is an approach to teaching, learning and preparing a classroom that has proven effective in many corners of the world with many different types of children. We propose Montessori as an alternative voice within the education landscape on Oahu and throughout Hawaii. As parents, we know that the Montessori method works with any child, having witnessed its positive effects on our own children.

Geographical Area

East Oahu, from Kalihi to Kakaako to Aina Haina

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Executive Summary

Montessori of O’ahu Public Charter School

Recommendation

Deny

Summary Analysis

The Evaluation Team recommends that the application be denied.

The applicant failed to provide enough information about private programs planned to be run by the affiliated nonprofit organization. The significant overlap between the existing nonprofit’s board and the proposed governing board of the charter school raises potential conflicts of interest that potentially violate the Hawaii Code of Ethics.

The nonprofit organization plans to operate a private preschool program and will serve as a pass-through for tuition collected for that program. The Evaluation Team is g concerned about whether the public school would subsidize the private program. The two schools would share some resources, including a facility and a teacher who would work in a classroom serving both public and private students.

Additionally, the application included an enrollment policy that gave preferences to children of staff and founding families and to children with previous Montessori experience. These policies could effectively hinder socioeconomic and/or demographic diversity in the proposed charter school.

Finally, although members of the applicant group have education experience, most of the experience is in a private setting. The Evaluation Team is concerned about the applicant’s ability to effectively serve all students, including English Language Learners and those with special needs.

The applicant demonstrated strength in curriculum and instruction and is passionate about creating Hawaii’s first public Montessori school. The applicant group is talented and possesses many of the skills and experience needed to open a school. But, they fail to demonstrate capacity for adapting a private school to the public environment.

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

Does Not Meet the Standard

Financial Plan

Does Not Meet the Standard

Organizational Plan

Does Not Meet the Standard

Evidence of Capacity

Does Not Meet the Standard

Academic Plan

Montessori of O'ahu Public Charter School

Rating

Does Not Meet the Standard

Plan Summary

The proposed school plans to provide a public Montessori program in Oahu. The academic pedagogy will follow the educational philosophy of Dr. Maria Montessori, as implemented through teacher training programs offered by the AMI.

The USA branch of AMI is in the process of mapping and aligning the curriculum to Common Core. The school will serve children in multi-age groups. Due to the current lack of funding available for students aged 3-5, the applicant plans to offer a private program through an affiliated nonprofit organization, which would be funded on a fee-for-service basis. The applicant also plans to fundraise to support the work of the school and eventually may coordinate an AMI Teacher Training Initiative.

The admissions policy provides preferences for children of staff and founding families (which include those on the initial governing board, advisory boards, committees, and working groups). There is also a sibling preference and a preference for students four and older who have attended a Montessori program for one year.

Analysis

The academic plan does not meet the standard for approval. The applicant demonstrated knowledge of curriculum and effective instructional practices, but there is no final timeline for completion of aligning the AMI curriculum to Common Core. There are other concerns about student recruitment, admissions, and enrollment; special needs and at-risk populations; and the relationship between the private foundation and proposed charter school.

The application includes an admissions policy that gives preference both to founding members' children and students with Montessori experience. Because there are currently only private Montessori options in Hawaii, these preferences could effectively hinder socioeconomic and/or demographic diversity in the proposed charter school. Its recruitment is primarily focused on students already in Montessori programs, and enrollment projections for the first year of operation directly correlate with the number of students from the applicant group's peer-to-peer network. During the interview, the applicant seemed willing to change the recruitment and admissions strategies and policies, but still failed to explain how the school would enroll and attract a diverse student body.

The applicant lacks experience in modifying curriculum and instruction for at-risk and special needs students; it could not prove a track record of success in serving these students. During the interview, the applicant demonstrated the curriculum's flexibility to meet the needs of individual students. But, when asked for evidence of success, the applicant stated that rigorous research is lacking and provided only one anecdotal example. Additionally, the applicant did not demonstrate a clear plan to monitor the English proficiency progress of English Language Learner students.

Finally, there are numerous unanswered questions about the complicated relationship between the affiliated nonprofit organization and proposed charter school. In some ways, the nonprofit seems like an education service provider/charter management organization; it will run a teacher training institute and a private Montessori program that shares staff and resources with the proposed school. But, the applicant was not forthcoming in explaining the relationship. Important information regarding the nonprofit's organizational structure and its legal relationship to the school was omitted. Also, many members of the proposed charter school's governing board currently work together at a private Montessori school, but the applicant did not provide information about that school's academic performance.

Organizational Plan

Montessori of O'ahu Public Charter School

Rating

Does Not Meet the Standard

Plan Summary

The proposed school's governing board will have between 9 and 17 members and meet at least quarterly. At the time of the interview, there were fifteen members on the board. The application states the proposed board "represents the target population and key stakeholder and truly reflects the spirit and intent of the proposed charter school."

The affiliated nonprofit organization has a board of directors comprised of members of the proposed school's governing board. The applicant acknowledges the overlap between the boards and intends to recruit additional members for both groups. According to the application, the nonprofit will support the charter school and serve as an advisory board to the governing board. It will also run a private preschool program that shares staff and resources with the proposed school, and it plans to coordinate an AMI Teacher Training Initiative.

There will also be a standing facilities committee and a parent faculty association, which will both serve in an advisory capacity to the proposed school's board. The applicant plans to have an 8-hour work day and to pay teachers above contractual rates. If it is unable to negotiate a supplemental agreement, it will modify the instructional strategy or teaching hours.

All lead teachers will be required to possess or obtain AMI certification and to maintain membership with a professional Montessori organization. The affiliated nonprofit will support the professional development of the school through the AMI Teacher Training Initiative.

Analysis

The organizational plan does not meet the standard for approval. The primary concerns are with governance, professional development, and performance management.

The governing board possesses academic, financial, management, and legal knowledge. But, significant overlap between the boards of the proposed school and the affiliated nonprofit organization raises serious ethical concerns. Moreover, the Evaluation Team learned through independent research that the nonprofit is opening a private school serving ages 3-12 this year; this information was not explicitly stated in the application.

Of the school's 15 governing board members, three would likely become employed by the school and resign from the board. Of the remaining 12, seven indicated that they currently serve on the board of the nonprofit. Most, if not all, governing board members have children currently attending Montessori programs.

Under Hawaii's Code of Ethics, governing board members are employees of the State and cannot take any official action that would directly affect "a business[, including nonprofit organizations,] or other undertaking" where they have a significant financial interest. Consequently, more than half of the nonprofit's board might be prohibited from taking official action for the nonprofit board, according to the State Ethics Commission. The applicant intends to recruit more governing board members, but the applicant did not provide a sound plan for transforming the board, nor did it address real or perceived conflicts of interest between the two boards.

Also, the proposed school's governing board bylaws include a nondiscrimination policy that specifically omits language from Hawaii Revised Statutes §302D-34 prohibiting admissions based on academic ability. Thus, concerns with the admissions policy addressed in the academic plan resurface in the organizational plan.

There are also concerns with the professional development plans. Teachers would be required to possess or obtain AMI certification and maintain membership with a professional Montessori organization. Professional development would be supported by the nonprofit through its AMI Teacher Training Initiative. The Evaluation Team has concerns regarding these requirements and the connection to the nonprofit's fee-for-service training institute. Additionally, these requirements might be prohibited by the teacher's union without a supplemental collective bargaining agreement.

Financial Plan

Montessori of O'ahu Public Charter School

Rating

Does Not Meet the Standard

Plan Summary

Budgeted revenues and expenses for year one are \$529,486 and \$497,279, respectively.

Budgeted revenues and expenses for year three are \$1,067,517 and \$1,037,701, respectively.

The fund balance at end of year one is estimated to be \$80,706. The fund balance at end of year three is estimated to be \$157,808.

The applicant has conservatively estimated minimal fundraising revenues in years one through three. However, included in revenues is tuition from the associated nonprofit organization's private preschool for 3 and 4 year olds in the amounts of \$183,932, \$315,724, and \$528,607 in years one through three, respectively.

Analysis

The financial plan does not meet the standard for approval. Although the applicant has a thorough understanding of financial policy and procedures, there are other items of concern.

The budget projections and accompanying narrative lack specificity in many areas. For instance, budget assumptions are not detailed for key revenue items, including funding for special education, federal nutrition program, and program fees. Additionally, several expense items fluctuate significantly from year to year without explanation (e.g., clerical salaries, per pupil textbook costs, etc.). Furthermore, there is a lack of clarity regarding the relationship between the private preschool operated by the associated nonprofit organization and the proposed school. In the Request for Clarification response, the applicant states that the nonprofit will serve as a pass-through for the tuition collected from the private preschool and that the proposed school will receive whatever tuition is paid on behalf of those students. This raises the concern that a public charter school would be providing, or subsidizing, services to private school students. This concern is highlighted by the multiage primary environment. There will be classroom integration of the private preschoolers (ages 3 and 4) and public kindergarteners, and resources, including staff and facilities, would be shared. However, the two programs do not operate under separate budgets. The evaluation team is concerned that the applicant envisions a structure in which public charter school effectively collects tuition. State law prevents charter schools from collecting tuition.

Evidence of Capacity

Montessori of O’ahu Public Charter School

Rating

Does Not Meet the Standard

Plan Summary

The applicant listed 14 governing board members. Another was added by the time of the interview. Key members of the applicant team include Michael Lawrence Gallagher, Mary “Mamie” Lawrence Gallagher, Miniver “Minnie” Wales, and Martha “Molly” Jenkins.

Mr. Lawrence Gallagher, governing board chair, is currently a senior business analyst at First Hawaiian Bank. He also has experience in software development, business analysis, and financial forecasting, planning, and reporting.

Ms. Lawrence Gallagher has experience in operations and education. She is currently director of operations at Hoaloha o ke kai Montessori School. She is currently pursuing a Masters of Elementary Education with a concentration on Montessori at the University of Hartford.

Ms. Wales has over a decade of experience in private Montessori education. She is certified for Primary and Elementary education from AMI and is currently director of education at Hoaloha o ke kai Montessori School, which she helped found.

Ms. Jenkins is certified in Primary Teaching from AMI and has served since August 2011 as a lead primary guide at Hoaloha o ke Kai Montessori School. Prior to that experience, she was a sociology instructor and a teaching assistant at the University of Washington.

Analysis

The capacity of the applicant does not meet the standard for approval. Overall, the applicant group demonstrated some academic, organizational, and financial capacity to design, develop, and operate the proposed school. However, the applicant group’s experience is primarily within private domains, and there are significant concerns in the team’s ability to successfully adapt to the realm of public education.

These concerns are most evident in the organizational plan, as explained in the corresponding analysis of that section by the Evaluation Team.

Of the four members of the applicant group described in the summary, only one has employment experience in a public school: During the 2001-02 school year, Mr. Gallagher taught high school physics at a public school in Massachusetts. Regarding academic capacity, the application materials identified some weaknesses regarding the applicant’s ability to effectively serve the needs of students with special needs and English Language Learners, as described in the academic plan analysis of this report. Additionally, the applicant did not demonstrate an understanding of the expectations the school would have through a contract with the Commission. The applicant group indicated on their questionnaires that success of the school would be measured by factors such as student happiness, attendance, re-enrollment, and adherence to AMI Montessori pedagogy and curriculum. These responses indicate a primary commitment to stakeholder satisfaction and suggest either an ignorance of or an indifference to state accountability requirements and their implications for effective performance management of a public charter school.

Evaluator Biographies

Stephanie Klupinski

Ms. Klupinski is the Commission's Organizational Performance Manager. She previously worked for the Ohio Alliance for Public Charter Schools as Vice President of Legal and Legislative Affairs. She is an accomplished author with numerous education policy publications and has been a speaker at several conferences on charter schools and charter school law. She is also a Teach for America alumnus and holds a Juris Doctorate and a Master of Public Policy.

Kathy Olsen

Ms. Olsen is currently a charter school facilities financing consultant for clients such as KIPP and the Walton Family Foundation. She has extensive experience in charter school facilities financing, including her prior position as the Director of the Educational Facilities Financing Center where she oversaw the origination of \$100 million in facilities financing for 40 charter schools. She has co-authored and edited several publications on charter school financing and was a founding member and is vice chair of the Coney Island Preparatory Public Charter School. She holds a Master of Government Administration from the University of Pennsylvania, Fels Center of Government.

Jeff Poentis

Mr. Poentis is the Commission's Financial Performance Specialist. He has extensive accounting experience and is a Certified Public Accountant with over 18 years of experience in both the private and public sectors. He holds a Bachelor of Business Administration from the University of Hawaii at Manoa.

Kirsten Rogers

Ms. Rogers is the Commission's Academic Performance Specialist. She has experience as a middle school teacher at both a charter school in Tennessee and at Wheeler Intermediate, a DOE school in Hawaii. She is a Teach for America alumnus, a former corps member advisor, and former content community leader for the organization. She also holds a Master of Education in Teaching from the University of Hawaii at Manoa.

Stephanie Shipton

Ms. Shipton is currently an Institutional Analyst at the Hawaii Department of Education in the Office of Strategic Reform. She co-authored Hawaii's ESEA Flexibility application and is currently working on a number of projects, including the Comprehensive Student Support System, implementation of Common Core State Standards, and STEM education. She has worked as a policy analyst with the National Governors Association where she worked on education policy relating to subjects like state strategies to support high quality charter schools and supporting learning outside of the school day. She has researched and written a number of education policy publications, case studies, and governor's guides and holds a Master of Political Science degree.

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.

Exhibit B
Applicant Response for Mo'O

Applicant Response - Montessori of O‘ahu Public Charter School

We appreciate the diligence and expertise with which the Evaluation Team has reviewed our application and their experience and commitment to public education. We also appreciate this opportunity to respond to the Recommendation Report. We respectfully disagree with the report’s conclusions and feel that we do meet the standards and possess the capacity to implement a viable, high-quality charter school.

Below, we have addressed each concern raised by the Evaluation Team in the order they were presented in the Recommendation Report.

I. Academic Plan

1. Concern: “The applicant demonstrated knowledge of the curriculum and effective instructional practices, but there is no final timetable for completion of aligning the AMI curriculum to Common Core”.

The Mathematics section of the curriculum mapping has been completed. The English Language Arts mapping will be published this Spring 2014 as indicated on page II.B.4. of our of Response to the Request for Clarification.

AMI requires that classrooms post copies of any applicable State Standards for the jurisdiction in which they operate, so that the standards are easily accessible to both students and teachers. In complying with this requirement, we will ensure that both students and teachers are aware of the Common Core State Standards and their accountability to the Standards.

2. Concern: The application includes an admission policy that gives preference both to founding members’ children and students with Montessori Experience ... these preferences could effectively hinder socioeconomic and/or demographic diversity.

Our admissions policies comply with HRS § 302D-34 and do not discriminate against any protected class of student. These policies are intended to support our organization’s “special emphasis, theme or concept.”

With regards to the tendency to select students of relatively higher socioeconomic status, our intent in applying for a charter is to expand the reach of Montessori education to students that would otherwise be unable to afford it. At other local Montessori schools, diversity is encouraged through financial aid either through Pauahi Keiki Scholars, other private grants, state programs or school-funded financial aid. We understand we have a responsibility to conduct broad-based outreach outside of this group to ensure we have a diverse student body.

As explained below, we will engage in aggressive outreach to ensure diversity in our student body both socioeconomically and demographically.

3. Concern: “During the interview, the applicant seemed willing to to change the recruitment and admissions strategies and policies, but still failed to explain how the school would enroll and attract a diverse student body.”

As stated in our application in Section II.I.1, our enrollment process prior to our first admissions lottery will provide ample time to execute a broad, community-based outreach to expand our applicant pool beyond families who have traditionally had access to Montessori education. We will undertake this effort through the production and dissemination of printed collateral materials in multiple languages and the holding of community-based events and forums as previously indicated. We will seek community partnerships with organizations like Kōkua Kalihi Valley and Keiki o Ka ‘Āina to conduct outreach meetings in specific areas in order to reach prospective students and parents. We will review the recruitment results each year, and revise the strategy as needed. A database will be kept to detail the results of each recruitment effort based on the data collected.

During the interview process we were asked specifically about the list of interested families we maintain. We stated that we felt that our enrollment projections were reasonable given that we had 50+ students interested from this list. Our statement was meant to indicate that we felt we could meet *or exceed* our initial enrollment target based on expressed interest. We are by no means satisfied with the list in its current state and understand that we have an obligation to ensure socioeconomic diversity among our potential student body by conducting broad-based outreach. Since the time of our interview many weeks ago, the list has grown substantially and primarily outside of our direct social networks due to the implementation of our Tradewinds Classroom demonstration in downtown Honolulu, which attracted a diverse audience, as well as through our outreach to Neighborhood Board meetings as discussed in our Response to the Request for Clarification in Section II.K.1.

Our entire effort in applying for a charter is meant to expand and broaden access to Montessori beyond the more narrow audience who has been able to access it due to financial constraints of its exclusively private nature in the past.

4. Concern: “The applicant lacks experience in modifying curriculum and instruction for at-risk and special needs students; it could not prove a track record of success in serving these students.”

Mo‘O PCS will provide a free and appropriate public education (FAPE) for children with IEPs or Section 504 plans in the least restrictive environment by complying with all federal and

state regulations as outlined by Hawai‘i State Law under Chapter 60 (IDEA) and Chapter 61 (Section 504).

Governing Board member Carla Pilato has worked in the Department of Education as a teacher for 12 of the last 19 years, and as student services coordinator and special education teacher for the past five years. Cori Simonsen, a member of our working group, worked for two years as a teacher in a Montessori public charter school in California, and has experience in a public elementary school in Hesperia, California. Both have particular experience with public and charter school protocols for supporting students with special needs. They will ensure that all teachers are familiar with — and adherent to — appropriate protocols for supporting all of the students in our community.

Ms. Jenkins and Ms. Wales have experience working with children with dyslexia, dysgraphia, dyscalculia, visual and auditory processing challenges, physical and mental disabilities, children on the autism spectrum, and children with diagnosed and undiagnosed behavioral challenges. As a curriculum that is designed to respond to the specific needs of individual children, Montessori has proven to be successful for both of these teachers while working with children who have special needs.

The extensive AMI training received by Ms. Jenkins and Ms. Wales has given them 1) the refined skills of observation to understand each child’s present levels of educational performance and progress, 2) the understanding of how to modify the learning environment with specially designed activities to promote independent successful learning, and 3) the expertise to use the curricular materials that are concrete and that develop skills in a step-by-step, sequential manner, fitting well into short-term objectives for learners with special needs. Ms. Jenkins and Ms. Wales know how to provide appropriate guidance that enable children to become independent and responsible thinkers. They know how to limit choices or break down tasks as needed to do what’s best for each child. Every child receives individualized, small group, and whole class instruction in a general education setting.

Ms. Jenkins will further her education over the next two summers by attending the AMI Inclusive Education course at a mainland training center. This supplemental training course was created to empower Montessori teachers with unique strategies to serve children who have behavioral, learning, and physical differences. Ms. Jenkins and Ms. Wales know they will be able to call upon DOE Resource Teachers and specialists as the need arises. They also know that they will have access to training offered by the DOE for teaching English Language Learners.

5. Concern: “The applicant did not demonstrate a clear plan to monitor the English proficiency progress of English Language Learners.”

Mo‘O PCS will follow the process of identifying and monitoring ELL students as outlined by the Hawai‘i Department of Education. Potential ELL students will be initially

identified via our application process based on parent responses to three questions: student's first acquired language, language most often spoken at home, and language most often used by student. Students who may be English-limited will be tested for proficiency when they first enter school using the WIDA-ACCESS Placement Test (W-APT). The results will determine what kind of English language support is needed for the students to progress in school, and appropriate services are then provided. At the end of each year, the students receiving ELL services will be given the ACCESS for ELL[®] assessment to determine progress. Students will continue to receive ELL services until they meet the ELL exit criteria.

6. Concern: "There are numerous unanswered questions about the complicated relationship between the affiliated non-profit and proposed charter school ... Important information regarding the nonprofit's organizational structure and relationship to the school was omitted"

Please see our response to Section II.1, below.

7. Concern: "Many members of the proposed school's governing board currently work together at a private Montessori School, but the applicant did not provide information about the school's academic performance."

We do not believe it is appropriate to disclose this information as we do not represent Hoaloha o ke Kai Montessori School or have any authority to disclose such information. However, we have provided peer-reviewed study information about the performance of students attending Montessori public and charter schools in other parts of the United States.

II. Organization Plan

1. Concern: "Significant overlap between the boards of the proposed school and the affiliated non-profit raises serious ethical concerns."

We agree with the Commission Staff that the relationship between the proposed charter school board and the board of the affiliated nonprofit organization could potentially present a conflict. We are committed to addressing actual or potential conflicts and are confident that we can fully comply with the Hawai'i Code of Ethics.

Much of the complexity arises because of the conflict between two facts. First, mixed-age classrooms are a central tenet of Montessori education in general. In particular, the so-called "Primary" classroom in a Montessori school will have students ranging from approximately age 3 to age 6. Second, under current law the State will provide per-pupil funding for only the 5- to 6-year-olds in the Primary classroom (although we understand and applaud the Legislature's

current consideration of funding for younger children). Thus, to the extent the Primary classroom contains children aged 3-4 (and it is essential that it should), those children must be provided for by non-State funding, i.e., by private tuition, grants, scholarships, etc.

If a charter is granted, the nonprofit will no longer directly provide services to children covered by the State's per-pupil funding, and we must, in that event, harmonize the governance and operations of the nonprofit and the charter school. With respect to organizational or governance issues, the simplest way to accomplish this would be for members of the charter school governing board to be permitted to also serve on the nonprofit board. In this regard, we understand that the Hawai'i State Ethics Commission has approved, in appropriate circumstances, of employees of the State serving as directors or officers of affiliated nonprofits, provided that they do so only in their "State capacity." See, e.g., Advisory Opinions Nos. 86-1, 86-2, 89-5, and 94-2.

Although the cited Opinions do not address charter schools, we believe that the reasoning used by the Ethics Commission in those Opinions applies equally to the members of a governing board of a public charter school and an affiliated nonprofit established to serve and support the charter school. Since the charter school does not currently exist, the governing documents of the nonprofit make reference to a charter school only in a future-looking dependent case. If a charter is granted, we will make appropriate changes to the nonprofit's Articles of Incorporation to confirm that the purpose of the nonprofit is to support the charter school. We are also keen to request an advisory opinion from the State Ethics Commission to confirm that governing board members can serve on the board of the nonprofit in their State capacity without violating the letter or the spirit of the Ethics Code, and to implement any reasonable changes to the nonprofit's governing documents, board composition, and procedure that the Ethics Commission recommends. In the event that the Ethics Commission finds its previous rulings inapplicable, we would "separate" the two boards and set a cap on the amount of overlap between them.

Furthermore, we will continue our Board development efforts to recruit outside community members to both Boards of Directors as stated in our Response to the Request for Clarification II.A.1. We anticipate recruiting additional members and removing some founding members from the Mo'O Foundation Board by year-end. In addition, we will recruit additional members for the Mo'O PCS Board looking specifically for individuals like current members Carla Pilato and Cori Simonsen with public sector and public education experience; architecture and design experience; facilities development experience; community leadership; and experience in social work who share our passion for Montessori.

2. Concern: "the Evaluation Team learned through independent research that the nonprofit is opening a private school serving ages 3-12 this year; this information was not explicitly stated in the application."

During the post-RFA orientation conducted by the Commission last fall, we specifically asked whether we could, under the auspices of our non-profit organization: (a) run a private

school for one year until state funding is available and (b) run a private preschool program. At the time we were told that as an independent non-profit both were permissible. We are unsure where in the application process we would have been expected to disclose our intention to run a private school for one year but we were forthcoming with this information when asked.

We would, as stated in our Response to the Request for Clarification, disband this program entirely for all students eligible for state funding should we receive a charter. No student who attended this school would be given preference in admissions; each would enter our admissions process like any other child. Running this school during the 2014-2015 school year will allow us to offer employment locally to our highly-qualified Montessori teachers in an AMI environment.

3. Concern: “The proposed school’s governing board bylaws include a non-discrimination policy that specifically omits language from HRS Section 302-D-34 prohibiting admission based on academic ability.”

This was an oversight on our part. We have no intent to discriminate in any way. Given that such discrimination is illegal, it is implicitly prohibited by the following language in our draft policy: “The School shall conduct all of its activities in accordance with all applicable local, state and federal anti-discrimination laws, as well as in accordance with all other laws and regulations applicable to the operation of the charter public schools in the State of Hawai‘i.” In order to eliminate any confusion, we will add the suggested language to our Bylaws and to our website’s footer.

4. Concern: “Teachers would be required to possess or obtain AMI certification and maintain membership ... Professional development would be supported by the non-profit through its AMI Teacher Training Initiative. The Evaluation Team has concerns regarding ... the connection to the nonprofit’s fee-for-service training institute. Additionally, these requirements might be prohibited by the teacher’s union without a supplemental agreement.”

Our intent was to further the interests of Mo‘O PCS in training additional AMI certified teachers locally. However, we understand the commission’s concerns and therefore will not pursue this initiative under the auspices of the Mo‘O Foundation. Instead, we will work with the community to establish a separate entity under which to pursue this.

AMI training for our teachers is a requirement that will ensure the high quality and authenticity of our programs. Since we will need to negotiate a supplemental collective bargaining agreement in order to address the difference in the number of instructional hours that we ask of our teachers, we will also explore the issue of AMI training for teachers in this negotiation.

III. Financial Plan

1. Concern: “The budget projections and accompanying narrative lack specificity in many areas ...”

Due to time constraints in our interview, we were only able to address a single question related to finance. These concerns were not raised in the Request for Clarification. We have provided additional specificity in the specific areas requested below.

Special Education: We understand, based on information provided at the post-RFA orientation, that the funding of special education costs for students with identified special needs is to be covered separately from the charter school’s budget by the State. As such, we did not include this pass-through expense in our projections. We have become aware of certain situations in which a charter school may need to absorb certain special education costs particularly related to initial assessments. The guidance we received from a currently operating charter school was that a budget of \$3-5,000 per year would be sufficient to cover such costs. Based on our financial projections, we will be able to absorb these unbudgeted expenses.

Federal Nutrition Programs: The table below presents a three-year breakdown of the Free and Reduced Lunch Program and the overall food-service program for the three year projection horizon which was used in the summary projections:

| | | | |
|-------------------------|-----------|-----------|-----------|
| FRL Program Revenue | \$ 11,637 | \$ 14,701 | \$ 18,636 |
| Additional Meal Revenue | \$ 5,116 | \$ 6,463 | \$ 8,193 |
| Program Expense | \$ 16,889 | \$ 21,334 | \$ 27,045 |
| Net FRL | \$ (135) | \$ (171) | \$ (216) |

This assumes 20% of enrolled students receiving free and 20% receiving reduced lunch and 10% of other students purchasing lunch. The cost of the lunch from an external vendor was estimated to be \$3.75. It is difficult to determine the precise demand for this program given we do not have a student body yet.

Program Fees: We included fees for our afterschool care program consistent with the A+ Program in Attachment GG of our application. We did not include other program or supply fees because we do not anticipate charging any fees at this time.

2. Concern: “Several expense items fluctuate significantly from year-to-year without explanation.”

Clerical Salaries: Given anticipated enrollment in Year 1, clerical functions are limited to one part-time employee who would work half time on instructional days. This allows us to keep administrative overhead low during the first year. In Year 2 we add a full time office staff person and a second part-time employee. In Year 3, we add a second admin support person in the office. We feel this growth projection is reasonable given the growth in charter school student population from ~50 to 80 during that time. We might forgo the addition of a second clerical staff person in Year 3 if we are unable to meet our growth projections over that time.

Textbooks: Montessori classrooms do not employ textbooks in the traditional sense of that word. We will not need to purchase copies of multiple texts for each student as this would be foreign to our pedagogy. Instead, we have budgeted the purchase of classroom books in the form of single copies to be purchased at the establishment of each new classroom environment and depreciated. This budget item is \$2,060 in Year 1 and increases based on inflation each year as we add one classroom per year (\$2,122 in Year 2 and \$2,185 in Year 3). This line item does not fluctuate substantially.

3. Concern: “There is a lack of clarity regarding the relationship between the private preschool operated by the associated nonprofit and the proposed school... This raises the concern that a public charter school would be providing, or subsidizing, services to private school students.”

Tuition or fees in connection with the “private preschoolers” will be paid to the affiliated nonprofit, and not to the charter school. The nonprofit will then pay an allocable share of the costs (salaries, facilities, etc.) of the shared classroom. Any revenue leftover after the payment of this share of costs will be used for the benefit of the charter school. The charter school will not subsidize the private school — indeed, the subsidy will run the other way as demonstrated below in an example classroom projection (see next page).

| | 3-4 year olds | 5 year olds | Total |
|---------------------------|---------------|-------------|------------|
| Number of Students | 20 | 10 | 30 |
| Revenue | \$ 167,211 | \$ 60,000 | \$ 227,211 |
| Teacher Salary Allocation | \$ 33,166 | \$ 16,583 | \$ 49,749 |
| Expense Allocation | \$ 64,025 | \$ 32,013 | \$ 96,038 |
| Net Revenue | \$ 69,025 | \$ 11,404 | \$ 81,424 |
| Net Revenue per Student | \$ 3,501 | \$ 1,140 | \$ 2,714 |

We will operate this program with clear delineations in regard to budget. We will track and report revenue and expense between the private program and the public charter school. A more simplified presentation was used in completing the financial projections for our application in part due to limitations of the format of the spreadsheet.

4. Concern: “The evaluation team is concerned that the applicant envisions a structure in which the public charter school effectively collects tuition.”

The Public School will not collect tuition for children covered by state funding nor will it require tuition, contribution or attendance fees of any kind as a condition of enrollment in the public school. The public school will not collect tuition directly for children in the pre-school program who do not receive state funding. Rather, the public school will provide pre-school services to the Mo‘O Foundation in exchange for revenue to support its operations.

IV. Evidence of Capacity

1. Concern: “There is significant concern with the applicant group’s ability to successfully adapt to the realm of public education”.

The foundation of our proposed model was developed specifically for public schools by AMI and has been successfully implemented in charter schools throughout the U.S. Overall there are over 400 public Montessori schools according to the National Center for Montessori in the Public Sector.

With regard to our team members specifically, in addition to Michael Lawrence Gallagher’s experience as a public school teacher, two of our working group members have extensive experience in public education. Carla Pilato currently works at a Hawai‘i public charter

school, University Laboratory School, as a Special Education Teacher. Cori Simonsen has worked as a teacher in a public Montessori charter school in California.

2. Concern: “These responses indicate a primary commitment to stakeholder satisfaction and suggest either an ignorance or an indifference to state accountability.”

All members of our working group are keenly aware of our accountability to the State and that we must demonstrate that we are using public funds appropriately in educating the children in our care. We acknowledge and understand that the charter school will be subject to specific Performance Frameworks, as provided in the charter school contract. In regards to academic performance, we are committed to exceeding the State standards as set forth in Strive HI for student achievement, growth, engagement and equity. We feel that Strive HI is a very thoughtful framework for assessing student achievement in that it incorporates growth and engagement metrics beyond absolute achievement and it also addresses the issues of traditionally lower-performing populations. Our expectation as an organization will be to achieve Continuous Improvement status or above each year for Strive HI. We will set a goal of reaching Recognition status by Year 5 of operations. We also understand (and have reviewed) the financial and organizational performance frameworks incorporated in the charter contract, and we will comply in all respects with the frameworks.

As a public school we understand that we would be accountable for our performance on the Hawai‘i State Assessment (HSA) or any successor exam, which provides student and school achievement feedback to our stakeholders relative to the Hawai‘i Content and Performance Standards (HCPS).

We would also point out, as we stated during the capacity interview, that we do not believe that parents will show a high degree of satisfaction with our school if children are not learning and excelling as demonstrated both in their children’s achievement on quantitative assessments as well as other indicators of well-being. We believe that the parents’ expectations and desires for their children to be successful and engaged learners will be met, and that there will be a high correlation between the satisfaction of parents and student achievement.

We will review the academic performance of our school annually. If our school is not delivering on our expectations for student achievement in any of the areas measured by Strive HI, we governing board members would engage with the administration of the school to assess areas of potential improvement in our curriculum delivery at the classroom level consistent with applicable contractual requirements regarding observation and assessment of teachers. We would then provide additional support to classroom teachers to improve curriculum delivery and instruction. If these efforts did not yield the desired results, we would consider retention of AMI consultants to further assess our instructional practices and implementation of Montessori best-practices.

V. Conclusion

The Evaluation Team's analysis was thorough and helpful in identifying areas in which the Commission may have concerns. We trust that the foregoing has addressed each of the concerns raised, and we look forward to working with the Commission and its staff in moving our application forward.

Exhibit C
Evaluation Team Rebuttal for Mo'O



State Public Charter School Commission 2013 Evaluation Team Rebuttal to the Applicant Response

Charter Application for
Montessori of O'ahu Public Charter School

Submitted by
Montessori of O'ahu Foundation

Evaluation Team
Team Lead: Stephanie Klupinski
Evaluators: Kathy Olsen
Jeff Poentis
Kirsten Rogers
Stephanie Shipton

As the applicant for the proposed charter school Montessori of O‘ahu Public Charter School (“Mo‘O”) has taken the time to respond to the recommendation for denial, the Evaluation Team would like to offer these statements in response to the applicant.

Academic Plan.

One of the Evaluation Team’s main concerns with the Mo‘O application was its enrollment policy and recruitment strategies. In its response, the applicant brings up new information related to these areas; as such, the Evaluation Team is disregarding this information. The new information includes details about financial assistance and scholarships at private Montessori schools; the applicant’s desire to seek community partnerships with organizations like Kokua Kalihi Valley and Keiki o Ka Aina; and the applicant’s plan to review and revise recruitment strategies as needed.

More importantly, the Evaluation Team remains concerned that the preference for students with prior Montessori experience would favor wealthier students, given that all of the current Montessori programs on Oahu are private. Furthermore, the application included enrollment preferences for staff members and founding family members, which would include the children of the many people proposed to serve on the boards of the charter school or nonprofit. This preference could also prevent the school from serving a diverse population. Also, both of these preferences would have to be approved by the Commission, a point not acknowledged in the application.

The applicant states that their “entire effort in applying for a charter is meant to expand and broaden access to Montessori beyond the more narrow audience who has been able to access it due to financial constraints of its exclusively private nature in the past.” The Evaluation Team applauds this sentiment but felt that the original application, particularly the recruitment strategies and enrollment policies, were not designed to accomplish this goal.

Additionally, the Evaluation Team strongly believes that information about Hoaloha o ke Kai is relevant to the application. Many members of the applicant’s team work or serve on the board of this private Montessori school, which is closing this year. Furthermore, the board questionnaires in the original application indicated that many of the applicant team members know each other through this private school. Performance of Montessori public schools across the United States does not demonstrate whether a particular group of persons have the capacity to open and manage a high-quality charter school. But performance about Hoaloha o ke Kai is particularly relevant to questions regarding the capacity of the application team, precisely because of the close connection between this school and the proposed charter school.

With regards to special needs students, the applicant was given an opportunity in the Request for Clarification to provide evidence of success from other Montessori schools with these students. The applicant provided *one* example from a report published in 2004 about a high-functioning autistic child who showed improvement in Montessori. Moreover, in this section the applicant again provides new information that must be disregarded: nowhere in the application was it mentioned that Molly Jenkins would receive specialized training for students with certain needs.

The clarity sought by the Evaluation Team regarding the applicant’s English Language Learners (“ELL”) plan relates to how the applicant will monitor ELL progress given their unique educational program. This concern was not addressed by applicant’s response.

Finally, the Evaluation Team was unable to review the mapping of the full curriculum at the time the Recommendation Report was issued since neither language arts nor mathematics mapping had been completed at the time the original application was submitted. Although the applicant indicated in the Request for Clarification that the first draft of the mathematics mapping had been completed, the language arts mapping had not yet been completed.

Organizational Plan.

The Evaluation Team is pleased that the applicant recognizes the ethical concerns presented by the design of the proposed school. The applicant explains that part of the complexity arises because a “central tenet” of Montessori programming is mixed aged primary classrooms, which would require them to simultaneously serve students through the private program and through the public charter program. This complexity affects both the organizational and financial aspects of the original application and was not sufficiently addressed.

In the original application, the applicant primarily focused on potential conflicts between school employees serving on the governing board. The applicant did not specifically acknowledge potential conflicts that would arise by having members of a state agency (the school’s governing board) serve on the board of the nonprofit. Moreover, the original application made no mention of the limited circumstances in which employees of the state could serve as directors or officers of nonprofits, nor did they mention their intent to seek an opinion from the Hawaii State Ethics Commission. Now, in the response to the Recommendation Report, the applicant attempts to address the concern through a variety of strategies. This is new information, however, and the Evaluation Team cannot consider it.

The applicant also misrepresents the information they received at the post-RFA orientation. Their question regarding pre-K enrollment was addressed on the Commission’s Q and A section for charter applicants, available on the Commission website. The Commission’s response reads as follows, “Regular pre-K is not supplemental programming and is not generally considered part of the school.” The applicant did ask about running a private pre-K program during the orientation, which would be permissible if the private program was truly independent. The application, however, presents a complex arrangement wherein students age 3-6 would share resources and staff; students age 3 and 4 would be funded through the private program, while the 5 and 6 year olds would be funded through the public charter school.

Finally, the applicant states in their response that they would not pursue the AMI Teacher Training Initiative. The applicant’s decision to abandon the initiative is based on information received in the Recommendation Report. The applicant has acknowledged a number of concerns brought to light by the Evaluation Team, but many of them remain unaddressed, most importantly the structure where private preschoolers and public school kindergarteners would share facilities, teachers, and funding.

Financial Plan.

The applicant’s response to the concern about the financial relationship between the private and public school contains new information; the original application did not include the table detailing the breakdown of funds between the private preschool (3-4 years old) and public kindergarteners (5 years old), and it did not include information about the nonprofit paying its share of costs. The initial application provided very little information about the private preschool program. It stated that students aged 3 to 6 would be served together in a primary classroom and that 3 and 4 years old students would

be funded on a fee-for-service basis through the nonprofit, if the charter school could not offer the fee-for service program. No further information about the relationship between the private program and public charter school was provided. As such, the Evaluation Team will not consider this information.

The original application did not provide any kind of structure regarding the relationship between the private preschool and public charter school. In the Request for Clarification, when asked about the relationship between the proposed private school and public charter school with regard to facilities, funding and staffing, the Mo'O response was, "Mo'O Foundation, to the extent that it must, will serve as a passthrough for tuition collected for the private preschool program (students age 3 and 4). Essentially, Mo'O Foundation may contract with Mo'O PCS to provide services to the 3 and 4 year old students and in return Mo'O PCS will receive whatever tuition is paid on behalf of those students. Mo'O PCS will deliver those services through its staff and facilities." The structure presented in the Request for Clarification is significantly different from the structure that is proposed now in their response.

The description of the private program continues to change, bringing new information to each concern raised by the review team. Still, important questions remain regarding pass through of tuition and allocation of related expenses. An important part of the entire school proposal has not been adequately explained. An acceptable application would clearly demonstrate how the applicant would prevent the comingling of public and private funds and would include policies and procedures regarding the sharing of the allocable expenses.

Evidence of Capacity.

The Evaluation Team focused the capacity section on the key members of the applicant's team, as requested. Based on the information provided in the original application and by those who attended the interview, neither Cori Simonsen nor Carla Pilato appeared to be key members of the team. The applicant had an extremely large governing board of fifteen members.

Finally, the applicant again provided new information in this section. Nowhere in the original application did the applicant state a desire to obtain Continuous Improvement status under the Strive HI Performance System. During the interview, however, the applicant did state that they would "push back" on the frameworks because the proposed school assesses in three-year cycles.

The Evaluation Team appreciates the effort and dedication the applicant has shown throughout the application process.