

**STATE OF HAWAII  
CHARTER SCHOOL REVIEW PANEL  
GENERAL MEETING  
THURSDAY DECEMBER 11, 2008  
10:00 AM – 2:08 PM  
State Capitol Building, Room #309**

Attendance

Wendy W. Lagareta  
Amy Vorderbruegge  
Tom Macdonald  
Pualani Akaka  
Ruth Tschumy – Vice Chairperson  
Bill Paik  
Denise Matsumoto  
Ku Kahakalau – arrived 10:24 AM  
Nina K. Buchanan – arrived 10:24 AM

Absent

Alvin Parker – Chairperson  
Harald Barkhoff

Charter School Administrative Office

Bob Roberts - CFO

Office of the Attorney General

Melissa Chee

**Minutes**

I. CALL TO ORDER

A. Because of severe weather, Ms. Tschumy called the meeting to order at 10 AM after Panel members from the Neighbor islands arrived.

II. APPROVAL OF MINUTES FOR NOVEMBER 13, 2008

**Motion**

Mr. Macdonald moved to approve the minutes from November 13, 2008, as circulated. Ms. Vorderbruegge seconded the motion. The motion passed unanimously.

III. ANNOUNCEMENTS

A. Ms. Matsumoto announced that she is still on the Panel as a representative of the Board of Education until she is replaced.

IV. PUBLIC INPUT – No public input

V. DISCUSSION/ACTION ON COMMITTEE REPORTS

APPLICATION COMMITTEE – no report

ADVOCACY AND LEGISLATIVE LIAISON COMMITTEE

Mr. Macdonald reported the following:

Committee members attended the Board of Education (BOE) Legislative meeting.

Mr. Macdonald and Mr. Roberts met with Randy Moore of the Department of Education (DOE) to discuss a funding formula for charter schools. They are drafting a single, cohesive proposal to be presented to the Legislature this session.

Ms. Matsumoto announced that the BOE approved last year's minority report at the Dec. 4, 2008, meeting.

The Charter School Network (Network) met on Monday 12/8/08 and passed a motion that the Network should be the lead force on Legislative matters this year. A committee was appointed with Mark Christiano as chair.

CSAO COMMITTEE – No report

FACT FINDING COMMITTEE – No report. Committee meeting was cancelled lack of quorum due to severe weather conditions

FINANCE COMMITTEE – No report. Committee meeting was cancelled due to weather

ACCOUNTABILITY COMMITTEE

The Committee Chair reported the following:

Committee has a draft of the probation/revocation policy

A Policy regarding Panel's role with HQT is being drafted.

Committee has created a template, with feedback from the schools, for the 2008-2009 annual school evaluation report.

## VI. CHARTER SCHOOL ADMINISTRATIVE OFFICE EXECUTIVE DIRECTOR'S REPORT

Mr. Bob Roberts, CFO of CSAO, reported the following for Maunalei Love:

- A. In response to Ms. Akaka's question, Mr. Roberts clarified that charter schools now contribute only 1.85% instead of 2% percent of their budget to the CSAO operational budget and that fee is paid straight to CSAO. The difference remains at the school for their discretionary use.

- B. CSAO budget request – The CSAO will appeal the decision made by the Department of Budget and Finance, which placed a ceiling on the charter school budget at approximately \$60 million. The original request was approximately \$72 million. The Department of Budget and Finance has not returned CSAO's phone calls or responded to requests to meet to discuss how the Department of Budget and Finance arrived at the ceiling amount. CSAO has also received no response to their requests for help from the Governor and Linda Smith.

The Panel expressed concern that these events are a repeat of last year's legislative session and that the CSAO continue to pursue the Governor's office.

Mr. Roberts assured Ms. Matsumoto that there are no changes to the fringe benefits for charter schools.

Mr. Macdonald and Mr. Roberts explained that the budget is expected to be about \$12 million short this year. Last year the budget was \$10 million short.

- C. Distinguished schools Awards – The following charter schools received awards for meeting or exceeding their Average Yearly Progress (AYP) goal: Educational Laboratory NCPACS, Innovations PCS, Ka 'Umeke Ka'eo PCS, Kanuikapono Learning Center PCS, Kualapu'u Elementary NCPACS, Lanikai Elementary PCS, Voyager PCS, and Wai'alaie Elementary PCS.
- D. There will soon be a written report from the external audit of the CSAO for the 2006-2007 fiscal year.
- E. Waters of Life – CSAO issued a letter to WOL asking for explanations for financial discrepancies found on the school's monthly financial reports. Mr. Roberts reminded the Panel that CSAO continues to receive the same monthly reports as the Panel and that there is no "year to date" reporting on the financials submitted. The office continues to make its own efforts to try to match the monthly reports to the annual budget that was submitted.
- F. Mr. Roberts reported on the federal grant money that the CSAO has distributed to schools, and that the CSAO has already distributed the second allocations to schools.

## VII. PRESENTATION/DISCUSSION BY PRESIDENT ALAPAKI NAHALE-A, HAWAII CHARTER SCHOOL NETWORK

Network Chair, Mr. Nahale-a presented to the Panel on the following:

- A. Changes to the Network as a result of the charter schools deciding that they must work in concert.
  1. There are 31 seats on the Network board so that every school may

have a representative.

2. The Network is often referred to as the “Unified Charter School Network.”

B. The public message about charter schools from the Network.

1. Charter schools have been very successful in Hawaii.
2. Schools have passionate, dedicated, leadership and communities who are involved and excited.
3. Many schools are using new innovations, and these are not discussed enough.
4. Public discourse language must be changed to focus on what is going right at charter schools rather than what is going wrong.
5. Public should understand the work and turmoil that charter schools have gone through to reach their current state; the struggle should be acknowledged.
6. These messages need to be heard constantly for long-term success of charter schools.

C. Role of the Network.

1. The Network is the voice of the schools.
2. The main role should be to represent unity among the charter schools and to assist with disagreements between them.
3. The Network should facilitate, schools working on grants together, peer education, and the sharing of innovation and knowledge.

D. Network Priorities as viewed by Mr. Nahale-a

1. The Network must build sustainable capacity, such as ability for schools to obtain the Minutes from Network meetings, meeting locations, clear and organized goals and plans, the participation of all Hawaii charter schools, and reliability and consistency from the Network.
2. Use this opportunity to be unified. The Network must seize the charter schools’ desire to be unified and manifest it. To do this the Network must be transparent so that it works for the entire community rather than just certain schools; it must emphasize that it’s work is for the students. The Network must do all of this and advocate for charter schools. This is a difficult, but essential, path for a group staffed by volunteers.

3. The Network must communicate schools' needs. The priorities as voted on by the charter schools at Monday's meeting were:
  - Reliable state funding method.
  - Freedom of independence—charter schools are not DOE schools.
  - Facilities.
4. Schools must have clear guidelines to ensure success.
5. As capacity builds in charter school organizations, schools will converse more about their plans to help students instead of being held up with funding formulas, etc. 90% of the conversation should be about students, and only 10% about policies

E. Brief updates on the Network.

1. Network meets regularly with 17 schools at the first meeting and 20 at the second. This is the highest turnout for the Network.
2. Charter schools now have a unified Legislative voice; charter schools will use the Network's new Legislative committee.
3. National Alliance Grant – a draft has already been submitted.
4. The Network has a social network site with 35 members. The National Alliance Grant is posted there. The site will reduce hearsay with an official and up-to-date source for valid information. All are invited to participate.

Mr. Nahale-a answered questions from the Panel:

1. Public Relations. The charter schools recognized the need for increased public awareness so the Network plans to hire Pineapple Tweed to be the professional PR representative. Pia Aarma is already working with the Network. To assist with the costs of advocacy, CSAO agreed to reduce the Executive Fee from 2% to 1.85%. Twenty-six (26) of the 31 schools have participated in funding this cause and Mr. Nahale-a anticipates donations from more of the schools. If the Panel has something for publication, then they should submit it to Pineapple Tweed.
2. The Panel thanked Mr. Nahale-a for accepting this volunteer role.
3. The Panel inquired about the Network's expectations of the Panel.

Mr. Nahale-a reiterated his personal opinion that the Panel must

provide clear indicators of what makes a school successful and how to make each school accountable. He requested that the Panel remember to take into account what are the unique and individual nature of each school.

He noted that communication can be a problem between the schools and the Panel; people don't necessarily read the Panel meeting Minutes and also may not accurately understand the Panel's role.

4. The Panel asked for clarification on resources from the CSAO to the Network.

Mr. Nahale-a clarified that the Network receives no money from the CSAO budget; schools decide whether they will fund the Network. Some schools request more information on what the Network will do before they donate money.

A Panel member expressed their support of the goal of trust-building; that all charter school stakeholders and the public must trust the Network as a credible resource, or else all the rest of the goals will not be met. The Panel thanked Mr. Nahale-a and Leadership thanked the CSAO for cooperating with the Network.

As the Network builds in capacity, the Network and the CSAO will better define their independent roles. Mr. Nahale-a hoped they have a healthy working relationship.

#### VIII. DISCUSSION/ACTION ON STUDENT INFORMATION SYSTEM, ESIS, PRESENTED BY DEPARTMENT OF EDUCATION

- A. Staff from the Department Of Education (DOE) presented eSIS, the electronic Student Information System used by Hawaii's DOE. The main purpose of eSIS is to have consistent data for all students from preschool through 20. There are currently 172,000 students on-line. One consistent system minimizes problems with student transfers and enrollment counts, which effects the funding mechanism and data synchronization, and the reliability of the data.
- B. HQT. Using eSIS to know what classes and which students are taught by which teachers streamlines the reporting mandates required by all schools.
- C. AYP and date-sensitive information. Charter schools made many appeals this past year concerning discrepancies between charter schools student enrollment numbers and DOE student enrollment numbers. All information and funding for special education, ELL, etc., are determined based on date-sensitive information. Using eSIS helps with date-sensitive information.

Students move a lot, and tracking movement between schools is useful for AYP processing. Schools are not held accountable for students who have

only attended a school shortly before taking a test. Registrars ensure that school-level information uploads to the central system by a certain date.

- D. Project-based schools. Ms. Kahakalau pointed out that some schools don't use ACCN course codes therefore, mapping and tracking HQT is more difficult for project-based curriculum schools. DOE staff responded that they worked with the CSAO to come up with a hybridized system for project-based schools. DOE has project-based schools, and the system can accommodate the differences; the charter schools just have to put time into the conversation.
- E. Compliance and regulatory accountability. Using a single system among schools makes it easier to track student credits and records and help to ensure that no student falls through the cracks. This will help in determining a school's graduation rate and attrition rate. Quality data is essential, and school staff must be trained in creating quality data.
- F. A Panel member questioned the amount of time required to enter data, the cost of a secure and dedicated computer and system, and the source of the funding for such because this is a system-wide problem rather than school-based problem.

DOE devotes a large number of personnel and therefore salary costs to sorting out school records because reliable data is necessary. They estimated that DOE will avoid \$40,000/year in costs if charter schools convert to eSIS. Lunch subsidies is one such personnel and time-consuming problem for DOE because charter schools are on a different system.

The state will pay for the software, which is a web-based system, and for training for a person to learn the system. The charter school will need to provide the computer and approximately \$20/student/year which includes training and support. DOE pays for conversion of data into eSIS for the past year. The system prints report cards, but schools must use DOE report cards. There is no travel cost because DOE has been using video-conferencing.

- G. eSIS vs. VAX. VAX is a storage system for all schools' information. eSIS is student information, inventory, student enrollment, attendance schedule, etc. so eSIS will not replace VAX.
- H. Additional modules and upcoming changes. Components DOE is working on: health module, free-and-reduced meals posting, tracking students who are homeless and whether services are provided, ethnicity module, and parent module.
- I. For charter schools who are interested in eSIS, there will be training, etc., for eSIS to be functioning for the 2009-2010 school year. DOE will schedule online sessions to show how eSIS works.

- J. A Panel member pointed out that some charter schools may not be able to choose eSIS, although they may want to, because it is tied non-negotiably in the MOA (Memorandum of Agreement) and is not an option in each menu item.
- K. BOE is looking into its SEA/LEA role as to determining school choice with student information systems.

IX. DISCUSSION/ACTION ON STUDENT INFORMATION SYSTEM, IST, PRESENTED BY CHARTER SCHOOL ADMINISTRATIVE OFFICE

- A. CSAO's technology staff along with representatives of IST presented IST which is a managed learning environment (MLE), which means the program is able to take information from attendance to tests and present it to the educator in a timely manner. This allows the educator to know where students are in their educational paths and to adjust teaching plans accordingly.

Eleven charter schools already use IST.

IST is web-based, so any browser on any computer platform can access it. Any computer that can run a recent internet browser can run IST.

For security reasons access to information is restricted to information relative to your role. Teachers can view students in their classroom, principals can view students in their school, etc.

- B. CSAO is aware of the reporting and information requirements needed by the state and realizes the necessity to cooperate with the DOE while maintaining the autonomy of the charter schools. CSAO supports the IST system because, it is able to offer schools the capability to individualize data collection and data output which differs among the individual charter schools, share this data between schools, and still comply with the reporting requirements. California operates with 18 different information systems.
- C. IST is customizable by the CSAO to fit individual needs of each charter school. IST is built on international ISO standards because IST does work in seven countries. The system is designed to be flexible with unlimited selections of the kinds of information stored. The system language is customizable including Hawaiian, but schools must provide the translations. For example this means that letters home to family members can be printed out in the language based on the parent's or school's language preference. Each school can have it's own report card and grading system including different versions within the same school. IST can handle curriculum, standards, etc., for project-based learning. IST can map the specific inputs of a school to eSIS and federal labels.
- D. Date-based information. Every piece of information in the system is start-and end-date based which saves prior information instead of overwriting it. Nothing is ever deleted from the system; instead, it may be deleted from the

user's view but it is never truly deleted and therefore retrievable. IST is able to monitor student as well as staff information and provides warnings for upcoming expirations or deadlines.

- E. Importing and exporting data. Data can be imported, and there is a validation and cleaning process to help minimize keystroke errors. IST can export data to Excel, to a spreadsheet, or to a pdf. Internal passage of information should eliminate virus transmittals.
- F. Cost. \$7/student/year and add-on modules are \$2/student/year. Additionally, set-up fees will be realized by the schools and training is approximately \$1000/day. Several schools may band together to alleviate the training costs. Training is out of a California office, but more support will eventually be local.
- G. Mr. Soares of the CSAO strongly recommended IST, and he clarified that he has no personal financial connections with IST.

X. DISCUSSION/ACTION ON PROPOSED DETAILED IMPLEMENTATION PLAN CHANGES SUBMITTED BY KANU O KA AINA NEW CENTURY PUBLIC CHARTER SCHOOL

A. Moving to a new facility.

Building is designed to meet the state of California's "high performance standards", and they are hoping for a platinum LEED rating (a very high environmental rating). These standards include optimum lighting, special paints and carpets, green building standards, and acoustics, all geared toward teaching and learning. Facility will be available to the community during after school hours. DIP proposal is to use this facility starting in January.

Schools has a long term lease for 30 acres in Kauhale.

The next building they want to build is for an early childhood center ages 0-10. Plans are already being made.

- B. Permission to expand enrollment. Kanu o ka 'Aina New Century Public Charter School requested permission to expand up to 500 additional students over the next decade in gradual incremental increases based on budget, staffing, etc.
- C. Included fire inspection report scoring 490/500.

**Motion**

Ms. Buchanan moved to approve the changes to the DIP for Kanu o ka 'Aina New Century Public Charter School. Ms. Akaka seconded the motion. Motion passed unanimously.

XI. DISCUSSION/ACTION ON WATERS OF LIFE PCS' COMPLIANCE WITH TERMS OF PROBATION

- A. A letter was drafted from the Panel to WOLPCS.
- B. Audit. CSAO CFO Mr. Roberts reported on initial feedback from the James Jennings CPA firm who was hired to conduct the financial audit on WOL. The CPA has been unable to get the information from the school to complete the 2005-2006 audit. So that the auditor may continue on this project, a deadline may be set by which the school must provide the information. The auditor indicated that it is possible that for the year 2005-2006 he may have to issue an audit disclaimer, meaning that the financial records are in such poor order that the auditor is unable to determine financial position
- C. Ala Loop Farm Site. The Panel discussed the payments that have not been made since November 2007 and the \$34,000 mortgage payment check from the school to its 501(C)(3). If the 501(c)(3) did not then make a payment of \$34,000 to Sunshine Farms, it appears the \$34,000 was a gift of state money to the 501(c)(3).\
- D. WOL has provided the Panel with monthly financial reports for this year, but need to add a year-to-date column on their financial reports.
- E. The Panel thanked Ms. Buchanan and Mr. Barkhoff for their site visit to WOL.
- F. Pictures sent to the Panel by a Ala Loop resident regarding WOL were reviewed. They purport to show student use of the front building. The fire inspector reported to the Panel that he had been assured by the Director that there were no students using of the building.

**Motion**

Mr. Paik moved to approve the letter draft as amended to be sent to WOL in response to the November 28, 2008, letter to the Panel. Ms. Buchanan seconded the motion. The motion passed unanimously.

XII. DISCUSSION/ACTION ON DRAFT OF HAWAII QUALIFIED TEACHER, ROLES RESPONSIBILITIES AND ACCOUNTABILITY MEASURES – Item tabled because draft proposal not ready.

XIII. DISCUSSION/ACTION ON DETAILED IMPLEMENTATION PLAN SCORING GUIDE, START UP CHARTER APPLICATION, START UP CHARTER PROCESS, START UP CHARTER TIMELINE – Item tabled because draft proposal not ready.

XIV. DISCUSSION/ACTION ON MEMORANDUM OF UNDERSTANDING BETWEEN DEPARTMENT OF EDUCATION AND CHARTER SCHOOL ADMINISTRATIVE OFFICE PRESENTED BY CSAO

Mr. Sean Murakami of Public Charter School Programs Office (PCSPO) and Mr. Roberts discussed the MOA with the Panel.

- A. Mr. Roberts reported that another meeting with the DOE is necessary as the schools have expressed serious concerns regarding the charges for the MOA. One example is that personnel services have increased 4 times over the past year and the services have not changed. This included charges to the schools for 25% of salaries for 8 clerks when only 16 charter schools use the payroll system. CSAO requested PCSPO review the charges and re-evaluate the reasoning behind the formula used as they contend the reasoning contains errors.
- B. Mr. Murakami reported, that upon review of the charges of the last MOA the DOE determined that the costs are higher, some services are provided for free, and on service menu "B", there are now choices that haven't been there in previous years. Mr. Roberts responded that although changes have been made to increase choices it is off-set by the obvious increase in costs.
- C. The Panel asked that CSAO and PCSPO work together to review the MOA and continue discussions on the MOA charges.
- D. A Panel member pointed out, regarding the dramatic increase in personnel charges, when the charter schools cannot see what the money is paying for by line itemization or what the costs are based on, the schools lose faith that the increase in charges are justifiable.
- E. Mr. Roberts pointed out that the reasoning behind the basis that charter schools had been "double-dipping" in previous years which was one of the reasons supporting the DOE's termination of the funding for the school's Student Services Coordinator positions, is the same "double-dipping" now being used by the DOE to formulate the MOA's new fee calculations. He further clarified that the legislature fully funds the DOE budget for these services and now the DOE is charging those already provided for public education costs on to the charter schools.
- F. A Panel member suggested that part of the problem is that there is no distinction on the difference of the roles as LEA and SEA and no distinction at which times which role is being fulfilled.
- G. A Panel member thanked the DOE for providing the MOU services last year even without a signed contract.

#### XV. DISCUSSION/ACTION ON FUTURE AGENDA ITEMS

- A. Discussion/Action on conversion charter schools and taking a pro-active role with small schools that BOE may close; to come up with a Panel policy regarding such.
- B. Discussion/Action on charter school input to Panel's revocation policy
- C. Discussion/Action on budget discussion based on legislative outlook for 2009-2010

**Motion**

Ms. Akaka moved to meet in executive session. Ms. Buchanan seconded the motion. Motion passed unanimously.

XVI. \*\*\*Executive Session\*\*\*

- A. The Panel met with the Attorney General to discuss Panel's powers, duties, immunities, privileges and liabilities.

\*\*Public meeting resumed at 2:03 pm\*\*

XVII. ADJOURNMENT

**Motion**

Ms. Tschumy moved to adjourn the meeting. Motion was seconded by Ms. Akaka. Motion passed unanimously.

\*\*\*Ms. Tschumy adjourned the meeting at 2:08 pm