

## STATE PUBLIC CHARTER SCHOOL CONTRACT

This Contract is executed by and between the STATE PUBLIC CHARTER SCHOOL COMMISSION (“Commission”), a commission established under the laws of the State of Hawaii, whose mailing address is 1111 Bishop Street, Suite 516, Honolulu, Hawaii, 96813, and UNIVERSITY LABORATORY SCHOOL (“School”), whose mailing address is 1776 University Avenue, UHS Bldg. 3, Room 121, Honolulu, HI 96822, singularly “Party” and collectively “Parties.”

### RECITALS

WHEREAS, Article X, Section 1 of the Hawaii State Constitution provides for the establishment, support, and control of a statewide system of public schools free from sectarian control, a state university, public libraries, and such other educational institutions as may be deemed desirable, including physical facilities therefor;

WHEREAS, the Hawaii State Constitution Article X Section 4 further directs that the “State shall promote the study of Hawaiian culture, history, and language. The State shall provide for a Hawaiian education program consisting of language, culture, and history in the public schools. The use of community expertise shall be encouraged as a suitable and essential means in furtherance of the Hawaiian education program”;

WHEREAS, the Hawaii State Legislature enacted Act 130, Session Laws of Hawaii 2012, effective June 19, 2012 and codified as Chapter 302D, Hawaii Revised Statutes (HRS), which sets forth the laws under which charter schools are created and governed;

WHEREAS, the Hawaii State Legislature found that this Act will support new approaches to education that accommodate the individual needs of students and provide the State with successful templates that can dramatically improve Hawaii's educational standards for the twenty-first century, and that this Act will create genuine opportunities for communities to implement innovative models of community-based education;

WHEREAS, the Commission has committed itself to engaging with the State Board of Education (BOE), the Hawaii Department of Education (DOE), charter schools, and other stakeholders in efforts to address concerns surrounding the reliability of currently available assessments in the Hawaiian language, the development of new assessments, and other efforts, initiatives, and aspirations for Hawaiian education programs as reflected in BOE policies, including BOE Policies 2104 and 2105;

WHEREAS, pursuant to Chapter 302D, HRS, the Commission has statewide chartering jurisdiction and authority and is empowered to authorize public charter schools and enter into a charter contract with approved public charter schools;

WHEREAS, Sec. 302D-1, HRS, defines the “charter contract” as a fixed-term, bilateral, renewable contract between a public charter school and a charter school authorizer that outlines the role, powers, responsibilities, and performance expectations for each party to the contract;

WHEREAS, through this Contract, the Parties are desirous of ensuring clear requirements for accountability while preserving the autonomy of the School to support new, innovative approaches to education and contribute to the development of high quality public charter schools throughout the State; and

WHEREAS, the School desires to operate as a charter school;

**NOW, THEREFORE**, in consideration of the mutual covenants, representations, warranties, and agreements contained here, the Parties hereby agree as follows:

1. General Terms

- 1.1. Term. The term of this Contract shall three years, commencing on July 1, 2014, and terminating on June 30, 2017; provided that if the School demonstrates exemplary performance, as determined by the Commission, on the Performance Frameworks under Section 4.1, it shall be granted a two-year extension through June 30, 2019.
- 1.2. Legal Status of School. Pursuant to Sec. 302D-25, HRS, the School is a public school and entity of the State and may not bring suit against any other entity or agency of the State. The School shall be nonsectarian in its operations.
- 1.3. Compliance with Laws. The School and the Commission shall comply with all applicable federal, State, and county laws, ordinances, codes, rules, and regulations, as the same may be amended from time to time.

2. Governance of School

- 2.1. The School's Governing Board is the independent board of the School that is responsible for the financial, organizational, and academic viability of the School; possesses the independent authority to determine the organization and management of the School, the curriculum, and the instructional methods; has the power to negotiate supplemental collective bargaining agreements with exclusive representatives of their employees and is considered the employer of School employees for purposes of chapters 76, 78 and 89; and ensures compliance with applicable laws.
- 2.2. The School's Governing Board shall comply with the Code of Ethics (Ch. 84, HRS) and shall adopt and adhere to a conflict of interest policy, which is consistent with Ch. 84, HRS. The conflict of interest policy shall be readily accessible from the School's website or school office, as described in Section 11.4.1. If the policy is not available from the School's website, the School shall submit the current policy to the Commission.

3. Educational Program

- 3.1. School's Control. Subject to the terms and conditions of this Contract, the School shall have control over and responsibility for the design and delivery of the educational program and for attaining the academic performance standards and targets established in the Performance Frameworks attached as Exhibit B and, subject to Section 3.2, shall have the

discretion to modify, amend, adapt, and otherwise change its educational program as it deems necessary to achieve the academic performance standards and targets.

- 3.2. Material Elements of Educational Program. The material elements of the School's Educational Program, including but not limited to the School's mission and vision statements, are as set forth in Exhibit A to this Contract. The School shall, at all times, operate in a manner consistent with its Educational Program as defined in Exhibit A. Revisions to any of the elements in Exhibit A shall be considered a material change to the Contract and shall require prior written approval by the Commission; where appropriate, this approval shall be informed by an analysis of the School's performance on the Performance Frameworks under Section 4.1, provided that such approval shall not be unreasonably withheld, particularly to the extent that such changes are intended to improve educational outcomes.
- 3.3. Academic Standards.
  - 3.3.1. Consistent with State law, the School shall implement the Common Core or other State academic standards as may hereafter be approved by the BOE.
  - 3.3.2. The School shall retain the autonomy to select a particular curricular and/or instructional approach consistent with the Common Core or other applicable State academic standards.
- 3.4. Graduation Requirements for High Schools. The School shall comply with BOE Policy 4540, as the same may be amended from time to time, which shall apply starting with the incoming ninth graders for the school year 2013-2014, and shall provide evidence of such compliance; provided that the School may request a waiver of this Policy from the BOE.
- 3.5. Education of Students with Disabilities.
  - 3.5.1. The DOE is the State of Hawaii's "state education agency" (SEA) and "local education agency" (LEA) for purposes of compliance with the Individuals with Disabilities Education Act (IDEA). All public schools, including charter schools, are part of and fall under the LEA. As such, the School shall comply with all applicable federal and State laws, rules, policies, procedures, and directives regarding the education of students with disabilities, including but not limited to Ch. 8-60, Hawaii Administrative Rules (HAR).
  - 3.5.2. The Commission shall collaborate with the DOE to develop guidelines related to the provision of special education services and resources to each charter school.
  - 3.5.3. The DOE is statutorily responsible for the provision of a free appropriate public education. If the School enrolls special education students or identifies one of its students as eligible for special education, the School shall be responsible for ensuring the educational and related services that are required by a student's individualized education program (IEP) pursuant to Section 302D-30, HRS.
  - 3.5.4. The programs and services for the student shall be determined collaboratively by the student's IEP team, which includes the student's parents or legal guardian.
- 3.6. Section 504 and ADAAA. The School shall comply with Section 504 of the Rehabilitation Act of 1973 (Section 504) and the Americans with Disabilities Act Amendments Act and all related DOE rules, policies, and procedures in its general curriculum, including but not limited to implementation of any formal Section 504 plan that has been developed for a student, all as may be amended from time to time. The DOE may provide training,

consultation, and advice to the School as needed with regard to Section 504 compliance, including legal interpretations, recommendations for intervention strategies, and assistance in conducting Section 504 plan and review meetings.

- 3.7. English Language Learners. The School shall provide services to students who are English Language Learners in compliance with all applicable federal and State laws, regulations, rules, court orders, policies, procedures, and guidance, all as may be amended from time to time, to ensure linguistic accessibility to the School's educational program. The Commission shall provide the School with technical assistance similar to those services received by other public schools. The School shall also assist Immigrant Children and Youth, as defined in Section 3301(6), Title III, Elementary and Secondary Education Act, as the same may be amended from time to time, in meeting the State academic content and student academic achievement standards that all public school students are expected to meet.

#### 4. School Performance

- 4.1. Performance Frameworks. The School's academic, organizational, and financial performance under this Contract shall be evaluated using the Academic, Organizational, and Financial Performance Frameworks, respectively, attached as Exhibit B to this Contract. These Performance Frameworks shall supersede and replace any and all financial operation metrics, academic performance metrics, and organizational performance metrics established prior to the execution of this Contract and not explicitly incorporated into the Performance Frameworks. The specific terms, forms, and requirements of the Performance Frameworks, including any required indicators, measures, metrics, and targets, are maintained and disseminated by the Commission and shall be binding on the School. Material amendments to the Performance Frameworks shall require approval by the Commission.
- 4.2. Modification to Performance Frameworks. The Parties acknowledge that specific terms, forms, and requirements of the Performance Frameworks may be modified to the extent required to align with changes to applicable State or federal accountability requirements as set forth in law or policies or based on other circumstances that make assessment based on the existing Performance Framework requirements impracticable. In the event that such modifications are needed, the Commission will make its best effort to apply expectations for school performance in a manner as reasonably consistent with those set forth in the Performance Frameworks and the School's Educational Program as set forth in Exhibit A to this Contract.
- 4.3. State Accountability System. The School shall be subject to and comply with all requirements related to the State assessment and accountability system for all public schools. The School shall administer all student testing as required by applicable federal and State law, rule, policies, and procedures. The performance designations derived from the State assessment and accountability system are distinct from determinations made according to the Academic Performance Framework, which may include additional Commission-approved school-specific measures.
- 4.4. Board of Education Authority. Pursuant to its duties under Article X, Section 3, of the Hawaii State Constitution, the BOE has the power to formulate statewide educational policy. The School shall only be subject to BOE policies expressly identified by the BOE as applying to

charter schools. If there is any conflict between an applicable BOE policy and a provision in this Contract, the BOE policy shall control.

## 5. Student Admission, Enrollment, Withdrawal, & Dismissal

- 5.1. Non-Discrimination. The School shall make all student recruitment, admissions, enrollment, and retention decisions in a nondiscriminatory manner and without regard to race, color, ethnicity, national origin, religion, sex, sexual orientation, marital status, income level, academic or athletic ability, disability, need for special education services, or lack of proficiency in the English language.
- 5.2. Admissions. The School shall comply with its admission policies and procedures as approved by the Commission. If the number of applicants exceeds the School's capacity of a program, class, grade level, or building, the School shall select students to attend using a random selection process that shall be publicly noticed and open to the public; provided that if the School is a conversion charter school serving as the home school for the DOE district, then the School shall follow 302D-34(c), HRS. These policies and procedures shall be readily accessible from the School's website, as described in Section 11.4.1.
- 5.3. Enrollment. The School shall maintain accurate and complete enrollment data and daily records of student attendance.
- 5.4. Joint Enrollment. Students may be jointly enrolled in a K-12 school, except for the purpose of calculating funding based on enrollment.
- 5.5. Enrollment Preferences. The School shall not impose enrollment preferences, except as approved by the Commission, pursuant to Sec. 302D-34, HRS. Any enrollment preferences shall be included in the admissions policy and procedures, as described in Section 5.2.
- 5.6. Dismissal. The School shall not dismiss or transfer a student involuntarily, unless the dismissal or transfer is accomplished through procedures established by the School that are in compliance with applicable laws and due process requirements, provided that any dismissal of a student with a disability shall comply with the requirements of Ch. 8-60, HAR.
- 5.7. Withdrawal and Transfer. The School shall adhere to withdrawal and transfer procedures which provide for the timely release of any student who withdraws from the School and transfers to another Hawaii public school. The School's withdrawal and transfer procedures shall also provide for the transfer of the student's records to the new school in a timely manner.

## 6. Operation of School

- 6.1. Student Conduct and Discipline. The School shall adopt, update, and adhere to written policies concerning standards of student conduct and discipline which shall comply with federal and State laws and which shall incorporate the requirements of Section 5.6. The School shall provide copies to the School's parents and students at the start of each school year and shall make this policy readily accessible from the School's website or school office, as described in Section 11.4.1. If the policy is not available from the School's website, the School shall submit the current policy to the Commission.

- 6.2. Punishment of Pupils Limited. No physical punishment of any kind may be inflicted upon any pupil, but reasonable force may be used by a principal, principal's agent, teacher, or a person otherwise entrusted with the care or supervision for a special purpose of a minor in order to restrain a pupil in attendance at school from hurting oneself or any other person or property, and reasonable force may be used as delineated in Sec. 703-309(2), HRS.
- 6.3. Complaints Process. The School shall establish and adhere to a process for resolving public complaints which shall include an opportunity for complainants to be heard. The final administrative appeal shall be heard by the School's Governing Board, except where the complaint pertains to a possible violation of any law or term under this Contract. The complaints process shall be readily accessible from the School's website, as described in Section 11.4.1.
- 6.4. Contracting with an Educational Service Provider. The School shall not enter into a contract or subcontract for comprehensive management or administration services of its core educational program or services, unless otherwise agreed to in writing by the Commission or identified in Exhibit A (Educational Program). Such contracting is conditioned upon the School developing a management agreement with the educational service provider that meets the conditions in Exhibit C to this Contract; provided requirements of a School Improvement Grant or other federal grant shall control.
- 6.5. Health and Safety
- 6.5.1. Safe Environment. The School shall maintain a safe learning environment at all times. The School shall develop and adhere to a safety plan, which shall be provided to the Commission.
- 6.5.2. Health Clearances. The School shall comply with Secs. 302A-1154 to 302A-1163, HRS, and Ch. 11-157, HAR, requiring documentation that each student has received immunizations against communicable diseases, is free from tuberculosis in a communicable form, and has received a physical examination. Pursuant to Sec. 302A-1161, HRS, if a child does not complete the immunizations or physical examination required within the period provided by Sec. 302A-1155, HRS, after provisional entry into school, the School shall notify the parent or guardian of the child that if the required immunizations or physical examination is not completed within thirty days of the date of the notice, the child shall not be admitted to the School.
- 6.5.3. School Employees Afflicted with Tuberculosis. The School shall not allow any person who has contracted tuberculosis, while afflicted with the disease, to teach or work at the School.
- 6.5.4. Student Health Services. The School shall provide students with appropriate school health services and safety protections, including providing first aid care for ill and injured students. The school may recommend that parents seek the help of medical professionals or appropriate health agencies for cases beyond its scope of responsibility.
- 6.6. Insurance. The School shall be covered under the Statewide Risk Management Program pursuant to Ch. 41D, HRS, for liability, property, crime, and automobile insurance. The School shall comply with all applicable laws, rules, policies, procedures, and directives of the Department of Accounting and General Services' Risk Management Office. The School may purchase additional insurance coverage if so desired.

## 6.7. Records

- 6.7.1. Student Records. The School shall maintain student records for current and former students in accordance with the requirements of State and federal law, including the Family Education Rights and Privacy Act, 20 U.S.C. § 1232g, as may be amended from time to time.
- 6.7.2. Records Retention. The School shall comply with all applicable federal and State record keeping requirements. As a State entity, the School shall comply with the policies and guidelines of the Department of Accounting and General Services, Archives Division, Records Management Branch, with regard to the retention and disposal of government records.
- 6.7.3. Open Records Law. The School shall comply with Ch. 92F, HRS, the Uniform Information Practices Act.

## 6.8. Reporting of Crime-Related Incidents. The School shall adopt policies and procedures to:

- (a) Require a report to appropriate authorities from a teacher, official, or other employee of the School who knows or has reason to believe that an act has been committed or will be committed, which:
- (1) Occurred or will occur on School property during School hours or during activities supervised by the School; and
  - (2) Involves crimes relating to arson, assault, burglary, disorderly conduct, dangerous weapons, dangerous drugs, harmful drugs, extortion, firearms, gambling, harassment, intoxicating drugs, marijuana or marijuana concentrate, murder, attempted murder, sexual offenses, rendering a false alarm, criminal property damage, robbery, terroristic threatening, theft, or trespass;
- (b) Establish procedures for disposing of any incident reported; and
- (c) Impose appropriate disciplinary action for failure to report these incidents, including probation, suspension, demotion, and discharge of School officials.

## 6.9. Smoking Prohibited. As a public school, the School shall prohibit the use of tobacco at its school or at School functions.

## 6.10. Transportation. The School may provide its own transportation services, provide transportation through an agreement or contract with a private provider, or access any other school transportation provided to it by law. The School shall ensure the safety of students in any transportation arrangement and shall comply with state and county requirements pertaining to vehicles and drivers that transport students.

## 7. Facilities

### 7.1. Location. The School shall provide educational services, including the delivery of instruction, at the location(s) identified in Exhibit A (Educational Program); provided that the School may conduct class site visits to temporary locations not identified in Exhibit A and, with notice to the Commission, may provide educational services at temporary locations for a period not to exceed 30 calendar days. The School shall not operate in any other location without the prior written approval of the Commission.

### 7.2. Occupancy Rights. The School shall possess the lawful right to occupy and use the premises on which the School operates. The School shall provide the Commission a copy of the

School's lease, deed, or other occupancy agreement for all locations identified in Exhibit A (Educational Program), except if the School occupies DOE school facilities.

- 7.3. Compliance with Codes. The School shall be located in facilities that comply with all applicable State and county building, zoning, fire, health, and safety code requirements.
- 7.3.1. If the School is located in facilities other than DOE facilities, the School shall obtain and maintain any necessary certificates or permits required for use and occupancy of the School's facilities from the applicable building, zoning, fire, health, and safety authorities. The School shall immediately notify the Commission in the event that any such certificate or permit is jeopardized, suspended, or revoked.
- 7.3.2. The School shall comply at all times with the occupancy capacity limits set by zoning, building, fire, and other applicable regulations.
- 7.3.3. Any other law to the contrary notwithstanding, any categorical exemptions afforded to State agencies from building, zoning, fire, health and safety laws, regulations, codes, standards, and requirements shall not be applicable to the School except as approved by the Commission, which approval shall not be unreasonably withheld. Where necessary, the School shall be responsible for requesting permits and approvals from appropriate governmental agencies in compliance with this subparagraph.
- 7.4. Relocation or Expansion. The School's relocation or expansion to different facilities shall constitute a material change in the Contract and shall require prior written approval by the Commission pursuant to Section 3.2. Upon such approval, the School's relocation or expansion shall be contingent upon its meeting the following conditions:
- (a) Submission to the Commission of a Certificate of Occupancy for the new facilities prior to the first day of occupancy;
  - (b) Submission to the Commission of a lease, deed, or other document showing the School possesses the right to occupy the new premises;
  - (c) Submission to the Commission of documentation that the new facilities meet applicable health, safety, fire, building, and zoning code requirements; and
  - (c) Submission to the Commission of documentation that the new facilities are of sufficient size to safely house anticipated enrollment.

## 8. Funding

- 8.1. Per-Pupil Funding. The School's non-facility general fund per-pupil funding shall be as defined in Sec. 302D-28, HRS. The Commission shall distribute the School's per-pupil allocation each fiscal year pursuant to Sec. 302D-28(f), HRS, and shall provide the School with the calculations used to determine the per-pupil amount each year. All funds distributed to the School from the Commission shall be used solely for the School's educational purposes as appropriated by the Legislature, and the School shall have discretion to determine how such funding shall be allocated at the school level to serve those purposes subject to applicable laws and this Contract.
- 8.2. Funding Subject to Appropriation. The general fund per-pupil funding is contingent upon legislative appropriation and allocation of funds. If the Legislature fails to appropriate sufficient monies or if the appropriation is reduced by the Governor or by any other means and the effect of such non-appropriation or reduction is to provide insufficient monies for



the continuation of the School, this Contract shall terminate on the last day of the fiscal year for which sufficient funds are available.

- 8.3. Adjustments to Funding. The Commission's disbursement of per-pupil funds may be adjusted for the following reasons: (a) To reconcile projected versus actual enrollment counts; (b) To adjust the per-pupil amount due to restriction by the Governor or other reduction action; (c) To adjust the actual enrollment count based on an audit of pupil counts and per pupil revenue that impact the funding received by the School; or (d) To withhold funds due to non-compliance in accordance with Sec. 302D-28, HRS. The Commission shall have the discretion to determine whether to make an adjustment by: (i) Reconciling the adjusted amount in a subsequent disbursement to the School; or (ii) Either making payment to the School or requiring reimbursement from the School with at least thirty (30) days' written notice by the Commission.
- 8.4. Facility Funds. In each year in which funds are appropriated for charter school facility purposes, the Commission shall allocate the funds among eligible charter schools. All funds distributed to the School shall be restricted to the purposes of the appropriation.
- 8.5. Federal Funding. Pursuant to Sec. 302D-28, HRS, the School shall be eligible for all federal financial support to the same extent as all other public schools. The Commission shall timely distribute federal funds to the School in accordance with applicable federal and state rules and regulations. The Commission shall make the allocation methods publicly available and shall work with the DOE and the School where questions of equity may arise.
- 8.6. Title I Funding. The Commission shall communicate with the School regarding the eligibility measure for Title I, Part A funds as determined by the DOE and provide the funds to the School based on that information. The School, if eligible, shall use Title I, Part A funds in accordance with applicable federal and state law and regulations including programmatic and fiscal requirements, and the Commission shall provide information to assist the School in understanding Title I, Part A requirements. The School shall provide a school plan that includes the components and school improvement elements required under Title I, Part A.
- 8.7. Additional Funds. The School may accept monetary contributions or grants and shall comply with all applicable State or federal laws regarding such monetary contributions or grants. The School shall report all monetary contributions or grants to the Commission in accordance with Commission guidelines.
- 8.8. No Tuition. The School shall not assess tuition, contribution, or attendance fees of any kind as a condition of enrollment.
- 8.9. Fees. The School may charge reasonable fees, to the extent permitted by law, for summer school programs, after school programs, student activities, and any other service, materials, or equipment for which other state public schools may charge a fee.

## 9. Financial Matters

- 9.1. The School shall maintain accurate and comprehensive financial records, operate in accordance with Generally Accepted Accounting Principles, and use public funds in a fiscally responsible manner.
- 9.2. Fiscal Year. The fiscal year for the School shall begin on July 1 and end on June 30 of the subsequent calendar year.

- 9.3. Procurement. Pursuant to Sections 302D-25(b) and 302D-12(d), HRS, the School and its Governing Board shall be exempt from Ch. 103D, HRS. The School's Governing Board shall develop and adhere to a policy for the procurement of goods, services, and construction consistent with the goals of public accountability and public procurement practices. The policy shall be readily accessible from the School's website or school office, as described in Section 11.4.1. If the policy is not available from the School's website, the School shall submit the current policy to the Commission.
- 9.4. Management and Financial Controls. At all times, the School shall maintain appropriate governance and management procedures and financial controls which shall include, but not be limited to: (a) budgets, (b) accounting policies and procedures, (c) payroll procedures, (d) financial reporting and (e) internal control procedures for receipts, disbursements, purchases, payroll, and fixed assets. The accounting policies and procedures shall be readily accessible from the School's website or school office, as described in Section 11.4.1. If the policies and procedures are not available from the School's website, the School shall submit the current policies and procedures to the Commission.
- 9.5. Assets. The School shall maintain a complete and current inventory of all of its property and shall update the inventory annually. The School shall take all necessary precautions to safeguard assets acquired with public funds.
- 9.6. Chart of Accounts. The Commission may require the School to follow a uniform chart of accounts; provided that the Commission shall provide a reasonable time period for the School to convert to such chart of accounts.
- 9.7. Transfer of Funds to Nonprofits. The School shall not transfer funds provided to it by the Commission to any affiliated nonprofit organization except for legitimate and reasonable payments from the School to the nonprofit pursuant to a written agreement.
- 9.8. Financing Agreements. The School shall comply with Ch. 37D, HRS, relating to financing agreements. "Financing agreement" means any lease purchase agreement, installment sale agreement, loan agreement, line of credit or other agreement of the department or, with the approval of the director, and any agency, to finance the improvement, use or acquisition of real or personal property that is or will be owned or operated by one or more agencies of the State, the department or any agency, or to refinance previously executed financing agreements including certificates of participation relating thereto. The School shall not act as a guarantor of any such financing agreement.

## 10. Personnel

- 10.1. Collective Bargaining. The School shall be subject to collective bargaining under Ch. 89, HRS, and shall comply with the master agreements as negotiated by the State; provided that the School may enter into supplemental collective bargaining agreements that contain cost and non-cost items to facilitate decentralized decision-making. The School shall provide a copy of any supplemental collective bargaining agreement to the Commission.
- 10.2. Nondiscrimination. No person performing work under this Contract, including any employees or agents of the School, shall engage in any discrimination that is prohibited by any applicable federal, State, or county law, including but not limited to Sec. 378-2, HRS.

- 10.3. Teacher Credentials. The School's teachers shall comply with applicable State licensing requirements consistent with the Elementary and Secondary Education Act, State law, and collective bargaining agreements, as such requirements may be amended. Teachers shall be licensed by the Hawaii Teachers Standards Board and shall meet the federal designation of "Highly Qualified" as adopted by the BOE and defined in the "*Title IIA Highly Qualified Teacher Guidelines*," updated May 2012, as may be amended. If the School receives Title I funding, the School shall ensure that 100% of teachers in core academic subjects are Highly Qualified, and federal funds shall not be used to pay for teachers who do not meet this requirement.
- 10.4. Evaluations. Pursuant to federal and state law and policy, the School is responsible for implementing principal and teacher evaluation systems that are based on efficiency, ability, contribution to student learning, and growth. The School may elect to implement the State-developed educator evaluation system or to develop and implement its own educator evaluation system that meets the criteria outlined by the Commission, as may be amended from time to time.
- 10.5. Non-Instructional Employees. The School shall ensure that the School's non-instructional employees or agents are experienced and fully qualified to engage in the activities and perform the services required under this Contract, and that all applicable licensing and operating requirements imposed or required under federal, State, or county laws, and all applicable accreditation and other standards of quality generally accepted in the field of the activities of such employees and agents are complied with and satisfied.
- 10.6. Criminal History Checks. The School shall conduct criminal history checks in accordance with Sec. 846-2.7, HRS, to determine whether a prospective employee or agent is suitable for working in close proximity to children. Information obtained pursuant to this provision shall be used exclusively by the School for the purposes of determining whether a person is suitable for working in close proximity to children. All such decisions shall be subject to applicable federal laws and regulations currently or hereafter in effect. The School may terminate the employment of any employee or deny employment to an applicant if the person has been convicted of a crime, and if the School finds by reason of the nature and circumstances of the crime that the person poses a risk to the health, safety, or well-being of children.
- 10.7. Personnel Policies. The School shall adopt, update, and adhere to personnel policies. These policies must be made readily accessible from the School's website or school office, as described in Section 11.4.1. If the policy is not available from the School's website, the School shall submit the current policy to the Commission.

## 11. Reporting & Data

### 11.1. Reports, Generally.

- 11.1.1. The School shall make reasonable efforts to provide to the Commission, in the format and timeframe prescribed by the Commission, any data necessary and reasonably required by the Commission to meet its oversight and reporting obligations. The Commission shall provide by **June 1** the list of anticipated required reports and due dates and provide this information to the School.

- 11.1.2. The Commission shall make reasonable efforts to reduce the reporting burden it places on the School by providing reasonable notice for requests, providing timely notification when due dates are changed, avoiding duplicate requests, and limiting requests to what is reasonably required by the Commission and other State entities.
- 11.2. Enrollment Count Reports. The School shall provide to the Commission actual and projected enrollment counts as required for funding and reporting purposes. The Commission may elect to obtain actual enrollment counts directly from the student information data system, provided that the Commission will attempt to reconcile any discrepancies in consultation with the School.
- 11.3. Financial Reports
- 11.3.1. Budget and Cash Flow. The School shall prepare and provide to the Commission a copy of its annual budget as approved by the School's Governing Board and cash flow projections for each upcoming fiscal year by **June 15** or two weeks after the Commission notifies the School of the anticipated amount of State non-facility general fund per-pupil funding to be allocated, whichever is later.
- 11.3.2. Quarterly Financial Reports. The School shall prepare and submit quarterly financial reports to the Commission within 45 days of the end of each fiscal year quarter.
- 11.3.3. Unaudited Financial Statements. The School shall prepare and submit its unaudited annual financial statements to the Commission by **September 15** of the subsequent fiscal year; provided that the Commission, with reasonable notice to the School, may change the deadline depending on circumstances.
- 11.3.4. Annual Audits. Each fiscal year, the School shall provide for an independent annual financial audit conducted in accordance with Generally Accepted Auditing Standards and Governmental Auditing Standards and performed by a certified public accountant (CPA); provided the Commission may establish an alternative reporting requirement in accordance with State law. The Commission shall provide the guidelines and/or scope of the audit or alternative report and may require minimum CPA qualifications or that the School select from a list of qualified CPAs as provided by the Commission. The School shall provide the completed audit or alternative report to the Commission by **November 15** after the conclusion of the fiscal year; provided that the Commission, with reasonable notice to the School, may change the deadline depending on circumstances. The School shall pay for the audit or alternative report if an appropriation is not made by the Legislature for such purpose.
- 11.4. Governing Board Reporting.
- (a) The School shall notify the Commission within 14 business days of any membership changes on the School's Governing Board.
- (b) The School shall make the following documents available at a publicly accessible area in its office so as to be available for review during regular business hours, and on its website, and by the respective due dates:
- (1) A list of the current names and contact information of the governing board's members and officers;
  - (2) The schedule of Governing Board meetings by **September 1** of each year;
  - (3) Revisions to scheduled Governing Board meetings not less than six days prior to the changed meeting date;

- (4) Governing Board meeting notices and agendas not less than six days prior to the Governing Board meeting; and
- (5) Governing Board meeting minutes within 30 days of the Governing Board meeting.

11.4.1. School Policies and Procedures. The School shall make the current versions of the following policies and procedures readily accessible from its website:

- (a) Conflict of interest policy, as described in Sec. 2.2;
- (b) Admissions policies and procedures, as described in Sec. 5.2;
- (c) Student conduct and discipline policy, as described in Sec. 6.1;
- (d) Complaints procedures, as described in Sec. 6.3;
- (e) Procurement policy, as described in 9.3;
- (f) Accounting policies and procedures, as described in 9.4; and
- (g) Personnel policies, as described in 10.7;

provided, however, that any policy or procedure listed above except those listed under (b) and (d) may be submitted in its current version to the Commission instead of being made readily accessible from the School's website.

11.4.2. Collective Bargaining. The School shall provide to the Commission a copy of any supplemental collective bargaining agreement.

11.4.3. Other Reporting. Upon request, the School shall provide the Commission any other information determined by the Commission to be relevant to any term or condition of this Contract.

11.5. Educational Data. Pursuant to Sec. 302D-23, HRS, the School shall comply with the minimum educational data reporting standards established by the Board of Education (BOE) and with additional data reporting required by the Commission in its oversight of this Contract and shall ensure all data is accurate and complete provided that the Commission will attempt to reconcile any discrepancies in consultation with the School.

11.6. Personnel Data. The School shall maintain accurate and complete personnel and payroll information and shall provide such information to the Commission, in the format and timeframe prescribed by the Commission, as required for the Legislature or any State agency including but not limited to the Department of Budget & Finance, Employees' Retirement System, and the Hawaii Employer-Union Health Benefits Trust Fund. The School shall ensure each employee receiving State benefits qualifies for such benefits.

11.7. School's Annual Report. For the purposes of the Commission's annual report under Section 11.8, the School shall provide information to the Commission in the format and timeframe needed to assist the Commission in gathering complete information about the School. The Commission shall include this report in the list to be provided under Section 11.1.1.

11.8. Commission's Annual Report. The Commission shall publish and provide an annual report on the School's performance in accordance with the Performance Frameworks. In preparing the annual report, the Commission shall solicit feedback from the School.

### 11.9. Immediate Notice.

11.9.1. School closure. The School shall make reasonable efforts to promptly notify the public, which may include notice to the Department of Education, of any circumstance requiring the closure of the School, including, but not limited to, a natural disaster, such as an earthquake, storm, tsunami, flood, or other weather-related event, other extraordinary emergency, or destruction of or damage to the School facility;

11.9.2. Other events. The School shall immediately notify the Commission when it has knowledge of any of the following:

- (a) Any condition that may cause the School to vary from the terms of this Contract or applicable requirements, federal and/or State law;
- (b) The arrest of any members of the School Governing Board or School employees for a crime punishable as a felony or any crime related to the misappropriation of funds or theft;
- (c) Misappropriation of funds;
- (d) Any complaint, citation, or default filed against the School by a government agency or lessor;
- (e) Any inaccuracy found in enrollment count or other data provided to the Commission;
- (f) The School receives a notice or is otherwise informed that the School or Commission is a party to a legal suit;
- (g) The discipline of employees at the School arising from misconduct or behavior that may have resulted in harm to students or others, or that constituted violations of law;
- (h) A default on any obligation, which shall include debts for which payments are past due by ninety (90) days or more; or
- (i) The School's enrollment at any time decreases by 10% or more compared to the most recent pupil count submitted to the Commission.

### 12. Monitoring & Intervention

12.1. Monitoring. The Commission shall continually monitor the performance and legal compliance of the School. The Commission shall have the authority to conduct or require oversight activities that enable the Commission to fulfill its responsibilities under Ch. 302D, HRS, including conducting appropriate inquiries and investigations, so long as those activities are consistent with the intent of Ch. 302D, HRS, and adhere to the terms of this Contract. To carry out its monitoring duties, the Commission may utilize a compliance management system and may require the School to designate a contact person for the compliance management system.

12.2. Monitoring Related to Federal Programs. To meet its oversight and reporting obligations, the DOE, as the State Education Agency or Local Education Agency, may monitor the School for compliance with programmatic or fiscal requirements, including requiring reports or

other documentation, under any applicable law related to federal programs, including but not limited to special education. The School shall comply with all such monitoring.

- 12.3. Access to Records. Consistent with the school's obligations under the Family Education Rights and Privacy Act, 20 U.S.C. § 1232g, the School shall make all School records open to inspection by the Commission, the DOE, the Office of the Auditor, law enforcement officials, contracted evaluators or any other federal or State regulatory agency within five business days after request is made, or sooner if required by law.
- 12.4. Site Visits. The Commission may visit the School informally at any time and may, at its discretion, conduct announced formal school visits. When appropriate, the Commission shall make reasonable efforts to provide notice of visits. Such site visits may include any activities reasonably related to fulfillment of the Commission's oversight responsibilities including, but not limited to, inspection of the facilities; audit of financial books and records; inspection of records maintained by the School; interviews and observations of the principal, staff, school families, and community members; and observation of classroom instruction.
- 12.5. Intervention. If the Commission finds deficiencies in the School's performance or legal compliance, the Commission and the School shall follow the Intervention Protocol attached as Exhibit D. Intervention may be initiated when the Commission finds that the School has failed to:
  - (a) Comply with applicable laws, rules, policies, or procedures;
  - (b) Comply with the terms and conditions of this Contract; or
  - (c) Meet performance expectations as set forth in the Performance Frameworks.

Failure to invoke the Intervention Protocol shall not be (i) construed as a waiver or relinquishment of any requirement under applicable laws, rules, policies, procedures, contractual terms and conditions, or performance expectations; or (ii) deemed a necessary precedent to non-renewal or revocation.

### 13. Closure and Dissolution

- 13.1. School-Initiated Closure. Should the School choose to voluntarily surrender this Contract before the end of the Contract term, it may do so in consultation with the Commission at the close of any school year and upon written notice to the Commission given at least ninety (90) days before the end of the school year.
- 13.2. Dissolution. In the event that the School ceases operation for any reason, including but not limited to non-renewal, revocation, or voluntary surrender of this Contract, the School agrees to continue to operate its educational program until the end of the school year; provided that if the School voluntarily surrenders this Contract due to lack of funds, the School shall cooperate with the Commission in scheduling cessation of operations. The School shall cooperate with the Commission in ensuring the orderly closure of the School and shall comply with the Commission's closure policies and protocol.
- 13.3. Remaining Assets. In the event that the School closes, the School shall return any remaining public assets to the State, provided that any outstanding obligations of the School are fulfilled first pursuant to Sec. 302D-19, HRS.

#### 14. Miscellaneous Provisions

- 14.1. Entire Contract. The Parties intend this Contract, including all attachments and exhibits, to represent a final and complete expression of their agreement, which shall be considered the Contract. All prior representations, understandings, and discussions are merged herein, and no course of prior dealings between the Parties shall supplement or explain any terms used in this document. The Parties recognize that amendments to this Contract may be approved from time to time hereafter.
- 14.2. Amendments. Any amendment to this Contract shall be effective only if approved by a majority vote of the Commission at a public meeting.
- 14.2.1. The School may submit any proposed requested amendment to the Commission in accordance with instructions provided by the Commission. The School shall not take action related to the requested amendment until the Commission has approved said amendment.
- 14.2.2. Changes in operation that require the School to obtain an amendment to this Contract include but are not limited to the following changes:
- (a) To any material term of the School's Educational Program (Exhibit A);
  - (b) In school location (relocation of site or adding or terminating sites);
  - (c) In School management arrangement (such as intention to hire or terminate a management provider);
  - (d) In admissions or enrollment policies or procedures.
- 14.3. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Hawaii, including all requirements imposed by applicable policy and regulation, and all applicable federal laws of the United States.
- 14.4. Conflict Between Contract, Law, and Administrative Rules. In the event of a conflict between this Contract, State law, and the administrative rules pertaining to charter schools, the order of precedence shall be State law, followed by administrative rule, followed by the terms and conditions of this Contract.
- 14.5. Disputes Resolution. It is the intent of the parties to communicate on a regular basis in a positive and effective manner. The parties agree to communicate areas of concern as they arise and to address those concerns in a professional manner. Any disputes between the Commission and the School which arise under, or are by virtue of, this Contract and which are not resolved by mutual agreement, shall be decided by the full Commission in writing, within 90 calendar days after a written request by the School for a final decision concerning the dispute; provided that where a disputes resolution process is defined for a particular program area (e.g., IDEA, Section 504, etc.), the Parties shall comply with the process for that particular program area; and further provided that the parties may mutually agree to utilize the services of a third-party facilitator to reach a mutual agreement prior to decision by the full Commission. Subject to the availability of an appeal under Ch. 302D, HRS, or BOE administrative rules or procedures, any such decision by the full Commission shall be final and conclusive.



- 14.6. Non-Assignability. The School shall not assign or subcontract any duty, obligation, right, or interest under this Contract without prior written approval of the Commission. A violation of this provision shall be considered material and substantial and shall be grounds for immediate revocation of this Contract.
- 14.7. Notices. Unless otherwise specified by law, any written notice required to be given by a Party to this Contract shall be delivered: (a) personally, (b) by United States first class mail, postage prepaid, to the Parties' mailing addresses first indicated in this Contract; or (c) via a compliance management system, as described under Sec. 12.1. A notice shall be deemed to have been received three business days after mailing or at the time of actual receipt, whichever is earlier. Parties are responsible for notifying each other in writing of any change of mailing address.
- 14.8. Severability. In the event that any provision of this Contract is declared invalid or unenforceable by a court, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining terms of this Contract.
- 14.9. Waiver. The failure of either Party to insist upon the strict performance of or compliance with any term, provision, or condition of this Contract shall not constitute or be deemed to constitute a waiver or relinquishment of the Parties' right to enforce the same in accordance with this Contract.
- 14.10. No Third-Party Beneficiary. The enforcement of the terms and conditions of this Contract shall be strictly reserved to the Commission and the School. Nothing contained in this Contract shall give or allow any claim or right of action whatsoever by any other person. It is the express intent of the Parties to this Contract that any person receiving services or benefits hereunder shall be deemed an incidental beneficiary only, without enforceable rights against a Party to this Contract.

**[Remainder of this page intentionally left blank]**

IN WITNESS WHEREOF, the Parties have made and entered into this Contract as of the effective date.

STATE PUBLIC CHARTER SCHOOL COMMISSION

UNIVERSITY LABORATORY SCHOOL



Signature

Thomas E. M. Hutton

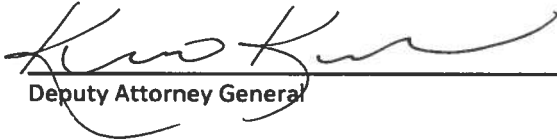
Print Name

Executive Director

Title

Date: June 26, 2014

APPROVED AS TO FORM:



Deputy Attorney General



Signature

David Oride

Print Name

Board Chair

Title



Signature

A. Keoni Jeremiah

Print Name

ULS Principal

Title

Date: 6/14/2014

APPROVED AS TO FORM:

Deputy Attorney General

EXHIBITS:

- A - School's Educational Program
- B - Performance Frameworks (Organizational and Financial and School-Specific if applicable)
- C - Educational Service Provider Requirements
- D - Intervention Protocol

**Exhibit A**  
**Educational Program**

Material Term	
<b>School Name:</b>	University Laboratory School
<b>Mission: (Not formally evaluated)</b>	The 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.
<b>Vision: (Not formally evaluated)</b>	The vision of the University Laboratory School is that all students graduate ready for college, work and responsible citizenship.
<b>Essential Term #1: (formally evaluated)</b>	Heterogeneous grouping in all classes from across a diverse, purposive lottery of students to represent a demographic cross-section of Hawai'i.
<b>Essential Term #2: (formally evaluated)</b>	All students enroll in a common curriculum by grade-level cohort, one that includes daily instruction in English language and literature, history and social science, natural science, mathematics, and visual arts and performing arts. In the Elementary and Middle School programs, this also includes daily instruction in physical education. In the High School program, this also includes daily instruction in a number of courses, ranging from a required College & Career seminar to Second Languages, and a variety of elective courses. Students are taught in common classes without tracking.
<b>Essential Term #3: (formally evaluated)</b>	<p>Teaching, learning, and demonstrations of knowledge based on disciplinary practices and habits of mind are the modes of interaction in every class, every day.</p> <ul style="list-style-type: none"> <li>● In practice in ULS classrooms, this means that students are taught the nature, habits of mind and practices of a discipline* to promote engagement and conceptual development in that discipline, as well as promote critical thinking generally. Every disciplinary class (social studies, mathematics, natural sciences, language arts, performing arts, visual arts) is taught using authentic modeling of disciplinary inquiry, while also teaching about the nature of that discipline. When observing disciplinary classes at ULS, one should see methods of inquiry, collaborative work environments, and the use of disciplinary language and representation to discuss, present and critique knowledge created via that discipline. Science is taught through students and teachers participating in a scientific community; mathematics is taught through the lens and practices of mathematical inquiry; students model the behavior and practices of expert artists in their performing and visual arts classes; and so forth in each of</li> </ul>

our disciplinary departments.

\* Based on guiding principles of King & Brownell, 1966 - each discipline tends to reflect characteristics such as:

- a community of persons
- an expression of human imagination
- a domain
- a tradition
- a syntactical structure (a mode of inquiry)
- a conceptual structure (a substance)
- a specialized language or system of symbols
- a heritage of literature, artifacts, network of communications
- an instructive community

**Essential Term #4:** N/A  
**(formally evaluated)**

**Essential Term #5:** N/A  
**(formally evaluated)**

**Geographic Area Served:** O'ahu (island-wide)

**Location:** 1776 University Avenue  
Honolulu, HI 96822

**Grades Currently Served:** K-12

Is the school a virtual school? \_\_\_Yes \_\_\_X\_\_\_No

*For the purposes of this Exhibit, a virtual school is defined as a school that uses an online instructional model with students typically spending fewer than five hours per week in a school building.*

Does the school offer blended learning? \_\_\_Yes \_\_\_X\_\_\_No

*For the purposes of this Exhibit, blended learning is defined as the delivery of instruction in a combination of time on-site in a supervised, physical location away from home and online delivery where the student has some control over time, place, path, or pace of learning.*

If yes, approximately what percentage of students participates in blended learning? \_\_\_\_

Does the school offer digital learning? \_\_\_Yes \_\_\_X\_\_\_No

*For the purposes of this Exhibit, digital learning is defined as learning facilitated by technology that gives students some element of control over time, place, path, or pace of learning.*

If yes, approximately what percentage of students participates in digital learning? \_\_\_\_

**Educational Service Provider:** N/A

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 Target* 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 target 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 target. For example, a school might make a strategic long-term financial decision that results in it missing a target 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 *Meets Target*, *Does Not Meet Target*, or *Falls Far Below Target*.

*Meets Target*

A *Meets* rating indicates sound financial viability based on the overall financial record. Either the school has already met the target 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 target indicates sound financial viability.

*Does Not Meet Target*

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 target or concerns previously identified, although not currently manifested, have been of a depth or duration that warrants continued attention.

*Falls Far Below Target*

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.

**1. NEAR TERM INDICATORS**

1.a. Current Ratio (Working Capital Ratio): Current Assets divided by Current Liabilities	
Preliminary Rating	Final Rating (Following Additional Analysis)
<p><b>Meets Target:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Current Ratio is greater than or equal to 1.1</li> <li>or</li> <li><input type="checkbox"/> Current Ratio is between 1.0 and 1.1 <i>and</i> one-year trend is positive (current year ratio is higher than last year’s)</li> </ul> <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><b>Meets Target:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Indicates sound financial viability based on the overall financial record. Either the school has already met the target 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 target indicates sound financial viability.</li> </ul>
<p><b>Pending Further Analysis:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Current Ratio is between 1.0 and 1.1 <i>and</i> one-year trend is negative</li> <li>or</li> <li><input type="checkbox"/> Current Ratio is less than or equal to 1.0</li> </ul>	<p><b>Does Not Meet Target:</b></p> <ul style="list-style-type: none"> <li><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 target or concerns previously identified, although not currently manifested, have been of a depth or duration that warrants continued attention.</li> </ul>
	<p><b>Falls Far Below Target:</b></p> <ul style="list-style-type: none"> <li><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.</li> </ul>
1.b. Unrestricted Days Cash: Unrestricted Cash divided by ((Total Expenses-Depreciation Expenses)/365)	
Preliminary Rating	Final Rating (Following Additional Analysis)
<p><b>Meets Target:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> 60 Days Cash</li> <li>or</li> </ul>	<p><b>Meets Target:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Indicates sound financial viability based on the overall financial record. Either the school has already met the</li> </ul>

<input type="checkbox"/> Between 30 and 60 Days Cash <i>and</i> one-year trend is positive  Note: Schools in their first or second year of operation must have a minimum of 30 Days Cash.	targets 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 target indicates sound financial viability.
<i>Pending Further Analysis:</i> <input type="checkbox"/> Days Cash is between 30 and 60 days <i>and</i> one-year trend is negative or <input type="checkbox"/> Days Cash is below 30 days	<i>Does Not Meet Target:</i> <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 target or concerns previously identified, although not currently manifested, have been of a depth or duration that warrants continued attention.  <i>Falls Far Below Target:</i> <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.

1.c. Enrollment Variance: Actual Enrollment divided by Enrollment Projection in Charter School Board-Approved Budget	
Preliminary Rating	Final Rating (Following Additional Analysis)
<i>Meets Target:</i> <input type="checkbox"/> Enrollment Variance equals or exceeds 95% in the most recent year	<i>Meets Target:</i> <input type="checkbox"/> Indicates sound financial viability based on the overall financial record. Either the school has already met the target 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 target indicates sound financial viability.
<i>Pending Further Analysis:</i> <input type="checkbox"/> Enrollment Variance is below 95% in the most recent year	<i>Does Not Meet Target:</i> <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 target or concerns previously identified, although not currently manifested, have been of a depth or duration that warrants continued attention.  <i>Falls Far Below Target:</i> <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.

## 2. SUSTAINABILITY INDICATORS

### 2.a. Total Margin: Net Income divided by Total Revenue

Aggregated Total Margin: Total 3 Year Net Income divided by Total 3 Year Revenues

Preliminary Rating	Final Rating (Following Additional Analysis)
<p><b>Meets Target:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Aggregated Three-Year Total Margin is positive <i>and</i> the most recent year Total Margin is positive</li> <li>or</li> <li><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 positive</li> </ul> <p>Note: For schools in their first or second year of operation, the cumulative Total Margin must be positive.</p>	<p><b>Meets Target:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Indicates sound financial viability based on the overall financial record. Either the school has already met the target 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 target indicates sound financial viability.</li> </ul>
<p><b>Pending Further Analysis:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Aggregated Three-Year Total Margin is greater than -1.5%, but trend does not meet target</li> <li>or</li> <li><input type="checkbox"/> Aggregated Three-Year Total Margin is less than or equal to -1.5%</li> <li>or</li> <li><input type="checkbox"/> The most recent year Total Margin is less than -10%</li> </ul>	<p><b>Does Not Meet Target:</b></p> <ul style="list-style-type: none"> <li><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 target or concerns previously identified, although not currently manifested, have been of a depth or duration that warrants continued attention.</li> </ul>
	<p><b>Falls Far Below Target:</b></p> <ul style="list-style-type: none"> <li><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.</li> </ul>

### 2.b. Debt to Asset Ratio: Total Liabilities divided by Total Assets

Preliminary Rating	Final Rating (Following Additional Analysis)
<p><b>Meets Target:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Debt to Asset Ratio is less than 0.50</li> </ul>	<p><b>Meets Target:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Indicates sound financial viability based on the overall financial record. Either the school has already met the target 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</li> </ul>



	current financial data or addressed adequately based on additional information such that the Commission concludes that performance against the target indicates sound financial viability.
<p><b>Pending Further Analysis:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Debt to Asset Ratio is greater than or equal to .50</li> </ul>	<p><b>Does Not Meet Target:</b></p> <ul style="list-style-type: none"> <li><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 target or concerns previously identified, although not currently manifested, have been of a depth or duration that warrants continued attention.</li> </ul>
	<p><b>Falls Far Below Target:</b></p> <ul style="list-style-type: none"> <li><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.</li> </ul>

<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>	
<b>Preliminary Rating</b>	<b>Final Rating (Following Additional Analysis)</b>
<p><b>Meets Target:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Multi-Year cumulative cash flow is positive <i>and</i> cash flow is positive each year</li> <li>or</li> <li><input type="checkbox"/> Multi-year and most recent year cash flows are positive</li> </ul> <p>Note: Schools in their first or second year of operation must have positive cash flow.</p>	<p><b>Meets Target:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Indicates sound financial viability based on the overall financial record. Either the school has already met the target 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 target indicates sound financial viability.</li> </ul>
<p><b>Pending Further Analysis:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Multi-Year cumulative cash flow is positive, but trend does not meet target</li> <li>or</li> <li><input type="checkbox"/> Multi-Year cumulative cash flow is negative</li> </ul>	<p><b>Does Not Meet Target:</b></p> <ul style="list-style-type: none"> <li><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 target or concerns previously identified, although not currently manifested, have been of a depth or duration that warrants continued attention.</li> </ul>

	<p><b>Falls Far Below Target:</b></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>
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2.d. Unrestricted Fund Balance Percentage: Fund balance / Total Expenses	
Preliminary Rating	Final Rating (Following Additional Analysis)
<p><b>Meets Target:</b></p> <p><input type="checkbox"/> Fund balance percentage is greater than or equal to 25%</p>	<p><b>Meets Target:</b></p> <p><input type="checkbox"/> Indicates sound financial viability based on the overall financial record. Either the school has already met the target 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 target indicates sound financial viability.</p>
<p><b>Pending Further Analysis:</b></p> <p><input type="checkbox"/> Fund balance percentage is less than 25%</p>	<p><b>Does Not Meet Target:</b></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 target or concerns previously identified, although not currently manifested, have been of a depth or duration that warrants continued attention.</p> <p><b>Falls Far Below Target:</b></p> <p><input type="checkbox"/> Upon further analysis, the school's performance on this component signals a significant financial risk to the school.</p>

2.e. Change in Total Fund Balance:	
<p><b>Multi-Year= (Year 3 Fund Balance) – (Year 1 Fund Balance);</b></p> <p><b>One-Year= (Year 2 Fund Balance) – (Year 1 Fund Balance)</b></p>	
Preliminary Rating	Final Rating (Following Additional Analysis)
<p><b>Meets Target (in one of two ways):</b></p> <p><input type="checkbox"/> Multi-Year change in fund balance is positive <i>and</i> change is positive each year or <input type="checkbox"/> Multi-year and most recent year changes are positive</p> <p>Note: Schools in their first or second year of operation must have positive change each year.</p>	<p><b>Meets Target:</b></p> <p><input type="checkbox"/> Indicates sound financial viability based on the overall financial record. Either the school has already met the target 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 target indicates</p>

	<p>sound financial viability.</p>
<p><i>Pending Further Analysis:</i></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Multi-Year change in fund balance is positive, but trend does not meet target</li> <li>or</li> <li><input type="checkbox"/> Multi-Year change in fund balance is negative</li> </ul>	<p><i>Does Not Meet Target:</i></p> <ul style="list-style-type: none"> <li><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 target or concerns previously identified, although not currently manifested, have been of a depth or duration that warrants continued attention.</li> </ul> <p><i>Falls Far Below Target:</i></p> <ul style="list-style-type: none"> <li><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.</li> </ul>

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. **For the purposes of defining organizational performance accountability, “material” means whether the information would be relevant and significant to decisions about whether to renew, non-renew, or revoke a charter contract.**

**Meets Standard:**

**The school materially meets the expectations outlined.**

**Does Not Meet Standard:**

**The school has failed to implement the program in the manner described; 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)



EXHIBIT B.3.  
ACADEMIC PERFORMANCE FRAMEWORK

The Academic Performance Framework includes measures that allow the Commission to evaluate the school’s academic performance or outcomes and was developed in accordance to the Hawaii Charter Schools Act (2012 Haw. Sess. Laws Act 130, §16 at 41-43.). This section answers the evaluative question: Is the academic program a success? A charter school that meets the standards in this area is implementing its academic program effectively, and student learning—the central purpose of every school—is taking place.

For each measure, a school receives one of four ratings: “Exceeds Standard,” “Meets Standard,” “Does Not Meet Standard,” or “Falls Far Below Standard.”

**1. Standard Goals: State and federal accountability system**

The Strive HI Academic Performance Index (API) is based on school performance in four categories:

- Student proficiency
- Student growth
- College and career readiness:
  - Elementary schools: Attendance
  - Middle Schools: 8<sup>th</sup> grade ACT
  - High Schools: Graduation rate, 11<sup>th</sup> grade ACT, and college-going rate
- Achievement gaps

1.a. Is the school meeting acceptable standards according to Strive HI?

*Note: For schools serving more than one grade level, such as K-8 or K-12 charter schools, the Commission will review the API for each division, as well as an overall API weighted by enrollment at each division.*

**Exceeds Standard:**

The school received an API at or above the 90<sup>th</sup> percentile statewide for schools serving the same grade level.

**Meets Standard:**

The school received an API between the 50<sup>th</sup> and 89<sup>th</sup> percentiles statewide for schools serving the same grade level.

**Does Not Meet Standard:**

The school received an API between the 20<sup>th</sup> and 49<sup>th</sup> percentiles statewide for schools serving the same grade level.

**Falls Far Below Standard:**

The school received an API below the 20<sup>th</sup> percentile statewide for schools serving the same grade level.

## Additional Information:

1.b. Is the school identified as a Recognition, Continuous Improvement, Focus, Priority, or Superintendent's Zone school?

**Exceeds Standard:**

The school is classified as a Recognition school.

**Meets Standard:**

The school is classified as a Continuous Improvement school.

**Does Not Meet Standard:**

The school is classified as a Focus school.

**Falls Far Below Standard:**

The school is classified as a Priority or Superintendent's Zone school.

**About 1b:** This measure is used for information only and will be unweighted.

1.c. Does the school meet its Annual Measurable Objectives (AMOs)?

Note: Reading and math are evaluated separately.

**Exceeds Standard:**

The school met its subsequent year's AMO or exceeded the state average by 10% or higher.

**Meets Standard:**

The school met its AMO, met the state average of percent proficient, or exceeded the state average of percent proficient up to 10%.

**Does Not Meet Standard:**

The school did not meet its AMO and is within 5% range of meeting its AMO.

**Falls Far Below Standard:**

The school did not meet its AMO or is equal to or below the Established Minimum Proficiency.

**About 1c:** This measure is used for information only and will be unweighted. This measure uses the Option A, federal methodology which can be found in the Hawai'i ESEA Flexibility Waiver submitted to the USDOE May 10, 2013. This formula produces the rate of increase that is used to develop the annual measurable objectives (AMOs). In order to use the formula, a school must establish "baseline proficiency" in Reading and Math. If a school has a baseline proficiency rate of 68% in Math, and would like to calculate a five-year set of AMOs, it would follow the following steps:

$$\text{AMO formula: Yearly Increase} = ((1 - \text{Baseline Proficiency}) * 0.5) / 5$$

$$\text{Baseline proficiency} = 68\% (.68)$$

$$\text{Yearly Increase} = ((1 - .68) * 0.5) / 5$$

$$\text{Yearly Increase} = ((.32) * 0.5) / 5$$

$$\text{Yearly increase} = (.16) / 5$$

$$\text{Yearly increase} = .032$$

The school is expected to increase its rate of proficiency by 3.2% (.032) each year.

$$1^{\text{st}} \text{ Year AMO} = .68 + .032 = .712 \quad (71.2\%)$$

$$2^{\text{nd}} \text{ Year AMO} = .712 + .032 = .744 \quad (74.4\%)$$

$$3^{\text{rd}} \text{ Year AMO} = .744 + .032 = .776 \quad (77.6\%)$$

$$4^{\text{th}} \text{ Year AMO} = .776 + .032 = .808 \quad (80.8\%)$$

$$5^{\text{th}} \text{ Year AMO} = .808 + .032 = .84 \quad (84\%)$$

This metric uses the state average additionally. A school that meets or exceeds the state average meets or exceeds this standard even if it does not meet its AMO.

This metric uses the Established Minimum Proficiency as a floor. A school that does not at least meet the Established Minimum Proficiency will be evaluated as Falls Far Below Standard for this measure.

## 2. Standard Goals: Performance of High-Needs Students

The “High-Needs student” group includes all students with poverty status, special education status, or English as a second language status. If there are insufficient numbers of these students at a school to meet HI DOE data reporting thresholds, three-year pooled results will be included, if available. *The High-Needs group is used to avoid double-counting students who fall into two or more groups (for example, a student with both poverty and special education status). The Commission will continue to review disaggregated student performance results, including race/ethnicity, but will use the High-Needs evaluation for accountability evaluation, consistent with the state accountability system.*

<p>2.a. Are High-Needs students meeting or exceeding the statewide average proficiency rates for High-Needs students in reading and math? <i>Note: Reading and math are evaluated separately.</i></p>
<p><b>Exceeds Standard:</b> <input type="checkbox"/> The school’s average High-Needs proficiency rate is in the top 10 percent of statewide High-Needs performance in schools serving the same grades.</p>
<p><b>Meets Standard:</b> <input type="checkbox"/> The school’s average High-Needs proficiency rate meets or exceeds the statewide average High-Needs performance of schools serving the same grades but is below the top 10 percent.</p>
<p><b>Does Not Meet Standard:</b> <input type="checkbox"/> The school’s average High-Needs proficiency rate is below the statewide average High-Needs performance of schools serving the same grades but is above the bottom 20 percent.</p>
<p><b>Falls Far Below Standard:</b> <input type="checkbox"/> The school’s average High-Needs proficiency rate is in the bottom 20 percent of statewide High-Needs performance of schools serving the same grades.</p>

**About 2a:** *This measure compares proficiency of a school’s High-Needs students against statewide average proficiency rates of all High-Needs students. The performance of school’s High-Needs population is compared only to averages of schools serving the same grades. The metric uses a percentile ranking to evaluate performance.*

2.b. Are High-Needs students showing growth in reading and math based on the Hawaii Growth Model median growth percentiles (MGPs)?

*Note: Reading and math are evaluated separately.*

**Exceeds Standard:**

Reading: High-Needs MGP is greater than 58.

Math: High-Needs MGP is greater than 62.

**Meets Standard:**

Reading: High-Needs MGP is between 52 and 58.

Math: High-Needs MGP is between 52 and 62.

**Does Not Meet Standard:**

Reading: High-Needs MGP is between 45 and 51.

Math: High-Needs MGP is between 43 and 51.

**Falls Far Below Standard:**

Reading: High-Needs MGP is less than 45.

Math: High-Needs MGP is less than 43.

**About 2b:** This measure specifically evaluates the growth of the school's High-Needs students. This metric is a revised version of the Strive HI growth scoring rubric (below).

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

2.c. Are High-Needs students showing adequate growth to proficiency in reading and math based on the Hawaii Growth Model's adequate growth percentile (AGP)?

**Note: Adequate Growth Percentile (AGP) will be included in the Academic Performance Framework when they are available from HI DOE.**

**Exceeds Standard:**

TBD

**Meets Standard:**

TBD

**Does Not Meet Standard:**

TBD

**Falls Far Below Standard:**

TBD

**About 2c:** Currently, the data do not exist to calculate AGP. This measure acts as a placeholder.

### 3. OPTIONAL Goals: School-Specific Academic

4. Did the school meet its school-specific academic goals?

**Note: Specific metric(s) and target(s) must be developed and agreed upon by the charter school and the Commission.**

**Exceeds Standard:**

The school exceeded its school-specific academic goal(s).

**Meets Standard:**

The school met its school-specific academic goal(s).

**Does Not Meet Standard:**

The school did not meet its school-specific academic goal(s).

**Falls Far Below Standard:**

The school fell far below its school-specific academic goal(s).

**About 4:** Schools have been given Margaret Lin's Making the Mission Matter literature as initial guidance in developing School-Specific Measures (SSMs). The Commission created an Ad Hoc Committee to establish official guidance on SSM development; this guidance is currently being finalized within the Performance and Accountability Committee before being approved by the General Commission for release to schools.

**Weighting Plan with 25% Weighted School-Specific Measures**

Indicator	Overall Weight by Indicator	Effective Weight by Grade Level and Measure		
		ES	MS	HS
<b>1. API</b>				
Proficiency	50%	12.5%	12.5%	12.5%
Student Growth		25.0%	22.5%	7.5%
Readiness		2.5%	7.5%	25.0%
Achievement Gaps		10.0%	7.5%	5.0%
<b>2. Standards Goals: Achievement</b>				
2a. High-Needs Proficiency	25%	10.0%	10.0%	10.0%
2b. High-Needs Growth (SGP)		15.0%	15.0%	15.0%
2c. High-Needs Growth (AGP)		-	-	-
<b>3. Optional Academic Goals</b>				
School-Specific Measure (SSM)	25%	25.0%	25.0%	25.0%

**Weighting Plan with 10% Weighted School-Specific Measures**

Indicator	Overall Weight by Indicator	Effective Weight by Grade Level and Measure		
		ES	MS	HS
<b>1. API</b>				
Proficiency	60%	15.0%	15.0%	15.0%
Student Growth		30.0%	27.0%	9.0%
Readiness		3.0%	9.0%	30.0%
Achievement Gaps		12.0%	9.0%	6.0%
<b>2. Standards Goals: Achievement</b>				
2a. High-Needs Proficiency	30%	12.0%	12.0%	12.0%
2b. High-Needs Growth (SGP)		18.0%	18.0%	18.0%
2c. High-Needs Growth (AGP)		-	-	-
<b>4. Optional Academic Goals</b>				
School-Specific Measure (SSM)	10%	10.0%	10.0%	10.0%

**Weighting Plan for 0% School-Specific Measures**

Indicator	Overall Weight by Indicator	Effective Weight by Grade Level and Measure		
		ES	MS	HS
<b>1. API</b>				
Proficiency	65%	16.25%	16.25%	16.25%
Student Growth		32.5%	29.5%	9.75%
Readiness		3.25%	9.75%	32.5%
Achievement Gaps		13.0%	9.75%	6.5%
<b>2. Standards Goals: Achievement</b>				
2a. High-Needs Proficiency	35%	13.5%	13.5%	13.5%
2b. High-Needs Growth (SGP)		21.5%	21.5%	21.5%
2c. High-Needs Growth (AGP)		-	-	-
<b>3. Optional Academic Goals</b>				
School-Specific Measure (SSM)	0%	0%	0%	0%



## Exhibit C

### Educational Service Provider ("ESP") Requirements

*Educational Service Provider arrangements sometimes give a third party substantial responsibility for the operation of a charter school and control over the school's finances. While the Commission is not responsible for monitoring that contractual relationship, it does have an obligation to ensure that the School's governing board retains its statutory responsibilities and that the School-service provider relationship will not inhibit the Commission from fulfilling its oversight responsibilities. The following requirements ensure that both the School's governing board and the Commission retain authority to fulfill their legal rights and responsibilities under the Contract and applicable law.*

1. The ESP agreement shall be subject to, and shall incorporate by reference, the terms and conditions of the School's Contract.
2. The term of the ESP agreement shall not exceed the term of the School's Contract.
3. No provision of the ESP agreement shall interfere with the duty of the governing board to exercise its statutory, contractual, and fiduciary responsibilities governing the operation of the School. No provision of the ESP agreement shall prohibit the School's governing board from acting as an independent, self-governing public body, or allow decisions to be made other than in compliance with Ch. 302D, HRS.
4. The ESP agreement shall require the ESP to defend, indemnify, and hold harmless the State of Hawaii, the Commission and the School, and their officers, employees and agents from and against all liability, loss, damage, cost and expense, including all attorneys' fees, and all claims, suits and demands therefore, arising out of or resulting from the acts or omissions of the ESP or the ESP's employees, officers, agents, or subcontractors under the ESP agreement. The ESP agreement shall not require the School to defend, indemnify or hold harmless the ESP. The ESP agreement shall contain insurance and indemnification provisions outlining the coverage the ESP will obtain.
5. The ESP agreement shall describe the specific services for which the ESP is responsible and shall clearly delineate the respective roles and responsibilities of the ESP and the School in the management and operation of the School, including development, approval, and oversight of the School's budget; development, approval, and oversight of the School's curriculum; and oversight of the ESP's services.
6. The ESP agreement shall expressly provide that the School retains, at all times, ultimate responsibility for the School's budget and curriculum.
7. The ESP agreement shall include procedures by which the ESP will be accountable to the School including expressly addressing how the School will evaluate and hold the ESP accountable in relation to the Performance Frameworks (Exhibit B).
8. The ESP agreement shall be terminable by the School in accordance with its established termination procedures.
  - a) Upon default by the ESP, including without limitation any act or omission of the ESP that causes a default under the School's Contract or that causes the School to be in material violation of applicable law; or
  - b) For other good cause as agreed by the School and the ESP.

9. The ESP agreement shall provide that the financial, educational, and student records pertaining to the School are School property and that such records are subject to the provisions of the Uniform Information Practices Act (Ch. 92F, HRS). All School records shall be physically or electronically available, upon request, at the School's physical facilities. Except as permitted under this Contract and applicable law, no ESP agreement shall restrict access to the School's records by the Commission, the DOE, the Office of the Auditor, or other authorized party in compliance with par. 12.3 of the Contract.
10. The ESP agreement shall require that the ESP furnish the School with all information deemed necessary by the School or the Commission for the proper completion of the budget, quarterly reports, or financial audits required under the School's Contract.
11. The ESP agreement shall provide that all financial reports provided or prepared by the ESP shall be presented in the format prescribed by the Commission.
12. The ESP agreement shall provide that all employees or contractors of the ESP who work in close proximity with students of the School shall be subject to criminal background check requirements in accordance with par. 10.6 of the Contract.
13. The ESP agreement shall contain provisions requiring compliance with all requirements, terms, and conditions established by any federal or State funding source.
14. The ESP agreement shall provide that the School retains responsibility for selecting and hiring the auditor for the independent annual audit required by the School's Contract.
15. If an ESP purchases equipment, materials, and supplies using public funds on behalf of or as the agent of the School, the ESP agreement shall provide that such equipment, materials, and supplies shall be and remain the property of the School.
16. The ESP agreement shall contain a provision that clearly allocates the respective proprietary rights of the School governing board and the ESP to curriculum or educational materials. At a minimum, the ESP agreement shall provide that the School owns all proprietary rights to curriculum or educational materials that (i) are both directly developed and paid for by the School; or (ii) were developed by the ESP at the direction of the School governing board with School funds dedicated for the specific purpose of developing such curriculum or materials. The ESP agreement may also include a provision that restricts the School's proprietary rights over curriculum or educational materials that are developed by the ESP from School funds or that are not otherwise dedicated for the specific purpose of developing School curriculum or educational materials. The ESP agreement shall recognize that the ESP's educational materials and teaching techniques used by the School are subject to state disclosure laws and the Uniform Information Practices Act.
17. If the School intends to enter into a lease, execute promissory notes or other negotiable instruments, or enter into a lease-purchase agreement or other financing relationships with the ESP, then such agreements shall be separately documented and not be a part of or incorporated into the ESP agreement. Such agreements shall comply with Ch. 37D, HRS, if applicable, and shall be consistent with the School's authority to terminate the ESP agreement and continue operation of the School.
18. The ESP agreement shall provide that Hawaii law governs any legal proceeding arising out of a dispute between the School and the ESP.

## EXHIBIT D

### INTERVENTION PROTOCOL

In accordance with Sec. 302D-17, HRS, this intervention protocol is established pursuant to the Commission's authority and responsibility to monitor the performance and legal compliance of charter schools in accordance with the charter contract terms and consistent with nationally recognized principles and standards for quality authorizing. It enables the Commission to take timely and appropriate action to notify schools about performance and/or compliance concerns and provide schools a reasonable opportunity to remedy such problems.

1. Upon finding that a School has failed to submit required information on time, the Commission may issue a Notice of Concern. The Notice of Concern shall indicate with specificity the information not received and the applicable regulatory, performance, or contractual provision that requires its submittal. The Notice of Concern shall alert the School that if the information is not received by a certain date, the School shall receive a Notice of Deficiency. Any individual Notice of Concern generally shall not affect a school's rating on a Performance Framework; however, a pattern of Notices of Concern may affect the School's rating.
2. Upon finding a School's performance or legal compliance unsatisfactory, the Commission may issue a written Notice of Deficiency to the School. The Notice of Deficiency shall state with specificity the deficiency, the applicable regulatory, performance, or contractual provision(s) not satisfactorily met, the expected remedy, including whether a Corrective Action Plan is required, and the timeframe by which the Commission expects the deficiency to be remedied or the Corrective Action Plan to be submitted.
3. Upon receiving a Notice of Deficiency, the School may:
  - 1) Contest the Commission's determination that a breach has occurred in which case the School shall provide a written response to the Commission within 10 days of receipt of the Notice and shall provide evidence in support of its position;
  - 2) Remedy the deficiency and provide evidence of such remedy to the Commission within the timeframe identified in the Notice; or
  - 3) Provide a Corrective Action Plan, where required, to the Commission within the timeframe identified in the Notice.

If the School is not able to meet any of the timeframes in 2) and 3) above, the School shall provide a written response to the Commission within 10 days of receipt of the Notice, which shall include a justification for its inability to meet the timeframe(s) together with a proposed timeframe(s).

**Corrective Action Plan.** A Corrective Action Plan shall include specific actions that the School will take to remedy the violation. The Plan shall include deadlines and responsible person(s) for each action and specific indications of success. The Commission may require the School to provide periodic reports on compliance with the Corrective Action Plan. The School is

encouraged to meet and talk with Commission staff to discuss the development of its Corrective Action Plan.

4. If the School contests the Notice of Deficiency, the Commission shall consider the School's evidence and, within 10 days of receipt of the School's response, either: 1) Uphold or amend its finding of a deficiency and reissue the Notice of Deficiency with amended timeframes, or 2) Retract the Notice of Deficiency.

If the School submits a Corrective Action Plan, the Commission shall approve, approve with modifications, or reject the Corrective Action Plan within 15 days of submission of the Plan by the School. If rejected, the School shall have 15 days thereafter to submit an amended Corrective Action Plan. Commission approval of a Corrective Action Plan shall in no way abridge or mitigate the School's ultimate responsibility and accountability for remedying the deficiency and/or the Commission's authority to take additional action in response to the School's failure to remedy the deficiency satisfactorily.

If the School submits a written response on why it is unable to meet the timeframe for remedy or for submission of a Corrective Action Plan identified in the Notice, the Commission shall consider the School's justification and approve, approve with modifications, or reject the School's proposed timeframe within 10 days of receipt of the School's written response.

5. The School shall be responsible for notifying the Commission when a deficiency has been remedied, if the School requires an extension of time to remedy a deficiency, or if the School requires a modification to its Corrective Action Plan.
6. The Commission may issue a Notice of Warning to the School under the following conditions:
  - 1) Continued failure to meet performance goals;
  - 2) Repeated failure to comply with applicable law or Contract provisions;
  - 3) Repeated failure to remedy violations, develop approved Corrective Action Plans, or successfully implement Corrective Action Plans;
  - 4) Substantial and serious violation of a material provision of law or Contract provision; or
  - 5) Immediate concern for student or employee health and safety.

A Notice of Warning indicates that revocation proceedings will be initiated if deficiencies are not timely remedied. The Notice of Warning shall state the deficiencies, remedies, and timeframe by which the deficiencies shall be remedied. In such Notice, the Commission may require the School to provide periodic reports on progress toward remedying identified deficiencies.

7. If the School does not satisfactorily remedy its deficiencies pursuant to the Notice of Warning, the Commission may initiate revocation proceedings in accordance with Chapter 302D, HRS, and applicable administrative rules.
8. Throughout the intervention process, if the School believes that the Commission has violated any provision of this Contract or disputes the Commission's determination after contesting it and allowing for Commission response, the School may initiate dispute resolution procedures in accordance with par. 14.5 of the Contract.

9. In accordance with Subsection 302D-17(c), HRS, this Intervention Protocol shall not apply in any circumstance in which the Commission determines that a problem or deficiency warrants revocation, in which case established rules, procedures and/or protocols for revocation pursuant to Chapter 302D, HRS, shall apply.
10. Notwithstanding this Intervention Protocol, the Commission may withhold the School's per-pupil allocations in accordance with Subsection 302D-28(f), HRS.

