



State Public Charter School Commission 2012-13 Annual Report

Commission Approved: November 21, 2013

NEIL ABERCROMBIE
GOVERNOR



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FROM: Terri Fujii
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Hawaii State Public Charter School Commission

SUBJECT: The 2013 State Public Charter School Commission Annual Report

The State Public Charter School Commission (“Commission”) is pleased to present its annual report for 2013, pursuant to HRS §302D-7.

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

The Commission continues diligently to implement the changes to the charter school system brought forth by the establishment of HRS Chapter 302D, as further revised by Act 159, SLH 2013.

As required by HRS 302D-7, this report addresses:

1. The Commission's strategic vision for chartering and progress toward achieving that vision;
2. The academic and financial performance of all operating public charter schools overseen by the Commission, according to the performance expectations for public charter schools set forth in HRS Chapter 302D;
3. The status of the Commission's public charter school portfolio, identifying all public charter schools in each of the following categories: approved (but not yet open), not approved, operating, renewed, transferred, revoked, not renewed, voluntarily closed, or never opened;
4. The authorizing functions provided by the Commission to the public charter schools under its purview, including the Commission's operating costs and expenses detailed in annual audited financial statements that conform with generally accepted accounting principles;
5. The services purchased from the Commission by the public charter schools under its purview;
6. A line-item breakdown of the federal funds received by the Department of Education and distributed by the Commission to public charter schools under its purview; and
7. Any concerns regarding equity and recommendations to improve access to and redistribution of federal funds to public charter schools.

Hawaii state law charges the Commission with the mission of authorizing high-quality public charter schools throughout Hawaii. The Commission is committed to quality in every aspect of chartering, and firmly believes that quality authorizing leads to quality schools. The Commission's mission is too important, and the stakes for the future of Hawaii's keiki too high, for the Commission to provide Hawaii's students and families with anything less than the very best that charter schooling has to offer Hawaii's public education system.

The Commission and the charter schools have largely completed the transition to the new structure laid out in HRS Chapter 302D. Several systemic pieces still need to be developed or refined, but much of the foundation has been put in place.

We remain committed to working with Hawaii's charter schools and other stakeholders to improve chartering in Hawaii and to contribute to the gains of Hawaii's public education system as a whole. The future of our State demands this, and Hawaii's keiki deserve nothing less.

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Executive Summary

The State Public Charter School Commission is implementing an ambitious reorganization of the Hawaii's charter school system that was set in motion with the enactment of Act 130 of 2012. All of Hawaii's thirty-three charter schools have for the first time entered into charter contracts incorporating academic, financial, and organizational performance frameworks.

Because the academic performance framework is still being developed, the picture of the charter schools' academic performance is incomplete. The picture is complicated by a variety of issues with currently available data, including the need to suppress data to protect student privacy; certain nuances of the State's new Strive HI Performance System; the fact that participation in ACT was not required of charter schools in 2013; and unresolved issues over Hawaiian language assessments. Based solely on the data from Strive HI, the academic results for charter schools are mixed:

- In the aggregate, charter school students' academic proficiency averages were 65% in reading, 45% in math, and 28% science, lower than statewide averages in all three subjects, but fifteen charter schools scored above the state average in reading, twelve in science, and ten in math.
- English language learners ("ELL") in charter schools tested lower than the state average for such students in reading and math; economically disadvantaged students tested about the same in reading but lower in math than the state average for such students; and special education students exceeded the state average for such students in reading and matched the state average in math.
- Ten charter schools equaled or exceeded the statewide Median Student Growth Percentile for reading, and nine for math.
- Charter schools showed average growth for reading and low growth for math among economically disadvantaged students, but 34% of schools showed high to very high growth in reading and 28% of schools high to very high growth in math among such students.
- Charter schools showed average growth in reading and high growth in math among ELL students, with 53% of schools showing high to very growth in reading among ELL students and the 53% of schools high to very growth in math.
- Charter schools overall showed very low growth in both reading and math among special education students, with 17% of schools showing high to very high growth in reading and 14% high to very growth in math among such students.
- The on-time graduation rate among charter high schools was significantly lower than the statewide average, but five schools exceeded that average, including two that achieved 100%.
- The achievement gap between high-needs and non-high needs students in charter schools is smaller than the statewide gap, but over the past two year the charter school gap has grown while the statewide gap has shrunk.

- There are plentiful examples of individual charter schools achieving excellent results on Strive HI measures, including Na Wai Ola (Waters Of Life) Public Charter School, the only non-elementary school in the entire state to achieve Recognition status.

Because most of the organizational performance framework was not in place last year to yield data from the schools, this year's report addresses only the schools' compliance with governance requirements. All charter schools met these expectations this year.

As for financial performance, based on unaudited financial data from fiscal year 2012-13 charter schools appear to have exercised sound stewardship of public funds and overall were in good financial position. However, some schools showed signs of struggling with inadequate funding and increased operational costs while trying to maintain the quality of their programs. Many schools appeared to have depleted reserves, and they continue to struggle with the unavailability of funding for their facilities needs. Significant financial challenges for charter schools loom if present trends continue.

I. Introduction

In 2011, the Legislature established the charter school governance, accountability, and authority task force (“Task Force”) to provide clarity to the relationships, responsibilities, and the lines of accountability and authority among stakeholders of Hawaii’s charter school system. The Task Force accomplished its purpose and in December of 2011 issued a report with recommendations to the Legislature. These recommendations were adopted and incorporated into 2012 Session Laws of Hawaii (“SLH”) Act 130 (“Act 130”), which repealed the then-existing charter school law codified as Hawaii Revised Statutes (“HRS”) Chapter 302B and established a new charter school law, codified in the new HRS Chapter 302D. The purpose of the new charter school law was to create a solid governance structure for the charter school system with clear lines of authority and accountability to foster improved student outcomes. The new charter school law, which was signed into law on June 19, 2012, created a new statewide authorizer, the State Public Charter School Commission (“Commission”) and a system where each charter school is overseen by a governing board. The law also mandated that charter contracts be executed with each charter school, based on a performance framework for the schools.

During the same session, the Legislature passed Act 131, which required the Board of Education (“BOE”) to contract for an implementation and transition coordinator to create a comprehensive transition framework to implement the recommendations of the Task Force. The BOE contracted with National Association of Charter School Authorizers (“NACSA”), effective August 30, 2012, to fulfill this vital role. On the same day that Act 130 was signed into law, the BOE appointed nine individuals to serve as the first members of the newly created Commission: John Colson, Henry Halenani Gomes, Peter Hanohano, Richard Hogeboom, Usha Kotner, Catherine Payne, Karen Street, Roger Takabayashi, and Peter Tomozawa. Karen Street was elected as chair of the Commission for the 2012-13 fiscal year. On September 18, 2012, Curtis Muraoka was appointed to replace John Colson, and on October 2, 2012 Terri Fujii was appointed to replace Henry Halenani Gomes.

By December of 2012, the reconstituted charter school governance system was in place, with previous charter school local school boards replaced by governing boards and with these boards revising their bylaws to comply with new governance requirements in Act 130.

On December 13, 2012, the Commission approved its first new charter schools, Mālama Hōnua Learning Center (“Malama Honua”) and SEEQS: The School for Examining Essential Questions of Sustainability (“SEEQS”). Malama Honua requested and received a deferral of its opening date to July 1 2014. SEEQS opened its doors to its first students on August 5, 2013.

In January of 2013, the Commission began developing the charter contract with the assistance of NACSA and extensive input from the charter schools and other stakeholders of Hawaii’s charter school system.

In February of 2013, the Commission hired Tom Hutton as the first executive director of the Commission, beginning the transition from the Charter School Administrative Office (“CSAO”) to Commission staff.

After several months of developing the charter contract template, the Commission approved the final form, which became the State Public Charter School Contract (“Charter Contract”).¹ The Charter Contract is a template where all schools sign substantially the same contract. However, charter schools can customize an exhibit to the Charter Contract that sets forth the school’s particular Educational Program (*i.e.*, the school’s mission and vision and other material terms that describe the school). Charter schools also have the option of proposing school-specific academic indicators in addition to the statewide indicators used to measure the school’s academic performance (“School-Specific Measures”), and these additional measures also can be included as an exhibit to the Charter Contract.

The Commission’s accountability system, known as the Performance Framework, is incorporated in the Charter Contract and comprises three substantive areas: the Academic Performance Framework, Financial Performance Framework, and Organizational Performance Framework. The Financial Performance Framework and Organizational Performance Framework were adopted by the Commission in March 2013 and are included as exhibits to the Charter Contract.² Development and approval of the Academic Performance Framework was delayed because the Strive HI Performance System (“Strive HI”), the Hawaii Department of Education’s (“DOE”) school accountability and improvement system, which is a part of the Academic Performance Framework, was still being developed and was not yet approved by the U.S. Department of Education under the State’s Elementary and Secondary Education Act (“ESEA”) Flex Waiver. NACSA’s Financial Performance Framework and Organizational Performance Framework were used as starting points but were modified to allow for local customization. The Academic Performance Framework is being developed using a similar process.

In June of 2013, the Commission approved the promulgation of administrative rules for the Commission. Two new chapters are proposed: Chapter 8-501, entitled “State Public Charter School Commission Rules of Practice and Procedure,” and Chapter 8-505, entitled “Applications, Renewals or Non-Renewals, and Revocations.” The administrative rules are currently going through the review, approval, and public hearing process. In June of 2013, the Commission also adopted procedures for the amendment of Charter Contracts, to allow charter schools to amend the material elements in their Educational Program.

¹ A copy of the Charter Contract template for the 2013-14 school year is available on the Commission website at: http://media.wix.com/ugd/448fc8_e4853cdd89ad818b1c4c4b67fb6301d9.pdf.

² The current form of the Financial Performance Framework is attached as **Appendix C** and the current form of the Organizational Performance Framework is attached as **Appendix D**. The Academic Performance Framework is being developed during the 2013-14 fiscal year.

On June 30, 2013, CSAO was sunsetted pursuant to Act 130 and replaced by the Commission staff. By July of 2013, most of the new Commission staff members had been hired and the reorganization of the staff to align with the Performance Framework was complete. The new staff includes members responsible for each of the three substantive areas in the Performance Framework (academic, financial, and organizational), as well as an operations division that manages Commission communications, data and information systems management, legislation, charter school applications, and Commission meetings and supports the rest of the staff.

June of 2013 marked an important milestone for Hawaii’s charter schools, with all thirty-two existing charter schools entering into Charter Contracts with the Commission. After completing its pre-opening assurances, SEEQS signed its Charter Contract on July 19, 2013 and became the thirty-third charter school in Hawaii. All of the Charter Contracts have a one-year term, from July 1, 2013 to June 30, 2014. On NACSA’s advice, the Commission executed one-year Charter Contracts to give the Commission time to complete and implement its Performance Framework, collect data necessary to make a determination of the term of each school’s subsequent Charter Contract, and provide for any adjustments that the Commission may want to make to the Charter Contract and the Performance Framework in light of this initial year of implementation. During the 2013-14 school year, the Commission will determine the new contract term that will be granted to each school after the expiration of the school’s initial one-year Charter Contract.

Throughout this report, the schools will be referred to by either their official school names³ or their shortened names, as shown on the chart below.

	Official School Names	Shortened Names
1.	Connections Public Charter School	Connections
2.	Hakipu’u Learning Center	Hakipuu
3.	Halau Ku Mana Public Charter School	Halau Ku Mana
4.	Hālau Lōkahi Charter School	Halau Lokahi
5.	Hawaii Academy of Arts & Science Public Charter School (HAAS)	HAAS
6.	Hawaii Technology Academy	HTA
7.	Innovations Public Charter School	Innovations
8.	Ka ‘Umeke Kā’eo	Ka Umeke
9.	Ka Waihona o ka Na’auao Public Charter School	Ka Waihona
10.	Kamaile Academy, PCS	Kamaile
11.	Kanu o ka ‘Āina New Century Public Charter School	KANU
12.	Kanuikapono Public Charter School	Kanuikapono
13.	Kawaikini New Century Public Charter School	Kawaikini
14.	Ke Ana La’ahana PCS	Ke Ana Laahana

³ The official names the names schools used on their individual Charter Contracts.

Official School Names	Shortened Names
15. Ke Kula ‘o Nāwahīokalani‘ōpu‘u Iki, LPCS	Nawahi
16. Ke Kula ‘o Samuel M. Kamakau, LPCS	Kamakau
17. Ke Kula Niihau O Kekaha Learning Center	Ke Kula Niihau
18. Kihei Charter School	Kihei
19. Kona Pacific Public Charter School	Kona Pacific
20. Kua o ka Lā New Century Public Charter School	Kua o ka La
21. Kualapu‘u School: A Public Conversion Charter	Kualapuu
22. Kula Aupuni Niihau A Kahelelani Aloha (KANAKA) A New Century Public Charter School (PCS)	KANAKA
23. Lanikai Elementary Public Charter School	Lanikai
24. Laupahoehoe Community Public Charter School	Laupahoehoe
25. Mālama Hōnua Learning Center	Malama Honua
26. Myron B. Thompson Academy	MBTA
27. Na Wai Ola (Waters Of Life) Public Charter School	Na Wai Ola
28. SEEQS: The School for Examining Essential Questions of Sustainability	SEEQS
29. University Laboratory School	University Lab
30. Volcano School of Arts & Sciences	Volcano
31. Voyager: A Public Charter School	Voyager
32. Waiālae Elementary Public Charter School	Waiālae
33. Waimea Middle Public Conversion Charter School	Waimea
34. West Hawai‘i Explorations Academy	WHEA

II. Strategic Vision

*The authorizer's strategic vision for chartering and progress toward achieving that vision.*⁴

The Commission’s statutory mission is to “authorize high-quality public charter schools throughout the State.”⁵ The strategic vision for the chartering of these high-quality schools is that they not only provide excellent and diverse educational options for Hawaii’s families but that they also contribute meaningfully to the continued improvement of Hawaii’s public education system as a whole.

The Commission’s development and execution with the existing charter schools of the Charter Contract and continuing development of the Performance Framework with academic, financial, and organizational elements represents significant progress toward pursuing the Commission’s mission and strategic vision. The charter application process that the Commission is in the process of implementing is also built around the Performance Framework and sets rigorous expectations of charter applications

⁴ HRS §302D-7(1).

⁵ HRS §302D-3(b).

and a high bar for approval of an application to a create new charter school. In addition, under the Commission’s new timeline for charter school start-ups, newly approved applicants will have fourteen months from the approval of the application to the opening of the new school, a significantly longer time in which to lay the groundwork needed for excellence.

The Commission is confident that implementation of these measures will ensure that only high-quality public charter schools will continue to operate and be authorized in the future and that these schools will contribute to the strength of Hawaii’s public education system. The following chart provides basic information on all existing charter schools in Hawaii.

	School	Governing Board Chair	School Director	Authorized in	Region	DOE Complex ⁶	Grades	Total Enrollment
1.	Connections Public Charter School	Heather McDaniel, Libby Oshiyama	John Thatcher	2000	East Hawaii	Waiakea	K-12	362
2.	Hakipu’u Learning Center	Kylee P. Mar	Charlene Hoe	2001	Windward Oahu	Castle	4-12	72
3.	Halau Ku Mana Public Charter School	Patricia Brandt	Mahina Duarte	2000	Honolulu	Roosevelt	4-12	97
4.	Hālau Lōkahi Charter School	June Nagasawa	Laara Allbrett	2001	Honolulu	Farrington	K-12	237
5.	Hawaii Academy of Arts & Science Public Charter School (HAAS)	Winston Albright	Steve Hirakami	2001	East Hawaii	Pahoa	K-12	582
6.	Hawaii Technology Academy	Michael Findley	Leigh Fitzgerald	2008	Central Oahu (online)	Waipahu	K-12	1091
7.	Innovations Public Charter School	Michelle Conrey	Jennifer Hiro	2001	West Hawaii	Kealakehe	K-8	224
8.	Ka ‘Umeke Kā’eo	Lauren Lii Nahiwa	Huihui Kanahale-Mossman	2001	East Hawaii	Waiakea	K-12	281
9.	Ka Waihona o ka Na’auao Public Charter School	Roberta Searle	Alvin Parker	2001	Leeward Oahu	Nanakuli	K-8	604
10.	Kamaile Academy, PCS	Pauline Lo Bailey	Emma Weiss	2007	Leeward Oahu	Waianae	PreK-12	924
11.	Kanu o ka ‘Āina New Century Public Charter School	Mason Maikui	Allyson Tamura, Pat Bergin	2000	West Hawaii	Honokaa	K-12	240

⁶ DOE schools are divided into complex areas and then further divided into complexes. Complexes are made up of a high school and the middle and elementary schools that feed into it. This chart lists the DOE complexes, not complex areas. A complex is responsible for providing certain supports to the assigned charter school, like special education services.

School	Governing Board Chair	School Director	Authorized in	Region	DOE Complex ⁶	Grades	Total Enrollment
12. Kanuikapono Public Charter School	Puna Kalama Dawson	Ipo Torio	2001	Kauai	Kapaa	K-12	143
13. Kawaikini New Century Public Charter School	Leiilima Rapozo	Kaleimakamae Kaauwai	2007	Kauai	Kauai	K-12	115
14. Ke Ana La'ahana PCS	Jason Cifra	Mapuana Waipa	2001	East Hawaii	Waiakea	7-12	55
15. Ke Kula 'o Nāwahīokalani'ōpu'u Iki, LPCS	Tricia Kehaulani Aipia-Peters	Kauanoē Kamana	2001	East Hawaii	Keaau	K-8	265
16. Ke Kula 'o Samuel M. Kamakau, LPCS	Kehau Glassco	Meahilhila Kelling	2001	Windward Oahu	Castle	PreK-12	134
17. Ke Kula Niihau O Kekaha Learning Center	Dana Kaohelaulii	Haunani Seward	2001	Kauai	Waimea	K-12	38
18. Kihei Charter School	Steve Perkins	George Winterscheid	2001	Maui	Maui High	K-12	578
19. Kona Pacific Public Charter School	Cecilia Royale	Usha Kotner	2007	West Hawaii	Konawaena	K-8	234
20. Kua o ka Lā New Century Public Charter School	Kaimi Kaupiko	Susie Osborne	2001	East Hawaii	Pahoa	K-12	252
21. Kualapu'u School: A Public Conversion Charter	Pauline Lo Bailey	Lydia Trinidad	2004	Molokai	Molokai	PreK-6	377
22. Kula Aupuni Niihau A Kahelelani Aloha (KANAKA) A New Century Public Charter School (PCS)	Lauae Kanahele	Hedy Sullivan	2001	Kauai	Waimea	K-12	64
23. Lanikai Elementary Public Charter School	Todd Cullison	Ed Noh	1996	Windward Oahu	Kalaheo	K-6	343
24. Laupahoehoe Community Public Charter School	George Martin	David Rizor	2011	East Hawaii	Hilo/Laupahoehoe	PreK-12	199
25. Mālama Hōnua Learning Center⁷	Robert Witt	--	2012	Honolulu	--	K-4	--
26. Myron B. Thompson Academy	Malia Chow, Myron Thompson	Diana Oshiro	2001	Honolulu (online)	McKinley	K-12	442

⁷ Malama Honua is scheduled to open in 2014.

School	Governing Board Chair	School Director	Authorized in	Region	DOE Complex ⁶	Grades	Total Enrollment
27. Na Wai Ola (Waters Of Life) Public Charter School	Maurice Messina	Daniel Caluya	2000	East Hawaii	Keaau	K-6	161
28. SEEQS: The School for Examining Essential Questions of Sustainability	Carol Ota	Buffy Cushman-Patz	2012	Honolulu	Kalani	6-7	-- ⁸
29. University Laboratory School	David Oride	Keoni Jeremiah	2001	Honolulu	Roosevelt	K-12	446
30. Volcano School of Arts & Sciences	John Broward	Ardith Renteria	2001	East Hawaii	Kau	K-8	181
31. Voyager: A Public Charter School	Judith Slawsky	Mary Beth Barr	2000	Honolulu	McKinley	K-8	286
32. Waialae Elementary Public Charter School	Christopher Walling	Wendy Lagareta	1999	Honolulu	Kalani	K-5	487
33. Waimea Middle Public Conversion Charter School	Pauline Lo Bailey	Matt Horne	2003	West Hawaii	Honokaa	6-8	284
34. West Hawai'i Explorations Academy	Lougene Baird	Curtis Muraoka, Heather Nakakura	2000	West Hawaii	Kealakehe	6-12	221

III. Academic, Financial and Organizational Performance of Charter Schools

The academic and financial performance of all operating public charter schools overseen by the authorizer, according to the performance expectations for public charter schools set forth in this chapter.⁹

The Commission's accountability system, known as the Performance Framework, is made up of three substantive areas: the Academic Performance Framework, the Financial Performance Framework, and the Organizational Performance Framework. Each of the Performance Frameworks has measures with factors that the Commission will consider when evaluating schools. Once the Academic Performance Framework is finalized, all three frameworks will be used together as a single evaluation tool. Because the Performance Framework is not complete, an overall evaluation of charter schools is not available this year for inclusion in this report. The Commission anticipates finalizing the Academic Performance Framework in March of 2014, so that its 2013-14 Annual Report should contain an overall evaluation of charter schools using the full Performance Framework.¹⁰

⁸ SEEQS did not have students enrolled during the 2012-13 school year.

⁹ HRS §302D-7(2).

¹⁰ Note that because of the timing of the submittal of the Annual Report, all of the necessary data may not be available to do a full evaluation, but the full Performance Framework should be in place.

A. Academic Performance

This section will start with a description of the Academic Performance Framework and an update on the current status of the framework, since it is still in the development stages. After a discussion of caveats relating to the data, this report will provide information on charter school accreditation status as well as which schools are Hawaiian culture focused or Hawaiian immersion schools. The discussion will then move to Strive HI results and include comparisons to statewide averages where relevant. A chart showing all comparisons of statewide averages and charter school-wide averages is included as **Appendix B**. Strive HI results will be discussed in the following order and cover the following information:

Strive HI Index Score and Classification Status. The Strive HI section will discuss charter school Strive HI index scores and classification statuses.

Achievement. The Achievement section will look at student proficiency in math, reading, and science. Specifically, it will look at HSA and ACT test results as well as subgroup achievement (High-Needs and Non High-Needs students).

Growth. The Growth section will discuss growth in math and reading and also subgroup growth.

Readiness. The Readiness section will discuss the indicators for readiness at the elementary, middle, and high school levels. This section will also discuss the On-Time Graduation Rate and College Going Rate for charter schools with high school students.

Achievement Gap. The Achievement Gap section will discuss the current year gap and two-year gap reduction rate.

School Quality Survey. The School Quality Survey section will briefly discuss charter school return rates.

1. Academic Performance Framework

The Academic Performance Framework is designed to include measures that allow the authorizer to evaluate a charter school's academic performance in accordance with HRS Chapter 302D. As of this writing, the Academic Performance Framework is meant to consist of two main parts: the first part reflects elements of Strive HI, the state accountability system (with indicators such as student academic proficiency; student academic growth; achievement gaps in proficiency and growth between major student subgroups; post-secondary readiness) and a second part, optional for schools, consisting of School-Specific Measures. Strive HI is focused on evaluating whether a school "is meeting its

summative goals and progressing on various state initiatives.”¹¹ School-Specific Measures are intended to capture the school’s accomplishment of its school-specific goals.¹²

2. Current Status

Development of the Academic Performance Framework was delayed while Strive HI first was developed and finalized, a process which required federal approval of the State’s ESEA Flex Waiver. Since Strive HI results were released in mid-August and school performance data was released in September of 2013,¹³ NACSA and the Commission have been working on developing the Academic Performance Framework. The Commission is targeting March 2014 for the finalization and approval of the Academic Performance Framework. Similar to the development of the Charter Contract and Organizational and Financial Performance Frameworks, the Commission and NACSA are working with charter school stakeholders to develop the Academic Performance Framework. Because the School-Specific Measure part of the Academic Performance Framework has not been developed at this time, academic data in this report will consist solely of Strive HI results and data. In other words, the academic performance in this report is not the application of the Academic Performance Framework, which is still being developed; rather the report provides a reflection of Strive HI results and Commission’s calculation of Strive HI data to extract data specific to charter schools.

3. Data Caveats

The data contained in this report come with some caveats. There are issues with data suppression, pooled data, and Strive HI reports versus raw data. Each of the issues is discussed below.

Data Suppression. Data suppression affects a large amount of charter school data. The federal Family Educational Rights and Privacy Act (“FERPA”) regulates disclosure of student data, including requiring suppression of data from publication or other disclosure if the data can potentially be used to identify individual students. As a general rule, if the sample size is smaller than ten students in any cell (a specific group of analyzed students) the data must be suppressed.¹⁴ Because many charter schools have small student bodies and/or small subgroups, about half of the charter schools must have their

¹¹ *Hawaii Growth Model Talking Points*, available at: http://eesadmin.weebly.com/uploads/1/4/0/3/14039000/sgp_hawaii_growth_model_talking_points_2013-08-29.pdf.

¹² See *Core Performance Framework and Guidance: Academic, Financial, and Organizational Frameworks for Charter School Accountability*, National Association of Charter School Authorizers (2013) (“NACSA Core Performance Framework and Guidance”) at page 32.

¹³ Strive HI results, things like index scores and status, are the result of the application of formulas and calculations. The performance data is the raw data to which the formulas and calculations are applied. NACSA and the Commission needed the raw data to design the Academic Performance Framework.

¹⁴ DOE guidelines for reporting and interpreting student data from DOE Office of Strategic Reform. The minimum cell size can vary from anywhere between ten to thirty students. For public reporting purposes, in all cases where the cell size was less than ten students, data was suppressed. Data was further suppressed for all cells if the reporting of one data cell, though unsuppressed, could provide information on a suppressed data cell.

data suppressed. For these small schools, the only data that can be publicly released are the school’s Strive HI Index score and Strive HI status. The schools whose data must be suppressed are as follows:

School Data Must be Suppressed
Hakipu’u Learning Center
Halau Ku Mana Public Charter School
Hālau Lōkahi Charter School
Hawaii Technology Academy
Ka ‘Umeke Kā’eo
Kanu o ka ‘Āina New Century Public Charter School
Kanuikapono Public Charter School
Kawaikini New Century Public Charter School
Ke Ana La’ahana PCS
Ke Kula ‘o Nāwahīokalani’ōpu’u Iki, LPCS
Ke Kula ‘o Samuel M. Kamakau, LPCS
Ke Kula Niihau O Kekaha Learning Center
Kua o ka Lā New Century Public Charter School
Kula Aupuni Niihau A Kahelelani Aloha (KANAKA) A New Century Public Charter School (PCS)
Laupahoehoe Community Public Charter School
Na Wai Ola (Waters Of Life) Public Charter School¹⁵

For these schools, anytime there is academic data other than their Strive HI Index score and status, there will be a notation of “SUPP” or “SUPPRESSED.” The data for all other schools¹⁶ can be shown, but there are times when the only data included in this report is an overall number for all charter schools. This is because by sharing data for schools whose data can be made public, it is possible to identify schools whose data must be suppressed. As of this writing, the Commission plans to research this issue further to see if there is any additional flexibility in sharing information while still protecting students’ privacy rights.

Mixed Participation in ACT, EXPLORE and PLAN. Participation in the ACT, EXPLORE, and PLAN tests among charter schools during the 2012-2013 school year varied greatly.

- 90% (19 of 21) of the charter schools that had 11th grade students completed the 11th grade ACT test;
- 29% (6 of 21) of charter schools that participated in the EXPLORE 8th grade test;
- 45% (10 of 22) charter schools that participated in EXPLORE 9th grade test; and
- 48% (14 of 29) charter schools that participated in the PLAN 10th grade test.

¹⁵ Only High-Need proficiency data reporting is suppressed for this school. Note that two other schools had specific data cells suppressed, but those data cells were not included in this report; therefore, a special notation for those schools is not necessary.

¹⁶ SEEQS is a new school that opened in the 2013-14 school year, so it does not have data for the 2012-13 school year. SEEQS will have a notation of “N/A” when it appears in charts.

A number of factors, including capacity and space, made it difficult for charter schools to administer the ACT, EXPLORE, and PLAN tests this year. Administration of ACT, EXPLORE, and PLAN was made optional for charter schools this year, resulting in mixed participation. The Commission believes that participation among charter schools will be more consistent in the 2013-14 school year. This is because the tests will be mandatory for the 2013-14 school year, and because the Commission is working to address the capacity and space issues that affected charter schools during the 2012-13 school year.

Due to the inconsistency of participation in EXPLORE and PLAN assessments, these assessment results should not be considered a reflection of overall charter school performance. For purposes of this report, because 11th grade ACT and 8th grade EXPLORE are the only Strive HI indicators, reporting will focus on the results and participation in those two assessments.

Pooled Data. “Pooled data” means that more than one year of data was used in order to create a more reliable measure. At most, three years of data may have been used in calculating achievement, growth, readiness, and achievement gaps. The issue with pooled data is that there is a lack of consistency when calculating results for charter schools. The reported results of some, but not all, schools were generated using “pooled data.” For instance, when calculating achievement (as described in [Section III.A.3](#)), some schools had pooled data for achievement while others only had one year of data. The pooled data affected achievement results (where eleven charter schools had pooled data and the rest only had one year of data) and growth results (where five charter schools had pooled data and the rest only had one year of data). This issue is noted for purposes of this report, and pooled data will not be consistent for charter schools until all schools have at least three years of data.

Strive HI Versus LDS. The data in this report came directly from Strive HI and DOE’s Longitudinal Data System (“LDS”).¹⁷ There are some differences between the Strive HI data and LDS data because students are counted differently. DOE limits data reporting for Strive HI accountability to Full School Year students.¹⁸ This means that only students continuously enrolled at a school from May to May are counted toward the overall calculations. The total number of Full School Year students included in DOE calculations for the 2012-13 school year was 7,669.¹⁹ In contrast, LDS makes no distinction between Full School Year students and students who were only enrolled in a school for part of the school year.²⁰ Therefore, when calculating the proficiency rates of students, the denominator for the total number of students can vary.

Strive HI Reports Versus Raw Data. As discussed above, there is also a difference between Strive HI reports and raw data that is available in LDS. Strive HI reports are the result of the application

¹⁷ LDS “is intended to provide educators with operational school data and historical information about student academic performance” Hawaii Growth Model Talking Points, available at: http://eesadmin.weebly.com/uploads/1/4/0/3/14039000/sgp_hawaii_growth_model_talking_points_2013-08-29.pdf at page 3.

¹⁸ Based on information from DOE’s Systems Accountability Office, System Evaluation and Reporting Section.

¹⁹ *Id.*

²⁰ *Id.*

of formulas and calculations using raw data. Raw data is available through LDS. In certain instances, the Commission has taken raw data from LDS and applied its own calculations and formulas, resulting in statistics that are particular to charter schools. As a result, some of the numbers that are in this report may not be the same as the numbers that appear in Strive HI reports. This report will attempt to identify these differences anywhere they appear.

4. Accreditation Status and Hawaiian Culture Focused or Immersion Schools

Accreditation. DOE has a school accreditation plan that aims to fully accredit all of its schools by 2018-19.²¹ Accreditation is encouraged because it fosters excellence and encourages school improvement through a process of continual evaluation.²² It also recognizes that schools must meet an acceptable level of quality.²³

Fifteen charter schools currently are accredited by Western Association of Schools and Colleges (“WASC”).²⁴ Ten additional charter schools have conducted their initial school visits and are candidates for accreditation.²⁵ Six charter schools have indicated that they are planning on initiating the accreditation process within the next year and two charter schools are not currently seeking accreditation.²⁶ The chart below shows the accreditation status of each of the schools.

School Name	Accreditation Status
Connections Public Charter School	Not Currently Seeking Accreditation
Hakipu’u Learning Center	Candidate
Halau Ku Mana Public Charter School	Candidate
Hālau Lōkahi Charter School	Planning on Initiating Accreditation
Hawaii Academy of Arts & Science Public Charter School (HAAS)	Accredited
Hawaii Technology Academy	Accredited
Innovations Public Charter School	Not Currently Seeking Accreditation
Ka ‘Umeke Kā’eo	Candidate
Ka Waihona o ka Na’auao Public Charter School	Candidate
Kamaile Academy, PCS	Candidate
Kanu o ka ‘Āina New Century Public Charter	Accredited

²¹ See *BOE approves Department’s school accreditation plan*, September 18, 2012, available at: <http://www.hawaiipublicschools.org/ConnectWithUs/MediaRoom/PressReleases/Pages/Board-approves-Department%27s-school-accreditation-plan.aspx>.

²² *Id.*

²³ *Id.*

²⁴ Western Association of Schools & Colleges, Directory of Schools, available at: http://www.acswasc.org/directory_search.cfm.

²⁵ *Id.*

²⁶ Based on information collected directly from charter schools.

School Name	Accreditation Status
School	
Kanuikapono Public Charter School	Candidate
Kawaikini New Century Public Charter School	Candidate
Ke Ana La‘ahana PCS	Planning on Initiating Accreditation
Ke Kula ‘o Nāwahīokalani‘ōpu‘u Iki, LPCS	Accredited
Ke Kula ‘o Samuel M. Kamakau, LPCS	Accredited
Ke Kula Niihau O Kekaha Learning Center	Candidate
Kihei Charter School	Accredited
Kona Pacific Public Charter School	Planning on Initiating Accreditation
Kua o ka Lā New Century Public Charter School	Candidate
Kualapu‘u School: A Public Conversion Charter	Accredited
Kula Aupuni Niihau A Kahelelani Aloha (KANAKA) A New Century Public Charter School (PCS)	Accredited
Lanikai Elementary Public Charter School	Accredited
Laupahoehoe Community Public Charter School	Accredited
Myron B. Thompson Academy	Accredited
Na Wai Ola (Waters Of Life) Public Charter School	Planning on Initiating Accreditation
SEEQS: The School for Examining Essential Questions of Sustainability	Planning on Initiating Accreditation
University Laboratory School	Accredited
Volcano School of Arts & Sciences	Accredited
Voyager: A Public Charter School	Planning on Initiating Accreditation
Waialae Elementary Public Charter School	Accredited
Waimea Middle Public Conversion Charter School	Candidate
West Hawai‘i Explorations Academy	Accredited

Hawaiian Culture Focus or Immersion Schools. Seventeen of the thirty-three existing charter schools have a Hawaiian culture focus. Six of these seventeen are considered immersion language schools. The Hawaiian culture focused schools are listed below, along with a notation of whether the school is considered an immersion language school.

School	Immersion
Hakipu‘u Learning Center	No
Halau Ku Mana Public Charter School	No
Hālau Lōkahi Charter School	No
Ka ‘Umeke Kā‘eo	Yes
Ka Waihona o ka Na‘auao Public Charter School	No

School	Immersion
Kamaile Academy, PCS	No
Kanu o ka 'Āina New Century Public Charter School	No
Kanuikapono Public Charter School	No
Kawaikini New Century Public Charter School	Yes
Ke Ana La'ahana PCS	No
Ke Kula 'o Nāwahīokalani'ōpu'u Iki, LPCS	Yes
Ke Kula 'o Samuel M. Kamakau, LPCS	Yes
Ke Kula Niihau O Kekaha Learning Center	Yes
Kua o ka Lā New Century Public Charter School	No
Kualapu'u School: A Public Conversion Charter	Yes
Kula Aupuni Niihau A Kahelelani Aloha (KANAKA) A New Century Public Charter School (PCS)	No
Waimea Middle Public Conversion Charter School	No

5. Summary Report on Academic Performance of Charter Schools

As discussed above, this report does not provide a thorough evaluation of charter school academic performance because the Commission's Academic Performance Framework has not been fully developed at this time. Instead, this report contains a discussion of Strive HI reports and data as well as comparisons to statewide results based on these reports and data.

Like all Hawaii public schools, charter schools are held accountable under the Strive HI Performance System. Strive HI replaced many of the requirements that had been in place under the federal No Child Left Behind Act ("NCLB") with a system designed to better measure and recognize progress as well as performance.

Under NCLB, school performance was gauged by whether the school made or failed to make Adequate Yearly Progress ("AYP"), which was based primarily on the Hawaii State Assessment ("HSA") and focused on proficiency in reading and math. Under NCLB, schools that failed for at least two consecutive years to make AYP were designated "in need of improvement" and placed in school improvement status. NCLB categorized schools as follows:

IGSU	In Good Standing Unconditional
IGSP	In Good Standing Pending
SI 1	School Improvement, Year 1
SI 2	School Improvement, Year 2
Corrective Action 1	Fourth consecutive year not meeting AYP
Corrective Action 2	Preparing for restructuring
Restructuring	Sixth consecutive year not meeting AYP

Under Strive HI, school performance is based on multiple measures, including HSA, academic growth, college and career readiness, the size of the achievement gaps between High-Needs students and Non High-Needs students, and progress on reducing those gaps (the terms High-Needs and Non High-Needs are defined and further discussed in [Section III.A.6](#) below). Schools receive a numerical Strive HI Index score based on these factors and, depending on how their Index scores compare with those of other schools, are classified as Recognition, Continuous Improvement, Focus, Priority, or Superintendent’s Zone schools (see performance steps graphic below). A school can be categorized as a Focus or Priority school not only by having a low relative Strive HI Index score but also via (or by) various “automatic triggers” that are based on the school’s unsatisfactory result on one factor, regardless of the school’s performance on other factors or a relatively high overall Strive HI Index score.



Source: DOE website, Strive HI FAQs²⁷

Because of the significant differences between Strive HI and NCLB, especially Strive HI’s recognition of student growth as opposed to absolute achievement levels, some schools that had been

²⁷ *Strive HI FAQs*, available at: <http://www.hawaiipublicschools.org/VisionForSuccess/AdvancingEducation/StriveHIPerformanceSystem/Pages/Strive-FAQs.aspx#steps>

characterized as “low achieving”²⁸ under NCLB were classified as Continuous Improvement under Strive HI. This represented a significant improvement in status.

The following charter schools improved their standing under Strive HI from their previous status under NCLB:²⁹

- Connections Public Charter School
- Hālau Lōkahi Charter School
- Ke Kula ‘o Samuel M. Kamakau, LPCS
- Kanu o ka ‘Āina New Century Public Charter School
- Ka Waihona o ka Na‘auao Public Charter School
- Ke Ana La‘ahana PCS
- Kualapu‘u School: A Public Conversion Charter
- Kua o ka Lā New Century Public Charter School
- Laupahoehoe Community Public Charter School
- Waimea Middle Public Conversion Charter School
- Kawaikini New Century Public Charter School
- University Laboratory School

One charter school, Na Wai Ola (Waters Of Life) Public Charter School (“Na Wai Ola”), achieved Recognition status, the highest possible status under Strive HI. Na Wai Ola has been highlighted by DOE and the news media as the only middle school in the State to achieve Recognition status and a compelling example of a successful school turnaround. In recognition of Na Wai Ola’s significant academic progress, DOE awarded the school \$95,000 in federal Race to the Top funds, and the Commission recognized the school with an additional \$10,000 from federal Impact Aid funds. KANU, MBTA, and University Lab were also recognized for high on-time graduation rates.

Overall, and as of this writing, twenty-one charter schools are categorized as Continuous Improvement, five categorized as Focus, and five placed in Priority status. No public schools, charter school or DOE, have yet been placed in the Superintendent’s Zone, which is intended for schools that continue to demonstrate inadequate improvement in the years subsequent to their designation as Priority schools.

²⁸ For purposes of this report, “low achieving” is considered anything below Corrective Action 1.

²⁹ *Strive HI School Classification List, SY 12-13 Results*, available at:

http://www.hawaiipublicschools.org/DOE%20Forms/StriveHIIndexReports/StriveHIClassificationList_Adjusted2013.10.30.pdf

Eight charter schools did very well under Strive HI and were in the upper half of the Strive HI index. The Strive HI status of all of the existing charter schools are listed below:

School	Strive HI Index Score	Strive HI Status
Connections Public Charter School	223	Continuous Improvement
Hakipu'u Learning Center	84	Priority
Halau Ku Mana Public Charter School	133	Continuous Improvement
Hālau Lōkahi Charter School	140	Continuous Improvement
Hawaii Academy of Arts & Science Public Charter School (HAAS)	192	Focus
Hawaii Technology Academy	202	Focus
Innovations Public Charter School	139	Continuous Improvement
Ka 'Umeke Kā'eo	36	Priority
Ka Waihona o ka Na'auao Public Charter School	182	Continuous Improvement
Kamaile Academy, PCS	166	Priority
Kanu o ka 'Āina New Century Public Charter School	219	Continuous Improvement
Kanuikapono Public Charter School	135	Continuous Improvement
Kawaikini New Century Public Charter School	158	Continuous Improvement
Ke Ana La'ahana PCS	147	Continuous Improvement
Ke Kula 'o Nāwahīokalani'ōpu'u Iki, LPCS	20	Priority
Ke Kula 'o Samuel M. Kamakau, LPCS	173	Continuous Improvement
Ke Kula Niihau O Kekaha Learning Center	17	Priority
Kihei Charter School	235	Focus
Kona Pacific Public Charter School	125	Continuous Improvement
Kua o ka Lā New Century Public Charter School	135	Continuous Improvement
Kualapu'u School: A Public Conversion Charter	290	Continuous Improvement
Kula Aupuni Niihau A Kahelelani Aloha (KANAKA) A New Century Public Charter School (PCS)	238	Continuous Improvement
Lanikai Elementary Public Charter School	251	Continuous Improvement
Laupahoehoe Community Public Charter School	202	Focus
Mālama Hōnua Learning Center	N/A ²⁹	N/A ³⁰
Myron B. Thompson Academy	297	Continuous Improvement
Na Wai Ola (Waters Of Life) Public Charter School	364	Recognition
SEEQS: The School for Examining Essential Questions of Sustainability	N/A ³⁰	N/A ³¹

³⁰ Malama Honua is scheduled to open in the 2014-15 school year.

³¹ SEEQS opened for the 2013-14 school year, so there was no academic data for the 2012-13 school year.

School	Strive HI Index Score	Strive HI Status
University Laboratory School	249	Continuous Improvement
Volcano School of Arts & Sciences	247	Continuous Improvement
Voyager: A Public Charter School	185	Continuous Improvement
Waialae Elementary Public Charter School	298	Continuous Improvement
Waimea Middle Public Conversion Charter School	147	Continuous Improvement
West Hawai'i Explorations Academy	245	Focus

6. Strive HI

The academic performance of individual charter schools is summarized in **Appendix A**. Highlights in the areas of Achievement, Growth, Gap and Gap Reduction, ACT, and ACT Data Reporting are listed below.

a. Achievement

HSA. Under Strive HI,³² achievement measures the proportion of students who scored proficient or higher on the HSA in math, reading, and science. Although science has always been a part of HSA testing, the 2012-13 school year was the first time that it was included as a part of school accountability.

Charter school proficiency averages were lower than the statewide averages: 65% of charter students were proficient in reading, compared to 72% statewide; 45% of charter students were proficient in math, compared to 60% statewide; and 28 % of charter students were proficient in science, compared to 34% statewide.

Despite the overall percentages, many charter schools are doing well in reading and science. The statewide proficiency rate on reading was 72%.³³ Fifteen charter schools (47% of charter schools)³⁴ scored above the statewide average in reading. Students at three charter schools scored exceptionally high in reading proficiency: Lanikai (91%), MBTA (95%) and a third school.³⁵ The statewide proficiency

³² As noted in Section III.A.3, the issue of pooled data affects achievement results.

³³ *Hawaii Public Schools 2012-13 Strive HI State Performance Snapshot*, available at:

<http://www.hawaiipublicschools.org/DOE%20Forms/StriveHIIndexReports/STRIVStateSnapshot.pdf>.

³⁴ This percentage is calculated using the thirty-two charter schools that had students enrolled during the 2012-13 school year. SEEQS did not have students enrolled during the 2012-13 school year.

³⁵ The third school's name is suppressed to protect student privacy.

rate in science is 34%.³⁶ Twelve charter schools (38% of charter schools)³⁷ outperformed the state average in science.

Students at fewer charter schools are proficient in math. The statewide proficiency rate in math was 60%.³⁸ Ten charter schools (31% of charter schools)³⁹ scored above the statewide proficiency rate in math. Charter school proficiencies in math, reading, and science are shown below. Data is suppressed for charter schools with an asterisk after their names.⁴⁰

School (* = Data Suppressed)	Achievement Math (Statewide rate 60%)	Achievement Reading (Statewide rate 72%)	Achievement Science (Statewide rate 34%)
Connections Public Charter School	47%	73%	40%
Hakipu'u Learning Center*	SUPP	SUPP	SUPP
Halau Ku Mana Public Charter School*	SUPP	SUPP	SUPP
Hālau Lōkahi Charter School*	SUPP	SUPP	SUPP
Hawaii Academy of Arts & Science Public Charter School (HAAS)	50%	75%	34%
Hawaii Technology Academy*	SUPP	SUPP	SUPP
Innovations Public Charter School	71%	89%	35%
Ka 'Umeke Kā'eo*	SUPP	SUPP	SUPP
Ka Waihona o ka Na'auao Public Charter School	49%	68%	17%
Kamaile Academy, PCS	32%	51%	7%
Kanu o ka 'Āina New Century Public Charter School*	SUPP	SUPP	SUPP
Kanuikapono Public Charter School*	SUPP	SUPP	SUPP
Kawaikini New Century Public Charter School*	SUPP	SUPP	SUPP
Ke Ana La'ahana PCS*	SUPP	SUPP	SUPP
Ke Kula 'o Nāwahīokalani'ōpu'u Iki, LPCS*	SUPP	SUPP	SUPP
Ke Kula 'o Samuel M. Kamakau, LPCS*	SUPP	SUPP	SUPP
Ke Kula Niihau O Kekaha Learning Center*	SUPP	SUPP	SUPP
Kihei Charter School*	68%	91%	63%
Kona Pacific Public Charter School	28%	69%	40%

³⁶ *Hawaii Public Schools 2012-13 Strive HI State Performance Snapshot*, available at:

<http://www.hawaiipublicschools.org/DOE%20Forms/StriveHIIndexReports/STRIVEStateSnapshot.pdf>.

³⁷ This percentage is calculated using the thirty-two charter schools that had students enrolled during the 2012-13 school year. SEEQS did not have students enrolled during the 2012-13 school year.

³⁸ *Id.*

³⁹ This percentage is calculated using the thirty-two charter schools that had students enrolled during the 2012-13 school year. SEEQS did not have students enrolled during the 2012-13 school year.

⁴⁰ See Section III.A.3 of this report regarding data suppression.

School (* = Data Suppressed)	Achievement Math (Statewide rate 60%)	Achievement Reading (Statewide rate 72%)	Achievement Science (Statewide rate 34%)
Kua o ka Lā New Century Public Charter School*	SUPP	SUPP	SUPP
Kualapu‘u School: A Public Conversion Charter	62%	60%	29%
Kula Aupuni Niihau A Kahelelani Aloha (KANAKA) A New Century Public Charter School (PCS)*	SUPP	SUPP	SUPP
Lanikai Elementary Public Charter School	86%	91%	89%
Laupahoehoe Community Public Charter School*	SUPP	SUPP	SUPP
Myron B. Thompson Academy	65%	95%	64%
Na Wai Ola (Waters Of Life) Public Charter School	73%	86%	56%
University Laboratory School	62%	89%	33%
Volcano School of Arts & Sciences	54%	76%	50%
Voyager: A Public Charter School	61%	80%	20%
Waialae Elementary Public Charter School	76%	82%	34%
Waimea Middle Public Conversion Charter School	54%	67%	27%
West Hawai‘i Explorations Academy	53%	83%	33%

ACT Composite Score. Note that The ACT composite score is not a Strive HI data point. Strive HI only looks at the percentage of 11th graders that scored above 19 as a part of college readiness. The Commission included this in its report as a data point to show how charter schools perform on the ACT as compared to schools nationwide and across the state. ACT composite scores range from 1 (low) to 36 (high). Nationwide, the average composite score on the ACT was 20.9 for the 2012-13 school year.⁴¹ Statewide, the average composite score was 20.1.⁴² Among participating charter schools,⁴³ the average composite score was 16.1, but four schools exceeded the state average composite score, and two of these four also exceeded the national average composite score.⁴⁴

⁴¹ Note that Strive HI did not calculate the statewide average composite score. This information is from the *ACT Profile Report – State, Graduating Class 2013, Hawaii*, available at: <http://www.act.org/newsroom/data/2013/pdf/profile/Hawaii.pdf>.

⁴² *ACT Profile Report – State, Graduating Class 2013, Hawaii*, available at: <http://act.org/newsroom/data/2013/pdf/profile/Hawaii.pdf>

⁴³ Twenty-one charter schools have 11th graders. Of these, nineteen schools participated in ACT testing. See Section III.A.3 for a more in depth discussion of ACT testing participation. Note that the chart lists twenty schools as either having suppressed data or a composite score. This is because schools that have suppressed data are listed as suppressed, even if they did not participate.

⁴⁴ The names of the schools were not provided due to data suppression issues.

School	ACT 11th Composite Average
*= Data Suppressed	DNP = Did Not Participate SUPP = Suppressed Data
Connections Public Charter School	15.9
Hakipu'u Learning Center*	SUPP
Halau Ku Mana Public Charter School*	SUPP
Hālau Lōkahi Charter School*	SUPP
Hawaii Academy of Arts & Science Public Charter School (HAAS)	17.9
Hawaii Technology Academy	SUPP
Innovations Public Charter School	DNP
Ka 'Umeke Kā'eo*	SUPP
Ka Waihona o ka Na'auao Public Charter School	DNP
Kamaile Academy, PCS	16.3
Kanu o ka 'Āina New Century Public Charter School*	SUPP
Kanuikapono Public Charter School*	SUPP
Kawaikini New Century Public Charter School*	SUPP
Ke Ana La'ahana PCS*	SUPP
Ke Kula 'o Nāwahīokalani'ōpu'u Iki, LPCS*	DNP
Ke Kula 'o Samuel M. Kamakau, LPCS*	SUPP
Ke Kula Niihau O Kekaha Learning Center*	SUPP
Kihei Charter School*	DNP
Kona Pacific Public Charter School	DNP
Kua o ka Lā New Century Public Charter School*	SUPP
Kualapu'u School: A Public Conversion Charter	DNP
Kula Aupuni Niihau A Kahelelani Aloha (KANAKA) A New Century Public Charter School (PCS)*	SUPP
Lanikai Elementary Public Charter School	DNP
Laupahoehoe Community Public Charter School*	SUPP
Myron B. Thompson Academy	20.2
Na Wai Ola (Waters Of Life) Public Charter School	DNP
University Laboratory School	21.2
Volcano School of Arts & Sciences	DNP
Voyager: A Public Charter School	DNP
Waialae Elementary Public Charter School	DNP
Waimea Middle Public Conversion Charter School	DNP
West Hawai'i Explorations Academy	21.5

Performance by Subgroup. Strive HI reports are calculations and do not always mirror numerical rates from the raw data. This is due to a number of considerations, including participation rates, FERPA regulations on disclosing data, and varying specifications determining acceptable

representative populations on which the data are based. This fact is particularly important when applying analytics to data sets analyzing subgroup performance. Adding additional layers of complication is the fact that data interpretation may vary when looking at DOE complex area, individual DOE schools, and statewide data. Furthermore, comparisons within the charter sector are complicated by the differences among student populations and the unique and varied structures of the schools that do not follow the typical DOE K-12 structure.

The student subgroups that are the focus of this report are Free and Reduced Lunch (“FRL”), English Language Learners (“ELL”), and special education students. A student who is in any one of these subgroups is considered a “High-Needs student.” All students who do not fall into any of the subgroups are referred to as a “Non High-Needs student.”⁴⁵

The FRL student subgroup is significant because it shows the performance of students who are economically disadvantaged. The ELL student subgroup is made up of students with limited English proficiency. The special education student subgroup includes students who have been evaluated as “deaf, hard of hearing, having an intellectual disability, a developmental delay, a speech or language disability, a visual disability (including blindness), an emotional disability, an orthopedic disability, autism spectrum disorder, traumatic brain injury, a specific learning disability, deaf-blindness, multiple disabilities, or other health disability, and who, by reason thereof, needs special education and related services.”⁴⁶ It is important to examine and track the performance of High-Needs students as compared to Non High-Needs students because schools should be serving all students and ensuring that they are performing well.

Proficiency rates show the percentage of students who score “meets” or “exceeds” on an assessment. The overall proficiency rate among all charter school students is 66% for Non High-Needs students and 49% for High-Needs students, which is lower than the statewide proficiency rates of 83% for Non High-Needs students and 55% for High-Needs students.

The proficiency rates for each of the charter schools are shown in the chart below.

School	Non High-Needs Proficiency	High-Needs Proficiency
Connections Public Charter School	83%	52%
Hakipu’u Learning Center*	SUPP	SUPP
Halau Ku Mana Public Charter School*	SUPP	SUPP
Hālau Lōkahi Charter School*	SUPP	SUPP
Hawaii Academy of Arts & Science Public Charter School	78%	58%

⁴⁵ Note that there is a difference between Strive HI and NCLB in the way that students are identified and counted. Under NCLB, a student who fell into the FRL, ELL, and special education subgroups was counted three times. Under Strive HI, a student who falls into all three subgroups will only be counted once.

⁴⁶ Hawaii Administrative Rules §80-60-2.

School	Non High-Needs Proficiency	High-Needs Proficiency
(HAAS)		
Hawaii Technology Academy	SUPP	SUPP
Innovations Public Charter School	91%	61%
Ka 'Umeke Kā'eo*	SUPP	SUPP
Ka Waihona o ka Na'auao Public Charter School	68%	54%
Kamaile Academy, PCS	55%	38%
Kanu o ka 'Āina New Century Public Charter School*	SUPP	SUPP
Kanuikapono Public Charter School*	SUPP	SUPP
Kawaikini New Century Public Charter School*	SUPP	SUPP
Ke Ana La'ahana PCS*	SUPP	SUPP
Ke Kula 'o Nāwahīokalani'ōpu'u Iki, LPCS*	SUPP	SUPP
Ke Kula 'o Samuel M. Kamakau, LPCS*	SUPP	SUPP
Ke Kula Niihau O Kekaha Learning Center*	SUPP	SUPP
Kihei Charter School*	83%	73%
Kona Pacific Public Charter School	63%	38%
Kua o ka Lā New Century Public Charter School*	SUPP	SUPP
Kualapu'u School: A Public Conversion Charter	74%	58%
Kula Aupuni Niihau A Kahelelani Aloha (KANAKA) A New Century Public Charter School (PCS)*	SUPP	SUPP
Lanikai Elementary Public Charter School	95%	69%
Laupahoehoe Community Public Charter School*	SUPP	SUPP
Myron B. Thompson Academy	85%	71%
Na Wai Ola (Waters Of Life) Public Charter School	75%	SUPP
University Laboratory School	79%	61%
Volcano School of Arts & Sciences	78%	60%
Voyager: A Public Charter School	81%	59%
Waialae Elementary Public Charter School	90%	59%
Waimea Middle Public Conversion Charter School	83%	51%
West Hawai'i Explorations Academy	74%	59%

When the High-Needs subgroup is further broken down into ELL, FRL, and special education subgroups, ELL students at charter schools are testing at a lower proficiency than the statewide average in both reading and math and FRL students are testing at a lower proficiency than the statewide average in math. However, FRL students test higher than the statewide average in reading and special education students at charter schools are testing at a higher or the same proficiency than the statewide average in reading and math.

When looking at the ELL student subgroup, the statewide average among all tested ELL students was 46% in reading, 41% in math, and 15% in science. Among charter schools, ELL students averaged 30% in reading, 25% in math, and 0% in science.⁴⁷ ELL students in charter schools thus tested lower than the statewide average in reading, math, and science.

When looking at the FRL student subgroup, the statewide average among all tested FRL students was 63% in reading, 51% in math, and 24% in science. Among charter schools, FRL students averaged 64% in reading, 40% in math, and 23% in science.⁴⁸ FRL students in charter schools tested higher than the statewide average in reading and lower than the statewide average in math and science.

When looking at the special education student subgroup, the statewide average among all tested special education students was 27% in reading, 18% in math, and 12% in science. Among charter schools, special education students averaged 32% in reading, 18% in math, and 14% in science.⁴⁹ Special education students in charter schools thus tested higher than the statewide average in reading and science and the same as the statewide average in math.

Performance of Virtual and Blended Schools. For purposes of this report, a Virtual School is one where the students enrolled in the school complete their curriculum online, in a web-based environment rather than attending school in a brick-and-mortar setting. A Blended School is one where the education of a student occurs in both an online environment and brick-and-mortar setting.⁵⁰

None of Hawaii's charter schools is considered a Virtual School, since all have some element of education in a brick-and-mortar setting. The charter schools that offer education in some form of online environment (and also a brick-and-mortar setting) are MBTA, HTA, Kihei, Halau Lokahi, HAAS, and Kua o ka La.

The average reading proficiency scores in Blended Schools were the same as other schools statewide and better than for charter schools as a whole. The average percent of proficient students in reading in these Blended Schools was 72%.⁵¹ The average percent of proficient students in reading statewide was 72%⁵² and among charter schools as a whole was 65%.⁵³

The average math proficiency score of students in Blended Schools students was lower than the statewide average and higher than for charter schools as a whole. The average Math Proficiency of

⁴⁷Data analysis performed by Commission staff based on data from DOE's Systems Accountability Office.

⁴⁸*Id.*

⁴⁹*Id.*

⁵⁰ *Issue Brief*, National Association of Charter School Authorizers, February 2012, available at:

http://www.qualitycharters.org/assets/files/images/stories/publications/Issue_Briefs/NACSA_Cyber_Series_Public_ImpactIssueBrief.pdf?q=images/stories/publications/Issue_Briefs/NACSA_Cyber_Series_PublicImpactIssueBrief.pdf

⁵¹ Commission Staff internal data analysis of data from DOE's Office of Strategic Reform.

⁵² *Hawaii Public Schools 2012-13 Strive HI State Performance Snapshot*, available at:

<http://www.hawaiipublicschools.org/DOE%20Forms/StriveHIIndexReports/STRIVStateSnapshot.pdf>.

⁵³ Commission Staff internal data analysis of data from DOE's Office of Strategic Reform.

students in these Blended Schools was 47%.⁵⁴ The average Math Proficiency of students statewide was 60%⁵⁵ and among charter schools as a whole was 45%.⁵⁶ Three Blended Schools⁵⁷ exceeded the state average in Reading and Math.

b. Growth

Hawaii uses the Hawaii Growth Model to measure how well a school is improving students' reading and math scores over time.⁵⁸ The Hawaii Growth Model measures an individual student's growth by measuring the student's progress in academic achievement. At the school level, growth is used to see whether a school is improving the reading and math scores of all students at a particular school over time, and these results are aggregated. For individual students, the Student Growth Percentile ("SGP") is used to compare students to their academic peers.⁵⁹ The SGP indicates whether an individual student's growth is high, average, or low compared to other students. At the school level, the Median SGP is used. The Median SGP is calculated by taking all of the individual students' SGPs at a school, ordering them from lowest to highest, and then identifying the middle score. Approximately half of the group will be above the median and half will perform under the median. The Median SGP indicates the growth that the school's students are making as a whole.

The Hawaii Growth Model sets the Median SGP at 52 for reading and 52 for math.⁶⁰ Ten charter schools (Connections, Ka Waihona, Kamaile, Kualapuu, Volcano, Waialae, Na Wai Ola, and three schools with suppressed data) reported a Median SGP in reading that was greater than the statewide Median SGP, with Na Wai Ola reporting the highest median SGP at 69.⁶¹ Nine charter schools (Kamaile, Kualapuu, Lanikai, MBTA, Waialae, Waimea, Na Wai Ola, and two schools with suppressed data) reported a Median SGP in math that was higher than the statewide Median SGP, with Na Wai Ola reporting the highest Median SGP at 77.⁶² The Median SGPs for each charter school is indicated in the chart below.

⁵⁴ *Id.*

⁵⁵ *Hawaii Public Schools 2012-13 Strive HI State Performance Snapshot*, available at:

<http://www.hawaiipublicschools.org/DOE%20Forms/StriveHIIndexReports/STRIVEStateSnapshot.pdf>.

⁵⁶ Commission Staff internal data analysis of data from DOE's Office of Strategic Reform.

⁵⁷ The name of the schools will not be made public because data for the school is suppressed due to the small size of the school. See Section III.A.3.

⁵⁸ *Strive HI FAQs*, available at:

<http://www.hawaiipublicschools.org/VisionForSuccess/AdvancingEducation/StriveHIPerformanceSystem/Pages/Strive-FAQs.aspx#results>.

⁵⁹ Under the Hawaii Growth Model, academic peers are students "in the same grade with similar HSA score histories for a given content area." *Hawaii Growth Model Frequently Asked Questions (FAQ)*, available at:

http://www.hawaiipublicschools.org/DOE%20Forms/StriveHIIndexReports/sgp_faq_2013-06-04.pdf.

⁶⁰ *Hawaii Growth Model Frequently Asked Questions (FAQ)*, available at:

http://www.hawaiipublicschools.org/DOE%20Forms/StriveHIIndexReports/sgp_faq_2013-06-04.pdf.

⁶¹ Based on data from DOE's Office of Strategic Reform.

⁶² Based on data from DOE's Office of Strategic Reform.

School (* = Data Suppressed)	Median SGP Growth Math (State MGP 52)	Median SGP Growth Reading (State MGP 52)
Connections Public Charter School	49	68
Hakipu'u Learning Center*	SUPP	SUPP
Halau Ku Mana Public Charter School*	SUPP	SUPP
Hālau Lōkahi Charter School*	SUPP	SUPP
Hawaii Academy of Arts & Science Public Charter School (HAAS)	36	45
Hawaii Technology Academy	SUPP	SUPP
Innovations Public Charter School	47	43
Ka 'Umeke Kā'eo*	SUPP	SUPP
Ka Waihona o ka Na'auao Public Charter School	44	52
Kamaile Academy, PCS	60	66
Kanu o ka 'Āina New Century Public Charter School*	SUPP	SUPP
Kanuikapono Public Charter School*	SUPP	SUPP
Kawaikini New Century Public Charter School*	SUPP	SUPP
Ke Ana La'ahana PCS*	SUPP	SUPP
Ke Kula 'o Nāwahīokalani'ōpu'u Iki, LPCS*	SUPP	SUPP
Ke Kula 'o Samuel M. Kamakau, LPCS*	SUPP	SUPP
Ke Kula Niihau O Kekaha Learning Center*	SUPP	SUPP
Kihei Charter School*	49	50
Kona Pacific Public Charter School	34	32
Kua o ka Lā New Century Public Charter School*	SUPP	SUPP
Kualapu'u School: A Public Conversion Charter	61	61
Kula Aupuni Niihau A Kahelelani Aloha (KANAKA) A New Century Public Charter School (PCS)*	SUPP	SUPP
Lanikai Elementary Public Charter School	54	51
Laupahoehoe Community Public Charter School*	SUPP	SUPP
Myron B. Thompson Academy	54	51
Na Wai Ola (Waters Of Life) Public Charter School	77	69
University Laboratory School	38	43
Volcano School of Arts & Sciences	49	52
Voyager: A Public Charter School	44	46
Waialae Elementary Public Charter School	67	57
Waimea Middle Public Conversion Charter School	54	42
West Hawai'i Explorations Academy	36	37

The Strive HI Index uses a school’s Median SGP and categorizes a school’s Median SGP in accordance with the following chart:⁶³

Category	Reading		Mathematics	
	Median SGP	Points	Median SGP	Points
Very High Growth	> 58	50	> 62	50
High Growth	55-58	35	56-62	35
Average Growth	50-54	25	50-55	25
Low Growth	45-49	15	43-49	15
Very Low Growth	≤ 44	0	≤ 42	0

Strive HI reports show fifteen charter schools (47% of all charter schools)⁶⁴ with average to very high growth in reading.⁶⁵ Eleven charter schools (34% of all charter schools)⁶⁶ showed average to very high growth in math.⁶⁷

Overall among charter schools, the Median SGP was 46 in reading and 47 in math.⁶⁸ Charter schools are performing below the statewide Median SGPs of 52 in both reading and math. That being said, these numbers may be partially affected by issues with the Hawaii State Assessment and may be also addressed by schools adjusting their assessment strategies, as discussed in Section III.A.6 below.⁶⁹ Keeping these issues in mind, the Commission plans to conduct further analysis of growth data.

⁶³ Strive HI FAQs, available at:

<http://www.hawaiipublicschools.org/VisionForSuccess/AdvancingEducation/StriveHIPerformanceSystem/Pages/Strive-FAQs.aspx#results>.

⁶⁴ This percentage is calculated using the thirty-two charter schools that had students enrolled during the 2012-13 school year. SEEQS did not have students enrolled during the 2012-13 school year.

⁶⁵ Commission Staff internal data analysis of data from DOE’s Office of Strategic Reform.

⁶⁶ This percentage is calculated using the thirty-two charter schools that had students enrolled during the 2012-13 school year. SEEQS did not have students enrolled during the 2012-13 school year.

⁶⁷ *Id.*

⁶⁸ *Id.*

⁶⁹ As noted in Section III.A.3, the issue of pooled data also affects growth results.

Growth by Subgroup. The Commission also analyzed growth as it applies to subgroups. Taking all of the subgroups as a whole, the average charter school Median SGP among High-Needs students showed average growth in reading (50) and low growth in math (43).⁷⁰ The Median SGP for High-Needs students among all charter schools is lower than the statewide Median SGP of 52.

Overall, charter schools showed average growth for reading (51) and low growth for math (43) in the FRL subgroup.⁷¹ When looking at the FRL student subgroup, 34% of charter schools showed high to very high growth in reading. FRL students in 28% of charter schools showed high to very high growth in math.⁷²

Overall, charter schools showed average growth in reading (54) and high growth in math (57) among ELL students.⁷³ When looking at the ELL student subgroup, 53% of charter schools with ELL populations showed high to very high growth in reading.⁷⁴ ELL students in 53% of charter schools showed high to very high growth in math.⁷⁵

Overall, charter schools showed very low growth in reading (42) and very low growth in math (41) among special education students.⁷⁶ When looking at the special education subgroup, 17% of charter schools showed high to very high growth in reading, 14% showed and high to very high and math.⁷⁷

Charter schools appear to be doing well in serving ELL students in reading and math and serving FRL students in reading. The low growth in math for FRL students and very low growth in reading and math for special education students indicate the need for further investigation as to the explanations for these numbers.

c. Readiness

Readiness is measured by five indicators: Elementary Chronic Absenteeism, Median 8th Grade EXPLORE score, Percentage of 11th graders scoring above 19 on the ACT, On-Time Graduation Rate, and College-Going Rate. Each of these indicators is addressed below.

Elementary Chronic Absenteeism. This indicator captures the percentage of students who were absent for fifteen days or more in a year. The statewide Elementary Chronic Absenteeism rate is 18%.⁷⁸ Elementary Chronic Absenteeism was not reported for any charter school in the original report of Index

⁷⁰ Commission Staff internal data analysis of data from DOE's Office of Strategic Reform.

⁷¹ *Id.*

⁷² *Id.*

⁷³ *Id.*

⁷⁴ Commission Staff internal data analysis of data from DOE's Office of Strategic Reform.

⁷⁵ Commission Staff internal data analysis of data from DOE's Office of Strategic Reform.

⁷⁶ *Id.*

⁷⁷ Commission Staff internal data analysis of data from DOE's Office of Strategic Reform.

⁷⁸ *Id.*

scores because charter school attendance data was initially deemed unreliable.⁷⁹ After discussions with Commission staff, DOE decided to allow this measure into the Index of three charter schools, Lanikai, Waialae, and Kualapuu because these charter schools took attendance using eSIS. These schools' Strive HI Index scores were recalculated, which resulted in an increase of five points in Waialae's Strive HI Index score and no there was no change in the Strive HI Index score for Lanikai and Kualapuu. The issue with the reporting of Elementary Chronic Absenteeism will be addressed by the implementation of minimum data reporting requirements and by the Commission encouraging schools to participate in registrar trainings.

Median 8th Grade EXPLORE and Percentage of 11th Graders scoring above 19 on the ACT. ACT is a college readiness assessment which covers four areas: English, reading, math and science. Each area is given a score between 1 and 36. The composite score is calculated by taking an average of the score in all four areas. The Strive HI Index looks at the percentage of students that receive an ACT composite score of 19 or higher. A composite score of 19 is used because University of Hawaii research finds that students who receive an ACT composite score of 19 or higher are more likely to be successful in college courses.⁸⁰ Thus, an ACT composite score of 19 or higher indicates college readiness.

Statewide, 34% of 11th graders received a composite score of 19 or higher. Among participating charter schools,⁸¹ an average of 20% of 11th graders received a composite score of 19 or higher. However, five charter schools (including one suppressed in the chart) showed a higher percentage of 11th graders receiving a composite score of 19 or higher as compared to the statewide average of 34%.

Percentage of 11 th graders receiving a composite score of 19 or higher and above statewide average	
Statewide Average	34%
Hawaii Academy of Arts & Science Public Charter School (HAAS)	42%
Myron B. Thompson Academy	65%
University Laboratory School	69%
West Hawai'i Explorations Academy	75%

⁷⁹ It appears that DOE considered the entire charter school attendance data set unreliable because of the Blended Schools, which have a virtual component. Virtual time did not equate to seat time under DOE's attendance model. The Commission will work with DOE on resolving this issue so that the attendance data set can be considered for charter schools.

⁸⁰ *Hawaii Public Schools 2012-13 Strive HI State Performance Snapshot*, available at:

<http://www.hawaiipublicschools.org/DOE%20Forms/StriveHIIndexReports/STRIVESTateSnapshot.pdf>.

⁸¹ Twenty-one charter schools have 11th graders. Of these, nineteen schools participated in ACT testing. See Section III.A.3 for a more in-depth discussion of ACT testing participation.

The following chart shows the percentage of 11th graders that received a composite score of 19 or higher.

School (* = Data Suppressed)	ACT 11th % At or Above 19 DNP = Did Not Participate N/A = No 11 th Graders SUPP = Suppressed Data
Connections Public Charter School	28%
Hakipu'u Learning Center*	SUPP
Halau Ku Mana Public Charter School*	SUPP
Hālau Lōkahi Charter School*	SUPP
Hawaii Academy of Arts & Science Public Charter School (HAAS)	42%
Hawaii Technology Academy	SUPP
Innovations Public Charter School	DNP
Ka 'Umeke Kā'eo*	SUPP
Ka Waihona o ka Na'auao Public Charter School	DNP
Kamaile Academy, PCS	23%
Kanu o ka 'Āina New Century Public Charter School*	SUPP
Kanuikapono Public Charter School*	SUPP
Kawaikini New Century Public Charter School*	SUPP
Ke Ana La'ahana PCS*	SUPP
Ke Kula 'o Nāwahīokalani'ōpu'u Iki, LPCS*	SUPP
Ke Kula 'o Samuel M. Kamakau, LPCS*	SUPP
Ke Kula Niihau O Kekaha Learning Center*	SUPP
Kihei Charter School*	DNP
Kona Pacific Public Charter School	N/A
Kua o ka Lā New Century Public Charter School*	SUPP
Kualapu'u School: A Public Conversion Charter	DNP
Kula Aupuni Niihau A Kahelelani Aloha (KANAKA) A New Century Public Charter School (PCS)*	SUPP
Lanikai Elementary Public Charter School	N/A
Laupahoehoe Community Public Charter School*	SUPP
Myron B. Thompson Academy	65%
Na Wai Ola (Waters Of Life) Public Charter School	N/A
University Laboratory School	69%
Volcano School of Arts & Sciences	N/A
Voyager: A Public Charter School	N/A
Waialae Elementary Public Charter School	N/A
Waimea Middle Public Conversion Charter School	N/A
West Hawai'i Explorations Academy	75%

EXPLORE is the 8th grade version of ACT, which measures college-going readiness. EXPLORE is scored on a scale of 1 to 25.⁸² Statewide, the median for 8th grade EXPLORE is 14.⁸³ Only 29% (6 of 21)⁸⁴ of charter schools participated in the EXPLORE (8th grade) test for the reasons discussed in [Section III.A.3](#). As such, the sparse information relating to EXPLORE does not provide an accurate picture of college-going readiness for all charter schools. With that caveat, the median for 8th grade EXPLORE among all charter schools was 15, which surpasses the statewide average.⁸⁵ The chart with the composite average EXPLORE score for all schools that participated is below.

School (* = Data Suppressed)	EXPLORE 8 Composite Average DNP = Did Not Participate SUPP = Suppressed Data
Connections Public Charter School	DNP
Hakipu‘u Learning Center*	SUPP
Halau Ku Mana Public Charter School*	SUPP
Hālau Lōkahi Charter School*	SUPP
Hawaii Academy of Arts & Science Public Charter School (HAAS)	16
Hawaii Technology Academy*	SUPP
Innovations Public Charter School	DNP
Ka ‘Umeke Kā‘eo*	SUPP
Ka Waihona o ka Na‘auao Public Charter School	DNP
Kamaile Academy, PCS	12
Kanu o ka ‘Āina New Century Public Charter School*	SUPP
Kanuikapono Public Charter School*	SUPP
Kawaikini New Century Public Charter School*	SUPP
Ke Ana La‘ahana PCS*	SUPP
Ke Kula ‘o Nāwahīokalani‘ōpu‘u Iki, LPCS*	SUPP
Ke Kula ‘o Samuel M. Kamakau, LPCS*	SUPP
Ke Kula Niihau O Kekaha Learning Center*	SUPP
Kihei Charter School*	DNP
Kona Pacific Public Charter School	16
Kua o ka Lā New Century Public Charter School*	SUPP
Kualapu‘u School: A Public Conversion Charter	DNP
Kula Aupuni Niihau A Kahelelani Aloha	SUPP

⁸² *Id.*

⁸³ *Id.*

⁸⁴ Data reports given directly to the Hawaii State Public Charter School Commission.

⁸⁵ Data reports given directly to the Hawaii State Public Charter School Commission.

School (* = Data Suppressed)	EXPLORE 8 Composite Average DNP = Did Not Participate SUPP = Suppressed Data
(KANAKA) A New Century Public Charter School (PCS)*	
Lanikai Elementary Public Charter School	DNP
Laupahoehoe Community Public Charter School*	SUPP
Myron B. Thompson Academy	DNP
Na Wai Ola (Waters Of Life) Public Charter School	DNP
University Laboratory School	16
Volcano School of Arts & Sciences	17
Voyager: A Public Charter School	15
Waialae Elementary Public Charter School	DNP
Waimea Middle Public Conversion Charter School	14
West Hawai'i Explorations Academy	17

On-Time Graduation Rate and College-Going Rate. The On-Time Graduation Rate shows the percentage of students who graduated that were a part of the 9th grade cohort when they first entered high school four years prior. The statewide On-Time Graduation rate is 81%.⁸⁶ The average On-Time Graduation Rate among the twenty-one charter schools with 12th graders was only 66%, although five charter schools exceeded the state average and two of these schools⁸⁷ have a 100% On-Time Graduation Rate.⁸⁸ The Commission was not able to ascertain the reason why charter schools had a much lower average On-Time Graduation Rate, but will continue to analyze the data and seek clarification of this indicator and how it is measured.

The College-Going Rate shows the percentage of graduates who enrolled in college within sixteen months of graduation.⁸⁹ Statewide, the College-Going Rate is 63%.⁹⁰ The College-Going Rate among all charter schools is lower at 58%.⁹¹ Charter schools collectively did well in the College-Going Rate for the FRL subgroup, with the College-Going Rate for these students being above the statewide

⁸⁶ *Hawaii Public Schools 2012-13 Strive HI State Performance Snapshot*, available at: <http://www.hawaiipublicschools.org/DOE%20Forms/StriveHIIndexReports/STRIVEStateSnapshot.pdf>.

⁸⁷ Commission Staff internal data analysis of data from DOE's Systems Accountability Office, System Evaluation and Reporting Section.

⁸⁸ The names of these charter schools are not included because of data suppression issues.

⁸⁹ *Hawaii Public Schools 2012-13 Strive HI State Performance Snapshot*, available at: <http://www.hawaiipublicschools.org/DOE%20Forms/StriveHIIndexReports/STRIVEStateSnapshot.pdf>.

⁹⁰ *Id.*

⁹¹ Commission Staff internal data analysis of data from DOE's Systems Accountability Office, System Evaluation and Reporting Section.

average of 63%. The average College-Going Rate among FRL students in charter schools was 72%.⁹² The average College-Going Rate among Special Education students in charter schools was 61%.⁹³ Graduation rates among ELL students produced an insufficient sample for analysis.⁹⁴

School	On-Time Graduation Rate	College-Going Rate
	N/A = No 12 th graders SUPP = Suppressed Data	N/A = No 12 th graders SUPP = Suppressed Data
Connections Public Charter School	87%	40%
Hakipu'u Learning Center*	SUPP	SUPP
Halau Ku Mana Public Charter School*	SUPP	SUPP
Hālau Lōkahi Charter School*	SUPP	SUPP
Hawaii Academy of Arts & Science Public Charter School (HAAS)	68%	56%
Hawaii Technology Academy	SUPP	SUPP
Innovations Public Charter School	N/A	N/A
Ka 'Umeke Kā'eo*	SUPP	SUPP
Ka Waihona o ka Na'auao Public Charter School	N/A	N/A
Kamaile Academy, PCS	N/A	N/A
Kanu o ka 'Āina New Century Public Charter School*	SUPP	SUPP
Kanuikapono Public Charter School*	SUPP	SUPP
Kawaikini New Century Public Charter School*	SUPP	SUPP
Ke Ana La'ahana PCS*	SUPP	SUPP
Ke Kula 'o Nāwahīokalani'ōpu'u Iki, LPCS*	SUPP	SUPP
Ke Kula 'o Samuel M. Kamakau, LPCS*	SUPP	SUPP
Ke Kula Niihau O Kekaha Learning Center*	SUPP	SUPP
Kihei Charter School*	51%	61%
Kona Pacific Public Charter School	N/A	N/A
Kua o ka Lā New Century Public Charter School*	SUPP	SUPP
Kualapu'u School: A Public Conversion Charter	N/A	N/A
Kula Aupuni Niihau A Kahelani Aloha (KANAKA) A New Century Public Charter School (PCS)*	SUPP	SUPP
Lanikai Elementary Public Charter School	N/A	N/A
Laupahoehoe Community Public Charter School*	SUPP	SUPP
Myron B. Thompson Academy	94%	77%

⁹² *Id.*

⁹³ *Id.*

⁹⁴ The ELL student population is made up of a small number of students that are spread over a number of schools. The ELL students form a small percentage of the schools' population, and consequently, an analysis of their graduation rates would prove unreliable.

School	On-Time Graduation Rate	College-Going Rate
	N/A = No 12 th graders SUPP = Suppressed Data	N/A = No 12 th graders SUPP = Suppressed Data
Na Wai Ola (Waters Of Life) Public Charter School	N/A	N/A
University Laboratory School	96%	90%
Volcano School of Arts & Sciences	N/A	N/A
Voyager: A Public Charter School	N/A	N/A
Waialae Elementary Public Charter School	N/A	N/A
Waimea Middle Public Conversion Charter School	N/A	N/A
West Hawai'i Explorations Academy	78%	59%

d. Achievement Gap and Gap Reduction

Achievement gaps are calculated in the current year and over time between High-Needs Students and Non High-Needs Students. The current gap rate compares HSA performance between High-Needs and Non High-Needs Students.⁹⁵ The current gap rate is calculated by dividing the difference between the proficiency rates of Non High-Needs and High-Needs students. The two-year gap reduction rate measures how much that gap has closed over the past two years.⁹⁶ For two-year gap reduction rate, a positive gap rate indicates that a gap is growing and a negative gap rate indicates that a gap is closing. A gap closes as High-Needs and Non High-Needs students achieve increasingly similar proficiency rates on an assessment.

The current gap rate between High-Needs and Non High-Needs students attending schools statewide is 33%.⁹⁷ Overall, the current gap rate among charter schools is 26%.⁹⁸ Statewide, the two-year gap reduction rate is 12%.⁹⁹ However, in charter schools, the two-year gap reduction rate is -21%.¹⁰⁰ These numbers mean that charters have a smaller current gap rate between High-Needs and Non High-Needs students than the statewide current gap rate. However, over the past two years, the -21% gap reduction rate indicates that the gap between High-Needs and Non High-Needs students in charter schools is growing. Further analysis of the past three years of data is necessary to determine possible reasons for this outcome. The current gap and two-year gap reduction for all charter schools is in the chart below.

⁹⁵ *Hawaii Public Schools 2012-13 Strive HI State Performance Snapshot*, available at: <http://www.hawaiipublicschools.org/DOE%20Forms/StriveHIIndexReports/STRIVESTateSnapshot.pdf>.

⁹⁶ *Id.*

⁹⁷ *Id.*

⁹⁸ Commission Staff internal data analysis of data from DOE's Office of Strategic Reform.

⁹⁹ *Hawaii Public Schools 2012-13 Strive HI State Performance Snapshot*, available at: <http://www.hawaiipublicschools.org/DOE%20Forms/StriveHIIndexReports/STRIVESTateSnapshot.pdf>.

¹⁰⁰ Commission Staff internal data analysis of data from DOE's Office of Strategic Reform.

School	Current Year Gap	Two-Year Gap Reduction
(* = Data Suppressed)	SUPP = Suppressed Data	SUPP = Suppressed Data
Connections Public Charter School	37%	-14%
Hakipu'u Learning Center*	SUPP	SUPP
Halau Ku Mana Public Charter School*	SUPP	SUPP
Hālau Lōkahi Charter School*	SUPP	SUPP
Hawaii Academy of Arts & Science Public Charter School (HAAS)	25%	-53%
Hawaii Technology Academy	SUPP	SUPP
Innovations Public Charter School	33%	-69%
Ka 'Umeke Kā'eo*	SUPP	SUPP
Ka Waihona o ka Na'auao Public Charter School	21%	0%
Kamaile Academy, PCS	30%	32%
Kanu o ka 'Āina New Century Public Charter School*	SUPP	SUPP
Kanuikapono Public Charter School*	SUPP	SUPP
Kawaikini New Century Public Charter School*	SUPP	SUPP
Ke Ana La'ahana PCS*	SUPP	SUPP
Ke Kula 'o Nāwahīokalani'ōpu'u Iki, LPCS*	SUPP	SUPP
Ke Kula 'o Samuel M. Kamakau, LPCS*	SUPP	SUPP
Ke Kula Niihau O Kekaha Learning Center*	SUPP	SUPP
Kihei Charter School	13%	26%
Kona Pacific Public Charter School	41%	-165%
Kua o ka Lā New Century Public Charter School*	SUPP	SUPP
Kualapu'u School: A Public Conversion Charter	21%	16%
Kula Aupuni Niihau A Kahelelani Aloha (KANAKA) A New Century Public Charter School (PCS)*	SUPP	SUPP
Lanikai Elementary Public Charter School	28%	-4%
Laupahoehoe Community Public Charter School*	SUPP	SUPP
Myron B. Thompson Academy	17%	-239%
Na Wai Ola (Waters Of Life) Public Charter School	SUPP	SUPP
University Laboratory School	23%	-42%
Volcano School of Arts & Sciences	23%	32%
Voyager: A Public Charter School	27%	-5%
Waialae Elementary Public Charter School	34%	3%
Waimea Middle Public Conversion Charter School	39%	-7%
West Hawai'i Explorations Academy	20%	SUPP

e. **School Quality Survey**

The School Quality Survey (“SQS”) is a survey administered by DOE that asks teachers, students, parents, administrative staff, and instructional support staff their opinions of school quality.¹⁰¹ Survey results can be used “when developing self-reports for accreditation and standards implementation.”¹⁰² DOE administers SQS to all DOE schools and to any charter schools that request to participate.¹⁰³ Four charter schools distributed the SQS, with the collective rates of return listed below:

Group	# Distributed	# Returned	Return Rate
Teachers	154	49	31.8%
Students	699	137	19.6%
Parents	699	163	23.3%
Administrative and Instructional Support Staff	73	16	21.9%

Although the responses were overwhelmingly favorable, the small number of respondents does not furnish reliable information regarding a school’s performance and therefore is omitted from this report. Details for teacher, parent, student, and administration responses can be found on the ARCH website¹⁰⁴ or furnished by the Commission upon request.

7. Ongoing Issues

Strive HI and the process of putting the Academic Performance Framework in place has brought to light a number of issues. The Commission will be working on these issues during the upcoming year.

Hawaiian Language Assessment. In 2011, a DOE decision was made to move away from the Hawaiian Aligned Portfolio Assessment (“HAPA”) and to a translated version of the HSA.¹⁰⁵ The translated version of the HSA has been criticized for not taking into account the complexities and nuances of the Hawaiian language and its validity has been questioned. The questionable validity likely contributed to the fact that in 2012, a large number of charter school parents exercised their option to “opt out” of standardized testing for their children, choosing not to have their children take the HSA at

¹⁰¹ ARCH website, School Quality Survey information, available at: <http://arch.k12.hi.us/school/sqs/sqs.html>.

¹⁰² *Id.*

¹⁰³ *Id.*

¹⁰⁴ The ARCH Data Center is a system that is meant to supplement the customized reports available on LDS with dynamic visualizations of summative growth and achievement data. http://eesadmin.weebly.com/uploads/1/4/0/3/14039000/sgp_hawaii_growth_model_talking_points_2013-08-29.pdf at 3. Information on statewide SQS results are published in the *School Quality Survey Statewide Summary Report*, available at: <http://arch.k12.hi.us/PDFs/sqs/2013/SQS2013State.pdf>. Information on the four charter schools that submitted SQS are on the ARCH website, available at: <http://arch.k12.hi.us/school/sqs/2013/charter.html>.

¹⁰⁵ DOE website, Student Assessment Section, Hawaiian Language HSA <http://sas.sao.k12.hi.us/STATE/SAO/SASWebsite.nsf/5c93c85c1627a0e78a256c2f007f47bc/6f7564a7a4e99fb20a2577600004a5e5?OpenDocument&Highlight=2,hapa>.

all rather than having them take the translated version of the HSA. Three charter schools had a disproportionate percentage of parents choosing to opt out of standardized testing.

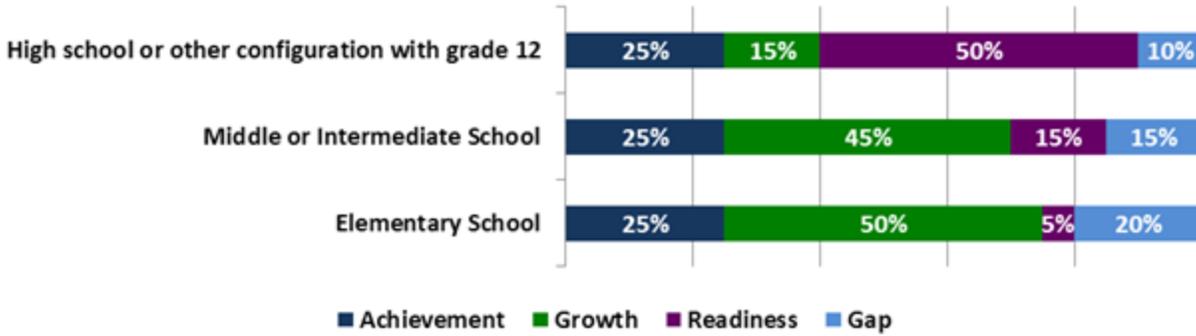
Under Strive HI, schools that do not meet the minimum requirement of 95% participation in HSA are assessed a “low participation penalty.”¹⁰⁶ When large numbers of students opt out of standardized testing, a school’s achievement index score can drop dramatically when the low participation penalty is applied.

Two charter schools have protested their designation as Priority schools under Strive HI because of the low participation penalty. The Commission is engaged in conversations with these charter schools and with the DOE to explore what options may be available for addressing concerns over the assessment while still fulfilling the Commission’s responsibility to ensure the academic quality of these schools and fulfilling the State’s obligations under the ESEA Flex Waiver approved by the U.S. Department of Education.

School Grade Configurations. Under Strive HI, a school’s highest grade tested establishes the school’s category (elementary, middle, or high school). This is not a problem for most DOE schools, since they generally have set grade configurations with grades K-5 being categorized as elementary schools, grades 6-8 being categorized as middle schools, and grades 9-12 being categorized as high schools. Charter schools, however, are not required to follow the same configuration requirements, and a number of charter schools serve grades kindergarten through 12. This poses a problem for charter schools because elementary, middle, and high schools are subject to different weighting under Strive HI. For instance, for a high school Readiness is given a 50% weight, while Readiness for an elementary school is allocated a 5% weight. See the graphic below for a description of index weights.

¹⁰⁶ The low participation penalty is applied to the school’s achievement score. “The number of students not tested that dropped the schools participation rate below 95 percent are added to the denominator in calculating proficiency for that particular subject. For example, a given school needed to test 7 more students in Math and 8 more students in Reading to reach the 95 percent threshold. The number of proficient students remains the same, but the number of tested students (denominator) is increased so the Math proficiency calculation changes from 174/396 to 174/403 and the Reading proficiency calculation changes from 298/395 to 298/403. The adjusted proficiency values are used for the achievement Index calculation.”

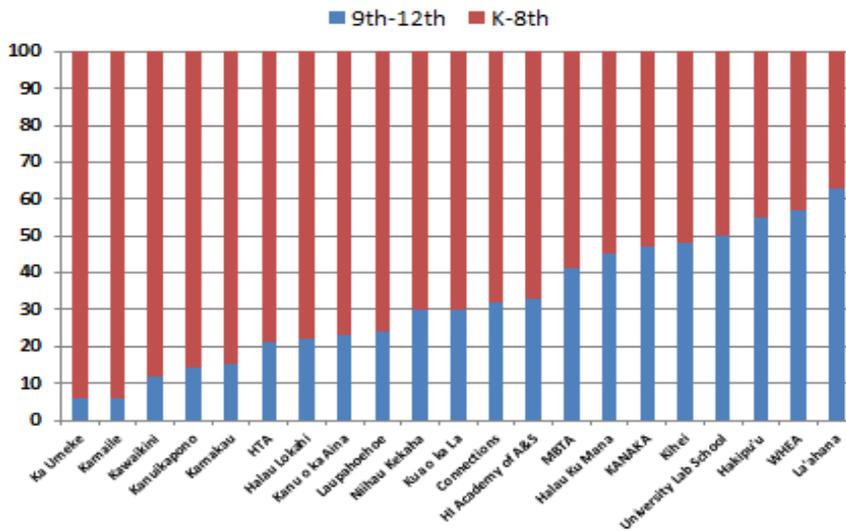
	Reading	Math
Score Pre-Penalty	43.9	75.4
Score Post-Penalty	43.2	73.9



The weights affect charter schools because a K-12 charter school would be classified as a high school, with the high schools weighting applied, if it enrolls just one 12th grader, even though its population is predominantly made up of elementary school level students.

In the chart below, the red bands indicate the percentage of the schools’ populations that are in grades K-8, while the blue bands indicate the percentage of the school’s population in grades 9-12. The chart indicates that for a majority of the K-12 charter schools, their largest student populations fall into the K-8 grade levels.

% of High School Students SY2012



Source: Hawaii Public Charter School Network (“HPCSN”).¹⁰⁷

During the upcoming year, the Commission will work with the DOE to explore ways to address this issue in the Strive HI system and will explore whether there is anything that can be done in the Commission’s broader Academic Performance Framework.

¹⁰⁷ Included as part of a presentation by HPCSN to the Commission at its September 12, 2013 general business meeting, available at: <http://www.hawaiiarterschools.com>.

Assessment Strategies. Charter schools will have to reevaluate their assessment strategies because of the differences between the way NCLB and Strive HI evaluates schools. For instance, under NCLB, a school’s achievement indicator was calculated by the percentage of students who scored above the target line on reading and math assessments. In some charter schools, if a student received a “meets” score on the first administration of the HSA, the student was not required to take either of the two subsequent administrations of the tests. Because of this strategy, however, a proper calculation of growth was not captured because growth measures improvement between tests. If a student did not participate in subsequent administrations of the test, there was no growth shown for the school. As far the growth issue described above, the Commission does not anticipate this being a problem in the future because the assessment replacing the HSA will only be administered once a year.

PowerSchool. Five charter schools utilize a software program called PowerSchool as their student information system instead of the DOE’s Electronic Student Information System (“eSIS”). LDS only includes information from eSIS and does not include information from schools utilizing PowerSchool. Because of this, the data for schools using PowerSchool do not appear in LDS with the rest of the charter schools. Until such time where LDS can effectively capture the data provided by PowerSchool, data (such as performance by ethnicity) cannot be included in this report.

B. Financial Performance

1. Financial Performance Framework

The Financial Performance Framework is used to evaluate a school’s financial health and viability on an ongoing basis and for the purposes of an annual review. The Financial Performance Framework measures, listed in the chart below, are divided into two general categories: near-term and sustainability. Near-term measures illustrate the school’s financial health and viability in the upcoming year. Schools that attain a “Meets Standard” rating for a near-term measure likely have a lower risk of financial distress in the upcoming year. Sustainability measures are designed to show the school’s financial health and viability over the long term. Schools that receive a “Meets Standard” rating for a sustainability measure have a lower risk of financial distress in the future.¹⁰⁸ No single measure gives a full picture of a school’s financial situation, but taken together the measures provide a more comprehensive assessment.

Near-Term Measures	Sustainability Measures
Current Ratio (Working Capital Ratio)	Total Margin
Unrestricted Days Cash	Debt to Asset Ratio
Enrollment Variance	Cash Flow
	Unrestricted Fund Balance Percentage
	Change in Total Fund Balance

¹⁰⁸ See NACSA Core Performance Framework and Guidance at page 43.

The Commission's Financial Performance Framework has a two-tiered review process, under which schools receive a preliminary rating and a final rating. The preliminary rating indicates whether, on its face, the school has met the standard. If a school has not met standard, the Commission conducts further analysis of the school's financials using current financial information,¹⁰⁹ reviews detailed financial information, and clarifies its understanding with the school's leadership to determine whether the raw data truly constitute an indication of financial risk or distress. If the school's overall financial record shows that the school is financially viable, the school will receive a final rating of Meets Standard for the measure. A copy of the full Financial Performance Framework in its form as of this writing is attached as **Appendix C**.

A description of each measure and how it is calculated follows:

Current Ratio. This measures a school's ability to pay its obligations over the next twelve months and is calculated by dividing the school's current assets by its current liabilities. A ratio of greater than 1.0 means that a school's current assets exceed its current liabilities, which indicates that it is able to meet its current obligations. In order to meet standards, schools must have a ratio of 1.1 or above.

Unrestricted Days Cash. This measure indicates whether a school maintains a sufficient cash balance to meet its cash obligations. The measure looks at a fixed point in time (the time the financial statement is prepared), but cash balances fluctuate since schools can expend and receive money on an almost daily basis. Although this measure is at a fixed point in time, it does indicate whether a school may have challenges in meeting its cash obligations. Note that this measure looks at unrestricted cash, not cash that already has been earmarked for a specific purpose like repairs or staffing. This measure is determined by dividing the unrestricted cash balance by the total expenses for the year, less depreciation, and then dividing that quotient by 365 days to determine the number of days of cash. In order to meet this standard, the school must have at least sixty (60) days of unrestricted cash.

Enrollment Variance. This measure is important because it drives the development of a school's budget. Per-pupil funding is the primary source of revenue for charter schools, so student enrollment is a key driver of the school's revenue. Per-pupil counts also determine a school's expenses because they provide the basis for determining costs like staffing and supplies. Variance shows the actual enrollment versus the projected enrollment. A school that budgets based on projected enrollment that is significantly more than its actual enrollment may not be able to meet all of its budgeted expenses. This indicator is calculated by dividing actual student enrollment by projected student enrollment. In order to meet this standard, a school's actual enrollment variance must be at least 95% of projected enrollment.

¹⁰⁹ Note that when evaluating schools for the purpose of this report, the Commission did not consider current financial information because this report is meant to be a snapshot of the schools' performance during the 2012-13 fiscal year.

Total Margin. This measures whether a school is living within its available resources in a particular year. The intent of this measure is not for the schools to be profitable, but “it is important for charter schools to build a reserve to support growth or sustain the school in an uncertain funding environment.”¹¹⁰ This measure is calculated by dividing net income by total revenue. In order to meet this standard, a school must have a positive margin, which shows that a school has a surplus at the end of the year.

Debt to Assets Ratio. This measure compares a school’s obligations against the assets it owns. “In other words, it measures the extent to which the school relies on borrowed funds to finance its operations.”¹¹¹ Generally, a lower ratio indicates stronger financial health. This measure is calculated by dividing a school’s total liabilities by its total assets. Since many of the charter schools do not own the buildings they occupy, a more reasonable ratio of .50 is the standard.

Cash Flow. This measure indicates a trend in a school’s cash balance over a year and over a three-year period. This measure is similar to days cash on hand, but it provides insight into a school’s long-term stability as it helps to assess a school’s sustainability over a period of time in an uncertain funding environment. This measure is calculated by comparing the cash balance at the beginning of a period to the cash balance at the end of the period. In order to meet standard, a school must have a positive cash flow.

Unrestricted Fund Balance Percentage. This measures the equity a school has accumulated, which can serve as a reserve for unexpected situations or to help fuel growth. This measure is calculated by dividing a school’s fund balance by its total expenses. By using the school’s total expenses in the denominator, the fund balance is evaluated from the perspective of the school, making the measure comparable among all schools while eliminating advantages or disadvantages based on school size. In order to meet this standard, the percentage must be 25% or greater. If a school meets the standard, it should be financially able to sustain an unexpected change in circumstances.

Change in Total Fund Balance. This measure indicates sound financial viability based on the overall financial record of a school. This measures the trend in the total fund balance to identify fluctuations in the total fund balance over time. This measure is calculated by comparing the fund balance at the beginning of a multi-year period to the fund balance at the end of the period. In order to meet this standard, a school must have maintained a positive fund balance.

2. Overall Evaluation of Financial Performance

The information in this report is based on unaudited financial data as of June 30, 2013. It is not based on audited financial information because the deadline for audits was November 15, 2013, which was too close to the deadline for submittal of this report to be analyzed and included. The information

¹¹⁰ NACSA Core Performance Framework and Guidance at page 53.

¹¹¹ NACSA Core Performance Framework and Guidance at page 54.

in this report also does not include any information from the 2013-14 fiscal year because this report is intended to cover the 2012-13 fiscal year.

Overall, the schools were in good financial position as of June 30, 2013. However, there are indications of challenges ahead when analyzing the individual measures on a consolidated basis.¹¹² When analyzed on a consolidated basis, near term ratios, as a whole, are at standard. However, the long term, sustainability indicators are below standard, indicating challenges for schools in the coming years.

The consolidated Current Ratio is 3.41, which is well above the 1.1 standard. Unrestricted Days Cash is 129 days, which is above the standard 60 days. However, the range of values among schools for each of these indicators is significant, with Current Ratio ranging from .51 to 25.06 and Unrestricted Days Cash on hand ranging from zero to 536 days.

The consolidated Total Margin for charter schools -3%. The median of Total Margins across all schools is -2.5%, while the average Total Margin is 0%. These amounts indicate a disparity among the schools. One conclusion that may be reached is the schools, as a whole, are managing their operations on a break-even basis. There appears to be no reserve and significant challenges in the coming years if the margins continue at this level.

Total Margin directly impacts the Change in Total Fund Balance since the Total Fund Balance is a measure of the reserves that the school has built over time. If a school's Total Margin is positive every year (meaning it has a surplus at the end of the year), it can use this surplus to build its Total Fund Balance. Negative Total Margins decrease the Total Fund Balance, while positive a Total Margin increases the Total Fund Balance. When analyzed on a consolidated basis, the current Total Fund Balance is a negative number: -\$2,175,280. The possible explanations for this negative number include (1) that the schools operated at a loss, and/or (2) schools invested in their physical facilities.¹¹³ The consolidated Change in Total Fund Balance of -\$2,175,280 represents 2.8% of revenues. This is consistent with the consolidated Total Margin for all charter schools of -3% and suggests that the schools operated at a loss.

The Total Margin also directly influences Cash Flow for the year, since Cash Flow is the comparison of inflows (revenues, receipts) and out flows (expenses, payments) over a period of time. On a consolidated basis, the net Cash Flow for the fiscal year was -\$3,521,708, which represents a decrease in cash of approximately 11% across the charter schools. This particular measure is troubling because it indicates schools had to utilize reserves they had built up over previous years to cover operating costs.

¹¹² When analyzing numbers on a consolidated basis, all of the schools numbers in a particular measure were added together, then the metric or formula was applied. Ratings were then applied to the resulting number or ratio.

¹¹³ Charter schools currently receive no funding for the acquisition, construction, leasing or maintenance of facilities and particularly in the case of start-up schools, must divert operating funds for these purposes.

In conclusion, charter schools appear to have exercised sound stewardship of state funds. Most schools are on solid footing for FY14, while some schools show signs of struggling with inadequate funding and increased operating costs while trying to maintain the quality of their programs.

Importantly, because this is the first time that the Financial Performance Framework has been implemented and applied to actual data from all of the charter schools, the Commission will be evaluating the results and inviting the schools' input as it considers whether any adjustments should be made to the Framework.

As Commission staff has implemented the Financial Performance Framework, it has become evident that receiving consistent and quality data from the schools is essential. Data analysis has proved to be a challenge when the data submitted by the schools is inconsistent. To address this issue, the Commission is exploring the possibility of standardizing a chart of accounts for all schools. Under the Charter Contract, this will occur only with input from the schools. The measure would ensure that all schools use the same accounts consistently to reflect the same information.

The financial performance of the individual charter schools is contained in their individual performance summaries, attached to this report as **Appendix A**. The individual school reports have additional notes showing how the schools may have met standards even if the data do not meet the measures.

C. Organizational Performance

1. Organizational Performance Framework

The purpose of the Organizational Performance Framework is to communicate to the charter school and the public the compliance-related standards the school must meet. State and federal law, administrative rules, and contractual requirements (including the Charter Contract, collective bargaining agreements, and any supplemental agreements to the collective bargaining master agreements) are included in the Organizational Framework.

The Organizational Framework is divided into six categories: Education Program, Financial Management and Oversight, Governance and Reporting, Students and Employees, School Environment, and Additional Obligations. Each of these categories has measures used to evaluate schools. For example, under Education Program there are four measures. The first measure under Education Program is, "Is the school implementing the material elements of its Educational Program as defined in the charter contract?" A school is assigned a rating for each of the measures: Meets Standard, Does Not Meet Standard, or Falls Far Below Standard. A copy of the full Organizational Performance Framework in its current form is attached as **Appendix D**.

Each of the six categories evaluates a different aspect of the school's organizational performance, as described below.

Education Program. This section assesses the school’s adherence to the material (relevant and significant) terms of its proposed education program.¹¹⁴

Financial Management and Oversight. This section is used to set expectations for the school’s management and oversight of its finances—this is distinguishable from the Financial Performance Framework, which is used to analyze a school’s actual financial performance.¹¹⁵

Governance and Reporting. This section sets forth the expectations of the governing board’s compliance with governance-related laws and the governing board’s own bylaws and policies. This section also includes an indicator to evaluate the extent to which the board oversees the individuals or organizations to which it delegates the duties of implementing the school’s program.¹¹⁶

Students and Employees. This section measures compliance with a number of laws relating to students and employees. These include the rights of students and employees as well as operational requirements like teacher licensing and background checks.¹¹⁷

School Environment. This section addresses the charter school’s facility, transportation, and health services, among other things.¹¹⁸

Additional Obligations. This section is meant to be a catch-all section for measures that represent the authorizer’s lower priority requirements and any requirements that were established after the Organizational Performance Framework was adopted into the Charter Contract.¹¹⁹

2. Overall Evaluation of Organizational Performance

The Charter Contracts signed by Hawaii’s thirty-three charter schools are one-year contracts, which were not in effect until July 2013. Unlike the data for the Academic Performance Framework and Financial Performance Framework, data for the Organizational Performance Framework was not collected during the 2012-13 school year. In part, this is due to the fact that the obligation to provide the data in the Organizational Performance Framework arose from the Charter Contracts in the first place. Charter schools did not necessarily have to provide organizational performance information previously. As a result, a comprehensive assessment of charter school organizational performance could not be conducted for the 2012-13 school year.

Despite this limitation, for the purposes of demonstrating in this report how an assessment of organizational performance may be conducted, the Commission has applied one measure from the Organizational Performance Framework: Measure 3a) “Is the school complying with governance

¹¹⁴ See NACSA Core Performance Framework and Guidance at page 65.

¹¹⁵ *Id.*

¹¹⁶ *Id.*

¹¹⁷ *Id.*

¹¹⁸ *Id.*

¹¹⁹ *Id.*

requirements?” Note that the data collected to make this assessment was collected during the 2013-14 school year but is being included in this report for demonstration purposes.

Section 302D-12, HRS, requires that no more than one-third of the voting members of a governing board be employees of a school or relatives of employees of a school. This provision addresses concerns regarding conflicts of interest that could occur if key positions on the governing board and school staff are held by people related to one another or work directly with the school. A preliminary assessment of this measure was conducted for each school.

The assessment found that all thirty-three schools meet the standard for Measure 3a and are compliant with state law. During the 2012-13 school year, four schools (Connections, KANAKA, Ke Kula Niihau, and Kihei) had been granted waivers by the Commission, as is provided for in HRS §302D-12, that allow for an employee of the school or a relative of an employee to serve as the chair of the governing board. These waivers were only for the 2012-13 school year and the schools had to put in requests for waivers for the 2013-14 school year. The same four schools requested waivers for the 2013-4 school year. KANAKA and Ke Kula Niihau were granted one-year waivers for the 2013-14 school year, Connections was granted a six-month waiver and Kihei’s request was denied. The organizational performance for each school is detailed in the individual school summaries attached as **Appendix A**.

IV. Portfolio Status

*The status of the authorizer’s public charter school portfolio, identifying all public charter schools in each of the following categories: approved (but not yet open), not approved, operating, renewed, transferred, revoked, not renewed, voluntarily closed, or never opened.*¹²⁰

The current Charter Contract has a one-year term that is set to expire on June 30, 2014. This is the first and only Charter Contract that has been entered into by the Commission. All charter schools were given the same one-year contract term for the 2013-14 school year. This was done, in part, to give the Commission the opportunity to revisit the Charter Contract and Performance Framework and make necessary revisions before adopting multi-year charter contracts. Consequently, no schools currently are categorized as renewed, transferred, revoked, not renewed, voluntarily closed, or never opened. The schools falling in the other categories are as follows:

Public Charter School	Status
Connections Public Charter School	Operating
Hakipu’u Learning Center	Operating
Halau Ku Mana Public Charter School	Operating
Hālau Lōkahi Charter School	Operating
Hawaii Academy of Arts & Science Public Charter School (HAAS)	Operating
Hawaii Technology Academy	Operating

¹²⁰ HRS §302D-7(3).

Public Charter School	Status
Innovations Public Charter School	Operating
Ka 'Umeke Kā'eo	Operating
Ka Waihona o ka Na'auao Public Charter School	Operating
Kamaile Academy, PCS	Operating
Kanu o ka 'Āina New Century Public Charter School	Operating
Kanuikapono Public Charter School	Operating
Kawaikini New Century Public Charter School	Operating
Ke Ana La'ahana PCS	Operating
Ke Kula 'o Nāwahīokalani'ōpu'u Iki, LPCS	Operating
Ke Kula 'o Samuel M. Kamakau, LPCS	Operating
Ke Kula Niihau O Kekaha Learning Center	Operating
Kiheī Charter School	Operating
Kona Pacific Public Charter School	Operating
Kua o ka Lā New Century Public Charter School	Operating
Kualapu'u School: A Public Conversion Charter	Operating
Kula Aupuni Niihau A Kahelelani Aloha (KANAKA) A New Century Public Charter School (PCS)	Operating
Lanikai Elementary Public Charter School	Operating
Laupahoehoe Community Public Charter School	Operating
Mālama Hōnua Learning Center	Approved (but not yet open)
Myron B. Thompson Academy	Operating
Na Wai Ola (Waters Of Life) Public Charter School	Operating
SEEQS: The School for Examining Essential Questions of Sustainability	Operating
University Laboratory School	Operating
Volcano School of Arts & Sciences	Operating
Voyager: A Public Charter School	Operating
Waialae Elementary Public Charter School	Operating
Waimea Middle Public Conversion Charter School	Operating
West Hawai'i Explorations Academy	Operating
North Shore Middle School	Not approved
Hawaii International Charter School	Not approved
Imipono Public Charter School	Not approved
Kaimuki Adult School	Not approved

V. Authorizing Functions Provided to Schools

*The authorizing functions provided by the authorizer to the public charter schools under its purview, including the authorizer's operating costs and expenses detailed in annual audited financial statements that conform with generally accepted accounting principles.*¹²¹

A. Authorizing Functions

Pursuant to statute, HRS §302D-5, authorizers are charged with a number of essential powers and duties, specifically:

- Soliciting and evaluating charter applications.
- Approving quality charter applications that meet identified educational needs and promote a diversity of educational choices.
- Declining to approve weak or inadequate charter applications.
- Negotiating and executing sound charter contracts with each approved public charter school.
- Monitoring, in accordance with charter contract terms, the performance and legal compliance of public charter schools.
- Determining whether each charter contract merits renewal, nonrenewal, or revocation.

The Commission fulfilled four of these six powers and duties during the 2012-13 school year. The two remaining powers and duties—monitoring contract compliance and making renewal, nonrenewal, or revocation determinations—were not conducted due to the fact that the Charter Contract was not effective until July 1, 2013. During the 2012-13 school year, the Commission went through a charter school application cycle where it solicited and evaluated charter applications, approved quality charter applications, and declined weak charter applications. It also negotiated and executed the Charter Contract with all 33 existing charter schools.

The Commission, as an authorizer, is also statutorily charged with:

- Acting as the point of contact between the DOE and charter schools and being responsible for the administration of all applicable state and federal laws;
- Being responsible for and ensuring the compliance of a charter school with all applicable state and federal laws, including reporting requirements;
- Being responsible for the receipt of applicable federal funds from DOE and the distribution of funds to the charter schools; and
- Being responsible for the receipt and distribution of per-pupil funding from DOE.¹²²

In addition to fulfilling all of its statutorily charged duties, the Commission also provides human resources support for schools that do not purchase payroll and human resources from DOE, provides federal program support, acts as a point of contact between other state agencies (like DHRD, ERS, and EUTF), acts as a point of contact for charter school-wide issues relating to unions, and provides

¹²¹ HRS 302D-7(4).

¹²² HRS §302D-5(b).

information systems support for schools, amongst other functions. The Commission is evaluating the functions it provides to charter schools and determining whether and to what degree any of these functions conflict with the Commission's role as authorizer. The Commission has continued to provide many functions, such as payroll and human resources support, so that charter schools could continue to operate seamlessly. However, the Commission is exploring ways to increase capacity in the schools to ensure that schools can assume some of these necessary non-authorizer functions.

B. Authorizer's Operating Costs and Expenses

Under the previous system, CSAO was responsible for tracking the CSRP's operating costs and expenses. The CSRP was replaced by the Commission in July 2012, but CSAO continued to operate from July 2012 until it ceased to exist on July 1, 2013, replaced by the Commission staff. However, during this transition period CSAO was responsible for tracking the Commission's operating costs and expenses. Therefore, attached as **Appendix E** are CSAO's 2012-13 audited financial statements, which conform with generally accepted accounting principles.

CSAO's financial statements were audited by James D. Jennings, CPA, Inc. The financial audit resulted in one finding that warrants further follow-up. The Commission needs to ensure compliance with the requirement in OMB Circular A-133 that any charter school expending more than \$500,000 in federal funds during the fiscal year meet the audit requirements of A-133.

The Commission will be receiving quarterly financial statements from all the schools. With this more frequent financial information, the Commission will be able to identify those schools needing to satisfy the OMB circular A-133 requirement before their audits are scheduled. Once such schools are identified, the Commission will inform them of the requirement and ensure that the requirement is included in the audit scope and met.

VI. Authorizer Services Purchased by Charter Schools

The services purchased from the authorizer by the public charter schools under its purview.¹²³

No services have been purchased from the Commission by charter schools in the 2012-13 fiscal year and no services were purchased from the Commission's predecessor, the CSRP, by charter schools in the 2011-12 fiscal year.

VII. Federal Funds

A line-item breakdown of the federal funds received by the department and distributed by the authorizer to public charter schools under its control.¹²⁴

Any concerns regarding equity and recommendations to improve access to and distribution of federal funds to public charter schools.¹²⁵

¹²³ HRS 302D-7(5).

¹²⁴ HRS 302D-7(6).

A. Federal Funds Received

Again, under the previous charter school system, the CSAO was responsible for receiving and distributing federal funds to charter schools. CSAO served this function throughout the 2012-13 fiscal year until it sunsetted on July 1, 2013. From July 1, 2013 on, Commission staff will be responsible for receiving and distributing federal funds to charter schools. The following table sets forth the federal funds that the CSAO had a role in distributing to charter schools as well as those funds that were disbursed directly to the schools from DOE.

The chart below is a summary of federal fund allocations to charter schools for the 2012-13 fiscal year.

Federal Program	Grant Purpose and Basis for Allocation	Funds distributed to the Charter Schools Administrative Office in Fiscal Year 2012-13 (in dollars)	Funds distributed directly to Charter Schools in Fiscal Year 2012-13 (in dollars)
U.S. DOE Impact Aid	Grant provided financial assistance to local education agencies affected by Federal presence. Distribution based on proportion of total public school enrollment.	2,600,239	0
NCLB Title I LEA Grant – Schools	Grant provided to help disadvantaged students in school with the highest concentrations of poverty meet the same high standards expected of all students. Distribution made to only schools with 35% or more students receiving free or reduced-price meals. Distribution to these schools based on Title I formula using number of free or reduced-price eligible students multiplied by the per pupil amount for the school’s county.	1,315,074	98,398

¹²⁵ HRS 302D-7(7).

Federal Program	Grant Purpose and Basis for Allocation	Funds distributed to the Charter Schools Administrative Office in Fiscal Year 2012-13 (in dollars)	Funds distributed directly to Charter Schools in Fiscal Year 2012-13 (in dollars)
ARRA Title I – School Improvement Grant	Grant provided to support competitive sub-grants to Title I eligible schools ranked in the bottom 5 percent. Schools must implement one of four school intervention models. Distribution based on evaluation of applications.	1,140,716	0
Title VIB Special Education Project I (“IDEA”)	Grant provided special education and related services to eligible students in accordance with federal regulations. Distribution based on award for 100% input into the SPED information system, funds required to clear deficits, and funds for program rated costs. NOTE: IDEA funds are primarily allocated to Complex Areas to assist in supporting special education related services for all public school students, including charter school students.	0	301,603
NCLB Title IIA Support for New Teachers and Principals	Grant provide for induction and mentoring activities for new teachers in their first three years of employment and principals, and vice principals in their first three years of their assignment. Distribution based upon approved Induction and Mentoring plan and memorandum of agreement.	175,000	0
DoD Supplement to Impact Aid	Grant provided financial assistance to local education agencies affected by military presence. Distribution based on proportion of total public school enrollment.	162,271	0
NCLB Title IIA High Quality Professional Development	Grant provided to improve teacher and principal quality and increase the number of highly qualified teachers in the classroom. Distribution based on an approved Title IIA Highly Qualified Plan.	152,000	2

Federal Program	Grant Purpose and Basis for Allocation	Funds distributed to the Charter Schools Administrative Office in Fiscal Year 2012-13 (in dollars)	Funds distributed directly to Charter Schools in Fiscal Year 2012-13 (in dollars)
Native Hawaiian Piha Pono-UH FY13	Grant to improve education outcomes and support services for Native Hawaiian students and their families. Distribution to elementary schools that serve high percentages of students of Hawaiian ancestry that have also submitted a proposed budget and signed an agreement to implement project activities.	0	135,000
Native Hawaiian Pihana Na Mamo-UH FY10	Grant to improve education outcomes and support services for Native Hawaiian students and their families. Distribution to schools that serve high percentages of students of Hawaiian ancestry that have also submitted a proposed budget and signed an agreement to implement project activities	0	169,000
NCLB Title I LEA Grant – Professional Development	Grant to provide training and professional development to assist all teachers in Title I schools in becoming highly qualified by the end of SY2012-13 and assist paraprofessionals in Title I schools meet educational requirements of NCLB Act of 2001. Distribution based on Title I formula.	97,621	0
NCLB Title I LEA Grant – School Improvement	Grant provided to support competitive sub-grants to Title I eligible schools ranked in the bottom 5 percent. Schools must implement one of four school intervention models. Distribution based on evaluation of applications.	84,177	0
NCLB Title I LEA Grant – Resource Teachers	Grant is to provide technical support to Title I schools. Distribution to provide a Title I Linker to provide technical support to Title I charter schools.	73,600	0

Federal Program	Grant Purpose and Basis for Allocation	Funds distributed to the Charter Schools Administrative Office in Fiscal Year 2012-13 (in dollars)	Funds distributed directly to Charter Schools in Fiscal Year 2012-13 (in dollars)
NCLB Title III Language Instruction	Grant to supplement efforts to improve the education of limited English proficient children. Distribution based on the number of ELL students enrolled in schools after submission of approved written plans.	36,923	0
Education Jobs Fund	Grant to assist States to save or create education jobs for early childhood, elementary, and secondary education. Original distribution based on proportion of total public school enrollment. This reflects balance not expended by CSAO in FY11-12.	29,159	0
Statewide Longitudinal Data Systems (“SLDS”)	Grant to develop a robust, high-quality pre-school to workforce (P20W) SLDS. Distribution of funds to implement a Power School module allowing the automated transfer of charter school data to the State’s data system.	25,000	0
NCLB Migrant Education	Grant provided to support education programs that address the needs of migratory children. Distribution made based on a percentage formula incorporating at-risk factors and the number of migrant students at each school.	22,712	0
NCLB Title IIA Asst Non Highly Qualified Teacher (“NHQT”) to Highly Qualified Teachers (“HQT”)	Grant to support professional development and other activities that assist NQHTs become HQTs in core academic subjects assigned by the end of SY2012-13. Distribution is based on \$150 for each (Tier I) NHQT as of June of the prior school year.	21,600	0
NCLB Title I LEA Grant – Parent Involvement	Grant to provide support for parent involvement activities, including but not limited to family literacy training, training to enhance parenting skills, etc. Distribution based on Title I formula.	20,035	0

Federal Program	Grant Purpose and Basis for Allocation	Funds distributed to the Charter Schools Administrative Office in Fiscal Year 2012-13 (in dollars)	Funds distributed directly to Charter Schools in Fiscal Year 2012-13 (in dollars)
NCLB Administration	Grant funds to support planning, implementation, and management of NCLB programs included in Hawaii's consolidated NCLB application. Distribution made based on proportion of statewide enrollment at Title I eligible schools.	19,813	0
Education for Homeless Children & Youth	Grant provided to support all homeless children have equal access to free and appropriate public education. Distribution is based on the cost of a homeless liaison position and related expenses – 8.8% of total grant award.	18,875	0
Vocational Education – Program Improvement FY13	Grant to provide resource and services to identified project schools that are developing and implementing improved and expanded CTE programs during the school year. Distribution to provide Laupahoehoe funds to support CTE program improvements.	0	3,103
Vocational Education – Program Improvement FY12	Grant to provide resource and services to identified project schools that are developing and implementing improved and expanded CTE programs during the school year. Distribution to provide Laupahoehoe funds to support CTE program improvements.	0	1,222
NCLB Math and Science Partnership FY13	Grant supports partnerships between institutions of higher education and local elementary and secondary schools to design and implement professional development models to increase subject matter knowledge of mathematics and science teachers. Distribution based on a competitive grant application process.	924	0

Federal Program	Grant Purpose and Basis for Allocation	Funds distributed to the Charter Schools Administrative Office in Fiscal Year 2012-13 (in dollars)	Funds distributed directly to Charter Schools in Fiscal Year 2012-13 (in dollars)
Special Education Pre-School Grant	Grant to provide supplemental services to support the special education students with disabilities 3 to 5 years of age. Distribution to provide Kamaile and Laupahoehoe funds to clear deficits.	0	855
DoD-EA-Expanding Virtual Learning Opportunities	Grant to support middle and high school military students via online learning opportunities. Distribution made to schools that have students enrolled in one of seven on-line E-School Advanced Placement courses who have also signed up to take the AP exam. Funds are to cover AP exam cost.	0	356
Total		5,995,739	709,539

B. Equity Concerns and Access and Distribution Recommendations

Historically, charter schools voiced concerns about a perceived lack of transparency and a lack of notification from the DOE regarding the availability of certain federal funds. The Commission intends to act as a bridge between the DOE and charter schools to help identify any equity concerns and develop recommendations for improvements, if necessary, to communications about, access to, and distribution of federal funds for charter schools.

The Commission welcomes the initial progress already made on this issue and is optimistic about the prospects for continued progress. DOE currently is in the process of reviewing and revising its internal procedures on planning of federal programs and management of federal funds, a byproduct of which will be greater understanding of the complexities of these programs and increased transparency of distributions. The Department has been supportive of improving transparency and identifying any issues of access and equity and has shown a willingness to work with the Commission on these questions. For example, the Commission has been given access to DOE’s Longitudinal Data System (“LDS”) federal grant detail reports, which are a rich source of data on federal program expenditures.

VIII. Conclusion

A year and half after the enactment of Act 130, Hawaii's charter schooling system remains in a state of considerable transition and continues to face real challenges. Nonetheless, very significant progress has been made, in a short timeframe, on putting into place the policy and administrative infrastructure that Act 130 envisioned. There are ample success stories among Hawaii's charter schools, and the groundwork is being laid for more effective chartering in our state and for greater accomplishments.

The Commission's priorities during the 2013-14 fiscal year include the following tasks:

- Completing the Performance Framework (specifically, the Academic Performance Framework and the School-Specific Academic Measures);
- Executing the review, approval, and public hearing process in order to complete the promulgation of the Commission's administrative rules;
- Developing and implementing a comprehensive and administratively manageable monitoring and reporting system for charter schools under the Performance Framework;
- Developing and implementing a process and criteria for evaluating and funding proposed charter school facilities projects, on the basis of need and performance, and securing more funding to help address charter school facilities needs;
- Reviewing and refining the Charter Contract and Performance Framework;
- Developing and implementing the process for determining the terms of the schools' subsequent multi-year contracts;
- Working with various stakeholders to improve the understanding of charter school funding;
- Providing the public with more transparency and access to Commission meetings and processes;
- Developing a more robust communication system with charter schools and the public through electronic communication, a weekly e-newsletter ("*Ka 'Elele*"), a redesigned Commission website, broadcasted webinars, and other media;
- Coordinating and streamlining communication among charter schools and state agencies, including DOE, the Hawaii Department of Human Resources Development ("*DHRD*"), Hawaii Employees' Retirement System ("*ERS*"), and Hawaii Employer-Union Health Benefits Trust Fund ("*EUTF*");
- Clarifying charter schools relations with the Hawaii State Teachers Association ("*HSTA*"), the Hawaii Government Employees Association ("*HGEA*"), and the United Public Workers ("*UPW*");

- Developing and implementing the overhauled application and start-up process for new charter schools;
- Participating in the review of statutes, administrative rules, and BOE policies to provide greater clarity as to the applicability of such sources of authority to charter schools; and
- Obtaining and verifying better data relating to charter school facilities, including inventorying facilities, ownership status of land, and determining the cost of rent or debt service, etc.

As these and other measures are taken to build upon the difficult work already completed, the Commission looks forward to being able to report continued improvement in the outcomes set forth in its annual reports in the years to come.

IX. Glossary of Defined Terms

Term	Definition
Academic Performance Framework	The framework described in Section III.A.1 .
ACT	The 11 th grade assessment mandated by Strive HI to determine college readiness.
Act 130	Act 130 of the 2012 Session Laws of Hawaii
ARRA	Federal American Recovery and Reinvestment Act of 2009
AYP	Adequate Yearly Progress
Blended School	A school where the education of a student occurs in both an online environment and brick and mortar setting.
BOE	State of Hawaii Board of Education
Charter Contract	State Public Charter School Contract
Commission	State Public Charter School Commission
CSAO	Charter School Administrative Office
CSRP	Charter School Review Panel
DHRD	State of Hawaii Department of Human Resources Development
DOE	State of Hawaii Department of Education
ELL	English Language Learners, a student subgroup that is made up of students with limited English proficiency.
ERS	State of Hawaii Employees' Retirement System
ESEA	Federal Elementary and Secondary Education Act of 1964
eSIS	Electronic Student Information System, DOE's student information system.
EUTF	State of Hawaii Employer-Union Health Benefits Trust Fund
EXPLORE	The 8 th grade assessment mandated by Strive HI to determine readiness.

Term	Definition
FERPA	Family Educational Rights and Privacy Act, a federal law that protects the privacy of student education records and applies to all schools that receive funds under an applicable program of the U.S. Department of Education.
Financial Performance Framework	The framework described in Section III.B.1 .
FRL	Free and Reduced Lunch, a student subgroup that is made up of economically disadvantaged students.
HAPA	Hawaiian Aligned Portfolio Assessment
HGEA	Hawaii Government Employees Association
High-Needs Students	Students that are classified as FRL, ELL or special education.
HQT	Highly Qualified Teacher
HRS	Hawaii Revised Statutes
HSA	Hawaii State Assessment
HSTA	Hawaii State Teachers Association
LDS	Longitudinal Data System
IDEA	Federal Individuals with Disabilities Education Act
LEA	Local Education Agency
NACSA	National Association of Charter School Authorizers
NCLB	No Child Left Behind
NHQT	Non-Highly Qualified Teacher
Non High-Needs Students	Students that are not classified as High-Needs.
Organizational Performance Framework	The framework described in Section III.C.1 .
Performance Framework	The Commission’s accountability system, consisting of the Academic Performance Framework, Financial Performance Framework, and Organizational Performance Framework.
PLAN	A test taken in the 10 th grade to measure academic progress in high school.
School-Specific Measures	School-specific indicators to measure the school’s academic performance
SGP	Student Growth Percentile, growth measure used to compare students to their academic peers.
SIG	School Improvement Grant, grants awarded by the U.S. Department of Education to make grants to local educational agencies that “demonstrate the greatest need for the funds and the strongest commitment to use the funds to provide adequate resources in order to raise substantially the achievement of students in their lowest performing schools.”
SLH	Session Laws of Hawaii

Term	Definition
SQS	School Quality Survey, a survey administered by DOE that asks teachers, students, parents, administrative staff, and instructional support staff their opinions of school quality.
Strive HI	Strive HI Performance System, the State of Hawaii's accountability and improvement system that is applied to all Hawaii public schools, including both DOE schools and charter schools.
Task Force	The charter school governance, accountability, and authority task force.
UPW	United Public Workers
USDE	United States Department of Education
Virtual School	A school where the students enrolled in the school complete their curriculum online, in a web-based environment rather than attending school in a brick-and-mortar setting.
WASC	Western Association of Schools and Colleges

X. Appendices

Appendix A: Individual School Performance Summaries

Appendix B: Comparison of Statewide Averages and Charter School-Wide Averages

Appendix C: Financial Performance Framework for 2013-14 Charter Contract

Appendix D: Organizational Performance Framework for 2013-14 Charter Contract

Appendix E: CSAO's Audited Financial Statements for FY 2012-13

Appendix A: Individual School Performance Summaries

Hawaii State Public Charter School Commission – Annual Report 2013
Connections Public Charter School

Board Chairperson(s): Heather McDaniel,
Libby Oshiyama
Director(s): John Thatcher
Phone Number: (808) 961-3664
Authorized in: 2000
School Type: High School
Region: East Hawaii
Grades: K-12
Total Enrollment: 362
% of SPED: 15%
% of FRL: 72%
% of ELL: 2%
Accreditation: Not Currently Seeking
Index Score: 223
Status: Continuous Improvement
Automatic Trigger: None

Achievement

Achievement Reading: 73%
Achievement Reading SPED: 23%
Achievement Reading FRL: 64%
Achievement Reading ELL: Unavailable
Achievement Math: 47%
Achievement Math SPED: 6%
Achievement Math FRL: 40%
Achievement Math ELL: Unavailable
Achievement Science: 40%

Growth

Growth Reading: 68%
Growth Math: 49%

Readiness

Readiness 11th ACT: 28%
Readiness Grad Rate: 87%
Readiness College-going Rate: 40%

Gap

Gap High Needs: 52%
Gap Non High Needs: 83%
Gap Rate Reduction: -14%
Current Year Gap: 37%

About this School

Mission: Connections' mission is to create an 'ohana which is conducive to the recognition and development of individual talents. Thematic and experiential learning experiences are provided which focus on how students construct knowledge using creative and critical thinking. Connections offers a forum for the development of the ability to recognize and differentiate a quality result or product. Classroom experiences are connected to real life experiences so that students can grow in the understanding of themselves in relation to their community and the world.

Other Notes: Exceeded State average in Reading and Science Achievement.

* Participation penalty: Indicates school did not test 95% of its students and those students were added to the school's total to reach 95% test participation.

** Indicates that more than one year of data was used in order to create more reliable measures. At most three years of data were used.

† Indicates that because of the high performance of the school's HN students that it was exempted from gap rate in the Index calculation because it would receive a higher index score without achievement gap.

¹ Any School Improvement Grant (SIG) school implementing a school intervention model or high school with a high school graduation rate of less than 70% over three consecutive years (two for the first year of Strive HI) will not be classified as a Recognition or Continuous Improvement school (Strive HI FAQs. (2013, September 16). In Strive HI Performance System. Retrieved October 7, 2013).

² Schools that have small student populations have had data suppressed to protect student privacy and are marked as such. In some cases data was unavailable and are marked as such.

Financial Performance

Current Ratio Greater than or equal to 1.1	Enrollment Variance equals or exceeds 95% in the most recent year	Days Cash on Hand 60 days cash on hand	Total Margin is positive	Debt to Assets Ratio is less than .50	Cash Flow is positive	Unrestricted Fund Balance Percentage	Change in Total Fund Balance is positive
1.46	97.8%	42.85 days ³	-16% ³	26%	(505,853) ³	30%	(414,297) ³
Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard

Organizational Performance

3a) Is the school complying with governance requirements?		
Area of Compliance	PRELIMINARY ASSESSMENT	EVIDENCE OF COMPLIANCE
Governing Board Composition and membership pursuant to Chapter 302D, Hawaii Revised Statutes	Meets Standard	<ol style="list-style-type: none"> 1. Board member roster provided to Commission. 2. School received a waiver pursuant to Section 302D-12(b)

³ Under the Commission’s 2-tiered Financial Performance Framework, this measure did not meet standard during preliminary review and further analysis was required. After such further analysis it was determined that the school is financially viable overall and this measure received a final rating of “Meets Standard.”

Hawaii State Public Charter School Commission – Annual Report 2013
Hakipu‘u Learning Center

Board Chairperson(s): Kylee P. Mar
 Director(s): Charlene Hoe
 Phone Number: (808) 235-9155
 Authorized in: 2001
 School Type: High School
 Region: Windward Oahu
 Grades: 4-12
 Total Enrollment: 72
 % of SPED: 16%
 % of FRL: 53%
 % of ELL: 0%
 Accreditation: Candidate
 Index Score: 84
 Status: Priority
 Automatic Trigger: Low Performance

Achievement

Achievement Reading: SUPPRESSED
 Achievement Reading SPED: SUPPRESSED
 Achievement Reading FRL: SUPPRESSED
 Achievement Reading ELL: SUPPRESSED
 Achievement Math: SUPPRESSED
 Achievement Math SPED: SUPPRESSED
 Achievement Math FRL: SUPPRESSED
 Achievement Math ELL: SUPPRESSED
 Achievement Science: SUPPRESSED

Growth

Growth Reading: SUPPRESSED
 Growth Math: SUPPRESSED

Readiness

Readiness 11th ACT: SUPPRESSED
 Readiness Grad Rate: SUPPRESSED
 Readiness College-going Rate:
 SUPPRESSED

Gap

Gap High Needs: SUPPRESSED
 Gap Non High Needs: SUPPRESSED
 Gap Rate Reduction: SUPPRESSED
 Current Year Gap: SUPPRESSED

About this School

Mission: Hakipu‘u Learning Center (“HLC”) is an innovative, community-based school rooted in the traditional wisdom of Hawai‘i. HLC utilizes a student-centered, place- and project- based approach to build an ‘ohana of life-long learners who apply critical thinking, creativity, and problem solving skills to achieve success now and into the future.

Other Notes: For the Achievement Gap gap reduction measure, data are missing or not used, which prevents the index score from being calculated normally. Automatic classification reason changed from “Low Graduation Rate” to “Low Performance” and Priority status remains due to graduation rate rule.

* Participation penalty: Indicates school did not test 95% of its students and those students were added to the school’s total to reach 95% test participation.

** Indicates that more than one year of data was used in order to create more reliable measures. At most three years of data were used.

† Indicates that because of the high performance of the school’s High-Needs students that it was exempted from gap rate in the Index calculation because it would receive a higher index score without achievement gap.

¹ Any School Improvement Grant (“SIG”) school implementing a school intervention model or high school with a high school graduation rate of less than 70% over three consecutive years (two for the first year of Strive HI) will not be classified as a Recognition or Continuous Improvement school (Strive HI FAQs. (2013, September 16). In Strive HI Performance System. Retrieved October 7, 2013).

² Schools that have small student populations have had data suppressed to protect student privacy and are marked as such. In some cases data are unavailable and are marked as such.

Financial Performance

Current Ratio Greater than or equal to 1.1	Enrollment Variance equals or exceeds 95% in the most recent year	Days Cash on Hand 60 days cash on hand	Total Margin is positive	Debt to Assets Ratio is less than .50	Cash Flow is positive	Unrestricted Fund Balance Percentage	Change in Total Fund Balance is positive
2.44	90.0% ³	100.82 days	19%	36%	19,353	25%	192,205
Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard

Organizational Performance

3a) Is the school complying with governance requirements?		
Area of Compliance	PRELIMINARY ASSESSMENT	EVIDENCE OF COMPLIANCE
Governing Board Composition and membership pursuant to Chapter 302D, Hawaii Revised Statutes	Meets Standard	<ol style="list-style-type: none"> 1. Board member roster provided to Commission. 2. No more than 1/3 of board members are school employees or related.

³ Under the Commission’s 2-tiered Financial Performance Framework, this measure did not meet standard during preliminary review and further analysis was required. After such further analysis it was determined that the school is financially viable overall and this measure received a final rating of “Meets Standard.”

Hawaii State Public Charter School Commission – Annual Report 2013
Halau Ku Mana Public Charter School

Board Chairperson(s): Patricia Brandt
 Director(s): Mahina Duarte
 Phone Number: (808) 945-1600
 Authorized in: 2000
 School Type: High School
 Region: Honolulu
 Grades: 4-12
 Total Enrollment: 97
 % of SPED: 20%
 % of FRL: 41%
 % of ELL: 0%
 Accreditation: Candidate
 Index Score: 133
 Status: Continuous Improvement
 Automatic Trigger: None

Achievement

Achievement Reading: SUPPRESSED
 Achievement Reading SPED: SUPPRESSED
 Achievement Reading FRL: SUPPRESSED
 Achievement Reading ELL: SUPPRESSED
 Achievement Math: SUPPRESSED
 Achievement Math SPED: SUPPRESSED
 Achievement Math FRL: SUPPRESSED
 Achievement Math ELL: SUPPRESSED
 Achievement Science: SUPPRESSED

Growth

Growth Reading: SUPPRESSED
 Growth Math: SUPPRESSED

Readiness

Readiness 11th ACT: SUPPRESSED
 Readiness Grad Rate: SUPPRESSED
 Readiness College-going Rate:
 SUPPRESSED

Gap

Gap High Needs: SUPPRESSED
 Gap Non High Needs: SUPPRESSED
 Gap Rate Reduction: SUPPRESSED
 Current Year Gap: SUPPRESSED

About this School

Mission: Halau Ku Mana’s vision is to facilitate individual and community healing and empowerment by fostering life-long learners who think, feel, and act in ways that are pono for recognizing strengths and addressing challenges as they seek positive, systemic change in their local, regional, and global communities.

Other Notes: For the Achievement gap reduction measure, data are missing or not used, which prevents the index score from being calculated normally.

* Participation penalty: Indicates school did not test 95% of its students and those students were added to the school’s total to reach 95% test participation.

** Indicates that more than one year of data was used in order to create more reliable measures. At most three years of data were used.

† Indicates that because of the high performance of the school’s HN students that it was exempted from gap rate in the Index calculation because it would receive a higher index score without achievement gap.

¹ Any School Improvement Grant (SIG) school implementing a school intervention model or high school with a high school graduation rate of less than 70% over three consecutive years (two for the first year of Strive HI) will not be classified as a Recognition or Continuous Improvement school (Strive HI FAQs. (2013, September 16). In Strive HI Performance System. Retrieved October 7, 2013).

² Schools that have small student populations have had data suppressed to protect student privacy and are marked as such. In some cases data are unavailable and are marked as such.

Financial Performance

Current Ratio Greater than or equal to 1.1	Enrollment Variance equals or exceeds 95% in the most recent year	Days Cash on Hand 60 days cash on hand	Total Margin is positive	Debt to Assets Ratio is less than .50	Cash Flow is positive	Unrestricted Fund Balance Percentage	Change in Total Fund Balance is positive
4.37	107.8%	536.47 days	7%	17%	(189,168) ³	191%	82,708
Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard

Organizational Performance

3a) Is the school complying with governance requirements?		
Area of Compliance	PRELIMINARY ASSESSMENT	EVIDENCE OF COMPLIANCE
Governing Board Composition and membership pursuant to Chapter 302D, Hawaii Revised Statutes	Meets Standard	<ol style="list-style-type: none"> 1. Board member roster provided to Commission. 2. No more than 1/3 of board members are school employees or related.

³ Under the Commission’s 2-tiered Financial Performance Framework, this measure did not meet standard during preliminary review and further analysis was required. After such further analysis it was determined that the school is financially viable overall and this measure received a final rating of “Meets Standard.”

Hawaii State Public Charter School Commission – Annual Report 2013
Hālau Lōkahi Charter School

Board Chairperson(s): June Nagasawa
 Director(s): Laara Allbrett
 Phone Number: (808) 832-3594
 Authorized in: 2001
 School Type: High School
 Region: Honolulu
 Grades: K-12
 Total Enrollment: 237
 % of SPED: 10%
 % of FRL: 43%
 % of ELL: 2%
 Accreditation: Planning on Initiating
 Index Score: 140
 Status: Continuous Improvement
 Automatic Trigger: None

Achievement

Achievement Reading: SUPPRESSED
 Achievement Reading SPED: SUPPRESSED
 Achievement Reading FRL: SUPPRESSED
 Achievement Reading ELL: SUPPRESSED
 Achievement Math: SUPPRESSED
 Achievement Math SPED: SUPPRESSED
 Achievement Math FRL: SUPPRESSED

Achievement Math ELL: SUPPRESSED
 Achievement Science: SUPPRESSED

Growth

Growth Reading: SUPPRESSED
 Growth Math: SUPPRESSED

Readiness

Readiness 11th ACT: SUPPRESSED
 Readiness Grad Rate: SUPPRESSED
 Readiness College-going Rate:
 SUPPRESSED

Gap

Gap High Needs: SUPPRESSED
 Gap Non High Needs: SUPPRESSED
 Gap Rate Reduction: SUPPRESSED
 Current Year Gap: SUPPRESSED

About this School

Mission: Hālau Lōkahi students are equipped with the literacy necessary in the 21st century. Students read, write, speak, and calculate with clarity and precision, participating passionately and responsibly in the life of the community. As a community-based, family-oriented school, Hālau Lōkahi actively involves parents and extended family as well as community members in the educational process.

* Participation penalty: Indicates school did not test 95% of its students and those students were added to the school's total to reach 95% test participation.

** Indicates that more than one year of data was used in order to create more reliable measures. At most three years of data were used.

† Indicates that because of the high performance of the school's HN students that it was exempted from gap rate in the Index calculation because it would receive a higher index score without achievement gap.

¹ Any School Improvement Grant (SIG) school implementing a school intervention model or high school with a high school graduation rate of less than 70% over three consecutive years (two for the first year of Strive HI) will not be classified as a Recognition or Continuous Improvement school (Strive HI FAQs. (2013, September 16). In Strive HI Performance System. Retrieved October 7, 2013).

² Schools that have small student populations have had data suppressed to protect student privacy and are marked as such. In some cases data are unavailable and are marked as such.

Hawaii State Public Charter School Commission – Annual Report 2013
Hālau Lōkahi Charter School

Financial Performance

Current Ratio Greater than or equal to 1.1	Enrollment Variance equals or exceeds 95% in the most recent year	Days Cash on Hand 60 days cash on hand	Total Margin is positive	Debt to Assets Ratio is less than .50	Cash Flow is positive	Unrestricted Fund Balance Percentage	Change in Total Fund Balance is positive
0.73	92.9%	1.07 days	-3%	123%	2,377	-3%	(64,382)
Falls Far Below Standard	Does Not Meet Standard	Falls Far Below Standard	Does Not Meet Standard	Does Not Meet Standard	Meets Standard	Falls Far Below Standard	Does Not Meet Standard

Organizational Performance

3a) Is the school complying with governance requirements?		
Area of Compliance	PRELIMINARY ASSESSMENT	EVIDENCE OF COMPLIANCE
Governing Board Composition and membership pursuant to Chapter 302D, Hawaii Revised Statutes	Meets Standard	<ol style="list-style-type: none"> 1. Board member roster provided to Commission. 2. No more than 1/3 of board members are school employees or related.

Hawaii State Public Charter School Commission – Annual Report 2013
Hawaii Academy of Arts & Science Public Charter School (HAAS)

Board Chairperson(s): Winston Albright
 Director(s): Steve Hirakami
 Phone Number: (808) 965-3730
 Authorized in: 2001
 School Type: High School
 Region: East Hawaii
 Grades: K-12
 Total Enrollment: 582
 % of SPED: 7%
 % of FRL: 80%
 % of ELL: 1%
 Accreditation: Accredited
 Index Score: 192
 Status: Focus
 Automatic Trigger: Low Grad Rate

Achievement

Achievement Reading: 75%
 Achievement Reading SPED: 21%
 Achievement Reading FRL: 73%
 Achievement Reading ELL: Unavailable
 Achievement Math: 50%
 Achievement Math SPED: 29%
 Achievement Math FRL: 45%

Achievement Math ELL: Unavailable
 Achievement Science: 34%

Growth

Growth Reading: 45%
 Growth Math: 36%

Readiness

Readiness 11th ACT: 42%
 Readiness Grad Rate: 68%
 Readiness College-going Rate: 68%

Gap

Gap High Needs: 58%
 Gap Non High Needs: 78%
 Gap Rate Reduction: -53%
 Current Year Gap: 25%

About this School

Mission: The mission of Hawai'i Academy of the Arts and Sciences (HAAS) is to provide every student an education where learning needs are met by implementing flexible and effective teaching strategies which target the full range of learning styles. HAAS is a school community in the Puna district consisting of students from grades K-12. From the first day students came to HAAS, it has been offering unique programs to ensure quality and holistic education for the children of its community.

Other Notes: Exceeded State average in Reading Achievement. High Needs Proficiency exceeded State average. Exceeded State average percentage of 11th graders scoring above 19 on the ACT. Moved up one step from Priority to Focus due to graduation rate rule.

* Participation penalty: Indicates school did not test 95% of its students and those students were added to the school's total to reach 95% test participation.

** Indicates that more than one year of data was used in order to create more reliable measures. At most three years of data were used.

† Indicates that because of the high performance of the school's HN students that it was exempted from gap rate in the Index calculation because it would receive a higher index score without achievement gap.

¹ Any School Improvement Grant (SIG) school implementing a school intervention model or high school with a high school graduation rate of less than 70% over three consecutive years (two for the first year of Strive HI) will not be classified as a Recognition or Continuous Improvement school (Strive HI FAQs. (2013, September 16). In Strive HI Performance System. Retrieved October 7, 2013).

² Schools that have small student populations have had data suppressed to protect student privacy and are marked as such. In some cases data are unavailable and are marked as such.

Financial Performance

Current Ratio Greater than or equal to 1.1	Enrollment Variance equals or exceeds 95% in the most recent year	Days Cash on Hand 60 days cash on hand	Total Margin is positive	Debt to Assets Ratio is less than .50	Cash Flow is positive	Unrestricted Fund Balance Percentage	Change in Total Fund Balance is positive
2.96	105.1%	15.7 days ³	-7% ³	28%	(84,906) ³	20% ³	(289,883) ³
Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard

Organizational Performance

3a) Is the school complying with governance requirements?		
Area of Compliance	PRELIMINARY ASSESSMENT	EVIDENCE OF COMPLIANCE
Governing Board Composition and membership pursuant to Chapter 302D, Hawaii Revised Statutes	Meets Standard	<ol style="list-style-type: none"> 1. Board member roster provided to Commission. 2. No more than 1/3 of board members are school employees or related.

³ Under the Commission’s 2-tiered Financial Performance Framework, this measure did not meet standard during preliminary review and further analysis was required. After such further analysis it was determined that the school is financially viable overall and this measure received a final rating of “Meets Standard.”

Hawaii State Public Charter School Commission – Annual Report 2013
Hawaii Technology Academy

Board Chairperson(s): Michael Findley
 Director(s): Leigh Fitzgerald
 Phone Number: (808) 676-5444
 Authorized in: 2008
 School Type: High School
 Region: Central Oahu (online)
 Grades: K-12
 Total Enrollment: 1,091
 % of SPED: 7%
 % of FRL: 9%
 % of ELL: 0%
 Accreditation: Accredited
 Index Score: 202
 Status: Focus
 Automatic Trigger: Low Grad Rate

Achievement

Achievement Reading: SUPPRESSED
 Achievement Reading SPED: SUPPRESSED
 Achievement Reading FRL: SUPPRESSED
 Achievement Reading ELL: SUPPRESSED
 Achievement Math: SUPPRESSED
 Achievement Math SPED: SUPPRESSED
 Achievement Math FRL: SUPPRESSED

Achievement Math ELL: SUPPRESSED
 Achievement Science: SUPPRESSED

Growth

Growth Reading: SUPPRESSED
 Growth Math: SUPPRESSED

Readiness

Readiness 11th ACT: SUPPRESSED
 Readiness Grad Rate: SUPPRESSED
 Readiness College-going Rate:
 SUPPRESSED

Gap

Gap High Needs: SUPPRESSED
 Gap Non High Needs: SUPPRESSED
 Gap Rate Reduction: SUPPRESSED
 Current Year Gap: SUPPRESSED

About this School

Mission: Hawai`i Technology Academy (HTA) is committed to delivering student-centered education that encompasses the best of what is available in the world today to create value for the future through blended learning. HTA takes pride in being responsive to community needs, and, with students at the core, keeping pace with global, pedagogical, and technological evolution.

Other Notes: Exceeded State average in Math, Reading, and Science Achievement. Exceeded State average percentage of 11th graders scoring above 19 on the ACT. Moved up on step from Priority to Focus due to graduation rate rule.

* Participation penalty: Indicates school did not test 95% of its students and those students were added to the school's total to reach 95% test participation.

** Indicates that more than one year of data was used in order to create more reliable measures. At most three years of data were used.

† Indicates that because of the high performance of the school's HN students that it was exempted from gap rate in the Index calculation because it would receive a higher index score without achievement gap.

¹ Any School Improvement Grant (SIG) school implementing a school intervention model or high school with a high school graduation rate of less than 70% over three consecutive years (two for the first year of Strive HI) will not be classified as a Recognition or Continuous Improvement school (Strive HI FAQs. (2013, September 16). In Strive HI Performance System. Retrieved October 7, 2013).

² Schools that have small student populations have had data suppressed to protect student privacy.

Financial Performance

Current Ratio Greater than or equal to 1.1	Enrollment Variance equals or exceeds 95% in the most recent year	Days Cash on Hand 60 days cash on hand	Total Margin is positive	Debt to Assets Ratio is less than .50	Cash Flow is positive	Unrestricted Fund Balance Percentage	Change in Total Fund Balance is positive
0.65 ³	94.0% ³	45.74 days ³	0%	100% ³	(415,378) ³	0% ³	-
Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard

Organizational Performance

3a) Is the school complying with governance requirements?		
Area of Compliance	PRELIMINARY ASSESSMENT	EVIDENCE OF COMPLIANCE
Governing Board Composition and membership pursuant to Chapter 302D, Hawaii Revised Statutes	Meets Standard	<ol style="list-style-type: none"> 1. Board member roster provided to Commission. 2. No more than 1/3 of board members are school employees or related.

³ Under the Commission’s 2-tiered Financial Performance Framework, this measure did not meet standard during preliminary review and further analysis was required. After such further analysis it was determined that the school is financially viable overall and this measure received a final rating of “Meets Standard.”

Hawaii State Public Charter School Commission – Annual Report 2013
Innovations Public Charter School

Board Chairperson(s): Michelle Conrey
 Director(s): Jennifer Hiro
 Phone Number: (808) 327-6205
 Authorized in: 2001
 School Type: Middle
 Region: West Hawaii
 Grades: K-8
 Total Enrollment: 224
 % of SPED: 8%
 % of FRL: 32%
 % of ELL: 0%
 Accreditation: Not Currently Seeking
 Index Score: 139
 Status: Continuous Improvement
 Automatic Trigger: None

Achievement

Achievement Reading: 89%
 Achievement Reading SPED: 63%
 Achievement Reading FRL: 74%
 Achievement Reading ELL: Unavailable
 Achievement Math: 71%
 Achievement Math SPED: 25%
 Achievement Math ELL: Unavailable

Achievement Science: 35%

Growth

Growth Reading: 43%
 Growth Math: 47%

Readiness

Readiness 8th ACT: No Data

Gap

Gap High Needs: 61%
 Gap Non High Needs: 91%
 Gap Rate Reduction: -69%
 Current Year Gap: 33%

About this School

Mission: The mission of Innovations Public Charter School is to provide the highest-quality education to the children of West Hawai'i through innovative teaching techniques that meet the needs of every learner.

Other Notes: Exceeded State average in Math, Reading, and Science Achievement. High Needs Proficiency exceeded State average. For the Readiness 8th grade ACT measure, data are missing or not used, which prevents the index score from being calculated normally.

* Participation penalty: Indicates school did not test 95% of its students and those students were added to the school's total to reach 95% test participation.

** Indicates that more than one year of data was used in order to create more reliable measures. At most three years of data were used.

† Indicates that because of the high performance of the school's HN students that it was exempted from gap rate in the Index calculation because it would receive a higher index score without achievement gap.

¹ Any School Improvement Grant (SIG) school implementing a school intervention model or high school with a high school graduation rate of less than 70% over three consecutive years (two for the first year of Strive HI) will not be classified as a Recognition or Continuous Improvement school (Strive HI FAQs. (2013, September 16). In Strive HI Performance System. Retrieved October 7, 2013).

² Schools that have small student populations have had data suppressed to protect student privacy and are marked as such. In some cases data are unavailable and are marked as such.

Financial Performance

Current Ratio Greater than or equal to 1.1	Enrollment Variance equals or exceeds 95% in the most recent year	Days Cash on Hand 60 days cash on hand	Total Margin is positive	Debt to Assets Ratio is less than .50	Cash Flow is positive	Unrestricted Fund Balance Percentage	Change in Total Fund Balance is positive
3.39	97.8%	132.4 days	-3% ³	33%	(68,536) ³	28%	(51,696) ³
Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard

Organizational Performance

3a) Is the school complying with governance requirements?		
Area of Compliance	PRELIMINARY ASSESSMENT	EVIDENCE OF COMPLIANCE
Governing Board Composition and membership pursuant to Chapter 302D, Hawaii Revised Statutes	Meets Standard	<ol style="list-style-type: none"> 1. Board member roster provided to Commission. 2. No more than 1/3 of board members are school employees or related.

³ Under the Commission’s 2-tiered Financial Performance Framework, this measure did not meet standard during preliminary review and further analysis was required. After such further analysis it was determined that the school is financially viable overall and this measure received a final rating of “Meets Standard.”

Hawaii State Public Charter School Commission – Annual Report 2013
Ka ‘Umeke Kā‘eo

Board Chairperson(s): Lauren Lii Nahiwa
 Director(s): Huihui Kanahale-Mossman
 Phone Number: (808) 933-3482
 Authorized in: 2001
 School Type: High School
 Region: East Hawaii
 Grades: K-12
 Total Enrollment: 281
 % of SPED: 9%
 % of FRL: 77%
 % of ELL: 0%
 Accreditation: Candidate
 Index Score: 36
 Status: Priority
 Automatic Trigger: Low Performance

Achievement

Achievement Reading: SUPPRESSED
 Achievement Reading SPED: SUPPRESSED
 Achievement Reading FRL: SUPPRESSED
 Achievement Reading ELL: SUPPRESSED
 Achievement Math: SUPPRESSED
 Achievement Math SPED: SUPPRESSED
 Achievement Math FRL: SUPPRESSED

Achievement Math ELL: SUPPRESSED
 Achievement Science: SUPPRESSED

Growth

Growth Reading: SUPPRESSED
 Growth Math: SUPPRESSED

Readiness

Readiness 11th ACT: SUPPRESSED
 Readiness Grad Rate: SUPPRESSED
 Readiness College-going Rate:
 SUPPRESSED

Gap

Gap High Needs: SUPPRESSED
 Gap Non High Needs: SUPPRESSED
 Gap Rate Reduction: SUPPRESSED
 Current Year Gap: SUPPRESSED

About this School

Mission: Ka ‘Umeke Kā‘eo is a Hawaiian language immersion K-12 learning community, where students and their families are safe, nurtured, and challenged.

Other Notes:

* Participation penalty: Indicates school did not test 95% of its students and those students were added to the school’s total to reach 95% test participation.

** Indicates that more than one year of data was used in order to create more reliable measures. At most three years of data were used.

† Indicates that because of the high performance of the school’s HN students that it was exempted from gap rate in the Index calculation because it would receive a higher index score without achievement gap.

¹ Any School Improvement Grant (SIG) school implementing a school intervention model or high school with a high school graduation rate of less than 70% over three consecutive years (two for the first year of Strive HI) will not be classified as a Recognition or Continuous Improvement school (Strive HI FAQs. (2013, September 16). In Strive HI Performance System. Retrieved October 7, 2013).

² Schools that have small student populations have had data suppressed to protect student privacy and are marked as such. In some cases data are unavailable and are marked as such.

Financial Performance

Current Ratio Greater than or equal to 1.1	Enrollment Variance equals or exceeds 95% in the most recent year	Days Cash on Hand 60 days cash on hand	Total Margin is positive	Debt to Assets Ratio is less than .50	Cash Flow is positive	Unrestricted Fund Balance Percentage	Change in Total Fund Balance is positive
18.55	88.4% ³	234.89 days	4%	5%	81,628	93%	102,007
Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard

Organizational Performance

3a) Is the school complying with governance requirements?		
Area of Compliance	PRELIMINARY ASSESSMENT	EVIDENCE OF COMPLIANCE
Governing Board Composition and membership pursuant to Chapter 302D, Hawaii Revised Statutes	Meets Standard	<ol style="list-style-type: none"> 1. Board member roster provided to Commission. 2. No more than 1/3 of board members are school employees or related.

³ Under the Commission’s 2-tiered Financial Performance Framework, this measure did not meet standard during preliminary review and further analysis was required. After such further analysis it was determined that the school is financially viable overall and this measure received a final rating of “Meets Standard.”

Hawaii State Public Charter School Commission – Annual Report 2013
Ka Waihona o ka Na‘auao Public Charter School

Board Chairperson(s): Roberta Searle
 Director(s): Alvin Parker
 Phone Number: (808) 620-9030
 Authorized in: 2001
 School Type: Middle
 Region: Leeward Oahu
 Grades: K-8
 Total Enrollment: 604
 % of SPED: 6%
 % of FRL: 68%
 % of ELL: 0%
 Accreditation: Candidate
 Index Score: 182
 Status: Continuous Improvement
 Automatic Trigger: None

Achievement

Achievement Reading: 68%
 Achievement Reading SPED: 24%
 Achievement Reading FRL: 65%
 Achievement Reading ELL: Unavailable
 Achievement Math: 49%
 Achievement Math SPED: 14%
 Achievement Math FRL: 46%

Achievement Math ELL: Unavailable
 Achievement Science: 17%

Growth

Growth Reading: 52%
 Growth Math: 44%

Readiness

Readiness 8th ACT: No Data

Gap

Gap High Needs: 54%
 Gap Non High Needs: 68%
 Gap Rate Reduction: 0%
 Current Year Gap: 21%

About this School

Mission: Ka Waihona o ka Na'auao creates socially responsible, resilient and resourceful young men and women by providing an environment of academic excellence, social confidence, and cultural awareness.

Other Notes: For the Readiness 8th grade ACT measure, data are missing or not used, which prevents the index score from being calculated normally.

* Participation penalty: Indicates school did not test 95% of its students and those students were added to the school's total to reach 95% test participation.

** Indicates that more than one year of data was used in order to create more reliable measures. At most three years of data were used.

† Indicates that because of the high performance of the school's HN students that it was exempted from gap rate in the Index calculation because it would receive a higher index score without achievement gap.

¹ Any School Improvement Grant (SIG) school implementing a school intervention model or high school with a high school graduation rate of less than 70% over three consecutive years (two for the first year of Strive HI) will not be classified as a Recognition or Continuous Improvement school (Strive HI FAQs. (2013, September 16). In Strive HI Performance System. Retrieved October 7, 2013).

² Schools that have small student populations have had data suppressed to protect student privacy and are marked as such. In some cases data are unavailable and are marked as such.

Financial Performance

Current Ratio Greater than or equal to 1.1	Enrollment Variance equals or exceeds 95% in the most recent year	Days Cash on Hand 60 days cash on hand	Total Margin is positive	Debt to Assets Ratio is less than .50	Cash Flow is positive	Unrestricted Fund Balance Percentage	Change in Total Fund Balance is positive
0.51 ³	97.3%	0 days ³	-3% ³	15%	(180,561) ³	1% ³	(204,850)
Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard

Organizational Performance

3a) Is the school complying with governance requirements?		
Area of Compliance	PRELIMINARY ASSESSMENT	EVIDENCE OF COMPLIANCE
Governing Board Composition and membership pursuant to Chapter 302D, Hawaii Revised Statutes	Meets Standard	<ol style="list-style-type: none"> 1. Board member roster provided to Commission. 2. No more than 1/3 of board members are school employees or related.

³ Under the Commission’s 2-tiered Financial Performance Framework, this measure did not meet standard during preliminary review and further analysis was required. After such further analysis it was determined that the school is financially viable overall and this measure received a final rating of “Meets Standard.”

Hawaii State Public Charter School Commission – Annual Report 2013
Kamaile Academy, PCS

Board Chairperson(s): Pauline Lo Bailey
 Director(s): Emma Weiss
 Phone Number: (808) 697-7110
 Authorized in: 2007
 School Type: High School
 Region: Leeward Oahu
 Grades: PreK-12
 Total Enrollment: 924
 % of SPED: 12%
 % of FRL: 80%
 % of ELL: 11%
 Accreditation: Candidate
 Index Score: 166
 Status: Priority
 Automatic Trigger: SIG Status

Achievement

Achievement Reading: 51%
 Achievement Reading SPED: 17%
 Achievement Reading FRL: 50%
 Achievement Reading ELL: 11%
 Achievement Math: 32%
 Achievement Math SPED: 10%
 Achievement Math FRL: 28%

Achievement Math ELL: 7%
 Achievement Science: 7%

Growth

Growth Reading: 66%
 Growth Math: 60%

Readiness

Readiness 11th ACT: 23%
 Readiness Grad Rate: N/A
 Readiness College-going Rate: N/A

Gap

Gap High Needs: 38%
 Gap Non High Needs: 55%
 Gap Rate Reduction: 32%
 Current Year Gap: 30%

About this School

Mission: Situated in what would conventionally be labeled a “high-need” and “high-risk” community, the school community of Kamaile Academy deliberately chooses to focus on the talents, potential, and culture each of our students possesses. Faculty, staff, families, and community members are bound by the belief that education is the path by which those positive assets of our children will lead to endless opportunities for their future and the realization of each individual’s infinite worth.

Other Notes: For the Readiness on-time graduation and college-going measures, data are missing or not used, which prevents the index score from being calculated normally.

* Participation penalty: Indicates school did not test 95% of its students and those students were added to the school’s total to reach 95% test participation.

** Indicates that more than one year of data was used in order to create more reliable measures. At most three years of data were used.

† Indicates that because of the high performance of the school’s HN students that it was exempted from gap rate in the Index calculation because it would receive a higher index score without achievement gap.

¹ Any School Improvement Grant (SIG) school implementing a school intervention model or high school with a high school graduation rate of less than 70% over three consecutive years (two for the first year of Strive HI) will not be classified as a Recognition or Continuous Improvement school (Strive HI FAQs. (2013, September 16). In Strive HI Performance System. Retrieved October 7, 2013).

² Schools that have small student populations have had data suppressed to protect student privacy and are marked as such. In some cases data are unavailable and are marked as such.

Financial Performance

Current Ratio Greater than or equal to 1.1	Enrollment Variance equals or exceeds 95% in the most recent year	Days Cash on Hand 60 days cash on hand	Total Margin is positive	Debt to Assets Ratio is less than .50	Cash Flow is positive	Unrestricted Fund Balance Percentage	Change in Total Fund Balance is positive
3.74	94.3% ³	135.78 days	-15% ³	9%	(1,776,443) ³	31%	(1,192,250) ³
Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard

Organizational Performance

3a) Is the school complying with governance requirements?		
Area of Compliance	PRELIMINARY ASSESSMENT	EVIDENCE OF COMPLIANCE
Governing Board Composition and membership pursuant to Chapter 302D, Hawaii Revised Statutes	Meets Standard	<ol style="list-style-type: none"> 1. Board member roster provided to Commission. 2. No more than 1/3 of board members are school employees or related.

³ Under the Commission’s 2-tiered Financial Performance Framework, this measure did not meet standard during preliminary review and further analysis was required. After such further analysis it was determined that the school is financially viable overall and this measure received a final rating of “Meets Standard.”

Hawaii State Public Charter School Commission – Annual Report 2013
Kanu o ka 'Āina New Century Public Charter School

Board Chairperson(s): Mason Maikui
 Director(s): Allyson Tamura
 Pat Bergin
 Phone Number: (808) 890-8144
 Authorized in: 2000
 School Type: High School
 Region: West Hawaii
 Grades: K-12
 Total Enrollment: 240
 % of SPED: 8%
 % of FRL: 64%
 % of ELL: 0%
 Accreditation: Accredited
 Index Score: 219
 Status: Continuous Improvement
 Automatic Trigger: None

Achievement Math SPED: SUPPRESSED
 Achievement Math FRL: SUPPRESSED
 Achievement Math ELL: SUPPRESSED
 Achievement Science: SUPPRESSED

Growth

Growth Reading: SUPPRESSED
 Growth Math: SUPPRESSED

Readiness

Readiness 11th ACT: SUPPRESSED
 Readiness Grad Rate: SUPPRESSED
 Readiness College-going Rate:
 SUPPRESSED

Achievement

Achievement Reading: SUPPRESSED
 Achievement Reading SPED: SUPPRESSED
 Achievement Reading FRL: SUPPRESSED
 Achievement Reading ELL: SUPPRESSED
 Achievement Math: SUPPRESSED

Gap

Gap High Needs: SUPPRESSED
 Gap Non High Needs: SUPPRESSED
 Gap Rate Reduction: SUPPRESSED
 Current Year Gap: SUPPRESSED

About this School

Mission: As a community-based learning 'ohana, Kanu o ka `Āina is steadfast in cultivating compassionate, empowered, highly competent learners of all ages, grounded in Native Hawaiian culture and language.

Other Notes: Exceeded State average in Science Achievement.
 High Needs Proficiency exceeded State average.
 Exceeded State average for Current Year Gap Rate.

* Participation penalty: Indicates school did not test 95% of its students and those students were added to the school's total to reach 95% test participation.

** Indicates that more than one year of data was used in order to create more reliable measures. At most three years of data were used.

† Indicates that because of the high performance of the school's HN students that it was exempted from gap rate in the Index calculation because it would receive a higher index score without achievement gap.

¹ Any School Improvement Grant (SIG) school implementing a school intervention model or high school with a high school graduation rate of less than 70% over three consecutive years (two for the first year of Strive HI) will not be classified as a Recognition or Continuous Improvement school (Strive HI FAQs. (2013, September 16). In Strive HI Performance System. Retrieved October 7, 2013).

² Schools that have small student populations have had data suppressed to protect student privacy and are marked as such. In some cases data are unavailable and are marked as such.

Financial Performance

Current Ratio Greater than or equal to 1.1	Enrollment Variance equals or exceeds 95% in the most recent year	Days Cash on Hand 60 days cash on hand	Total Margin is positive	Debt to Assets Ratio is less than .50	Cash Flow is positive	Unrestricted Fund Balance Percentage	Change in Total Fund Balance is positive
1.02	90.6% ³	13.57 days ³	-1% ³	90% ³	(53,640) ³	2% ³	(14,375) ³
Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard

Organizational Performance

3a) Is the school complying with governance requirements?		
Area of Compliance	PRELIMINARY ASSESSMENT	EVIDENCE OF COMPLIANCE
Governing Board Composition and membership pursuant to Chapter 302D, Hawaii Revised Statutes	Meets Standard	<ol style="list-style-type: none"> 1. Board member roster provided to Commission. 2. No more than 1/3 of board members are school employees or related.

³ Under the Commission’s 2-tiered Financial Performance Framework, this measure did not meet standard during preliminary review and further analysis was required. After such further analysis it was determined that the school is financially viable overall and this measure received a final rating of “Meets Standard.”

Hawaii State Public Charter School Commission – Annual Report 2013
Kanuikapono Public Charter School

Board Chairperson(s): Puna Kalama Dawson
 Director(s): Ipo Torio
 Phone Number: (808) 823-9160
 Authorized in: 2001
 School Type: High School
 Region: Kauai
 Grades: K-12
 Total Enrollment: 143
 % of SPED: 5%
 % of FRL: 48%
 % of ELL: 2%
 Accreditation: Candidate
 Index Score: 135
 Status: Continuous Improvement
 Automatic Trigger: None

Achievement

Achievement Reading: SUPPRESSED
 Achievement Reading SPED: SUPPRESSED
 Achievement Reading FRL: SUPPRESSED
 Achievement Reading ELL: SUPPRESSED
 Achievement Math: SUPPRESSED
 Achievement Math SPED: SUPPRESSED

Achievement Math FRL: SUPPRESSED
 Achievement Math ELL: SUPPRESSED
 Achievement Science: SUPPRESSED

Growth

Growth Reading: SUPPRESSED
 Growth Math: SUPPRESSED

Readiness

Readiness 11th ACT: SUPPRESSED
 Readiness Grad Rate: SUPPRESSED
 Readiness College-going Rate: SUPPRESSED

Gap

Gap High Needs: SUPPRESSED
 Gap Non High Needs: SUPPRESSED
 Gap Rate Reduction: SUPPRESSED
 Current Year Gap: SUPPRESSED

About this School

Mission: With programs like aquaculture and computer technologies, students receive a hands-on opportunity to develop knowledge and skills that could lead to future careers and businesses. Kanuikapono teaches future generations life-long skills to face the many challenges of this new millennium.

Other Notes: Exceeded State average in Reading Achievement.

High Needs Proficiency exceeded State average.

For the Readiness college-going and Achievement Gap gap reduction measures, data are missing or not used, which prevents the index score from being calculated normally.

* Participation penalty: Indicates school did not test 95% of its students and those students were added to the school's total to reach 95% test participation.

** Indicates that more than one year of data was used in order to create more reliable measures. At most three years of data were used.

† Indicates that because of the high performance of the school's HN students that it was exempted from gap rate in the Index calculation because it would receive a higher index score without achievement gap.

¹ Any School Improvement Grant (SIG) school implementing a school intervention model or high school with a high school graduation rate of less than 70% over three consecutive years (two for the first year of Strive HI) will not be classified as a Recognition or Continuous Improvement school (Strive HI FAQs. (2013, September 16). In Strive HI Performance System. Retrieved October 7, 2013).

² Schools that have small student populations have had data suppressed to protect student privacy and are marked as such. In some cases data are unavailable and are marked as such.

Financial Performance

Current Ratio Greater than or equal to 1.1	Enrollment Variance equals or exceeds 95% in the most recent year	Days Cash on Hand 60 days cash on hand	Total Margin is positive	Debt to Assets Ratio is less than .50	Cash Flow is positive	Unrestricted Fund Balance Percentage	Change in Total Fund Balance is positive
3.76	102.1%	10.33 days ³	-4% ³	58% ³	(35,253) ³	13% ³	(45,029) ³
Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard

Organizational Performance

3a) Is the school complying with governance requirements?		
Area of Compliance	PRELIMINARY ASSESSMENT	EVIDENCE OF COMPLIANCE
Governing Board Composition and membership pursuant to Chapter 302D, Hawaii Revised Statutes	Meets Standard	<ol style="list-style-type: none"> 1. Board member roster provided to Commission. 2. No more than 1/3 of board members are school employees or related.

³ Under the Commission’s 2-tiered Financial Performance Framework, this measure did not meet standard during preliminary review and further analysis was required. After such further analysis it was determined that the school is financially viable overall and this measure received a final rating of “Meets Standard.”

Hawaii State Public Charter School Commission – Annual Report 2013
Kawaikini New Century Public Charter School

Board Chairperson(s): Leilima Rapozo
 Director(s): Kaleimakamae Kaauiwai
 Phone Number: (808) 632-2032
 Authorized in: 2007
 School Type: High School
 Region: Kauai
 Grades: K-12
 Total Enrollment: 115
 % of SPED: 5%
 % of FRL: 77%
 % of ELL: 0%
 Accreditation: Candidate
 Index Score: 158
 Status: Continuous Improvement
 Automatic Trigger: None

Achievement

Achievement Reading: SUPPRESSED
 Achievement Reading SPED: SUPPRESSED
 Achievement Reading FRL: SUPPRESSED
 Achievement Reading ELL: SUPPRESSED
 Achievement Math: SUPPRESSED
 Achievement Math SPED: SUPPRESSED
 Achievement Math FRL: SUPPRESSED

Achievement Math ELL: SUPPRESSED
 Achievement Science: SUPPRESSED

Growth

Growth Reading: SUPPRESSED
 Growth Math: SUPPRESSED

Readiness

Readiness 11th ACT: SUPPRESSED
 Readiness Grad Rate: SUPPRESSED
 Readiness College-going Rate:
 SUPPRESSED

Gap

Gap High Needs: SUPPRESSED
 Gap Non High Needs: SUPPRESSED
 Gap Rate Reduction: SUPPRESSED
 Current Year Gap: SUPPRESSED

About this School

Mission: Kawaikini's program promotes a multi-faceted learning environment. It immerses the students in the language, values and traditions of Hawaiian culture and fosters an increased level of hands-on experiential learning. This innovative approach of project-based learning is among the most effective types of linguistic programs available in the U.S. and is free to Kaua'i students.

Other Notes: For the Achievement Gap gap reduction measure, data are missing or not used, which prevents the index score from being calculated normally.

* Participation penalty: Indicates school did not test 95% of its students and those students were added to the school's total to reach 95% test participation.

** Indicates that more than one year of data was used in order to create more reliable measures. At most three years of data were used.

† Indicates that because of the high performance of the school's HN students that it was exempted from gap rate in the Index calculation because it would receive a higher index score without achievement gap.

¹ Any School Improvement Grant (SIG) school implementing a school intervention model or high school with a high school graduation rate of less than 70% over three consecutive years (two for the first year of Strive HI) will not be classified as a Recognition or Continuous Improvement school (Strive HI FAQs. (2013, September 16). In Strive HI Performance System. Retrieved October 7, 2013).

² Schools that have small student populations have had data suppressed to protect student privacy and are marked as such. In some cases data are unavailable and are marked as such.

Financial Performance

Current Ratio Greater than or equal to 1.1	Enrollment Variance equals or exceeds 95% in the most recent year	Days Cash on Hand 60 days cash on hand	Total Margin is positive	Debt to Assets Ratio is less than .50	Cash Flow is positive	Unrestricted Fund Balance Percentage	Change in Total Fund Balance is positive
3.56	95.8%	55.92 days ³	59%	9%	(393,715) ³	116%	688,679
Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard

Organizational Performance

3a) Is the school complying with governance requirements?		
Area of Compliance	PRELIMINARY ASSESSMENT	EVIDENCE OF COMPLIANCE
Governing Board Composition and membership pursuant to Chapter 302D, Hawaii Revised Statutes	Meets Standard	<ol style="list-style-type: none"> 1. Board member roster provided to Commission. 2. No more than 1/3 of board members are school employees or related.

³ Under the Commission’s 2-tiered Financial Performance Framework, this measure did not meet standard during preliminary review and further analysis was required. After such further analysis it was determined that the school is financially viable overall and this measure received a final rating of “Meets Standard.”

Hawaii State Public Charter School Commission – Annual Report 2013
Ke Ana La’ahana PCS

Board Chairperson(s): Jason Cifra
 Director(s): Mapuana Waipa
 Phone Number: (808) 961-6228
 Authorized in: 2001
 School Type: High School
 Region: East Hawaii
 Grades: 7-12
 Total Enrollment: 55
 % of SPED: 16%
 % of FRL: 76%
 % of ELL: 0%
 Accreditation: Planning on Initiating
 Index Score: 147
 Status: Continuous Improvement
 Automatic Trigger: None

Achievement

Achievement Reading: SUPPRESSED
 Achievement Reading SPED: SUPPRESSED
 Achievement Reading FRL: SUPPRESSED
 Achievement Reading ELL: SUPPRESSED
 Achievement Math: SUPPRESSED
 Achievement Math SPED: SUPPRESSED
 Achievement Math FRL: SUPPRESSED

Achievement Math ELL: SUPPRESSED
 Achievement Science: SUPPRESSED

Growth

Growth Reading: SUPPRESSED
 Growth Math: SUPPRESSED

Readiness

Readiness 11th ACT: SUPPRESSED
 Readiness Grad Rate: SUPPRESSED
 Readiness College-going Rate:
 SUPPRESSED

Gap

Gap High Needs: SUPPRESSED
 Gap Non High Needs: SUPPRESSED
 Gap Rate Reduction: SUPPRESSED
 Current Year Gap: SUPPRESSED

About this School

Mission: The mission of Ke Ana La'Ahana is to recognize, nurture, and foster cultural identity and cultural awareness in an environment that has historical connections and lineal linkage to students. Students engage in critical thinking and demonstrate complete mastery of the academia for the future as a result of this educational program that is driven by family, community, and culture.

Other Notes: For the Achievement Gap gap reduction measure, data are missing or not used, which prevents the index score from being calculated normally.

* Participation penalty: Indicates school did not test 95% of its students and those students were added to the school’s total to reach 95% test participation.

** Indicates that more than one year of data was used in order to create more reliable measures. At most three years of data were used.

† Indicates that because of the high performance of the school’s HN students that it was exempted from gap rate in the Index calculation because it would receive a higher index score without achievement gap.

¹ Any School Improvement Grant (SIG) school implementing a school intervention model or high school with a high school graduation rate of less than 70% over three consecutive years (two for the first year of Strive HI) will not be classified as a Recognition or Continuous Improvement school (Strive HI FAQs. (2013, September 16). In Strive HI Performance System. Retrieved October 7, 2013).

² Schools that have small student populations have had data suppressed to protect student privacy and are marked as such. In some cases data are unavailable and are marked as such.

Financial Performance

Current Ratio Greater than or equal to 1.1	Enrollment Variance equals or exceeds 95% in the most recent year	Days Cash on Hand 60 days cash on hand	Total Margin is positive	Debt to Assets Ratio is less than .50	Cash Flow is positive	Unrestricted Fund Balance Percentage	Change in Total Fund Balance is positive
25.06	67.1% ³	414.55 days	13%	4%	(89,441) ³	149%	89,850
Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard

Organizational Performance

3a) Is the school complying with governance requirements?		
Area of Compliance	PRELIMINARY ASSESSMENT	EVIDENCE OF COMPLIANCE
Governing Board Composition and membership pursuant to Chapter 302D, Hawaii Revised Statutes	Meets Standard	<ol style="list-style-type: none"> 1. Board member roster provided to Commission. 2. No more than 1/3 of board members are school employees or related.

³ Under the Commission’s 2-tiered Financial Performance Framework, this measure did not meet standard during preliminary review and further analysis was required. After such further analysis it was determined that the school is financially viable overall and this measure received a final rating of “Meets Standard.”

Hawaii State Public Charter School Commission – Annual Report 2013
Ke Kula ‘o Nāwahīokalani‘ōpu‘u Iki, LPCS

Board Chairperson(s): Tricia Kehaulani Aipia-Peters
 Director(s): Kauanoe Kamana
 Phone Number: (808) 982-4260
 Authorized in: 2001
 School Type: Middle
 Region: East Hawaii
 Grades: K-8
 Total Enrollment: 265
 % of SPED: 1%
 % of FRL: 65%
 % of ELL: 0%
 Accreditation: Accredited
 Index Score: 20
 Status: Priority
 Automatic Trigger: Low Performance

Achievement

Achievement Reading: SUPPRESSED
 Achievement Reading SPED: SUPPRESSED
 Achievement Reading FRL: SUPPRESSED
 Achievement Reading ELL: SUPPRESSED
 Achievement Math: SUPPRESSED
 Achievement Math SPED: SUPPRESSED

Achievement Math FRL: SUPPRESSED
 Achievement Math ELL: SUPPRESSED
 Achievement Science: SUPPRESSED

Growth

Growth Reading: SUPPRESSED
 Growth Math: SUPPRESSED

Readiness

Readiness 8th ACT: SUPPRESSED

Gap

Gap High Needs: SUPPRESSED
 Gap High Needs Reading: SUPPRESSED
 Gap High Needs Math: SUPPRESSED
 Gap Non High Needs: SUPPRESSED
 Gap Non High Needs Reading: SUPPRESSED
 Gap Non High Needs Math: SUPPRESSED
 Gap Rate Reduction: SUPPRESSED
 Current Year Gap: SUPPRESSED

About this School

Mission: Educational Mission: Students of Ke Kula ‘O Nāwahīokalani‘ōpu‘u are educated upon a culturally Hawaiian foundation. This foundation is the basis upon which students are impelled to: bring honor to ancestors, to seek and attain knowledge to sustain family, contribute to the well-being and flourishing of the Hawaiian language and culture; and contribute to the quality of life in Hawai‘i.

Other Notes: For the Readiness 8th ACT and Achievement Gap gap reduction measures, data are missing or not used, which prevents the index score from being calculated normally.

* Participation penalty: Indicates school did not test 95% of its students and those students were added to the school’s total to reach 95% test participation.

** Indicates that more than one year of data was used in order to create more reliable measures. At most three years of data were used.

† Indicates that because of the high performance of the school’s HN students that it was exempted from gap rate in the Index calculation because it would receive a higher index score without achievement gap.

¹ Any School Improvement Grant (SIG) school implementing a school intervention model or high school with a high school graduation rate of less than 70% over three consecutive years (two for the first year of Strive HI) will not be classified as a Recognition or Continuous Improvement school (Strive HI FAQs. (2013, September 16). In Strive HI Performance System. Retrieved October 7, 2013).

² Schools that have small student populations have had data suppressed to protect student privacy and are marked as such. In some cases data are unavailable and are marked as such.

Financial Performance

Current Ratio Greater than or equal to 1.1	Enrollment Variance equals or exceeds 95% in the most recent year	Days Cash on Hand 60 days cash on hand	Total Margin is positive	Debt to Assets Ratio is less than .50	Cash Flow is positive	Unrestricted Fund Balance Percentage	Change in Total Fund Balance is positive
53.3	96.4%	241.25 days	11%	2%	(95,063) ³	84%	231,098
Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard

Organizational Performance

3a) Is the school complying with governance requirements?		
Area of Compliance	PRELIMINARY ASSESSMENT	EVIDENCE OF COMPLIANCE
Governing Board Composition and membership pursuant to Chapter 302D, Hawaii Revised Statutes	Meets Standard	<ol style="list-style-type: none"> 1. Board member roster provided to Commission. 2. No more than 1/3 of board members are school employees or related.

³ Under the Commission’s 2-tiered Financial Performance Framework, this measure did not meet standard during preliminary review and further analysis was required. After such further analysis it was determined that the school is financially viable overall and this measure received a final rating of “Meets Standard.”

Hawaii State Public Charter School Commission – Annual Report 2013
Ke Kula ‘o Samuel M. Kamakau, LPCS

Board Chairperson(s): Kehau Glassco
 Director(s): Meahilhila Kelling
 Phone Number: (808) 235-9175
 Authorized in: 2001
 School Type: High School
 Region: Windward Oahu
 Grades: PreK-12
 Total Enrollment: 134
 % of SPED: 0%
 % of FRL: 53%
 % of ELL: 0%
 Accreditation: Accredited
 Index Score: 173
 Status: Continuous Improvement
 Automatic Trigger: None

Achievement

Achievement Reading: SUPPRESSED
 Achievement Reading SPED: SUPPRESSED
 Achievement Reading FRL: SUPPRESSED
 Achievement Reading ELL: SUPPRESSED
 Achievement Math: SUPPRESSED
 Achievement Math SPED: SUPPRESSED
 Achievement Math FRL: SUPPRESSED

Achievement Math ELL: SUPPRESSED
 Achievement Science: SUPPRESSED

Growth

Growth Reading: SUPPRESSED
 Growth Math: SUPPRESSED

Readiness

Readiness 11th ACT: SUPPRESSED
 Readiness Grad Rate: SUPPRESSED
 Readiness College-going Rate:
 SUPPRESSED

Gap

Gap High Needs: SUPPRESSED
 Gap Non High Needs: SUPPRESSED
 Gap Rate Reduction: SUPPRESSED
 Current Year Gap: SUPPRESSED

About this School

Mission: The mission of Ke Kula 'o Samuel Kamakau PCS is to foster success for all members of the learning community by providing a culturally healthy and responsive learning environment.
 Other Notes:

* Participation penalty: Indicates school did not test 95% of its students and those students were added to the school's total to reach 95% test participation.

** Indicates that more than one year of data was used in order to create more reliable measures. At most three years of data were used.

† Indicates that because of the high performance of the school's HN students that it was exempted from gap rate in the Index calculation because it would receive a higher index score without achievement gap.

¹ Any School Improvement Grant (SIG) school implementing a school intervention model or high school with a high school graduation rate of less than 70% over three consecutive years (two for the first year of Strive HI) will not be classified as a Recognition or Continuous Improvement school (Strive HI FAQs. (2013, September 16). In Strive HI Performance System. Retrieved October 7, 2013).

² Schools that have small student populations have had data suppressed to protect student privacy and are marked as such. In some cases data are unavailable and are marked as such.

Financial Performance

Current Ratio Greater than or equal to 1.1	Enrollment Variance equals or exceeds 95% in the most recent year	Days Cash on Hand 60 days cash on hand	Total Margin is positive	Debt to Assets Ratio is less than .50	Cash Flow is positive	Unrestricted Fund Balance Percentage	Change in Total Fund Balance is positive
13.78	87.0% ³	178.98 days	-1% ³	7%	343,991	89%	(9,185) ³
Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard

Organizational Performance

3a) Is the school complying with governance requirements?		
Area of Compliance	PRELIMINARY ASSESSMENT	EVIDENCE OF COMPLIANCE
Governing Board Composition and membership pursuant to Chapter 302D, Hawaii Revised Statutes	Meets Standard	<ol style="list-style-type: none"> 1. Board member roster provided to Commission. 2. No more than 1/3 of board members are school employees or related.

³ Under the Commission’s 2-tiered Financial Performance Framework, this measure did not meet standard during preliminary review and further analysis was required. After such further analysis it was determined that the school is financially viable overall and this measure received a final rating of “Meets Standard.”

Hawaii State Public Charter School Commission – Annual Report 2013
Ke Kula Niihau o Kekaha Learning Center

Board Chairperson(s): Dana Kaohelaulii
 Director(s): Haunani Seward
 Phone Number: (808) 337-0481
 Authorized in: 2001
 School Type: High School
 Region: Kauai
 Grades: K-12
 Total Enrollment: 38
 % of SPED: 8%
 % of FRL: 95%
 % of ELL: 31%
 Accreditation: Candidate
 Index Score: 17
 Status: Priority
 Automatic Trigger: Low Performance

Achievement

Achievement Reading: SUPPRESSED
 Achievement Reading SPED: SUPPRESSED
 Achievement Reading FRL: SUPPRESSED
 Achievement Reading ELL: SUPPRESSED
 Achievement Math: SUPPRESSED
 Achievement Math SPED: SUPPRESSED
 Achievement Math FRL: SUPPRESSED

Achievement Math ELL: SUPPRESSED
 Achievement Science: SUPPRESSED

Growth

Growth Reading: SUPPRESSED
 Growth Math: SUPPRESSED

Readiness

Readiness 11th ACT: SUPPRESSED
 Readiness Grad Rate: SUPPRESSED
 Readiness College-going Rate:
 SUPPRESSED

Gap

Gap High Needs: SUPPRESSED
 Gap Non High Needs: SUPPRESSED
 Gap Non High Needs Reading:
 SUPPRESSED
 Gap Non High Needs Math: SUPPRESSED
 Gap Rate Reduction: SUPPRESSED
 Current Year Gap: SUPPRESSED

About this School

Mission: The mission of Ke Kula Niihau O Kekaha is to perpetuate and strengthen the language and culture of Niihau among the children and youth of the Niihau community living on Kaua`i, as well as meet the special needs of this community by providing an education which results in a positive attitude toward a life-long search for knowledge and prepares students for success in today's world of rapid change and technology.

Other Notes: For the Readiness college-going and Achievement Gap gap reduction measures, data are missing or not used, which prevents the index score from being calculated normally.

* Participation penalty: Indicates school did not test 95% of its students and those students were added to the school's total to reach 95% test participation.

** Indicates that more than one year of data was used in order to create more reliable measures. At most three years of data were used.

† Indicates that because of the high performance of the school's HN students that it was exempted from gap rate in the Index calculation because it would receive a higher index score without achievement gap.

¹ Any School Improvement Grant (SIG) school implementing a school intervention model or high school with a high school graduation rate of less than 70% over three consecutive years (two for the first year of Strive HI) will not be classified as a Recognition or Continuous Improvement school (Strive HI FAQs. (2013, September 16). In Strive HI Performance System. Retrieved October 7, 2013).

² Schools that have small student populations have had data suppressed to protect student privacy and are marked as such. In some cases data are unavailable and are marked as such.

Financial Performance

Current Ratio Greater than or equal to 1.1	Enrollment Variance equals or exceeds 95% in the most recent year	Days Cash on Hand 60 days cash on hand	Total Margin is positive	Debt to Assets Ratio is less than .50	Cash Flow is positive	Unrestricted Fund Balance Percentage	Change in Total Fund Balance is positive
20.9	95.0%	165.59 days	-13% ³	2%	(81,940) ³	52%	(83,180) ³
Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard

Organizational Performance

3a) Is the school complying with governance requirements?		
Area of Compliance	PRELIMINARY ASSESSMENT	EVIDENCE OF COMPLIANCE
Governing Board Composition and membership pursuant to Chapter 302D, Hawaii Revised Statutes	Meets Standard	<ol style="list-style-type: none"> 1. Board member roster provided to Commission. 2. School received an exemption pursuant to Section 302D-12(b)

³ Under the Commission’s 2-tiered Financial Performance Framework, this measure did not meet standard during preliminary review and further analysis was required. After such further analysis it was determined that the school is financially viable overall and this measure received a final rating of “Meets Standard.”

Hawaii State Public Charter School Commission – Annual Report 2013
Kihei Charter School

Board Chairperson(s): Steve Perkins
 Director(s): George Winterscheid
 Phone Number: (808) 875-0700
 Authorized in: 2001
 School Type: High School
 Region: Maui
 Grades: K-12
 Total Enrollment: 578
 % of SPED: 4%
 % of FRL: 28%
 % of ELL: 0%
 Accreditation: Accredited
 Index Score: 235
 Status: Focus
 Automatic Trigger: Low Grad Rate

Achievement

Achievement Reading: 91%
 Achievement Reading SPED: 46%
 Achievement Reading FRL: 89%
 Achievement Reading ELL: 100%
 Achievement Math: 68%
 Achievement Math SPED: 23%
 Achievement Math FRL: 64%

Achievement Math ELL: 100%
 Achievement Science: 63%

Growth

Growth Reading: 50%
 Growth Math: 49%

Readiness

Readiness 11th ACT: No Data
 Readiness Grad Rate: 51%
 Readiness College-going Rate: 61%

Gap

Gap High Needs: 73%
 Gap Non High Needs: 83%
 Gap Rate Reduction: 26%
 Current Year Gap: 13%

About this School

Mission: Kihei CS (KCS) is an Essential School that focuses on 21st century skills. Our educational programs are characterized by student-centered learning, personalization, integration, authentic performance-based assessment, experiential education, and project-based learning. KCS is a community-based school that utilizes the unique resources of Maui to create innovative, creative, independent, and life-long learners who are engaged citizens committed to affecting positive change in their community.

Other Notes: Exceeded State average in Math, Reading, and Science Achievement. High Needs Proficiency exceeded State average. For the Readiness 11th ACT measure, data are missing or not used, which prevents the index score from being calculated normally. Moved up one step from Priority to Focus due to graduation rate rule.

* Participation penalty: Indicates school did not test 95% of its students and those students were added to the school's total to reach 95% test participation.

** Indicates that more than one year of data was used in order to create more reliable measures. At most three years of data were used.

† Indicates that because of the high performance of the school's HN students that it was exempted from gap rate in the Index calculation because it would receive a higher index score without achievement gap.

¹ Any School Improvement Grant (SIG) school implementing a school intervention model or high school with a high school graduation rate of less than 70% over three consecutive years (two for the first year of Strive HI) will not be classified as a Recognition or Continuous Improvement school (Strive HI FAQs. (2013, September 16). In Strive HI Performance System. Retrieved October 7, 2013).

² Schools that have small student populations have had data suppressed to protect student privacy and are marked as such. In some cases data are unavailable and are marked as such.

Financial Performance

Current Ratio Greater than or equal to 1.1	Enrollment Variance equals or exceeds 95% in the most recent year	Days Cash on Hand 60 days cash on hand	Total Margin is positive	Debt to Assets Ratio is less than .50	Cash Flow is positive	Unrestricted Fund Balance Percentage	Change in Total Fund Balance is positive
18.13	96.3%	167.83	3%	5%	178,937	14% ³	110,717
Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard

Organizational Performance

3a) Is the school complying with governance requirements?		
Area of Compliance	PRELIMINARY ASSESSMENT	EVIDENCE OF COMPLIANCE
Governing Board Composition and membership pursuant to Chapter 302D, Hawaii Revised Statutes	Meets Standard	<ol style="list-style-type: none"> 1. Board member roster provided to Commission. 2. No more than 1/3 of board members are school employees or related.

³ Under the Commission’s 2-tiered Financial Performance Framework, this measure did not meet standard during preliminary review and further analysis was required. After such further analysis it was determined that the school is financially viable overall and this measure received a final rating of “Meets Standard.”

Hawaii State Public Charter School Commission – Annual Report 2013
Kona Pacific Public Charter School

Board Chairperson(s): Cecilia Royale
 Director(s): Usha Kotner
 Phone Number: (808) 322-4900
 Authorized in: 2007
 School Type: Middle
 Region: West Hawaii
 Grades: K-8
 Total Enrollment: 234
 % of SPED: 5%
 % of FRL: 57%
 % of ELL: 3%
 Accreditation: Planning on Initiating
 Index Score: 125
 Status: Continuous Improvement
 Automatic Trigger: None

Achievement

Achievement Reading: 69%
 Achievement Reading SPED: 0%
 Achievement Reading FRL: 67%
 Achievement Reading ELL: 33%
 Achievement Math: 28%
 Achievement Math SPED: 0%
 Achievement Math FRL: 13%

Achievement Math ELL: 0%
 Achievement Science: 40%

Growth

Growth Reading: 32%
 Growth Math: 34%

Readiness

Readiness 8th ACT: 15.5

Gap

Gap High Needs: 38%
 Gap Non High Needs: 63%
 Gap Rate Reduction: -165%
 Current Year Gap: 41%

About this School

Mission: The mission of Kona Pacific PCS is to educate the whole child, in order to cultivate in young people the skills, knowledge, and values needed to reach her or his highest potential.

Other Notes: Exceeded State average in Science Achievement.

* Participation penalty: Indicates school did not test 95% of its students and those students were added to the school's total to reach 95% test participation.

** Indicates that more than one year of data was used in order to create more reliable measures. At most three years of data were used.

† Indicates that because of the high performance of the school's HN students that it was exempted from gap rate in the Index calculation because it would receive a higher index score without achievement gap.

¹ Any School Improvement Grant (SIG) school implementing a school intervention model or high school with a high school graduation rate of less than 70% over three consecutive years (two for the first year of Strive HI) will not be classified as a Recognition or Continuous Improvement school (Strive HI FAQs. (2013, September 16). In Strive HI Performance System. Retrieved October 7, 2013).

² Schools that have small student populations have had data suppressed to protect student privacy and are marked as such. In some cases data are unavailable and are marked as such.

Financial Performance

Current Ratio Greater than or equal to 1.1	Enrollment Variance equals or exceeds 95% in the most recent year	Days Cash on Hand 60 days cash on hand	Total Margin is positive	Debt to Assets Ratio is less than .50	Cash Flow is positive	Unrestricted Fund Balance Percentage	Change in Total Fund Balance is positive
1.84	101.3%	38.58 days	2%	51% ³	5,235	8% ³	28,598
Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard

Organizational Performance

3a) Is the school complying with governance requirements?		
Area of Compliance	PRELIMINARY ASSESSMENT	EVIDENCE OF COMPLIANCE
Governing Board Composition and membership pursuant to Chapter 302D, Hawaii Revised Statutes	Meets Standard	<ol style="list-style-type: none"> 1. Board member roster provided to Commission. 2. No more than 1/3 of board members are school employees or related.

³ Under the Commission’s 2-tiered Financial Performance Framework, this measure did not meet standard during preliminary review and further analysis was required. After such further analysis it was determined that the school is financially viable overall and this measure received a final rating of “Meets Standard.”

Hawaii State Public Charter School Commission – Annual Report 2013
Kua o ka Lā New Century Public Charter School

Board Chairperson(s): Kaimi Kaupiko
 Director(s): Susie Osborne
 Phone Number: (808) 965-5098
 Authorized in: 2001
 School Type: High School
 Region: East Hawaii
 Grades: K-12
 Total Enrollment: 252
 % of SPED: 10%
 % of FRL: 58%
 % of ELL: 3%
 Accreditation: Candidate
 Index Score: 135
 Status: Continuous Improvement
 Automatic Trigger: None

Achievement

Achievement Reading: SUPPRESSED
 Achievement Reading SPED: SUPPRESSED
 Achievement Reading FRL: SUPPRESSED
 Achievement Reading ELL: SUPPRESSED
 Achievement Math: SUPPRESSED
 Achievement Math SPED: SUPPRESSED
 Achievement Math FRL: SUPPRESSED

Achievement Math ELL: SUPPRESSED
 Achievement Science: SUPPRESSED

Growth

Growth Reading: SUPPRESSED
 Growth Math: SUPPRESSED

Readiness

Readiness 11th ACT: SUPPRESSED
 Readiness Grad Rate: SUPPRESSED
 Readiness College-going Rate:
 SUPPRESSED

Gap

Gap High Needs: SUPPRESSED
 Gap Non High Needs: SUPPRESSED
 Gap Rate Reduction: SUPPRESSED
 Current Year Gap: SUPPRESSED

About this School

Mission: The mission of Kua o ka La is to provide Ka Pae 'Aina o Hawai'i, through Hawaiian values, with the knowledge, skills, and place-based educational opportunities that prepare receptive, responsive, and self-sustaining individuals that live "ke ala pono" (positive pilina 'aina, pilina kanaka, and pilina 'uhane).

Other Notes: For the Achievement Gap gap reduction measure, data are missing or not used, which prevents the index score from being calculated normally. Moved up one step from Focus to continuous Improvement due to change in number of Focus schools.

* Participation penalty: Indicates school did not test 95% of its students and those students were added to the school's total to reach 95% test participation.

** Indicates that more than one year of data was used in order to create more reliable measures. At most three years of data were used.

† Indicates that because of the high performance of the school's HN students that it was exempted from gap rate in the Index calculation because it would receive a higher index score without achievement gap.

¹ Any School Improvement Grant (SIG) school implementing a school intervention model or high school with a high school graduation rate of less than 70% over three consecutive years (two for the first year of Strive HI) will not be classified as a Recognition or Continuous Improvement school (Strive HI FAQs. (2013, September 16). In Strive HI Performance System. Retrieved October 7, 2013).

² Schools that have small student populations have had data suppressed to protect student privacy and are marked as such. In some cases data are unavailable and are marked as such.

Financial Performance

Current Ratio Greater than or equal to 1.1	Enrollment Variance equals or exceeds 95% in the most recent year	Days Cash on Hand 60 days cash on hand	Total Margin is positive	Debt to Assets Ratio is less than .50	Cash Flow is positive	Unrestricted Fund Balance Percentage	Change in Total Fund Balance is positive
9.74	109.6%	93.96 days	15%	10%	275,259	50%	344,839
Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard

Organizational Performance

3a) Is the school complying with governance requirements?		
Area of Compliance	PRELIMINARY ASSESSMENT	EVIDENCE OF COMPLIANCE
Governing Board Composition and membership pursuant to Chapter 302D, Hawaii Revised Statutes	Meets Standard	<ol style="list-style-type: none"> 1. Board member roster provided to Commission. 2. No more than 1/3 of board members are school employees or related.

Hawaii State Public Charter School Commission – Annual Report 2013
Kualapu‘u School: A Public Conversion Charter

Board Chairperson(s): Pauline Lo Bailey
 Director(s): Lydia Trinidad
 Phone Number: (808) 567-6900
 Authorized in: 2004
 School Type: Elementary
 Region: Molokai
 Grades: PreK-6
 Total Enrollment: 377
 % of SPED: 6%
 % of FRL: 82%
 % of ELL: 2%
 Accreditation: Accredited
 Index Score: 290
 Status: Continuous Improvement
 Automatic Trigger: None

Achievement

Achievement Reading: 60%
 Achievement Reading SPED: 13%
 Achievement Reading FRL: 56%
 Achievement Reading ELL: 0%
 Achievement Math: 62%
 Achievement Math SPED: 20%
 Achievement Math FRL: 62%

Achievement Math ELL: 0%
 Achievement Science: 29%

Growth

Growth Reading: 61%
 Growth Math: 61%

Readiness

Readiness Chronic Absenteeism: 20%

Gap

Gap High Needs: 58%
 Gap Non High Needs: 74%
 Gap Rate Reduction: 16%
 Current Year Gap: 21%

About this School

Mission: Kualapu'u School is an elementary school on Moloka'i that promotes academic learning while placing emphasis on the cultural experiences of a rural community. Students become independent but caring individuals. The goal of Kualapu'u Public Conversion Charter School, of a little less than 400 students, is to create life-long learners. Kualapu'u seeks to encourage bridging school with the home.

Other Notes: Exceeded State average in Math Achievement. High Needs Proficiency exceeded State average. Upon Strive HI revision, no change in status or index score, but school informed of chronic absenteeism data.

* Participation penalty: Indicates school did not test 95% of its students and those students were added to the school's total to reach 95% test participation.

** Indicates that more than one year of data was used in order to create more reliable measures. At most three years of data were used.

† Indicates that because of the high performance of the school's HN students that it was exempted from gap rate in the Index calculation because it would receive a higher index score without achievement gap.

¹ Any School Improvement Grant (SIG) school implementing a school intervention model or high school with a high school graduation rate of less than 70% over three consecutive years (two for the first year of Strive HI) will not be classified as a Recognition or Continuous Improvement school (Strive HI FAQs. (2013, September 16). In Strive HI Performance System. Retrieved October 7, 2013).

² Schools that have small student populations have had data suppressed to protect student privacy and are marked as such. In some cases data are unavailable and are marked as such.

Financial Performance

Current Ratio Greater than or equal to 1.1	Enrollment Variance equals or exceeds 95% in the most recent year	Days Cash on Hand 60 days cash on hand	Total Margin is positive	Debt to Assets Ratio is less than .50	Cash Flow is positive	Unrestricted Fund Balance Percentage	Change in Total Fund Balance is positive
5.1	96.9%	149.51 days	-44% ³	5%	(212,140) ³	168%	(1,231,173) ³
Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard

Organizational Performance

3a) Is the school complying with governance requirements?		
Area of Compliance	PRELIMINARY ASSESSMENT	EVIDENCE OF COMPLIANCE
Governing Board Composition and membership pursuant to Chapter 302D, Hawaii Revised Statutes	Meets Standard	<ol style="list-style-type: none"> 1. Board member roster provided to Commission. 2. No more than 1/3 of board members are school employees or related.

³ Under the Commission’s 2-tiered Financial Performance Framework, this measure did not meet standard during preliminary review and further analysis was required. After such further analysis it was determined that the school is financially viable overall and this measure received a final rating of “Meets Standard.”

Hawaii State Public Charter School Commission – Annual Report 2013
Kula Aupuni Niihau A Kahelelani Aloha (KANAKA) A New Century Public Charter School (PCS)

Board Chairperson(s): Lauae Kanahele
 Director(s): Hedy Sullivan
 Phone Number: (808) 337-2022
 Authorized in: 2001
 School Type: High School
 Region: Kauai
 Grades: K-12
 Total Enrollment: 64
 % of SPED: 10%
 % of FRL: 94%
 % of ELL: 42%
 Accreditation: Accredited
 Index Score: 238
 Status: Continuous Improvement
 Automatic Trigger: None

Achievement

Achievement Reading: SUPPRESSED
 Achievement Reading SPED: SUPPRESSED
 Achievement Reading FRL: SUPPRESSED
 Achievement Reading ELL: SUPPRESSED
 Achievement Math: SUPPRESSED
 Achievement Math SPED: SUPPRESSED
 Achievement Math FRL: SUPPRESSED
 Achievement Math ELL: SUPPRESSED

Achievement Science: SUPPRESSED

Growth

Growth Reading: SUPPRESSED
 Growth Math: SUPPRESSED

Readiness

Readiness 11th ACT: SUPPRESSED
 Readiness Grad Rate: SUPPRESSED
 Readiness College-going Rate:
 SUPPRESSED

Gap

Gap High Needs: SUPPRESSED
 Gap Non High Needs: SUPPRESSED
 Gap Rate Reduction: SUPPRESSED
 Current Year Gap: SUPPRESSED

About this School

Mission: Kula Aupuni Niihau A Kahelelani Aloha (KANAKA) uses place-based and project-based learning to reinforce Hawaiian cultural values.

Technology is blended with traditional learning techniques to increase English, language arts, mathematics, science and social studies skills. The school provides focus on learning through community-based multidisciplinary education with an emphasis on the acquisition of English (reading and writing skills) while sustaining the Hawaiian language and culture. It is the school's mission to raise the level of student involvement in community related activities and issues, including economics and governmental affairs so they may be prepared to deliver appropriate and influential representation of this indigenous population in matters that affect their lives and the lives of generations to come.

Other Notes: High Needs Proficiency exceeded State average. Readiness 11th ACT and college going and Achievement Gap Non High-Needs proficiency and gap reduction measures, data are missing or not used, which prevents the index score from being calculated normally.

* Participation penalty: Indicates school did not test 95% of its students and those students were added to the school's total to reach 95% test participation.

** Indicates that more than one year of data was used in order to create more reliable measures. At most three years of data were used.

† Indicates that because of the high performance of the school's HN students that it was exempted from gap rate in the Index calculation because it would receive a higher index score without achievement gap.

¹ Any School Improvement Grant (SIG) school implementing a school intervention model or high school with a high school graduation rate of less than 70% over three consecutive years (two for the first year of Strive HI) will not be classified as a Recognition or Continuous Improvement school (Strive HI FAQs. (2013, September 16). In Strive HI Performance System. Retrieved October 7, 2013).

² Schools that have small student populations have had data suppressed to protect student privacy and are marked as such. In some cases data are unavailable and are marked as such.

Financial Performance

Current Ratio Greater than or equal to 1.1	Enrollment Variance equals or exceeds 95% in the most recent year	Days Cash on Hand 60 days cash on hand	Total Margin is positive	Debt to Assets Ratio is less than .50	Cash Flow is positive	Unrestricted Fund Balance Percentage	Change in Total Fund Balance is positive
12.48	85.3% ³	175.33 days	2%	7%	8,802	23% ³	16,560
Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard

Organizational Performance

3a) Is the school complying with governance requirements?		
Area of Compliance	PRELIMINARY ASSESSMENT	EVIDENCE OF COMPLIANCE
Governing Board Composition and membership pursuant to Chapter 302D, Hawaii Revised Statutes	Meets Standard	<ol style="list-style-type: none"> 1. Board member roster provided to Commission. 2. School received an exemption pursuant to Section 302D-12(b)

³ Under the Commission’s 2-tiered Financial Performance Framework, this measure did not meet standard during preliminary review and further analysis was required. After such further analysis it was determined that the school is financially viable overall and this measure received a final rating of “Meets Standard.”

Hawaii State Public Charter School Commission – Annual Report 2013
Lanikai Elementary Public Charter School

Board Chairperson(s): Todd Cullison
 Director(s): Ed Noh
 Phone Number: (808) 266-7844
 Authorized in: 1996
 School Type: Elementary
 Region: Windward Oahu
 Grades: K-6
 Total Enrollment: 343
 % of SPED: 5%
 % of FRL: 17%
 % of ELL: 1%
 Accreditation: Accredited
 Index Score: 251
 Status: Continuous Improvement
 Automatic Trigger: None

Achievement

Achievement Reading: 91%
 Achievement Reading SPED: 50%
 Achievement Reading FRL: 75%
 Achievement Reading ELL: Unavailable
 Achievement Math: 86%
 Achievement Math SPED: 29%
 Achievement Math FRL: 81%

Achievement Math ELL: Unavailable
 Achievement Science: 89%

Growth

Growth Reading: 51%
 Growth Math: 54%

Readiness

Readiness Chronic Absenteeism: 12%

Gap

Gap High Needs: 69%
 Gap Non High Needs: 95%
 Gap Rate Reduction: -4%
 Current Year Gap: 28%†

About this School

Mission: The mission of Lanikai School embodies three closely related goals: 1. To prepare students to become active, productive and contributing participants in a democratic society; 2. To develop responsible, caring, and capable life-long learners committed to continuous improvement in themselves and their expanding communities. 3. To enable students to achieve the Expected School-wide Learning Results.

Other Notes: Exceeded State average in Math, Reading, and Science Achievement. High Needs Proficiency exceeded State average. Upon Strive HI revision, no change in status or index score, but school informed of chronic absenteeism data.

* Participation penalty: Indicates school did not test 95% of its students and those students were added to the school's total to reach 95% test participation.

** Indicates that more than one year of data was used in order to create more reliable measures. At most three years of data were used.

† Indicates that because of the high performance of the school's HN students that it was exempted from gap rate in the Index calculation because it would receive a higher index score without achievement gap.

¹ Any School Improvement Grant (SIG) school implementing a school intervention model or high school with a high school graduation rate of less than 70% over three consecutive years (two for the first year of Strive HI) will not be classified as a Recognition or Continuous Improvement school (Strive HI FAQs. (2013, September 16). In Strive HI Performance System. Retrieved October 7, 2013).

² Schools that have small student populations have had data suppressed to protect student privacy and are marked as such. In some cases data are unavailable and are marked as such.

Financial Performance

Current Ratio Greater than or equal to 1.1	Enrollment Variance equals or exceeds 95% in the most recent year	Days Cash on Hand 60 days cash on hand	Total Margin is positive	Debt to Assets Ratio is less than .50	Cash Flow is positive	Unrestricted Fund Balance Percentage	Change in Total Fund Balance is positive
5.91	106.2%	222.47 days	5%	12%	(27,133) ³	59%	116,853
Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard

Organizational Performance

3a) Is the school complying with governance requirements?		
Area of Compliance	PRELIMINARY ASSESSMENT	EVIDENCE OF COMPLIANCE
Governing Board Composition and membership pursuant to Chapter 302D, Hawaii Revised Statutes	Meets Standard	<ol style="list-style-type: none"> 1. Board member roster provided to Commission. 2. No more than 1/3 of board members are school employees or related.

Hawaii State Public Charter School Commission – Annual Report 2013
Laupahoehoe Community Public Charter School

Board Chairperson(s): George Martin
 Director(s): David Rizor
 Phone Number: (808) 938-3688
 Authorized in: 2011
 School Type: High School
 Region: East Hawaii
 Grades: PreK-12
 Total Enrollment: 199
 % of SPED: 19%
 % of FRL: 67%
 % of ELL: 8%
 Accreditation: Accredited
 Index Score: 202
 Status: Focus
 Automatic Trigger: Large Grad Gap

Achievement

Achievement Reading: SUPPRESSED
 Achievement Reading SPED: SUPPRESSED
 Achievement Reading FRL: SUPPRESSED
 Achievement Reading ELL: SUPPRESSED
 Achievement Math: SUPPRESSED
 Achievement Math SPED: SUPPRESSED
 Achievement Math FRL: SUPPRESSED

Achievement Math ELL: SUPPRESSED
 Achievement Science: SUPPRESSED

Growth

Growth Reading: SUPPRESSED
 Growth Math: SUPPRESSED

Readiness

Readiness 11th ACT: SUPPRESSED
 Readiness Grad Rate: SUPPRESSED
 Readiness College-going Rate:
 SUPPRESSED

Gap

Gap High Needs: SUPPRESSED
 Gap Non High Needs: SUPPRESSED
 Gap Rate Reduction: SUPPRESSED
 Current Year Gap: SUPPRESSED

About this School

Mission: The mission of Laupahoehoe is to emphasize hands-on learning and academic success where every student is known and valued, using community partnerships and resources while instilling traditional cultural values.

* Participation penalty: Indicates school did not test 95% of its students and those students were added to the school's total to reach 95% test participation.

** Indicates that more than one year of data was used in order to create more reliable measures. At most three years of data were used.

† Indicates that because of the high performance of the school's HN students that it was exempted from gap rate in the Index calculation because it would receive a higher index score without achievement gap.

¹ Any School Improvement Grant (SIG) school implementing a school intervention model or high school with a high school graduation rate of less than 70% over three consecutive years (two for the first year of Strive HI) will not be classified as a Recognition or Continuous Improvement school (Strive HI FAQs. (2013, September 16). In Strive HI Performance System. Retrieved October 7, 2013).

² Schools that have small student populations have had data suppressed to protect student privacy and are marked as such. In some cases data are unavailable and are marked as such.

Financial Performance

Current Ratio Greater than or equal to 1.1	Enrollment Variance equals or exceeds 95% in the most recent year	Days Cash on Hand 60 days cash on hand	Total Margin is positive	Debt to Assets Ratio is less than .50	Cash Flow is positive	Unrestricted Fund Balance Percentage	Change in Total Fund Balance is positive
2.75	N/A	71.06 days	18%	31%	302,642	16%	352,768
Meets Standard	N/A	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard

Organizational Performance

3a) Is the school complying with governance requirements?		
Area of Compliance	PRELIMINARY ASSESSMENT	EVIDENCE OF COMPLIANCE
Governing Board Composition and membership pursuant to Chapter 302D, Hawaii Revised Statutes	Meets Standard	<ol style="list-style-type: none"> 1. Board member roster provided to Commission. 2. No more than 1/3 of board members are school employees or related.

³ Under the Commission’s 2-tiered Financial Performance Framework, this measure did not meet standard during preliminary review and further analysis was required. After such further analysis it was determined that the school is financially viable overall and this measure received a final rating of “Meets Standard.”

Hawaii State Public Charter School Commission – Annual Report 2013
Myron B. Thompson Academy

Board Chairperson(s): Malia Chow
Myron Thompson
Director(s): Diana Oshiro
Phone Number: (808) 441-8001
Authorized in: 2001
School Type: High School
Region: Honolulu (online)
Grades: K-12
Total Enrollment: 442
% of SPED: 1%
% of FRL: 34%
% of ELL: 0%
Accreditation: Accredited
Index Score: 297
Status: Continuous Improvement
Automatic Trigger: None

Achievement

Achievement Reading: 95%
Achievement Reading SPED: Unavailable
Achievement Reading FRL: 91%
Achievement Reading ELL: Unavailable
Achievement Math: 65%
Achievement Math SPED: Unavailable

Achievement Math FRL: 51%
Achievement Math ELL: Unavailable
Achievement Science: 64%

Growth

Growth Reading: 51%
Growth Math: 54%

Readiness

Readiness 11th ACT: 65%
Readiness Grad Rate: 94%
Readiness College-going Rate: 77%

Gap

Gap High Needs: 71%
Gap Non High Needs: 85%
Gap Rate Reduction: -239%
Current Year Gap: 17%†

About this School

Mission: The mission of Myron B. Thompson Academy is to provide a rigorous, engaging learning environment in which all learners accept responsibility for their learning, work together, are involved in complex problem solving, recognize and produce quality work and communicate effectively.

Other Notes: Ranked #2 of all public high schools on the Strive HI Index. Ranked #3 of all charter schools on the Strive HI Index. Exceeded State average in Math, Reading, and Science Achievement. High Needs Proficiency exceeded State average.

* Participation penalty: Indicates school did not test 95% of its students and those students were added to the school's total to reach 95% test participation.

** Indicates that more than one year of data was used in order to create more reliable measures. At most three years of data were used.

† Indicates that because of the high performance of the school's HN students that it was exempted from gap rate in the Index calculation because it would receive a higher index score without achievement gap.

¹ Any School Improvement Grant (SIG) school implementing a school intervention model or high school with a high school graduation rate of less than 70% over three consecutive years (two for the first year of Strive HI) will not be classified as a Recognition or Continuous Improvement school (Strive HI FAQs. (2013, September 16). In Strive HI Performance System. Retrieved October 7, 2013).

² Schools that have small student populations have had data suppressed to protect student privacy and are marked as such. In some cases data are unavailable and are marked as such.

Financial Performance

Current Ratio Greater than or equal to 1.1	Enrollment Variance equals or exceeds 95% in the most recent year	Days Cash on Hand 60 days cash on hand	Total Margin is positive	Debt to Assets Ratio is less than .50	Cash Flow is positive	Unrestricted Fund Balance Percentage	Change in Total Fund Balance is positive
15.49	98.4%	407.63 days	-29% ³	6%	(964,309) ³	105%	(842,552) ³
Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard

Organizational Performance

3a) Is the school complying with governance requirements?		
Area of Compliance	PRELIMINARY ASSESSMENT	EVIDENCE OF COMPLIANCE
Governing Board Composition and membership pursuant to Chapter 302D, Hawaii Revised Statutes	Meets Standard	<ol style="list-style-type: none"> 1. Board member roster provided to Commission. 2. No more than 1/3 of board members are school employees or related.

³ Under the Commission’s 2-tiered Financial Performance Framework, this measure did not meet standard during preliminary review and further analysis was required. After such further analysis it was determined that the school is financially viable overall and this measure received a final rating of “Meets Standard.”

Hawaii State Public Charter School Commission – Annual Report 2013
Na Wai Ola (Waters of Life) Public Charter School

Board Chairperson(s): Maurice Messina
 Director(s): Daniel Caluya
 Phone Number: (808) 966-6175
 Authorized in: 2000
 School Type: Middle
 Region: East Hawaii
 Grades: K-6
 Total Enrollment: 161
 % of SPED: 7%
 % of FRL: 85%
 % of ELL: 4%
 Accreditation: Planning on Initiating
 Index Score: 364
 Status: Recognition
 Automatic Trigger: None

Achievement

Achievement Reading: 86%
 Achievement Reading SPED: 88%
 Achievement Reading FRL: 87%
 Achievement Reading ELL: 100%
 Achievement Math: 72%
 Achievement Math SPED: 88%

Achievement Math FRL: 72%
 Achievement Math ELL: 100%
 Achievement Science: 56%

Growth

Growth Reading: 69%
 Growth Math: 77%

Readiness

Readiness 8th ACT: No Data

Gap

Gap High Needs: SUPPRESSED
 Gap Non High Needs: 75%
 Gap Rate Reduction: SUPPRESSED
 Current Year Gap: SUPPRESSED

About this School

Mission: The mission of Na Wai Ola (Waters of Life) is to provide a first-class private school education in a nurturing environment which insures academic success for all students at a public school price.

Other Notes: Ranked #1 of all charter schools on the Strive HI Index. Ranked #6 of all public schools on the Strive HI Index. Exceeded State average in Math, Reading and Science Achievement. High Needs Proficiency exceeded State average. For the Readiness 8th ACT and Achievement Gap gap reduction measures, data are missing or not used, which prevents the index score from being calculated normally.

* Participation penalty: Indicates school did not test 95% of its students and those students were added to the school's total to reach 95% test participation.

** Indicates that more than one year of data was used in order to create more reliable measures. At most three years of data were used.

† Indicates that because of the high performance of the school's HN students that it was exempted from gap rate in the Index calculation because it would receive a higher index score without achievement gap.

¹ Any School Improvement Grant (SIG) school implementing a school intervention model or high school with a high school graduation rate of less than 70% over three consecutive years (two for the first year of Strive HI) will not be classified as a Recognition or Continuous Improvement school (Strive HI FAQs. (2013, September 16). In Strive HI Performance System. Retrieved October 7, 2013).

² Schools that have small student populations have had data suppressed to protect student privacy and are marked as such. In some cases data are unavailable and are marked as such.

Financial Performance

Current Ratio Greater than or equal to 1.1	Enrollment Variance equals or exceeds 95% in the most recent year	Days Cash on Hand 60 days cash on hand	Total Margin is positive	Debt to Assets Ratio is less than .50	Cash Flow is positive	Unrestricted Fund Balance Percentage	Change in Total Fund Balance is positive
1.03	115.0%	19.65 days ³	3%	78% ³	14,360	4% ³	35,878
Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard

Organizational Performance

3a) Is the school complying with governance requirements?		
Area of Compliance	PRELIMINARY ASSESSMENT	EVIDENCE OF COMPLIANCE
Governing Board Composition and membership pursuant to Chapter 302D, Hawaii Revised Statutes	Meets Standard	<ol style="list-style-type: none"> 1. Board member roster provided to Commission. 2. No more than 1/3 of board members are school employees or related.

³ Under the Commission’s 2-tiered Financial Performance Framework, this measure did not meet standard during preliminary review and further analysis was required. After such further analysis it was determined that the school is financially viable overall and this measure received a final rating of “Meets Standard.”

Hawaii State Public Charter School Commission – Annual Report 2013
University Laboratory School

Board Chairperson(s): David Oride
 Director(s): Keoni Jeremiah
 Phone Number: (808) 956-7833
 Authorized in: 2001
 School Type: High School
 Region: Honolulu
 Grades: K-12
 Total Enrollment: 446
 % of SPED: 4%
 % of FRL: 16%
 % of ELL: 0%
 Accreditation: Accredited
 Index Score: 249
 Status: Continuous Improvement
 Automatic Trigger: None

Achievement

Achievement Reading: 89%
 Achievement Reading SPED: 40%
 Achievement Reading FRL: 81%
 Achievement Reading ELL: Unavailable
 Achievement Math: 62%
 Achievement Math SPED: 0%
 Achievement Math FRL: 57%

Achievement Math ELL: Unavailable
 Achievement Science: 33%

Growth

Growth Reading: 43%
 Growth Math: 38%

Readiness

Readiness 11th ACT: 69%
 Readiness Grad Rate: 96%
 Readiness College-going Rate: 90%

Gap

Gap High Needs: 61%
 Gap Non High Needs: 79%
 Gap Rate Reduction: -42%
 Current Year Gap: 23%

About this School

Mission: University Laboratory School serves two interlocking missions: to design and deliver the best possible education to its students, and to serve the educational research and development community as an inventing and testing ground for high-quality educational programs.

Other Notes: Exceeded State average in Math and Reading Achievement. High Needs Proficiency exceeded State average. By two-fold, exceeded State average percentage of 11th graders scoring above 19 on the ACT.

* Participation penalty: Indicates school did not test 95% of its students and those students were added to the school's total to reach 95% test participation.

** Indicates that more than one year of data was used in order to create more reliable measures. At most three years of data were used.

† Indicates that because of the high performance of the school's HN students that it was exempted from gap rate in the Index calculation because it would receive a higher index score without achievement gap.

¹ Any School Improvement Grant (SIG) school implementing a school intervention model or high school with a high school graduation rate of less than 70% over three consecutive years (two for the first year of Strive HI) will not be classified as a Recognition or Continuous Improvement school (Strive HI FAQs. (2013, September 16). In Strive HI Performance System. Retrieved October 7, 2013).

² Schools that have small student populations have had data suppressed to protect student privacy and are marked as such. In some cases data are unavailable and are marked as such.

Financial Performance

Current Ratio Greater than or equal to 1.1	Enrollment Variance equals or exceeds 95% in the most recent year	Days Cash on Hand 60 days cash on hand	Total Margin is positive	Debt to Assets Ratio is less than .50	Cash Flow is positive	Unrestricted Fund Balance Percentage	Change in Total Fund Balance is positive
7.88	98.7%	99.47 days	4%	13%	(88,128) ³	25%	114,365
Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard

Organizational Performance

3a) Is the school complying with governance requirements?		
Area of Compliance	PRELIMINARY ASSESSMENT	EVIDENCE OF COMPLIANCE
Governing Board Composition and membership pursuant to Chapter 302D, Hawaii Revised Statutes	Meets Standard	<ol style="list-style-type: none"> 1. Board member roster provided to Commission. 2. No more than 1/3 of board members are school employees or related.

³ Under the Commission’s 2-tiered Financial Performance Framework, this measure did not meet standard during preliminary review and further analysis was required. After such further analysis it was determined that the school is financially viable overall and this measure received a final rating of “Meets Standard.”

Hawaii State Public Charter School Commission – Annual Report 2013
Volcano School of Arts & Sciences

Board Chairperson(s): John Broward
 Director(s): Ardith Renteria
 Phone Number: (808) 985-9800
 Authorized in: 2001
 School Type: Middle
 Region: East Hawaii
 Grades: K-8
 Total Enrollment: 181
 % of SPED: 12%
 % of FRL: 63%
 % of ELL: 2%
 Accreditation: Accredited
 Index Score: 247
 Status: Continuous Improvement
 Automatic Trigger: None

Achievement

Achievement Reading: 76%
 Achievement Reading SPED: 41%
 Achievement Reading FRL: 76%
 Achievement Reading ELL: 0%
 Achievement Math: 54%
 Achievement Math SPED: 41%
 Achievement Math FRL: 49%

Achievement Math ELL: 0%
 Achievement Science: 50%

Growth

Growth Reading: 52%
 Growth Math: 49%

Readiness

Readiness 8th ACT: 17

Gap

Gap High Needs: 60%
 Gap Non High Needs: 78%
 Gap Rate Reduction: 32%
 Current Year Gap: 23%

About this School

Mission: The history of Volcano School began with a community group largely comprised of parents. These school founders sponsored a series of meetings and began a round-table visioning process that is still very much guiding the direction of the school.

Other Notes: Exceeded State average in Reading and Science Achievement. High Needs Proficiency exceeded State average.

* Participation penalty: Indicates school did not test 95% of its students and those students were added to the school's total to reach 95% test participation.

** Indicates that more than one year of data was used in order to create more reliable measures. At most three years of data were used.

† Indicates that because of the high performance of the school's HN students that it was exempted from gap rate in the Index calculation because it would receive a higher index score without achievement gap.

¹ Any School Improvement Grant (SIG) school implementing a school intervention model or high school with a high school graduation rate of less than 70% over three consecutive years (two for the first year of Strive HI) will not be classified as a Recognition or Continuous Improvement school (Strive HI FAQs. (2013, September 16). In Strive HI Performance System. Retrieved October 7, 2013).

² Schools that have small student populations have had data suppressed to protect student privacy and are marked as such. In some cases data are unavailable and are marked as such.

Financial Performance

Current Ratio Greater than or equal to 1.1	Enrollment Variance equals or exceeds 95% in the most recent year	Days Cash on Hand 60 days cash on hand	Total Margin is positive	Debt to Assets Ratio is less than .50	Cash Flow is positive	Unrestricted Fund Balance Percentage	Change in Total Fund Balance is positive
11.88	92.3% ³	115.67 days	6%	8%	(113,609) ³	41%	82,827
Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard

Organizational Performance

3a) Is the school complying with governance requirements?		
Area of Compliance	PRELIMINARY ASSESSMENT	EVIDENCE OF COMPLIANCE
Governing Board Composition and membership pursuant to Chapter 302D, Hawaii Revised Statutes	Meets Standard	<ol style="list-style-type: none"> 1. Board member roster provided to Commission. 2. No more than 1/3 of board members are school employees or related.

³ Under the Commission’s 2-tiered Financial Performance Framework, this measure did not meet standard during preliminary review and further analysis was required. After such further analysis it was determined that the school is financially viable overall and this measure received a final rating of “Meets Standard.”

Hawaii State Public Charter School Commission – Annual Report 2013
 Voyager: A Public Charter School

Board Chairperson(s): Judith Slawsky
 Director(s): Mary Beth Barr
 Phone Number: (808) 521-9770
 Authorized in: 2000
 School Type: Middle
 Region: Honolulu
 Grades: K-8
 Total Enrollment: 286
 % of SPED: 10%
 % of FRL: 33%
 % of ELL: 0%
 Accreditation: Planning on Initiating
 Index Score: 185
 Status: Continuous Improvement
 Automatic Trigger: None

Achievement

Achievement Reading: 80%
 Achievement Reading SPED: 54%
 Achievement Reading FRL: 80%
 Achievement Reading ELL: Unavailable
 Achievement Math: 61%
 Achievement Math SPED: 19%
 Achievement Math FRL: 54%

Achievement Math ELL: Unavailable
 Achievement Science: 20%

Growth

Growth Reading: 46%
 Growth Math: 44%

Readiness

Readiness 8th ACT: 15

Gap

Gap High Needs: 59%
 Gap Non High Needs: 81%
 Gap Rate Reduction: -5%
 Current Year Gap: 27%

About this School

Mission: The mission of Voyager Public Charter School is to transform education in Hawai'i by demonstrating that Hawai'i educators, working with a diverse population of the community's children can achieve high expectations as articulated in the Hawaii Content and performance Standards and Common Core State Standards. Voyager uses state-of-the-art methods founded on ancient principles and the latest scientific knowledge to help every student achieve.

Other Notes: Exceeded State average in Math and Reading Achievement. High Needs Proficiency exceeded State average

* Participation penalty: Indicates school did not test 95% of its students and those students were added to the school's total to reach 95% test participation.

** Indicates that more than one year of data was used in order to create more reliable measures. At most three years of data were used.

† Indicates that because of the high performance of the school's HN students that it was exempted from gap rate in the Index calculation because it would receive a higher index score without achievement gap.

¹ Any School Improvement Grant (SIG) school implementing a school intervention model or high school with a high school graduation rate of less than 70% over three consecutive years (two for the first year of Strive HI) will not be classified as a Recognition or Continuous Improvement school (Strive HI FAQs. (2013, September 16). In Strive HI Performance System. Retrieved October 7, 2013).

² Schools that have small student populations have had data suppressed to protect student privacy and are marked as such. In some cases data are unavailable and are marked as such.

Financial Performance

Current Ratio Greater than or equal to 1.1	Enrollment Variance equals or exceeds 95% in the most recent year	Days Cash on Hand 60 days cash on hand	Total Margin is positive	Debt to Assets Ratio is less than .50	Cash Flow is positive	Unrestricted Fund Balance Percentage	Change in Total Fund Balance is positive
0.98 ³	99.0%	14.59 days ³	-3% ³	79% ³	(81,194) ³	1% ³	(68,989) ³
Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard

Organizational Performance

3a) Is the school complying with governance requirements?		
Area of Compliance	PRELIMINARY ASSESSMENT	EVIDENCE OF COMPLIANCE
Governing Board Composition and membership pursuant to Chapter 302D, Hawaii Revised Statutes	Meets Standard	<ol style="list-style-type: none"> 1. Board member roster provided to Commission. 2. No more than 1/3 of board members are school employees or related.

³ Under the Commission’s 2-tiered Financial Performance Framework, this measure did not meet standard during preliminary review and further analysis was required. After such further analysis it was determined that the school is financially viable overall and this measure received a final rating of “Meets Standard.”

Hawaii State Public Charter School Commission – Annual Report 2013
 Waialae Elementary Public Charter School

Board Chairperson(s): Christopher Walling
 Director(s): Wendy Lagareta
 Phone Number: (808) 733-4880
 Authorized in: 1999
 School Type: Elementary
 Region: Honolulu
 Grades: K-5
 Total Enrollment: 487
 % of SPED: 6%
 % of FRL: 26%
 % of ELL: 6%
 Accreditation: Accredited
 Index Score: 298
 Status: Continuous Improvement
 Automatic Trigger: None

Achievement

Achievement Reading: 82%
 Achievement Reading SPED: 28%
 Achievement Reading FRL: 71%
 Achievement Reading ELL: 33%
 Achievement Math: 76%
 Achievement Math SPED: 0%
 Achievement Math FRL: 64%

Achievement Math ELL: 17%
 Achievement Science: 34%

Growth

Growth Reading: 57%
 Growth Math: 67%

Readiness

Readiness Chronic Absenteeism: 9%

Gap

Gap High Needs: 59%
 Gap Non High Needs: 90%
 Gap Rate Reduction: 3%
 Current Year Gap: 34%

About this School

Mission: The vision of Waialae School is to prepare children for the 21st century that are well-rounded individuals capable of multi-dimensions, self-confident risk-takers, creative problem solvers and socially responsible to others and the world. Waialae School subscribes to the theory of social constructivism.

Other Notes: Ranked #2 of all charter schools on the Strive HI Index. Upon Strive HI revision, school's index score increased five points to 298. Exceeded State average in Math, Reading and Science Achievement. High Needs Proficiency exceeded State average.

* Participation penalty: Indicates school did not test 95% of its students and those students were added to the school's total to reach 95% test participation.

** Indicates that more than one year of data was used in order to create more reliable measures. At most three years of data were used.

† Indicates that because of the high performance of the school's HN students that it was exempted from gap rate in the Index calculation because it would receive a higher index score without achievement gap.

¹ Any School Improvement Grant (SIG) school implementing a school intervention model or high school with a high school graduation rate of less than 70% over three consecutive years (two for the first year of Strive HI) will not be classified as a Recognition or Continuous Improvement school (Strive HI FAQs. (2013, September 16). In Strive HI Performance System. Retrieved October 7, 2013).

² Schools that have small student populations have had data suppressed to protect student privacy and are marked as such. In some cases data are unavailable and are marked as such.

Financial Performance

Current Ratio Greater than or equal to 1.1	Enrollment Variance equals or exceeds 95% in the most recent year	Days Cash on Hand 60 days cash on hand	Total Margin is positive	Debt to Assets Ratio is less than .50	Cash Flow is positive	Unrestricted Fund Balance Percentage	Change in Total Fund Balance is positive
1.56	101.5%	169.66 days	9%	62% ³	(113,461) ³	56%	337,989
Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard

Organizational Performance

3a) Is the school complying with governance requirements?		
Area of Compliance	PRELIMINARY ASSESSMENT	EVIDENCE OF COMPLIANCE
Governing Board Composition and membership pursuant to Chapter 302D, Hawaii Revised Statutes	Meets Standard	<ol style="list-style-type: none"> 1. Board member roster provided to Commission. 2. No more than 1/3 of board members are school employees or related.

³ Under the Commission’s 2-tiered Financial Performance Framework, this measure did not meet standard during preliminary review and further analysis was required. After such further analysis it was determined that the school is financially viable overall and this measure received a final rating of “Meets Standard.”

Hawaii State Public Charter School Commission – Annual Report 2013
 Waimea Middle Public Conversion Charter School

Board Chairperson(s): Pauline Lo Bailey
 Director(s): Matt Horne
 Phone Number: (808) 887-6090
 Authorized in: 2003
 School Type: Middle
 Region: West Hawaii
 Grades: 6-8
 Total Enrollment: 284
 % of SPED: 13%
 % of FRL: 66%
 % of ELL: 8%
 Accreditation: Candidate
 Index Score: 147
 Status: Continuous Improvement
 Automatic Trigger: None

Achievement

Achievement Reading: 67%
 Achievement Reading SPED: 17%
 Achievement Reading FRL: 61%
 Achievement Reading ELL: 26%
 Achievement Math: 54%
 Achievement Math SPED: 6%
 Achievement Math FRL: 48%

Achievement Math ELL: 5%
 Achievement Science: 27%**

Growth

Growth Reading: 42%
 Growth Math: 54%

Readiness

Readiness 8th ACT: 14

Gap

Gap High Needs: 51%
 Gap Non High Needs: 83%
 Gap Rate Reduction: -7%
 Current Year Gap: 39%

About this School

Mission: Waimea Middle School empowers all students with the skills, values and cultural understanding to successfully navigate high school and beyond.

* Participation penalty: Indicates school did not test 95% of its students and those students were added to the school's total to reach 95% test participation.

** Indicates that more than one year of data was used in order to create more reliable measures. At most three years of data were used.

† Indicates that because of the high performance of the school's HN students that it was exempted from gap rate in the Index calculation because it would receive a higher index score without achievement gap.

¹ Any School Improvement Grant (SIG) school implementing a school intervention model or high school with a high school graduation rate of less than 70% over three consecutive years (two for the first year of Strive HI) will not be classified as a Recognition or Continuous Improvement school (Strive HI FAQs. (2013, September 16). In Strive HI Performance System. Retrieved October 7, 2013).

² Schools that have small student populations have had data suppressed to protect student privacy and are marked as such. In some cases data are unavailable and are marked as such.

Financial Performance

Current Ratio Greater than or equal to 1.1	Enrollment Variance equals or exceeds 95% in the most recent year	Days Cash on Hand 60 days cash on hand	Total Margin is positive	Debt to Assets Ratio is less than .50	Cash Flow is positive	Unrestricted Fund Balance Percentage	Change in Total Fund Balance is positive
10.67	98.3%	241.91 days	-34% ³	6%	934,802	136%	(702,058) ³
Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard

Organizational Performance

3a) Is the school complying with governance requirements?		
Area of Compliance	PRELIMINARY ASSESSMENT	EVIDENCE OF COMPLIANCE
Governing Board Composition and membership pursuant to Chapter 302D, Hawaii Revised Statutes	Meets Standard	<ol style="list-style-type: none"> 1. Board member roster provided to Commission. 2. No more than 1/3 of board members are school employees or related.

³ Under the Commission’s 2-tiered Financial Performance Framework, this measure did not meet standard during preliminary review and further analysis was required. After such further analysis it was determined that the school is financially viable overall and this measure received a final rating of “Meets Standard.”

Hawaii State Public Charter School Commission – Annual Report 2013
West Hawai'i Explorations Academy

Board Chairperson(s): Lougene Baird
 Director(s): Curtis Muraoka
 Heather Nakakura
 Phone Number: (808) 327-4751
 Authorized in: 2000
 School Type: High School
 Region: West Hawaii
 Grades: 6-12
 Total Enrollment: 221
 % of SPED: 7%
 % of FRL: 36%
 % of ELL: 1%
 Accreditation: Accredited
 Index Score: 245
 Status: Focus
 Automatic Trigger: Large Grad Gap

Achievement

Achievement Reading: 83%
 Achievement Reading SPED: 56%
 Achievement Reading FRL: 83%
 Achievement Reading ELL: 0%
 Achievement Math: 53%
 Achievement Math SPED: 22%

Achievement Math FRL: 41%
 Achievement Math ELL: 100%
 Achievement Science: 33%

Growth

Growth Reading: 37%
 Growth Math: 36%

Readiness

Readiness 11th ACT: 75%
 Readiness Grad Rate: 78%
 Readiness College-going Rate: 59%

Gap

Gap High Needs: 59%
 Gap Non High Needs: 74%
 Gap Rate Reduction: No Data
 Current Year Gap: 20%

About this School

Mission: West Hawai'i Explorations Academy (WHEA) is a nationally recognized laboratory school serving as a magnet for science-focused, outdoor, hands-on education. It features large-scale, long-term, projects that meet or exceed performance demands of traditional standards-based education.

Other Notes:

Exceeded State average in Reading Achievement.
 High Needs Proficiency exceeded State average.
 By more than two-fold, exceeded State average percentage of 11th graders scoring above 19 on the ACT.
 WHEA is currently challenging its Focus status.

* Participation penalty: Indicates school did not test 95% of its students and those students were added to the school's total to reach 95% test participation.

** Indicates that more than one year of data was used in order to create more reliable measures. At most three years of data were used.

† Indicates that because of the high performance of the school's HN students that it was exempted from gap rate in the Index calculation because it would receive a higher index score without achievement gap.

¹ Any School Improvement Grant (SIG) school implementing a school intervention model or high school with a high school graduation rate of less than 70% over three consecutive years (two for the first year of Strive HI) will not be classified as a Recognition or Continuous Improvement school (Strive HI FAQs. (2013, September 16). In Strive HI Performance System. Retrieved October 7, 2013).

² Schools that have small student populations have had data suppressed to protect student privacy and are marked as such. In some cases data are unavailable and are marked as such.

Financial Performance

Current Ratio Greater than or equal to 1.1	Enrollment Variance equals or exceeds 95% in the most recent year	Days Cash on Hand 60 days cash on hand	Total Margin is positive	Debt to Assets Ratio is less than .50	Cash Flow is positive	Unrestricted Fund Balance Percentage	Change in Total Fund Balance is positive
8.17	100.5%	246.27 days	7%	6%	(119,223) ³	138%	110,677
Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard	Meets Standard

Organizational Performance

3a) Is the school complying with governance requirements?		
Area of Compliance	PRELIMINARY ASSESSMENT	EVIDENCE OF COMPLIANCE
Governing Board Composition and membership pursuant to Chapter 302D, Hawaii Revised Statutes	Meets Standard	<ol style="list-style-type: none"> 1. Board member roster provided to Commission. 2. No more than 1/3 of board members are school employees or related.

Appendix B: Comparison of Statewide Averages and Charter School-Wide Averages

Comparison of Statewide Averages and Charter School-Wide Averages

	Statewide	Charter Schools
ACHIEVEMENT		
Math Proficiency (%)	60	45
Reading Proficiency (%)	72	65
Science Proficiency (%)	34	28
SUBGROUP ACHIEVEMENT:		
FRL		
Math FRL Proficiency (%)	51	40
Reading FRL Proficiency (%)	63	64
Science FRL Proficiency (%)	24	23
ELL		
Math ELL Proficiency (%)	41	25
Reading ELL Proficiency (%)	46	30
Science ELL Proficiency (%)	15	0
SPECIAL EDUCATION		
Math Special Education Proficiency (%)	18	18
Reading Special Education Proficiency (%)	27	32
Science Special Education Proficiency (%)	12	14
GROWTH		
Math Median SGP	52	47
Reading Median SGP	52	46
READINESS		
Chronic Absenteeism (%)	18	N/A
Median 8th Grade EXPLORE	14	N/A
Percent Scoring at or Above 19 on 11th grade ACT (%)	34	20
Graduation Rate Used for 2012 HS Readiness Calculation (%)	81	66
Class of 2011 16-month College Enrollment Rate (%)	63	58
ACHIEVEMENT GAP		
2012-13 Non High-Needs Proficiency (%)	83	66
2012-13 High-Needs Proficiency (%)	55	49
Current Gap Rate (%)	33	26
Two-Year Gap Reduction Rate (%)	12	-21
Average 11th ACT Composite Score	20.1	16.1

Appendix C: Financial Performance Framework for 2013-14 Charter Contract

EXHIBIT B.1.

FINANCIAL PERFORMANCE FRAMEWORK

The Financial Performance Framework is an accountability tool that provides the Commission with data necessary to assess the financial health and viability of charter schools in its portfolio on an ongoing basis and for the purposes of an annual review. The framework summarizes a charter school's current financial health while taking into account the school's financial trends over a period of three years. The measures are designed to be complementary. No single measure gives a full picture of the financial situation of a school. Taken together, however, the measures provide a comprehensive assessment of the school's financial health and viability based on a school's historic trends, near-term financial situation and future viability.

Within each annual reporting period, the Financial Performance Framework provides for an initial review and a follow-up assessment that together produce two ratings: a Preliminary Rating and a Final Rating. The Preliminary Rating indicates whether the school has met the standard for financial viability based on the Commission's initial review of financial information, which, for an annual review, will be drawn from the school's audited financials. The Final Rating documents the Commission's revised assessment based on more current financial information and/or more detailed examination of the school's financial position, as needed.

Preliminary Ratings

The Preliminary Rating is either *Meets Standard* or *Pending Further Analysis*. The *Meets* rating means that the information contained in the financials under review indicates that the school is meeting or exceeding the target for the standard in question. The *Pending* rating means that the school is not meeting the target based on the financials under review. A school that misses the standard on any one measure may or may not be at financial risk. It may be in immediate distress, financially trending negatively, both or neither. There are two types of additional information that the Commission may need before assigning a Final Rating. The first is more current information. When conducting a year-end evaluation of a school's financials, the Commission will be reviewing audit numbers that are typically at least four months old by the time the audit has been finalized. The Commission's further analysis will often include review of current, unaudited, financials. The second is more detailed information about the school's financial position to assess the reasons behind the failure to meet the standard. For example, a school might make a strategic long-term financial decision that results in it missing a standard in the near term. The Commission's follow-up will consider the more current and more detailed information to determine whether the Preliminary Rating is still applicable and the degree to which it is, in fact, an indication of financial risk or distress.

Final Ratings

The Final Rating is either *Meets Standard*, *Does Not Meet Standard* or *Falls Far Below Standard*.

Meets Standard

A *Meets* rating indicates sound financial viability based on the overall financial record. Either the school has already met the standard based on the financials under review, or previous financial concerns that produced a preliminary *Pending* rating have been adequately remedied based on more current financial data or addressed adequately based on additional information such that the Commission concludes that performance against the standard indicates sound financial viability.

Does Not Meet Standard

A *Does Not Meet* rating indicates that upon further review following a preliminary *Pending* rating, the Commission concludes that there is financial risk such that heightened monitoring and/or intervention may be warranted. A *Does Not Meet* rating means that even based on more current financial information, the school is not currently meeting the standard or concerns previously identified, although not currently manifested, have been of a depth or duration that warrants continued attention.

Falls Far Below Standard

A *Falls Far Below* rating indicates that upon further review following a preliminary *Pending* rating, the Commission identifies significant financial risk and has concerns about financial viability such that heightened monitoring and/or intervention are necessary. The school’s rating will be based on both the most recent audited financials and more current unaudited financials. The Commission will also consider any relevant context for the school’s financial position that informs the causes of the school’s substantial shortcomings for the area in question. Appropriate monitoring and/intervention will be determined, in part, by how the rating on the standard in question fits within the school’s overall performance on the framework.

Near term indicators

1.a. Current Ratio (Working Capital Ratio): Current Assets divided by Current Liabilities	
Preliminary Rating	Final Rating (Following Additional Analysis)
<p><i>Meets Standard:</i></p> <p><input type="checkbox"/> Current Ratio is greater than or equal to 1.1</p> <p>or</p> <p><input type="checkbox"/> Current Ratio is between 1.0 and 1.1 and one-year trend is positive (current year ratio is higher than last year’s)</p>	<p><i>Meets Standard:</i></p> <p><input type="checkbox"/> Indicates sound financial viability based on the overall financial record. Either the school has already met the standard based on the financials under review, or previous financial concerns that produced a preliminary <i>Pending</i> rating have been adequately remedied based on more current financial data or addressed adequately based on additional information such that the</p>

Near term indicators

<p>Note: For schools in their first or second year of operation, the current ratio must be greater than or equal to 1.1.</p>	<p>Commission concludes that performance against the standard indicates sound financial viability.</p>
<p><i>Pending Further Analysis:</i></p> <p><input type="checkbox"/> Current Ratio is between 1.0 and 1.1 <i>and</i> one-year trend is negative</p> <p>or</p> <p><input type="checkbox"/> Current Ratio is less than or equal to 1.0</p>	<p><i>Does Not Meet Standard:</i></p> <p><input type="checkbox"/> Upon further review following a preliminary <i>Pending</i> rating, the Commission concludes that there is financial risk such that heightened monitoring and/or intervention may be warranted. A <i>Does Not Meet</i> rating means that even based on more current financial information, the school is not currently meeting the standard or concerns previously identified, although not currently manifested, have been of a depth or duration that warrants continued attention.</p> <p><i>Falls Far Below Standard:</i></p> <p><input type="checkbox"/> Upon further review following a preliminary <i>Pending</i> rating, the Commission identifies significant financial risk and has concerns about financial viability such that heightened monitoring and/or intervention are necessary.</p>

<p>1.b. Unrestricted Days Cash: Unrestricted Cash divided by ((Total Expenses-Depreciation Expenses)/365)</p>	
<p>Preliminary Rating</p>	<p>Final Rating (Following Additional Analysis)</p>
<p><i>Meets Standard:</i></p> <p><input type="checkbox"/> 60 Days Cash</p> <p>or</p> <p><input type="checkbox"/> Between 30 and 60 Days Cash <i>and</i> one-year</p>	<p><i>Meets Standard:</i></p> <p><input type="checkbox"/> Indicates sound financial viability based on the overall financial record. Either the school has already met the standard based on the financials under review, or previous financial concerns that produced a preliminary <i>Pending</i> rating have</p>

<p>trend is positive</p> <p>Note: Schools in their first or second year of operation must have a minimum of 30 Days Cash.</p>	<p>been adequately remedied based on more current financial data or addressed adequately based on additional information such that the Commission concludes that performance against the standard indicates sound financial viability.</p>
<p><i>Pending Further Analysis:</i></p> <p><input type="checkbox"/> Days Cash is between 30 and 60 days <i>and</i> one-year trend is negative</p> <p>or</p> <p><input type="checkbox"/> Days Cash is below 30 days</p>	<p><i>Does Not Meet Standard:</i></p> <p><input type="checkbox"/> Upon further review following a preliminary <i>Pending</i> rating, the Commission concludes that there is financial risk such that heightened monitoring and/or intervention may be warranted. A <i>Does Not Meet</i> rating means that even based on more current financial information, the school is not currently meeting the standard or concerns previously identified, although not currently manifested, have been of a depth or duration that warrants continued attention.</p> <p><i>Falls Far Below Standard:</i></p> <p><input type="checkbox"/> Upon further review following a preliminary <i>Pending</i> rating, the Commission identifies significant financial risk and has concerns about financial viability such that heightened monitoring and/or intervention are necessary.</p>

1.c. Enrollment Variance: Actual Enrollment divided by Enrollment Projection in Charter School Board-Approved Budget	
Preliminary Rating	Final Rating (Following Additional Analysis)
<p><i>Meets Standard:</i></p> <p><input type="checkbox"/> Enrollment Variance equals or exceeds 95% in the most recent year</p>	<p><i>Meets Standard:</i></p> <p><input type="checkbox"/> Indicates sound financial viability based on the overall financial record. Either the school has already met the standard based on the financials under review, or previous financial concerns that produced a preliminary <i>Pending</i> rating have been adequately remedied based on more current financial data or addressed adequately</p>

	<p>based on additional information such that the Commission concludes that performance against the standard indicates sound financial viability.</p>
<p><i>Pending Further Analysis:</i></p> <p><input type="checkbox"/> Enrollment Variance is below 95% in the most recent year</p>	<p><i>Does Not Meet Standard:</i></p> <p><input type="checkbox"/> Upon further review following a preliminary <i>Pending</i> rating, the Commission concludes that there is financial risk such that heightened monitoring and/or intervention may be warranted. A <i>Does Not Meet</i> rating means that even based on more current financial information, the school is not currently meeting the standard or concerns previously identified, although not currently manifested, have been of a depth or duration that warrants continued attention.</p>
	<p><i>Falls Far Below Standard:</i></p> <p><input type="checkbox"/> Upon further review following a preliminary <i>Pending</i> rating, the Commission identifies significant financial risk and has concerns about financial viability such that heightened monitoring and/or intervention are necessary.</p>

Sustainability indicators

<p>2.a. Total Margin: Net Income divided by Total Revenue</p> <p>Aggregated Total Margin: Total 3 Year Net Income divided by Total 3 Year Revenues</p>	
<p>Preliminary Rating</p>	<p>Final Rating (Following Additional Analysis)</p>
<p><i>Meets Standard:</i></p> <p><input type="checkbox"/> Aggregated Three-Year Total Margin is positive <i>and</i> the most recent year Total Margin is positive</p> <p>or</p> <p><input type="checkbox"/> Aggregated Three-Year Total Margin is greater than -1.5%, the trend is positive for the last two years <i>and</i> the most recent year Total Margin is</p>	<p><i>Meets Standard:</i></p> <p><input type="checkbox"/> Indicates sound financial viability based on the overall financial record. Either the school has already met the standard based on the financials under review, or previous financial concerns that produced a preliminary <i>Pending</i> rating have been adequately remedied based on more current financial data or addressed adequately</p>

<p>positive</p> <p>Note: For schools in their first or second year of operation, the cumulative Total Margin must be positive.</p>	<p>based on additional information such that the Commission concludes that performance against the standard indicates sound financial viability.</p>
<p><i>Pending Further Analysis:</i></p> <p><input type="checkbox"/> Aggregated Three-Year Total Margin is greater than -1.5%, but trend does not meet standard</p> <p>or</p> <p><input type="checkbox"/> Aggregated Three-Year Total Margin is less than or equal to -1.5%</p> <p>or</p> <p><input type="checkbox"/> The most recent year Total Margin is less than -10%</p>	<p><i>Does Not Meet Standard:</i></p> <p><input type="checkbox"/> Upon further review following a preliminary <i>Pending</i> rating, the Commission concludes that there is financial risk such that heightened monitoring and/or intervention may be warranted. A <i>Does Not Meet</i> rating means that even based on more current financial information, the school is not currently meeting the standard or concerns previously identified, although not currently manifested, have been of a depth or duration that warrants continued attention.</p> <p><i>Falls Far Below Standard:</i></p> <p><input type="checkbox"/> Upon further review following a preliminary <i>Pending</i> rating, the Commission identifies significant financial risk and has concerns about financial viability such that heightened monitoring and/or intervention are necessary.</p>

2.b. Debt to Asset Ratio: Total Liabilities divided by Total Assets	
Preliminary Rating	Final Rating (Following Additional Analysis)
<p><i>Meets Standard:</i></p> <p><input type="checkbox"/> Debt to Asset Ratio is less than 0.50</p>	<p><i>Meets Standard:</i></p> <p><input type="checkbox"/> Indicates sound financial viability based on the overall financial record. Either the school has already met the standard based on the financials under review, or previous financial concerns that produced a preliminary <i>Pending</i> rating have been adequately remedied based on more current financial data or addressed adequately</p>

	based on additional information such that the Commission concludes that performance against the standard indicates sound financial viability.
<p><i>Pending Further Analysis:</i></p> <p><input type="checkbox"/> Debt to Asset Ratio is greater than or equal to .50</p>	<p><i>Does Not Meet Standard:</i></p> <p><input type="checkbox"/> Upon further review following a preliminary <i>Pending</i> rating, the Commission concludes that there is financial risk such that heightened monitoring and/or intervention may be warranted. A <i>Does Not Meet</i> rating means that even based on more current financial information, the school is not currently meeting the standard or concerns previously identified, although not currently manifested, have been of a depth or duration that warrants continued attention.</p>
	<p><i>Falls Far Below Standard:</i></p> <p><input type="checkbox"/> Upon further review following a preliminary <i>Pending</i> rating, the Commission identifies significant financial risk and has concerns about financial viability such that heightened monitoring and/or intervention are necessary.</p>

<p>2.c. Cash Flow:</p> <p>Multi-Year Cash Flow = (Year 3 Total Cash) – (Year 1 Total Cash);</p> <p>One-Year Cash Flow = (Year 2 Total Cash) – (Year 1 Total Cash)</p>	
Preliminary Rating	Final Rating (Following Additional Analysis)
<p><i>Meets Standard:</i></p> <p><input type="checkbox"/> Multi-Year cumulative cash flow is positive <i>and</i> cash flow is positive each year</p> <p>or</p> <p><input type="checkbox"/> Multi-year and most recent year cash flows are positive</p>	<p><i>Meets Standard:</i></p> <p><input type="checkbox"/> Indicates sound financial viability based on the overall financial record. Either the school has already met the standard based on the financials under review, or previous financial concerns that produced a preliminary <i>Pending</i> rating have been adequately remedied based on more current financial data or addressed adequately</p>

<p>Note: Schools in their first or second year of operation must have positive cash flow.</p>	<p>based on additional information such that the Commission concludes that performance against the standard indicates sound financial viability.</p>
<p><i>Pending Further Analysis:</i></p> <p><input type="checkbox"/> Multi-Year cumulative cash flow is positive, but trend does not meet standard</p> <p>or</p> <p><input type="checkbox"/> Multi-Year cumulative cash flow is negative</p>	<p><i>Does Not Meet Standard:</i></p> <p><input type="checkbox"/> Upon further review following a preliminary <i>Pending</i> rating, the Commission concludes that there is financial risk such that heightened monitoring and/or intervention may be warranted. A <i>Does Not Meet</i> rating means that even based on more current financial information, the school is not currently meeting the standard or concerns previously identified, although not currently manifested, have been of a depth or duration that warrants continued attention.</p> <p><i>Falls Far Below Standard:</i></p> <p><input type="checkbox"/> Upon further review following a preliminary <i>Pending</i> rating, the Commission identifies significant financial risk and has concerns about financial viability such that heightened monitoring and/or intervention are necessary.</p>

2.d. Unrestricted Fund Balance Percentage: $\text{Fund balance} / \text{Total Expenses}$	
Preliminary Rating	Final Rating (Following Additional Analysis)
<p><i>Meets Standard:</i></p> <p><input type="checkbox"/> Fund balance percentage is greater than or equal to 25%</p>	<p><i>Meets Standard:</i></p> <p><input type="checkbox"/> Indicates sound financial viability based on the overall financial record. Either the school has already met the standard based on the financials under review, or previous financial concerns that produced a preliminary <i>Pending</i> rating have been adequately remedied based on more current financial data or addressed adequately based on additional information such that the Commission concludes that performance against</p>

	the standard indicates sound financial viability.
<p><i>Pending Further Analysis:</i></p> <p><input type="checkbox"/> Fund balance percentage is less than 25%</p>	<p><i>Does Not Meet Standard:</i></p> <p><input type="checkbox"/> Upon further review following a preliminary <i>Pending</i> rating, the Commission concludes that there is financial risk such that heightened monitoring and/or intervention may be warranted. A <i>Does Not Meet</i> rating means that even based on more current financial information, the school is not currently meeting the standard or concerns previously identified, although not currently manifested, have been of a depth or duration that warrants continued attention.</p>
	<p><i>Falls Far Below Standard:</i></p> <p><input type="checkbox"/> Upon further analysis, the school's performance on this component signals a significant financial risk to the school.</p>

<p>2.e. Change in Total Fund Balance:</p> <p>Multi-Year= (Year 3 Fund Balance) – (Year 1 Fund Balance);</p> <p>One-Year= (Year 2 Fund Balance) – (Year 1 Fund Balance)</p>	
Preliminary Rating	Final Rating (Following Additional Analysis)
<p><i>Meets Standard (in one of two ways):</i></p> <p><input type="checkbox"/> Multi-Year change in fund balance is positive <i>and</i> change is positive each year</p> <p>or</p> <p><input type="checkbox"/> Multi-year and most recent year changes are positive</p> <p>Note: Schools in their first or second year of</p>	<p><i>Meets Standard:</i></p> <p><input type="checkbox"/> Indicates sound financial viability based on the overall financial record. Either the school has already met the standard based on the financials under review, or previous financial concerns that produced a preliminary <i>Pending</i> rating have been adequately remedied based on more current financial data or addressed adequately based on additional information such that the Commission concludes that performance against the standard indicates sound financial viability.</p>

<p>operation must have positive change each year.</p>	
<p><i>Pending Further Analysis:</i></p> <p><input type="checkbox"/> Multi-Year change in fund balance is positive, but trend does not meet standard</p> <p>or</p> <p><input type="checkbox"/> Multi-Year change in fund balance is negative</p>	<p><i>Does Not Meet Standard:</i></p> <p><input type="checkbox"/> Upon further review following a preliminary <i>Pending</i> rating, the Commission concludes that there is financial risk such that heightened monitoring and/or intervention may be warranted. A <i>Does Not Meet</i> rating means that even based on more current financial information, the school is not currently meeting the standard or concerns previously identified, although not currently manifested, have been of a depth or duration that warrants continued attention.</p> <hr/> <p><i>Falls Far Below Standard:</i></p> <p><input type="checkbox"/> Upon further review following a preliminary <i>Pending</i> rating, the Commission identifies significant financial risk and has concerns about financial viability such that heightened monitoring and/or intervention are necessary.</p>

Appendix D: Organizational Performance Framework for 2013-14 Charter Contract

EXHIBIT B.2.

ORGANIZATIONAL PERFORMANCE FRAMEWORK

The purpose of the Organizational Performance Framework is to communicate to the charter school and public the compliance-related standards which the charter school must meet. The Organizational Framework includes the standards that the charter school is already required to meet through state and federal law, rules or the charter contract.

NACSA Principles & Standards (2012) states that,

“A Quality Authorizer implements an accountability system that effectively streamlines federal, state, and local...compliance requirements while protecting schools’ legally entitled autonomy and minimizing schools’ administrative and reporting burdens” (p. 16).

For each measure a school receives one of three ratings.

Meets Standard:

The school materially meets the expectations outlined below.

Does Not Meet Standard:

The school has failed to implement the program in the manner described above; the failure(s) were material, but the board has instituted remedies that have resulted in compliance or prompt and sufficient movement toward compliance to the satisfaction of the authorizer.

Falls Far Below Standard:

The school failed to implement the program in the described manner; the failure(s) were material and significant to the viability of the school, or regardless of the severity of the failure(s), the board has not instituted remedies that have resulted in prompt and sufficient movement toward compliance to the satisfaction of the authorizer.

1. EDUCATION PROGRAM

Measure 1a

Is the school implementing the material elements of its Educational Program as defined in the charter contract?

Meets Standard:

The school implemented the material elements of its Educational Program in all material respects, and, in operation, the education program reflects the essential terms as defined in the charter contract, or the school has obtained approval for a modification to the essential terms.

Measure 1b

Is the school complying with applicable education requirements?

Meets Standard:

The school materially complies with applicable laws, rules, regulations and provisions of the charter contract relating to education requirements, including but not limited to:

- Academic standards, including Common Core
- Graduation requirements
- State assessment and student testing
- Implementation of mandated programming as a result of state or federal funding, including Title I and Title II funding

Measure 1c

Is the school protecting the rights of students with disabilities?

Meets Standard:

Consistent with the school's status and responsibilities as a school within a single LEA under the State Department of Education, the school materially complies with applicable laws, rules, regulations and provisions of the charter contract (including the Individuals with Disabilities Education Act, Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act Amendment Act) relating to the treatment of students with identified disabilities and those suspected of having a disability, including but not limited to:

- Equitable access and opportunity to enroll
- Identification and referral
- Appropriate development and implementation of Individualized Education Plans (IEPs) and Section 504 plans
- Operational compliance including the academic program, assessments and all other aspects of the school's program and responsibilities
- Discipline, including due process protections, manifestation determinations and behavioral intervention plans
- Access to the school's facility and program to students in a lawful manner and consistent with students' IEPs or Section 504 plans
- Appropriate use of all available, applicable funding

Measure 1d

Is the school protecting the rights of English Language Learner (ELL) students?

Meets Standard:

The school materially complies with applicable laws, rules, regulations and provisions of the charter contract relating to ELL requirements (including Title III of the Elementary and Secondary Education Act [ESEA] and U.S. Department of Education authorities), including but not limited to:

- Equitable access and opportunity to enroll
- Required policies related to the service of ELL students
- Proper steps for identification of students in need of ELL services
- Appropriate and equitable delivery of services to identified students
- Appropriate accommodations on assessments
- Exiting of students from ELL services
- Ongoing monitoring of exited students

2. FINANCIAL MANAGEMENT AND OVERSIGHT

Measure 2a

Is the school meeting financial reporting and compliance requirements?

Meets Standard:

The school materially complies with applicable laws, rules, regulations and provisions of the charter contract relating to financial reporting requirements, including but not limited to:

- Complete and on-time submission of financial reports, including annual budget, revised budgets (if applicable), periodic financial reports as required by the authorizer and any reporting requirements if the board contracts with an Education Service Provider (ESP)
- On-time submission and completion of the annual independent audit and corrective action plans, if applicable
- No charging of tuition
- Adequate management and financial controls
- All reporting requirements related to the use of public funds

Measure 2b

Is the school following Generally Accepted Accounting Principles (GAAP)?

Meets Standard:

The school materially complies with applicable laws, rules, regulations and provisions of the charter contract relating to financial management and oversight expectations as evidenced by an annual independent audit, including but not limited to:

- An unqualified audit opinion
- An audit devoid of significant findings and conditions, material weaknesses or significant internal control weaknesses
- An audit that does not include a going concern disclosure in the notes or an explanatory paragraph within the audit report

3. GOVERNANCE AND REPORTING

Measure 3a

Is the school complying with governance requirements?

Meets Standard:

The school materially complies with applicable laws, rules, regulations and provisions of the charter contract relating to governance by its board, including but not limited to:

- Governing board composition and membership requirements pursuant to Ch. 302D, HRS
- Governing board policies
- Governing board reporting requirements
- Procurement policies
- State Ethics Code (Ch. 84, HRS), including conflict of interest policy

Measure 3b

Is the school holding management accountable?

Meets Standard:

The school materially complies with applicable laws, rules, regulations and provisions of the charter contract relating to oversight of school management, including but not limited to:

- (For Education Service Providers [ESPs]) maintaining authority over management, holding it

accountable for performance as agreed under a written performance agreement and requiring annual financial reports of the ESP

- (For Others) oversight of management that includes holding it accountable for performance expectations that may or may not be agreed to under a written performance agreement

Measure 3c

Is the school complying with data and reporting requirements?

Meets Standard:

The school materially complies with applicable laws, rules, regulations and provisions of the charter contract relating to relevant reporting requirements to the State Public Charter School Commission, State Department of Education as the State Education Agency (SEA) and sole Local Education Agency (LEA) and/or federal authorities, including but not limited to:

- Compliance with minimum educational data reporting standards established by the BOE
- Maintaining and reporting accurate enrollment and attendance data
- Maintaining and reporting accurate personnel data
- Annual reporting and immediate notice requirements
- Additional information requested by the State Public Charter School Commission

4. STUDENTS AND EMPLOYEES

Measure 4a

Is the school protecting the rights of all students?

Meets Standard:

The school materially complies with applicable laws, rules, regulations and provisions of the charter contract relating to the rights of students, including but not limited to:

- Compliance with admissions, enrollment and dismissal requirements (including nondiscrimination and rights to enroll or maintain enrollment)
- The collection and protection of student information (that could be used in discriminatory ways or otherwise contrary to law)
- Due process protections, privacy, civil rights and student liberties requirements, including First Amendment protections and the Establishment Clause restrictions prohibiting public schools from engaging in religious instruction
- Conduct of discipline (discipline hearings, suspension and expulsion)
- Treatment of students that qualify for services under the McKinney-Vento Act

Note: Proper handling of discipline processes for students with disabilities is addressed more specifically in Section 1c.

Measure 4b

Is the school meeting teacher and other staff requirements?

Meets Standard:

The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract, including the State licensing requirements and federal Highly Qualified Teacher and Paraprofessional requirements within Title II of the Elementary and Secondary Education Act, hiring of qualified non-instructional staff, criminal history background checks and teacher/principal evaluations.

Measure 4c

Is the school respecting employee rights?

Meets Standard:

The school materially complies with applicable laws, rules, regulations and provisions of the charter contract relating to employment considerations, including those relating to state employment law, the Family Medical Leave Act, the Americans with Disabilities Act and nondiscrimination. The school follows collective bargaining requirements.

5. SCHOOL ENVIRONMENT

Measure 5a

Is the school complying with facilities and transportation requirements?

Meets Standard:

The school materially complies with applicable laws, rules, regulations and provisions of the charter contract relating to the school facilities, grounds and transportation, including but not limited to:

- Compliance with building, zoning, fire health and safety codes
- Fire inspections and related records
- Viable certificate of occupancy or other required building use authorization
- Compliance with DOE requirements for schools occupying DOE facilities
- Student transportation

Measure 5b

Is the school complying with health and safety requirements?

Meets Standard:

The school materially complies with applicable laws, rules, regulations and provisions of the charter contract relating to health and safety, including but not limited to:

- Health clearances and immunizations
- Prohibiting smoking on campus
- Appropriate student health services
- Safety plan

Measure 5c

Is the school handling information appropriately?

Meets Standard:

The school materially complies with applicable laws, rules, regulations and provisions of the charter contract relating to the handling of information, including but not limited to:

- Maintaining the security of and providing access to student records under the Family Educational Rights and Privacy Act and other applicable authorities
- Complying with the Uniform Information Practices Act and other applicable authorities
- Transferring of student records
- Proper and secure maintenance of testing materials

6. ADDITIONAL OBLIGATIONS

Measure 6a

Is the school complying with all other obligations?

Meets Standard:

The school materially complies with all other legal, statutory, regulatory or contractual requirements

contained in its charter contract that are not otherwise explicitly stated herein, including but not limited to requirements from the following sources:

- Revisions to state charter law
- Consent decrees
- Intervention requirements by the Commission
- Requirements by other entities to which the charter school is accountable (e.g., Hawaii Department of Education)

Appendix E: CSAO's Audited Financial Statements for FY 2012-13

**CHARTER SCHOOLS ADMINISTRATIVE OFFICE
(An Agency of the State of Hawaii)**

FINANCIAL STATEMENTS

with

**ADDITIONAL INFORMATION
AND SINGLE AUDIT REPORTS
Year Ended June 30, 2013**

and

INDEPENDENT AUDITOR'S REPORT

JAMES D. JENNINGS, CPA, INC.
Certified Public Accountants
Honolulu, Hawaii

**CHARTER SCHOOLS ADMINISTRATIVE OFFICE
(AN AGENCY OF THE STATE OF HAWAII)**

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**CHARTER SCHOOLS ADMINISTRATIVE OFFICE
(AN AGENCY OF THE STATE OF HAWAII)**

**MANAGEMENT DISCUSSION AND ANALYSIS
June 30, 2013**

The Charter School Administrative Office (“CSAO”) closed as of June 30, 2013 pursuant to the repeal of Chapter 302B, Hawaii Revised Statutes. (The CSAO was established by Chapter 302B in 2004.) Effective July 1, 2013, the Hawaii State Public Charter School Commission (“Commission”) was established under Act 130, Chapter 302D, Hawaii Revised Statutes, with statewide chartering jurisdiction and authority.

The following is management’s discussion and analysis of the Charter Schools Administrative Office (CSAO) financial activities for the fiscal year ended June 30, 2013. Please read it in conjunction with the financial statements and the related notes to the financial statements, which begin on page 12.

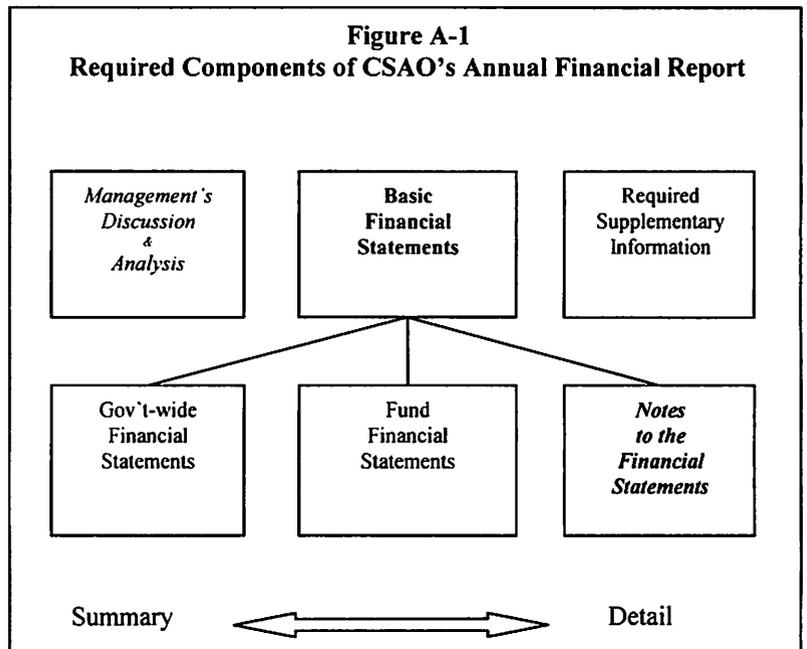
1. FINANCIAL HIGHLIGHTS

- The CSAO’s net assets decreased by \$129,680 over the course of this year’s operations.
- During the year, the CSAO’s expenditures were \$202,246 greater than the \$1,541,726 in operating revenues earned by the office in fulfilling its responsibilities due to additional costs related to closing the CSAO.
- Total assets exceeded liabilities as of June 30, 2013 by \$774,423.
- Capital assets, net of accumulated depreciation, comprised approximately 15% of total assets as of June 30, 2013.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management’s discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two types of statements that present different view of the CSAO’s financial activities:

The first two statements are government-wide financial statements that provide both long term and short term information about the CSAO’s overall financial status.



**CHARTER SCHOOLS ADMINISTRATIVE OFFICE
(AN AGENCY OF THE STATE OF HAWAII)**

**MANAGEMENT DISCUSSION AND ANALYSIS – (CONTINUED)
June 30, 2013**

The remaining statements are fund financial statements that focus on the individual parts of the CSAO, reporting the CSAO’s operations in more detail than the government-wide statements. The fund financial statements tell how general services were financed in the short term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of the annual report are arranged and relate to one another. In addition to these elements, we have included a section with combining statements that provide details about our non-major governmental funds each of which are added together and presented in single columns in the basic financial statements.

Figure A-2 summarizes the major features of the CSAO’s financial statements, including the portion of the CSAO they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and content of the statements.

Figure A-2 Major Features of CSAO’s Government-wide and Fund Financial Statements		
	<i>Government-wide Statements</i>	<i>Fund Statements: Governmental Funds</i>
Scope	Entire CSAO	If the CSAO operated proprietary or fiduciary funds these would be excluded from these statements.
Required financial statements	<ul style="list-style-type: none"> • Statement of Net Assets • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures & Changes in Fund Balances
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus.
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included.
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter.

**CHARTER SCHOOLS ADMINISTRATIVE OFFICE
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**MANAGEMENT DISCUSSION AND ANALYSIS – (CONTINUED)
June 30, 2013**

Government-wide Statements

The government-wide financial statements report information about the CSAO as a whole using accounting methods similar to those used by private sector companies. The Statement of Net Assets includes all of the CSAO's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the CSAO's net assets and how net assets have changed over time. Net assets - the difference between the CSAO's assets and liabilities – is one way to measure the CSAO's financial health or position.

- Over time, increases or decreases in the CSAO's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the CSAO, you need to consider additional nonfinancial factors such as changes in the level of support provided by the CSAO to the charter schools and how well the CSAO performed in meeting its statutory obligations.

The government-wide financial statements of the CSAO are included in one category, Governmental Activities, although other governmental agencies may report their activities in as many as three categories. For completeness, each of the three different categories are described here even though the CSAO's activities are all presented in the Governmental Activities category:

- Governmental Activities – All of the CSAO's activities are included here, such as administration, financial services, federal programs support and information technology support. Operating revenues as a percentage of total charter school appropriations and federal grant income pay for most of these activities
- Business-type Activities – If the CSAO engaged in activities, such as self-insurance programs or activities where the CSAO was operating more like a business these activities would be reported in a separate column in its government-wide financial statements.
- Component Units – If the CSAO was financially responsible for a separate entity or entities, usually a non-profit corporation(s) that meet certain accounting rules, then these "component units" would be reported as such because of the CSAO's financial responsibility to the component unit(s).

Fund Financial Statements

The fund financial statements provide more detailed information about the CSAO's most significant funds – not the CSAO as a whole. Funds are accounting devices that the CSAO uses to keep track of specific sources of funding and spending for particular purposes.

The CSAO reports its financial activities in two funds: the CSAO General Fund and the Restricted - Federal Programs Fund. Within the CSAO general fund, the CSAO operates separate programs for its general operations. Within the Restricted - Federal Programs Fund, the CSAO records its activities for Federal Title I, Title IIa, Title III, Federal Impact Aid, and Federal Jobs Act programs.

**CHARTER SCHOOLS ADMINISTRATIVE OFFICE
(AN AGENCY OF THE STATE OF HAWAII)**

**MANAGEMENT DISCUSSION AND ANALYSIS – (CONTINUED)
June 30, 2013**

3. FINANCIAL ANALYSIS OF THE CSAO AS A WHOLE

Net Assets: The CSAO's net assets decreased between fiscal years 2011-12 and 2012-13 by \$202,246, or 21% to \$774,423 as of June 30, 2013. In comparison, the previous year's net assets decreased by \$28,628, or 3%.

**Table A-1
Charter Schools Administrative Office's Summary Comparative Statement of Net Assets
(in thousands of dollars)**

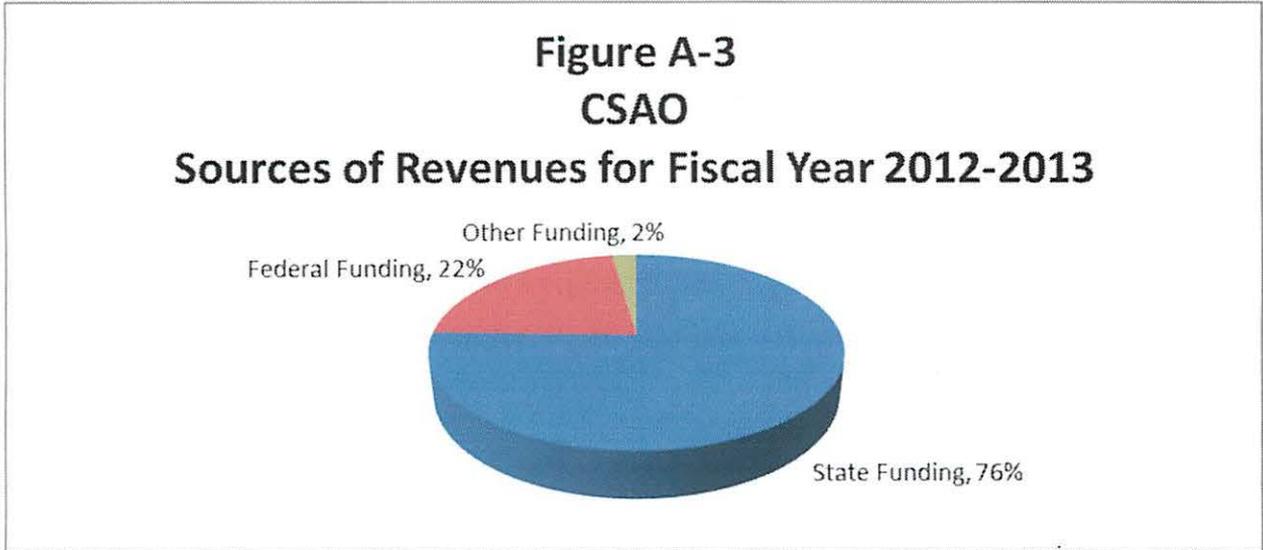
	Governmental Activities		Total Percentage Change
	FY2012	FY2013	FY2012 - FY 2013
Current and Other Assets	3,228	3,242	0%
Capital Assets	<u>185</u>	<u>113</u>	(39%)
Total Assets	3,413	3,355	(2%)
Current Liabilities	1,859	2,193	18%
Long-term Debt Outstanding	-	-	0%
Other Liabilities	<u>578</u>	<u>387</u>	(33%)
Total Liabilities	2,437	2,580	6%
Net Assets			
Invested in Capital Assets, Net of Related Debt	185	113	(39%)
Unrestricted	<u>791</u>	<u>662</u>	(16%)
Total Net Assets	<u><u>976</u></u>	<u><u>775</u></u>	(21%)

Over time, increases or decreases in net assets may serve as a useful indicator of whether the CSAO's financial condition is improving or deteriorating. Some of the CSAO's net assets were restricted as to the purposes for which they can be used because they were invested in capital assets (primarily computer equipment). In fiscal year 2012-13, \$112,878 of the CSAO's net assets was invested in capital assets and therefore not available for appropriation. The remaining balance of net assets, \$661,545 was unrestricted as of June 30, 2013. This net asset position does not mean that the CSAO can appropriate all of these funds next year because some of the CSAO's net assets should be held as operating capital and some of the net assets should be retained for contingencies.

The CSAO's total revenues decreased by 7% to \$1,541,726, compared to total revenues of \$1,651,372 in fiscal year 2011-12 (See Table A-2). Despite an increase in CSAO funding from the State of \$147,968, or 14%, funding from Federal programs decreased by \$249,479 or 42%, primarily due to a significant decrease in Title II Professional Development Funding. State funding continues to be the significant source of funds for charter schools comprising 76% of total revenues, as provided by statute and approved by the Charter School Review Panel (CSRP). In fiscal year 2013, federal revenues amounted to 22% of total revenues for CSAO, or \$344,450. The remaining revenues (2%) were made up of miscellaneous revenues for specific purposes (i.e. HIDOE funding for a portion of a position) (See Figure A-3).

**CHARTER SCHOOLS ADMINISTRATIVE OFFICE
(AN AGENCY OF THE STATE OF HAWAII)**

**MANAGEMENT DISCUSSION AND ANALYSIS – (CONTINUED)
June 30, 2013**



In fiscal year 2013, the total cost of all programs and services provided by the CSAO decreased by 10% (\$175,714). The CSAO expenses cover a range of services as required by statute to support the CSRP and charter schools. The primary function of the CSAO is administrative in nature and includes fiscal support, federal program support, information technology services provided on behalf of the charter schools and direct services to charter schools.

Table A-2 and the narrative that follows consider the operations of the CSAO's governmental activities.

**CHARTER SCHOOLS ADMINISTRATIVE OFFICE
(AN AGENCY OF THE STATE OF HAWAII)**

**MANAGEMENT DISCUSSION AND ANALYSIS – (CONTINUED)
June 30, 2013**

Table A-2
Changes in CSAO Net Assets

	Governmental Activities		Percentage
	<u>FY2011-12</u>	<u>FY2012-13</u>	<u>Change 2012-2013</u>
Revenues			
State Revenues			
CSAO Fees	1,027,666	1,175,634	14.40%
Program Fees			
Federal Grants	595,679	346,200	-41.88%
Other Income	<u>28,027</u>	<u>19,892</u>	-29.03%
Total Revenues	1,651,372	1,541,726	-6.64%
Expenses			
CSAO Payroll & Related Expenses	881,471	1,114,965	26.49%
Professional Services	260,411	218,533	-16.08%
Capital Outlay	209,490	19,624	-90.63%
Travel	208,624	92,402	-55.71%
Building Leases	85,378	95,051	11.33%
Meeting Refreshments and Meals	15,611	25,107	60.83%
Computer Supplies	43,723	15,101	-65.46%
Office Supplies	10,598	15,636	47.54%
Telecommunications	12,443	14,810	19.02%
Professiona Development	77,425	28,927	-62.64%
Miscellaneous	7,919	2,748	-65.30%
Rental Expenses	340	100	-70.59%
Utilities	6,978	3,257	-53.32%
Printing and Advertising	3,847	7,539	95.97%
Postage	2,431	3,631	49.36%
Dues and Subscriptions	3,323	844	-74.60%
Repairs and Maintenance	11,139	9,934	-10.82%
Equipment Purchases	<u>5,969</u>	<u>3,197</u>	-46.44%
Total Expenses	1,847,120	1,671,406	-9.51%
Other Financing Sources/(Uses)			
Transfers In	59,936,323	62,572,787	4.40%
Transfers Out	<u>(59,936,323)</u>	<u>(62,572,787)</u>	4.40%
Net Other Financial Sources/(Uses)	0	0	0.00%
Net Change in Fund Balance	(195,748)	(129,680)	-33.75%
Fund Balance, Beginning of Year	986,973	791,225	-19.83%
Fund Balance, End of Year	<u>791,225</u>	<u>661,545</u>	-16.39%

**CHARTER SCHOOLS ADMINISTRATIVE OFFICE
(AN AGENCY OF THE STATE OF HAWAII)**

**MANAGEMENT DISCUSSION AND ANALYSIS – (CONTINUED)
June 30, 2013**

Governmental Activities

Revenues in the CSAO's governmental activities decreased by 7%, total expenses decreased 10%. Total fund balance in 2012-13 decreased \$129,680. This compares to a decrease of \$214,072 in 2011-12.

The CSAO management's focus was primarily to prepare for the closure of the CSAO as of June 30, 2013, and reorganize to open the Hawaii State Public Charter School Commission on July 1, 2013 while providing support services to the charter schools. This transitional year had the effect of decreasing the fund balance from the prior year to:

- Hire staff to fill the functional roles as required for the Commission in order to meet requirements of the Commission's mission to authorize high-quality public charter schools throughout the State.
- Transition exiting staff effective June 30, 2013.
- Develop charter school performance contracts and execute contracts with all charter schools effective July 1, 2013.

The cost of all governmental activities of the CSAO in 2012-13 was \$1,671,406. Of this amount, \$1,195,526 was paid by State revenues. The remaining amount, \$344,450 was paid by federal program revenue or local revenue.

Business-type activities

Some governmental agencies charge fees to customers to fund certain types of services it provides. If the CSAO operated business type funds, these activities would be reported as such. For fiscal years 2011-12 and 2012-13, the CSAO did not engage in any business-type activities.

4. FINANCIAL ANALYSIS OF THE CSAO'S FUNDS

As the CSAO completed the year, its governmental funds reported a fund balance of \$661,545, a decrease from the prior year of \$129,680. The following paragraphs summarize the significant transactions occurring in the CSAO's funds during FY 2013:

During the 2012-13 fiscal year, the continuing impact of the economic slow-down on the State of Hawaii's budget was felt at the program level. As a result, State funding for charter school per pupil amounts remained at approximately the same level as the prior year; however, because of increasing enrollments, the State funded support for the CSAO for its operations increased by \$147,968 or approximately 14%.

Charter schools in fiscal year 2012-13 saw a continued decrease in federal funding of 41% (\$243,729) with the additional impact of Federal Sequestration initiatives.

**CHARTER SCHOOLS ADMINISTRATIVE OFFICE
(AN AGENCY OF THE STATE OF HAWAII)**

**MANAGEMENT DISCUSSION AND ANALYSIS – (CONTINUED)
June 30, 2013**

General Fund Budgetary Highlights

The adopted CSAO budget for FY 2012-13 included total revenues of \$2,852,397 and total expenses of \$1,457,455. Ending net assets were projected to total \$1,394,942.

5. CAPITAL ASSET AND LONG-TERM DEBT ACTIVITIES

The CSAO's capital asset policy provides that furniture and equipment purchases that exceed \$5,000 with a useful life of greater than one year be capitalized and depreciated over the asset's useful life. During fiscal year 2012-13, the CSAO made purchases of \$19,624 of furniture or equipment that was capitalized. The CSAO donated equipment to Title I schools with a net book value of \$8,500 during the year. The CSAO has no long-term debt obligations.

6. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The official enrollment count date for charter schools is October 15 of each year. Enrollment among the charter schools grew by 5.1% in the 2012-13 school year to 9,820. This compares to a growth rate of 5.8% in fiscal year 2010-11. Effective with the 2013-14 fiscal year, the CSAO's budget will be determined as a separate line item within the state budget. The proposed funding level for the CSAO/Commission in fiscal year 2013-14 is \$1,235,114, which is approximately 1.7% of the total requested operational funding for charter schools.

7. CONTACTING THE CSAO'S FINANCIAL MANAGEMENT

This financial report is designed to provide our stakeholders with a general overview of the CSAO's finances and to demonstrate the CSAO's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the CSAO Fiscal Services team, 1111 Bishop Street, Suite 516, Honolulu, HI 96813.



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INDEPENDENT AUDITOR'S REPORT

To Charter School Review Panel and Management of
Charter Schools Administration Office
Honolulu, Hawaii

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Charter Schools Administration Office (the "CSAO") as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the CSAO's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Charter Schools Administration Office, as of June 30, 2013, and the respective changes in financial position, and, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 1 through 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter Schools Administration Office's basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit CSs*, and is also not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2013, on our consideration of the Charter Schools Administration Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Charter Schools Administration Office's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "James D Jennings B.A. CMA". The signature is written in a cursive style.

Honolulu, Hawaii
November 21, 2013

Charter Schools Administration Office
(An Agency of the State of Hawaii)
Statement of Net Position
June 30, 2013

ASSETS

Current assets	
Cash	
Operating Checking - Bank of Hawaii	\$ 2,024,410
Cash Held for Others	255,001
CSRP Expenditure Account	5,535
Petty Cash	200
Total Cash	<u>2,285,146</u>
Accounts Receivable:	
Accounts Receivable	59,269
Pass Through Receivable from State	889,868
Net Accounts Receivable	<u>949,137</u>
Prepaid Expenses	
	<u>7,634</u>
Total Current Assets	<u>3,241,917</u>
Noncurrent assets	
Office and Computer Equipment	258,177
Accumulated Depreciation	(145,299)
Net Capital Assets	<u>112,878</u>
Total assets	<u>\$ 3,354,795</u>

LIABILITIES

Current liabilities	
Accounts payable	\$ 544,703
Pass Through Payable to State	406,168
Pass Through Payable to Charter Schools	889,818
Funds Held for Others	255,001
Accrued Leave Earnings	98,059
Unearned Revenue	386,623
Total liabilities	<u>2,580,372</u>

NET POSITION

Net position	
Invested in Capital Assets, Net	112,878
Unrestricted Net Assets	661,545
Total net position	<u>774,423</u>
Total liabilities and net position	<u>\$ 3,354,795</u>

See accompanying notes to financial statements.

**Charter Schools Administration Office
(An Agency of the State of Hawaii)
Statement of Activities
For the Fiscal Year Ended June 30, 2013**

	Expenses	Operating Grants Revenue	Net Revenue (Expense) and Changes in Net Position
Governmental Activities			
Support and Administrative Services	\$ 1,399,522	\$ -	\$ (1,399,522)
Instructional Enhancement	3,617,958	3,617,958	-
Total Governmental Activities	5,017,480	3,617,958	(1,399,522)
	General Revenue:		
		Administrative Fees Charged to Charter Schools	\$ 1,175,634
		Other Grants and Income	21,642
		Total General Revenue	1,197,276
		Change in Net Position	(202,246)
		Net Position - beginning of year	976,669
		Net Position - end of year	\$ 774,423

See accompanying notes to financial statements.

**Charter Schools Administration Office
(An Agency of the State of Hawaii)**

**Balance Sheet
June 30, 2013**

	ASSETS		
	<u>General</u>	<u>Restricted Funds</u>	<u>Total</u>
Current assets			
Cash			
Operating Checking - Bank of Hawaii	\$ 1,637,787	\$ 386,623	\$ 2,024,410
Cash Held for Others	-	255,001	255,001
CSRP Expenditure Account	5,535	-	5,535
Petty Cash	200	-	200
Total Cash	<u>1,643,522</u>	<u>641,624</u>	<u>2,285,146</u>
Accounts Receivable:			
Accounts Receivable	59,269	-	59,269
Pass Through Receivable from State	889,868	-	889,868
Pass Through Receivable from Charter Schools	-	-	-
Allowance for Doubtful Accounts	-	-	-
Net Accounts Receivable	<u>949,137</u>	<u>-</u>	<u>949,137</u>
Prepaid Expenses	<u>7,634</u>	<u>-</u>	<u>7,634</u>
Total Current Assets	2,600,293	641,624	3,241,917
Noncurrent assets	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 2,600,293</u>	<u>\$ 641,624</u>	<u>\$ 3,241,917</u>

LIABILITIES AND FUND BALANCES

Current liabilities			
Accounts payable	\$ 544,703	\$ -	\$ 544,703
Pass Through Payable to State	406,168	-	406,168
Pass Through Payable to Schools	889,818	-	889,818
Funds Held for Others	-	255,001	255,001
Accrued Leave Earnings	98,059	-	98,059
Unearned Revenue	-	386,623	386,623
Total liabilities	<u>1,938,748</u>	<u>641,624</u>	<u>2,580,372</u>
Fund Balances			
Nonspendable: Prepaid Expenditures	7,634	-	7,634
Unassigned	653,911	-	653,911
Total fund balances	<u>661,545</u>	<u>-</u>	<u>661,545</u>
Total liabilities and fund balances	<u>\$ 2,600,293</u>	<u>\$ 641,624</u>	<u>\$ 3,241,917</u>

See accompanying notes to financial statements.

Charter Schools Administration Office
(An Agency of the State of Hawaii)
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2013

	Restricted Funds - Federal					Total All Funds
	General	Title I	Title II	Title III	Impact Aid	
REVENUES:						
Administration Fee to Charter Schools	\$ 1,175,634	\$ -	\$ -	\$ -	\$ -	\$ 1,175,634
Federal Grants	1,750	243,172	90,004	11,274	-	346,200
State Special Salary Funding	18,875	-	-	-	-	18,875
Other Income	1,017	-	-	-	-	1,017
Total Revenues	1,197,276	243,172	90,004	11,274	-	1,541,726
EXPENDITURES:						
Payroll and Related Expenses	990,083	90,817	34,065	-	-	1,114,965
Professional Services	106,165	60,801	51,567	-	-	218,533
Building Leases	95,051	-	-	-	-	95,051
Travel	43,161	49,082	159	-	-	92,402
Professional Development	16,077	12,850	-	-	-	28,927
Meeting Refreshments and Meal	6,035	14,859	4,213	-	-	25,107
Supplies	9,286	6,350	-	-	-	15,636
Computer Expenses	12,689	2,412	-	-	-	15,101
Telecommunications	11,544	3,266	-	-	-	14,810
Repairs and Maintenance	9,934	-	-	-	-	9,934
Printing and Advertising	7,485	54	-	-	-	7,539
Postage	950	2,681	-	-	-	3,631
Utilities	3,257	-	-	-	-	3,257
Equipment Purchases	3,197	-	-	-	-	3,197
Miscellaneous	2,748	-	-	-	-	2,748
Dues and Subscriptions	844	-	-	-	-	844
Rental Expenses	100	-	-	-	-	100
Capital Outlay	8,350	-	-	11,274	-	19,624
Total Expenditures	1,326,956	243,172	90,004	11,274	-	1,671,406
EXCESS OF REVENUES OVER EXPENDITURES	(129,680)	-	-	-	-	(129,680)
OTHER FINANCING SOURCES (USES):						
Transfers in From State of Hawaii	59,301,029	169,185	328,669	11,394	2,762,510	62,572,787
Transfers Out to Charter Schools	(59,301,029)	(169,185)	(328,669)	(11,394)	(2,762,510)	(62,572,787)
Total other financing (uses) sources	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(129,680)	-	-	-	-	(129,680)
FUND BALANCES - Beginning of year	791,225	-	-	-	-	791,225
FUND BALANCES - End of year	\$ 661,545	\$ -	\$ -	\$ -	\$ -	\$ 661,545

See accompanying notes to financial statements.

**Charter Schools Administration Office
(An Agency of the State of Hawaii)
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2013**

	Restricted Funds - Federal					Total All Funds
	General	Title I	Title II	Title III	Impact Aid	
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from Charter Schools	\$ 14,773,841	\$ -	\$ -	\$ -	\$ -	\$ 14,773,841
Cash received from State of Hawaii	61,993,203	276,184	350,018	24,534	2,762,510	65,406,449
Other Cash Receipts	42,354	-	-	-	-	42,354
Cash paid to Charter Schools	(60,544,018)	(169,185)	(328,669)	(11,394)	(2,762,510)	(63,815,776)
Cash paid to State of Hawaii	(14,116,319)	-	-	-	-	(14,116,319)
Cash paid to Employees and Vendors	(1,741,946)	(243,172)	(90,004)	-	-	(2,075,122)
Net cash provided by (used in) operating activities	407,115	(136,173)	(68,655)	13,140	-	215,427
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of Capital assets	(8,350)	-	(11,274)	-	-	(19,624)
Net cash provided by (used in) investing activities	(8,350)	-	(11,274)	-	-	(19,624)
CASH FLOWS FROM FINANCING ACTIVITIES						
	-	-	-	-	-	-
NET INCREASE (DECREASE) IN CASH	398,765	(136,173)	(79,929)	13,140	-	195,803
CASH - Including restricted amounts - beginning of the year	1,511,034	210,819	367,490	-	-	2,089,343
CASH - including restricted amounts - end of year	\$ 1,909,799	\$ 74,646	\$ 287,561	\$ 13,140	\$ -	\$ 2,285,146

See accompanying notes to financial statements.

Charter Schools Administration Office
(An Agency of the State of Hawaii)
Statement of Cash Flows (continued)
For the Fiscal Year Ended June 30, 2013

	General	Title I	Title II	Title III	Impact Aid	Federal Jobs Act	Total All Funds
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES							
Net income	\$ (202,246)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (202,246)
Adjustments to reconcile net income to net cash provided by operating activities							
Depreciation	83,690	-	-	-	-	-	83,690
Loss on donated assets	8,500	-	-	-	-	-	8,500
Net change in allowance for doubtful accts	(4,615)	-	-	-	-	-	(4,615)
Accounts Receivable (net)	183,273	-	-	-	-	-	183,273
Prepaid expenses	3,075	-	-	-	-	-	3,075
Accounts payable and accrued expenses	335,438	-	-	-	-	-	335,438
Unearned Revenue	-	(136,173)	(68,655)	13,140	-	-	(191,688)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ 407,115	\$ (136,173)	\$ (68,655)	\$ 13,140	\$ -	\$ -	\$ 215,427

See accompanying notes to financial statements.

**CHARTER SCHOOLS ADMINISTRATIVE OFFICE
(AN AGENCY OF THE STATE OF HAWAII)
Year Ended June 30, 2013**

1. Nature of Activities and Summary of Significant Accounting Policies

Nature of activities

Charter Schools Administration Office (the "CSAO") was formed pursuant to Hawaii State Legislature HRS 302b-8 and is attached to the Department of Education (DOE) for administrative purposes only. Among other duties, CSAO is responsible for the following:

- Preparing and executing the budget for charter schools
- Allocating annual appropriations to the charter schools
- Preparing contracts between charter schools and various state agencies
- Charter school compliance with various state laws
- Representing charter schools in communication to the Board of Education (BOE)
- Providing advocacy, assistance and support for the growth and success of the charter school system
- Serve as a conduit to disseminate communication from BOE and DOE

In order to fulfill these responsibilities, CSAO employs an Executive Director and Chief Financial Officer and several qualified staff persons in its Honolulu office. All the staff persons report to the executive director who reports to the Charter School Review Panel (CSRP).

The primary support of CSAO is fees charged to the individual charter schools. Each school pays CSAO up to 2% of their per pupil allotment received from the State. Other support of CSAO is in the form of administrative costs allocated by various Federal grants.

These financial statements are intended to present the financial position and activity of only the CSAO and not that of the whole Department of Education. Additionally, these financial statements do not represent any balances or activity of the individual charter schools.

Summary of Significant Accounting Policies

Basis of accounting

The accompanying statements and accounting policies of CSAO conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units.

Basis of presentation

The government wide financial statements consist of the statement of net assets and the statement of activities. These statements report on all activities of the primary governmental unit. The statement of activities demonstrates the degree to which the direct expenses of given functions are offset by program revenues. Direct expenses are those that are clearly identified with a specific function. Program revenue includes grants that are restricted to meeting the operational requirements of a particular function. Other items not included among program revenues are reported instead as general revenues.

**CHARTER SCHOOLS ADMINISTRATIVE OFFICE
(AN AGENCY OF THE STATE OF HAWAII)
Year Ended June 30, 2013**

1. Nature of Activities and Summary of Significant Accounting Policies (continued)

Summary of Significant Accounting Policies (continued)

Measurement focus, basis of accounting and financial statement presentation

The government wide and fund financial statements are reported using the economic resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund Accounting

CSAO uses fund accounting to maintain its financial records of restricted Federal funds during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. For fiscal year ending June 30, 2013, CSAO tracks Federal Title I, Title II, Title III and Impact Aid.

Cash and cash equivalents

For purposes of the Statement of Cash Flows, cash is defined as demand deposits (checking and savings accounts in the CSAO name at local banks).

Pass through receivable and payable accounts

The CSAO acts as an intermediary for payroll and related benefits that are due and/or payable between the State of Hawaii and the individual charter schools. For schools that chose to be on the State Department of Education (DOE) system, CSAO records a pass through receivable from the schools and a payable to the DOE for the payroll amount. Schools on the proprietary payroll system, pay the full report amount, which includes fringe benefits, such as retirement and unemployment. As these benefits are a DOE expense, CSAO records a pass through receivable from the State and a payable to the schools.

Property and equipment

The CSAO capitalizes furniture and equipment purchases greater than \$5,000 and with a useful life greater than one year. Depreciation is computed using the straight-line method over the assets' estimated useful lives.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**CHARTER SCHOOLS ADMINISTRATIVE OFFICE
(AN AGENCY OF THE STATE OF HAWAII)
Year Ended June 30, 2013**

1. Nature of Activities and Summary of Significant Accounting Policies (continued)

Summary of Significant Accounting Policies (continued)

Expense/Expenditures

On an accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable.

Expense allocation

Directly identifiable expenses are charged to programs and supporting activities. Expenses related to more than one functional are charged to programs and supporting activities on the basis of periodic time and expense studies. Administration expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall management activities and direction of the CSAO.

Unearned Revenue

CSAO reports deferred revenue in the financial statements. Deferred revenue arises when potential revenue does not meet both the measurable and available criteria for recognition in the current period. In general, Federal monies received in the current year which have not been expended for the federal purpose by year-end are deferred.

2. Capital Assets

Capital asset activity for the year ended June 30, 2013, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental Activities				
Office and Computer Equipment	\$ 248,553	\$ 19,624	\$ (10,000)	\$ 258,177
Less: Accumulated Depreciation	<u>(63,109)</u>	<u>(83,690)</u>	<u>1,500</u>	<u>(145,299)</u>
Total Capital Assets	<u>\$ 185,444</u>	<u>\$ (64,066)</u>	<u>\$ (8,500)</u>	<u>\$ 112,878</u>

Depreciation expense for the year ended June 30, 2013, was \$83,690.

CHARTER SCHOOLS ADMINISTRATIVE OFFICE
(AN AGENCY OF THE STATE OF HAWAII)
Year Ended June 30, 2013

3. Lease Commitments

CSAO leases office space at 1111 Bishop Street in Honolulu from 1103, LLC. The lease term is from December 1, 2009 to November 30, 2014. Monthly base rent is \$2,761 with 3% annual increases for the remaining lease term plus \$4,114 for common area maintenance expenses and property taxes.

In addition, CSAO leased office space at 73-4460 Queen Kaahumanu Hwy in Kona from Natural Energy Laboratory of Hawaii Authority. The lease term was month to month with a monthly fixed rental fee of \$510. This location closed July 2013.

Future minimum lease payments under operating leases that have remaining terms in excess of one year as of June 30, 2013, are:

Year Ending June 30, 2014	34,706
2015	<u>14,633</u>
Total minimum lease payments	<u>\$ 49,339</u>

Rent expense for the fiscal year ended June 30, 2013 totaled \$95,051.

4. Net Asset/Fund Balances

Net assets in the government-wide financial statements are classified as invested in capital assets and unrestricted. As of June 30, 2013, there are no restricted net assets.

In the fund financial statements, fund balance represents the assets less liabilities for each fund. As of June 30, 2013, there are no restricted fund balances.

5. Contingencies

CSAO has received proceeds from several federal and state grants. These grants are subject to periodic audit and certain costs may be questioned. Such audits could result in the refund of grant moneys to the grantor agencies. Management believes this risk is remote and any funds required to be refunded would not be material. As a result, no provision has been made in the accompanying financial statements for the refund of any grant moneys.

**CHARTER SCHOOLS ADMINISTRATIVE OFFICE
(AN AGENCY OF THE STATE OF HAWAII)
Year Ended June 30, 2013**

6. Reconciliations of Government-wide Financial Statements to Fund Financial Statements

Capital Asset amounts are the only reconciling items between the government and fund financial statements. Reconciliations at June 30, 2013 are:

Statement of Net Assets to Balance Sheet

Statement of Net Assets Total Net Assets	\$ 774,423
Less: Capital Assets, Net	<u>(112,878)</u>
Balance Sheet Fund Balance	<u>\$ 661,545</u>

**Statement of Activities to Statement of Revenues,
Expenditures and Changes in Fund Balance**

Statement of Activities Change in Net Assets (Loss)	\$ (202,246)
Less: Capital Assets Recorded in the Current Period	(19,624)
Plus: Donation of Property	8,500
Plus: Current Fiscal Year Depreciation	<u>83,690</u>
Net Change in Fund Balances	<u>\$ (129,680)</u>

7. Subsequent Events

The Charter School Administrative Office (“CSAO”) closed as of June 30, 2013 pursuant to the repeal of Chapter 302B, Hawaii Revised Statutes. The CSAO was established by Chapter 302B. Effective July 1, 2013, the Hawaii State Public Charter School Commission (“Commission”) was established under Act 130, Chapter 302D, Hawaii Revised Statutes, with statewide chartering jurisdiction and authority. This change is in name only and it is not expected to effect the financial statements going forward.

In preparing these financial statements, CSAO has evaluated events and transactions for potential recognition or disclosure through November 21, 2013, the date the financial statements were available to be issued.

ADDITIONAL INFORMATION

**CHARTER SCHOOLS ADMINISTRATIVE OFFICE
(AN AGENCY OF THE STATE OF HAWAII)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2013**

<u>Federal Grantor/Pass-through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>	<u>Amount Provided to Subrecipient</u>
United States Department of Education:			
Passed through the State of Hawaii Department of Education:			
Title I Grants to Local Educational Agencies	84.010	\$ 412,357	\$ 169,185
Improving Teacher Quality - Title II, Part A	84.367	418,673	328,669 *
English Language Acquisition	84.365	22,668	11,394
Impact Aid	84.041	<u>2,762,510</u>	<u>2,762,510</u> *
Total Expenditures of Federal Awards		<u>\$ 3,616,208</u>	<u>\$ 3,271,758</u>

* Denotes Major Program

A. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the CSAO and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

SINGLE AUDIT SECTION

**CHARTER SCHOOLS ADMINISTRATIVE OFFICE
(AN AGENCY OF THE STATE OF HAWAII)
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2013**

PRIOR YEAR FINANCIAL STATEMENT FINDINGS

2012 – 1 Compromised Accounting System – Material Weakness

Condition: In the prior year, it was noted that the check feature of QuickBooks was used to record a vendor called “Audit Adjustment”, which caused cash to be understated by \$17,481. It was noted that no actual checks was issued. These items showed up on the bank reconciliation as uncleared transactions dated 6/30/10. Per review of the prior year audited cash reconciliation, these amounts were not included, so the transactions were done after the 6/30/11 audit.

Recommendation: We recommended that CSAO put proper safeguards in place that does not allow the setup of fictitious vendors or the ability to record transactions after the audit. The client’s software allows for user to be granted certain rights and we recommend this be setup and used. CSAO should also ensure that cash reconciliations are being reviewed by someone not preparing them and should be signed off to show that proper review was completed.

Current status: Recommendation was implemented.

PRIOR YEAR FINANCIAL FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

- 2012 – 2 Subrecipient Monitoring**
- 2011 – 2**
- 2010 – 5**
- 2009 – 3**

Condition: In the prior years, it was noted that the CSAO did not provide award identification information to the subrecipient.

Recommendation: It was recommended that CSAO provide federal award identification, at the time of the award, identifying to the subrecipient of the Federal award, information regarding: CFDA title and number, award name, name of Federal agency and applicable compliance requirements.

Current status: Recommendation was implemented.



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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

To the Charter School Review Panel and Management of
Charter Schools Administration Office
Honolulu, Hawaii

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Charter Schools Administration Office (CSAO), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise CSAO's basic financial statements and have issued our report thereon dated November 21, 2013.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Charter Schools Administration Office's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CSAO's internal control. Accordingly, we do not express an opinion on the effectiveness of CSAO's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Charter Schools Administration Office

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the CSAO's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "James O Jennings CPA". The signature is written in a cursive, flowing style.

Honolulu, Hawaii
November 21, 2013



Jennings
James D. Jennings, CPA, Inc.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Charter School Review Panel and Management of
Charter Schools Administration Office
Honolulu, Hawaii

Report on Compliance for Each Major Federal Program

We have audited Charter Schools Administration Office's (CSAO) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of CSAO's major federal programs for the year ended June 30, 2013. CSAO's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of CSAO's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about CSAO's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of CSAO's compliance.

Basis for Qualified Opinion on Improving Teacher Quality State Grants CFDA # 84.367

As described in the accompanying schedule of findings and questioned costs, CSAO did not comply with requirements regarding CFDA 84.367 Improving Teacher Quality State Grants as described in finding number 2013-1 for Subrecipient Monitoring. Compliance with such requirement is necessary, in our opinion, for CSAO to comply with the requirements applicable to that program.

Qualified Opinion on Improving Teacher Quality State Grants CFDA # 84.367

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, CSAO complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on CFDA 84.367 Improving Teacher Quality State Grants for the year ended June 30, 2013.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, CSAO complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2013.

Other Matters

CSAO's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. CSAO's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of CSAO is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered CSAO's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of CSAO's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a deficiency in internal control over compliance that we consider to be a material weakness.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a

deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2013-1 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We did not identify any deficiencies in internal control over compliance that we consider to be significant deficiencies.

CSAO's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. CSAO's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose



Honolulu, Hawaii
November 21, 2013

**CHARTER SCHOOLS ADMINISTRATIVE OFFICE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2013**

Section I - Summary of Auditor's Results:

Financial Statements

1. The auditor's report expresses an unmodified opinion on the financial statements of Charter Schools Administration Office.
2. Internal control over financial reporting:

Material weakness identified	No
Significant deficiency identified	None reported
3. Noncompliance material to financial statements noted No

Federal Awards

4. Internal control over major programs:

Material weakness identified	Yes
Significant deficiency identified	No
5. Type of auditor's report issued on compliance for major programs: Qualified
6. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 Yes
7. The programs tested as major program included:

Department of Education – Improving Teacher Quality State Grants	84.367
Department of Education – Impact Aid	84.041
8. Dollar threshold used to distinguish between type A and type B programs: \$ 300,000
9. Charter Schools Administration Office qualify as a low-risk auditee No

**CHARTER SCHOOLS ADMINISTRATIVE OFFICE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2013**

Section II - Financial Statement Findings

None noted.

Section III – Federal Award Findings and Questioned Costs

2013 – 1 Subrecipient Monitoring

Department of Education – Improving Teacher Quality State Grants 84.367

Criteria: U.S. Office of Management and Budget Circular No. A-133 (OMB Circular A-133), Audits of States, Local Governments, and Non-Profit Organizations, Compliance Supplement sets forth requirements relative to subrecipient monitoring. Pass through entities are responsible for the following: (1) Ensuring that subrecipients expending \$500,000 or more in Federal awards during the subrecipient’s fiscal year for fiscal years ending after December 31, 2003 as provided in OMB Circular A-133 have met the audit requirements of OMB Circular A-133 and that the required audits are completed within 9 months of the end of the subrecipient’s audit period; (2) issuing a management decision on audit findings within 6 months after receipt of the subrecipient’s audit report; and (3) ensuring that the subrecipient takes timely and appropriate corrective action on all audit findings. In cases of continued inability or unwillingness of a subrecipient to have the required audits, the pass-through entity shall take appropriate action using sanctions.

Condition: It was noted that the CSAO did not perform the three requirements noted above.

Effect: The CSAO is not in compliance with federal requirements.

Recommendation: We recommend to the CSAO to put procedures in place to ensure that the Charter Schools are having A-133 audits when they exceed \$500,000 in federal expenditures, to issue a management decision on the audit findings and to monitor the Charter Schools’ corrective actions for timeliness and appropriateness.

**CHARTER SCHOOLS ADMINISTRATIVE OFFICE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2013**

Section III – Federal Award Findings and Questioned Costs – (Continued)

2013 – 001 Subrecipient Monitoring – (Continued)

View of Responsible Officials:

With the new charter school contracts, financial statements will be provided to the Commission office on a quarterly basis. With these reports, Management will be able to quickly determine which schools will be required to have A-133 audits and notify the schools to ensure the audits are performed for the fiscal year. The audit reports will be due to the Commission office by November 15, 2014, so the reports will be reviewed to ensure the A-133 audits have been performed within the required timeframe.

Prior to the charter school contracts, the audit reports would be submitted to the Commission office by December 31, and the determination of the A-133 requirement would be made at that time. If an A-133 audit was required, the auditor would be required to perform the audit after the audit report was issued.

Planned Corrective Action:

Management will review the quarterly financial statements submitted by the charter schools and determine, based on the third quarter report, if an A-133 audit is required. The school would be informed in time to notify their auditor of the A-133 requirement before the audit began. Upon submission of the audit report to the Commission office, Management will review the report to ensure the A-133 requirement is met.