

NEIL ABERCROMBIE
GOVERNOR



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STATE PUBLIC CHARTER SCHOOL COMMISSION
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RECOMMENDATION SUBMITTAL

DATE: May 8, 2014

TO: Catherine Payne, Chairperson

FROM: Mitch D’Olier, Chairperson
Applications Committee

AGENDA ITEM: Action on Charter School Application for iLEAD Kauai Charter School

I. DESCRIPTION

That the Commission deny iLEAD Kauai Charter School (“iLEAD Kauai”) 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: iLEAD Kauai Charter School

Mission: iLEAD Kauai Charter School inspires lifelong learners with the skills to lead in the 21st Century. We empower students to become conscientious, responsible leaders and citizens of the world. Our programs cultivate creative thinking, by offering individualized instruction, active learning methods and opportunities for self-directed educational experiences.

Vision: The vision for iLEAD Kauai is that all students develop the knowledge, skills and confidence to succeed by mastering academic standards and cultivating a deep understanding of subject matter. Students will have a heightened awareness of endless possibilities for the future, and a

sense of how to navigate through those possibilities by asking the right questions, collaborating, and communicating effectively by asking the right questions and especially when confronted with the status quo.

Geographical Area: Central Kauai and/or East Kauai

Program Synopsis: iLEAD Kauai identifies its school model as specializing in arts, college prep, cultural focus, and project-based learning. iLEAD Kauai’s curriculum is project-based with a focus on college and career readiness, emphasizing entrepreneurship and 21st-century technological literacy. iLEAD Kauai will use constructivist theory teaching methods, which is based on the belief that students learn best through exploration and active learning, and develop leadership skills and social and emotional competence by practicing the Seven Habits of Highly Effective People.

Enrollment Summary

Grade Level	Number of Students					
	Year 1 2015	Year 2 2016	Year 3 2017	Year 4 2018	Year 5 2019	Capacity 2020
K	50	50	50	50	50	50
1	50	50	50	50	50	50
2	25	50	50	50	50	50
3	25	25	50	50	50	50
4	25	25	50	50	50	50
5	0	25	25	50	50	50
6	0	0	25	50	50	50
7	25	25	25	25	50	50
8	0	25	25	25	25	50
9	-	-	-	-	-	-
10	-	-	-	-	-	-
11	-	-	-	-	-	-
12	-	-	-	-	-	-
Totals	200	275	350	400	425	450

IV. BACKGROUND

On January 6, 2014, iLEAD Schools, a group of teachers and administrators, submitted a charter application for the proposed charter school iLEAD Kauai. The Evaluation Team assigned to the iLEAD Kauai 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 that attended the interview were Dawn Evenson, Deena Fontana Moraes, Amber Raskin, Denise Trentham, and Matt Watson.

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. Charter School Capital, Charter Schools Development Center, Charter School Management Corporation, Eduneering Inc., Santa Clarita Valley International (SCVi), and 97 concerned individuals submitted written testimony in support of iLEAD Kauai, including a petition with 212 signatures. Many of the addresses attached to the written testimonies are in California. Four applicant group members and six others provided oral testimony in support of iLEAD Kauai.

Recommendation Report.

The Evaluation Team recommends that the application for iLEAD Kauai be denied. The Recommendation Report states that the academic plan, organizational plan, financial plan, and evidence of capacity do not meet the standard of approval and summarizes that “a theme throughout the application was an apparent lack of understanding of Hawaii’s unique education environment.”

The report notes that the application does not demonstrate a strong understanding of Kauai and continually refers to California. Other key concerns about the academic plan include:

- An inadequate explanation of how instructional materials align with Common Core State Standards;
- A lack of demonstrated academic success at the two California charter schools currently managed by the charter management organization (“CMO”), iLEAD Development;
- The proposed school leader’s lack of experience with administration, curriculum and assessment, performance management, and overall instructional leadership; and
- An inadequate explanation of why the proposed school leader decided to partner with iLEAD Development instead of another CMO.

The report notes that many of the submitted materials are related to California, not Hawaii, and contain little applicable content on which to evaluate the application. Other key concerns about the organizational plan include:

- The applicant’s deficient understanding of Hawaii’s unionized environment and underestimating potential challenges in negotiating supplement collective bargaining agreements; and
- The independence of the governing board from the CMO, as members of iLEAD Development sit on the governing boards at the California iLEAD schools, and the CMO intends to provide the iLEAD Kauai governing board with an evaluation tool with which to evaluate the CMO.

The report states that the financial plan appears to have some incorrect assumptions, including:

- Overestimating the cost of utilities, which are based on California rates, exemplifying a lack of research on Hawaii’s economy in preparing the budget; and
- Underestimating certain costs during the start-up year.

Paired with a lack of identified private or government funding for the start-up year, the report states concerns that iLEAD Kauai would enter year one with a deficit, especially if enrollment does not meet projections.

The report states that the proposed school leader lacks capacity in the areas of school leadership, administration, governance, curriculum, instruction, assessment, and performance management. Further, the report states that the applicant did not satisfactorily demonstrate organizational and financial capacity, as the application “ignored or glossed over important considerations that would impact the school, such as the collective bargaining agreement and the fact that Hawaii charter schools are not nonprofit organizations but state agencies.”

Applicant Response.

The Applicant Response attempts to clarify some key concerns brought forth in the Recommendation Report but acknowledges that the application does not meet standards in some areas. Pages 14 and 15 of the response are attachments, which are prohibited in the Applicant Response guidelines; therefore, these pages are marked as “do not review” and should not be considered.

In regard to the academic plan concerns, the response:

- Notes that the proposed school leader was born and raised on Kauai, inferring that this demonstrates an understanding of Kauai as it relates to the application;
- Asserts that adjustments in the plan to cater to Hawaii, such as the discipline policy, special education, and English Language Learners were made;
- Notes that the application states that the curriculum is designed to cover the Common Core State Standards, and the response elaborates on how it is aligned;
- Suggests that the academic performance of the California iLEAD schools is limited due to being assessed on state standards other than the Common Core, which California apparently has recently adopted;
- Extols the proposed school leader’s qualifications; and
- Explains that no other CMOs were considered for the proposed school because the development of the application was a joint effort between the proposed school leader and the CMO.

In regard to the organizational plan concerns, the response:

- Acknowledges that materials submitted related to California instead of Hawaii and promises to revise the documents to be specific to iLEAD Kauai;
- States that it is premature for the Commission to expect adjustments to iLEAD Kauai’s plan prior to entering into supplemental collective bargaining agreement negotiations with the unions; and
- Explains that the CMO is willing to be an advisor rather than be represented on the governing board and that the concern about the evaluation tool is unwarranted, as any vendor may “ask clients to use [a specific tool] as a method to evaluate.”

In regard to the financial plan concerns, the response:

- Explains that the overestimation of operating expenses and facilities costs is a “deliberate conservative budgeting approach to ensure that the school will have sufficient operating capital;”
- Notes that “comprehensive research was conducted” in searching for available facilities;
- Notes that the applicant is “committed to keeping costs down;” and
- Suggests that obtaining the “proper facilities” would enable iLEAD Kauai to reach its projected enrollment numbers.

In regard to the capacity concerns, the response:

- Justifies the proposed school leader’s qualifications;
- Notes that the applicant has “initiated informal conversations” with local attorneys to assist in negotiating supplemental collective bargaining agreements; and
- Notes that charter schools in California, where the model in the application originates, are both state agencies and non-profit organizations.

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 Applicant Response includes new information, which the Evaluation Team cannot evaluate, about how the applicant intends to comply with Hawaii’s requirements, where the original application referenced California;
- Maintains that the application does not include “meaningful adaptations of its program to Kauai;” and
- Maintains that concerns remain about the “lack of demonstrated [academic] success” from the two California iLEAD schools.

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

- Notes that the “Evaluation Team was unable to determine whether the applicant could successfully translate the California model to Hawaii” because the application did not adequately explain how the California-specific documents would be adapted here;
- Contends that it is not “premature” to ask applicants about contingency plans and adjustments to the program should attempts to negotiate supplemental collective bargaining agreements prove unsuccessful; and
- Explains that the concern about the CMO evaluation tool is to caution that the governing board could be a “rubber stamp” for the CMO.

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

- Contends that the applicant’s overestimation of facility and utilities costs is the result of basing those costs on California rates and not using “due diligence” in preparing the budget;
- Notes that the Applicant Response introduces new information, which the Evaluation Team cannot evaluate, about specific facility sites, locations, and sizes, as the application did not contain any details;

- Notes that there are no figures in the start-up year budget and that the Evaluation Team was “unable to determine whether the applicant would be operating at a deficit going into the first year of operation;” and
- Notes that the applicant’s contingency plan requires iLEAD Kauai to obtain a line of credit, which, as a state agency, is likely prohibited, further demonstrating the applicant’s “lack of understand about regulations and restrictions on schools as state agencies.”

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

- Notes that the Applicant Response includes new information about the proposed school leader, which the Evaluation Team cannot evaluate;
- Notes that the Applicant Response includes new information, which the Evaluation Team cannot evaluate, about hiring local private attorneys but cautions that charter schools and their governing boards cannot hire private counsel unless a waiver is granted; and
- Contends that California charter schools are not state agencies, as claimed in the Applicant Response, like they are in Hawaii.

Applications Committee Meeting.

At the April 24, 2014 Applications Committee meeting, a concerned individual provided oral testimony in support of the application. Three proposed governing board members submitted written testimony in support of the application. The committee did not ask any questions before taking action to recommend the denial of the application.

V. DECISION MAKING STATEMENT

Introduction.

Scope of Commissioner Review.

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

Staff Recommendation Focuses on Key Points.

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

inclusion of these points in this submittal are intended to draw out the key points for an approval or denial of the application.

There is a lack of understanding about Hawaii's education environment and legal structure, including a lack of understanding about the scope and magnitude of adaptations that would need to be made.

The Recommendation Report notes several examples from the application in which the applicant demonstrates its lack of understanding of Hawaii's uniqueness, including using California terminology inapplicable in this state and developing a budget with facility and utilities costs based on California rates. This lack of understanding is even evident within the Applicant Response; for instance, in response to concerns about the lack of understanding of the challenges of negotiating supplemental collective bargaining agreements, the Applicant Response states, "we have already initiated informal conversations with two local attorneys who will help guide us through this process." In this example, the applicant fails to acknowledge that charter schools and their governing boards, as state agencies, cannot hire private counsel unless granted a waiver by the Governor. Yet, simultaneous to demonstrating an inadequate grasp of Hawaii's legal structure, the applicant glosses over and minimizes the differences between Hawaii and California by making statements like, "our conservative calibration and expectation is that in Hawaii, requirements, while different, are at least as complex as California."

In other instances, the applicant appears to be dismissive of issues that are significant challenges for many charter schools in Hawaii. For example, the Applicant Response states, "any presumed adjustments to [iLEAD Kauai's] plan or design is premature prior to conducting [supplemental collective bargaining agreement] negotiations and thus it is premature for the [Commission] to expect specifically laid-out adjustments." This suggests an under appreciation of the scope and importance of union negotiations, a difficult endeavor for any charter school.

Moreover, aside from a brief mention of Kawaikini New Century Public Charter School in the application, the applicant appears to be unaware of the programs offered at the four existing charter schools on Kauai. Indeed, the Applicant Response states, "[The Evaluation Team's concern about a plan that demonstrates a lack of understanding about Kauai] seems to reflect a preoccupation about a divergent approach to education. iLEAD Kauai will be different than any other educational institution on the island." While no doubt the proposed academic plan is unique in its own right compared to other schools on the island, a more informed applicant would have known that many essential aspects of its program, such as project-based learning and focuses on college and career readiness and culture, are similar to those found at existing Kauai charter schools. Instead, the applicant falls back on the proposed school director's history and connection to Kauai as evidence of a deep understanding of the island. However, that history, connection, and knowledge of Kauai were not apparent in the proposal.

Lastly, staff just notes the Applicant Response includes Hawaiian words that appear to be an afterthought rather than the result of a thoughtful and comprehensive adaptation of the curriculum to Hawaiian culture. Hawaiian words such as *alakai*, *aloha*, *ohana*, *kuleana*, *malama*, *pono*, *haahaa*, and *lokahi* appear nowhere in the application or Request for Clarification answers but are suddenly mentioned in the Applicant Response, giving the impression that the applicant is only including these words as an attempt to alleviate concerns about its willingness to adapt to Hawaii. However, the applicant does not acknowledge that the integration of Hawaiian culture could significantly

change the school's curriculum, and the adaptations proposed in the Applicant Response have not been reviewed by the Evaluation Team.

There are concerns about the capacity of the CMO given the demonstrated lack of understanding of Hawaii and the scope and magnitude of the adaptations that would need to be made.

Considering the previous point, iLEAD Development did not appear to do basic due diligence on Hawaii or Hawaii's legal and cultural background. On paper, iLEAD Development appears to have some of the necessary expertise and experience one would expect of experienced charter school operators. However, as a major part of the applicant group, the CMO has failed to demonstrate its capacity throughout the application process.

There are concerns about local capacity and autonomy given the proposed governance structure and operations centralized in California.

The applicant touts Ms. Moraes' capacity and her past residency in Hawaii as strengths. Ms. Moraes' background and connection to Hawaii, however, were not evident in the plan the application presented. This absence of a Hawaii imprint on the application raises more questions about the amount of input and impact the local school director and governing board would have in developing and operating the proposed school.

The academic performance of iLEAD Development's existing schools is weak.

iLEAD Development provides an explanation for this and argues that once California switches to Smarter Balanced Assessments, its test scores will improve. Staff believes it would be prudent to wait until the CMO can show a clear record of success before approving a school in Hawaii using the same model.

There appears to be community support for iLEAD Kauai.

Based on the testimony received at the public hearing, it appears that there is community support for the proposed school. While the addresses on much of the written testimony are based in California, many other pieces of written testimony, including a petition, appear to be from the community on Kauai.

Conclusion.

Staff agrees with the Evaluation Team that the applicant fails to demonstrate an understanding of Hawaii's unique education environment and legal structure. While some in the community appear to support this proposed school, there presently are serious concerns whether the CMO can adapt its model to Hawaii and specifically to Kauai. An apparent lack of local capacity evidenced in the application and questions of autonomy contribute further to these concerns. On top of all that, the CMO's model has not yet proven academic success in its own state. However, should the CMO's two California schools show successful student outcomes, staff would welcome it to submit another application with an adapted curriculum and plan in the future.

Staff recommends the denial of iLEAD Kauai's application. The Applications Committee agrees with this recommendation.

VI. RECOMMENDATION

Motion to the Commission:

"Moved that the Commission deny iLEAD Kauai Charter School 2013 charter school application."

Exhibit A

Recommendation Report for iLEAD Kauai



State Public Charter School Commission 2013 Recommendation Report

Charter Application for
iLEAD Kauai Charter School

Submitted by
iLEAD Schools

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

iLEAD Kauai Charter School

Applicant Name

iLEAD Schools

Mission and Vision

Mission: iLEAD Kauai Charter School inspires lifelong learners with the skills to lead in the 21st Century. We empower students to become conscientious, responsible leaders and citizens of the world. Our programs cultivate creative thinking, by offering individualized instruction, active learning methods and opportunities for self-directed educational experiences.

Vision: The vision for iLEAD Kauai is that all students develop the knowledge, skills and confidence to succeed by mastering academic standards and cultivating a deep understanding of subject matter. Students will have a heightened awareness of endless possibilities for the future, and a sense of how to navigate through those possibilities by asking the right questions, collaborating, and communicating effectively by asking the right questions and especially when confronted with the status quo.

Geographical Area

Central Kauai and/or East Kauai

Enrollment Summary

Grade Level	Number of Students					
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5	0	25	25	50	50	50
6	0	0	25	50	50	50
7	25	25	25	25	50	50
8	0	25	25	25	25	50
9	-	-	-	-	-	-
10	-	-	-	-	-	-
11	-	-	-	-	-	-
12	-	-	-	-	-	-
Totals	200	275	350	400	425	450

Executive Summary

iLEAD Kauai Charter School

Recommendation

Deny

Summary Analysis

The team recommends that the application for iLEAD Kauai Charter School (“iLEAD Kauai”) be denied. The applicant did not meet standards in any of the four areas.

A theme throughout the application was an apparent lack of understanding of Hawaii’s unique education environment. iLEAD Schools Development (“iLEAD Development”), the applicant and intended charter management organization (“CMO”), currently manages two charter schools in California, and the application often used California examples, but failed to explain how the California model would be appropriately adapted to Hawaii. For example, the academic plan included special education terms and positions used in California. In the organization plan, the applicant did not demonstrate an understanding that Hawaii charter schools are not private nonprofit organizations but are instead state agencies. Also, the applicant glossed over the challenges it may face in negotiating supplements to the collective bargaining agreement. The financial plan also showed that the applicant did not do due diligence regarding Hawaii’s economy when preparing the budget.

The aforementioned issues become more problematic when factoring in the fact that iLEAD Development would help operate the school from its California base, leading to questions of whether the applicant has the local capacity needed to start a new school. There are also questions regarding the relationship between the CMO to the local governing board.

Additionally, the academic performance of the two existing iLEAD Development in California is not strong, prompting questions as to whether the CMO is prepared to open a new school in another state.

The applicant does demonstrate a deep understanding of project-based learning and exhibits a sophisticated level of curriculum design. Their holistic focus on students and use of brain-based research is compelling. Finally, members of iLEAD Development demonstrate strong school leadership and management skills.

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

iLEAD Kauai Charter School

Rating

Does Not Meet the Standard

Plan Summary

The proposed school has a project-based learning curriculum. It will also develop leadership skills and social and emotional competence by practicing the Seven Habits of Highly Effective People. The school's program focuses on college and career readiness with an emphasis on entrepreneurship and 21st-century technological literacy.

Classes are expected to have an average of 25 students in multi-aged classroom; for example, grades may be grouped as K/1 and 2/3.

iLEAD Kauai employs constructivist theory methods based on research about how people learn. Constructive teaching is based on the belief that students learn best through exploration and active learning. The iLEAD model draws influence from research on brain-based instruction, and the applicant includes information about the research in the application.

iLEAD Kauai will work with a charter management organization called iLEAD Development, which currently manages two charter schools in California. The application includes many references to California; for example, the sample contract between the CMO and school is for a California charter school, and many of the policies also reference California law.

Analysis

The academic plan does not meet the standard for approval. The plan demonstrates a lack of understanding about Kauai. Although some aspects of the curriculum/instructional components appear strong, the applicant was unable to articulate the how its instructional materials aligned with Common Core. There are also concerns regarding the lack of demonstrated academic success of the other two schools managed by the CMO and the qualifications and capacity of the iLEAD Kauai's proposed school leader.

The applicant did not demonstrate a strong understanding of Kauai. The application continually refers (both implicitly and explicitly) to California; for example, the special education section of the plan is based on California law, and the community section included a Parent University in Spanish, with no explanation of its relevancy to Hawaii. While some adjustments to Hawaii might be minor (discipline policy, for example), others are more complicated (such as special education and English Language Learners). Also, the applicant did not fully acknowledge the fact that Hawaii charters are state agencies, not nonprofit organizations, as they are in California.

Additionally, continual references to California raise important questions about the ability and willingness of the applicant to adapt their model to Hawaii. These issues are more troubling because the CMO has not demonstrated academic success with its only two charters schools, which are both located in Southern California.

iLEAD Development's interest in Kauai stems largely from some personal connections to Kauai and to the proposed school leader. Personal connections aside, however, it is unclear why the applicant chose Deena Moraes as its proposed school leader. Her primary qualifications seem to be communication skills and local ties, but she lacks many essential qualities, including experience with administration,

curriculum and assessment, performance management, and overall instructional leadership. Although members of iLEAD Development appear to have the skills, experience, and capacity needed to implement the proposed program, they are based in California. This makes it even more critical for the proposed school to have a highly-capable leader on location.

Additionally, the proposed leader did not do any research about CMOs when deciding to work with iLEAD Development. There are many such organizations from which to choose and Ms. Moraes did not convincingly explain why iLEAD Development would be a better choice for Kauai than other CMOs.

Organizational Plan

iLEAD Kauai Charter School

Rating

Does Not Meet the Standard

Plan Summary

The iLEAD Kauai governing board was not identified at the time of the application. The applicant stated that the board would be installed within weeks of charter approval and that a vetting process would be used for members to ensure there are no real or perceived conflicts of interest. The applicant plans to recruit members with the skills and experiences needed to provide rigorous academic, operational, and financial oversight. The CMO will provide guidance and support for the board by helping it create bylaws and to assume its new duties. The intent is for iLEAD Development to continue an ongoing relationship with the iLEAD Kauai's governing board. iLEAD Development is based in California. It operates two charter schools in California and has experience in staffing, professional development, performance management, general operations, and facilities management.

The applicant stated that any deviations from the collective bargaining agreement would be negotiated in a supplemental agreement.

The board will use training and evaluation to continuously develop its efficacy. This will include input from school leadership and management, along with board members' self-assessments.

Analysis

The organization plan does not meet the standard for approval. While the CMO exhibits some strength in this area, there are significant concerns regarding the lack of understanding regarding Hawaii's unique environment, particularly with regards to collective bargaining. There are also questions regarding the independence of the proposed school's governing board.

Many of the materials submitted related to California, not Hawaii. Subsequently, the applicant suggested that these documents were "examples." However, these "examples" contain very little actual content on which to evaluate the application. Furthermore, while some changes may not be too difficult to make, the application made little, if any, note of the need for such changes to adapt material to Hawaii.

Also, some adjustments from California to Hawaii are likely to be far more difficult than the applicant assumes. For example, the applicant did not have a clear plan in place for adapting its model to Hawaii's unionized environment and underestimated potential challenges in negotiating needed supplemental agreements. iLEAD Development's other two charter schools in California are not unionized.

There also is a potentially troubling relationship between the CMO and governing board. Outside research by the Evaluation Team revealed that at other iLEAD Development schools, members of iLEAD Development sit on the school's governing board. Even though Hawaii law does not currently prohibit this arrangement, there are concerns regarding the independence of the governing board. During the interview, the applicant indicated a willingness to have CMO members serve as advisers rather than school governing board members, if needed. Still, the CMO intended to provide the board with a tool to evaluate the CMO, which begs questions of whether the governing board would have the autonomy and capacity needed to end the relationship with the CMO, if warranted.

Financial Plan

iLEAD Kauai Charter School

Rating

Does Not Meet the Standard

Plan Summary

iLead Kauai will operate under the guidance and oversight of iLead Development, its CMO. The school director, in collaboration with facilitators and the school board, will develop a budget for the upcoming school year. The proposed budget is submitted to the school board for review and approval. The school board develops policies to clearly articulate procedures for expenditures, reimbursements, and contracting services for audits, payroll, etc. Budget reports are updated and shared at regularly scheduled board meetings.

Analysis

The financial plan does not meet the standard for approval. While the CMO has the capacity to implement a sound financial plan, the plan appears to have some incorrect assumptions that. For example, the applicant overestimated operating expenses relating to facilities. The applicant acknowledged that they estimated the cost of utilities based on California rates, clearly exemplifying not having due diligence when preparing the budget to reflect Hawaii's economy.

The applicant also seemed to underestimate certain costs during the start-up year, preventing the review team and external financial review from determining the future financial outlook of the proposed school. The applicant has not identified private or government funding during the initial year, and there are concerns that the proposed school would enter into year one with a deficit. Should the proposed school not reach projected enrollment, there is significant risk that they would be in position of not being able to cover operational expenses.

Evidence of Capacity

iLEAD Kauai Charter School

Rating

Does Not Meet the Standard

Plan Summary

Key members of the applicant team include Dawn Evenson, Amber Raskin, and Deena Fontana Moraes. Dawn Evenson is the Executive Director of Education of iLEAD Development and has twenty-five years' experience in education, with expertise in K-8 curriculum, instruction, assessment, school leadership and governance. Amber Raskin is Executive Director of Business Development and Operations of iLEAD Development and has experience in school governance and business management. Deena Fontana Moraes is the proposed school leader. Ms. Moraes grew up on Kauai and has lived in Brazil for the past five years. She is currently an elementary teacher at Pan American School of Bahia in Salvador, Brazil and is pursuing a Master's in Educational Administration with the University of West Florida.

Analysis

The capacity of the applicant does not meet the standard for approval. In the application and in the interview, the applicant did not identify and demonstrate Ms. Moraes' capacity in the areas of school leadership, administration, governance, curriculum, instruction, assessment, and performance management. Ms. Moraes explained in the interview that she was "new to all of this" and demonstrated a clear lack of understanding of the qualifications and skills needed to run a school. Prior to the opening of iLEAD Kauai, Ms. Moraes plans to complete a year-long residency at an iLEAD school in California; it is unclear who will be able to manage start-up locally, if the application was approved.

Ms. Evenson and Ms. Raskin demonstrate evidence of their school leadership and management qualifications, but the school leadership seems to be lacking in areas of organizational and financial capacity, as they fail to demonstrate capacity to start and manage a school in this state and seem to have underestimated the challenges of starting and managing a school remotely. In many areas, the applicant's use of California examples within the application showed a lack of initiative and failure to demonstrate the applicant's capacity to successfully replicate its model in Hawaii. At times, the application ignored or glossed over important considerations that would impact the school, such as the collective bargaining agreement and the fact that Hawaii charter schools are not nonprofit organizations but state agencies.

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 iLEAD Kauai

Introduction:

iLEAD Kauai encourages the Hawaii State Public Charter School Commission to approve our application to open a high performing 21st century charter school for the students of Kauai. Our experience and recognition in operating successful schools have resulted in several accomplishments, including the highest accreditation status from WASC (Western Association of Schools and Colleges.) We have a passion for creating schools that look like life to teach children the skills that they need to thrive in the world. We also have a school leader who has a passion for her beautiful island of Kauai and the children who so desperately need educational alternatives there. We are highly supported by the local Kauai community and hope that we will gain the support of the commission as well.

Although we understand the concerns outlined in the report, we believe that in a number of cases we actually meet or surpass the requirements and intent of the State of Hawaii. In the other areas of concern, we are willing to work to the satisfaction of the Commission to meet the needed standard.

Executive Summary:

A theme throughout the application was an apparent lack of understanding of Hawaii's unique education environment.

Our school director, Deena Fontana Moraes, was born and raised on Kauai. She began her journey through Hawaii's unique education environment at three years of age and continued through every level of schooling, including graduate level training at The University of Hawaii-Manoa in the area of Education. Deena also worked at several schools in the islands including Thomas Jefferson Elementary School, Farrington High School, Kaimuki High School, Kauai High School and Waimea High School. Although this may not have been communicated clearly in the RFA, Deena understands Hawaii's unique education environment intimately. Her desire to open iLEAD Kauai stems from an understanding of the educational options available and a passion to create positive innovations within that environment. The iLEAD Kauai team also includes governing board member, Paul Zina, a respected local administrator in the Hawaii public schools with a reputation for innovation and achievement, as well as many other committed local community members.

The application often used California examples, but failed to explain how the California model would be appropriately adapted to Hawaii.

We have found that the iLEAD school model is highly adaptable to Hawaii. The key to our school culture is our curriculum designed to fit each individual learner's unique experience. Curricular components such as Project-Based Learning, Design Thinking and Entrepreneurial Development are intended to help the learner grow and learn through life experiences. Other components of our curriculum are universal, such as international learning, leadership and social-

emotional development. These features are relevant in any context and equate success for the individual, and the world. Although we feel that our charter is a good fit in any location, given our focus on building strong community ties and environmental consciousness, it is an especially good fit for Kauai.

Our Character Education model will begin with Covey's "The Leader in ME" and expand to embrace Hawaiian principles of ethics that constitute the framework of Aloha. Our iLEAD Kauai community will be made up of a different population of people than the population in California and we will encourage all stakeholders to share their talents, passions, education, and interest with our school community. People have already come forward to offer help to create sustainable school gardens, teach yoga, and implement organic cuisine in our kitchen. Finally the "i" in iLEAD, that represents international education, will begin with a thorough investigation of Hawaii's unique and rich culture and branch outward. iLEAD Kauai's school motto is "With roots in the islands and wings for the world."

The applicant did not fully acknowledge the fact that Hawaii charters are state agencies, not nonprofit organizations, as they are in California.

As our model school originates in California, charters there are both state agencies as well as non-profits. Our intention is for iLEAD Kauai to be in compliance with Hawaii State Law and charter school requirements.

Also, the applicant glossed over the challenges it may face in negotiating supplements to the collective bargaining agreement.

Hawaii's unionized environment will need to be negotiated and is unlike any other jurisdiction. iLEAD will need to conduct negotiations step by step in relation to the school design to ensure proper operations of the school. We have already initiated informal conversations with two local attorneys who will help guide us through this process and are joined by a team members has also been on negotiation teams with the union. The largest factor to keep in mind in these negotiations is that, iLEAD Kauai will honor its teachers, and create gratifying and fulfilling jobs in Education for Kauai.

The aforementioned issues become more problematic when factoring in the fact that iLEAD Development would help operate the school from its California base, leading to questions of whether the applicant has the local capacity needed to start a new school.

Although several years ago, this may have been an issue, technology and travel have advanced in a way to close the gap of physical distance. Many businesses now facilitate communication through the use of these technologies and are able to conduct their affairs over a distance far greater than the distance between Hawaii and California. Take General Electric, for example, ranked by Forbes 2000 as the fourth largest company in the world. Although their headquarters are located in Fairfield, Connecticut, GE effectively conducts business in over 130 countries around the world. The key to their success is something similar to what we will model at iLEAD

Kauai; strong leadership and an active local network, paired with solid company culture, and innovative communication technologies. iLEAD Kauai not only teaches 21st century technological fluencies but also implements these skills on a daily basis.

The single most important factor of success with remote operations is building a strong local team who believes in the vision and is willing to roll back their sleeves to get the job done. Our iLEAD Kauai local team is growing in size and strength as Kauai residents continue to advocate having our school available for their children. (Please see testimonials- <http://www.ileadkauai.org/testimonials/>) This local group was so dedicated and capable that under Deena Fontana Moraes' leadership, they were able to organize a public meeting for over 100 people, collect over 200 signatures on a petition, and gather countless testimonial letters in support of the school.

Robert and Nicola Sherill are two people on the local team. The Sherrills run a web design company on the island and are parents of pre-school aged children. As much as they love Kauai, they contemplate leaving the island when their daughters are ready to start school because of the limited educational options available there. In order to make iLEAD Kauai available to their children, they dedicated countless hours volunteering to create and manage our website <http://www.ileadkauai.org/>. The Sherills are one of many other Kauai families who are committed to the iLEAD Kauai vision and plead with the commission to grant our request.

Academic Plan:

The plan demonstrates a lack of understanding about Kauai.

Having a director to lead our school whose substance was formed by the dust of the island and whose very nature was molded by the people and reality of Kauai, it is obvious that this concern is about something different than understanding of Kauai culture. Instead, this concern seems to reflect a preoccupation about a divergent approach to education. iLEAD Kauai will be different than any other educational institution on the island. However, our director, who was born, raised and educated on the island, will have no difficulty adapting the iLEAD system to the realities of Kauai. Our school will resemble the real world and we will teach skills that are deeper than what other schools are currently teaching. Although the existing system works for some learners, it does not work for many others and we are passionate about providing alternative options for the children who need a different set of challenges and opportunities for creativity; students like our director who only became excited about education and learning after being exposed to alternative models that differ from the model currently upheld by Kauai's predominant education culture.

Although some aspects of the curriculum/instructional components appear strong, the applicant was unable to articulate how its instructional materials aligned with Common Core.

In our application, we stated that all our projects and our curriculum were carefully chosen and designed to cover the Common Core Standards as a statement about what we are committed to and what we actually do. Further explanation might have been supplied that as common practice in true implementation of project-based learning, education standards including the Common Core Standards and 21st century skills are mapped as learning outcomes into each and every project. Each project not only introduces new standards as part of learning outcomes but also previously covered standards are looped as well. The result of all projects combined is that each standard is covered multiple times. For this reason, it is shown that students retain a deeper understanding of content through the use of project-based learning. Each project has rubrics to evaluate the degree to which the student has demonstrated deep understanding of content knowledge and skills related to the standards. Furthermore, our learners are continually required to adjust and respond to a wide variety of audiences and tasks and to effectively employ 21st century technology skills and resources. We also teach and encourage independence and interdependence through empathy and reflection of other perspectives and cultures.

In teaching mathematics and problem solving, for example, iLEAD uses an integrated approach. Facilitators develop learners' abstract thinking abilities. They seek multiple approaches, using models (physical, visual and abstract) and simulations to explicitly develop deep understanding of how mathematical concepts apply to diverse situations. Using an inquiry approach, students grapple with real world challenges leading to growth in perseverance and grit.

We have achieved this alignment with Common Core through the careful selection of texts (such as "Singapore Math"), instructional programs (such as "Daily 5" language arts program and Inquiry Maths), and the coordinated professional development of staff.

There are also concerns regarding the lack of demonstrated academic success of the other two schools managed by the CMO

Since 2010, iLEAD curriculum has been aligned to the Common Core Standards. However, by state mandate, our students have continued to be assessed on California Content Standards. The state of California has recognized the limitation of this assessment system and has adopted the Smarter Balanced test based on Common Core Standards. Our schools are ahead of the curve in common core instruction and that will soon be evident through a test that is more closely aligned with our curriculum. In validating our school design, our founding school was just awarded Six-Year Accreditation Status, the highest accreditation offered by WASC (Western Association of Schools and Colleges).

The application continually refers (both implicitly and explicitly) to California; for example, the special education section of the plan is based on California law, and the community section included a Parent University in Spanish, with no explanation of its relevancy to Hawaii.

Our intention is to be in full compliance with Hawaii law regarding special education. More importantly, we are committed to addressing the needs of our students in order to ensure their success. Our California expertise in complying with special education mandates, which is more onerous in structure and nearly identical in process, we view as a positive. We are still learning terminology that Hawaii uses and some of the process and procedural differences—but these are all resolvable as we prepare for school launch and work collaboratively with the area special education support unit. For example, the Operation Search (referred to in California as Child Find), ELL and IEP are nearly identical. Our conservative calibration and expectation is that in Hawaii, requirements, while different, are at least as complex as California. In addition, both states share the common mission to comply with Federal IDEA guidelines. We are committed to providing care as required by law and in some case exceeding those standards for students with special needs. We should be approved on the basis that we will comply with the requirements of Hawaii and have full capability and experience in providing effective special education support for our learners. As far as “Parent University in Spanish,” this was intended to be an example that shows our ability to meet whatever the customers linguistic needs are, whether they be Spanish, Tagalog, Ilokano or any other.

While some adjustments to Hawaii might be minor (discipline policy, for example), others are more complicated (such as special education and English Language Learners).

Hawaii Adjustments- Discipline policy

The iLEAD Kauai discipline policy will emphasize a positive approach in which the student is gradually led to self-discipline. To this end, we will create opportunities for our students to learn problem-solving skills and conflict resolution strategies to help them navigate through their lives and mitigate the need for disciplinary practices. In the circumstances in which disciplinary actions are necessary, we value the principles articulated in Chapter 19- Hawaii Administrative Rules Title 8, Department of Education. However it is necessary to note that our school will look different than other schools in the area. Our children will not be seated in straight rows and asked to listen to lectures and power point presentations. Rather, they will be organized into groups and actively engaged in work on projects.

Hawaii Adjustments – SPED

Exhaustive research examining the effectiveness of “pull-out” programs vs. inclusion have concluded that students whose needs can be addressed within the general education setting score higher on academic assessments and exhibit greater socially appropriate behaviors. The movement in Hawaii and across the rest of the country is to employ a comprehensive response to intervention (RTI) approach. In addition, co-teaching opportunities with special education and general education facilitators allows facilitators to truly understand and address the needs of all learners. This is the essence of our belief at iLEAD Kauai: all students can and will learn in an enriching environment that is stimulating and focused on the application of skills and the

discovery of talents. We feel a strong moral imperative to work collaboratively with parents and students to not only develop an individualized education plan that meets the intent of the law, but actually supports the student's access to engaging learning activities and allows them to be successful. Our teachers are highly trained in collaborative teamwork that addresses the needs of the whole child: academic, social, emotional, physical, mental, and aesthetic. We will work diligently and meaningfully with the special education team members, parents and students to ensure that each of our students is empowered to achieve to their fullest extent.

Hawaii Adjustments- ELL

The iLEAD Kauai ELL program will be aligned with Title III of the No Child Left Behind Act of 2001. Our ELL students will attain English proficiency, and meet the same challenging academic standards all students are expected to meet. iLEAD Kauai services provided through the ELL Program will also implement the requirements of Title VI of the Civil Rights Act of 1964 prohibiting discrimination on the basis of race, color, or national origin in programs and activities that receive federal funds. iLEAD Kauai will also be in compliance with Title VI and its regulations requiring that ELL students are able to participate in, or benefit from, regular or special education instructional programs. The standards that will guide our ELL instruction will be Common Core, HCPS III, and WIDA. ELL Learners will be tested annually through the use of the WIDA- Access Placement Test to monitor progress towards their goals.

Additionally, continual references to California raise important questions about the ability and willingness of the applicant to adapt their model to Hawaii.

In any scenario where a model is being adapted to a new place it is important to clearly define negotiable and non-negotiable factors of the model. By defining negotiable factors, the model creates room for adaptation to the new context. By defining non-negotiable factors, the model preserves its essence. It is our understanding that in Hawaii, as well as in the mainland, many challenges with charter schools have revolved around maintaining this delicate balance. For this reason we have outlined the qualities that iLEAD will retain in order to uphold the principles of our proposal and, the qualities where we encourage adaptation in order to make the model relevant thus empowering Kauai citizens to take ownership and make iLEAD their own school. Please see the table below:

What makes iLEAD who we are	Why/how this is adaptable to Kauai
Project-Based Learning – iLEAD is pioneering a strong PBL curriculum in K-8.	By the very nature of project-based learning, the curriculum is centered on the specific realities and culture of the individual school.
Social-Emotional Curriculum – We use a holistic approach to educating our	The social-emotional curriculum used at iLEAD includes specific programs that may also be adopted by iLEAD Kauai, but the

learners, focusing not just on their academic growth but their entire being.	school will develop their own components centered on Hawaiian culture and ethics.
Individual Learning Plans – We differentiate the educational program for each and every learner via goals set in the Individual Learning Plans that are written and maintained by the learner, facilitator and parent.	This is a component that allows for the complete input from the child and their family, therefore tailoring our approach to each child, regardless of their background.
Community Connection – iLEAD schools develop strong connections to the community, drawing heavily on parent ambassadors and volunteers, working with local leaders (educational, political, business, etc.) both on campus and off, and focusing on giving back to our community (“Pennies for Patients,” “Habitat for Heroes,” “Relay Recess for Life,” “One Day Without Shoes,” and many others).	iLEAD depends on the local community to be an integral and living part of our schools’ programs. The schools also reach out to contribute to the community in many ways. This, more than any other factor is what makes each iLEAD school unique and develop its own identity.
Cultivating Leaders – iLEAD continually strives to build leadership capacity in its learners, staff, and families, encouraging all to find and develop their leadership qualities through formal programs (“The Leader in Me,” Leadership Notebooks, Student Ambassadors) and day-to-day practices.	Leadership is a universal skill that applies to every facet of our lives. At iLEAD we seek to inspire our learners with the skills to lead in the 21 st century. Honoring culture, environment and background develops ownership and values the unique contribution each one brings to the learning environment. iLEAD Kauai will expand our leadership concept to community building through Alaka’i which includes coaching, guiding and mentoring others to support growth and self-development. Alaka’i is all about <i>leading with care</i> for others.
7 Habits Instruction – Learners, staff and families receive continual instruction and training on The 7 Habits of Highly Effective People/Teens/Kids	The premise of Steven Covey’s <u>The 7 Habits of Highly Effective People</u> is also something that bridges all communities. The instructional focus is tailored to learners by their stage in life – 7 Habits for Happy Kids, or <u>The 7 Habits of Highly Effective Teens</u> . iLEAD Kauai will begin there and extend connections with Hawaiian values such as Aloha, Ohana, Kuleana, Malama, Pono, Ha’aha’a, Lokahi and others.

Creativity and the Arts – iLEAD values a strong fine and performing arts education, including visual arts, theater and music as an integral part of a strong academic curriculum, developing creativity and abstract thinking.	We feel that this is an important part of a child’s education in any setting and is easily adaptable to any educational setting, with its particular talents and resources. The richness of the Hawaiian culture as demonstrated through music, dance, artisanal crafts and unique visual arts will be valued, celebrated and integrated throughout the curriculum.
Service Learning – iLEAD develops a great deal of service learning projects through classroom projects as well as student-driven initiatives, creating a strong sense of global citizenship.	A 21st century leader is a giving member of his community. Each iLEAD school, group and individual is given choice as to how and to which causes they give their time and support and these choices will be influenced by the reality on Kauai.
21st Century Technological Skills – iLEAD’s curriculum demands that learners develop strong research and technical skills using current technology supported by its heavy investment in materials and infrastructure. Technological literacy is developed reflective of a real world model where technology is used throughout the day to accomplish tasks, gain knowledge, and communicate effectively with diverse audiences.	In order to succeed in the current environment, our learners will need to be technologically self-sufficient in any field. This simply becomes a tool that then adapts itself to any setting, need and resources available.
Voice and Choice – Our learners (as well as the rest of our community) are included in many aspects of decision-making, from being given choice in their classroom projects to representing the school publicly.	This is the very premise that makes iLEAD schools so adaptable. It gives each site its own unique identity and culture that reflect both iLEAD Schools and the local community.

Deena Moraes is the proposed school leader. Her primary qualifications seem to be communication skills and local ties, but she lacks many essential qualities, including experience with administration, curriculum and assessment, performance management, and overall instructional leadership.

Deena has been a teacher leader at a SACS accredited international school in Brazil, The Pan American School of Bahia, which offers bilingual instruction. Her time in this environment has given perspective to her career in education and an inspiration to bring new ideas back home to Hawaii. As stated in our application, “At the Pan American School, Deena has been involved in several aspects of school management such as strategic planning, curriculum development, Positive Behavior Support Systems, scheduling, accreditation, faculty evaluation and sustainability. Deena currently holds an MA in Education and is pursuing an M.Ed. in Educational Administration.” Our team has chosen Deena because she exemplifies the qualities that we look for in a leader. These qualities are ethics, confidence, communication skills, positive attitude, adaptability, creativity, a sense of humor and an ability to inspire. These qualities do not come in the form of a certification or title. However, Deena’s leadership experiences do form the essential qualities for overall instructional leadership of iLEAD Kauai. Furthermore, she will attend an iLEADership Residency program at one of our iLEAD Schools before opening the doors of iLEAD Kauai.

Leadership : Leadership is related to the ability to communicate, delegate responsibility and inspire people. Deena has utilized these skills throughout the application process to inspire her Kauai community. In her current role at PASB, she utilized these skills to establish a holistic school-wide Character Education program that did not exist before her team started their work. This program evolved to reflect the school values that were defined by the Strategic Planning Committee, in which Deena has also taken an active role. Deena organized the Character Education committee which designed Positive Behavior Support Systems and discipline systems, as well as professional development training. Her efforts were so well received that she presented her work on Conflict Resolution Strategies at the International AASSA Conference held in Quito, Ecuador in 2012.

Administration: Deena also was responsible for creating a summer program called Academy Kids. This initiative came about entirely from her individual efforts and the efforts of the team that she built. Two years ago, the school experienced an excessively long summer break as a result of anticipated construction at the school. Realizing a need for parents to be able to have safe and stimulating activities for their children, and a need for students to maintain bilingual language skills, Deena created Academy Kids. Deena managed all administrative aspects of the program including planning, budgeting, evaluation, advertising, curriculum and community relations. The program just completed its second year and has received several accolades from the student, parent and wider school communities.

Governance: Deena has already begun to assemble a top-notch board for the school that includes individuals from Education (Paul Zina- Administrator at Wilcox Elementary School and Becky Downey- School Reform Specialist), Law (Hartwell Blake- Former Kauai County Attorney) Business (Thomas Lambert- Owner of Kauai Guardian Storage), and Accounting (Steve Oberg-Oberg & Free CPA). iLEAD Kauai also has received the support of House District 15 Representative, Derek Kawakami.

Curriculum: Deena not only has completed Master's level coursework in Curriculum Development but has also been a key figure in articulating the curriculum at her current school. She has helped developed Scope and Sequence of curriculum objectives in alignment with Common Core Standards. She also worked to align standards vertically and horizontally with other subjects and other grade levels. Finally, Deena has taken an active role in implementing AERO Social Studies Curriculum and The Next Generation Science Standards into the Curriculum at her current school.

Instruction: Deena has effectively taught K-12th graders throughout her career in education. She earned a Post-Baccalaureate Degree from the University of Hawaii in ELL Practices, a Master's degree from The University of Alabama in Elementary Instructional practice, and is currently pursuing an additional M.Ed degree in Educational Administration.

Assessment: Deena plays a key role in implementing standardized assessments at her school. She uses the data collected to drive her instruction throughout the year. Her experiences have included practice and exposure to DIBELS, MAP, ERB, and WIDA. Deena has also begun researching and learning more about the Hawaii State Assessment system.

Performance Management: Deena lead the Teacher Evaluation Committee that was responsible for implementing the American Association for Schools of South America Teacher Performance Evaluation System at the Pan American School of Bahia. Under her leadership, this committee evaluated the AASSA performance management system and ultimately made a decision for school-wide implementation. She also hired and evaluated her teachers at the Academy Kids program to provide constructive feedback and support for improving performance.

Although these factors each individually contribute to her qualifications to run our school, the reason that we have chosen Deena is because she is a true leader. Deena's actions inspire others to be more than they are today by working together to create a better future for the children and families of Kauai tomorrow.

Additionally, the proposed leader did not do any research about CMOs when deciding to work with iLEAD Development. There are many such organizations from which to choose and Ms. Moraes did not convincingly explain why iLEAD Development would be a better choice for Kauai than other CMOs.

This was a collaborative effort as a joint vision between Deena and iLEAD to create a school for the children of Kauai. iLEAD's "Montessori-like" school design was exactly in alignment with this vision. Obviously as a joint development process, no other CMOs were considered.

Organizational Plan:

The iLEAD Kauai governing board was not identified at the time of the application.

Since the time of the application we have seated several key local figures on our board including the list of people mentioned above. Although the iLEAD model comes from California, iLEAD

Kauai will be a local school with local teachers and a local governing board.

Many of the materials submitted related to California, not Hawaii. Subsequently, the applicant suggested that these documents were “examples.” However, these “examples” contain very little actual content on which to evaluate the application. Furthermore, while some changes may not be too difficult to make, the application made little, if any, note of the need for such changes to adapt material to Hawaii.

iLEAD Kauai will utilize California models to create our own materials and documents. Having the California samples will give us great guidance as we do so. Transforming these documents to reflect the specifics at iLEAD Kauai will be one of the activities that we will be engaged in over the next 1½ years as we prepare to open our doors to the Kauai community.

Also, some adjustments from California to Hawaii are likely to be far more difficult than the applicant assumes. For example, the applicant did not have a clear plan in place for adapting its model to Hawaii’s unionized environment and underestimated potential challenges in negotiating needed supplemental agreements. iLEAD Development’s other two charter schools in California are not unionized.

Hawaii’s unionized environment serves to ensure an outstanding learning environment for students while providing protections and support for facilitators. iLEAD Kauai will conduct negotiations step-by-step in relation to the school design to ensure proper operations of the school. However, any presumed adjustments to iLEAD’s plan or design is premature prior to conducting these sensitive negotiations and thus it is premature for the Hawaii Public Charter School Commission to expect specifically laid-out adjustments. Our goal is to implement the iLEAD school design with as much fidelity as possible subject to concessions that may occur during negotiations.

There also is a potentially troubling relationship between the CMO and governing board. Outside research by the Evaluation Team revealed that at other iLEAD Development schools, members of iLEAD Development sit on the school’s governing board. Even though Hawaii law does not currently prohibit this arrangement, there are concerns regarding the independence of the governing board. During the interview, the applicant indicated a willingness to have CMO members serve as advisers rather than school governing board members, if needed. Still, the CMO intended to provide the board with a tool to evaluate the CMO, which begs questions of whether the governing board would have the autonomy and capacity needed to end the relationship with the CMO, if warranted.

The iLEAD Schools Development CMO has already stated that we are willing to have its members sit as “advisors” of the board even though having its representatives sit on the board is technically “allowable by law.” However, even if iLEAD had board representatives, conflicts of interest policy would dictate that those members would need to recuse themselves from votes and even discussion of matters related to the CMO. This would seem to accomplish and satisfy the concern raised. The concern about the CMO providing the board with an evaluation tool that

would compromise its autonomy is unwarranted. Any vendor could supply an evaluation tool and ask clients to use it as a method to evaluate. It does not mean that the board has to use the evaluation tool provided. If the evaluation tool is delivered up front and is objective in looking at areas of whether the CMO has fulfilled its obligations and provided the support promised, this would be a good tool. In other words, agreeing up front about the criteria by which the CMO is to be evaluated would benefit not only the school but also the Hawaii Public Charter Schools Commission in having a more objective evaluation method and a method to end the relationship if warranted.

Financial Plan:

While the CMO has the capacity to implement a sound financial plan, the plan appears to have some incorrect assumptions. For example, the applicant overestimated operating expenses relating to facilities. The applicant acknowledged that they estimated the cost of utilities based on California rates, clearly exemplifying not having due diligence when preparing the budget to reflect Hawaii's economy.

Over-estimating operating expenses and facility costs is our deliberate conservative budgeting approach to ensure that the school will have sufficient operating capital. Too many charter schools tend to go the other way and under budget for these cost items. Until facilities have been fully negotiated and contracted, cost of those facilities and operating costs may vary tremendously if for some reason we had to search for second and third options. It is better to be conservative.

Furthermore, comprehensive research was conducted in a search for optimal, available space for lease and/or purchase. Four facilities are currently available and were used to develop cost estimates for space and utilities. Negotiations would firm up all costs for leasing as well as site improvements. Three sites are in the Lihue area. Site 1 has 15,000 square feet of space. Lease rate is \$15.60 per square foot with additional costs for CAM and utilities. Annual lease cost, including utilities, is \$300,000. Site 2 has 8,670 square feet of space. Lease rate is \$29.16 including CAM and utilities for an annual cost of \$252,817. This site would not be large enough to accommodate the school at full capacity. Site 3 has 22,300 square feet available with a lease cost of \$114,399. However, it is actively being marketed for sale with an asking price of \$1.95M and needs a great deal of refurbishment, which the current owners are unwilling to cover. Unless we entered into a lease/purchase agreement, it is likely we would find ourselves making capital improvements to the site then moving within a year. Site 4 is in the Kilauea area, outside our desired zone. The 10,300 square foot site is leasing at \$25.50, plus RP tax and utilities, for an annual cost of \$294,003. The amount budgeted is \$346,200 which covers leasing and utilities. In our experience with our other two schools, prudent planning necessitates allowing for contingencies in site improvements, utility agreements, and other unforeseen issues that arise when converting space to accommodate educational needs. Overestimates for the 3 sites that would require the least, albeit substantial, improvements range from 13-27%. The most desirable property has the lowest lease cost but requires a great deal of site improvements.

While the overestimate on leasing was 65%, the bulk of the budgeted balance (\$231,802) would need to be applied to improvements and/or put towards the purchase price of the building. Sites 1 and 3 may be able to accommodate our needs at full capacity, making them highly desirable. To support our site needs, we are working in collaboration with Milo Spindt, a highly experienced broker with Kauai Realty, who has pledged support of iLEAD Kauai in assisting us with site acquisition and improvement negotiations. In addition, we have entered into partnerships with two local attorneys and are actively seeking referrals for reliable contractors in anticipation of our authorization.

The applicant also seemed to underestimate certain costs during the start-up year, preventing the review team and external financial review from determining the future financial outlook of the proposed school. The applicant has not identified private or government funding during the initial year, and there are concerns that the proposed school would enter into year one with a deficit. Should the proposed school not reach projected enrollment, there is significant risk that they would be in position of not being able to cover operational expenses.

\$1.2 million startup funding as an overall number is a middle-of-the-road average cost of launching an elementary-level charter school in the western states when compared to other CMO schools and should be more than sufficient—the big variable being facilities costs. Some CMOs have higher numbers primarily from a high CMO overhead in school development costs. This is not the case with the iLEAD structure. We are committed to keeping costs down while offering a quality, engaging learning environment. To this end, once authorized, we will explore all possibilities for housing our school, including using facilities such as church meeting spaces which are not utilized during the week, leasing available classroom space at public or private schools, or entering into partnerships with community centers that are available during school hours. The driving factors are being able to offer high quality education using the most cost-effective means possible. iLEAD Schools Development, our CMO, has a well-earned reputation of finding creative solutions that benefit the learners as well as the bottom line. We will bring this experience to work collaboratively with the community to ensure our children attend school in a safe space that meets their needs.

Achieving lower than expected enrollment figures for the beginning years of any charter school would be challenging and potentially put a charter school in a position to not be able to cover operational expenses. This is why having the proper facilities that the community and parents feel proud of along with strong community relationship building and student recruitment/marketing efforts are so important—which is a strong skillset of the iLEAD team. We already have several families who are committed to enrolling their children in iLEAD Kauai. In addition, we have a strong marketing plan aimed at building relationships within the central and eastern Kauai communities during the 18 month period prior to opening to ensure that our enrollment is solid and our financials are balanced.

April 3, 2014

To The Public Charter School Commission of Hawaii,

I am writing this letter as a board member of the iLEAD Kauai proposed charter school for the island of Kauai. Having been vice principal and acting principal of a number of well-respected public schools on the island, I am always looking for new ideas to infuse into our community. I first came across the iLEAD Kauai Charter School proposal in a presentation at our Kauai Lodge of Free and Accepted Masons and was deeply intrigued by the ideas and approaches of iLEAD. I also attended the public meeting held on the island and was pleasantly surprised to see such a wide turn out of important community members who were present to learn more and lend their support to the project. As I shared with Deena, there was significant positive sentiment in the room that night and an overwhelming response that Kauai was ready for this new school alternative amongst the many people present.

As an educator and administrator with a long-standing record on the island, I was initially cautious about lending my support, but as I learned more about the project and about the successes that they experienced at their other schools, I was infused with enthusiasm for a well-structured system for project-based learning that is so needed on the island. The iLEAD ideas and approaches deeply resonate with my beliefs in public education and with the needs that we have on the island to provide free and appropriate alternative learning options. With all of this in mind, I am enthusiastic to lend my support to the iLEAD Kauai governing board. I am confident that although the iLEAD project originated in California, the structure of their system will be easily adapted to the reality of our island and our state.

I am even more confident to lend my support to the project after observing Deena Fontana Moraes' leadership abilities and style. Deena is a talented and articulate local Kauai girl who left the island to gain education and experience in the global community. She is passionate to return to her home and dedicate her energy and efforts to create the very best institution possible for our kids. Deena was my teaching colleague at Waimea High School and has deep roots on our island. Due to the fact that she has spent the last several years working in an international school environment, one way that I believe that I can support the iLEAD Kauai effort is by helping to advise the team about the intricacies of our current Hawaii DOE system.

On behalf of the island of Kauai, I urge the board to approve the iLEAD Kauai proposal for the next school year.

Please feel free to contact me if you should have any questions.

Sincerely,



Paul Zina
Public School Administrator

To the State Public Charter School Commission:

As a board member of the newly established iLead Kauai school proposal, I wanted to offer to you my thoughts about Deena Fontana Moraes and her ability to be an effective leader. I have known her for over ten years. During this time she has proven herself to be highly competent in organizing and establishing vital programs. When she was a college student, she won a Kauai Rotarian scholarship to continue her education abroad. She was sent to Brazil for her studies; and the two requirements for the scholarship were her participation as a goodwill ambassador for the Rotarian program and to finish her studies, both of which she fulfilled. However, while she was there she identified a dire need for water among one of the outlying villages. At the time, the people of the village had to walk many kilometers a day to access water; and because of a lack of modern conveniences, they had to carry water back to their village. It was quite an ordeal, and it was how it had been done for the people of the village for centuries. Because of that, there may have been apathy by local leadership to institute modern conveniences for that particular village. Deena was horrified by it, and was alarmed about the health safety of the people of the village. She knew that as a consequence of the difficulty in obtaining the water, the village people were often sacrificing their health by drinking untreated water. Therefore, she led a movement among the local Rotarian group to advocate for installation of necessary water infrastructure for the village. She was instrumental in creating a system whereby the people of the village have water to this day. This was truly heroic, and it shows a level of leadership through persistence, positive action, and the necessary follow through to see it to fruition. It also demonstrates how she was able to motivate and engage the local leaders, who come from a different culture, to a cause she felt passionate about.

Deena has often exemplified a concern for her community and has shown compassion to those who are often forgotten. Another example of those exhibited traits I would like to mention is when she noticed that the children of Salvador, Brazil were left unattended when not in school. In particular, during the extended break between school years the children would lose an academic footing but also occupied their time in environments which were unsafe. Deena saw a need in the community for an academy which would be devoted to children so they could go on a continual and regular basis to learn and play, within the safety of a controlled environment. She established such a program, arranged for the funding, and created the organizational support so that this program is offered annually. It has grown in size and participation, to this day, and the results of success has lead others to study it for the replication of it elsewhere.

I find both these programs to be amazing and a benefit to the intended communities. They demonstrate Deena's creativity and energy in solving problems locally. I believe strongly that she could lead a team to create an inspiring, lively, and academically focused school program here on Kauai, using the same skills that she successfully implemented in Brazil. I trust she will surround herself with able minded and dedicated individuals, thereby creating a dynamic program, which will be a benefit to the children of Kauai.

If you should have any questions, you may reach me at 808.651.1097.

Sincerely,

Thomas Lambert
1481 Kulukana St.
Honolulu, HI 96766

Exhibit C

Evaluation Team Rebuttal for iLEAD Kauai



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

Charter Application for
iLEAD Kauai Charter School

Submitted by
iLEAD Schools

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

As the applicant for the proposed charter school iLEAD Kauai Charter School (“iLEAD Kauai”) 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.

Executive Summary.

The applicant acknowledges that “[t]he single most important factor of success with remote operations is building a strong local team[.]” The Evaluation Team agrees; however, the application did not include evidence of a strong local team, or at least one that has had a lot of input in the proposed school’s application. The proposed school leader was raised on Kauai but currently lives in Brazil. In fact, none of the five people from the applicant’s team who attended the interview currently reside in Hawaii.

Moreover, although the applicant’s response included information about local people who would help launch iLEAD Kauai, this was new information that was not mentioned in the original application. In particular, the original application did not mention that Paul Zina (a local public school administrator) would serve on the school’s governing board nor did it mention that Robert and Nicola Sherill (a family living on Kauai) would serve on the local team.

The Evaluation Team remains concerned about the ability of iLEAD Development, which only has two charter schools that are both in California, to open and manage the operations of a Hawaii charter school.

Furthermore, the applicant states in its response that California charter schools are state agencies and nonprofits, a statement that the Evaluation Team believes is generally inaccurate and was not made in the original application. Moreover, the Evaluation Team believes that Hawaii’s charter environment is significantly different than California’s. The applicant continually referred to Hawaii charter schools as non-profit organizations, showing that they do not fully understand the implications of the fact that Hawaii’s public charter schools are state agencies.

Finally, the applicant states in its response that its character education model would be expanded “to embrace Hawaiian principles of ethics that constitute the framework of Aloha.” Again, this information was not included in the original application. The Evaluation Team did not consider the testimonials included in the applicant’s response as these were also not included in the original application.

Academic Plan.

The Evaluation Team remains concerned about the lack of demonstrated success from the two existing iLEAD schools in California. Although the applicant points out that the founding school was awarded six-year WASC accreditation, this information is new and was not provided in the original application. Even if the original application had mentioned the WASC accreditation, it would not have alleviated the Evaluation Team’s concerns, because WASC accreditation is more about process than successful academic outcomes. The applicant asserts that their success in Common Core instruction will “soon be evident.” The Evaluation Team encourages the applicant to reapply when it has evidence of this success.

Additionally, although the applicant now states that they will comply with Hawaii’s requirements, the original application continually referenced California law and policy and seldom acknowledged that changes would need to be made. The original application would have been strengthened by an

acknowledgement of the areas where Hawaii law and policy differ from California and by a plan for addressing those differences.

The applicant also did not include evidence of meaningful adaptations of its program to Kauai in the original application. The table provided on pages 6-8 of the applicant's response, detailing what the applicant would change to make its educational model adaptable to Kauai, would have been helpful had it been included in the original application. At the same time, this chart highlights the extent to which the pedagogy presented in the original application does not reflect any adaptation to Kauai; once adapted to Kauai, there may be significant differences. Moreover, the Evaluation Team remains concerned about the applicant's capacity to *adapt* its model to Kauai, rather than reproduce it.

Finally, the applicant has included additional information about their proposed school leader; however, this is new information that was also not included in the original application and will not be considered by the Evaluation Team.

Organizational Plan.

As previously mentioned, the original application should have addressed the process of adapting their model to Hawaii in more detail. In this section of the response, the applicant states, "Transforming these documents to reflect the specifics at iLEAD Kauai will be one of the activities that we will be engaged in over the next 1 ½ years[.]" The Evaluation Team was unable to determine whether the applicant could successfully translate the California model to Hawaii because the application did not adequately address what this work would require and how it would be accomplished.

Additionally, the Evaluation Team does not believe it is premature to ask applicants what adjustments would be made if their attempts to negotiate a supplemental agreement with the unions were unsuccessful. Members of the Evaluation Team are well-aware of challenges other Hawaii charter schools have faced negotiating supplemental agreements. Charter applicants, particularly those accustomed to running charters in non-unionized environments, should have contingency plans for areas that would require significant deviation from master collective bargaining agreements. Also, the applicant shared that it has contacted two local attorneys about negotiating a supplemental agreement. This is new information that the Evaluation Team will not consider, but this is problematic because under state law the State Department of the Attorney General serves as legal counsel to charter schools and governing boards. Private counsel cannot be hired unless the school or board is granted a waiver by the Governor.

The Evaluation Team mentioned the evaluation tool, not because of violations of existing law or conflict of interest issues, but to highlight the concern that the governing board could essentially be a rubber stamp for the CMO.

Finally, as mentioned above, the local board members identified in the applicant's response were not mentioned in the original application.

Financial Plan.

While overestimating operating expenses is a sound, conservative budgeting approach, the applicant did not use due diligence when preparing the budget for iLEAD Kauai. For example, at the interview, the applicant stated that the estimates used in the budget for the facility and utilities were based on

California rates. Note that applicant's interview statement is in contradiction to the applicant's response now, which states that there was comprehensive research done on specific sites in Lihue to develop the cost estimates for the facility and utilities. This is also in contradiction to the applicant's original application where their ideal facility was described as being "within the geographical boundaries of Kauai[;]" there was no mention of Lihue specifically in description of the location of an ideal facility. The applicant's response is the first time that specific facility sites, locations, and sizes have been presented. As such, this is new information that the Evaluation Team will not consider.

The year that is truly a concern is the start-up year (year zero) for which the budget provided has no figures. Without a year zero starting point, the Evaluation Team is unable to determine whether the applicant would be operating at a deficit going into the first year of operation and what the proposed school's projected expenses are. Furthermore, the applicant states in its response that the research conducted to produce the figures that are in the budget are based on average costs for "an elementary-level charter school in the western states," only furthering the concern that the applicants have not conducted proper due diligence on starting a school on Kauai. Additionally, the Evaluation Team is concerned about research conducted on the average elementary charter school when the proposed school plans to serve grades K-8, especially as the traditional departmentalization of subjects can significantly impact a school's budget. The applicant did provide a contingency plan in the event that there is difficulty meeting monthly cash flow requirements, however, that contingency plan requires iLEAD Kauai to seek and obtain a line of credit with an approved banking institution. A charter school, however, as a state agency, will most likely be prohibited from incurring debt by taking out a line of credit. This contingency plan illustrates, again, the applicant's lack of understanding about regulations and restrictions on schools as state agencies and lack of research into state law.

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