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NACSA AUTHORIZER EVALUATION REPORT

HAWAII STATE PUBLIC CHARTER SCHOOL COMMISSION

Authorizer

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CONTENTS

EVALUATION SCOPE	4
RATING CATEGORIES	5
ABOUT THE AUTHORIZER	6
SCHOOL PERFORMANCE	7
EXECUTIVE SUMMARY	9
ACCOUNTABILITY	10
ACCESS FOR ALL STUDENTS	17
DEFINING AND RESPECTING SCHOOL AUTONOMY	21
AUTHORIZING PROCEDURES AND CAPACITY	24
SOURCES	31
BIOGRAPHIES	32

EVALUATION SCOPE






This evaluation is designed to provide the authorizer with a reflective, formative analysis of its primary strengths, priorities for improvement, and recommended action steps. Consistent with NACSA's *Principles & Standards for Quality Charter School Authorizing*, this evaluation considers the authorizer's core practices, organizational structure, and capacity, all through the lens of the overall quality of its schools. This evaluation is guided by the following overarching principles:

- 1. Accountability.** *The authorizer only approves applications that meet rigorous evaluation criteria and holds schools accountable for their academic, financial, and organizational performance.*
- 2. Access.** *The authorizer increases access to quality public education by ensuring that all charter schools are meeting their equitable obligations and commitments including for open enrollment; for transparent, consistent enforcement of student discipline; for meeting the needs of students identified with disabilities and English Learners; for providing safe and adequate facilities and transportation; and by providing high-performing charter schools with opportunities to grow.*
- 3. Autonomy.** *The authorizer honors and preserves charter school autonomies, ensuring schools have ample opportunities to adapt as needed to meet the needs of their students.*
- 4. Authorizing Procedures and Capacity.** *The authorizer's procedures support the implementation of high-quality authorizing practices and the authorizer has the capacity, in terms of staffing and resources, to advance its strategic goals and carry out its authorizing duties effectively.*

This evaluation report is the culmination of a process, which included an extensive document review, surveys, stakeholder interviews, and a two-day site visit. This report explores each guiding principle in detail and presents the authorizer with analysis of the applicable standards and recommended actions for strengthening its authorizing program and the quality of schools in its portfolio.

RATING CATEGORIES

For each category, the authorizer receives a rating as follows:

 Excellent	Outstanding results for children or commendable authorizing practices that exceed NACSA's <i>Principles & Standards</i> .
 Well-developed	Positive results for children or strong authorizing practices that meet, or require modest changes to meet, NACSA's <i>Principles & Standards</i> .
 Satisfactory	Some promising but mixed results for children or authorizing practices that require material modifications to meet NACSA's <i>Principles & Standards</i> .
 Needs Improvement	Results for children are generally unsatisfactory or inadequate authorizing practices that fall far short of satisfying NACSA's <i>Principles & Standards</i> .
 Unsatisfactory	Results for children are demonstrably unsatisfactory or incomplete, or authorizing practices that are wholly inadequate or nonexistent.

ABOUT THE AUTHORIZER | HAWAII STATE PUBLIC CHARTER SCHOOL COMMISSION

AUTHORIZER INFORMATION

Type: ICB	First Charter: 1996 (though Commission was not established until 2012)	Authorizer Fee: \$0
Decision-Making Body: Nine-member commission	No. Staff: 21 total (15 authorizing and 6 federal programs)	Annual Budget: \$1.4M (including \$415,700 federal funds and \$100,000 for charter school arbitration costs)

SCHOOL PORTFOLIO

SCHOOLS		STUDENTS
No. Schools: 34	No. CMO: 1	% FRL: 49%
No. Students: 10,422	No. EMO: 1 (opening this Fall)	% EL: 2%
% HI Public Students: 6%	No. Virtual: 0	% SPED: 9%

AUTHORIZER DECISION-MAKING – 2014-2016

App. Received: 16	Renewed: 33	1st Year Closures: 0
Approved: 4	Non-Renewed/Revoked: 0/1	Expansion or Replication: 0

ADDITIONAL CONTEXT

The Hawaii State Public Charter School Commission (the Commission) currently oversees 34 charter schools serving approximately 10,422 students, or 6 percent of all K-12 students in Hawaii. Although the state's first charter school law was enacted in 1994, the Commission was established when the state's charter school law was repealed and replaced in 2012. The Commission replaced the Hawaii Charter School Review Panel (CSRP) as the statewide authorizer and inherited the CSRP's entire portfolio of over 30 charter schools. Twenty-four of the schools were established before 2002, and the first charter school opened in 1996. Charter schools currently operate on Hawaii Island (15 schools), Kauai (4 schools), Maui (1 school), Molokai (1 school), and Oahu (13 schools, including two that serve students statewide). In addition, approximately half of the schools in the Commission's portfolio are either Hawaiian culture-focused or Hawaiian language immersion schools.

The 2012 charter school law was a dramatic overhaul, bringing the law more into alignment with recommended elements of charter school laws nationally, but also representing a ground shift for the existing charter schools. Among other changes, the new law brought accountability expectations (previously nonexistent) for charter schools into effect, along with new authorizer responsibilities for oversight and quality practices. As the new statewide authorizer, the Commission was immediately faced with the challenges of establishing authorizing systems and procedures for a long-established charter school community used to receiving support rather than oversight from their authorizer. Since its first year, the Commission has worked in a contentious and challenging environment where its practices face considerable ongoing resistance from a vocal minority of charter schools.

The Commission has nine members, all appointed by the State Board of Education. Two new members joined the Commission in 2016, and the terms of three members expire in June 2017. The Commission currently employs 21 full-time staff members, including an Executive Director who joined the Commission in September 2016. In addition to authorizing work, many staff members are at least partly responsible for state administrative and/or federal program management duties, and several are dedicated exclusively to federal program management or technical assistance.

SCHOOL PERFORMANCE

NACSA believes that the reason authorizers exist is to ensure that charter schools are good schools for children and the public. Authorizers are responsible for the overall performance of their portfolio of schools. By definition, good authorizing is a combination of policies and practices that lead to good schools.

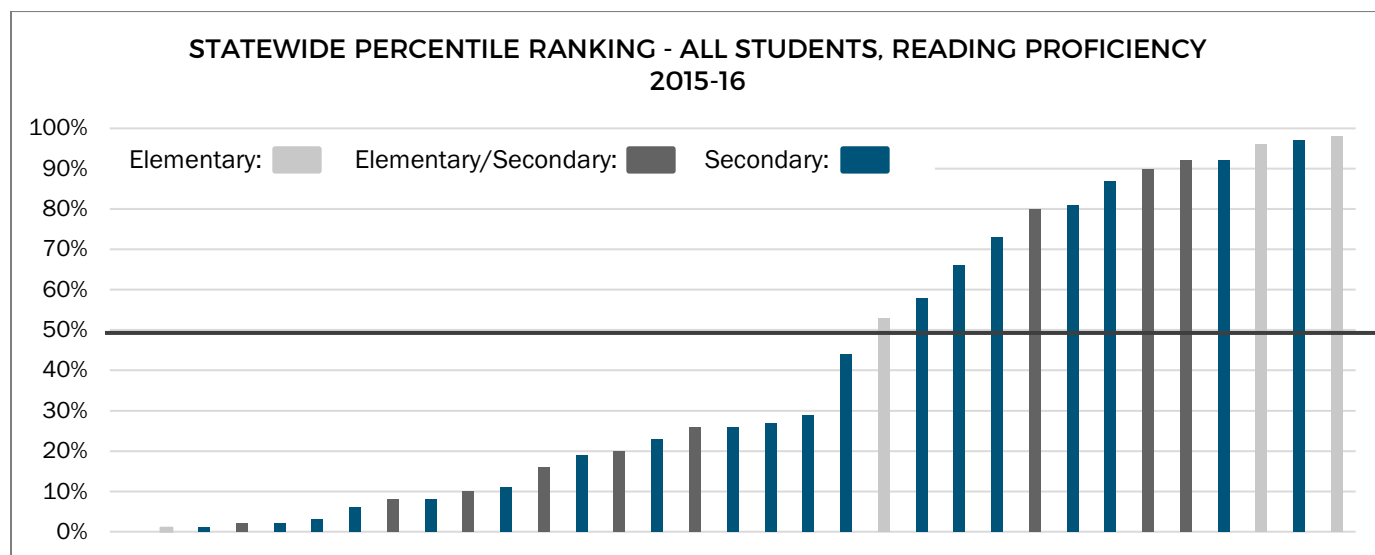
The table and graphs below illustrate the Commission's charter school statewide percentile rankings based on 2015-16 proficiency rates for all charter school students and Historically Underperforming charter school students.*

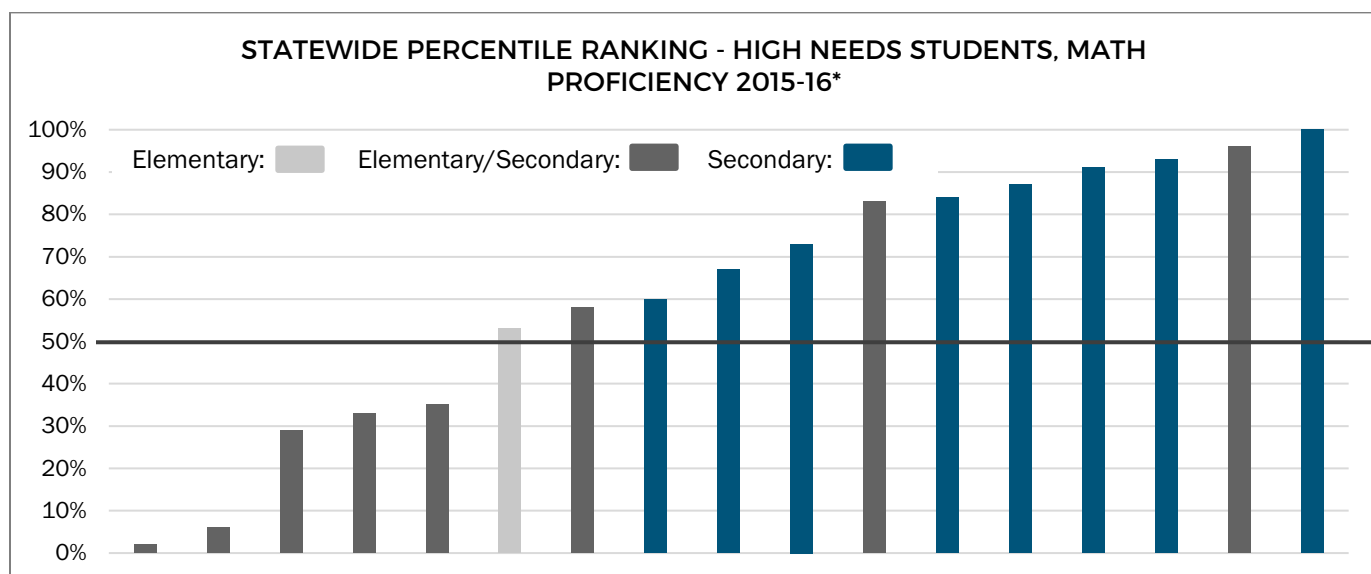
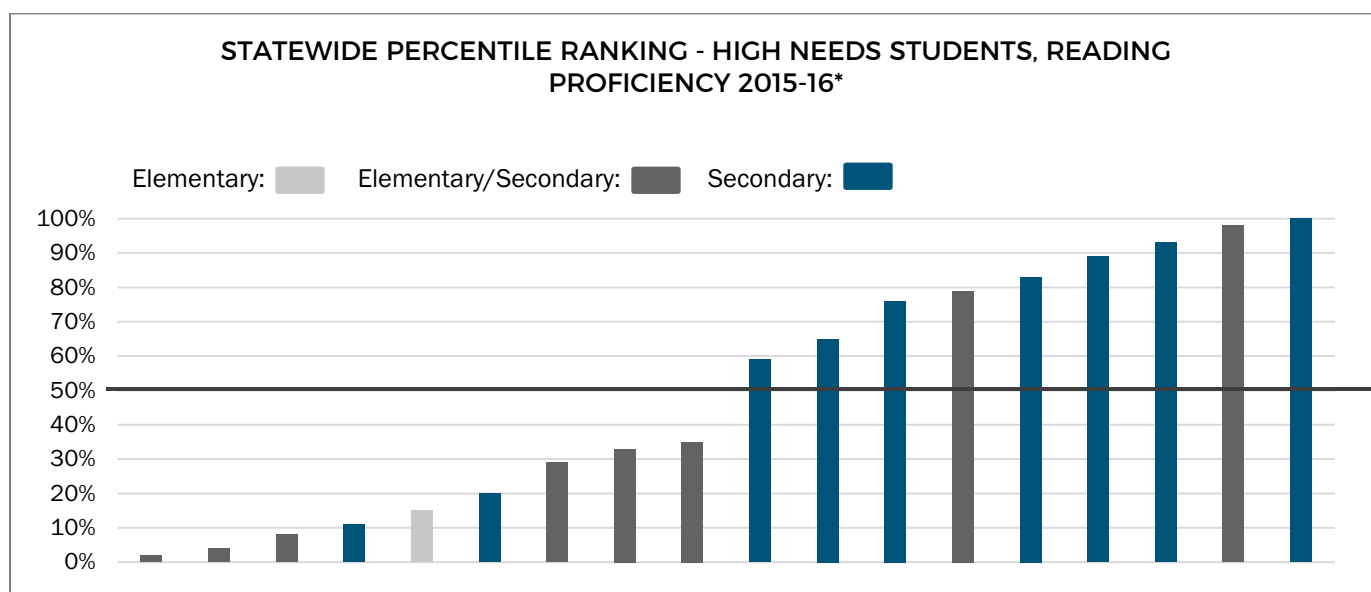
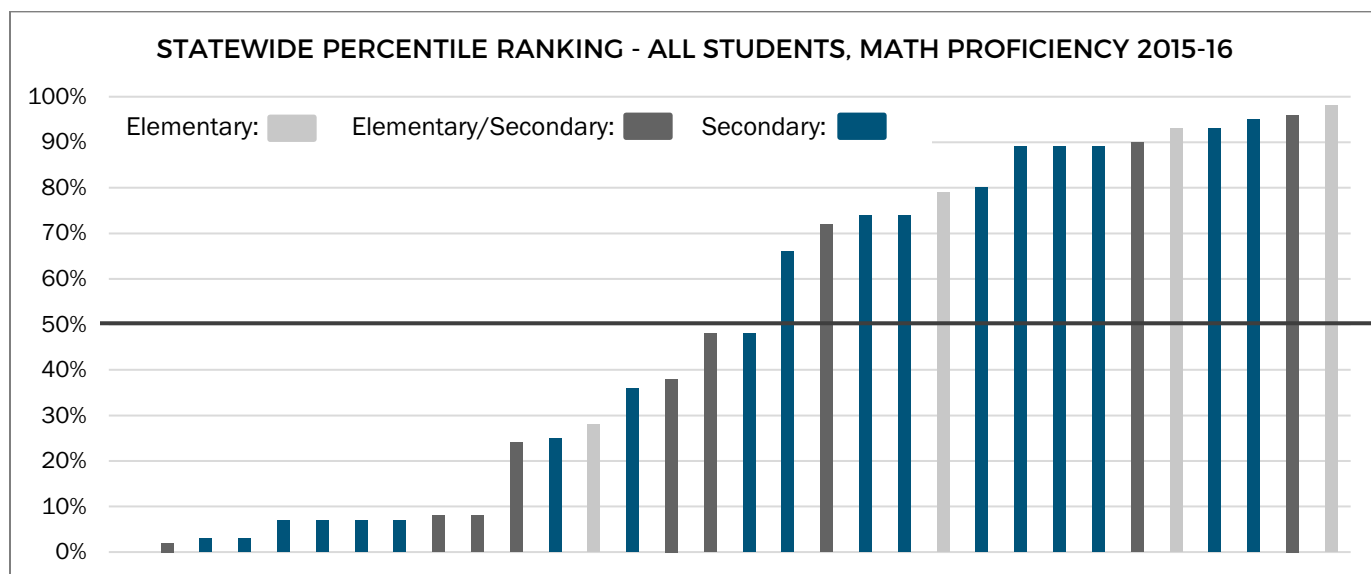
PERCENTAGE OF COMMISSION CHARTER SCHOOLS				
Quartile	Reading – All Students	Math – All Students	Reading – High Needs Students	Math – High Needs Students
76-99 th Percentile	26%	32%	21%	21%
51-75 th Percentile	12%	12%	6%	15%
26-50 th Percentile	15%	15%	9%	9%
0-25 th Percentile	44%	35%	18%	6%
Missing Data	3%	6%	47%	50%

Source: Hawaii Department of Education, Strive HI data files.

Note: Schools are ranked against all other schools statewide serving the same grade level (elementary, middle, high). However, some schools serve grades in different grade designations, regardless of their state grade-level designation.

*High Needs students include students qualifying for free or reduced-price lunch (FRL), English Learners (EL), and special education students.





EXECUTIVE SUMMARY

Since its establishment in 2012, the Commission has worked diligently to develop and implement many new authorizing systems and practices, with specific attention to alignment with NACSA's *Principles & Standards for Quality Charter School Authorizing* ("NACSA's *Principles & Standards*"). For three years (2013-16) the office was led by an Executive Director who hired strong staff and led the development of the office's initial authorizing practices. A new Executive Director took the reins in September 2016 and has continued to build and strengthen the staff while also focusing on developing stronger relationships with schools. The Commission's key strengths include its focus on quality and transparency across core practices and its commitment to upholding school autonomy. The Commission has a thorough and comprehensive request for proposals (RFP) and correspondingly well-developed processes for soliciting and reviewing charter school applications. The Commission has also developed performance frameworks to assess its schools' academic, financial, and organizational performance and has used these frameworks to inform new term lengths granted in its last renewal cycle. In addition, the Commission has strengthened its monitoring of charter schools' obligation to provide equitable access to all students. The Commission ensures that schools' admissions and enrollment policies and practices are fair and transparent and uses site visits to confirm schools' compliance with various laws that protect student access.

While the Commission has established many strong authorizing processes, it struggles to hold schools accountable for their results, though accountability is a critical component of Hawaii's charter school law. According to the Commission's academic performance framework (APF) used for the most recent renewal cycle, only 38 percent of its schools ranked in the top half of all schools statewide based on a three-year average percentile ranking. This past year, 33 of the Commission's charter schools were up for renewal. The Commission set the bar for renewal so low that all schools, regardless of academic performance, were renewed for at least two years. In addition, the lack of a strategic plan has often left the Commission in a reactive mode, preventing it from providing unequivocal guidance to schools and clear direction for its own work and decision making. The lack of a strategic vision and plan has created a vacuum that schools, Commission members, staff, and other stakeholders fill with their own vision and feelings about what a quality education is or what charter schools should be in Hawaii. This was evidenced by the sometimes dramatically different views expressed in interviews, as well as some schools' extreme resistance to the Commission's charter contract, performance frameworks, and stated expectations for charter schools. The Commission now views creating a clear strategic plan as a top priority and has taken steps to begin that process this spring.

FOCUS AREAS

RECOMMENDATIONS

Training and Strategic Planning	<p>Provide comprehensive orientation and training for all commissioners and authorizing staff in nationally recognized quality authorizing principles and standards.</p> <p>Develop a strategic plan that defines strategic goals and priorities to guide the Commission's work and communicate goals clearly to schools and the public.</p>
Academic Performance Framework	<p>Revise the newly adopted APF to create consistent and transparent standards across schools; follow and implement the intervention protocol to ensure that schools struggling academically receive a more thorough performance review when they apply for renewal.</p>
Monitoring and Intervention	<p>Implement the established intervention protocol to place schools on academic, financial, or organizational intervention status where warranted.</p>
Renewal Decision Making	<p>Set a higher bar for renewal and make the difficult decision to non-renew or revoke the charters of schools that have chronically failed to make sufficient improvement or progress.</p>

ACCOUNTABILITY

Overall, the authorizer only approves applications that meet rigorous evaluation criteria and holds schools accountable for their academic, financial, and organizational performance.

The authorizer decides which charter school applications are good enough to be approved and which schools are good enough to stay open and be renewed. These are tremendous responsibilities that will ultimately determine the overall quality of the charter schools in the authorizer's portfolio. This section examines the authorizer's decisions related to the school's educational plan and performance, financial plan and performance, and organizational plan and performance.

KEY STRENGTHS

- The Commission has developed a thorough and comprehensive request for proposals (RFP) that allows the Commission to gather the information necessary to effectively evaluate an applicant's educational, financial, and organizational plans and its capacity to implement such plans with success.
- The Commission developed performance frameworks to assess its schools' academic, financial, and organizational performance and measured each school's performance according to those frameworks in the last renewal cycle.
- The Commission actively seeks school input on its performance frameworks and provided ample opportunity for school review and feedback prior to adopting the most recent changes to the performance frameworks.

FOCUS AREAS


RECOMMENDATIONS

Application Evaluations	Ensure that all application evaluations apply the same criteria consistently and rigorously so that only applications which meet the established criteria are recommended for approval.
Academic Performance Framework	Revise the newly adopted APF to create consistent and transparent standards across schools; follow and implement the intervention protocol to ensure that schools struggling academically receive a more thorough performance review when they apply for renewal.
Organizational Performance Framework	Actively monitor schools' compliance with their established conflict of interest policies and enforce consequences, including reflection in a school's OPF rating and implementing the intervention protocol, for schools that are in persistent violation of state ethics laws and standards.
Renewal Decision-Making	Set a higher bar for renewal and make the difficult decision to non-renew or revoke the charters of schools that have chronically failed to make sufficient improvement or progress.

ACCOUNTABILITY | IN DEPTH

EDUCATION PLAN AND PERFORMANCE

In general, schools are performing well academically.

 Needs Improvement

Overall, the academic performance of the Commission's schools needs improvement. According to the Commission's APF, which considers achievement, growth, college and career readiness (for high schools), achievement gaps, and school-specific measures (SSMs) in limited instances, only 38 percent of its schools ranked in the top half of all schools statewide based on a three-year average percentile ranking. The Commission used this three-year average percentile ranking in its most recent renewal decisions. Furthermore, 21 percent (seven schools) ranked in the bottom quintile statewide, which is especially troubling given that all but one of these schools opened before 2008.


Application decisions reflect appropriate requirements for and rigorous evaluation of the educational program's likelihood of success and the applicants' capacity for educating children well.

 Well-Developed

The Commission has developed a thorough and comprehensive request for proposals (RFP) and criteria, which allow the Commission to gather the information necessary to assess an applicant's educational program and its capacity to implement the proposed program successfully. The Academic Plan section of the RFP requires the applicant to address its academic philosophy, anticipated student population, proposed curriculum and instructional design, special populations and at-risk students, school culture, professional culture and staffing, school calendar and schedule, and supplemental programs. In addition, the Academic Plan section includes specific requirements for virtual and blended learning programs, applicants planning to contract with a third-party service provider, and applicants proposing a conversion charter school.

While the Commission has developed a robust process for evaluating applications, the evaluations themselves reflect a mixed level of rigor and in many cases need more detail or information to support the given ratings in the Academic Plan section. While each Academic Plan evaluation includes some feedback on its strengths or weaknesses, in many instances, no feedback is provided for individual subsections within the Academic Plan. Instead, only "none" is written after both "strengths" and "weaknesses" for some individual subsections. Additionally, some evaluation reports could be strengthened by including more detail and context to support the stated conclusions. Without more detail and evidence to support the ratings, which ultimately lead to the final staff recommendation, it is difficult to assess whether applicants are meeting the criteria for the Academic Plan set forth in the RFP.

The authorizer holds schools accountable for academic performance using objective and verifiable measures, established in the charter contract or performance framework, that address, at a minimum, student achievement, student growth, and post-secondary readiness or success as primary measures of school quality.

 Needs Improvement

Despite developing a strong and comprehensive APF that is aligned with the state's accountability system (Strive HI), the Commission has continued to renew extremely low-performing schools. The Commission should be commended for developing a comprehensive APF that includes indicators of student achievement, student growth, college and career readiness, and achievement gap measures and includes the opportunity for schools to propose SSMs. However, the Commission did not effectively use this APF in its most recent renewal decisions, which involved 33 of the Commission's 34 schools. Instead, it set the bar for renewal so low that all schools, regardless of academic performance, were renewed for at least two years. Schools that received a three-year statewide average percentile ranking of 20 or below were eligible for two- or three-year terms. Of the eight schools in this bracket, two received a two-year contract with the requirement to meet interim academic targets; three received a three-year contract with the requirement to meet interim academic targets; and the remaining two schools were Hawaiian language immersion schools that received four-year terms because students were assessed in English. A new Hawaiian language state assessment has been developed, but 2015-16 was the first year this test was administered, so no growth scores are yet available.

Furthermore, the Commission limited its ability to make tough renewal decisions by not adopting guidance outlining how a school's performance on the APF would factor into renewal decisions until shortly before the 2016 renewal process commenced. As a result, schools argued that it would be unfair to hold them to a standard that was not adopted until the year before the last year of the term. The Commission did start the conversation with schools in early 2015 and initially proposed that schools with a three-year average percentile ranking in the bottom quintile statewide would be considered for non-renewal. However, school pushback was strong and the Commission eventually agreed to renew all schools, regardless of academic performance, for at least two years.

On March 9, 2017, the Commission adopted a new APF that will be incorporated into all renewal contracts. Because the Commission has not set a minimum "floor" for academic performance, this new APF is vague and provides no basis for transparent decision making based on consistent standards across schools, making it even tougher for the Commission to make rigorous, objective, and publicly defensible accountability decisions. The new APF has two parts: Student Academic Outcomes and a "Value Added" section. The Student Academic Outcomes section is still closely aligned with Strive HI. However, under the new APF, the Commission will work with each school to set annual targets for each academic outcome indicator, and each school will be evaluated annually on whether it has achieved such targets. Instead of setting consistent expectations for all schools, this approach could result in a historically low-performing school meeting its targets because it had made incremental improvements, while a higher-performing school fails to meet its targets because it simply had less room for improvement. The Value Added section requires schools to develop at least one "value-added" goal that may measure the "implementation of systems designed to increase program effectiveness, innovative practices and those that are aligned to the school's mission and vision." These are typically qualitative program or process improvement goals rather than performance goals tied to student learning outcomes. While there may be a place for process- or program-related goals, such goals should not play a large role in an APF, which is meant to evaluate *academic performance* and learning.

While the new APF provides limited guidance as to how the Commission will consider the various measures when assessing a school's overall academic performance, the Commission's new renewal criteria and process provide some helpful context. According to the new charter contract effective July 1, 2017, any school that receives a notice of deficiency during the contract term will undergo a performance review hearing as part of the renewal decision process, and the Commission may decide not to renew the school's contract if it finds,

that sufficient progress was not made toward academic performance expectations when there is a pattern of failing to meet a majority of targets, there is a pattern of failing to meet targets coupled with a downward trend in performance, or there is a pattern of failure to implement corrective action plans (see Exhibit E of the new charter contract).

Only schools that receive a notice of deficiency are subject to this performance review hearing. Schools that have not received a notice of deficiency during the contract term may simply apply for a five-year renewal. The success of this system is heavily dependent on the Commission following and implementing its intervention protocol, which it has not done in the past.

ACCOUNTABILITY | IN DEPTH

BUSINESS PLAN AND PERFORMANCE

Schools generally appear to be financially viable.

 Satisfactory

Overall, a large majority of the Commission's schools appear to be financially viable. According to the Commission's financial performance framework (FPF), which is closely aligned with NACSA's core financial performance framework, 27 of the Commission's 34 schools met the Commission's expectations for financial performance in 2016. Seven schools did not meet expectations overall on the FPF, although five of the seven schools missed the Commission's threshold by one indicator. One school did not meet the standard for any of the eight indicators and another school failed to meet the standard for six of the eight indicators. Lastly, on March 30, 2015, the Commission revoked the charter of Hālau Lōkahi Charter School, primarily for financial failure. This revocation occurred after the Commission tried to work with the school for more than a year to address its financial and organizational problems.


Application decisions reflect appropriate requirements for and rigorous evaluation of the business plan and the applicants' capacity for operating a financially viable school.

 Satisfactory

The strengths of the Commission's RFP and criteria also extend to the requirements for an applicant's business plan (referred to as the Financial Plan in the RFP). The Financial Plan section requires the applicant to provide comprehensive and thorough information including a viable start-up and three-year operating budget; a detailed budget narrative; a sound contingency plan if revenues are lower than expected, which must include a year one cash flow plan; a clear description of the proposed financial planning, accounting, purchasing, and payroll systems; a description of how financial oversight responsibilities will be divided amongst staff, the school board, and any proposed management company; and a description of the criteria that will be used to select vendors and contractors. The Organizational Plan section of the RFP includes some additional requirements related to an applicant's financial plan and capacity, including a comprehensive section on the school's start-up and facility plans.

While the Commission has developed an RFP with strong financial plan requirements, the application of those requirements is not always rigorous. One recent application evaluation report rates the applicant as "meeting the standard" for the Financial Plan despite the applicant receiving a "does not meet the standard" for one of the two applicable subsections. The other subsection was rated as "meets the standard" without any supporting evidence. Furthermore, another section of the same evaluation report notes that the applicant's finance team "does not appear to have a very strong background in accounting nor has formal training other than work experience." However, this concern is not raised in the recommendation report, which states that the applicant has demonstrated evidence of financial capacity (Accelerated Learning Laboratory, Evaluation and Recommendation Report, 2016). Recommending applicants that do not meet the Commission's criteria for a school's Financial Plan, lowers the bar for approval and increasing the likelihood that these schools will face financial problems in the future.

The authorizer holds schools accountable for financial performance based on externally validated data measured against appropriate near-term and sustainability measures, established in the charter contract or performance framework, as the primary indicators of a school's financial viability.

 Needs Improvement

In the wake of the Hālau Lōkahi revocation, the Commission has strengthened its financial monitoring practices and now has a good sense of each school's financial standing. Yet even with this knowledge, the Commission continues to renew schools with significant financial problems without indicating any mitigating factors that might have informed the decision or establishing rigorous expectations for remedying concerns.

The Commission has established a strong FPF, which aligns with NACSA's core FPF. The FPF contains clear indicators and targets, and properly measures both a school's near-term health and long-term financial sustainability. The Commission recently adopted a revised FPF for contracts effective July 1, 2017. While the revised FPF has not changed

the financial indicators, the Commission has adopted a new ratings system based on risk assessment. Under this system, each indicator will be given an annual rating (1 being the lowest risk and 5 being the highest risk) and then an “annual risk assessment result” for each school “will be determined using a balanced weighted formula utilizing the individual scores calculated for each indicator.” The formula places the most weight on unrestricted days cash (35 percent) and total margin (25 percent). The Commission will use schools’ audited financial statements to calculate each indicator’s rating and the annual risk assessment rating.

While each performance framework is properly tied to the Commission’s intervention protocol, the FPF, aside from compliance measures, does not specify the level of performance that would trigger a notice of concern (i.e., below a certain composite rating; a “high” or “significant” rating on a certain number of indicators; or some threshold set at the discretion of the Commission after review of any “high” or “significant” ratings). Furthermore, a single composite rating is helpful, but this single score could mask issues that might be associated with one or more individual indicators. A “significant” (highest risk) rating on one indicator could be potentially hidden by stronger performance on the other indicators. Poor performance on one or more indicators does not necessarily mean that a school is experiencing financial difficulty, but it should trigger a closer examination. Since the Commission only receives audited financial statements annually, the Commission will continue to conduct quarterly financial monitoring to ensure timely identification of financial issues.

In the most recent renewal cycle, schools that failed to “meet the standard” for overall financial performance were still eligible to receive up to a four-year renewal term, thereby diminishing the importance of charter school financial health in high-stakes decisions. To meet the overall standard for financial performance, a school needed to “meet the standard” for five of the eight financial indicators, one of which had to be unrestricted days cash on hand. Of the four schools that did not meet the overall standard, three received three-year terms and one received a two-year term. Of the three schools that received three-year terms, one school did not meet any of the indicators and another school met only two of the eight indicators. While most of these schools receive increased financial monitoring, which is discussed further in the Authorizer Procedures and Capacity section of this report, it is not clear how these potentially serious financial concerns informed the Commission’s renewal decisions.

While the number of Commission schools experiencing severe financial difficulties is far fewer than those struggling academically, the Hālau Lōkahi collapse makes clear that the harm to children and families of ignoring these warning signs is great. Without taking stronger action to require these schools to improve their financial position, the Commission could find itself, yet again, in a long and drawn-out revocation proceeding or, even worse, picking up the pieces of a failed school.

ACCOUNTABILITY | IN DEPTH

ORGANIZATIONAL PLAN AND PERFORMANCE

Schools generally appear to be meeting their legal and fiduciary obligations, and operating free from conflicts of interest.

 Satisfactory

According to the Commission's OPF, schools appear to be in compliance with the law, adhering to their fiduciary obligations, and operating free from conflicts of interest. As reported in the Commission's 2015-16 annual report, 32 of the 34 charter schools met the Commission's established standards overall for organizational performance for the 2015-16 school year. However, contrary to the ratings, some Commission schools persistently demonstrate conflicts of interest, ethical violations, and nepotism, and have failed to correct or eliminate these longstanding problems.


Application decisions reflect appropriate requirements for and rigorous evaluation of the organizational plan and the applicants' capacity for managing school operations and meeting organizational requirements effectively.

 Satisfactory

The Commission's RFP and criteria include robust requirements for a school's proposed organizational plan, but the Commission must ensure that application evaluations and recommendations consistently uphold the established criteria. In addition to standard requirements for the proposed governance and management structure and systems, the Organizational Plan section also covers perceived or actual conflicts of interest; plans for monitoring and evaluating academic, financial, and organizational performance; transportation, food service, and student safety plans; student recruitment, admission, and enrollment; parent involvement and community outreach; nonprofit involvement; facility plans; and the start-up period. Organizational capacity is also assessed as part of the Applicant Capacity section of the RFP.

While the RFP contains robust requirements, certain applications received a "meets the standard" rating or recommendation for approval despite limited supporting evidence or serious, arguably disqualifying weaknesses in the organizational plan. One applicant received a "meets the standard" rating for its organizational plan despite the following weaknesses: a current and proposed governing board that is solely composed of individuals associated with and employed by an existing school in Arizona; necessary revisions to the proposed bylaws to comply with Hawaii statute, including that the board should not report to the CEO of the Arizona-based school; concerns with the applicant's plan to secure a facility; and at best, minimal evidence of local community involvement (Accelerated Learning Laboratory, Evaluation Report, 2016). Commission staff need to ensure that all application evaluations are rigorous and reflect strong and consistent use of the evaluation criteria (see Kamalani, Evaluation Report, 2016, which supports ratings with specific and sufficient evidence).

The authorizer holds schools accountable for meeting organizational performance requirements established in the charter contract or the performance framework, including educational program requirements; governance and reporting requirements; fiduciary and financial management obligations; and operational requirements related to students, employees, and the school environment.

 Needs Improvement

The Commission has established an OPF and uses this framework to inform accountability decisions, but the Commission must set a higher bar for organizational performance and strengthen its monitoring and enforcement of school conflict of interest policies. The OPF that the Commission used in its last renewal cycle was broadly aligned with NACSA's core organizational performance framework, and was divided into six categories: education program, financial management and oversight, governance and reporting, students and employees, school environment, and additional obligations. The Commission assessed school performance in each category by tracking (1) on-time Epicenter completion rate; (2) number of notices of deficiency issued; (3) number of incidents of non-compliance with governing board meeting requirements; (4) number of incidents of non-compliance with school policy requirements; and (5) satisfactory completion of compliance review tasks.

In the last renewal cycle, the Commission factored organizational performance into its renewal decisions, but schools that did not “meet the standard” for organizational performance could still receive a four-year unconditional renewal term. While there may be valid reasons for renewing a school experiencing organizational difficulties, any such renewal should be conditioned upon establishing rigorous expectations for remedying concerns within a certain period of time. For a school to fail to meet the standard for organizational performance, which is designed to ensure that schools are meeting minimal ethical and legal requirements, yet still receive a renewal term of at least two years and possibly up to four years, is setting the bar too low and not fulfilling the authorizer’s responsibility to protect the public interest.

While the Commission used the OPF discussed above for its latest renewal decisions, it recently approved a new OPF for contracts effective July 1, 2017. The new OPF is streamlined and straightforward, but its success will rely on the Commission’s monitoring practices and the use of its intervention protocol. The new OPF covers governance, health and safety, access and equity, student conduct and discipline, personnel, and school operations, but it does not assess whether a school is adhering to the material terms of its proposed educational program. The OPF states that the Commission will evaluate performance based on audits of any compliance requirements, at least one site visit to each school per charter term, and required documentation to verify compliance. If a school does not comply with the requirements of the OPF, it will be subject to the Commission’s intervention protocol. The Commission does not have a history of issuing notices of concerns or deficiency under its established intervention protocol, but the effectiveness of this OPF is dependent upon the Commission’s willingness to issue such notices and enforce the corresponding consequences set forth in the intervention protocol going forward.

Nepotism has historically been an issue for charter schools in Hawaii, especially with some of the older charter schools and those in rural areas, and accountability in this area of organizational performance remains a concern. Although schools must have Commission-approved conflict of interest policies in place as part of the Commission’s OPF, the Commission does not actively monitor adherence to those policies and generally has not held schools accountable for breaches of those policies. The Commission has tried to step up monitoring and enforcement in this area by requiring schools to obtain an ethics ruling from the State Ethics Commission prior to hiring family members, but schools often find ways to bypass these rulings (e.g., by appointing a governing board member to oversee a family member who is hired, so one family member employee is technically not overseeing another family member employee). The Commission acknowledges that conflicts of interest, ethics violations, and self-dealing persist unabated in some charter schools. However, when these issues have been raised, some schools have accused the Commission of acting in a retaliatory manner. The Commission must do more to actively monitor schools’ compliance with their established conflict of interest policies and enforce consequences, including reflection in a school’s OPF rating and implementing the intervention protocol, for schools that are in persistent violation of state ethics laws and standards.

ACCESS FOR ALL STUDENTS

Access means the equal opportunity for all students to attend quality public charter schools. The authorizer increases access to quality public education by ensuring that all charter schools are meeting their equitable obligations and commitments, including for open enrollment; for transparent, consistent enforcement of student discipline; for meeting the needs of students identified with disabilities and English Learners; for providing safe and adequate facilities and transportation; and by providing high-performing charter schools with opportunities to grow.

This section assesses the extent to which the authorizer ensures that schools are meeting their equitable obligations and that the authorizer provides opportunities for quality programs to increase access through growth.

KEY STRENGTHS

- The Commission's RFP contains comprehensive and thorough requirements to ensure access for all students, including sections on admissions and enrollment, and student discipline policies; plans and policies for meeting the needs of students with disabilities and English Learners (ELs); plans for securing a safe and adequate facility; and plans for providing student transportation (if elected by the school).
- The Commission has made substantial progress in ensuring that schools' admissions and enrollment policies and practices are fair, transparent, and in accordance with the law.
- The Commission and the Hawaii Department of Education (DOE) have developed a strong and collaborative relationship to ensure that schools are complying with all laws protecting students with disabilities.
- Through its EL Coordinator, a federal programs employee, the Commission effectively monitors and ensures that schools are complying with laws protecting ELs.

FOCUS AREAS

RECOMMENDATIONS

Enrollment and Admissions Plans and Policies	Continue the Commission's progress in this area by ensuring that all enrollment and admission plans and policies are subject to a rigorous review as part of the application process.
Facilities	Issue notices of concern or deficiency to schools that lack proper facility documentation and follow up to ensure proper documentation has been obtained; contact and put pressure on institutional landlords that have not provided this documentation to schools despite school efforts to obtain this documentation.
Growth	Develop incentives or other ways of encouraging high-performing schools to expand or replicate.

ACCESS FOR ALL STUDENTS | IN DEPTH

ENROLLMENT

The application process includes appropriate requirements for and rigorous evaluation of a school's enrollment plan.

 Satisfactory

The authorizer effectively monitors schools' enrollment practices to ensure that they are fair, transparent, and in accordance with applicable law.

 Well-Developed

The Commission has made substantial progress in ensuring that schools' admissions and enrollment policies and practices are fair, transparent, and in accordance with the law, but its evaluation of such plans is inconsistent. The RFP contains comprehensive requirements for assessing a school's enrollment plan, as well as its proposed admissions and enrollment policies, but sample application evaluations reflect a mixed level of review. For example, some evaluation reports rated an applicant as meeting the standard for the "student retention, admission, and enrollment" section without providing a single comment (Kapolei Charter School by Goodwill Hawaii, Evaluation Report, 2016; Accelerated Learning Laboratory, Evaluation Report, 2016). In contrast, another evaluation report reflected careful consideration of the proposed criteria, noting that the proposed admission policy would not be approved by the Commission due to problematic language pertaining to students with disabilities and the inclusion of enrollment preferences, which the applicant stated it would not seek (Kilohana Academy, Evaluation Report, 2016).

The Commission has recognized enrollment as an area in which it needs to ensure greater equity for children and families. To this end, the Commission has taken steps to increase monitoring of school admission and enrollment policies and practices. The Commission now reviews and approves each school's admissions and enrollment policies, and checks such policies during site visits. In addition, to assist schools in creating strong and legally compliant admission and enrollment policies, the Commission developed written guidance that helps schools understand the difference between admissions and enrollment, and craft policies for each stage that will meet applicable legal requirements. The Commission reports that schools have made great improvement in this area.

STUDENT DISCIPLINE

The application process includes appropriate requirements for and rigorous evaluation of a school's student discipline plan.

 Well-Developed

The authorizer effectively monitors schools' student discipline procedures and practices to ensure that they are fair, transparent, and in accordance with applicable law.

 Well-Developed

Through the charter application and the charter contract, the Commission works to ensure that all schools have student discipline policies that are legal, fair, and aligned with the school's mission. The RFP requires applicants to provide a clear description of the school's philosophy on cultivating positive student behavior and a discipline policy that provides for appropriate and effective strategies to support a safe and strong school culture while respecting student rights. Applicants must also provide legally sound policies for student discipline, suspension, dismissal, and crisis removal, as well as a school code of conduct and describe the school's plan to incorporate teachers, students, and parents in the development or modification of the proposed school policies. The charter contract reinforces these requirements by requiring schools to provide parents and students with copies of such policies at the beginning of each school year and making these policies available on the school's website or in the school's office. If available only in the school's office, the school must also submit a copy of the policies to the Commission. The Commission has also posted guidance on its website that articulates schools' obligations in this area.

STUDENTS WITH DISABILITIES

The application process includes appropriate requirements for and rigorous evaluation of a school's plan for identifying, serving, and educating students with disabilities.

 Well-Developed

The authorizer effectively monitors schools' compliance with laws protecting students with disabilities.

 Well-Developed

The Commission ensures that schools are prepared to serve students with disabilities through its RFP and actively supports the DOE monitoring of school compliance in this area, which the Commission reports is generally strong. The RFP's Special Populations and At-Risk Students section requires applicants to outline their overall plans "to serve educationally disadvantaged students and students with special needs that demonstrates an understanding of and capacity to fulfill state and federal obligations and requirements pertaining to educationally disadvantaged students and students with special needs," which it defines clearly and broadly. Then for each identified group, the applicant must provide a "comprehensive and compelling plan or explanation" for a number of important factors, including but not limited to the anticipated percentage of the student population and evidence used to make such determinations; the curriculum, daily schedule, staffing plans, instructional strategies, and resources necessary to meet such student needs; methods of appropriate identification; and plan for monitoring, assessing, and evaluating the process and success of students with special needs.


In Hawaii, DOE has direct oversight and responsibility for SPED services at charter schools, and DOE staff work directly with charter schools to approve IEPs and provide SPED services. If DOE determines that a school is not complying with a special education law, DOE will inform the Commission, and the Commission will then issue a notice of concern or deficiency to the school based on DOE's determination. In some cases, the Commission will also serve as an informal mediator between DOE and the school to resolve the identified issue.

ENGLISH LEARNERS

The application process includes appropriate requirements for and rigorous evaluation of a school's plan for identifying, serving, and educating English Learners.

 Well-Developed

The authorizer effectively monitors schools' compliance with laws protecting English Learners.

 Excellent

From the RFP to monitoring, the Commission has developed strong practices to ensure that schools are appropriately identifying and serving ELs. Through its EL Coordinator, a federal programs employee, the Commission effectively monitors and ensures that schools are complying with laws protecting ELs. In addition to monitoring compliance with applicable laws, the EL Coordinator also provides training and support, including monthly meetings, to schools that have ELs. The EL Coordinator reports that schools have very few compliance issues in this area.

FACILITIES

The application process includes appropriate requirements for and rigorous evaluation of the adequacy of the facilities plan for the number of students to be served.

 Well-Developed


The authorizer effectively monitors the adequacy of the facilities for meeting health and safety and other legal requirements.

 Satisfactory

While the RFP requires that applicants have a sound facility plan and the Commission ensures that school facilities meet the necessary preconditions for opening, many Commission schools still struggle in this area, as evidenced by last year's site visit reports. Schools are required to submit certificates of occupancy and applicable permits for all school buildings through Epicenter. During last year's site visits, the Commission reviewed the information with schools to confirm that all required certificates and permits for all applicable buildings had been received. Based on review of the majority of last year's site visit reports, lack of proper facility documentation appears to be a common problem, but the Commission rarely issues notices of concern or deficiency for facility matters. This is in part because a number of schools report having difficulty in securing such documentation from institutional landlords such as the Catholic Diocese, colleges and universities, or state agencies. The Commission has a responsibility to ensure that school facilities are meeting applicable health and safety and other legal requirements, and if schools are struggling to obtain such documentation from certain landlords, it may be time for the Commission to step in and put pressure on those landlords to fulfill their obligations to these schools.

TRANSPORTATION

The application process includes appropriate requirements for and rigorous evaluation of a school's plan to provide student transportation services or meet the transportation needs of its students.

 Well-Developed

The authorizer effectively monitors schools' implementation of the approved transportation plan and compliance with applicable student safety laws.

 Well-Developed

The RFP requires applicants to describe a transportation plan only if the school is electing to provide transportation services (optional under Hawaii law). While the election to provide transportation services is up to the school, the Commission is missing an opportunity to assess the transportation needs of the proposed student body in relation to the proposed school plan, including the location of the facility. One application evaluation from last year's cycle showed the value of this analysis, noting:


Transportation service is not required but considering the population that the school states it intends to serve[,] an inclination is to ask the applicant why it think families would be able to, or will choose to, enroll at its school when the needed services, like transportation, are not provided by the charter school but are provided at the neighborhood DOE school. The concern is whether the enrollment targets are realistic goals and thereby whether the budget is sound.

This same evaluation report also raised transportation concerns when assessing the proposed facility plan. This evaluation report serves as an example of the importance of assessing the transportation needs of students within the broader context of the overall school plan.

For schools that are providing transportation, the Commission actively monitors schools' compliance through document submission in Epicenter and site visits. For example, during last year's site visits, Commission staff confirmed that all driver names entered in Epicenter had a corresponding folder on site and that each folder included the information required by the Hawaii Department of Transportation; a similar process is conducted for all related vehicles.

GROWTH

The authorizer encourages opportunities for increased access to quality public schools by allowing for expansion and growth of schools and programs that are demonstrably serving children well.

 Needs Improvement

Currently, the Commission does not actively facilitate the identification and replication of high-performing charter schools, nor has it created any incentives to encourage strong charter schools to expand or replicate.

DEFINING AND RESPECTING SCHOOL AUTONOMY

The authorizer honors and preserves charter school autonomies, ensuring schools have ample opportunities to adapt as needed to meet the needs of their students.

For charter schools, autonomy means the ability to determine how best to meet the educational needs of their children and how best to fulfill the public educational, financial, and organizational commitments it has made. Autonomy means the ability to make programmatic decisions and to decide how to allocate key resources such as time, people, and money. When an authorizer upholds autonomy, it is as much a reflection of what the authorizer does not do as what it does. It means avoiding restrictions or requirements on schools beyond what is mandated by law. It means resisting the impulse to translate the shortcomings or failures of one school into new restrictions or requirements for all schools. Autonomy works in concert with accountability and access. It means remembering that the authorizer's job is not to make schools succeed but to give them the opportunity to succeed. This section examines the extent to which the authorizer upholds school autonomy.

KEY STRENGTHS

- Commissioners and staff are sensitive to the need to uphold school autonomy and preserve it conscientiously.
- The Commission has made serious, energetic efforts to honor schools' unique missions by allowing approved school-proposed measures as a significant part of evaluating school success.
- The Commission generally respects school autonomy by focusing its contract requirements, monitoring, and site visits on legal requirements.

FOCUS AREAS

RECOMMENDATION

Autonomy and Accountability	Ensure that school autonomy does not outweigh or compromise accountability, particularly with the unbounded role of school-proposed measures in the APF.
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DEFINING AND RESPECTING SCHOOL AUTONOMY | IN DEPTH

APPLICATIONS

Application requirements and decisions reflect appropriate recognition of and respect for school autonomy.

 Well-Developed

The Commission's charter application requirements and decisions respect and preserve schools' legally entitled autonomy. For example, the RFP asks applicants to describe the proposed school's academic philosophy; academic standards, goals, targets, and assessment methods; and instructional strategies and interventions, without prescribing or indicating a preference for any type of curricular program.

CONTRACT AND PERFORMANCE REQUIREMENTS

Requirements in the charter contract, accountability plans, and/or performance frameworks reflect appropriate recognition of and respect for school autonomy.

 Satisfactory

The charter contract and performance frameworks appropriately recognize and respect school autonomy but in limited instances, the Commission's respect for autonomy may go too far and may limit its ability to hold schools accountable for results. The charter contract is based on requirements set forth in the charter school law and is consistent with NACSA's *Principles & Standards*. The charter contract appropriately defines (and incorporates as an exhibit) for each school a set of "material elements" for the school's educational program. The role of these material elements is consistent with NACSA's Core Performance Framework guidance, allowing schools the autonomy to make a variety of educational program changes without seeking Commission approval and requiring Commission approval for educational program changes only if they concern a material element as defined in the contract.

The Commission has made great efforts and gone to uncommon lengths to honor school autonomy but its approach may go too far and risk compromising school accountability. In particular, the Commission has made a tremendous effort to respect schools' unique missions and create opportunities for schools to be recognized for their educational accomplishments that are not measured by Strive HI assessments. The Commission is to be lauded for its serious efforts to develop more holistic judgments of school outcomes. In 2013, the Commission created the opportunity for schools, at their option, to propose SSMs for incorporation in their APF and charter contract. The use of SSMs, if approved by the Commission for validity and rigor, would allow any school to be recognized for its educational achievements beyond traditional state and federal measures. In its first APF, the Commission approved SSMs to count for 25 percent of a school's APF assessment—a far greater weight than allowed by other authorizers across the country—and has focused far greater attention and effort than other authorizers across the country on encouraging, guiding, and helping schools to develop SSMs. In response to schools' continued concerns about how their success is measured and judged, the Commission has recently adopted significant changes to the APF, providing even more opportunity for schools to be judged on unique measures they propose. The recently revised APF has eliminated all weighting of measures, so SSMs could potentially outweigh other measures on the APF. While the Commission's intent in revising the APF was to honor school autonomy, the recent changes to the APF reduce the focus on performance outcomes and risk making school evaluation too vague, with the potential for accountability to be lost.

MONITORING AND INTERVENTION

The authorizer's monitoring activities, including site visits, reporting requirements, and interventions—in cases of poor performance or non-compliance—reflect appropriate recognition of and respect for charter school autonomy.

 Well-Developed

The Commission's monitoring practices generally respect school autonomy and are consistent with the authorizer's obligations under the charter school law. Reporting requirements are generally limited to legal and administrative requirements and what is necessary for responsible oversight. Commissioners and staff alike are very sensitive to the need to preserve and honor school autonomy and are conscientious about not overstepping their bounds as an authorizer.

The only formal site visits the Commission conducts are designed to review minimum legal and administrative compliance requirements as set forth in the OPF, limited to a half day at most and conducted in accordance with a clear site visit protocol with plenty of notice to the school. These site visits are rare. Last year, the Commission conducted one compliance review visit at each school and the staff proposes to build one compliance site visit into each school's new charter contract term. The site visit reports appropriately focus on fulfillment of compliance requirements and refrain from assessing instructional strategies or other judgments that would infringe on school autonomy. The reports are also constructive, highlighting school strengths and clearly noting any deficiencies and follow-up required by either the school or the Commission.

The Commission recognizes the value of differentiating oversight based on school performance and has taken steps to do so. For example, while first-year schools and schools that have not met standards on their FPF in a given year are subject to monthly financial monitoring, most schools are required to file only quarterly financial reports. The Commission is also planning to differentiate oversight and provide more autonomy to high-performing schools through revisions adopted to its OPF this spring. The revised OPF, which will take effect with new contracts starting July 1, 2017, states:

*The level of oversight the School will receive may vary during the term of the Charter Contract. If the School does not comply with the requirements of this Organizational Performance Framework, the School is subject to the Intervention Protocol, provided in **Exhibit D** of this Charter Contract.*

AUTHORIZING PROCEDURES AND CAPACITY

The authorizer's procedures support the implementation of high-quality authorizing practices and the authorizer has the capacity, in terms of staffing and resources, to carry out its authorizing duties effectively.

Holding schools accountable for their performance, ensuring families' access to quality schools, and providing schools the autonomy they need to be successful requires strong authorizing procedures and the capacity to implement these procedures effectively. This section examines the key authorizing procedures, such as application and renewal processes, and the authorizer's capacity to implement such procedures, including its ability to plan well for the future and allocate appropriate staff and resources to carry out its authorizing duties.

KEY STRENGTHS

- The authorizer has a strong, well-qualified, conscientious, and committed staff that carries out a wide range of responsibilities on a tight budget.
- The authorizer has a strong process for soliciting and reviewing charter school applications and provides clear guidance for applicants regarding application requirements, criteria, and evaluation procedures.
- The authorizer publishes a detailed annual report on the academic, financial, and organizational performance of the charter schools it oversees.

FOCUS AREAS

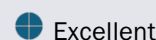
RECOMMENDATIONS

Strategic Planning and Training	<p>Develop a strategic plan that defines strategic goals and priorities to guide the Commission's work and communicate goals clearly to schools and the public.</p> <p>Provide comprehensive orientation and training for all commissioners and authorizing staff in nationally recognized quality authorizing principles and standards.</p>
Monitoring and Intervention	<p>Implement the established intervention protocol to place schools on academic, financial, or organizational intervention status when warranted.</p>
Staffing and Resources	<p>Negotiate with the DOE to transfer non-authorizing, administrative, and federal program duties back to the DOE so the Commission can focus its staffing and resources on authorizing.</p>
Strengthening School Relationships	<p>Implement strategies, such as visiting schools informally and conducting some Commission meetings on neighbor islands, to strengthen communications and relationships with schools and build stronger connections with schools on neighbor islands.</p>

AUTHORIZING PROCEDURES AND CAPACITY | IN DEPTH

AUTHORIZER PROCEDURES

The authorizer runs a clear and well-structured application process, which includes clear information and guidance to potential applicants and the community.



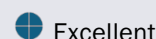
Excellent

The Commission runs a clear and well-structured charter application process, including publicly issuing a well-developed RFP; conducting applicant information sessions; engaging external expert evaluators as part of the application evaluation teams; using a clear and sufficiently detailed evaluation rubric which is included in the RFP; training evaluators to ensure consistent application of the evaluation criteria; interviewing all qualified applicants; and providing a public hearing for all applicants.

The Commission's RFP includes a clearly publicized timeline that allows sufficient time for each stage of the application process and clearly explains the process and what applicants are expected to do at each stage. The RFP also provides the evaluation criteria, which are built from and mirror the RFP questions. The Commission provides guidance to prospective applicants through an RFP Orientation, which is offered in person in a half-day session and by webinar for off-island participants. Full information from the RFP Orientation is posted afterward on the Commission website.

The Commission's application evaluation process is strong in communications, transparency, and opportunity for applicants to make the case for their proposed schools. The evaluation teams include a member of every performance section on the Commission staff (Academic, Financial, and Organizational), in addition to an external evaluator. The evaluation teams evaluate the application components, interview each applicant, seek follow-up clarification from applicants if needed, and recommend approval or denial to the Commission's Applications Committee. The Applications Committee, in turn, makes recommendations to the full Commission, which makes the final decision on each application after a public hearing. The staff recommendation packet provided to the Commission for its review and final decision on each application includes the evaluation team's recommendation report, any applicant response to the report, and the evaluation team's rebuttal to the applicant response, if any.

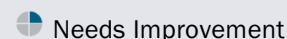
The authorizer ensures that approved schools are prepared adequately for opening.



Excellent

Newly approved schools have adequate time to prepare for opening and the Commission has established a solid process for monitoring school progress during the pre-opening period. Since 2013, only one approved school has needed an extra year prior to opening and this was due to a facility issue. The authorizer uses a detailed month-by-month pre-opening checklist to ensure that schools meet key readiness requirements before opening, covering tasks to be completed and reported to designated Commission staff during the nine months prior to school opening. The Commission has not allowed any schools to open without meeting all of the pre-opening requirements.

The authorizer has sound procedures and practices for monitoring school performance and intervening appropriately when it identifies problems.



Needs Improvement

Although the Commission has developed some procedures and practices for monitoring school performance and has an established intervention protocol, it rarely intervenes except in cases of financial performance, despite a number of schools that persistently fail to meet academic and organizational standards. The Commission monitors academic, financial, and organizational performance according to the frameworks but intervention is largely not used as a tool to motivate school improvement where warranted.

The Commission monitors academic performance primarily through Strive HI performance data (as only two schools currently have approved SSMS). Schools that are facing significant academic challenges receive additional monitoring and Commission staff work with them to co-create school improvement goals. For example, three schools identified for improvement worked with the Commission to set academic targets for the 2015-16 school year and Commission staff

worked with them to collect and interpret the data used to measure progress toward those goals.

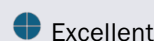
Commission staff monitor the financial performance of charter schools against the measures set forth in the FPF. While most schools are subject to quarterly financial reporting, first-year schools, any schools that fail the days cash on hand measure in the FPF, and any schools that fail five out of eight measures on the FPF are automatically placed on monthly financial monitoring. The Commission has a standing monthly agenda item regarding schools on financial watch, and schools are removed from monthly monitoring when they achieve the thresholds set forth in the FPF.

The Commission's monitoring of organizational performance is appropriately focused on legal and administrative requirements set forth in the OPF and is designed to minimize burdens on schools while exercising responsible oversight. The Commission has published a master calendar of compliance tasks and monitors school compliance with legal and administrative requirements primarily through Epicenter and occasional structured site visits. The site visits are focused on checking school compliance with basic, minimum requirements set forth in the OPF. From May to June of last year, Commission staff conducted compliance site visits to all 34 charter schools, following a detailed site visit protocol that clearly explained to schools the purpose, structure, and content of the visit and how to prepare for it. The site visit process and reports are constructive, highlighting school strengths as well as areas for improvement, and schools receive adequate time to correct non-emergency problems.

The Commission has established an intervention protocol, which is included in each school's charter contract, that states the general conditions that may trigger intervention and the types of actions and consequences that may ensue. However, the Commission is not implementing intervention very often. Consistent with NACSA's *Principles & Standards* and the principle of maintaining charter school autonomy, the protocol focuses on notifying schools of performance and/or compliance concerns and giving schools reasonable opportunity to remedy them in non-emergency situations, while placing the responsibility on schools to develop and implement remedies.

Despite a number of schools with demonstrably and chronically low academic performance based on the Commission's APF and renewal matrix, no schools are on intervention status for academic performance. Similarly, no schools are in organizational intervention despite failure to meet OPF standards and common non-compliance with some legal requirements (such as laws governing board composition and prohibiting nepotism). For financial performance, in contrast, the Commission uses its framework to guide interventions and monthly monitoring. As of February 2017, the Commission has placed four schools in intervention for financial performance. The Commission reports on the status of each school at monthly Commission meetings and removes schools from intervention only once they have met the established standards.

The authorizer publicly reports on the academic, financial, and organizational performance of its schools.



Excellent

The Commission issues a strong, detailed annual report to the public that summarizes the academic, financial, and organizational performance of each school against the established performance framework expectations. This annual report is the Commission's primary means for making school performance information available to the public. Schools have the opportunity to review and provide corrections to their draft performance framework reports before final reports are published. School leaders know their performance status, although some schools do not agree with their status due to fundamental disagreement with the content of the performance frameworks.

The authorizer runs a clear and well-structured renewal process, which includes meaningful school participation in the process through an application and opportunity to review and correct or supplement factual information, and timely notification of decisions.



Satisfactory

As part of the new charter contract taking effect on July 1, 2017, the Commission has recently adopted a new renewal process that is clearly explained and stronger than the one-time renewal process completed this year (though the new process is not yet tied to clear, strong performance standards). Now in its fifth year of operation, the Commission only this year (in January 2017) completed its first renewal process based on school performance. In the Commission's first year, the Commission gave all then-operating schools a one-year automatic renewal contract while the Commission established itself and began to develop its authorizing systems, performance frameworks, and procedures. After that first contract, the Commission then gave all schools an automatic three-year renewal contract because the performance frameworks had not yet been adopted. Thus, the renewal process completed this year is the Commission's first one that has been structured around school performance, with schools eligible for different renewal contract lengths depending on their performance. In developing the renewal criteria and process, the Commission extensively solicited school and other stakeholder input over eight months (March to November 2015) through presentations and webinars, a stakeholder survey, numerous Commission meetings, and a meeting of all charter school stakeholders and commissioners. Partly because of this unusually intense stakeholder engagement effort, the renewal criteria were not established until November 2015, when ideally they should have been established at the time the last charter contracts were executed in 2014.

This year's process required schools to submit a brief renewal application that included pre-populated school data provided by the Commission and offered schools an opportunity to review and, if necessary, "dispute" information in their cumulative performance report summarizing their performance to date. While it is a good practice to give schools an opportunity to correct facts or provide objective data to supplement their performance record, characterizing this as a dispute (as the Commission does by providing a "dispute form") unnecessarily implies an adversarial process and sets a negative tone. Once the criteria were established, the Commission effectively communicated the renewal process to all schools and all 33 schools whose contracts are expiring in June 2017 went through the renewal process at the same time, which is not advisable (and the Commission does not plan to repeat this process). The renewal decisions were timely, with schools being notified of their renewal decision more than five months before the expiration of the current charter contract.

The new renewal process for contracts taking effect on July 1, 2017 (as set forth in Exhibit E of the new charter contract) is an improvement, particularly in establishing a transparent process at the outset of the contract, while maintaining engagement and reasonable timelines for schools. The new renewal process, which will begin in the fall of the final year of the contract, will treat schools differently depending on whether they have received a notice of deficiency during the contract period. Soon after the previous year's academic results are released (typically in September or October), the Commission will provide each school a final performance report, summarizing the school's performance record to date. Each school will have 30 days to apply for renewal and respond to the final performance report. Schools that have not received a notice of deficiency during the contract term may apply for a five-year renewal, and may request a hearing if desired. In contrast, for any school that has received a notice of deficiency during its contract term, the Commission will conduct a performance review hearing after receiving the school's renewal application. At this hearing, the Commission will determine whether the school has earned renewal; if the school has earned renewal, the Commission may apply conditions to the renewal. The new contract also clearly states four broad grounds under which the Commission may decide not to renew a school's charter.

Following non-renewal, revocation, or voluntary return of the charter, the authorizer effectively ensures the orderly closure of the school.


 Satisfactory

To date, the Commission has closed only one school, Hālau Lōkahi Charter School in 2015, and went to great lengths to protect student, family, and public interests in carrying out the closure despite the school's extreme resistance and non-cooperation in the process. The Commission developed and adopted a closure protocol specifically to guide the closure. The protocol provided appropriately for securing records and public property, the orderly wind-up of the school's finances, timely communication to families and the community, and transitioning students to other schools. Although the protocol set forth an appropriate plan and assignment of responsibilities for important closure tasks, Hālau Lōkahi did not cooperate in the closure and the Commission was put in the unusual position of having to carry out all closure responsibilities including those of the school. The Commission staff stepped in and dedicated itself to every task to protect the larger community and public interest. This included working throughout the year before closure to prepare families and transition students to other schools and, at the end, spending an entire week on site cleaning out school and student files, accounting for and disposing of all school property, and physically closing the facility. The Commission has not yet adopted a formal closure protocol for future purposes.

AUTHORIZING PROCEDURES AND CAPACITY | IN DEPTH

AUTHORIZER CAPACITY

The authorizer plans well for the future and uses quality authorizing principles to guide its work as an authorizer.


 Needs Improvement

The Commission aspires to quality authorizing, but it lacks a strategic plan to guide its work and needs systematic training in quality authorizing principles and standards, especially for commissioners. Although the Commission is guided broadly by its mission and strategic vision, which both focus on high-quality charter schools, the Commission does not have a strategic plan that clearly articulates its goals and priorities as an authorizer or defines what the Commission believes is a quality education and a “high-quality public charter school.”

The lack of a strategic plan has often left the Commission in a reactive mode, preventing it from providing unequivocal guidance to schools and clear direction for its own work and decision making. It has created a vacuum that schools, Commission members, staff, and other stakeholders fill with their own vision and feelings about what quality education is or what charter schools should be in Hawaii, as indicated by the sometimes dramatically different views individuals expressed in interviews, as well as some schools’ extreme resistance to the Commission’s charter contract, performance frameworks, and stated expectations for charter schools. The Commission now sees creating a clear strategic plan as a top priority and has taken steps to begin that process this spring.

The Commission’s authorizing staff are familiar with authorizing principles and standards but the commissioners, as a whole, are not grounded in these same tenets. The Commission is statutorily charged with following “nationally recognized principles and standards for quality charter authorizing.” Since its establishment, Commission staff have tried conscientiously to develop authorizing materials, documents, and practices aligned with NACSA’s *Principles & Standards*. However, commissioners do not receive systematic orientation to and training in the *Principles & Standards*, so commissioners’ awareness and understanding of nationally recognized quality authorizing principles is highly variable and in some cases nonexistent.

The office is purposefully and economically staffed to carry out its authorizing duties effectively.

 Satisfactory

The Commission has been served by a well-qualified and committed staff since its establishment. For three years (2013-2016), the office was led by the same Executive Director, who hired strong staff and led the development and institution of many new authorizing systems, with diligent attention to alignment with NACSA’s *Principles & Standards* and model documents. Following the resignation of that leader, a new Executive Director took the reins in September 2016 and is continuing to build and strengthen the staff while also focusing on developing stronger relationships with schools. The Executive Director is also planning to restructure the Commission’s office to carry out its myriad of functions more effectively.


The Commission has highly capable staff dedicated to its authorizing work, including staff who cover all major authorizing functions. However, staffing is not optimal because of the considerable burden of administrative and federal program duties the office must manage in addition to authorizing responsibilities. The Commission currently has 21 full-time staff, many of whom are responsible for state administrative and/or federal program management duties in addition to authorizing work, and several of whom are dedicated exclusively to federal program management or technical assistance.

The staff carry out their authorizing duties responsibly, but the office currently does not have the resources to establish closer relationships with all schools, including the ability to visit them more often and informally. For example, while 21 of Hawaii’s 34 charter schools are located on islands other than Oahu, the Commission has no field office or staff on neighbor islands, particularly the Big Island where 15 schools are located. The lack of staff located on neighbor islands and/or the inability of current staff (due to time and budget constraints) to visit schools more often and informally has contributed to some schools’ feelings of disconnection from the Commission. In survey responses and interviews, some schools noted how much they appreciated the new Executive Director coming to visit them just to establish a relationship and learn about their school; they expressed their wish that other staff and commissioners would do the

same.

The Commission's staffing structure is not optimal for the office's current work and not sustainable for the long term. The heavy burden of administrative functions and federal program duties is uncommon for an independent chartering board like the Commission. Some staff are required to juggle multiple roles, which strains staff capacity and can place staff in conflicting roles. For example, a staff member who has authorizing and performance oversight and evaluation responsibilities also dedicates considerable time to federal program duties including providing technical assistance to schools. Similarly, some staff who have either authorizing or general office management duties are simultaneously responsible for charter school administration that should be shouldered by the DOE. For example, the Financial Performance Manager also serves as CFO for the Commission office and spends significant time administering federal and state funds to charter schools. These fund administration duties formerly resided at the DOE and were passed on to the Commission in 2012. Similarly, the Human Resources Manager not only manages human resources for the Commission office but also processes payroll and state benefits for all the charter schools. While the Commission staff diligently juggle both their authorizing and non-authorizing (administrative) responsibilities, the heavy burden and sometimes conflicting roles are not desirable as currently structured and not sustainable as the Commission's charter school portfolio and workload grow.

The authorizer's budget aligns with its strategic goals and supports organizational effectiveness.

 Needs Improvement


The Commission accomplishes a great deal on a tight budget, but the budget is not aligned with strategic goals (which the Commission has not yet developed). The agency is operating on an annual budget of \$1.4M this year, primarily general funds from its state appropriation, along with \$415,700 in federal funds (which fund the Commission's federal program positions, not authorizing work), and \$100,000 in restricted funds for charter schools' arbitration costs. This is a lean budget for 21 full-time staff plus other expenses, including significant necessary travel costs to neighbor islands for school visits. The Commission also funds some positions that should be funded and carried out by the DOE but have fallen to the Commission either by default or because the DOE refuses to fund the positions.

Staff salaries are considerably lower than for positions requiring comparable experience at the BOE, the DOE, and other state agencies, which has led to some staff departures from the Commission. In light of the Commission's non-competitive salaries and the challenging, often thankless work staff are required to do, the Commission has done remarkably well in attracting and retaining highly capable and dedicated staff.

The Commission has scant resources for professional development. It must seek private grants to send select staff and commissioners to conferences and has sometimes used such funding to support conference attendance by policymakers, which is important and strategic.

The Commission does not collect an oversight fee from the charter schools it oversees, although this is a standard funding mechanism for charter authorizers across the country. Previously, the Charter School Administrative Office (CSAO) charged charter schools an oversight fee of two percent of per-pupil funding. When the Commission took over as the state authorizer, it refunded to schools surplus oversight funds that were unneeded that year and since then has not reinstituted an oversight fee.

The authorizer leadership and decision-making body understand their roles and responsibilities and have the expertise to make well-informed decisions that support the tenets of high-quality authorizing.

 Needs Improvement

The Commission's leadership and the Commission itself are composed of well-qualified education and civic leaders bringing strong, diverse experience and backgrounds, and admirable commitment to their roles. However, as mentioned above, collectively they need essential training in authorizing in order to develop a solid, shared understanding of their responsibilities and grounding in quality authorizing principles and standards to guide their decision making.

The new Executive Director, although new to the charter school sector and to charter authorizing, is a highly capable education leader with strong experience and skills—from leading a successful private school—that are useful to his new role. He has not yet had much opportunity for training and professional development in quality authorizing, although he demonstrates high interest and engagement in learning and reflection to develop into an effective authorizer. As

mentioned above, the Commission's current leadership and members have lacked systematic orientation and training in high-quality authorizing, which would equip them to conduct their work more effectively and with stronger, determined focus on quality outcomes for children, particularly when confronting tough, politically difficult authorizing decisions.

The working relationship between the Commission members and new Executive Director is generally collaborative. All wish to make informed, evidence-based decisions, but they lack some critical tools for this sometimes politically fraught task. The Commission is hindered by lack of training in quality authorizing and lack of a shared, well-articulated definition of quality education and accompanying strategic goals and priorities outlining what the Commission wishes to achieve—and expects of schools—as an authorizer.

SOURCES

Background and Organizational Capacity

History of Charter Schools
 Charter School Law
 Charter School Portfolio Information
 Charter Office Organizational Chart
 Staff Job Descriptions
 Commissioner Biographies
 Charter Office Budget
 Teachers Union Contract and Supplemental Agreement

School Performance Data

Application Decision Making

Request for Proposals
 Charter Applications
 Application Evaluator Training Materials
 Application Evaluation Reports
 Evaluation Team Recommendation Reports
 Committee Recommendation Reports

Monitoring Operations

Charter Contract Templates
 Executed Charter School Contracts
 Ready to Open Checklist
 Site Visit Protocol
 Completed Site Visit Reports
 Compliance Schedules and Forms
 Charter Closure Policy and Checklist

Performance-Based Accountability

Performance Frameworks
 Evaluations of Schools
 Charter Renewal Criteria and Process Documents
 Renewal Contract
 Charter Renewal Applications
 Charter Renewal Recommendations
 Revocation Recommendation
 Annual Reports

School Histories

Charter Applications
 Charter Contracts
 Annual Reports
 School Communications
 Pre-Opening Assurances
 Audits

BIOGRAPHIES

Elisa Westapher is a director of Authorizer Development at NACSA. In this role, Elisa works to improve authorizing practices around the country by supporting NACSA's full range of services to charter school authorizers. Elisa comes to NACSA from Holland & Knight LLP, where she worked as an attorney specializing in education policy and law. During her time at Holland & Knight, Elisa was awarded the Chesterfield Smith Public Interest Fellowship, which allowed her to dedicate a year to working on policies and programs designed to close the achievement gap for low-income and minority students. Elisa holds a J.D. from Northwestern University School of Law and a B.A. in government from Cornell University.

Margaret Lin consults nationally on charter school accountability, authorizing, governance, and policy. She has advised and worked with leading national, state-based, and local education organizations across the country, including a variety of charter-authorizing agencies, charter school boards and operators, and education foundations. Margaret began working in the charter school movement in 1996 when she co-founded and operated Chicago's first charter school resource center, providing technical assistance to, and working closely with, Chicago's first two cohorts of charter school developers, applicants, and operators. She later co-founded and has held various leadership roles with the National Association of Charter School Authorizers (NACSA), including serving as its first executive director and later as its vice president of knowledge and senior advisor. Margaret has authored numerous publications and resources to assist and improve the practices of charter schools and authorizers. In addition, she has served on the governing boards of West Denver Preparatory Charter School (now STRIVE Preparatory Schools) and the Denver Urban Debate League. Margaret has taught all levels of English and cross-cultural courses in public schools, private corporations, and international agencies in Tokyo, Japan including teaching for the Japan Exchange and Teaching Program (sponsored by the Ministry of Education of Japan), the United Nations Association of Japan, and the International Development Center of Japan. Margaret was also a Rotary Foundation Cultural Ambassadorial Scholar in Brussels, Belgium. She received her B.A. from the University of Illinois at Urbana-Champaign and J.D. from Stanford Law School.