



**STATE OF HAWAII**  
**BOARD OF EDUCATION**  
P.O. BOX 2360  
HONOLULU, HAWAII 96804

August 16, 2016

TO: Lance A. Mizumoto  
Chairperson, Board of Education

FROM: Jim Williams  
Investigative Committee Chairperson, Board of Education

AGENDA ITEM: Report on Investigative Committee (a permitted interaction group pursuant to Hawaii Revised Statutes, Section 92-2.5(b)(1)) investigating special review of State Public Charter School Commission and legislative proposals relating to charter schools: findings and recommendations

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I. BACKGROUND

At the Board of Education's ("Board") January 19, 2016 general business meeting, I presented a report on a "listening tour" of charter schools conducted by me and a few other Board Members with the purpose of listening to the concerns of charter school administrators, administrative staff, and governing board members. The report concluded the concerns expressed during the listening tour were "of such significant breadth and depth that [a] more formal investigation by the Board is warranted." At the same general business meeting and in response to the listening tour report, the Board designated me and Board Members Amy Asselbaye, Hubert Minn, and Board Vice Chairperson Brian De Lima to an investigative committee to:

- 1) Determine if a special review of the State Public Charter School Commission ("Commission") is warranted and, if so, develop the process and procedures for such a review that apply nationally recognized principles and standards for quality charter authorizing, pursuant to Hawaii Revised Statutes ("HRS") §302D-11(c);<sup>1</sup> and
- 2) Review the legislative proposals, as attached to my memorandum dated January 19, 2016, and develop a recommendation to the Board of whether to formally support them through written testimony to the Legislature.

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<sup>1</sup> HRS §302D-11(c) states: "Persistently unsatisfactory performance of an authorizer's portfolio of public charter schools, a pattern of well-founded complaints about the authorizer or its public charter schools, or other objective circumstances may trigger a special review by the [B]oard. In reviewing or evaluating the performance of authorizers the [B]oard shall apply nationally recognized principles and standards for quality charter authorizing. If at any time the [B]oard finds that an authorizer is not in compliance with an existing charter contract, its authorizing contract with the [B]oard, or the requirements of all authorizers under [HRS Chapter 302D], the [B]oard shall notify the authorizer in writing of the identified problems, and the authorizer shall have reasonable opportunity to respond to and remedy the problems."

The Board designated me as the chairperson of this investigative committee (“Board Charter School PIG”), which is a permitted interaction group pursuant to HRS §92-2.5(b)(1).

At the Board’s April 19, 2016 general business meeting, the Board Charter School PIG provided a status report on its findings and recommendations. The Board Charter School PIG reported that the finding of whether or not a special review of the Commission is warranted was inconclusive at the time and noted that the Commission was establishing its own permitted interaction group (“Commission PIG”) to propose a communication process between the Board and the Commission and to study questions raised in the charter school listening tour. Because this was a potentially significant development, the Board Charter School PIG reported that it wanted an opportunity to meet with the Commission PIG before issuing a determination on a special review being warranted or not. As a result, the Board Charter School PIG decided to hold in abeyance its recommendation whether to embark on a special review of the Commission pending the monitoring of the Commission PIG’s progress, findings, and recommendations.

In addition, the Board Charter School PIG reported that the adoption of a special review process is important and necessary because it is part of the Board’s statutory responsibilities in the oversight of authorizers and may be used in any instance where the Board determines a special review has been triggered, and it would communicate to the Commission that, if warranted, the Board intends to evaluate the Commission fairly. Thus, the Board Charter School PIG recommended that the Board approve the proposed special review process.

The Board Charter School PIG reported no findings or recommendations on its second task because the legislative proposals assigned to it for review were no longer active in the legislative process.

At its subsequent general business meeting on May 3, 2016, the Board adopted a special review process, attached as **Exhibit A**.

At its June 21, 2016 general business meeting, the Board received a report from the Board Charter School PIG with an update on the developments since April 19, 2016. The Board Charter School PIG first met with the Commission PIG on May 17, 2016, to discuss the Commission PIG’s purpose and plan of action and the options for resolving the concerns the charter school listening tour brought to light. The two groups agreed to allow the Commission PIG to complete its initial investigation and report back to the Board Charter School PIG before the Board Charter School PIG made its recommendations to the Board, provided the initial investigation was completed in a timely manner.

## II. UPDATE

At the Commission’s July 14, 2016 general business meeting, the Commission PIG provided a status report, attached as **Exhibit B**. In the report, the Commission PIG provides a self-evaluation of the Commission using the criteria and ratings from the special review process adopted by the Board. Of the 23 performance measures, the Commission PIG rated the Commission as “meets” on 17 of the measures, “partially meets” on four, and “does not meet” on two. The Commission PIG also identified five areas needing attention from the Commission: 1) a comprehensive, long-term strategic vision for Hawaii’s charter schools; 2) professional development for leadership and staff; 3) resources to effectively oversee its portfolio of charter schools; 4) a consistent process and protocol for school closure; and 5) improving school autonomy through an assessment and understanding of the Commission’s

compliance system and continued outreach, information, and support relating to school-specific measures.

In addition to the Commission PIG's report, the Board Charter School PIG has continued to receive various concerns regarding the Commission and its staff from charter schools and other stakeholders.

### III. FINDINGS

In determining whether the complaints heard from charter school leaders are “well-founded,” the Board Charter School PIG does not rely on the accuracy or validity of those complaints. Rather, the Board Charter School PIG is primarily concerned with why there are consistently similar complaints from a large number of charter school leaders and why there is a seeming disconnect between the perceptions of these leaders and those of the Commission.

Based on the comments from the charter school listening tour and complaints from charter schools received afterward, previous interviews with Commission members and the Commission's former executive director, conversations with members of the Commission PIG, and the Commission PIG's report, the Board Charter School PIG finds 1) that the pattern of well-founded complaints regarding the Commission warrants a special review, pursuant to HRS §302D-11(c) and in accordance with the special review process adopted by the Board and attached as **Exhibit A** and 2) that after seven (7) months of dialogue and consideration, the Board PIG cannot report with confidence that the Commission will adequately and fully address the concerns, whether real or perceived, of charter school leaders.

While it was admirable and wise of the Commission PIG to apply the special review criteria in a self-assessment, the results do not appear to acknowledge or identify the root causes of the negative relationship and mistrust that exist between the Commission and many of the charter schools it oversees. Therefore, the Board Charter School PIG believes it is necessary for the Board to exercise its legal oversight responsibility to assess the effectiveness of the Commission and identify areas of improvement. The Board Charter School PIG sees this as an opportunity to develop communication channels between the Board and the Commission and to improve working relationships between the Commission and charter schools, which will ultimately strengthen Hawaii's system of charter schools. HRS §302D-11(a) provides that the Board shall be responsible for overseeing the performance and effectiveness of all authorizers, and a special review will enable the Board to fulfill this mandatory function.

### IV. RECOMMENDATION

The Board Charter School PIG unanimously agreed and recommends that the Board authorize a special review of the Commission, using the process attached as **Exhibit A**, and establish an investigative committee (a permitted interaction group pursuant to HRS §92-2.5(b)(1)) tasked with conducting the special review and making any resulting recommendations to the Board.

The Board Charter School PIG recommends that the purpose of the special review reads as follows:

“The Board of Education finds that there is a pattern of well-founded complaints about the State Public Charter School Commission and a negative and counterproductive relationship

that exists between the Commission and a number of the charter schools it oversees that warrants a special review, pursuant to Hawaii Revised Statutes §302D-11(c).

The objectives of this special review are to review the past and current performance of the Commission in relation to all applicable statutory requirements, including the objective of “ensuring a long term strategic vision for Hawaii’s charter schools.” Statutory requirements include, but are not limited to, the following:

- The requirement that all authorizers follow nationally recognized standards for quality charter authorizing, pursuant to HRS §302D-6;
- The execution of essential authorizing functions, pursuant to HRS §302D-5(a); and
- The fulfillment of other authorizer duties and responsibilities.”

Lastly, the Board Charter School PIG further recommends that the Board establish a Special Review Investigative Committee for the purpose of conducting this special review and that Board Members Jim Williams, Hubert Minn, Brian De Lima, and Bruce Voss serve on the Special Review Investigative Committee, with Board Member Jim Williams serving as chairperson of the committee.

This report completes the work the Board tasked to the Board Charter School PIG.

**Exhibit A**

**Board Process for Special Review of the State Public Charter School Commission  
(Approved as of May 3, 2016)**

# BOARD PROCESS FOR SPECIAL REVIEW OF THE STATE PUBLIC CHARTER SCHOOL COMMISSION

## PURPOSE OF SPECIAL REVIEW

*The Board of Education (“Board”) will determine the purpose of any special review of the State Public Charter School Commission (“Commission”) that is warranted, pursuant Hawaii Revised Statutes §302D-11(c). The reason(s) for and objective(s) of the special review will be described in this section. The Board will also establish a Special Review Investigative Committee (“Committee”) for the purpose of conducting this special review.<sup>1</sup>*

## ROLES AND RESPONSIBILITIES

**Board:** The Board delegates authority to conduct the special review to the Committee. The Board will provide an opportunity to the public to provide comments on the special review of the Commission. The Board will review the Committee’s report and either adopt, amend, or remand it back to the Committee for reconsideration. The Board will issue a final report to the Commission with its findings and recommendations.

**Committee:** The Committee conducts the special review, including reviewing and analyzing existing and new data and information. The Committee (through Board staff) will address technical and logistical questions throughout the special review process. The Committee (through Board staff) will work with the Commission to schedule any site visits or interviews and inform the Commission if it plans to attend any formal meetings. The Committee will draft a report with findings and recommendations and provide the Commission with an opportunity to review and comment on the report before the Committee presents it to the Board for review and approval. The Committee will endeavor to follow the review timeline as closely as possible but reserves the right to amend it as needed.

**Commission:** The Commission ensures all requested documents and information are provided to the Board or Committee in a timely manner as determined by the Board or Committee. The Commission will work with the Committee to schedule and participate in an in depth interview. The interview may involve Commissioners, the Commission Executive Director, and other Commission staff. If requested and schedules allow, the Commission will allow the Committee to observe school site visits, applicant interviews, and/or other key school meetings during the special review process. The Commission will have an opportunity to review and comment on the draft special review report before it is finalized.

**Charter Schools:** Key school leadership personnel will assist in the special review of the Commission by completing surveys, providing requested information, and/or participating in interviews. Schools may be asked to participate in school site visits and/or other key meetings during the special review process.

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<sup>1</sup> The Special Review Investigative Committee is not to be confused with the investigative committee established as the result of complaints gathered through the charter school “listening tour” (also known as the “Charter School Permitted Interaction Group” or “Charter School PIG”) whose purpose was to determine and recommend to the Board whether or not a special review of the Commission is warranted.

**Other Stakeholders:** Other key stakeholders partnering with or assisting charter schools or the Commission may assist in the special review of the Commission by completing surveys, providing requested information, and/or participating in interviews. Key stakeholders may be asked to participate in meetings during the special review process.

SPECIAL REVIEW PROCESS TIMELINE

*The timeframe between activities is illustrated below. The exact dates of any special review will depend on when the special review is triggered and executed.*

Approximate Date	Activity
Start date (Day 0)	Board determines a special review is warranted, adopts special review process timeline, and establishes the Committee
Day 1	Board notifies the Commission in writing that a special review will be conducted
Day 31	Committee requests a list of documents and information from the Commission and, if deemed necessary, issues a survey of school leaders and governing board members
Day 45	Commission provides Committee with requested documentation and information
Day 45	Deadline for school leaders and governing board members to complete survey
Day 62 – Day 73	Committee conducts interviews with Commission representatives and group interviews with school stakeholders
Day 63	Committee holds public hearing to allow for public comment on special review
Day 87	Committee sends Commission draft special review report
Day 100	Commission provides Committee with comments on report
Day 113	Committee sends its final report to Commission and posts online with Board general business meeting agenda
Day 119	Board approves final report at general business meeting
Day 120	Board transmits final report to Commission

SCOPE OF REVIEW

The Committee in its review is to determine whether or not the Commission meets statutory requirements and national principles and standards for quality charter authorizing (as outlined in the National Association of Charter School Authorizers’ *Principles & Standards for Quality Charter School Authorizing, 2015 Edition*) in the following areas:

- A. Organizational capacity and infrastructure; and
- B. Authorizer processes and decision-making, specifically:
  - o Application process and decision-making;
  - o Performance contracting;
  - o Ongoing oversight and evaluation; and
  - o Revocation and renewal decision-making.

A summary of the performance measures for these main performance areas and their respective guiding questions are attached as **Appendix A**. The guiding questions help to define what is being evaluated. While this process does not include specific evaluation criteria, the Committee uses its discretion to

determine answers to each guiding question and formulate ratings based on requirements of law and national principles and standards. The summary also includes measure origins, which identify the source or authority from which each measure originates. These sources are used as reference documents in the special review.

**RATINGS AND OUTCOMES**

The Committee will assign one of the following ratings to each performance measure:

<b>Performance Measure Rating</b>	<b>Characteristics</b>
Meets	Performance measure meets statutory requirements and satisfies national principles and standards for quality charter school authorizing.
Partially Meets	Performance measure meets some but not all aspects of the statutory requirements and/or satisfies some but not all national principles and standards for quality charter school authorizing.
Does Not Meet	Performance measure substantially does not meet statutory requirements and/or clearly does not satisfy national principles and standards for quality charter school authorizing.

After assigning ratings to each performance measure, the Committee will consider those ratings and determine an overall rating for each of the two performance areas: A) organizational capacity and infrastructure; and B) authorizer processes and decision-making.

<b>Performance Area Rating</b>	<b>Characteristics</b>
Meets	All or most of the performance measures under the performance area received a rating of “Meets” and no performance measure under the performance area received a rating of “Does Not Meet.”
Partially Meets	Most performance measures under the performance area received a rating of “Partially Meets” or most performance measures received a rating of “Meets” but one or more measures received a rating of “Does Not Meet.”
Does Not Meet	A significant number of performance measures under the performance area received a rating of “Does Not Meet.”

The overall ratings of the performance areas will determine the final rating of the Commission through the matrix below:

**A. Organizational Capacity and Infrastructure**

<b>Does Not Meet</b>	<b>Partially Meets</b>	<b>Meets</b>	
Partially Meets	Approaching Meets	Meets	<b>Meets</b>
Mostly Does Not Meet	Partially Meets	Approaching Meets	<b>Partially Meets</b>
<b>Does Not Meet</b>	Mostly Does Not Meet	Partially Meets	<b>Does Not Meet</b>

**B. Authorizer Processes and Decision-Making**

The table below describes the outcomes for each final rating:

<b>Rating</b>	<b>Outcome</b>
Meets	The Board takes no further action. The Commission may choose to report quarterly to the Board on the state of charter schools.
Approaching Meets	The Board requires the Commission to provide corrective action plans for performance measures receiving “Does Not Meet” ratings, if any. The Board also requires the Commission to include in its annual report to the Board the corrective actions taken on performance measures not receiving a “Meets” rating until the Board determines sufficient progress. The Commission may choose to report quarterly to the Board on the state of charter schools.
Partially Meets	The Board requires the Commission to provide corrective action plans for performance measures receiving “Does Not Meet” ratings, if any. The Board also requires the Commission to report to the Board quarterly, as well as include in the Commission’s annual report to the Board, on corrective actions taken on performance measures not receiving a “Meets” rating until the Board determines sufficient progress.
Mostly Does Not Meet	The Board requires the Commission to provide corrective action plans for performance measures receiving “Does Not Meet” ratings. The Board also requires the Commission to report to the Board quarterly, as well as include in the Commission’s annual report to the Board, on corrective actions taken on performance measures not receiving a “Meets” rating until the Board determines sufficient progress. The Board may also direct the Commission to not approve new charter schools until the Board determines sufficient progress.
Does Not Meet	The Board may remove one or more Commissioners from the Commission for cause, pursuant to HRS §302D-3. The Board requires the Commission to provide corrective action plans for performance measures receiving “Does Not Meet” ratings. The Board also requires the Commission to report to the Board quarterly, as well as include in the Commission’s annual report to the Board, on corrective actions taken on performance measures not receiving a “Meets” rating until the Board determines sufficient progress. The Board may also direct the Commission to not approve new charter schools until the Board determines sufficient progress.

## Appendix A

### Summary of Performance Measures and Guiding Questions

<b>PERFORMANCE MEASURES A: ORGANIZATIONAL CAPACITY AND INFRASTRUCTURE</b>		
Measure	Guiding Question	Origin
A.1: Authorizer Mission	Does the authorizer have a clear and compelling mission for charter school authorizing?	HRS §302D-6(1); NACSA Standard #1 – Planning and Commitment to Excellence
A.2: Strategic Vision and Organizational Goals	Does the authorizer have a comprehensive long-term strategic vision for Hawaii’s charter schools with clear organizational goals and timeframes for achievement that are aligned with, support, and advance the intent of law?	HRS §§302D-6(1), 302D-3(d); NACSA Standard #1 – Planning and Commitment to Excellence, Advanced Standards
A.3: Commitment to Quality Authorizing	To what degree are the authorizer and its leadership and staff committed to maintaining high standards for schools, upholding school autonomy, and protecting student and public interests?	HRS §302D-6(1); NACSA Standard #1 – Planning and Commitment to Excellence
A.4: Operational Conflicts of Interest	To what degree does the authorizer implement a clear policy to address conflicts of interest in all decision-making processes concerning the portfolio of charter schools?	HRS §§302D-6(1), 302D-8; NACSA Standard #1 – Planning and Commitment to Excellence
A.5: Self-Evaluation of Capacity, Infrastructure, and Practices	To what degree does the authorizer self-evaluate its internal ability (capacity, infrastructure, and practices) to oversee the portfolio of charter schools?	HRS §302D-6(1); NACSA Standard #1 – Planning and Commitment to Excellence
A.6: Structure of Operations	To what degree does the authorizer operate with a clear structure of duties and responsibilities, including appropriate lines of authority and delegation of duties between decision-makers and staff, and sufficient resources to effectively oversee its portfolio of charter schools?	HRS §302D-6(1); NACSA Standard #1 – Human Resources
A.7: Authorizer Leadership and Staff Expertise	To what degree does the authorizer have appropriate experience, expertise, and skills to sufficiently oversee the portfolio of charter schools?	HRS §302D-6(1); NACSA Standard #1 – Human Resources
A.8: Capacity and Skill Development of Leadership and Staff	To what degree does the authorizer build the knowledge and skill base of its authorizing leadership and staff through professional development?  Is professional development aligned with its operations, vision, and goals for overseeing its portfolio of charter schools?	HRS §302D-6(1); NACSA Standard #1 – Human Resources
A.9: Authorizing Operational Budget	To what degree is the authorizer’s actual resource allocation commensurate with its stated budget, needs, and responsibilities of authorizing the portfolio of charter schools?  To what degree are state and federal funds deployed effectively and efficiently with the public’s interest in mind?	HRS §302D-6(1); NACSA Standard #1 – Financial Resources
A.10: Compliance to	To what degree does the authorizer comply with reporting requirements and other	HRS §§302D-5, 302D-7

Statutory Responsibilities	statutory responsibilities, including the appropriate distribution of state and federal funds to its charter schools?	
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**PERFORMANCE MEASURES B: AUTHORIZER PROCESSES AND DECISION-MAKING**  
**Application Process and Decision-Making**

Measure	Guiding Question	Origin
B.1: Application Process, Timeline, and Guidance	To what degree does the authorizer have a comprehensive and well-publicized application process that includes realistic timelines, fair and transparent procedures, and guidance that clearly describes each stage of the process?	HRS §§302D-5(a)(1), 302D-6(2), 302D-13; NACSA Standard #2 – Fair, Transparent, Quality-Focused Procedures
B.2: Request for Proposals	To what degree is the authorizer’s request for proposals clear, comprehensive, and aligned to its vision?  To what degree does the authorizer’s request for proposals encourage diverse educational models from both new applicants and existing operators and expansion and replication of successful charter school models?	HRS §§302D-5(a)(1), 302D-6(2), 302D-13; NACSA Standard #2 – Proposal Information, Questions, and Guidance
B.3: Approval Criteria for Charter School Applications	To what degree does the authorizer have clear and comprehensive approval criteria to rigorously evaluate new charter school proposals?	HRS §§302D-5(a)(1), 302D-6(2), 302D-13; NACSA Standard #2 – Rigorous Approval Criteria
B.4: Evaluation and Decision-Making Process	To what degree does the authorizer have clear and comprehensive process standards to rigorously evaluate new charter school proposals using qualified evaluators?  To what degree did the authorizer’s decisions and resulting actions align to its stated approval criteria and process standards?	HRS §§302D-5(a)(1), 302D-5(a)(2), 302D-5(a)(3), 302D-6(2), 302D-13; NACSA Standard #2 – Rigorous Decision Making

**Performance Contracting**

Measure	Guiding Question	Origin
B.5: Charter Contract Terms, Negotiation, and Execution	To what degree does the authorizer negotiate and execute charter contracts that clearly define material terms and rights and responsibilities of the school and the authorizer?	HRS §§302D-5(a)(4), 302D-6(3); NACSA Standard #3 – Contract Term, Negotiation, and Execution
B.6: Charter School Performance Standards	To what degree does the authorizer negotiate and execute charter contracts with clear, measurable, and attainable performance standards?	HRS §§302D-5(a)(4), 302D-6(3), 302D-16; NACSA Standard #3 – Performance Standards

**Ongoing Oversight and Evaluation**

Measure	Guiding Question	Origin
B.7: Process for Ongoing Oversight of Charter Schools	To what degree does the authorizer monitor and oversee the charter schools in the areas of academics, finances, and operations according to the processes outlined in the charter	HRS §§302D-5(a)(5), 302D-6(4), 302D-17; NACSA Standard #4 –

	contract?	Performance Evaluation and Compliance Monitoring
B.8: Communicating Oversight	To what degree does the authorizer regularly communicate with schools and provide guidance to ensure timely compliance with charter contracts and applicable laws, including clearly defining the process and methods of gathering and reporting performance and compliance data and providing timely notice of charter contract violations or performance deficiencies?	HRS §§302D-5(a)(5), 302D-6(4); NACSA Standard #4 – Performance Evaluation and Compliance Monitoring
B.9: Protecting School Autonomy	To what degree does the authorizer respect, preserve, and support the essential autonomies of the portfolio of charter schools?	HRS §§302D-5(a)(5), 302D-6(4); NACSA Standard #4 – Respecting School Autonomy
B.10: Standards and Processes for Interventions, Corrective Action, and Response to Complaints	To what degree does the authorizer have clear and comprehensive standards and processes to address complaints, intervention, and corrective action?	HRS §§302D-5(a)(5), 302D-6(4), 302D-17; NACSA Standard #4 – Intervention
<b>Revocation and Renewal Decision-Making</b>		
<b>Measure</b>	<b>Guiding Question</b>	<b>Origin</b>
B.11: Performance Reports and Renewal Application	To what degree do the authorizer’s performance reports of charter schools within its portfolio clearly summarize each school’s performance record and state the authorizer’s findings concerning the school’s performance and its prospects for renewal?  To what degree does the authorizer allow, through a renewal application, a meaningful opportunity and reasonable time for a charter school seeking renewal to respond to the performance report, correct the record, and present additional evidence regarding its performance?	HRS §§302D-5(a)(6), 302D-6(5), 302D-18; NACSA Standard #5 – Cumulative Report and Renewal Application
B.12: Charter Contract Renewal or Revocation Processes and Decisions	To what degree does the authorizer have clear and comprehensive standards and processes to make high-stakes renewal and revocation decisions?  To what degree do the authorizer’s renewal and revocation decisions align to its stated renewal standards and processes and promote the growth of high-quality charter schools?	HRS §§302D-5(a)(6), 302D-6(5), 302D-18; NACSA Standard #5 – Revocation; Renewal Decisions Based on Merit and Inclusive Evidence; Fair, Transparent Process
B.13: School Closure Protocol	To what degree does the authorizer, in the event of school closure, work with the school governing board and leadership to employ a closure protocol that ensures timely notification to parents, orderly transition of students and student records, and proper disposition of school funds and assets?	HRS §§302D-5(a)(6), 302D-6(5), 302D-19; NACSA Standard #5 – Closure

**Exhibit B**

**State Public Charter School Commission Permitted Interaction Group's July 11,  
2016 report**

DAVID Y. IGE  
GOVERNOR



CATHERINE PAYNE  
CHAIRPERSON

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

1111 Bishop Street, Suite 516, Honolulu, Hawaii 96813  
Tel: (808) 586-3775 Fax: (808) 586-3776

**INFORMATIONAL SUBMITTAL**

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DATE OF SUBMITTAL: July 11, 2016

DATE OF MEETING: July 14, 2016

TO: Catherine Payne, Chairperson

FROM: Mitch D’Olier, Commissioner

AGENDA ITEM: VII. Update on the Investigative Committee’s (a Permitted Interaction Group), Pursuant to Hawaii Revised Statutes Section 92-2.5(b)(1), Communications Process Between the Board of Education and the Commission and Study Several Questions Raised in the Charter School Listening Tour

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BACKGROUND

The Charter Commission Permitted Interaction Group (Commission Review Group) reviewed the procedures for special review adopted by the Board of Education (5/3/2016) and evaluated each question using the BOE’s ratings, as set forth in Appendix A of the April 19, 2016 Status Report on the Permitted Interaction Group.

UPDATE

Of the 23 performance measures, the Commission Review Group determined that the Commission “meets” 17 of the performance measures, “partially meets” 4 performance measures, and “does not meet” 2 performance measures. Based on this review, the Commission Review Group identified five areas for additional follow up by the Commission:

1. **Long term strategic vision** – The Commission Review Group is not aware of a comprehensive long-term strategic vision for Hawaii’s charter school, and believes that the Commission and charter schools would benefit from a strategic vision and plan, aligned to the Board of Education’s vision for charter schools. [A-2, B-2]
2. **Professional development for staff** – The Commission Review Group is not aware of the full suite of professional development provided for leadership and staff, and believes that resources should be provided to the Commission for professional development. [A-6, A-8]

3. **Resources** – The Commission Review Group believes that additional resources may be needed to effectively oversee its portfolio of charter schools. [A-6, A-9]. Moreover, the Commission Review Group believes that the Commission and charter schools would benefit from a more consistent process for distribution of funds to charter schools. [A-10]
4. **Closure Protocols** – The Commission Review Group believes that the Commission and charter schools would benefit from a more consistent process and protocol for school closure. [B-13]
5. **Autonomy** – While the Commission Review Group believes that the Commission meets the standard for respecting school autonomy (see NACSA Standard #4), the Commission Review Group is aware that some schools have expressed complaints around administrative burdens and believes that the Commission and charter schools would benefit from an assessment and understanding of Epicenter and the requests made of charter schools. [B-9]. Additionally, the Commission Review Group believes that charter schools would benefit from continued outreach, information, and support around School Specific Measures. [B-6].

DRAFT RECOMMENDATIONS

Once the new Charter Commission Executive Director transitions into the role, we recommend:

1. A process be developed for working with the BOE to ensure all stakeholders are aligned on a clear vision for Hawaii charter schools. Once the vision is set, the Executive Director should create a process to develop the long term strategic plan aligned to the vision.
2. An audit of the charter school budget to determine whether additional resources are necessary to effectively oversee charter schools, including professional development for staff. As part of this process, we recommend a comprehensive articulation of the responsibilities taken on by the Commission and the roles and responsibilities of staff
3. A process is developed for consistent distribution of funds to charter schools & closure protocols.
4. A review of Epicenter and a comprehensive list of requests made to charter schools, with explanation of why these requests are required as part of the Commission’s role.
5. Continued outreach, information, and support to schools around School Specific Measures.

APPENDIX

The Commission Review Group’s evaluation of each performance measure is detailed below.

Measure & NACSA Standard	Guiding Question	Commission Review Group Rating	Notes
A.1: Authorizer Mission NACSA Standard #1 – Planning and Commitment to Excellence	Does the authorizer have a clear and compelling mission for charter school authorizing?	Meets	The Commission’s mission is established by law. HRS s 302-D(3)(b): the mission of the commission shall be to authorize high quality public charter schools throughout the state.
A.2: Strategic Vision and Organizational Goals	Does the authorizer have a comprehensive long-term strategic vision for Hawaii’s charter schools with clear	Does Not Meet	While the Commission’s mission is clearly established, there does not seem to be full alignment of vision between the Board of Education,

NACSA Standard #1 – Planning and Commitment to Excellence, Advanced Standards	organizational goals and timeframes for achievement that are aligned with, support, and advance the intent of law?		Legislature, Commission, and charter schools regarding the vision for Hawaii’s charter schools and the role of the Commission. With an aligned vision, the Commission can better create a comprehensive strategic plan with goals and timeframes.
A.3: Commitment to Quality Authorizing NACSA Standard #1 – Planning and Commitment to Excellence	To what degree are the authorizer and its leadership and staff committed to maintaining high standards for schools, upholding school autonomy, and protecting student and public interests?	Meets	
A.4: Operational Conflicts of Interest NACSA Standard #1 – Planning and Commitment to Excellence	To what degree does the authorizer implement a clear policy to address conflicts of interest in all decision-making processes concerning the portfolio of charter schools	Meets	
A.5: Self-Evaluation of Capacity, Infrastructure, and Practices NACSA Standard #1 – Planning and Commitment to Excellence	To what degree does the authorizer self-evaluate its internal ability (capacity, infrastructure, and practices) to oversee the portfolio of charter schools?	Meets	
A.6: Structure of Operations NACSA Standard #1 – Human Resources	To what degree does the authorizer operate with a clear structure of duties and responsibilities, including appropriate lines of authority and delegation of duties between decision-makers and staff, and sufficient resources to effectively oversee its portfolio of charter schools	Partially Meets	The Commission has a clear structure of duties and responsibilities. However, it is unclear whether there are sufficient resources to effectively oversee its portfolio of charter schools, particularly given the geography of our charter schools and additional responsibilities taken on by the Commission. The high staff turn-over (with significant movement from the

			Charter Commission to DOE/BOE where there is a pay differential), has further exacerbated the strain on people resources.
A.7: Authorizer Leadership and Staff Expertise NACSA Standard #1 - Human Resources	To what degree does the authorizer have appropriate experience, expertise, and skills to sufficiently oversee the portfolio of charter schools?	Meets	
A.8: Capacity and Skill Development of Leadership and Staff NACSA Standard #1 – Human Resources	To what degree does the authorizer build the knowledge and skill base of its authorizing leadership and staff through professional development? Is professional development aligned with its operations, vision, and goals for overseeing its portfolio of charter schools?	Partially Meets	The Commission leadership and staff has had limited opportunities to engage with NACSA. However, the Commission Review Group is uncertain of other professional development this is offered. Additionally, per note above for A.2, additional work is needed to align professional development with vision and goals.
A.9: Authorizing Operational Budget NACSA Standard #1 – Financial Resources	To what degree is the authorizer’s actual resource allocation commensurate with its stated budget, needs, and responsibilities of authorizing the portfolio of charter schools? To what degree are state and federal funds deployed effectively and efficiently with the public’s interest in mind?	Does Not Meet	As the budget is under legislative control, the Commission Review Group does not believe there has been a full audit by the Commission of the resource needs required for authorizing the portfolio of charter schools, accounting for the additional responsibilities taken on by the Commission.
A.10: Compliance to Statutory Responsibilities	To what degree does the authorizer comply with reporting requirements and other statutory responsibilities, including the appropriate distribution of state and federal funds to its charter schools?	Meets	The Commission complies with all reporting requirements, including the appropriate distribution of funds. However, the Commission Review Group notes that charter schools would benefit from a more consistent process for distribution of funds that they can plan for year-to-year.
B.1: Application Process, Timeline, and Guidance NACSA Standard #2 – Fair,	To what degree does the authorizer have a comprehensive and well-publicized application process that includes realistic timelines, fair and transparent procedures, and guidance that clearly describes each stage of	Meets	

Transparent, Quality-Focused Procedures	the process?		
B.2: Request for Proposals NACSA Standard #2 – Proposal Information, Questions, and Guidance	To what degree is the authorizer’s request for proposals clear, comprehensive, and aligned to its vision? To what degree does the authorizer’s request for proposals encourage diverse educational models from both new applicants and existing operators and expansion and replication of successful charter school models?	Partially Meets	The Commission’s request for proposals are clear and comprehensive and encourage diverse educational models. However, per note above for A.2, additional work can be done regarding alignment to vision. Further, the Commission has not yet encouraged replication of existing charter school models.
B.3: Approval Criteria for Charter School Applications NACSA Standard #2 – Rigorous Approval Criteria	To what degree does the authorizer have clear and comprehensive approval criteria to rigorously evaluate new charter school proposals?	Meets	
B.4: Evaluation and Decision-Making Process NACSA Standard #2 – Rigorous Decision Making	To what degree does the authorizer have clear and comprehensive process standards to rigorously evaluate new charter school proposals using qualified evaluators? To what degree did the authorizer’s decisions and resulting actions align to its stated approval criteria and process standards?	Meets	
B.5: Charter Contract Terms, Negotiation, and Execution NACSA Standard #3 – Contract Term, Negotiation, and Execution	To what degree does the authorizer negotiate and execute charter contracts that clearly define material terms and rights and responsibilities of the school and the authorizer?	Meets	The Commission meets the terms articulated in NACSA Standard #3 – Contract Term, Negotiation, and Execution. See full details below the chart. The Commission Review Group notes that the NACSA Standard states that the authorizer defines material terms and ensures understanding. It does not suggest that schools negotiate material terms of the base contract.
B.6: Charter School	To what degree does the authorizer negotiate and execute	Meets	The Commission meets the terms articulated in NACSA Standard #3 –

<p>Performance Standards NACSA Standard #3 – Performance Standards</p>	<p>charter contracts with clear, measurable, and attainable performance standards?</p>		<p>Performance Standards. See full details below the chart. The Commission Review Group notes that the NACSA Standard states that the authorizer establish and define performance standards. It does not suggest that schools negotiate performance standards. However, the Commission does provide a process for charter schools to propose School Specific Measures (SSM) and has provided support to schools that have expressed interest in SSMs. The Commission Review Group recommends continued outreach, information, and support to schools around SSMs.</p>
<p>B.7: Process for Ongoing Oversight of Charter Schools NACSA Standard #4 – Performance Evaluation and Compliance Monitoring</p>	<p>To what degree does the authorizer monitor and oversee the charter schools in the areas of academics, finances, and operations according to the processes outlined in the charter contract?</p>	<p>Meets</p>	
<p>B.8: Communicating Oversight NACSA Standard #4 – Performance Evaluation and Compliance Monitoring</p>	<p>To what degree does the authorizer regularly communicate with schools and provide guidance to ensure timely compliance with charter contracts and applicable laws, including clearly defining the process and methods of gathering and reporting performance and compliance data and providing timely notice of charter contract violations or performance deficiencies?</p>	<p>Meets</p>	<p>The Commission meets the terms articulated in NACSA Standard #4 – Performance Evaluation and Compliance Monitoring. See full details below the chart.</p>
<p>B.9: Protecting School Autonomy NACSA Standard #4 – Respecting School</p>	<p>To what degree does the authorizer respect, preserve, and support the essential autonomies of the portfolio of charter schools?</p>	<p>Meets</p>	<p>The Commission Review Group believes that the Commission does respect, preserve, and support the essential autonomies of its charter schools. However, it is aware that some charter schools have voiced concerns around Epicenter and</p>

Autonomy			administrative burdens. Accordingly, the Commission Review Group proposes a review of Epicenter and the requests made of charter schools to demonstrate alignment with the authorizer’s responsibilities, including but not limited to performance evaluation and compliance monitoring detailed in NACSA Standard #4. See full details below the chart.
B.10: Standards and Processes for Interventions, Corrective Action, and Response to Complaints NACSA Standard #4 – Intervention	To what degree does the authorizer have clear and comprehensive standards and processes to address complaints, intervention, and corrective action?	Meets	
B.11: Performance Reports and Renewal Application NACSA Standard #5 – Cumulative Report and Renewal Application	To what degree do the authorizer’s performance reports of charter schools within its portfolio clearly summarize each school’s performance record and state the authorizer’s finding concerning the school’s performance and its prospects for renewal? To what degree does the authorizer allow, through a renewal application, a meaningful opportunity and reasonable time for a charter school seeking renewal to respond to the performance report, correct the record, and present additional evidence regarding its performance?	Meets	
B.12: Charter Contract Renewal or Revocation Processes and Decisions NACSA Standard #5 –	To what degree does the authorizer have clear and comprehensive standards and processes to make high-stakes renewal and revocation decisions? To what degree does the authorizer’s renewal and revocation decisions align to its	Meets	

Revocation; Renewal Decisions Based on Merit and Inclusive Evidence; Fair, Transparent Process	stated renewal standards and processes and promote the growth of high-quality charter schools?		
B.13: School Closure Protocol NACSA Standard #5 – Closure	To what degree does the authorizer, in the event of school closure, work with the school governing board and leadership to employ a closure protocol that ensures timely notification to parents, orderly transition of students and student records, and proper disposition of school funds and assets?	Partially Meets	In the one instance when a school was closed, the Commission did work with the school governing board to employ a closure protocol that included notification to parents and transition of students and student records. The Commission could benefit from proactively creating clear closure protocols to be followed consistently if needed in the future.

**NACSA Standard #3 – Contract Term, Negotiation, and Execution:** A high quality authorizer:

- Executes a contract with a legally incorporated governing board independent of the authorizer
- Grants charter contracts for an initial term of five operating years or longer only with periodic high-stakes reviews every five years.
- Defines material terms of the contract.
- Ensures mutual understanding and acceptance of the terms of the contract by the school’s governing board prior to authorization or charter granting by the authorizing board.
- Allows – and requires contract amendments for – occasional material changes to a school’s plans, but does not require amending the contract for non-material modifications.

**NACSA Standard #3 – Performance Standards:** A high quality authorizer:

- Establish the performance standards under which schools will be evaluated, using objective and verifiable measures of student achievement as the primary measure of school quality;
- Define clear, measurable, and attainable academic, financial, and organizational performance standards and targets that the school must meet as a condition of renewal, including but not limited to state and federal measures;
- Include expectations for appropriate access, education, support services, and outcomes for students with disabilities;
- Define the sources of academic data that will form the evidence base for ongoing and renewal evaluation, including state-mandated and other standardized assessments, student academic growth measures, internal assessments, qualitative reviews, and performance comparisons with other public schools in the district and state;
- Define the sources of financial data that will form the evidence base for ongoing and renewal evaluation, grounded in professional standards for sound financial operations and sustainability;

- Define the sources of organizational data that will form the evidence base for ongoing and renewal evaluation, focusing on fulfillment of legal obligations, fiduciary duties, and sound public stewardship; and
- Include clear, measurable performance standards to judge the effectiveness of alternative schools, if applicable – requiring and appropriately weighting rigorous mission-specific performance measures and metrics that credibly demonstrate each school’s success in fulfilling its mission and serving its special population.

**NACSA Standard #4 – Performance Evaluation and Compliance Monitoring:** A high quality authorizer:

- Implements comprehensive performance accountability and compliance monitoring system that is defined by the charter contract and provides the information necessary to make rigorous and standards based renewal, revocation, and intervention decisions.
- Defines and communicates to schools the process, methods, and timing of gathering and reporting school performance and compliance data.
- Implements an accountability system that effectively streamlines federal, state, and local performance expectations and compliance requirements while protecting schools’ legally entitled autonomy and minimizing schools’ administrative and reporting burdens.
- Provides clear technical guidance to schools as needed to ensure timely compliance with applicable rules and regulations.
- Visits each school as appropriate and necessary for collecting data that cannot be obtained otherwise and in accordance with the contract, while ensuring that the frequency, purposes, and methods of such visits respect school autonomy and avoid operational interference.
- Evaluates each school annually on its performance and progress toward meeting the standards and targets state in the charter contract, including essential compliance requirements, and clearly communicates evaluation results to the school’s governing board and leadership.
- Requires and reviews annual financial audits of schools, conducted by a qualified independent auditor.
- Communicates regularly with schools as needed, including both the school leaders and governing boards, and provides timely notice of contract violations or performance deficiencies.
- Provides an annual written report to each school, summarizing its performance and compliance to date and identifying areas of strength and areas needing improvement.
- Articulates and enforces stated consequences for failing to meet performance expectations or compliance requirements.