

STATE OF HAWAII
BOARD OF EDUCATION
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February 7, 2017

TO: Lance A. Mizumoto
Chairperson, Board of Education

FROM: Brian De Lima
Special Review 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))
conducting special review of State Public Charter School
Commission: findings and recommendations

I. BACKGROUND

At the Board of Education's ("Board") January 19, 2016 general business meeting, the Board established an investigative committee to, among other things, determine if a special review of the State Public Charter School Commission ("Commission") was 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).¹ This investigative committee ("Charter School PIG") was a permitted interaction group pursuant to HRS §92-2.5(b)(1).

At the Board's April 19, 2016 general business meeting, the Charter School PIG recommended that the Board approve a proposed special review process, although it reported that the finding of whether or not a special review of the Commission was warranted was inconclusive at the time. At its subsequent general business meeting on May 3, 2016, the Board adopted a special review process.

At its August 16, 2016 general business meeting, the Board received a report from the Charter School PIG recommending that the Board authorize a special review of the Commission, using the process previously adopted by the Board, and establish an investigative committee (a permitted interaction group pursuant to HRS §92-2.5(b)(1))

¹ 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."

tasked with conducting the special review and making any resulting recommendations to the Board. At its general business meeting on September 6, 2016, the Board authorized the special review of the Commission and appointed me along with Board Members Jim Williams, Hubert Minn, and Bruce Voss to an investigative committee (“Special Review Committee”), with Board Member Williams serving as chairperson of the committee, to conduct the special review in accordance with the process adopted by the Board.²

Due to the resignation of Mr. Williams from the Board in late September, the Board reformed the Special Review Committee at its October 18, 2016 general business meeting by appointing me and Board Members Minn and Voss to the new (and current) Special Review Committee, with myself serving as chairperson of the committee.

II. PROCESS

On September 7, 2016, the day after the Board authorized the special review, the Board notified the Commission in writing that a special review will be conducted. The Special Review Committee met on September 20, 2016 and October 4, 2016 to discuss and finalize the special review process and timeline, including the process and forms for data collection and analysis. The special review process adopted by the Board establishes performance measures that apply the National Association of Charter School Authorizers’ (“NACSA”) *Principles & Standards for Quality Charter School Authorizing, 2015 Edition*.

The Special Review Committee sent a request for information to the Commission on October 6, 2016 (a day earlier than the original process timeline). The request for information sought narrative responses from the Commission, as well as supporting evidence and documentation, to assist the Special Review Committee in assessing the Commission’s performance. The deadline for the Commission to respond to the request was October 21, 2016; however, on October 19, 2016, the Commission requested an extension to October 28, 2016, which the Special Review Committee granted.³ The Special Review Committee received the Commission’s response and attachments on October 28, 2016.

Concurrently, on October 7, 2016, the Special Review Committee sent a survey to charter school governing board chairpersons, school directors, Commissioners, Commission staff, recent charter applicants, and key stakeholders to gauge perspectives on how well the Commission meets some of the special review performance measures, particularly those that require direct interaction between the Commission and the charter schools it authorizes. The original deadline for responding to the survey was October 21, 2016, but due to technical issues with the survey application, the deadline was extended to October 24, 2016. Out of 104 surveys, the Special Review Committee received 62 responses. The aggregate results of the survey are attached as **Exhibit A**.

On November 9, 2016, the Special Review Committee held a public hearing to collect comments from the public regarding the past and current performance of the Commission. The Special Review Committee held the hearing at two sites—one on Oahu and one on Hawaii Island—and allowed for remote online testimony. The following nine individuals provided oral testimony (listed in order of testimony received): Taffi Wise (Kanu o ka ‘Āina New Century Public Charter School), Katie Benioni (Kanu o ka ‘Āina Learning ‘Ohana),

² The special review process and timeline adopted by the Board is available on the Board’s website here: <http://boe.hawaii.gov/About/Documents/Special%20Review%20Process%20September%202016.pdf>.

³ As a result of this extension, the deadlines for the transmittal of the draft report to the Commission and response to the draft report were changed.

Kaiulani Pahio (Nā Lei Na‘auao), Jeannine Souki (Hawaii Public Charter Schools Network), Kaanoi Walk (Kamehameha Schools), Sheila Buyukacar (IMAG Academy), Steve Hiramami (Hawaii Academy of Arts & Sciences Public Charter School), Susie Osborne (Kua o ka Lā New Century), and John Thatcher (Connections Public Charter School). In addition, seven organizations submitted written testimony.⁴

Between November 9 and 17, 2016, the Special Review Committee held individual interviews with Commission leadership (including Commissioners and staff) and group interviews with charter school leaders. The Special Review Committee developed interview questions through analysis of the data and information collected through the Commission’s response to the request for information, the survey responses, and the public hearing. The purpose of the interviews was to clarify information and gain a better understanding of perspectives. The Special Review Committee individually interviewed four Commissioners and three Commission staff and held three group interviews—one virtual, one on Hawaii Island, and one on Oahu—in which all schools were invited to participate. A total of thirteen school administrators and governing board members representing six schools participated in the three group interviews.

After analyzing all of the information and data gathered, the Special Review Committee tasked Board staff with following up with the Commission Executive Director to clarify and confirm understanding of the Commission’s operations.

The Special Review Committee transmitted the draft report on the special review to the Commission for review on December 9, 2016 (changed from the original date of December 2, 2016). The deadline for the Commission to respond to the draft report with comments was December 22, 2016 (changed from the original deadline of December 15, 2016); however, on December 12, 2016, the Commission requested an extension to January 5, 2017, which the Special Review Committee granted. The Special Review Committee received the Commission’s comments on January 4, 2017, reviewed them, and finalized the report, attached as **Exhibit B**.

III. REPORT SUMMARY

A primary objective of the special review report is to highlight areas for the Commission to improve on while also recognizing the significant amount of good work accomplished in its short existence.

Of the ten performance measures in Performance Area A, Organizational Capacity and Infrastructure, the Commission met the standards in two, partially met the standards in five, and did not meet the standards in three. Of the 13 performance measures in Performance Area B, Authorizer Processes and Decision-Making, the Commission met the standards in six and partially met the standards in seven. As a result, the rating for both performance areas is “Partially Meets,” and the overall final rating for the Commission is “Partially Meets.”

The reports major findings are five key areas of deficiency from which most of the Commission’s other weaknesses derive: lack of a strategic vision or organizational goals, lack of a system for regular self-evaluation, poor communication, unclear standards and conditions for charter contract renewal, and not protecting school autonomy. However, the report also highlights that the Commission also has some well-developed processes and a

⁴ Written testimony from the special review public hearing can be found on the Board’s website here: <http://boe.hawaii.gov/Meetings/Notices/Meeting%20Material%20Library/Testimony%202016-11-09%20Special%20Review%20Public%20Hearing.pdf>.

qualified personnel who should be able to develop solutions to address many of the identified weaknesses.

Based on the Commission's overall rating and the findings of the report, the Special Review Committee recommends that the Board require the Commission to: 1) Provide corrective action plans to address the deficiencies found in Performance Measures A.2, A.4, and A.5; and 2) report to the Board quarterly on, as well as include in the Commission's annual report to the Board, the corrective actions taken to address the deficiencies found in the report (for each Performance Measure that did not receive a rating of "Meets") until the Board determines sufficient progress has been made.

IV. ADDITIONAL FINDINGS AND OBSERVATIONS

In addition to the special review report findings, the Special Review Committee determined that there are other broad issues that do not necessarily fall under any performance measure or within the scope of review but likely contributed to the pattern of complaints that led to the special review. The Special Review Committee would like to recognize these issues in an effort to begin productive discussion and find workable solutions that will benefit the Commission, charter schools, and students. The Board can also consider whether to amend its special review process to develop performance measures covering these issues so that these issues can be addressed and the Commission's performance formally measured the next time a review is conducted.

Purpose of charter schools. A major finding of the special review report is the Commission's lack of a strategic vision. While it is the Commission's statutory responsibility to develop a "long-term strategic vision for Hawaii's public charter schools," pursuant to HRS §302D-3(d), the Special Review Committee recognizes that the Board could assist in this task by identifying the role charter schools play in the greater public education system.

In addition, Hawaii Administrative Rules ("HAR") Chapter 8-515, which the Board adopted on January 10, 2017 (and is currently awaiting enactment from the Governor as of this writing), requires the Board to determine the purpose of charter schools. Establishing this purpose will not only help the Commission in its efforts to create a strategic vision and plan, but it will also create a mutual understanding among all stakeholders as to why charter schools exist. Therefore, the Special Review Committee recommends that the Board establish an investigative committee to develop a Board policy, in consultation with charter school stakeholders, that establishes the purpose of charter schools and identifies their place in the greater public education system.

Supports for charter schools. A glaring issue that became obvious in nearly every interview with the Commission and school leaders is the lack of an adequate systemic support for charter schools. Department of Education ("Department") schools have access to support from their Complex Area Superintendents and various state offices. However, a similar system does not exist for charter schools, and because charter schools tend to be smaller, they do not have the advantage of economies of scale that would allow them to maximize their financial resources.

This is an issue that goes beyond the Commission, and as one charter school leader put it, "Not everything should be pinned on the Commission." The Commission attempts to provide some limited support, which appears to be one reason its staff is larger than a typical authorizer. However, the Commission is restricted in the level and type of support it can provide because of its role as an authorizer as well as statutory limitations set by HRS

§302D-5(g).⁵ In addition, the Commission may currently be the only entity under which all charter schools are organized, but if another authorizer is established, the Commission will no longer be the umbrella organization for all charter schools. Therefore, even if a centralized support system is offered through the Commission, only charter schools in the Commission's portfolio would benefit.

One possible solution, which would require a change in statute, is the creation of an independent agency, attached to the Department, that is focused on support, administration, and advocacy for charter schools. The director of this agency would be appointed and overseen by an organization or person that is not a charter school authorizer, and the support agency could be staffed, at least in part, with positions from the Commission primarily focused on support functions. The Commission could then focus its remaining resources on authorizing functions, which is more typical of authorizers.

The support agency could also create efficiencies for the Department and other state agencies and address other issues not directly related to support for charter schools. On November 15, 2016, the Department submitted testimony to the Board on the administrative rules allowing multiple authorizers. The Department's testimony listed concerns about the impacts multiple authorizers may have on the Department, such as increased administrative burden, distribution of federal funds, and implications for payroll services, human resources, accounting, and school food services. Most of the Department's concerns relate to administering programs to charter schools in a centralized manner. A centralized support agency could alleviate those issues. For example, the Department could administer federal programs and distribute funds through the support agency rather than through authorizers, and the support agency could serve as the central point of contact for the Department and other state agencies needing to interface with the charter school system. In addition, the support agency could take the lead on addressing longstanding systemic issues, such as charter school facilities funding.

The Special Review Committee offers this solution only as a suggestion for discussion and leaves the pursuit of this or any other solution to other stakeholders and the charter school community. In the meantime, the charter school support issue should be referenced in the Board's next annual report to the 2018 Legislature to bring further attention to problem.

Communication and relationships. While the special review report highlights specific areas on which the Commission should improve, including touching upon communication, it does not adequately capture the critical importance of rebuilding the relationships and improving communication between the Commission and the charter schools. One school leader described the Commissioners and staff as well-intentioned people trying to do their jobs and noted that they do not deserve to be demonized; yet, there are other school leaders that accuse the Commission of retaliating against schools that speak out against the actions of the Commission.

The Special Review Committee believes that the Commission, as a whole, wants charter schools to be successful. At the same time, it is clear that the charter schools do not perceive the Commission in the same way, and several school leaders believe that an "us

⁵ HRS §302D-5(g) states, "An authorizer shall not provide technical support to a prospective charter school applicant, an applicant governing board, or a charter school it authorizes in cases in which the technical support will directly and substantially impact any authorizer decision related to the approval or denial of the application or the renewal, revocation, or nonrenewal of the charter contract. This subsection shall not apply to technical support that an authorizer is required to provide to a charter school pursuant to federal law."

versus them” mentality exists among some Commissioners and staff. Therefore, it is important for the Commission to understand how it is being perceived and why and to take steps to build and repair relationships to begin changing perceptions. In interviews, Commission representatives and school leaders independently recommended that the Commission hold meetings on neighbor islands and visit schools to build relationships.

Two of the most prominent complaints about the Commission from charter school leaders—that is, the lack of contract negotiations and the perception that the Commission does not respect school autonomy—appear to stem from poor communication and overall distrust among all parties. The special review report identifies the lack of mutual understanding and acceptance of the terms of the charter contract as a problem, which can be resolved through effective communication and respectful relationships. Several school leaders mentioned that charter schools want to be accountable, but how it is done is still unclear to many schools. This relates to the school autonomy issue as well. Some schools do not feel respected or trusted to run their schools, and others noted that compliance should be applied in a way that is positive rather than punitive, especially when the threat of school closure is always looming. Another school leader mentioned the importance of the Commission recognizing the amount of work for which school leaders are responsible.

The Commission seems to be making progress in repairing relationships with its new Executive Director making it a point to visit and connect with each charter school. However, one person cannot do this alone. Therefore, the Special Review Committee recommends that the Board request that the Commission develop and present a plan to improve relationships and communication. However, the Special Review Committee also recognizes that, even with the best plan, effective communication is a two-way street, and the Special Review Committee requests that charter school leaders be constructive and respectful when interacting with the Commission so that all stakeholders can move forward in a productive way.

School-specific measures. NACSA’s standards do not provide much detail regarding what a quality academic performance framework should look like, so the special review report does not provide significant commentary in that regard. However, several school leaders criticized the Commission’s academic performance framework because it does not measure much of the work charter schools are doing. While the academic performance framework does allow for measures unique to a school—known as school-specific measures (“SSMs”)—to count towards the school’s academic performance, the Commission has only approved SSMs for two schools to date.

The Commission and school leaders alike recognize that much of a school’s uniqueness and autonomy would be represented through SSMs, but a school’s performance can only be measured through an SSM if the Commission approves of a measure proposed by the school. While the Commission will understandably only approve valid measures as SSMs, it should not place all of the responsibility on schools to develop SSMs.

A possible solution the Commission may want to consider is developing a menu of acceptable SSMs based on common themes among the charter schools’ missions, visions, and educational programs. Therefore, a school may select any number of suitable SSMs from the menu rather than spending valuable time and resources developing an SSM on its own that may or may not be approved by the Commission. However, it is up to the Commission in how to proceed in addressing this issue, and the Special Review Committee recommends that the Board request that the Commission develop, in consultation with charter schools, and present a plan to do so.

Lessons for future special reviews or performance evaluations. The special review marked the first time the Board has ever reviewed or evaluated a charter school authorizer, but it will not be the last time, as HAR Chapter 8-515 requires the Board to conduct performance evaluations of each authorizer, including the Commission, at least once every five years. Therefore, the Special Review Committee recommends that the Board consider the special review as the Commission's first performance evaluation, which means the next regular performance evaluation of the Commission would not need to be conducted until sometime between 2021 and 2022, pursuant to HAR Chapter 8-515 (unless the Board again determines a special review of the Commission is warranted, pursuant to law, before then).

The Special Review Committee also believes there are some important lessons to be learned from the special review process to inform the development of the authorizer performance evaluation system and process. Because the special review was time consuming and labor intensive, future review and evaluation processes should have an extended timeframe rather than the six-month timeline (from initiation to adoption of the final report) for this special review. In addition, the Board may want to consider using evaluators that are not Board members because of the time demands. Further, NACSA's standards do not necessarily cover every aspect of authorizing that may be worthy of an evaluation; therefore, the Board may also want to consider developing other performance measures that address some of the issues described within this memorandum or relate to the purpose of charter schools, as determined by the Board.

V. RECOMMENDATION

The Special Review Committee unanimously agreed and recommends that the Board:

- 1) Approve and transmit to the Commission the special review report, attached as **Exhibit B**;
- 2) In accordance with the special review process outcomes and based on the Commission's final rating, require the Commission to:
 - a) Provide corrective action plans to address the deficiencies found in Performance Measures A.2, A.4, and A.5; and
 - b) Report to the Board quarterly on, as well as include in the Commission's annual report to the Board, the corrective actions taken to address the deficiencies found in the special review report until the Board determines sufficient progress;
- 3) Form an investigative committee to, in consultation with charter school stakeholders, determine the purpose of charter schools and propose a Board policy codifying the purpose;
- 4) Include in its next annual report to the 2018 Legislature the issue of charter school support as described in this memorandum;
- 5) Request that the Commission provide a plan to the Board for improving communication and relationships with the charter schools;
- 6) Request that the Commission provide a plan to the Board for reducing the time and resources spent by charter schools in selecting and developing acceptable school-specific measures; and
- 7) Upon enactment of Chapter 8-515, Hawaii Administrative Rules, as adopted by the Board, consider the special review the Commission's first performance evaluation as required under the rules and direct Board staff to consider the

lessons learned from the special review, as described in this memorandum, when developing the authorizer performance evaluation system and process.

This report completes the work the Board tasked to the Special Review Committee.

Exhibit A
Special Review Survey Results

SPECIAL REVIEW SURVEY RESULTS

Introduction

As part of its special review of the State Public Charter School Commission (“Commission”), the Board of Education’s Special Review Investigative Committee (“Committee”) sent out a survey on October 7, 2016, to charter school governing board chairpersons, charter school directors, recent charter applicants, Commissioners, Commission staff, and other key stakeholders to gauge perspectives on how well the Commission meets some of the special review performance measures (“Performance Measures”), particularly those that require direct interaction between the Commission and the charter schools it authorizes. The deadline to submit surveys was 12:00 p.m. on October 24, 2016 (extended from the original deadline of October 21, 2016).

Out of 104 surveys, the Committee received 62 responses for a total response rate of 59.6%. The Committee received at least a two-thirds response rate from all groups except for governing board chairpersons. Note that aggregate data from governing board chairperson responses may not accurately reflect the views of this group because of the low response rate. The table below contains the response rates for all surveyed groups.

Role Group	Surveys Sent	Responses Received	Response Rate
Governing board chairpersons	31	5	16.1%
School directors	34	25	73.5%
Charter applicants	7	5	71.4%
Commissioners	9	6	66.7%
Commission staff	19	17	89.5%
Other key stakeholders*	4	4	100%

* Other key stakeholders are organizations that directly support charter schools and regularly communicate with the Commission and include the Hawaii Public Charter Schools Network, Kamehameha Schools, Nā Lei Na’auao Alliance for Native Hawaiian Education, and the Office of Hawaiian Affairs. However, because of their differing roles, purposes, and relationships with regard to charter schools and the Commission and the small sample size, data collected from these stakeholders are not specifically called out in the summary analyses in this report.

The survey responses by role group are attached as [Appendix A](#).

Section 1 (Compliance to Statutory Responsibilities) Analysis

This section relates to Performance Measure A.10. All role groups provided responses to this section except for charter applicants.

The Commission and charter schools have differing perspectives on nearly all of the statements within this section. The exception is that all role groups tend to agree that the Commission does receive and distribute per-pupil funding from the Department of Budget and Finance to charter schools. The Commissioners and Commission staff overwhelmingly believe that the Commission is in compliance with the statutory responsibilities referenced in this section, and no Commission staff responses disagree or

Exhibit A

strongly disagree with any of the statements in this section. Governing board chairpersons tend to agree that the Commission is in compliance more than not. However, school directors disagree that the Commission is in compliance more than agree, especially in regards to compliance in receiving and distributing federal funds. Additionally, respondents raised issues relating to funding distribution most frequently in the open-ended responses.

The Commission acts as a point of contact between the Department of Education and the charter schools.

The Commission and charter schools have differing perspectives regarding this statement. Over 82% of Commissioner and Commission staff responses agree or strongly agree with this statement. Only 40% of governing board chairperson responses agree or strongly agree, and more school director responses disagree or strongly disagree (48%) than agree or strongly agree (36%).

The Commission ensures the compliance of the charter schools with all applicable state and federal laws, including reporting requirements.

While there are still differing perspectives between the Commission and charter schools regarding this statement, there is more agreement here than with most other statements. Over 88% of Commissioner responses agree or strongly agree with this statement, all (100%) of the Commission staff responses agree or strongly agree, and 80% of governing board chairperson responses agree or strongly agree. While not a majority, more school director responses agree or strongly agree (48%) than disagree or strongly disagree (36%).

The Commission receives and distributes applicable federal funds from the Department of Education to the charter schools.

The Commission and charter schools have differing perspectives regarding this statement. Over 83% of Commissioner responses and over 94% of Commission staff responses agree or strongly agree with this statement. Only 60% of governing board chairperson responses agree or strongly agree, and more school director responses disagree or strongly disagree (60%) than agree or strongly agree (40%).

The Commission receives and distributes per-pupil funding from the Department of Budget and Finance to the charter schools.

This statement appears to have the most agreement among the Commission and charter schools of all the statements rated in this survey. Most responses in all role groups agree or strongly agree with this statement, with Commissioner responses over 83%, Commission staff responses over 88%, governing board chairperson responses at 100%, and school director responses at 68% agree or strongly agree.

Please provide a brief explanation for any “strongly agree” or “strongly disagree” answers.

Respondents raised several issues, most relating to the distribution of funds. Six responses reference the inappropriate distribution of funds. Responses claim that the Commission inappropriately withheld funds, altered the method of funding, or did not distribute funding in accordance with funding formulas.

Exhibit A

Five responses mention that a lack of transparency is an issue, especially as it relates to how funding distributions are calculated. Five responses describe the lack of timely funding distributions. Other common themes include unclear communication or lack thereof, not enough support, and a focus on compliance and accountability.

Section 2 (Application Process and Decision-Making) Analysis

This section relates to Performance Measures B.1 through B.4. All role groups provided responses to this section except for governing board chairpersons and school directors. (Note: The survey provided through the SurveyMonkey data collector allowed all role groups to respond to this section. However, the survey approved by the Committee was intended to only consider responses from charter applicants, Commissioners, Commission staff, and other key stakeholders for this section.)

Of the nine statements in this section, the Commission and charter applicants have differing perspectives on five and mostly agree on two. On the other two statements, Commission staff have differing perspectives from both Commissioners and charter applicants, as Commission staff responses overwhelmingly agree with most statements and again do not contain any responses that disagree with any statements in this section. While Commission staff tend to agree that the Commission's request for proposals encourages diverse educational models from both new applicants and existing operators and that it encourages expansion and replication of successful charter school models, most Commissioners are neutral (neither agreeing or disagreeing) on these positions and most charter applicants disagree. The Commission and charter applicants mostly agree that the Commission has a comprehensive and well-publicized application process that has been communicated and includes realistic timelines, fair and transparent procedures, and guidance that clearly describes each stage of the process.

The Commission has a comprehensive and well-publicized application process.

While the Commission and charter applicants have differing perspectives on most statements in this section, they have more agreement than not on this particular statement. Most responses agree or strongly agree with this statement, with Commissioner responses at 100%, Commission staff responses over 82%, and charter applicant responses at 60% agree or strongly agree. Only 20% of charter applicant responses disagree or strongly disagree with this statement.

The Commission has communicated an application process that includes realistic timelines, fair and transparent procedures, and guidance that clearly describes each stage of the process.

While the Commission and charter applicants have differing perspectives on most statements in this section, this is another statement in which they have more agreement than not. Most responses agree or strongly agree with this statement, with Commissioner responses over 83%, Commission staff responses over 82%, and charter applicant responses at 60% agree or strongly agree. However, charter applicant responses are somewhat split, with 40% disagreeing or strongly disagreeing with this statement.

The Commission's request for proposals is clear, comprehensive, and aligned to its vision.

Exhibit A

The Commission and charter applicants have differing perspectives regarding this statement. Over 83% of Commissioner responses and over 82% of Commission staff responses agree or strongly agree with this statement. More charter applicant responses disagree or strongly disagree (60%) than agree or strongly agree (40%).

The Commission's request for proposals encourages diverse educational models from both new applicants and existing operators.

Not only does the Commission's staff have a differing perspective from charter applicants regarding this statement but also a differing perspective from the Commissioners. Over 76% of Commission staff responses agree or strongly agree with this statement, while only a third (33.3%) of Commissioner responses agree or strongly agree and half (50%) are neutral (neither agreeing or disagreeing). No charter applicants agree with this statement and most (80%) disagree or strongly disagree.

The Commission's request for proposals encourages expansion and replication of successful charter school models.

Again, not only does the Commission's staff have a differing perspective from charter applicants regarding this statement but also a differing perspective from the Commissioners. Over 64% of Commission staff responses agree or strongly agree with this statement, while only a third (33.3%) of Commissioner responses agree or strongly agree and half (50%) are neutral (neither agreeing or disagreeing). Still, this statement has the least amount of Commission support of any statement in this survey. No charter applicants agree with this statement and most (60%) disagree or strongly disagree.

The Commission has clear and comprehensive approval criteria to rigorously evaluate new charter school proposals.

The Commission and charter applicants have differing perspectives regarding this statement. Over 83% of Commissioner responses and over 82% of Commission staff responses agree or strongly agree with this statement. Charter applicant responses are split, with 40% agreeing or strongly agreeing and 40% disagreeing or strongly disagreeing.

The Commission has clear and comprehensive process, which includes an interview with each applicant, training for application evaluators, and decision-making that is free from conflicts of interest.

The Commission and charter applicants have differing perspectives regarding this statement. Two-thirds (66.7%) of Commissioner responses and over 82% of Commission staff responses agree or strongly agree with this statement. More charter applicant responses disagree or strongly disagree (80%) than agree or strongly agree (20%).

The Commission evaluates new charter school proposals using evaluators with appropriate skills, knowledge, and experience relating to charter schools.

The Commission and charter applicants have differing perspectives regarding this statement. Over 83% of Commissioner responses and over 82% of Commission staff responses agree or strongly agree with

Exhibit A

this statement. More charter applicant responses disagree or strongly disagree (40%) than agree or strongly agree (20%).

The Commission's decisions and resulting actions align to its stated approval criteria and process.

The Commission and charter applicants have differing perspectives regarding this statement. Two-thirds (66.7%) of Commissioner responses and over 82% of Commission staff responses agree or strongly agree with this statement. All (100%) charter applicant responses disagree or strongly disagree.

Please provide a brief explanation for any "strongly agree" or "strongly disagree" answers.

Among the responses to this section, there are a couple of common themes. Two responses explain that evaluators wrote evaluation reports containing errors or misinformation about the charter application. Another two responses note that guidance on recent changes to application process is unclear.

Section 3 (Performance Contracting) Analysis

This section relates to Performance Measures B.5 and B.6. All role groups provided responses to this section except for charter applicants.

The Commission and charter schools have differing perspectives on both statements in this section. The Commissioners and Commission staff overwhelmingly believe that the Commission negotiates and executes charter contracts that clearly define material terms and rights and responsibilities of the schools and the Commission with clear, measurable, and attainable performance standards, and again, no Commission staff responses disagree or strongly disagree with any of the statements in this section. However, the majority of governing board chairpersons and school directors disagree. The open-ended responses suggest this disagreement primarily stems from a perceived lack of charter contract negotiations between the Commission and charter schools.

The Commission negotiates and executes charter contracts that clearly define material terms and rights and responsibilities of the school and the Commission.

The Commission and charter schools have differing perspectives regarding this statement. Over 83% of Commissioner responses and over 70% of Commission staff responses agree or strongly agree with this statement. More governing board chairperson responses disagree or strongly disagree (60%) than agree or strongly agree (40%), and more school director responses disagree or strongly disagree (64%) than agree or strongly agree (28%).

The Commission negotiates and executes charter contracts with clear, measurable, and attainable performance standards.

The Commission and charter schools have differing perspectives regarding this statement. Over 83% of Commissioner responses and over 70% of Commission staff responses agree or strongly agree with this statement. No governing board chairperson responses agree or strongly agree and 60% disagree or

Exhibit A

strongly disagree, and more school director responses disagree or strongly disagree (64%) than agree or strongly agree (24%).

Please provide a brief explanation for any “strongly agree” or “strongly disagree” answers.

Eleven responses identified the lack of charter contract negotiations between the Commission and charter schools as a major issue. Six responses mentioned that the charter contract contains inappropriate or insufficient performance measures, metrics, and/or standards. Five responses described an issue where charter schools were essentially forced to sign charter contracts or would not receive funding. Other themes include changing contract terms, no technical assistance to comply with contracts, and the focus on compliance.

Section 4 (Ongoing Oversight and Evaluation) Analysis

This section relates to Performance Measures B.7 through B.10. All role groups provided responses to this section except for charter applicants.

Of the seven statements in this section, the Commission and charter schools have mostly differing perspectives but somewhat agree on three statements relating to organizational performance monitoring, communication to ensure compliance, and standards and processes to address complaints, intervention, and corrective action. However, the Commission and charter schools significantly disagree (more so than any other statement in this survey) that the Commission respects, preserves, and supports the essential autonomies of charter schools. Open-ended responses support this disagreement. While Commission staff responses still overwhelmingly agree with most statements in this section, this is the only section of the survey in which there are a few disagree or strongly disagree responses from Commission staff.

The Commission monitors and oversees charter schools in the area of academic performance according to the processes outlined in the charter contract.

The Commission and charter schools have differing perspectives regarding this statement. Over 83% of Commissioner responses and over 88% of Commission staff responses agree or strongly agree with this statement. Only 60% of governing board chairperson responses agree or strongly agree, and more school director responses disagree or strongly disagree (40%) than agree or strongly agree (36%).

The Commission monitors and oversees charter schools in the area of financial performance according to the processes outlined in the charter contract.

The Commission and charter schools have differing perspectives regarding this statement. Over 83% of Commissioner responses and over 88% of Commission staff responses agree or strongly agree with this statement. Only 60% of governing board chairperson responses agree or strongly agree, and school director responses are split, with 48% agreeing or strongly agreeing and 48% disagreeing or strongly disagreeing.

Exhibit A

The Commission monitors and oversees charter schools in the area of operations and organizational performance according to the processes outlined in the charter contract.

While there are still differing perspectives between the Commission and charter schools regarding this statement, there is more agreement here than with most other statements. Over 83% of Commissioner responses agree or strongly agree with this statement, over 88% of Commission staff responses agree or strongly agree, and 60% of governing board chairperson responses agree or strongly agree. While not a majority, more school director responses agree or strongly agree (48%) than disagree or strongly disagree (32%).

The Commission regularly communicates with schools to ensure timely compliance with charter contracts and applicable laws.

While there are still differing perspectives between the Commission and charter schools regarding this statement, there is more agreement here than with most other statements. Two-thirds (66.7%) of Commissioner responses agree or strongly agree with this statement, over 82% of Commission staff responses agree or strongly agree, and 80% of governing board chairperson responses agree or strongly agree. While not a majority, more school director responses agree or strongly agree (44%) than disagree or strongly disagree (32%).

The Commission provides guidance to ensure timely compliance with charter contracts, including clearly defining the process of gathering performance data and providing timely notice of contract violations or performance deficiencies.

The Commission and charter schools have differing perspectives regarding this statement. Over 83% of Commissioner responses and over 76% of Commission staff responses agree or strongly agree with this statement. More governing board chairperson responses disagree or strongly disagree (60%) than agree or strongly agree (40%), and more school director responses disagree or strongly disagree (44%) than agree or strongly agree (20%).

The Commission respects, preserves, and supports the essential autonomies of the charter schools.

The Commission and charter schools have significantly differing perspectives regarding this statement, more so than any other statement in this survey. Over 83% of Commissioner responses and over 94% of Commission staff responses agree or strongly agree with this statement. More governing board chairperson responses disagree or strongly disagree (60%) than agree or strongly agree (20%), and more school director responses disagree or strongly disagree (72%) than agree or strongly agree (16%).

The Commission has clear and comprehensive standards and processes to address complaints, intervention, and corrective action.

While the Commission and charter schools have differing perspectives regarding this statement, Commission support for this statement is not as strong as it is for most other statements. Half (50%) of Commissioner responses and over 64% of Commission staff responses agree or strongly agree with this statement. More governing board chairperson responses disagree or strongly disagree (60%) than agree

Exhibit A

or strongly agree (20%), and more school director responses disagree or strongly disagree (56%) than agree or strongly agree (24%).

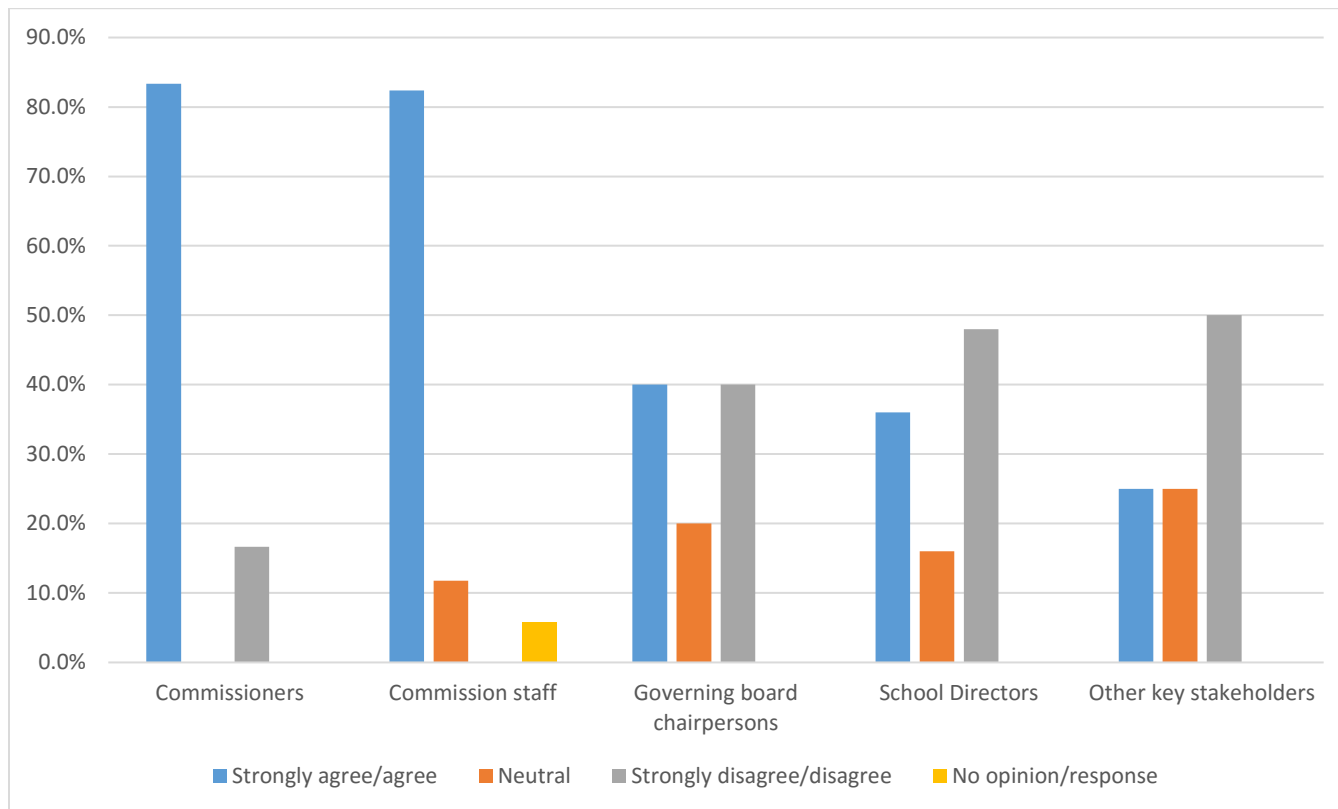
Please provide a brief explanation for any “strongly agree” or “strongly disagree” answers.

Respondents identified several issues relating to this section. Six responses noted that school autonomy is not being preserved, and some even accuse the Commission of undermining autonomy. Another six responses describe poor communication, especially as it relates to ensuring and supporting compliance. Five responses mention that there is a lack of support or guidance in ensuring compliance. Some other themes include a focus on compliance and inconsistent procedures.

Section 1: Compliance to Statutory Responsibilities

The Commission acts as a point of contact between the Department of Education and the charter schools.

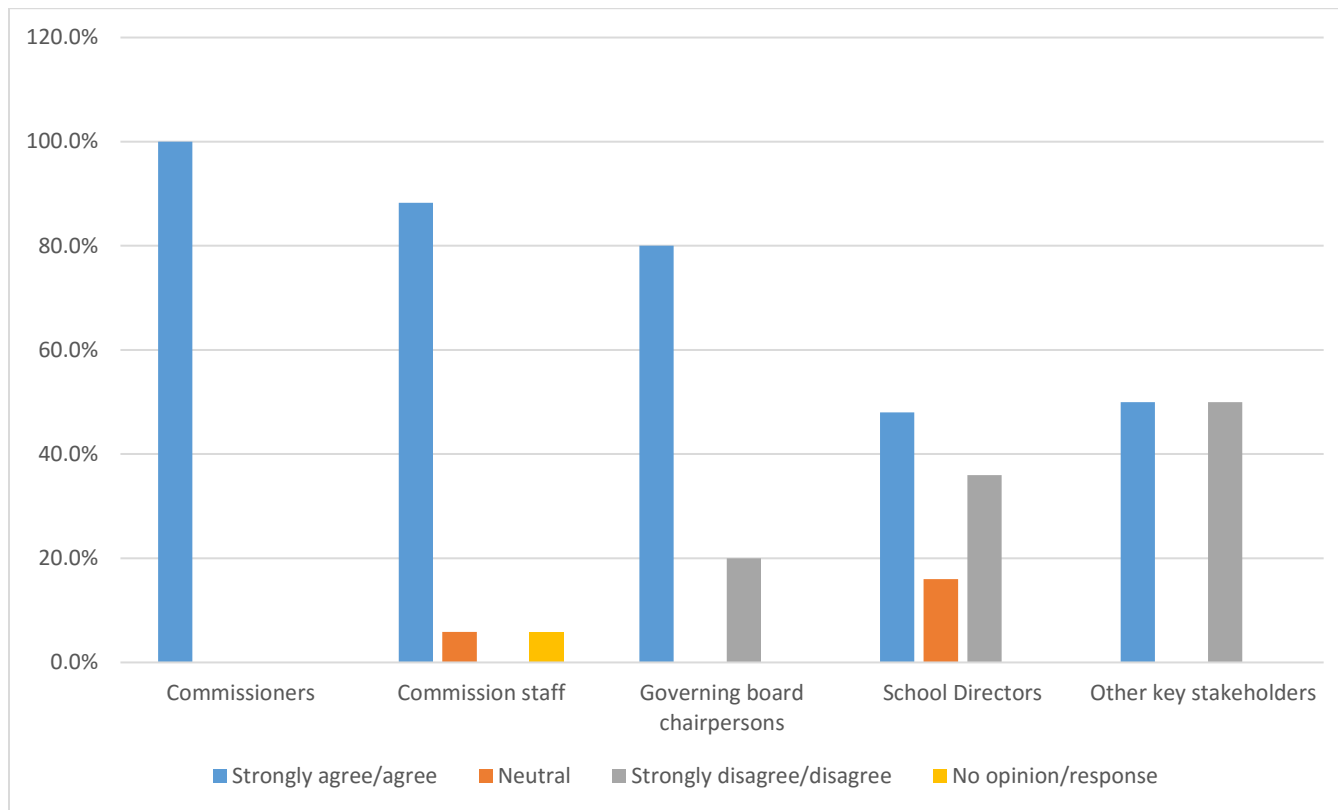
	Strongly agree/agree	Neutral	Strongly disagree/disagree	No opinion/response
Commissioners	83.3%	0.0%	16.7%	0.0%
Commission staff	82.4%	11.8%	0.0%	5.9%
Governing board chairpersons	40.0%	20.0%	40.0%	0.0%
School Directors	36.0%	16.0%	48.0%	0.0%
Other key stakeholders	25.0%	25.0%	50.0%	0.0%



Section 1: Compliance to Statutory Responsibilities

The Commission ensures the compliance of the charter schools with all applicable state and federal laws, including reporting requirements.

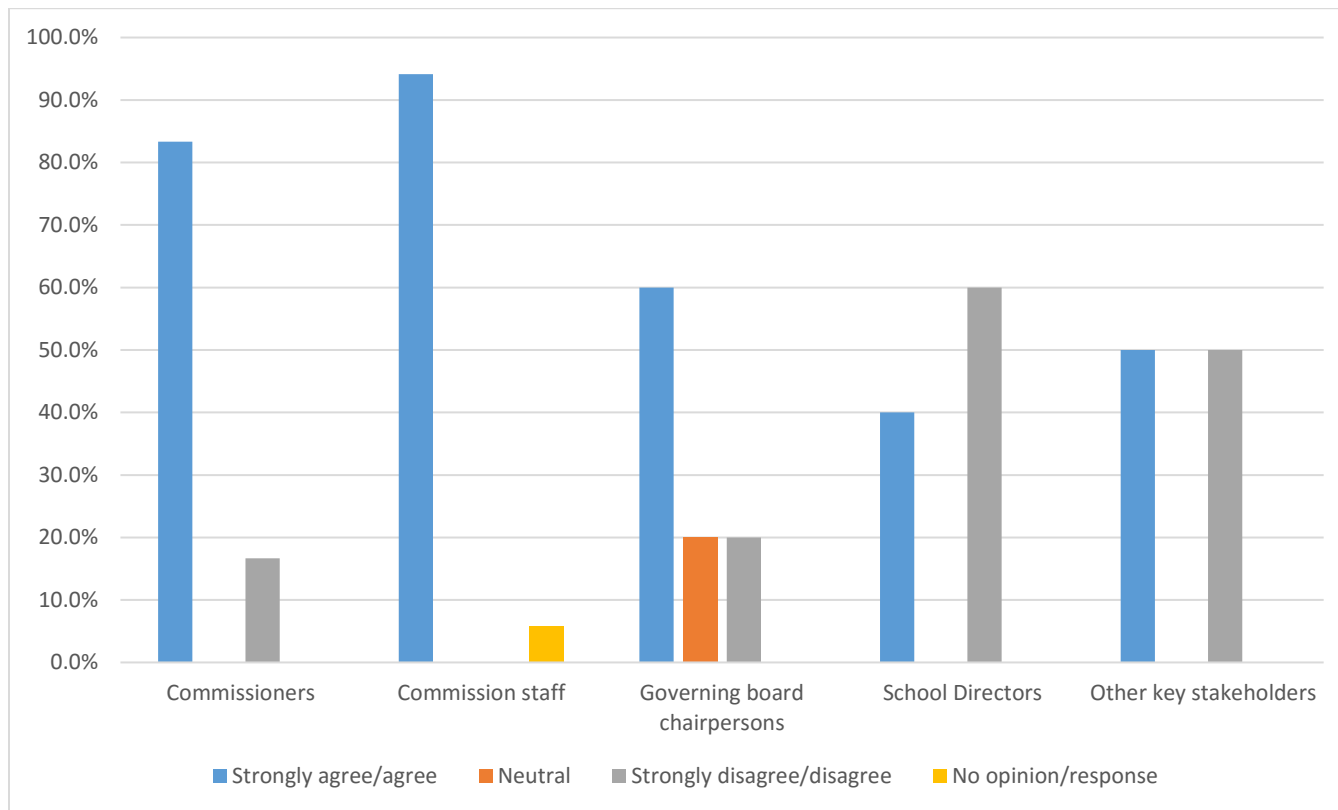
	Strongly agree/agree	Neutral	Strongly disagree/disagree	No opinion/response
Commissioners	100.0%	0.0%	0.0%	0.0%
Commission staff	88.2%	5.9%	0.0%	5.9%
Governing board chairpersons	80.0%	0.0%	20.0%	0.0%
School Directors	48.0%	16.0%	36.0%	0.0%
Other key stakeholders	50.0%	0.0%	50.0%	0.0%



Section 1: Compliance to Statutory Responsibilities

The Commission receives and distributes applicable federal funds from the Department of Education to the charter schools.

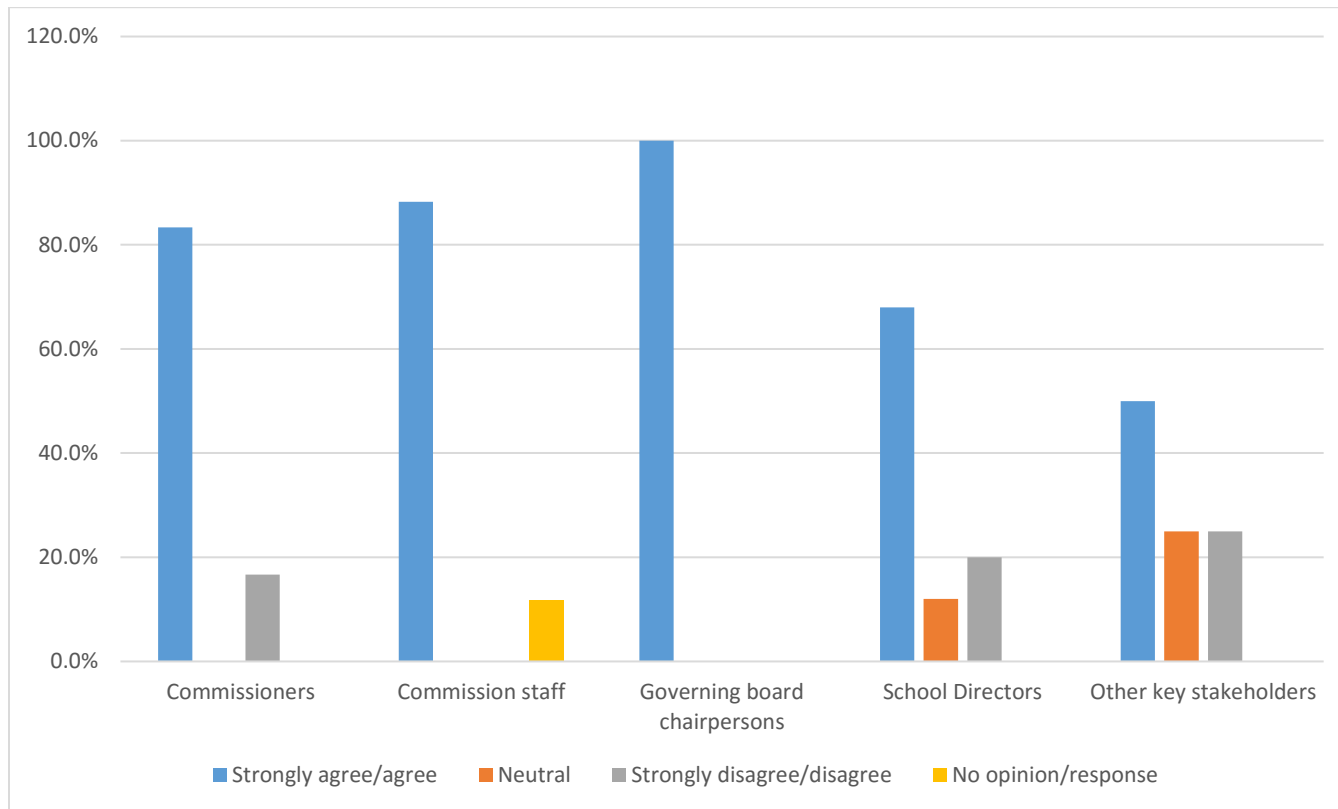
	Strongly agree/agree	Neutral	Strongly disagree/disagree	No opinion/response
Commissioners	83.3%	0.0%	16.7%	0.0%
Commission staff	94.1%	0.0%	0.0%	5.9%
Governing board chairpersons	60.0%	20.0%	20.0%	0.0%
School Directors	40.0%	0.0%	60.0%	0.0%
Other key stakeholders	50.0%	0.0%	50.0%	0.0%



Section 1: Compliance to Statutory Responsibilities

The Commission receives and distributes per-pupil funding from the Department of Budget and Finance to the charter schools.

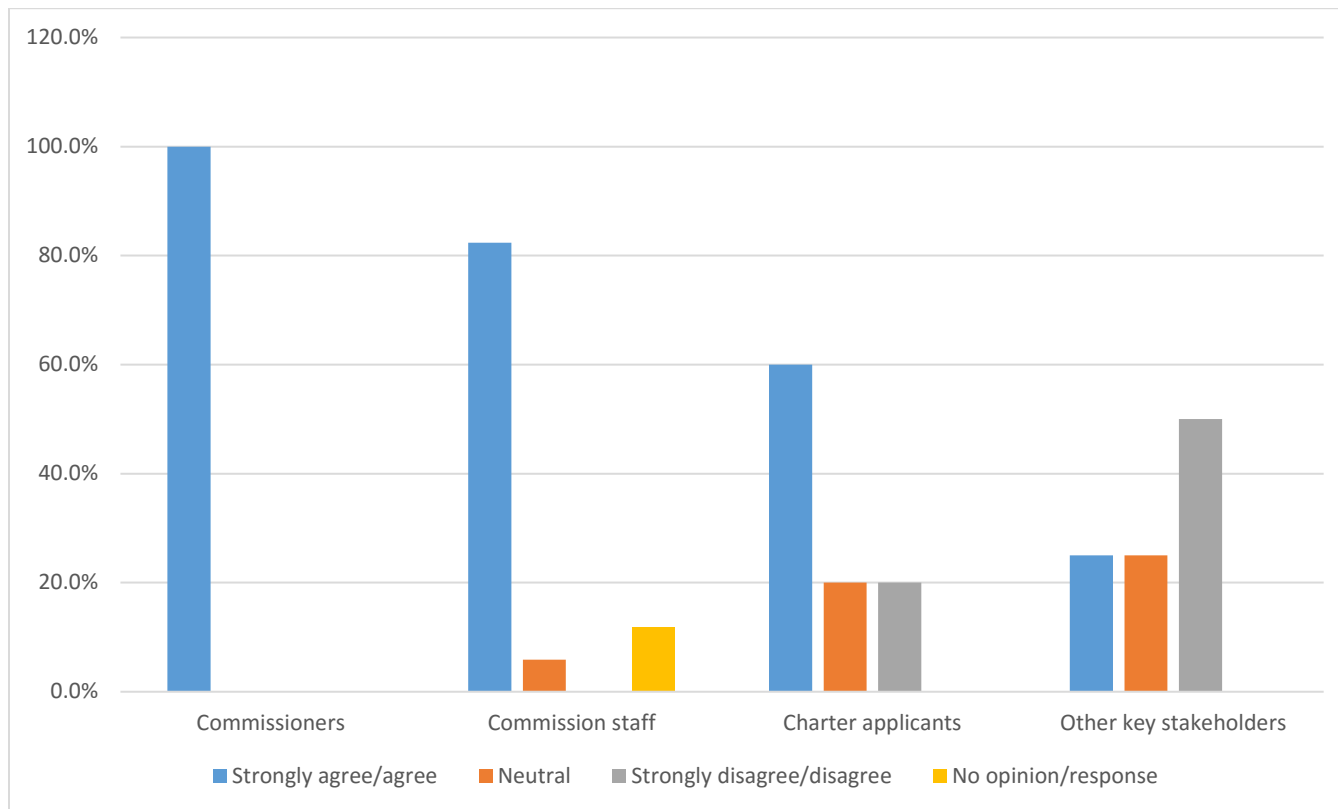
	Strongly agree/agree	Neutral	Strongly disagree/disagree	No opinion/response
Commissioners	83.3%	0.0%	16.7%	0.0%
Commission staff	88.2%	0.0%	0.0%	11.8%
Governing board chairpersons	100.0%	0.0%	0.0%	0.0%
School Directors	68.0%	12.0%	20.0%	0.0%
Other key stakeholders	50.0%	25.0%	25.0%	0.0%



Section 2: Application Process and Decision-Making

The Commission has a comprehensive and well-publicized application process.

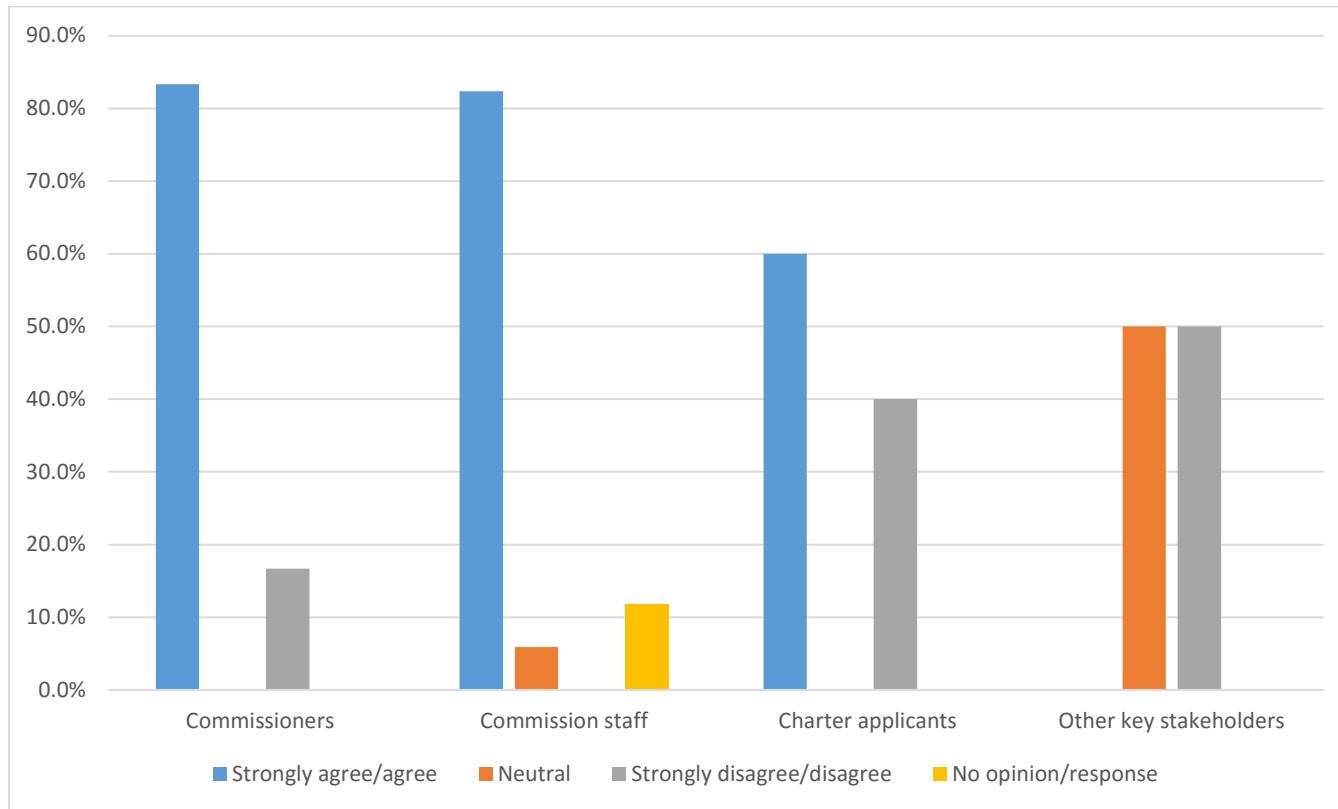
	Strongly agree/agree	Neutral	Strongly disagree/disagree	No opinion/response
Commissioners	100.0%	0.0%	0.0%	0.0%
Commission staff	82.4%	5.9%	0.0%	11.8%
Charter applicants	60.0%	20.0%	20.0%	0.0%
Other key stakeholders	25.0%	25.0%	50.0%	0.0%



Section 2: Application Process and Decision-Making

The Commission has communicated an application process that includes realistic timelines, fair and transparent procedures, and guidance that clearly describes each stage of the process.

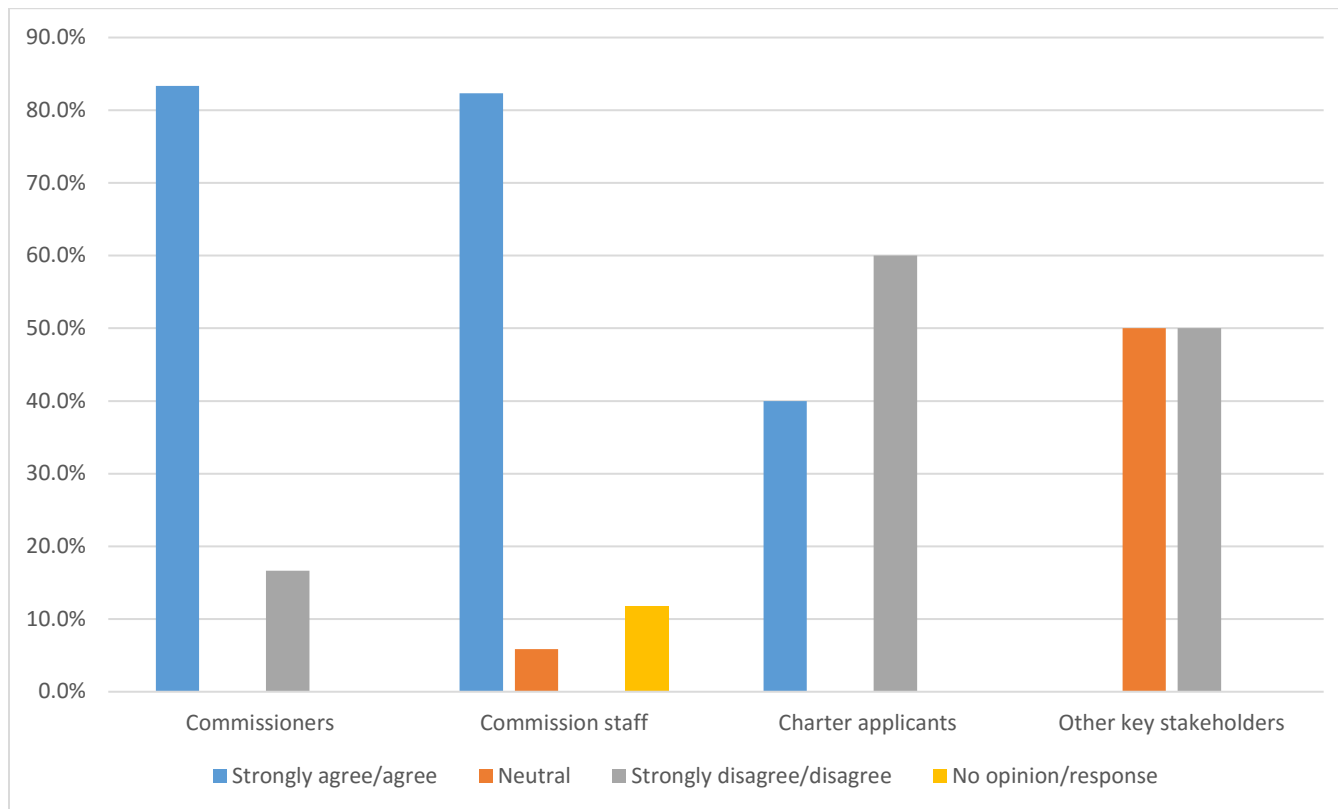
	Strongly agree/agree	Neutral	Strongly disagree/disagree	No opinion/response
Commissioners	83.3%	0.0%	16.7%	0.0%
Commission staff	82.4%	5.9%	0.0%	11.8%
Charter applicants	60.0%	0.0%	40.0%	0.0%
Other key stakeholders	0.0%	50.0%	50.0%	0.0%



Section 2: Application Process and Decision-Making

The Commission's request for proposals is clear, comprehensive, and aligned to its vision.

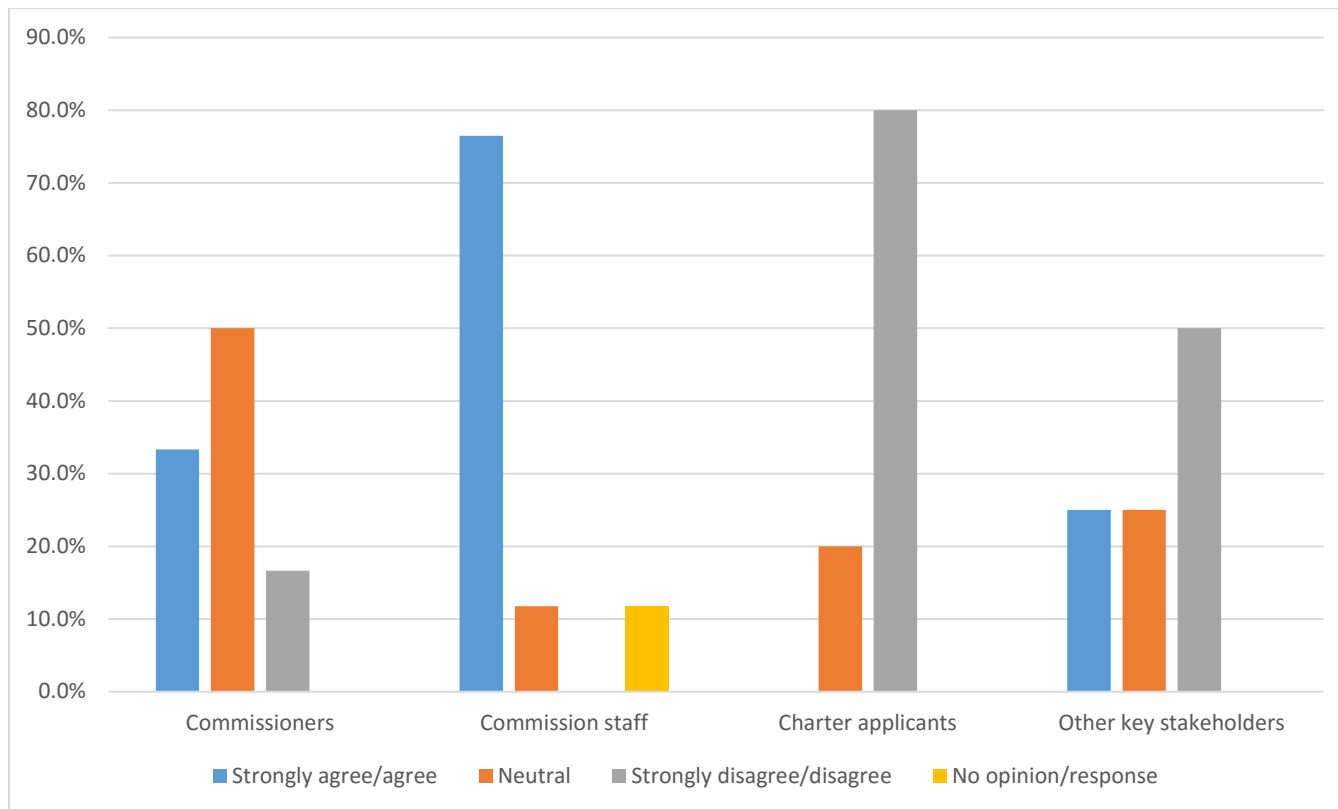
	Strongly agree/agree	Neutral	Strongly disagree/disagree	No opinion/response
Commissioners	83.3%	0.0%	16.7%	0.0%
Commission staff	82.4%	5.9%	0.0%	11.8%
Charter applicants	40.0%	0.0%	60.0%	0.0%
Other key stakeholders	0.0%	50.0%	50.0%	0.0%



Section 2: Application Process and Decision-Making

The Commission’s request for proposals encourages diverse educational models from both new applicants and existing operators.

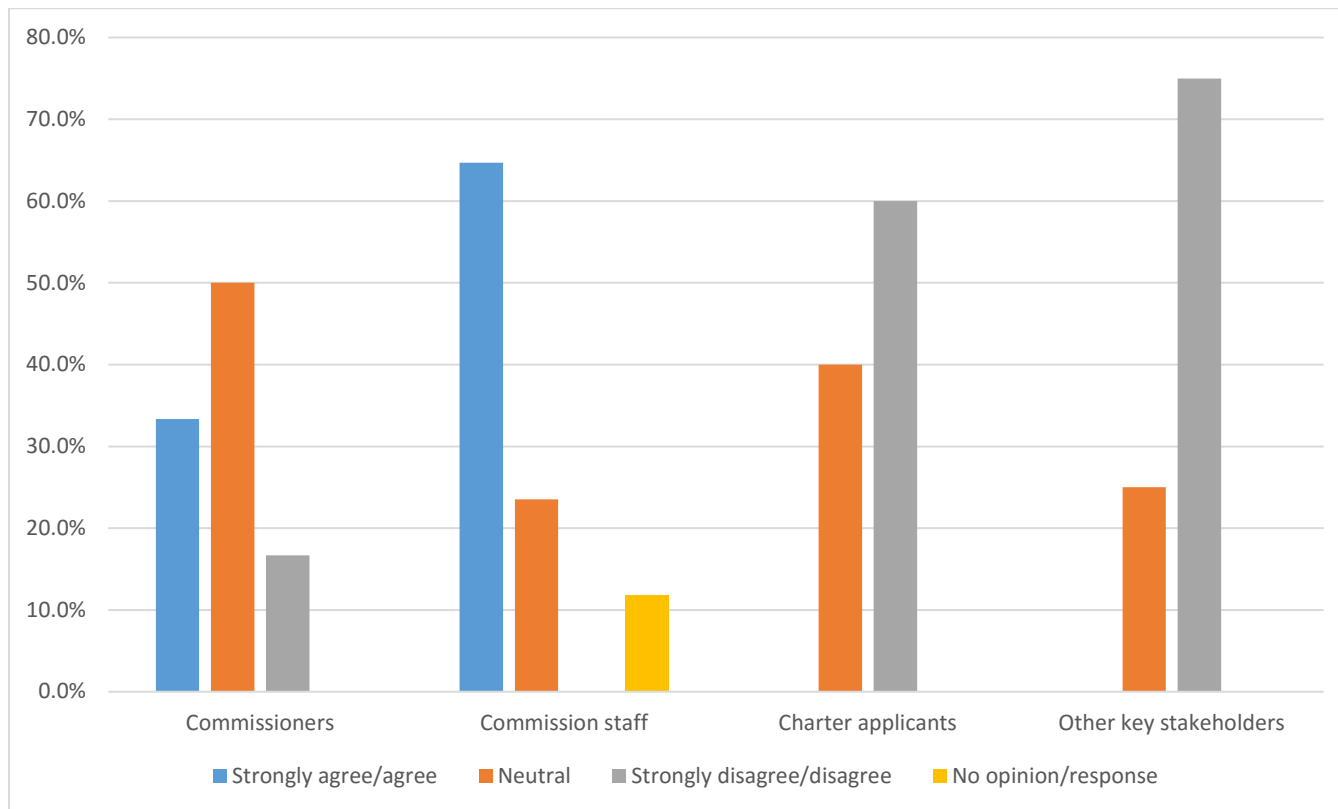
	Strongly agree/agree	Neutral	Strongly disagree/disagree	No opinion/response
Commissioners	33.3%	50.0%	16.7%	0.0%
Commission staff	76.5%	11.8%	0.0%	11.8%
Charter applicants	0.0%	20.0%	80.0%	0.0%
Other key stakeholders	25.0%	25.0%	50.0%	0.0%



Section 2: Application Process and Decision-Making

The Commission's request for proposals encourages expansion and replication of successful charter school models.

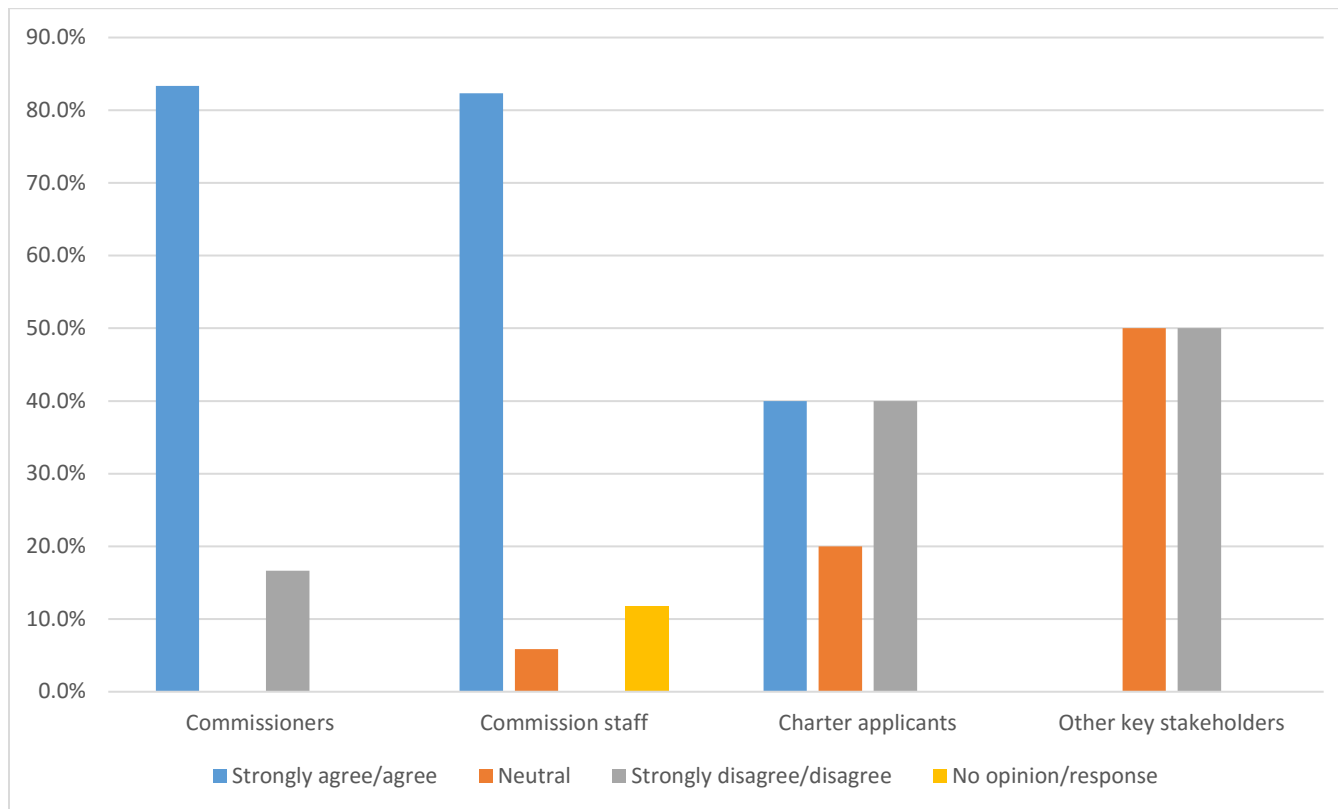
	Strongly agree/agree	Neutral	Strongly disagree/disagree	No opinion/response
Commissioners	33.3%	50.0%	16.7%	0.0%
Commission staff	64.7%	23.5%	0.0%	11.8%
Charter applicants	0.0%	40.0%	60.0%	0.0%
Other key stakeholders	0.0%	25.0%	75.0%	0.0%



Section 2: Application Process and Decision-Making

The Commission has clear and comprehensive approval criteria to rigorously evaluate new charter school proposals.

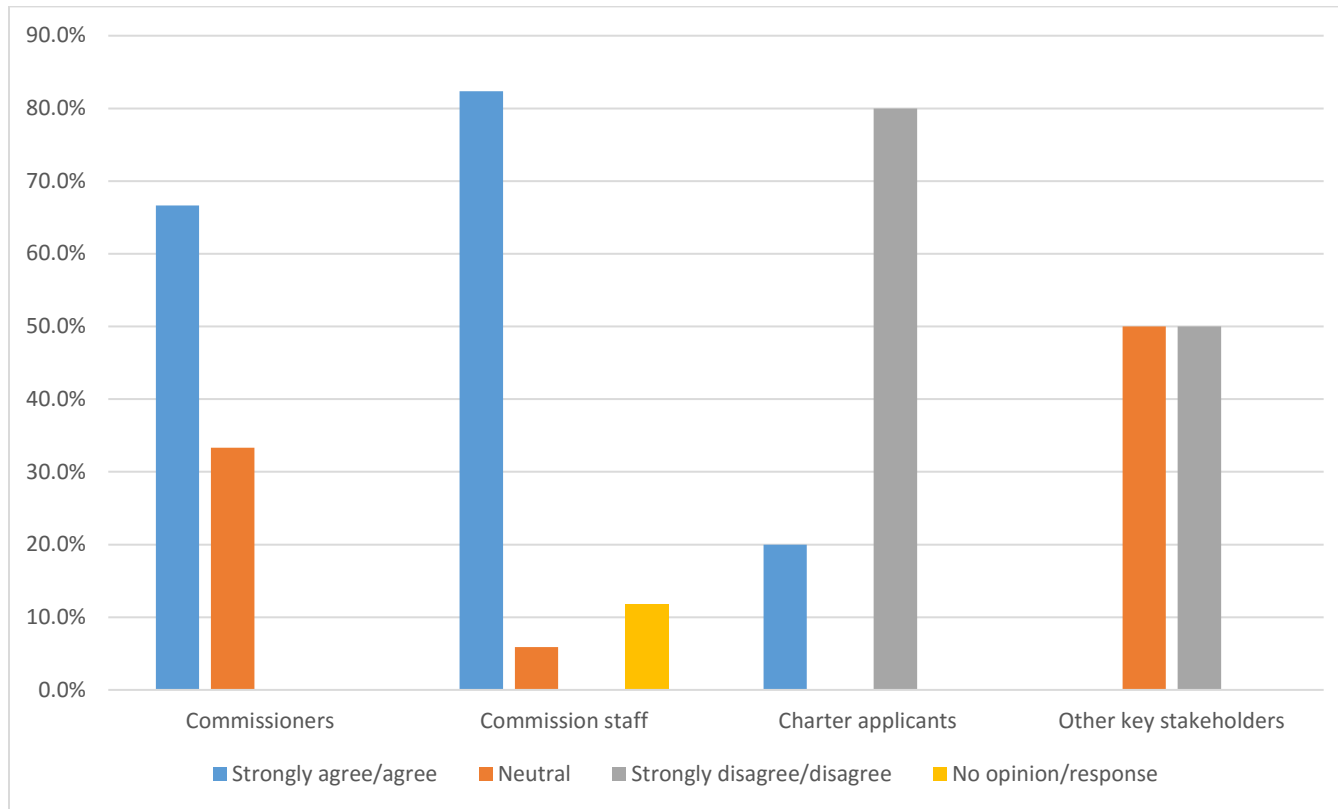
	Strongly agree/agree	Neutral	Strongly disagree/disagree	No opinion/response
Commissioners	83.3%	0.0%	16.7%	0.0%
Commission staff	82.4%	5.9%	0.0%	11.8%
Charter applicants	40.0%	20.0%	40.0%	0.0%
Other key stakeholders	0.0%	50.0%	50.0%	0.0%



Section 2: Application Process and Decision-Making

The Commission has clear and comprehensive process, which includes an interview with each applicant, training for application evaluators, and decision-making that is free from conflicts of interest.

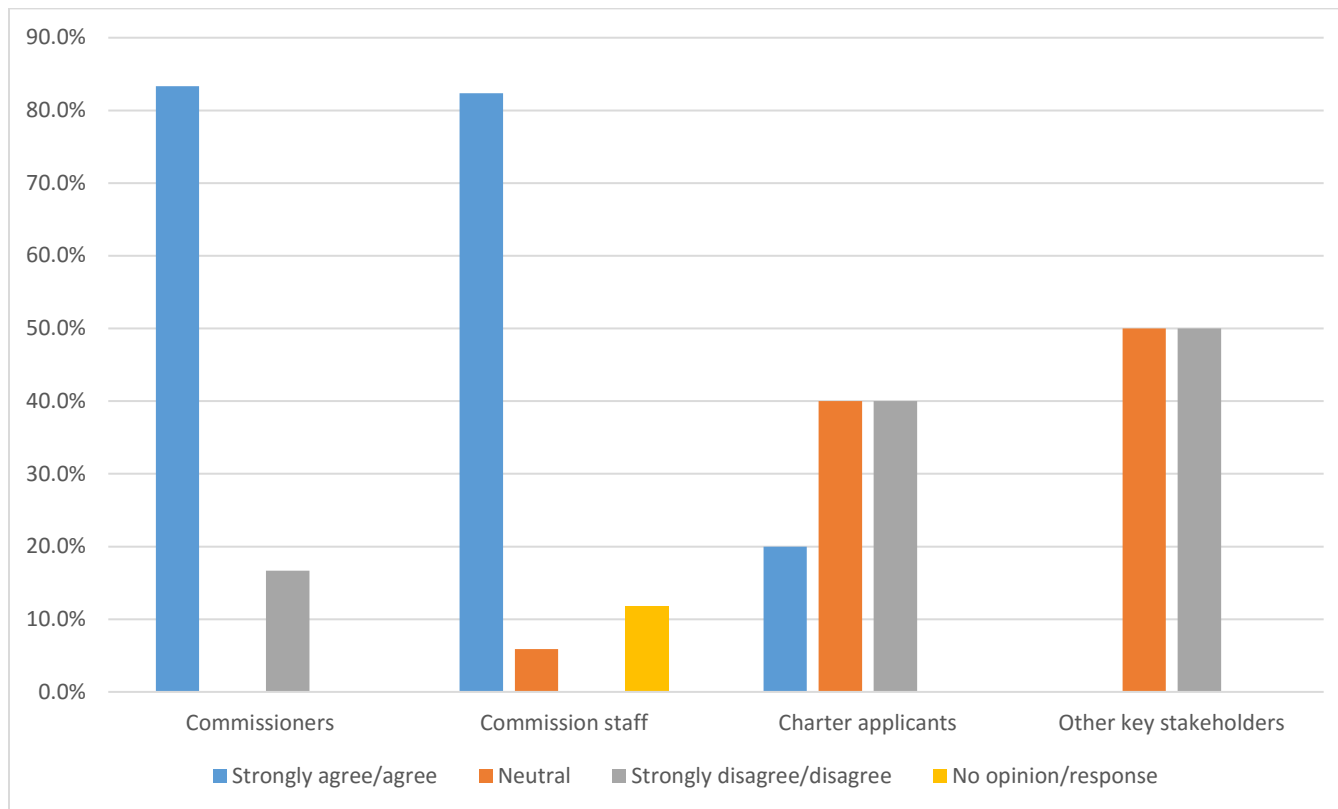
	Strongly agree/agree	Neutral	Strongly disagree/disagree	No opinion/response
Commissioners	66.7%	33.3%	0.0%	0.0%
Commission staff	82.4%	5.9%	0.0%	11.8%
Charter applicants	20.0%	0.0%	80.0%	0.0%
Other key stakeholders	0.0%	50.0%	50.0%	0.0%



Section 2: Application Process and Decision-Making

The Commission evaluates new charter school proposals using evaluators with appropriate skills, knowledge, and experience relating to charter schools.

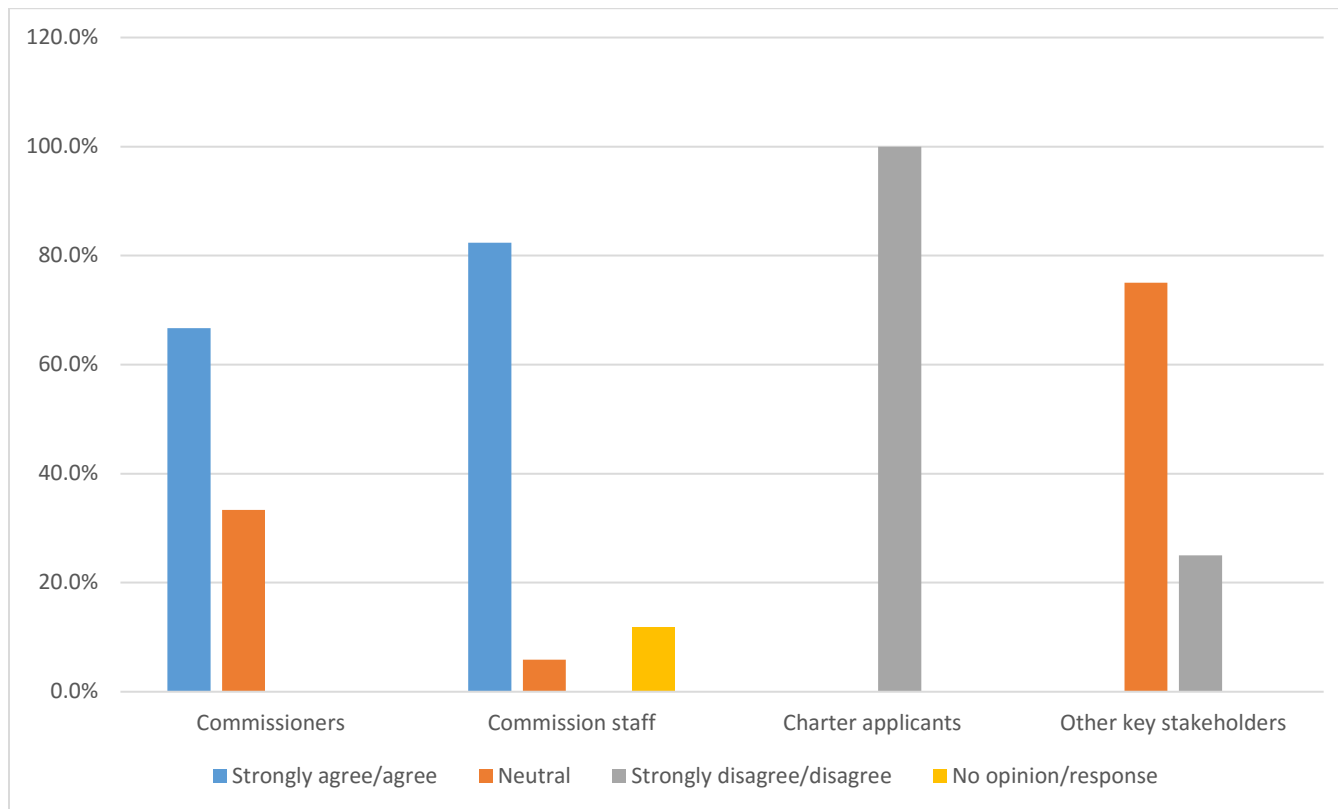
	Strongly agree/agree	Neutral	Strongly disagree/disagree	No opinion/response
Commissioners	83.3%	0.0%	16.7%	0.0%
Commission staff	82.4%	5.9%	0.0%	11.8%
Charter applicants	20.0%	40.0%	40.0%	0.0%
Other key stakeholders	0.0%	50.0%	50.0%	0.0%



Section 2: Application Process and Decision-Making

The Commission’s decisions and resulting actions align to its stated approval criteria and process.

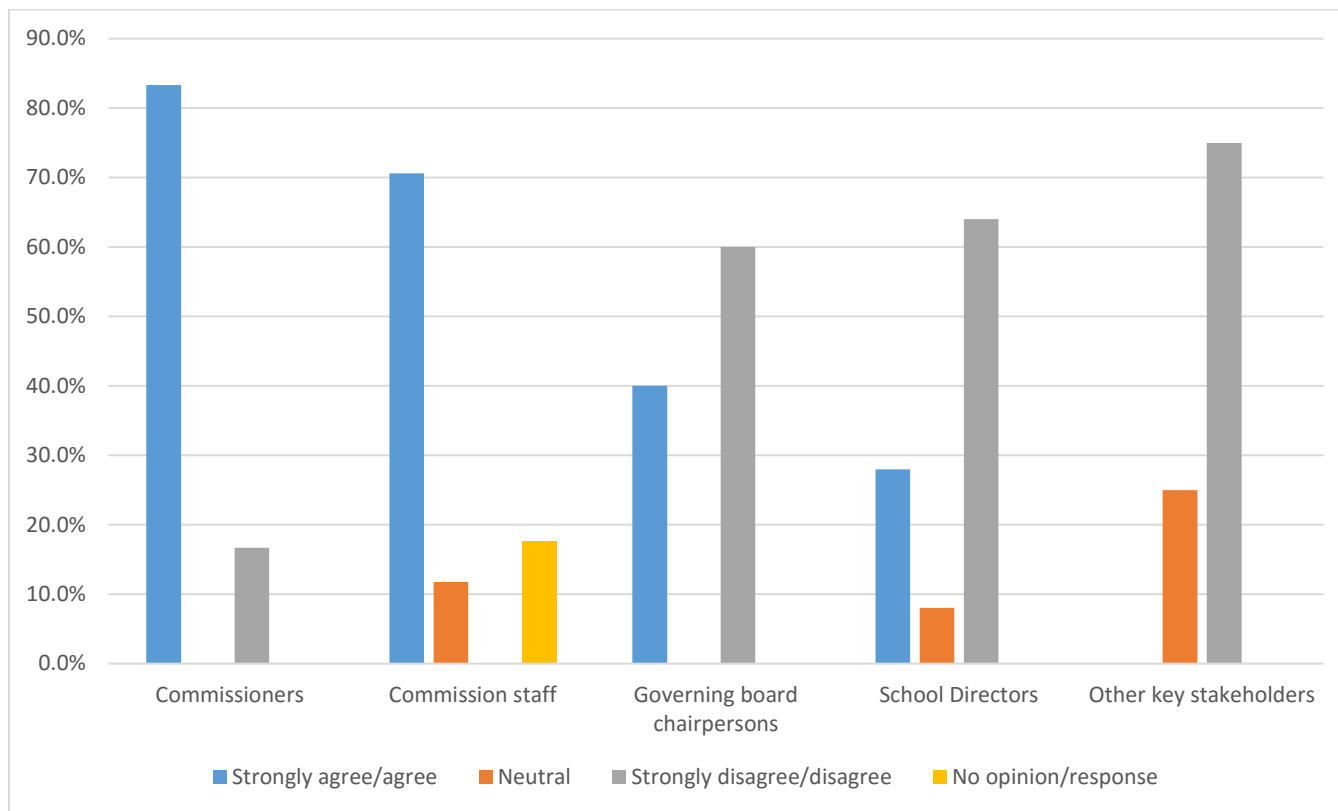
	Strongly agree/agree	Neutral	Strongly disagree/disagree	No opinion/response
Commissioners	66.7%	33.3%	0.0%	0.0%
Commission staff	82.4%	5.9%	0.0%	11.8%
Charter applicants	0.0%	0.0%	100.0%	0.0%
Other key stakeholders	0.0%	75.0%	25.0%	0.0%



Section 3: Performance Contracting

The Commission negotiates and executes charter contracts that clearly define material terms and rights and responsibilities of the school and the Commission.

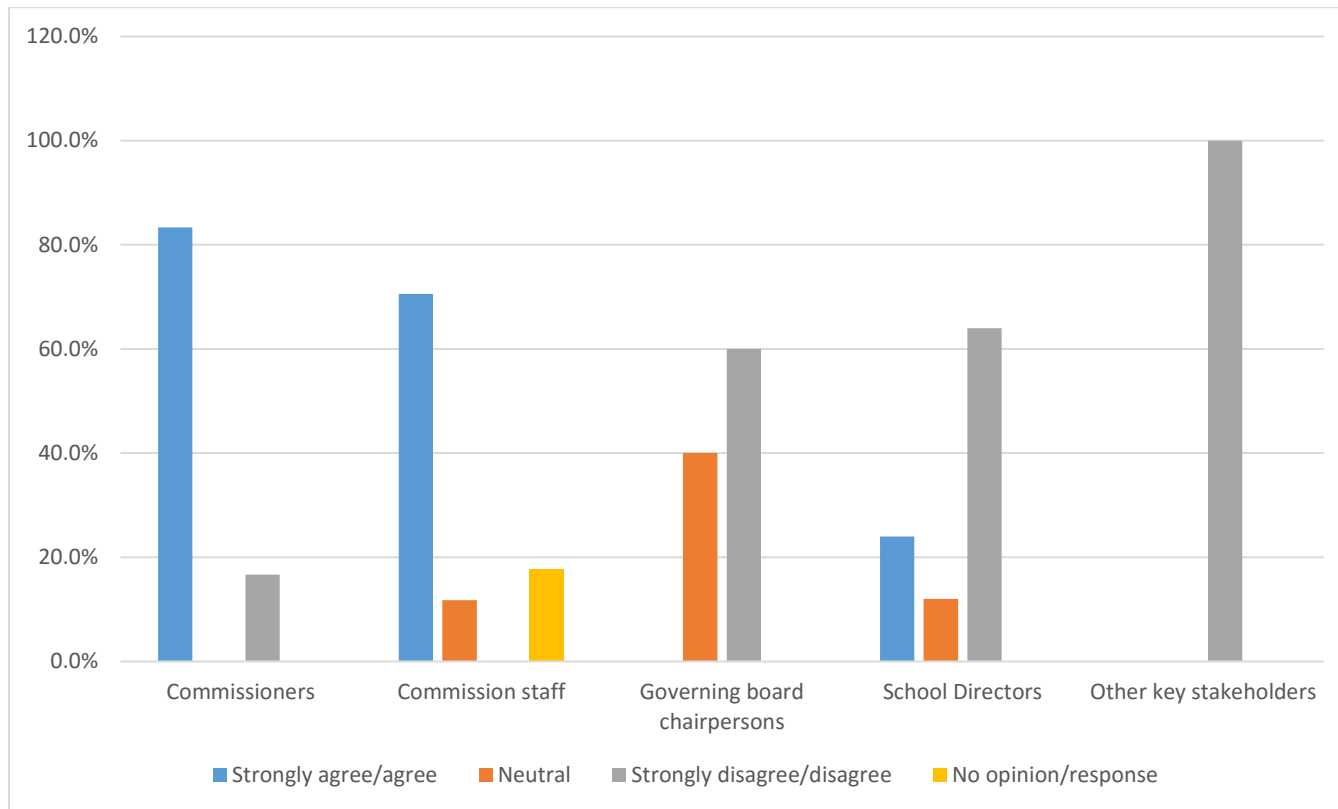
	Strongly agree/agree	Neutral	Strongly disagree/disagree	No opinion/response
Commissioners	83.3%	0.0%	16.7%	0.0%
Commission staff	70.6%	11.8%	0.0%	17.6%
Governing board chairpersons	40.0%	0.0%	60.0%	0.0%
School Directors	28.0%	8.0%	64.0%	0.0%
Other key stakeholders	0.0%	25.0%	75.0%	0.0%



Section 3: Performance Contracting

The Commission negotiates and executes charter contracts with clear, measurable, and attainable performance standards.

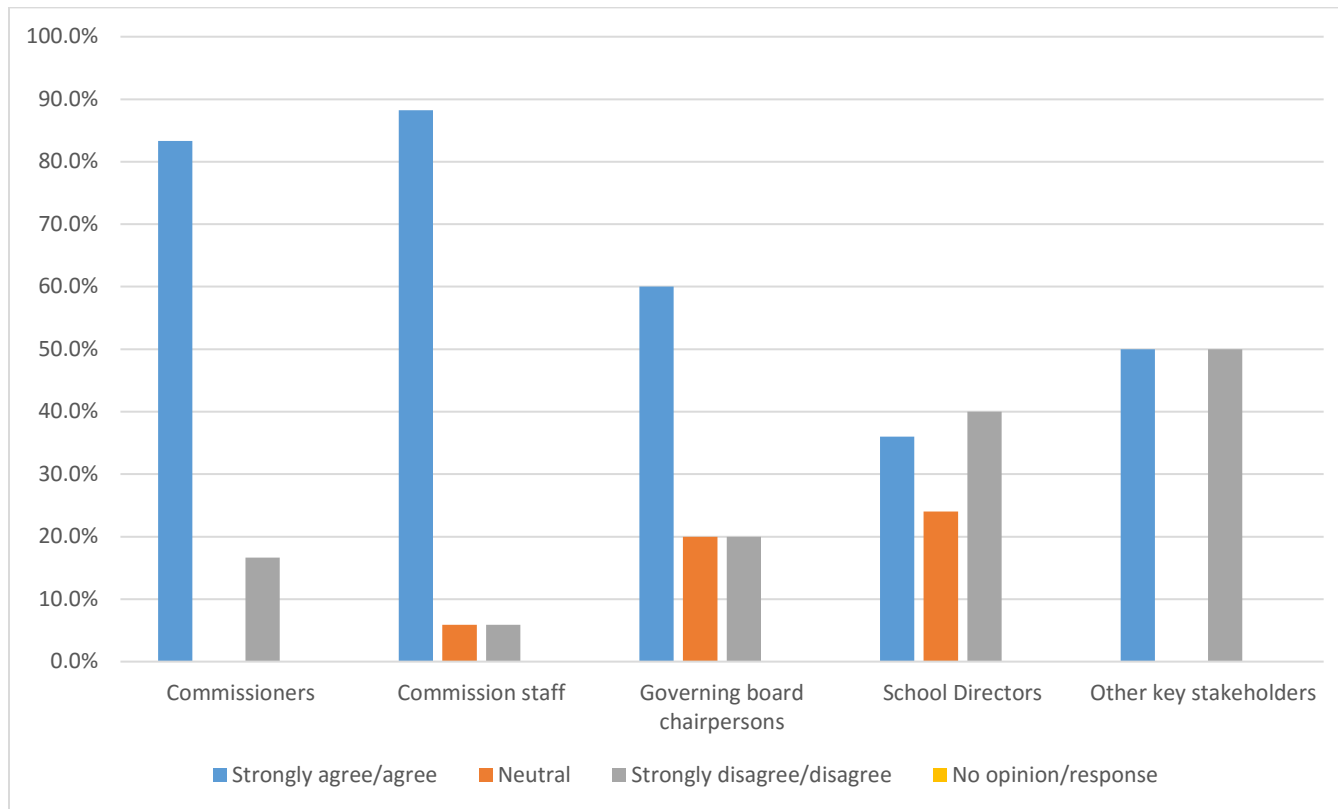
	Strongly agree/agree	Neutral	Strongly disagree/disagree	No opinion/response
Commissioners	83.3%	0.0%	16.7%	0.0%
Commission staff	70.6%	11.8%	0.0%	17.6%
Governing board chairpersons	0.0%	40.0%	60.0%	0.0%
School Directors	24.0%	12.0%	64.0%	0.0%
Other key stakeholders	0.0%	0.0%	100.0%	0.0%



Section 4: Ongoing Oversight and Evaluation

The Commission monitors and oversees charter schools in the area of academic performance according to the processes outlined in the charter contract.

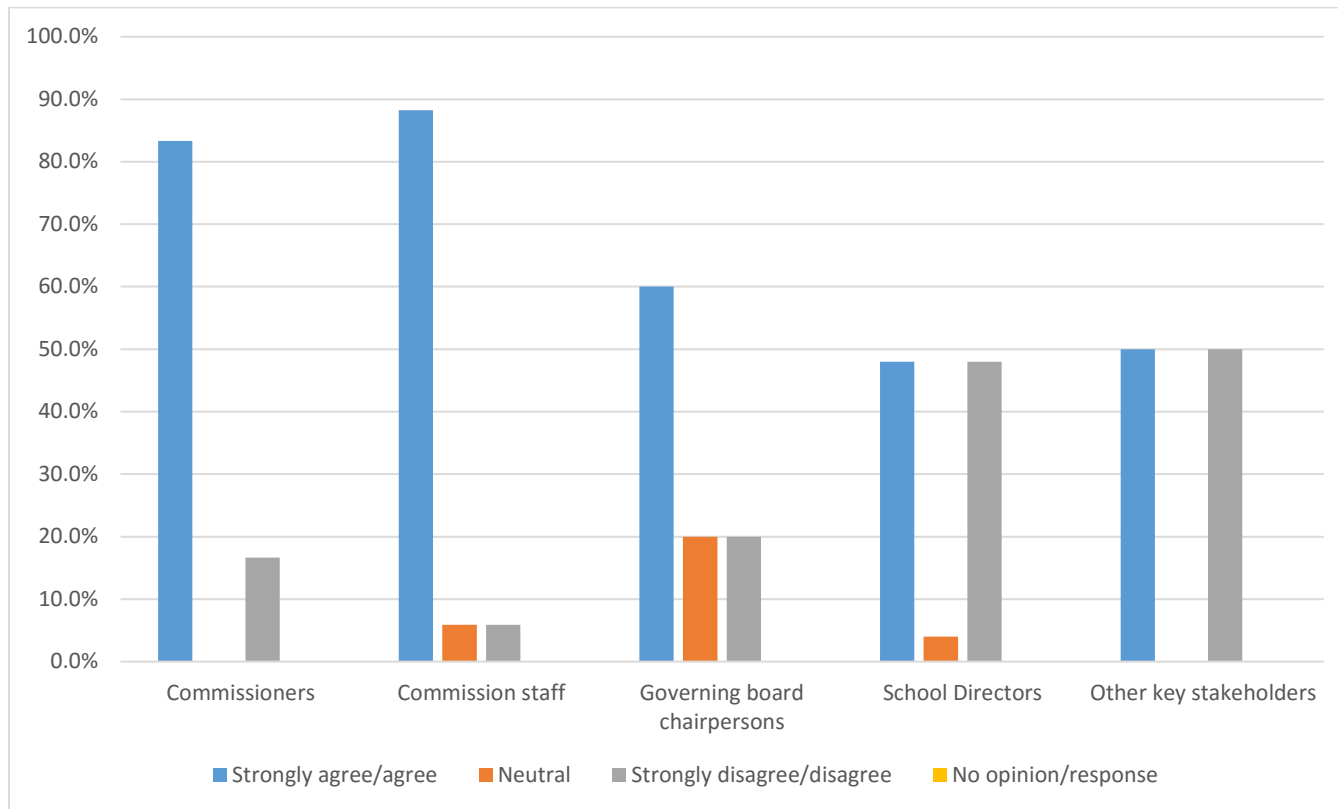
	Strongly agree/agree	Neutral	Strongly disagree/disagree	No opinion/response
Commissioners	83.3%	0.0%	16.7%	0.0%
Commission staff	88.2%	5.9%	5.9%	0.0%
Governing board chairpersons	60.0%	20.0%	20.0%	0.0%
School Directors	36.0%	24.0%	40.0%	0.0%
Other key stakeholders	50.0%	0.0%	50.0%	0.0%



Section 4: Ongoing Oversight and Evaluation

The Commission monitors and oversees charter schools in the area of financial performance according to the processes outlined in the charter contract.

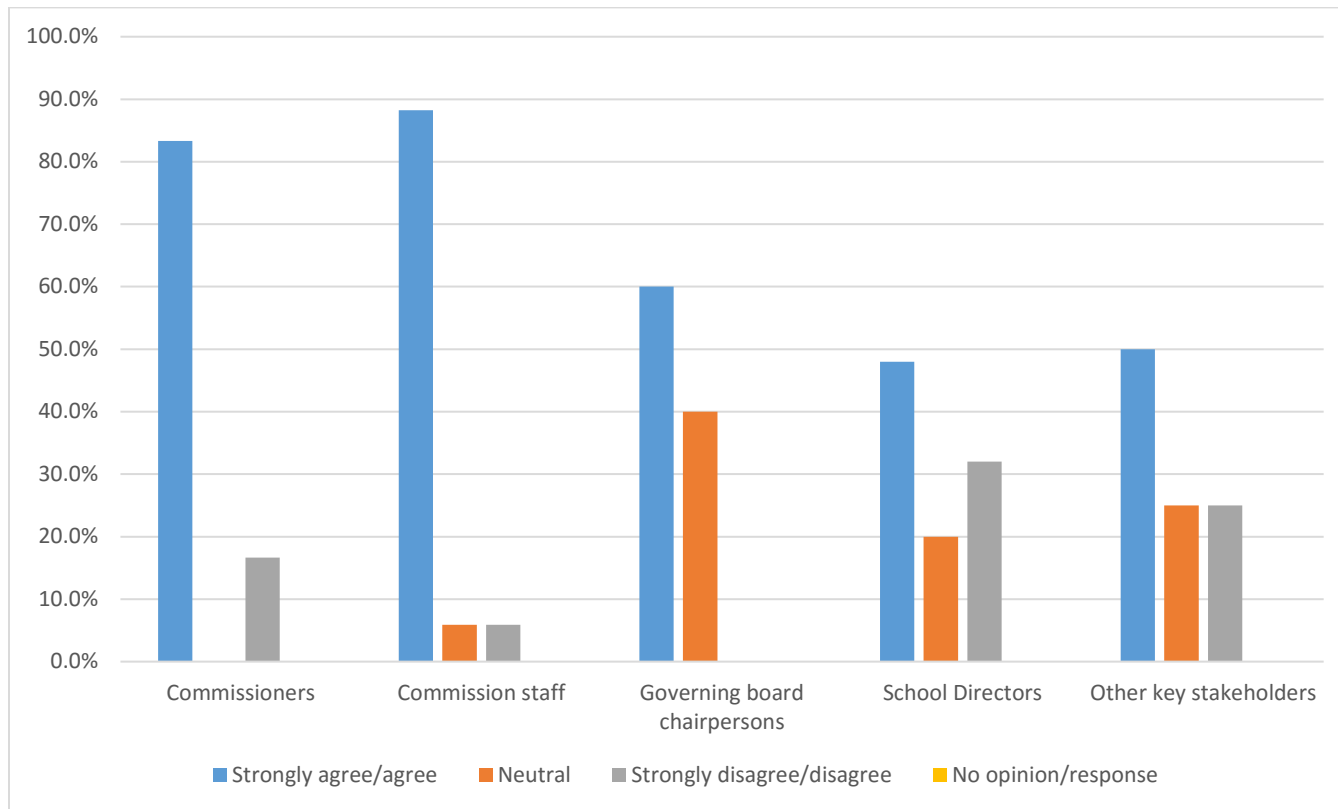
	Strongly agree/agree	Neutral	Strongly disagree/disagree	No opinion/response
Commissioners	83.3%	0.0%	16.7%	0.0%
Commission staff	88.2%	5.9%	5.9%	0.0%
Governing board chairpersons	60.0%	20.0%	20.0%	0.0%
School Directors	48.0%	4.0%	48.0%	0.0%
Other key stakeholders	50.0%	0.0%	50.0%	0.0%



Section 4: Ongoing Oversight and Evaluation

The Commission monitors and oversees charter schools in the area of operations and organizational performance according to the processes outlined in the charter contract.

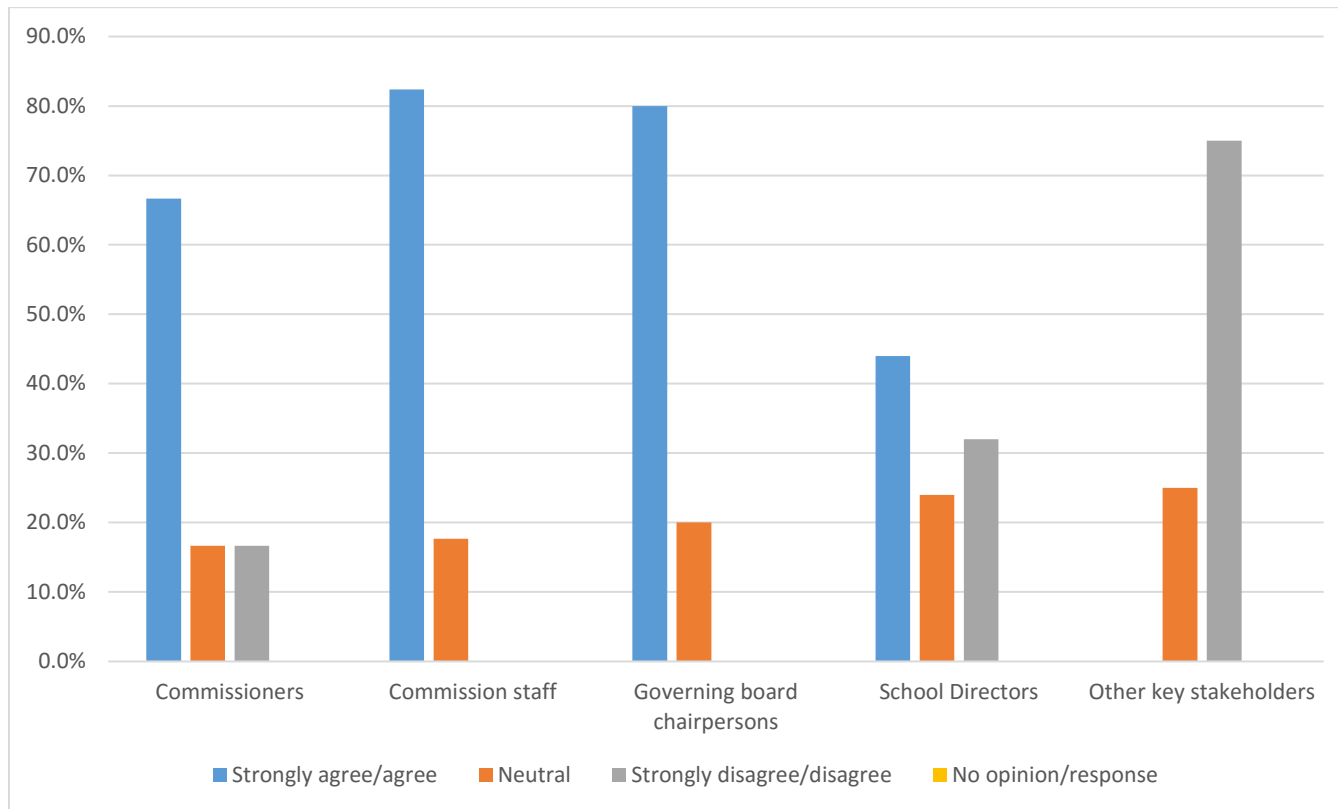
	Strongly agree/agree	Neutral	Strongly disagree/disagree	No opinion/response
Commissioners	83.3%	0.0%	16.7%	0.0%
Commission staff	88.2%	5.9%	5.9%	0.0%
Governing board chairpersons	60.0%	40.0%	0.0%	0.0%
School Directors	48.0%	20.0%	32.0%	0.0%
Other key stakeholders	50.0%	25.0%	25.0%	0.0%



Section 4: Ongoing Oversight and Evaluation

The Commission regularly communicates with schools to ensure timely compliance with charter contracts and applicable laws.

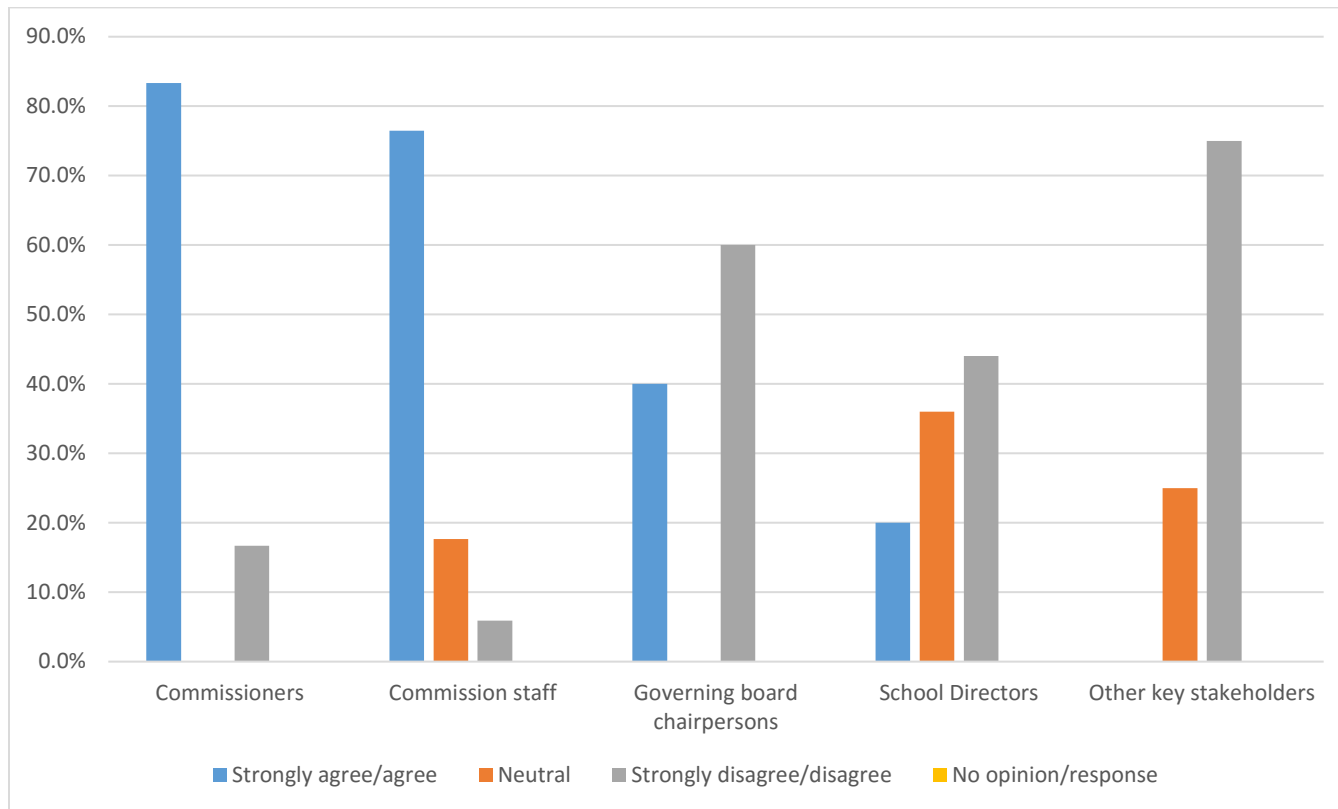
	Strongly agree/agree	Neutral	Strongly disagree/disagree	No opinion/response
Commissioners	66.7%	16.7%	16.7%	0.0%
Commission staff	82.4%	17.6%	0.0%	0.0%
Governing board chairpersons	80.0%	20.0%	0.0%	0.0%
School Directors	44.0%	24.0%	32.0%	0.0%
Other key stakeholders	0.0%	25.0%	75.0%	0.0%



Section 4: Ongoing Oversight and Evaluation

The Commission provides guidance to ensure timely compliance with charter contracts, including clearly defining the process of gathering performance data and providing timely notice of contract violations or performance deficiencies.

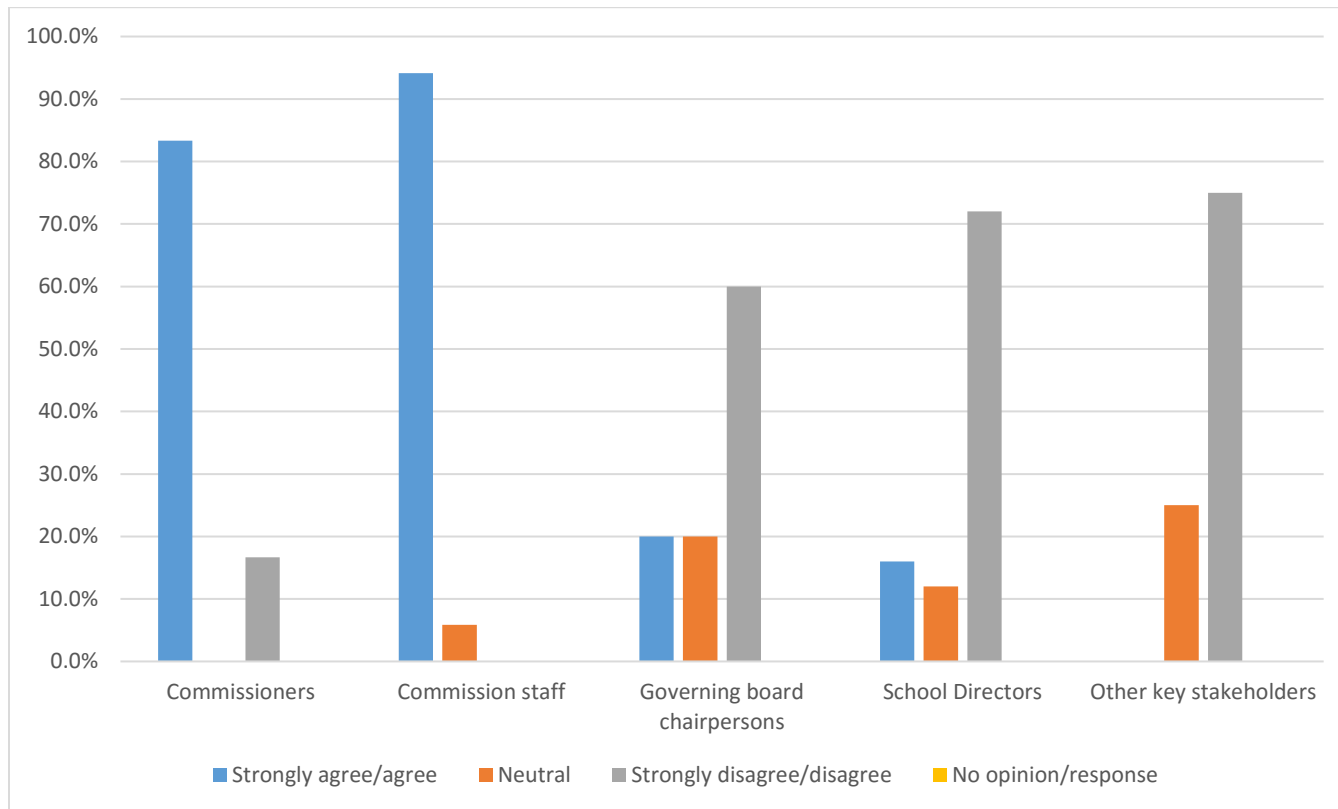
	Strongly agree/agree	Neutral	Strongly disagree/disagree	No opinion/response
Commissioners	83.3%	0.0%	16.7%	0.0%
Commission staff	76.5%	17.6%	5.9%	0.0%
Governing board chairpersons	40.0%	0.0%	60.0%	0.0%
School Directors	20.0%	36.0%	44.0%	0.0%
Other key stakeholders	0.0%	25.0%	75.0%	0.0%



Section 4: Ongoing Oversight and Evaluation

The Commission respects, preserves, and supports the essential autonomies of the charter schools.

	Strongly agree/agree	Neutral	Strongly disagree/disagree	No opinion/response
Commissioners	83.3%	0.0%	16.7%	0.0%
Commission staff	94.1%	5.9%	0.0%	0.0%
Governing board chairpersons	20.0%	20.0%	60.0%	0.0%
School Directors	16.0%	12.0%	72.0%	0.0%
Other key stakeholders	0.0%	25.0%	75.0%	0.0%



Section 4: Ongoing Oversight and Evaluation

The Commission has clear and comprehensive standards and processes to address complaints, intervention, and corrective action.

	Strongly agree/agree	Neutral	Strongly disagree/disagree	No opinion/response
Commissioners	50.0%	33.3%	16.7%	0.0%
Commission staff	64.7%	23.5%	5.9%	5.9%
Governing board chairpersons	20.0%	20.0%	60.0%	0.0%
School Directors	24.0%	20.0%	56.0%	0.0%
Other key stakeholders	0.0%	25.0%	75.0%	0.0%

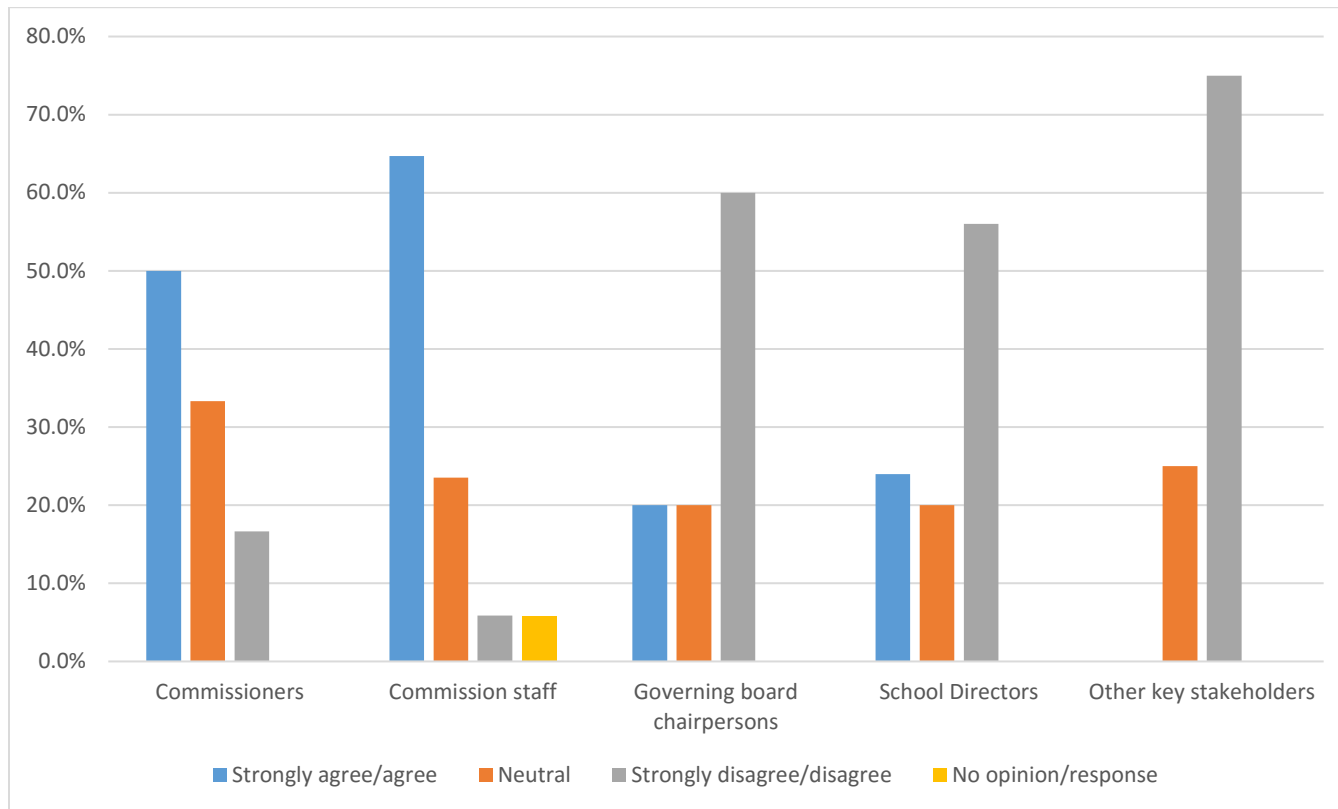


Exhibit B
Special Review Report



Board of Education Special Review Report

**A report on the special review of the State Public Charter School Commission
Initiated on September 6, 2016**

Report Date
February 21, 2017

Introduction

The Board of Education (“Board”) found that there was a pattern of well-founded complaints about the State Public Charter School Commission (“Commission”) and a negative and counterproductive relationship that exists between the Commission and a number of the charter schools it oversees that warranted a special review, pursuant to Hawaii Revised Statutes (“HRS”) §302D-11(c). On September 6, 2016, the Board authorized a special review of the Commission and appointed Board Members Jim Williams, Brian De Lima, Hubert Minn, and Bruce Voss to a Special Review Investigative Committee (“Committee”) to conduct the special review. (The Board subsequently reformed the Committee on October 18, 2016, to include only Board Members De Lima, Minn, and Voss.)

The objectives of this special review were 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.

Special Review Process

While the Committee drafted this report, the Board approved it as its own. The Committee conducted the special review using a fair and deliberate process approved by the Board and executed with assistance from Board staff. Board staff consulted with the Department of Education’s Internal Audit Office and Policy, Innovation, Performance, and Evaluation Section regarding auditing best practices and data collection and analysis, respectively, as a part of developing this process. The highlights of the process are as follows:

- Standards. While the process did not include specific evaluation criteria, the Committee used its discretion to determine ratings based on requirements of law and national principles and standards, as outlined in the National Association of Charter School Authorizers’ (“NACSA”) *Principles & Standards for Quality Charter School Authorizing, 2015 Edition*. The Board does not necessarily endorse every standard outlined by NACSA but acknowledges that they are widely considered the national standards for quality authorizing.
- Initial request for information. The Committee requested from the Commission documents and information necessary to make an informed assessment of the Commission. This included a request for narrative responses and supporting evidence describing how the Commission satisfies each performance measure.
- Surveys. The Committee distributed a survey to charter school directors and governing board chairpersons to gather data on how schools perceive how well the Commission satisfies

performance measures that require school interaction. The Committee sent similar surveys to recent charter school applicants, members of the Commission, and Commission staff.

- Public hearing. The Committee held a public hearing to ensure it obtained all relevant input and information from concerned stakeholders.
- Interviews. After its review of initial information and data, the Committee conducted in-person interviews with representatives from the Commission to clarify and verify information. The Committee also opted to interview school leaders for further clarification and external verification.
- Staff follow-up. The Committee tasked Board staff to follow up with Commission staff for final confirmation and clarification of information, especially as it pertains to Commission operations.
- Consensus. The Committee came to a consensus on all performance measure ratings, the overall ratings for each performance area, and the overall final rating.
- Commission response. The Committee sent a draft of this report to the Commission for review and provided an opportunity for written comments to ensure accuracy.

Report Contents

This report includes an executive summary and a performance analysis.

Executive Summary

This is a summary of the overall final rating of the Commission based on the performance area ratings. The overall ratings of the performance areas determined the final rating of the Commission through the matrix below:

A. Organizational Capacity and Infrastructure

Does Not Meet	Partially Meets	Meets	
Partially Meets	Approaching Meets	Meets	Meets
Mostly Does Not Meet	Partially Meets	Approaching Meets	Partially Meets
Does Not Meet	Mostly Does Not Meet	Partially Meets	Does Not Meet

B. Authorizer Processes and Decision-Making

The executive summary also describes the outcomes based on the final rating. The table below describes the outcomes for each final rating:

Rating	Outcome
Meets	The Board takes no further action. The Commission may choose to report quarterly to the Board on the state of charter schools.

Rating	Outcome
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.

Performance Analysis

The report contains a summary analysis for each of the two performance areas: A) organizational capacity and infrastructure; and B) authorizer processes and decision-making. The ratings for each of the performance areas were determined through consideration of the performance measure ratings using the following guidance:

Performance Area Rating	Characteristics
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.”
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The analysis also contains more details, attached as **Appendix A**, on each performance measure, including its guiding question, the origins of the measure (including the specific language from statute or national standards), and the rating of the measure. Each rating is assigned based on the following table:

Performance Measure Rating	Characteristics
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.

The detailed analysis also includes a summary of the Commission’s strengths and weaknesses in addressing each performance measure.

Executive Summary

FINAL RATING: PARTIALLY MEETS

Summary Analysis

The Commission partially met the standards in both of the performance areas, which resulted in a final overall rating of “Partially Meets.”

The Commission’s major weaknesses in Performance Area A, Organizational Capacity and Infrastructure, include a lack of a strategic vision or measurable organizational goals and a lack of a system for regular self-evaluation of its capacity, infrastructure, and practices. The Commission also does not have an operational conflict of interest policy. However, it has qualified personnel who should be able to develop solutions to address many of the deficiencies outlined in this report.

The Commission’s major weaknesses in Performance Area B, Authorizer Processes and Decision-Making, include poor communication, unclear standards and conditions for charter contract renewal, and not protecting school autonomy. However, the Commission has some well-developed processes, particularly its charter application process.

The Commission declined to provide a formal response to this report.

Rating Outcome

Based on the final rating, the Board determined that the Commission is required to:

- 1) Provide corrective action plans to address the deficiencies found in Performance Measures A.2, A.4, and A.5; and
- 2) Report to the Board quarterly on, as well as include in the Commission’s annual report to the Board, the corrective actions taken to address the deficiencies found in this report (for each Performance Measure that did not receive a rating of “Meets”) until the Board determines sufficient progress has been made.

Performance Analysis: Organizational Capacity and Infrastructure

Performance Area A Rating: Partially Meets

Summary Analysis

Of the ten performance measures in this performance area, the Commission met the standards in two, partially met the standards in five, and did not meet the standards in three. As a result, the rating for this performance area is “Partially Meets.”

Most of the Commission’s deficiencies in this performance area stem from not having a strategic vision or measurable organizational goals. Because the Commission’s organizational structure is not organized around a strategic vision or plan with clear and appropriate lines of authority, there are organizational issues that are not appropriate for effective authorizing. Further, without a strategic vision or plan, the Commission cannot accurately assess whether it has sufficient resources to effectively oversee its portfolio of charter schools. Moreover, the Commission cannot provide professional development to its staff that adequately enables overall organizational improvement because there are no organizational goals to which such professional development would be aligned.

Another major weakness in this area is the Commission’s lack of regular or systemic self-evaluation of its capacity, infrastructure, and practices. A significant red flag is the wide disparity in perspectives between how the Commission and charter schools view the Commission’s performance, which suggests that the Commission should, but does not, engage in effective, regular self-evaluation. The Commission also does not have an operational conflicts of interest policy.

Still, one of the Commission’s strengths is qualified personnel who, given the appropriate direction and focus, should be able to find solutions to many of the shortcomings outlined in this report.

A more detailed analysis on each performance measure in this performance area—including its guiding question, the origins of the measure (including the specific language from statute or national standards), the rating of the measure, and a summary of the Commission’s strengths and weaknesses in addressing the measure—can be found in [Appendix A](#).

Performance Measures A Ratings Summary

Measure	Rating
A.1: Authorizer Mission	Meets
A.2: Strategic Vision and Organizational Goals	Does Not Meet
A.3: Commitment to Quality Authorizing	Partially Meets
A.4: Operational Conflicts of Interest	Does Not Meet
A.5: Self-Evaluation of Capacity, Infrastructure, and Practices	Does Not Meet
A.6: Structure of Operations	Partially Meets
A.7: Authorizer Leadership and Staff Expertise	Meets
A.8: Capacity and Skill Development of Leadership and Staff	Partially Meets
A.9: Authorizing Operational Budget	Partially Meets
A.10: Compliance to Statutory Responsibilities	Partially Meets

Performance Analysis: Authorizer Processes and Decision-Making

Performance Area B Rating: Partially Meets

Summary Analysis

Of the 13 performance measures in this performance area, the Commission met the standards in six and partially met the standards in seven. As a result, the rating for this performance area is “Partially Meets.”

While the Commission is not substantially deficient in any particular performance measure in this performance area, there are several cross-cutting, thematic weaknesses relating to poor communication, unclear standards and conditions for charter contract renewal, and not protecting school autonomy.

The Commission has several inadequacies with communication, which appear to surface as other issues that charter schools seem to have the most complaints about. First and foremost, the Commission does not ensure that it and the charter school governing boards mutually understand and accept the terms of the charter contract, which often result in accusations of non-negotiation. Additionally, while there appears to be a compliance monitoring system, it is not defined, described, or documented, so the process of gathering and reporting performance and compliance data is not clearly communicated. Lastly, the Commission can improve how it provides technical guidance to schools to ensure timely compliance with applicable rules and regulations.

The Commission also has room for improvement in how it communicates and decides upon charter contract renewals. It is not clear in the charter contract if the performance standards are a condition of renewal, especially because the Commission adopted renewal criteria that are not included in the charter contract. Further, based on the renewal criteria, the Commission will grant renewal to all schools regardless of performance instead of only to those that have achieved the standards set in the charter contract, so again the role of the performance standards in the charter contract are unclear.

The final major weakness in this performance area is regarding the Commission’s shortcomings in protecting school autonomy. Because the Commission does not define or describe its compliance monitoring system, its monitoring processes may not effectively streamline compliance requirements while protecting schools’ legally entitled autonomy. Further, and more importantly, there needs to be a mutual understanding of autonomy. In addition, the flaws in the Commission’s organizational structure do not safeguard the Commission from unintentionally but inappropriately directing, participating in, or hindering educational decisions that are within schools’ purviews.

The Commission also possesses many strengths in a number of the processes it implements, most notably its application and decision-making process, which met standards in three out of four performance measures. Moreover, the Commission appears to be making incremental improvements to most of its processes.

A more detailed analysis on each performance measure in this performance area—including its guiding question, the origins of the measure (including the specific language from statute or national standards), the rating of the measure, and a summary of the Commission’s strengths and weaknesses in addressing the measure—can be found in **Appendix A**.

Performance Measures B Ratings Summary

Application Process and Decision-Making	
Measure	Rating
B.1: Application Process, Timeline, and Guidance	Meets
B.2: Request for Proposals	Partially Meets
B.3: Approval Criteria for Charter School Applications	Meets
B.4: Evaluation and Decision-Making Process	Meets
Performance Contracting	
Measure	Rating
B.5: Charter Contract Terms, Negotiation, and Execution	Partially Meets
B.6: Charter School Performance Standards	Partially Meets
Ongoing Oversight and Evaluation	
Measure	Rating
B.7: Process for Ongoing Oversight of Charter Schools	Partially Meets
B.8: Communicating Oversight	Partially Meets
B.9: Protecting School Autonomy	Partially Meets
B.10: Standards and Processes for Interventions, Corrective Action, and Response to Complaints	Meets
Revocation and Renewal Decision-Making	
Measure	Rating
B.11: Performance Reports and Renewal Application	Meets
B.12: Charter Contract Renewal or Revocation Processes and Decisions	Partially Meets
B.13: School Closure Protocol	Meets

Appendix A

Detailed Performance Analysis: Organizational Capacity and Infrastructure

Performance Measure A.1: Authorizer Mission
Performance Measure Rating: Meets
Guiding Question: Does the authorizer have a clear and compelling mission for charter school authorizing?
Origin: HRS §302D-6(1) states, in pertinent part, “All authorizers shall be required to follow nationally recognized principles and standards for quality charter authorizing in all major areas of authorizing responsibility, including . . . [o]rganizational capacity and infrastructure[.]”
Applicable NACSA Standards: <u>Standard #1 – Agency Commitment & Capacity.</u> A quality authorizer engages in chartering as a means to foster excellent schools that meet identified needs, clearly prioritizes a commitment to excellence in education and in authorizing practices, and creates organizational structures and commits human and financial resources necessary to conduct its authorizing duties effectively and efficiently. <u>Planning and Commitment to Excellence.</u> A Quality Authorizer... <ul style="list-style-type: none">• Supports and advances the purposes of charter school law.• States a clear mission for quality authorizing.
Strengths: The Commission has a clear mission for quality authorizing as provided for by statute (HRS §302D-3(b)).
Weaknesses: No weaknesses noted.

Performance Measure A.2: Strategic Vision and Organizational Goals
Performance Measure Rating: Does Not Meet
Guiding Question: 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?
Origin: HRS §302D-6(1) states, in pertinent part, “All authorizers shall be required to follow nationally recognized principles and standards for quality charter authorizing in all major areas of authorizing responsibility, including . . . [o]rganizational capacity and infrastructure[.]”

HRS §302D-3(d) states, in pertinent part, “[T]he role of the commission is to ensure a long-term strategic vision for Hawaii’s public charter schools[.]”

Applicable NACSA Standards:

Standard #1 – Agency Commitment & Capacity. A quality authorizer engages in chartering as a means to foster excellent schools that meet identified needs, clearly prioritizes a commitment to excellence in education and in authorizing practices, and creates organizational structures and commits human and financial resources necessary to conduct its authorizing duties effectively and efficiently.

Planning and Commitment to Excellence. A Quality Authorizer...

- Supports and advances the purposes of charter school law.
- Implements policies, processes, and practices that streamline and systematize its work toward stated goals, and executes its duties efficiently while minimizing administrative burdens on schools.
- Articulates and implements an intentional strategic vision and plan for chartering, including clear priorities, goals, and time frames for achievement.
- Evaluates its work regularly against its chartering mission and strategic plan goals, and implements plans for improvement when falling short of its mission and strategic plan.
- Provides an annual public report on the authorizer’s progress and performance in meeting its strategic plan goals.

Strengths:

No strengths noted.

Weaknesses:

In a written response to the Committee, the Commission recognizes that it does not have a documented vision or measurable organizational goals. Without an articulated and intentional strategic vision and plan for chartering—including clear organizational priorities, goals, and timeframes for achievement—it would be difficult for the Commission to:

- Implement policies, processes, and practices that streamline and systematize its work toward its stated goals;
- Evaluate its work regularly against its strategic plan goals or implement plans for improvement when falling short of its strategic plan; or
- Report on its progress and performance in meeting its strategic plan goals.

A lack of a “long-term strategic vision for Hawaii’s public charter schools” is not complying with the Commission’s role as provide for by statute (HRS §302D-3(d)). Through interviews with Commission board and staff leadership, it is clear that the Commission does not have a consensus within its own organization as to its responsibilities in establishing a strategic vision. Some interviewees seemed to believe the statutory mission of the Commission (as provided for in HRS §302D-3(b)) is the same as the strategic vision it is responsible for establishing, while others stated that the Commission cannot begin establishing a vision without participation from the Board. Others thought that, while alignment with the Board is ideal, the Commission should develop a strategic vision independent of the Board.

Performance Measure A.3: Commitment to Quality Authorizing

Performance Measure Rating: Partially Meets

Guiding Question: 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?

Origin:

HRS §302D-6(1) states, in pertinent part, “All authorizers shall be required to follow nationally recognized principles and standards for quality charter authorizing in all major areas of authorizing responsibility, including . . . [o]rganizational capacity and infrastructure[.]”

Applicable NACSA Standards:

Standard #1 – Agency Commitment & Capacity. A quality authorizer engages in chartering as a means to foster excellent schools that meet identified needs, clearly prioritizes a commitment to excellence in education and in authorizing practices, and creates organizational structures and commits human and financial resources necessary to conduct its authorizing duties effectively and efficiently.

Planning and Commitment to Excellence. A Quality Authorizer...

- Ensures that the authorizer’s governing board, leadership, and staff understand and are committed to the three Core Principles of authorizing: 1) maintain high standards, 2) uphold school autonomy, and 3) protect student and public interests.

Strengths:

In the last 12 months, some new Commissioners and Commission staff attended conferences hosted by NACSA, which are typically centered around NACSA’s three Core Principles of authorizing (maintaining high standards, upholding school autonomy, and protecting student and public interests). Commission staff that attend the conferences share and discuss information learned from the conferences with other staff at weekly staff and manager meetings.

Weaknesses:

The Commission acknowledges that it needs a more comprehensive plan for orienting new Commissioners to the core principles of quality authorizing.

Performance Measure A.4: Operational Conflicts of Interest

Performance Measure Rating: Does Not Meet

Guiding Question: 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?

Origin:

HRS §302D-6(1) states, in pertinent part, “All authorizers shall be required to follow nationally recognized principles and standards for quality charter authorizing in all major areas of authorizing responsibility, including . . . [o]rganizational capacity and infrastructure[.]”

HRS §302D-8 states, “No employee, trustee, agent, or representative of an authorizer may simultaneously serve as an employee, trustee, agent, representative, vendor, or contractor of a public charter school authorized by that authorizer. Authorizer members shall disclose to the authorizer a list of all charter schools in which the member has previously been an employee, governing board member, vendor, contractor, agent, or representative.”

Applicable NACSA Standards:

Standard #1 – Agency Commitment & Capacity. A quality authorizer engages in chartering as a means to foster excellent schools that meet identified needs, clearly prioritizes a commitment to excellence in education and in authorizing practices, and creates organizational structures and commits human and financial resources necessary to conduct its authorizing duties effectively and efficiently.

Planning and Commitment to Excellence. A Quality Authorizer...

- Defines external relationships and lines of authority to protect its authorizing functions from conflicts of interest and political influence.

Financial Resources. A Quality Authorizer...

- Structures its funding in a manner that avoids conflicts of interest, inducements, incentives, or disincentives that might compromise its judgment in charter approval and accountability decision making.

Strengths:

No strengths noted.

Weaknesses:

While Commissioners have in the past independently sought advice from the State Ethics Commission and acted appropriately based on the advice, they are not directed to do so by a conflict of interest policy or procedure. The Commission has a code of conduct attached to its bylaws. However, the code of conduct is not a comprehensive conflict of interest policy that defines external relationships and lines of authority to protect its authorizing functions from conflicts of interest and political influence. The Commission argues that the State Ethics Code serves as its conflicts of interest policy; however, HRS §302D-8 requires more protections against conflicts of interest for authorizers. Further, neither law clearly serves as a comprehensive conflict of interest policy that defines external relationships and lines of authority to protect its authorizing functions from conflicts of interest and political influence.

Even without its own conflict of interest policy, the Commission acknowledges it does not have procedures to implement the State Ethics Code or HRS §302D-8.

Performance Measure A.5: Self-Evaluation of Capacity, Infrastructure, and Practices

Performance Measure Rating: Does Not Meet

Guiding Question: To what degree does the authorizer self-evaluate its internal ability (capacity, infrastructure, and practices) to oversee the portfolio of charter schools?

Origin:

HRS §302D-6(1) states, in pertinent part, “All authorizers shall be required to follow nationally recognized principles and standards for quality charter authorizing in all major areas of authorizing responsibility, including . . . [o]rganizational capacity and infrastructure[.]”

Applicable NACSA Standards:

Standard #1 – Agency Commitment & Capacity. A quality authorizer engages in chartering as a means to foster excellent schools that meet identified needs, clearly prioritizes a commitment to excellence in education and in authorizing practices, and creates organizational structures and commits human and financial resources necessary to conduct its authorizing duties effectively and efficiently.

Planning and Commitment to Excellence. A Quality Authorizer...

- Evaluates its work regularly against national standards for quality authorizing and recognized effective practices, and develops and implements timely plans for improvement when it falls short.

Strengths:

No strengths noted.

Weaknesses:

In a written response to the Committee, the Commission cites a permitted interaction group created by the Commission as its most recent example of self-evaluation. However, this group was created in response to the pending special review and utilized criteria established by the Board for this purpose. Through interviews, the Commission acknowledged that it does not have a documented or systematic process for regularly evaluating its work against national standards for quality authorizing and recognizing effective practices. The Commission noted that it has been in existence for a short time and preoccupied with urgent responsibilities tasked by law, yet it will be contracting with NACSA to conduct an evaluation, which will make a total of three evaluations within a year when it previously did none. The Committee is unclear as to why the Commission will be devoting time and resources to another evaluation clustered closely to its previous self-evaluation and this special review rather than developing a system for *regular* evaluations.

The survey conducted by the Committee found that Commission responses (including Commissioner and Commission staff responses) tend to be in overwhelming agreement that the Commission achieves its statutory obligations and authorizer responsibilities. However, the survey also found that charter schools (which includes responses from governing board chairpersons and school directors) do not share that perspective and have a high rate of disagreement that the Commission achieves these same statutory obligations and authorizer responsibilities. The wide disparity in perspectives between the Commission and charter schools suggests that the Commission should, but does not,

engage in effective self-evaluation that includes meaningful and constructive feedback from the charter schools in its portfolio.

Performance Measure A.6: Structure of Operations

Performance Measure Rating: Partially Meets

Guiding Question: 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?

Origin:

HRS §302D-6(1) states, in pertinent part, “All authorizers shall be required to follow nationally recognized principles and standards for quality charter authorizing in all major areas of authorizing responsibility, including . . . [o]rganizational capacity and infrastructure[.]”

Applicable NACSA Standards:

Standard #1 – Agency Commitment & Capacity. A quality authorizer engages in chartering as a means to foster excellent schools that meet identified needs, clearly prioritizes a commitment to excellence in education and in authorizing practices, and creates organizational structures and commits human and financial resources necessary to conduct its authorizing duties effectively and efficiently.

Human Resources. A Quality Authorizer...

- Enlists expertise and competent leadership for all areas essential to charter school oversight—including, but not limited to, education leadership; curriculum, instruction, and assessment; special education, English learners, and other diverse learning needs; performance management and accountability; law; finance; facilities; and nonprofit governance and management—through staff, contractual relationships, and/or intra- or inter-agency collaborations.
- Employs competent personnel at a staffing level appropriate and sufficient to carry out all authorizing responsibilities in accordance with national standards, and commensurate with the scale of the charter school portfolio.

Financial Resources. A Quality Authorizer...

- Determines the financial needs of the authorizing office and devotes sufficient financial resources to fulfill its authorizing responsibilities in accordance with national standards and commensurate with the scale of the charter school portfolio. (*Note: Addressed more thoroughly under A.9.*)

Strengths:

The Commission is generally organized around the areas essential to charter school oversight (based on the Commission’s organizational chart and job descriptions).

Weaknesses:

In a written response to the Committee, the Commission recognizes that its organizational structure and the duties and responsibilities of each position could be more clearly defined with a comprehensive long-term strategic vision.

Because the organizational structure is not more clearly defined with appropriate lines of authority, aspects of the structure are not appropriate to effective authorizing, in particular the blending of authorizing and support functions. For example, the Academic Performance Manager position should be primarily focused on academic performance management and accountability, an essential area of charter school oversight. However, according to the Commission’s organizational chart, job descriptions, and discussions with the Commission, the Academic Performance Manager oversees a number of positions focused on federal programs, including those providing support related to Title I (*i.e.*, Educational Specialists). This structure compromises both the Commission’s essential authorizing duties of monitoring and oversight as well as its effectiveness in delivering federal program support, such as providing assistance to schools in developing school improvement plans. On one hand, because the Academic Performance Manager supervises the Educational Specialists, schools may think that if they follow the advice of the Educational Specialists, their contracts will be renewed. In addition, the Educational Specialists may be placed in a difficult position should an issue arise at a school to which they are providing support. The Educational Specialists may need guidance or support from their supervisor, but as the Academic Performance Manager, the supervisor’s knowledge of the issue may trigger a response from the Commission’s authorizer arm. This hinders the effectiveness of the Educational Specialists because schools may be reluctant to share the details of their educational programs with the Educational Specialists for fear of additional monitoring or intervention from the Commission. Past written comments to the Board from former Commission staff who served in federal program positions also seem to suggest this structure is counterproductive.

In a written response to the Committee, the Commission recognizes that it could better assess whether or not it has sufficient resources to effectively oversee its portfolio of charter schools if it had a comprehensive long-term strategic vision.

Performance Measure A.7: Authorizer Leadership and Staff Expertise

Performance Measure Rating: Meets

Guiding Question: To what degree does the authorizer have appropriate experience, expertise, and skills to sufficiently oversee the portfolio of charter schools?

Origin:

HRS §302D-6(1) states, in pertinent part, “All authorizers shall be required to follow nationally recognized principles and standards for quality charter authorizing in all major areas of authorizing responsibility, including . . . [o]rganizational capacity and infrastructure[.]”

Applicable NACSA Standards:

Standard #1 – Agency Commitment & Capacity. A quality authorizer engages in chartering as a means to foster excellent schools that meet identified needs, clearly prioritizes a commitment to excellence in education and in authorizing practices, and creates organizational structures and commits human and financial resources necessary to conduct its authorizing duties effectively and efficiently.

Human Resources. A Quality Authorizer...

- Enlists expertise and competent leadership for all areas essential to charter school oversight—including, but not limited to, education leadership; curriculum, instruction, and assessment; special education, English learners, and other diverse learning needs; performance management and accountability; law; finance; facilities; and nonprofit governance and management—through staff, contractual relationships, and/or intra- or inter-agency collaborations.
- Employs competent personnel at a staffing level appropriate and sufficient to carry out all authorizing responsibilities in accordance with national standards, and commensurate with the scale of the charter school portfolio.

Strengths:

Based on job descriptions and personnel information, the Commission employs qualified personnel with appropriate experience, expertise, and skills in all areas essential to charter school oversight.

Weaknesses:

No weaknesses noted.

Performance Measure A.8: Capacity and Skill Development of Leadership and Staff

Performance Measure Rating: Partially Meets

Guiding Question: 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?

Origin:

HRS §302D-6(1) states, in pertinent part, “All authorizers shall be required to follow nationally recognized principles and standards for quality charter authorizing in all major areas of authorizing responsibility, including . . . [o]rganizational capacity and infrastructure[.]”

Applicable NACSA Standards:

Standard #1 – Agency Commitment & Capacity. A quality authorizer engages in chartering as a means to foster excellent schools that meet identified needs, clearly prioritizes a commitment to excellence in education and in authorizing practices, and creates organizational structures and commits human and financial resources necessary to conduct its authorizing duties effectively and efficiently.

Human Resources. A Quality Authorizer...

- Provides for regular professional development for the agency’s leadership and staff to achieve and maintain high standards of professional authorizing practice and to enable continual agency improvement.

Strengths:

The Commission provides some professional development for its leadership and staff to achieve and maintain high standards of professional authorizing practice, such as attendance at conferences hosted by NACSA.

Weaknesses:

Aside from its limited engagement with NACSA, the Commission recognizes that it does not provide regular professional development opportunities that ensure its leadership and staff achieve and maintain high standards of professional authorizing practice. In discussions with Board staff, the Commission noted that it is working on developing a system for professional development and will be seeking funding to support it.

Without a vision and measurable organizational goals, the Commission cannot provide professional development that adequately enables continual agency improvement. In discussions with Board staff, the Commission also noted that it needs to better understand the needs of the schools to better assess how the Commission needs to improve.

Performance Measure A.9: Authorizing Operational Budget

Performance Measure Rating: Partially Meets

Guiding Question: 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?

Origin:

HRS §302D-6(1) states, in pertinent part, “All authorizers shall be required to follow nationally recognized principles and standards for quality charter authorizing in all major areas of authorizing responsibility, including . . . [o]rganizational capacity and infrastructure[.]”

Applicable NACSA Standards:

Standard #1 – Agency Commitment & Capacity. A quality authorizer engages in chartering as a means to foster excellent schools that meet identified needs, clearly prioritizes a commitment to excellence in education and in authorizing practices, and creates organizational structures and commits human and financial resources necessary to conduct its authorizing duties effectively and efficiently.

Financial Resources. A Quality Authorizer...

- Determines the financial needs of the authorizing office and devotes sufficient financial resources to fulfill its authorizing responsibilities in accordance with national standards and commensurate with the scale of the charter school portfolio.
- Deploys funds effectively and efficiently with the public’s interests in mind.

Strengths:

The audit report of the Commission’s financial statements for Fiscal Year 2015 does not include any corrective actions or findings.

In a written response to the Committee, the Commission provided assurance that it deploys funds as required by state law and federal program requirements.

Weaknesses:

In a written response to the Committee, the Commission stated that it “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.” The Commission acknowledges that it does not know what its financial needs are to fulfill its authorizing responsibilities in accordance with national standards and commensurate with the scale of its charter school portfolio while also fulfilling additional responsibilities that, although perhaps not statutorily required, are necessary as the result of charter schools being entities of the State.

Performance Measure A.10: Compliance to Statutory Responsibilities

Performance Measure Rating: Partially Meets

Guiding Question: 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?

Origin:

HRS §302D-5(b) states, “An authorizer shall:

- (1) Act as a point of contact between the department and a public charter school it authorizes;
- (2) Be responsible for and ensure the compliance of a public charter school it authorizes with all applicable state and federal laws, including reporting requirements;
- (3) Be responsible for the receipt of applicable federal funds from the department and the distribution of funds to the public charter school it authorizes; and
- (4) Be responsible for the receipt of per-pupil funding from the department of budget and finance and distribution of the funding to the public charter school it authorizes.”

HRS §302D-5(e) states, “Regulation by authorizers shall be limited to the powers and duties set forth in this section, and shall be consistent with the spirit and intent of this chapter.”

HRS §302D-5(g) states, “An authorizer shall not provide technical support to a prospective charter school applicant, an applicant governing board, or a charter school it authorizes in cases in which the technical support will directly and substantially impact any authorizer decision related to the approval or denial of the application or the renewal, revocation, or nonrenewal of the charter contract. This subsection shall not apply to technical support that an authorizer is required to provide to a charter school pursuant to federal law.”

HRS §302D-7 states, in pertinent part, “Every authorizer shall be required to submit to the board and the legislature an annual report[.]”

Strengths:

The Commission complies with reporting requirements and has submitted an annual report to the Board every year as required by statute (HRS §302D-7).

The survey conducted by the Committee found that most responding school directors agree or strongly agree that the “Commission receives and distributes per-pupil funding from the Department of Budget and Finance to charter schools.”

Weaknesses:

The survey conducted by the Committee found that 60% of responding school directors disagree or strongly disagree that the “Commission receives and distributes applicable federal funds from the Department of Education to charter schools.” Some common themes, drawn from open-ended responses to the survey, claim that the Commission inappropriately withholds funds or does not distribute funding in accordance with funding formulas. Comments provided through the public hearing and group interviews with charter school leaders argue that the Commission does not provide timely distribution of funds, which in turn impacts the financial performance of schools. In follow-up discussions with Board staff, the Commission confirmed that, while adjustments to schools’ financial performance are made after review of audited financial reports, schools could still end up on financial monitoring before then. The Committee was limited in its time and resources devoted to assessing this performance measure and therefore could not confirm the validity or accuracy of the issues raised by school leaders. The Committee did not find evidence that the Commission is statutorily noncompliant as measured by this performance measure, but the Commission acknowledged that, at a minimum, there is confusion surrounding funding distribution that it needs to address.

Detailed Performance Analysis: Authorizer Processes and Decision-Making

Performance Measure B.1: Application Process, Timeline, and Guidance

Performance Measure Rating: Meets

Guiding Question: 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?

Origin:

HRS §302D-5(a)(1) states, in pertinent part, “Authorizers are responsible for executing the following essential powers and duties . . . [s]oliciting and evaluating charter applications[.]”

HRS §302D-6(2) states, in pertinent part, “All authorizers shall be required to follow nationally recognized principles and standards for quality charter authorizing in all major areas of authorizing responsibility, including . . . [s]oliciting and evaluating charter applications[.]”

HRS §302D-13, entitled, “Start-up and conversion charter schools; establishment.”

Applicable NACSA Standards:

Standard #2 – Application Process & Decision Making. A quality authorizer implements a comprehensive application process that includes clear application questions and guidance; follows

fair, transparent procedures and rigorous criteria; and grants charters only to applicants who demonstrate strong capacity to establish and operate a quality charter school.

Fair, Transparent, Quality-Focused Procedures. A Quality Authorizer...

- Implements a charter application process that is open, well publicized, and transparent, and is organized around clear, realistic timelines.
- Allows sufficient time for each stage of the application and school pre-opening process to be carried out with quality and integrity.
- Explains how each stage of the application process is conducted and evaluated.
- Communicates chartering opportunities, processes, approval criteria, and decisions clearly to the public.
- Informs applicants of their rights and responsibilities and promptly notifies applicants of approval or denial, while explaining the factors that determined the decision.

Strengths:

The Commission’s request for proposals (“RFP”) contains a timeline that allows for sufficient time for each stage of the application process and explains how each stage is conducted and evaluated.

The Commission communicates its application process, approval criteria, and application decisions to the public through its website, newsletter, and RFP, as well as through public meetings and meeting materials.

The survey conducted by the Committee found that most responding charter applicants agreed or strongly agreed that the “Commission has a comprehensive and well-publicized application process that has been communicated and includes realist timelines, fair and transparent procedures, and guidance that clearly describes each stage of the process.”

Weaknesses:

No weaknesses noted.

Performance Measure B.2: Request for Proposals

Performance Measure Rating: Partially Meets

Guiding Question: 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?

Origin:

HRS §302D-5(a)(1) states, in pertinent part, “Authorizers are responsible for executing the following essential powers and duties . . . [s]oliciting and evaluating charter applications[.]”

HRS §302D-6(2) states, in pertinent part, “All authorizers shall be required to follow nationally recognized principles and standards for quality charter authorizing in all major areas of authorizing responsibility, including . . . [s]oliciting and evaluating charter applications[.]”

HRS §302D-13, entitled, “Start-up and conversion charter schools; establishment.”

Applicable NACSA Standards:

Standard #2 – Application Process & Decision Making. A quality authorizer implements a comprehensive application process that includes clear application questions and guidance; follows fair, transparent procedures and rigorous criteria; and grants charters only to applicants who demonstrate strong capacity to establish and operate a quality charter school.

Proposal Information, Questions, and Guidance. A Quality Authorizer...

- Issues a charter application information packet or request for proposals (“RFP”) that:
 - States any chartering priorities the authorizer may have established;
 - Articulates comprehensive application questions to elicit the information needed for rigorous evaluation of applicants’ plans and capacities; and
 - Provides clear guidance and requirements regarding application content and format, while explaining evaluation criteria.
- Welcomes proposals from first-time charter applicants as well as existing school operators/replicators, while appropriately distinguishing between the two kinds of developers in proposal requirements and evaluation criteria.
- Encourages expansion and replication of charter schools that demonstrate success and capacity for growth.
- Is open to considering diverse educational philosophies and approaches, and expresses a commitment to serve students with diverse needs.
- Broadly invites and solicits charter applications while publicizing the authorizer’s strategic vision and chartering priorities, without restricting or refusing to review applications that propose to fulfill other goals.

Strengths:

The Commission issues an RFP that states chartering priorities, articulates comprehensive application questions to elicit the information needed for evaluation, and provides guidance and requirements regarding application content and format.

Weaknesses:

Without a strategic vision, the RFP cannot align with or publicize the Commission’s vision. In a written response to the Committee, the Commission recognizes that additional work can be done in this area.

The survey conducted by the Committee found that only a third of responding Commissioners believe that the Commission’s RFP “encourages diverse educational models from both new applicants and existing operators.”

In a written response to the Committee, the Commission recognizes that it has not encouraged replication of existing charter school models. The survey conducted by the Committee confirms that

only a third of responding Commissioners believe that the Commission’s RFP “encourages expansion and replication of successful charter school models.”

Performance Measure B.3: Approval Criteria for Charter School Applications

Performance Measure Rating: Meets

Guiding Question: To what degree does the authorizer have clear and comprehensive approval criteria to rigorously evaluate new charter school proposals?

Origin:

HRS §302D-5(a)(1) states, in pertinent part, “Authorizers are responsible for executing the following essential powers and duties . . . [s]oliciting and evaluating charter applications[.]”

HRS §302D-6(2) states, in pertinent part, “All authorizers shall be required to follow nationally recognized principles and standards for quality charter authorizing in all major areas of authorizing responsibility, including . . . [s]oliciting and evaluating charter applications[.]”

HRS §302D-13, entitled, “Start-up and conversion charter schools; establishment.”

Applicable NACSA Standards:

Standard #2 – Application Process & Decision Making. A quality authorizer implements a comprehensive application process that includes clear application questions and guidance; follows fair, transparent procedures and rigorous criteria; and grants charters only to applicants who demonstrate strong capacity to establish and operate a quality charter school.

Rigorous Approval Criteria. A Quality Authorizer...

- Requires all applicants to present a clear and compelling mission, a quality educational program, a solid business plan, effective governance and management structures and systems, founding team members demonstrating diverse and necessary capabilities, and clear evidence of the applicant’s capacity to execute its plan successfully.
- Establishes distinct requirements and criteria for applicants who are existing school operators or replicators.
- Establishes distinct requirements and criteria for applicants proposing to contract with education service or management providers.
- Establishes distinct requirements and criteria for applicants that propose to operate virtual or online charter schools.

Strengths:

The Commission’s RFP requires all applicants to present a clear and compelling mission; sound academic, financial, and organizational plans; founding applicant governing board members demonstrating diverse and necessary experience and skills; and clear evidence of the applicant’s capacity to execute its plan successfully.

The Commission’s RFP includes distinct requirements and criteria for applicants proposing to contract with education service or management providers. It also includes distinct requirements and criteria for applicants that propose to operate virtual or online charter schools.

Weaknesses:

No weaknesses noted.

Performance Measure B.4: Evaluation and Decision-Making Process

Performance Measure Rating: Meets

Guiding Question: 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?

Origin:

HRS §302D-5(a)(1) states, in pertinent part, “Authorizers are responsible for executing the following essential powers and duties . . . [s]oliciting and evaluating charter applications[.]”

HRS §302D-6(2) states, in pertinent part, “All authorizers shall be required to follow nationally recognized principles and standards for quality charter authorizing in all major areas of authorizing responsibility, including . . . [s]oliciting and evaluating charter applications[.]”

HRS §302D-13, entitled, “Start-up and conversion charter schools; establishment.”

Applicable NACSA Standards:

Standard #2 – Application Process & Decision Making. A quality authorizer implements a comprehensive application process that includes clear application questions and guidance; follows fair, transparent procedures and rigorous criteria; and grants charters only to applicants who demonstrate strong capacity to establish and operate a quality charter school.

Rigorous Decision Making. A Quality Authorizer...

- Grants charters only to applicants that have demonstrated competence and capacity to succeed in all aspects of the school, consistent with the stated approval criteria.
- Rigorously evaluates each application through thorough review of the written proposal, a substantive in-person interview with each qualified applicant, and other due diligence to examine the applicant’s experience and capacity, conducted by knowledgeable and competent evaluators.
- Engages, for both written application reviews and applicant interviews, highly competent teams of internal and external evaluators with relevant educational, organizational (governance and management), financial, and legal expertise, as well as thorough understanding of the essential principles of charter school autonomy and accountability.
- Provides orientation or training to application evaluators (including interviewers) to ensure consistent evaluation standards and practices, observance of essential protocols, and fair treatment of applicants.

- Ensures that the application-review process and decision making are free of conflicts of interest, and requires full disclosure of any potential or perceived conflicts of interest between reviewers or decision makers and applicants.

Strengths:

While the survey conducted by the Committee found that all responding charter applicants disagree or strongly disagree that the “Commission’s decisions and resulting actions align to its stated approval criteria and process,” there is no evidence that the Commission does not grant charters to applicants that have demonstrated competence and capacity to succeed in all aspects of the school, consistent with the stated approval criteria. The Board has not overturned a Commission decision from any denied applicant appealing on the basis that the Commission’s decision does not align to its stated approval criteria.

The Commission implements a rigorous evaluation of each application, including an in-person interview with each applicant, through the use of an evaluation team. Evaluation teams are comprised of internal (Commission staff) and external evaluators with appropriate expertise in education, governance and management, finances, and law.

The Commission provides training to application evaluators to ensure consistent evaluation standards and practices and fair treatment of applicants.

Weaknesses:

No weaknesses noted.

Performance Measure B.5: Charter Contract Terms, Negotiation, and Execution

Performance Measure Rating: Partially Meets

Guiding Question: 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?

Origin:

HRS §302D-5(a)(4) states, in pertinent part, “Authorizers are responsible for executing the following essential powers and duties . . . [n]egotiating and executing sound charter contracts with each approved charter applicant and with existing public charter schools[.]”

HRS §302D-6(3) states, in pertinent part, “All authorizers shall be required to follow nationally recognized principles and standards for quality charter authorizing in all major areas of authorizing responsibility, including . . . [p]erformance contracting[.]”

Applicable NACSA Standards:

Standard #3 – Performance Contracting. A quality authorizer executes contracts with charter schools that articulate the rights and responsibilities of each party regarding school autonomy, funding, administration and oversight, outcomes, measures for evaluating success or failure, performance consequences, and other material terms. The contract is an essential document, separate from the

charter application, that establishes the legally binding agreement and terms under which the school will operate and be held accountable.

Contract Term, Negotiation, and Execution. A 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.

Rights and Responsibilities. A Quality Authorizer...

- Executes charter contracts that clearly:
 - State the rights and responsibilities of the school and the authorizer;
 - State and respect the autonomies to which schools are entitled— based on statute, waiver, or authorizer policy—including those relating to the school's authority over educational programming, staffing, budgeting, and scheduling;
 - Define performance standards, criteria, and conditions for renewal, intervention, revocation, and non-renewal, while establishing the consequences for meeting or not meeting standards or conditions;
 - State the statutory, regulatory, and procedural terms and conditions for the school's operation;
 - State reasonable pre-opening requirements or conditions for new schools to ensure that they meet all health, safety, and other legal requirements prior to opening and are prepared to open smoothly;
 - State the responsibility and commitment of the school to adhere to essential public-education obligations, including admitting and serving all eligible students so long as space is available, and not expelling or counseling out students except pursuant to a legal discipline policy approved by the authorizer; and
 - State the responsibilities of the school and the authorizer in the event of school closures.
- Ensures that any fee-based services that the authorizer provides are set forth in a services agreement that respects charter school autonomy and treats the charter school equitably compared to district schools, if applicable; and ensures that purchasing such services is explicitly not a condition of charter approval, continuation, or renewal.

Provision for Education Service or Management Contract (if applicable). A Quality Authorizer...

- For any school that contracts with an external (third-party) provider for education design and operation or management, includes additional contractual provisions that ensure rigorous, independent contract oversight by the charter governing board and the school's financial independence from the external provider.
- Reviews the proposed third-party contract as a condition of charter approval to ensure that it is consistent with applicable law, authorizer policy, and the public interest.

Strengths:

The Commission executes charter contracts with governing boards that define material terms (section 3.2 of the charter contract). The charter contract allows—and requires contract amendments for—occasional material changes to school education program plans, but the Commission does not require contract amendments for non-material modifications.

The charter contract states the autonomies to which schools are entitled, including those relating to the school’s authority over educational programming (sections 2.1, 3.1, and 3.3.2), staffing (section 2.1), and budgeting (section 8.1).

The charter contract defines performance standards and conditions for intervention (section 12.5) and revocation (Exhibit D, Intervention Protocol), while the intervention protocol attached to the contract establishes the consequences for meeting or not meeting standards or conditions.

The Commission’s pre-opening contracts state reasonable pre-opening requirements for new schools to ensure that they meet all health, safety, and other legal requirements prior to opening.

The Commission requires additional contractual provisions for any school that contracts with a third-party provider for education design and operation or management (Exhibit C of the charter contract).

Weaknesses:

The survey conducted by the Committee found that nearly two-thirds of responding school directors disagree or strongly disagree that the “Commission negotiates and executes charter contracts that clearly define material terms and rights and responsibilities of the schools and the Commission with clear, measurable, and attainable performance standards.” Respondents most commonly identified the lack of contract negotiations as a major issue. Some public testimonies argue that the complexity of the contract with the lack of immediate access to legal counsel mean that governing boards do not fully understand contracts within the timeframe provided for review. Further, several charter schools stated that they feel they have no choice but to sign contracts, indicating that there is not mutual acceptance of the terms of the contract. In discussions with Board staff, the Commission explained that it held several in-person meetings (on each island) and webinars with school leaders to discuss the charter contract but acknowledged that the Commission and governing boards may not have a mutual understanding of the terms of the contract.

Most of the charter schools within the Commission’s portfolio of schools are currently on three-year charter contracts and only some will be renewed for five-year terms with the rest on shorter term contracts, which means the Commission conducts high-stakes reviews more frequently than every five years.

The charter contract defines performance standards, but it is not clear in the charter contract if these standards are a condition of renewal, especially because the Commission adopted renewal criteria that rely on the performance frameworks but are not included in the charter contract.

Performance Measure B.6: Charter School Performance Standards

Performance Measure Rating: Partially Meets

Guiding Question: To what degree does the authorizer negotiate and execute charter contracts with clear, measurable, and attainable performance standards?

Origin:

HRS §302D-5(a)(4) states, in pertinent part, “Authorizers are responsible for executing the following essential powers and duties . . . [n]egotiating and executing sound charter contracts with each approved charter applicant and with existing public charter schools[.]”

HRS §302D-6(3) states, in pertinent part, “All authorizers shall be required to follow nationally recognized principles and standards for quality charter authorizing in all major areas of authorizing responsibility, including . . . [p]erformance contracting[.]”

Applicable NACSA Standards:

Standard #3 – Performance Contracting. A quality authorizer executes contracts with charter schools that articulate the rights and responsibilities of each party regarding school autonomy, funding, administration and oversight, outcomes, measures for evaluating success or failure, performance consequences, and other material terms. The contract is an essential document, separate from the charter application, that establishes the legally binding agreement and terms under which the school will operate and be held accountable.

Performance Standards. A Quality Authorizer...

- Executes charter contracts that plainly:
 - 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.

Strengths:

The Commission’s academic performance framework within the charter contract establishes performance standards under which schools are evaluated, using objective and verifiable measures (essentially Strive HI Performance System measures and school-specific measures, if applicable) of student achievement as the primary measure of school quality.

The financial performance framework defines the sources of financial data, such as audited financial statements, that form the evidence base for ongoing evaluation.

The charter contract includes expectations for appropriate access, education, and support services for students with disabilities (section 3.5).

Weaknesses:

The charter contract contains measurable academic, financial, and organizational performance standards and targets, but it is not clear in the charter contract if these standards and targets are a condition of renewal, especially because the Commission adopted renewal criteria that rely on the performance frameworks but are not included in the charter contract.

The academic performance framework defines the Strive HI Performance System as the source of academic data that form the evidence base for ongoing evaluation but does not describe all of the state-mandated standardized assessments and reports that serve as the data sources for the Strive HI Performance System. (Note: NACSA’s standards appear to encourage the use of internal assessments, qualitative reviews, and performance comparisons with other public schools in the state as additional sources of academic data that form the evidence base for ongoing evaluation and renewal, none of which are included in the Commission’s academic performance framework.)

The Commission acknowledges that the organizational performance framework does not define the sources of organizational data that form the evidence base for ongoing evaluation and will be working on clearly defining the sources for next the charter contract.

Performance Measure B.7: Process for Ongoing Oversight of Charter Schools

Performance Measure Rating: Partially Meets

Guiding Question: 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?

Origin:

HRS §302D-5(a)(5) states, in pertinent part, “Authorizers are responsible for executing the following essential powers and duties . . . [m]onitoring, in accordance with charter contract terms, the performance and legal compliance of public charter schools[.]”

HRS §302D-6(4) states, in pertinent part, “All authorizers shall be required to follow nationally recognized principles and standards for quality charter authorizing in all major areas of authorizing responsibility, including . . . [o]ngoing public charter school oversight and evaluation[.]”

Applicable NACSA Standards:

Standard #4 – Ongoing Oversight and Evaluation. A quality authorizer conducts contract oversight that competently evaluates performance and monitors compliance; ensures schools’ legally entitled autonomy; protects student rights; informs intervention, revocation, and renewal decisions; and provides annual public reports on school performance.

Performance Evaluation and Compliance Monitoring. A Quality Authorizer...

- Implements a 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.
- 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.
- 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 stated 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.
- 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.

Protecting Student Rights. A Quality Authorizer...

- Ensures that schools admit students through a random selection process that is open to all students, is publicly verifiable, and does not establish undue barriers to application (such as mandatory information meetings, mandated volunteer service, or parent contracts) that exclude students based on socioeconomic, family, or language background, prior academic performance, special education status, or parental involvement.
- Ensures that schools provide access and services to students with disabilities as required by applicable federal and state law, including compliance with student individualized education programs and Section 504 plans, facilities access, and educational opportunities.
- Ensures clarity in the roles and responsibilities of all parties involved in serving students with disabilities.
- Ensures that schools provide access to and appropriately serve other special populations of students, including English learners, homeless students, and gifted students, as required by federal and state law.
- Ensures that schools’ student discipline policies and actions are legal and fair, and that no student is expelled or counseled out of a school outside of that process.

Strengths:

The Commission has school site visit protocols for organizational performance monitoring. The protocol appears to collect necessary data that mostly cannot be obtained otherwise, while ensuring that the frequency, purposes, and methods of such visits respect school autonomy and mostly avoid operational interference. In addition, the Commission informs a school it intends to visit of the data and information the Commission already has from the school.

The Commission requires and reviews annual financial audits of schools, conducted by a qualified independent auditor.

As part of its process for drafting its own annual report and pursuant to HRS §302D-17, the Commission provides an annual written report to each school summarizing its performance and compliance to date and identifying areas of strength and areas needing improvement.

Weaknesses:

In a written response to the Committee, the Commission stated that “the charter contract does not delineate specific processes for monitoring and oversight in the areas of academics, finances, and operations.” The Commission acknowledges that, while the charter contract references a “compliance management system” (section 12.1), it does not define an accountability and compliance monitoring system. Further, the system is not described through any documented processes or procedures.

Because the Commission does not have any documented processes or procedures for the accountability and compliance monitoring system it implements, it is difficult to determine if the system effectively streamlines federal, state, and local performance expectations and compliance requirements while protecting schools’ legally entitled autonomy and minimizing schools’ administrative and reporting burdens.

Performance Measure B.8: Communicating Oversight

Performance Measure Rating: Partially Meets

Guiding Question: 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?

Origin:

HRS §302D-5(a)(5) states, in pertinent part, “Authorizers are responsible for executing the following essential powers and duties . . . [m]onitoring, in accordance with charter contract terms, the performance and legal compliance of public charter schools[.]”

HRS §302D-6(4) states, in pertinent part, “All authorizers shall be required to follow nationally recognized principles and standards for quality charter authorizing in all major areas of authorizing responsibility, including . . . [o]ngoing public charter school oversight and evaluation[.]”

Applicable NACSA Standards:

Standard #4 – Ongoing Oversight and Evaluation. A quality authorizer conducts contract oversight that competently evaluates performance and monitors compliance; ensures schools’ legally entitled autonomy; protects student rights; informs intervention, revocation, and renewal decisions; and provides annual public reports on school performance.

Performance Evaluation and Compliance Monitoring. A Quality Authorizer...

- Defines and communicates to schools the process, methods, and timing of gathering and reporting school performance and compliance data.
- Provides clear technical guidance to schools as needed to ensure timely compliance with applicable rules and regulations.
- Evaluates each school annually on its performance and progress toward meeting the standards and targets stated in the charter contract, including essential compliance requirements, and clearly communicates evaluation results to the school’s governing board and leadership.
- Communicates regularly with schools as needed, including both the school leaders and governing boards, and provides timely notice of contract violations or performance deficiencies.

Strengths:

The Commission communicates to schools the timing of gathering and reporting school performance and compliance data through an annual master list of reports and deadlines, pursuant to the charter contract (section 11.1.1). In discussions with Board staff, the Commission explained that it communicates the method of gathering and reporting the data through trainings on the Commission’s compliance software, Epicenter.

The Commission provides some technical guidance to schools to ensure timely compliance with applicable rules and regulations.

As noted in Performance Measure B.7, the Commission annually evaluates and provide a written report to each school summarizing its performance and progress toward meeting the standards and targets stated in the charter contract. The Commission communicates the evaluation results to each school’s governing board and leadership by sending the written report to the governing board chairperson and school director.

While the Commission uses its intervention protocol to provide official notice of contract violations or performance deficiencies, it attempts to communicate and address any violations or deficiencies without invoking the intervention protocol by sending emails or giving verbal warnings.

Weaknesses:

As noted in the strengths, the Commission communicates to schools the timing of gathering and reporting school performance and compliance data. However, the Commission does not define or clearly communicate to schools the process of gathering and reporting school performance and compliance data. While the Commission may informally communicate the method of gathering and reporting data through trainings, the Commission does not have any documented processes or

procedures for the accountability and compliance monitoring system it implements (see weaknesses under Performance Measure B.7).

In discussions with Board staff, the Commission acknowledged that it can improve on providing technical guidance to schools as needed to ensure timely compliance with applicable rules and regulations.

Performance Measure B.9: Protecting School Autonomy

Performance Measure Rating: Partially Meets

Guiding Question: To what degree does the authorizer respect, preserve, and support the essential autonomies of the portfolio of charter schools?

Origin:

HRS §302D-5(a)(5) states, in pertinent part, “Authorizers are responsible for executing the following essential powers and duties . . . [m]onitoring, in accordance with charter contract terms, the performance and legal compliance of public charter schools[.]”

HRS §302D-6(4) states, in pertinent part, “All authorizers shall be required to follow nationally recognized principles and standards for quality charter authorizing in all major areas of authorizing responsibility, including . . . [o]ngoing public charter school oversight and evaluation[.]”

Applicable NACSA Standards:

Standard #4 – Ongoing Oversight and Evaluation. A quality authorizer conducts contract oversight that competently evaluates performance and monitors compliance; ensures schools’ legally entitled autonomy; protects student rights; informs intervention, revocation, and renewal decisions; and provides annual public reports on school performance.

Respecting School Autonomy. A Quality Authorizer...

- Respects the school’s authority over its day-to-day operations.
- Collects information from the school in a manner that minimizes administrative burdens on the school, while ensuring that performance and compliance information is collected with sufficient detail and timeliness to protect student and public interests.
- Periodically reviews compliance requirements and evaluates the potential to increase school autonomy based on flexibility in the law, streamlining requirements, demonstrated school performance, or other considerations.
- Refrains from directing or participating in educational decisions or choices that are appropriately within a school’s purview under the charter law or contract.

Strengths:

The Commission respects the schools’ authority over their day-to-day operations. For example, when the public contacts the Commission with complaints or inquiries, the Commission refers the public to each school’s governing board and/or school policies and procedures.

The Commission annually reviews its compliance requirements contained in its master list of reports and evaluates the potential to increase school autonomy.

The Commission attempts to collect information from schools in a manner that minimizes administrative burdens on the schools. The Commission uses a software system for centralized reporting and uses site visits as a way to alleviate reporting burdens.

Weaknesses:

The survey conducted by the Committee found that 72% of responding school directors disagree or strongly disagree that the “Commission respects, preserves, and supports the essential autonomies of the charter schools.” In follow-up discussions with Board staff, the Commission noted that there needs to be a definition or mutual understanding of autonomy.

Because aspects of the Commission’s organizational structure are not appropriate for effective authorizing (see weaknesses under Performance Measure A.6), the Commission is vulnerable to unintentionally directing or participating in educational decisions or choices that are appropriately within a school’s purview under law or the charter contract.

As noted under Performance Measure B.7, the Commission does not have any documented processes or procedures for the accountability and compliance monitoring system it implements. Therefore, it is difficult to determine if the system effectively streamlines federal, state, and local performance expectations and compliance requirements while protecting schools’ legally entitled autonomy and minimizing schools’ administrative and reporting burdens.

Performance Measure B.10: Standards and Processes for Interventions, Corrective Action, and Response to Complaints

Performance Measure Rating: Meets

Guiding Question: To what degree does the authorizer have clear and comprehensive standards and processes to address complaints, intervention, and corrective action?

Origin:

HRS §302D-5(a)(5) states, in pertinent part, “Authorizers are responsible for executing the following essential powers and duties . . . [m]onitoring, in accordance with charter contract terms, the performance and legal compliance of public charter schools[.]”

HRS §302D-6(4) states, in pertinent part, “All authorizers shall be required to follow nationally recognized principles and standards for quality charter authorizing in all major areas of authorizing responsibility, including . . . [o]ngoing public charter school oversight and evaluation[.]”

Applicable NACSA Standards:

Standard #4 – Ongoing Oversight and Evaluation. A quality authorizer conducts contract oversight that competently evaluates performance and monitors compliance; ensures schools’ legally entitled autonomy; protects student rights; informs intervention, revocation, and renewal decisions; and provides annual public reports on school performance.

Intervention. A Quality Authorizer...

- Establishes and makes known to schools at the outset an intervention policy that states the general conditions that may trigger intervention and the types of actions and consequences that may ensue.
- Gives schools clear, adequate, evidence-based, and timely notice of contract violations or performance deficiencies.
- Allows schools reasonable time and opportunity for remediation in non-emergency situations.
- Where intervention is needed, engages in intervention strategies that clearly preserve school autonomy and responsibility (identifying what the school must remedy without prescribing solutions).

Strengths:

The Commission’s charter contract includes an intervention protocol (Exhibit D to the charter contract). The charter contract states the general conditions that may trigger intervention (section 12.5), and the intervention protocol states the types of actions and consequences that may ensue.

Based on the example of an intervention that the Commission provided to the Committee, the Commission gives schools clear, adequate, evidence-based, and timely notice of contract violations or performance deficiencies.

The intervention protocol allows for corrective action plans, which allow schools reasonable time and opportunity for remediation in non-emergency situations while preserving school autonomy and responsibility.

Weaknesses:

No weaknesses noted.

Performance Measure B.11: Performance Reports and Renewal Application

Performance Measure Rating: Meets

Guiding Question: 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?

Origin:

HRS §302D-5(a)(6) states, in pertinent part, “Authorizers are responsible for executing the following essential powers and duties . . . [d]etermining whether each charter contract merits renewal, nonrenewal, or revocation.”

HRS §302D-6(5) states, in pertinent part, “All authorizers shall be required to follow nationally recognized principles and standards for quality charter authorizing in all major areas of authorizing responsibility, including . . . [c]harter and charter contract renewal decision-making.”

Applicable NACSA Standards:

Standard #5 – Revocation and Renewal Decision Making. A quality authorizer designs and implements a transparent and rigorous process that uses comprehensive academic, financial, and operational performance data to make merit-based renewal decisions, and revokes charters when necessary to protect student and public interests.

Cumulative Report and Renewal Application. A Quality Authorizer...

- Provides to each school, in advance of the renewal decision, a cumulative performance report that:
 - Summarizes the school’s performance record over the charter term; and
 - States the authorizer’s summative findings concerning the school’s performance and its prospects for renewal.
- Requires any school seeking renewal to apply for it through a renewal application, which provides the school a meaningful opportunity and reasonable time to respond to the cumulative report; to correct the record, if needed; and to present additional evidence regarding its performance.

Strengths:

Based on the Commission’s upcoming round of contract renewals (which is its first), the Commission provides to each school, in advance of the renewal decision and in accordance with law, a cumulative performance report that summarizes the school’s performance record over the charter contract term and states the Commission’s summative findings concerning the school’s performance and its prospects for renewal.

The Commission requires any school seeking renewal to apply for it through a renewal application, which provides the school a meaningful opportunity to respond to the cumulative performance report, correct the record, and present additional evidence regarding its performance. The Commission provides schools with reasonable time to submit the application in accordance with law.

Weaknesses:

No weaknesses noted.

Performance Measure B.12: Charter Contract Renewal or Revocation Processes and Decisions

Performance Measure Rating: Partially Meets

Guiding Question: 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?

Origin:

HRS §302D-5(a)(6) states, in pertinent part, “Authorizers are responsible for executing the following essential powers and duties . . . [d]etermining whether each charter contract merits renewal, nonrenewal, or revocation.”

HRS §302D-6(5) states, in pertinent part, “All authorizers shall be required to follow nationally recognized principles and standards for quality charter authorizing in all major areas of authorizing responsibility, including . . . [c]harter and charter contract renewal decision-making.”

Applicable NACSA Standards:

Standard #5 – Revocation and Renewal Decision Making. A quality authorizer designs and implements a transparent and rigorous process that uses comprehensive academic, financial, and operational performance data to make merit-based renewal decisions, and revokes charters when necessary to protect student and public interests.

Revocation. A Quality Authorizer...

- Revokes a charter during the charter term if there is clear evidence of extreme underperformance or violation of law or the public trust that imperils students or public funds.

Renewal Decisions Based on Merit and Inclusive Evidence. A Quality Authorizer...

- Bases the renewal process and renewal decisions on thorough analyses of a comprehensive body of objective evidence defined by the performance framework in the charter contract.
- Grants renewal only to schools that have achieved the standards and targets stated in the charter contract, are organizationally and fiscally viable, and have been faithful to the terms of the contract and applicable law.
- Does not make renewal decisions, including granting probationary or short-term renewals, on the basis of political or community pressure or solely on promises of future improvement.

Fair, Transparent Process. A Quality Authorizer...

- Clearly communicates to schools the criteria for charter revocation, renewal, and non-renewal decisions that are consistent with the charter contract.
- Promptly notifies each school of its renewal (or, if applicable, revocation) decision, including written explanation of the reasons for the decision.
- Promptly communicates renewal or revocation decisions to the school community and public within a time frame that allows parents and students to exercise choices for the coming school year.
- Explains in writing any available rights of legal or administrative appeal through which a school may challenge the authorizer’s decision.
- Regularly updates and publishes the process for renewal decision making, including guidance regarding required content and format for renewal applications.

Strengths:

The Commission communicates to schools the criteria for charter contract renewal and non-renewal decisions.

In the case of Halau Lokahi Charter School, the Commission communicated the revocation decision to the school community and public within a timeframe that allowed parents and students to exercise choices for the next school year.

Weaknesses:

While the Commission revoked Halau Lokahi Charter School’s charter contract during the contract term, a 2015 State Auditors’ report entitled “Study of Public Charter Schools’ Governing Boards” found that the Commission delayed in revoking the contract even with clear evidence of extreme underperformance that imperiled public funds. The Commission has publicly acknowledged its shortcomings in the situation and has taken steps to be better prepared should a similar situation arise. Still, this is the only instance to date of a revocation decision on which to judge the Commission.

Per the Commission’s renewal process and criteria, some renewal decisions will be based, in part, on additional indicators not included in the charter contract.

In addition to the charter contract being unclear if the academic, financial, and organizational performance standards and targets in the renewal criteria are a condition of renewal, the renewal criteria allow a charter contract to be renewed even if the charter school scores in the lowest academic performance bracket and does not meet expectations in both organizational and financial performance. Based on its current and only renewal cycle thus far, the Commission will grant renewal to all schools regardless of performance instead of only to those that have achieved the standards and targets stated in the charter contract, are organizationally and fiscally viable, and have been faithful to the terms of the contract and applicable law.

It is not entirely clear what the Commission’s rationale is for granting contract renewal to all charter schools, regardless of performance, with only the length of the contract being affected by a school’s performance. In discussions with Board staff, the Commission explained that schools should have a chance to prove themselves academically under the new federal law. However, it is the Commission, as the authorizer, that determines the standards, targets, and criteria for contract renewal, not federal or state law. Even the recently released federal regulations on the Every Student Succeeds Act confirm that authorizers retain authority to enforce accountability. Therefore, the Committee cannot determine whether or not the Commission is making renewal decisions on the basis of community pressure or solely on promises of future improvement.

Performance Measure B.13: School Closure

Performance Measure Rating: Meets

Guiding Question: 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?

Origin:

HRS §302D-5(a)(6) states, in pertinent part, “Authorizers are responsible for executing the following essential powers and duties . . . [d]etermining whether each charter contract merits renewal, nonrenewal, or revocation.”

HRS §302D-6(5) states, in pertinent part, “All authorizers shall be required to follow nationally recognized principles and standards for quality charter authorizing in all major areas of authorizing responsibility, including . . . [c]harter and charter contract renewal decision-making.”

Applicable NACSA Standards:

Standard #5 – Revocation and Renewal Decision Making. A quality authorizer designs and implements a transparent and rigorous process that uses comprehensive academic, financial, and operational performance data to make merit-based renewal decisions, and revokes charters when necessary to protect student and public interests.

Closure. A Quality Authorizer...

- In the event of a school closure, oversees and works with the school governing board and leadership in carrying out a detailed closure protocol that ensures timely notification to parents; orderly transition of students and student records to new schools; and disposition of school funds, property, and assets in accordance with law.

Strengths:

In the case of Halau Lokahi Charter School, the Commission adopted a contingency dissolution plan to use as the closure process. The plan ensured timely notification to parents; orderly transition of students and student records to new schools; and disposition of school funds, property, and assets in accordance with law.

Weaknesses:

No weaknesses noted.