

Charter School Governance, Accountability & Authority Task Force
Working Groups 2/3
September 21, 2011

Objective #2: Identify how the governance structure connects and relates to the State Education Agency (SEA) and Local Education Agency (LEA).

Follow Up as Determined By Task Force:

- Discussion and comparison of governance models to include a Charter School LEA, a Charter School Complex Area, and a hybrid Complex Area/LEA.
- Evaluate each of the possible models on the basis of potential opportunities, responsibilities and liabilities; and as it relates to the three overarching themes identified in earlier working group discussions.

Working Group #2 Notes

Overarching Themes and the CAS/LEA discussion (R. Campbell)

1) Need for transparency and access to discretionary and formula driven federal funds.

PCS LEA

The PCS LEA structure would make transparent the amount of federal funds, by program or grant, held at the SEA level. The allocation of funds from the SEA to all LEAs (including a PCS LEA) is either set by regulation or must be done in consultation with the LEAs.

In the case of formula driven federal funds the amount is set by regulation.

In the case of discretionary funds the funds go directly to SEA for specific things in the grant application. There are no deviations. The grant application can be made public.

Each LEA then distributes funds to schools based on a plan submitted to the SEA. Thus the rationale leading to any particular school's funding level is public.

In the case of discretionary funds the funds go directly to LEA for specific things in the grant application. There are no deviations. The grant application can be made public.

PCS CAS

The determination regarding the use of formula funds is made at the federal program manager level in consultation with the Assistant Superintendent. The determination regarding the distribution of the LEA funds is shared with the CAS. In some cases, Title

II, Part A most notable, there was discussion regarding various options for distributing the funds. The most likely scenario though is that the CAS is informed of the distribution methodology.

In the case of discretionary funds, the CAS is informed of the award of the grant and complex or school ramifications.

Conclusion

Clearly defining the use of either structure would improve the transparency of and access to federal funds that are currently available.

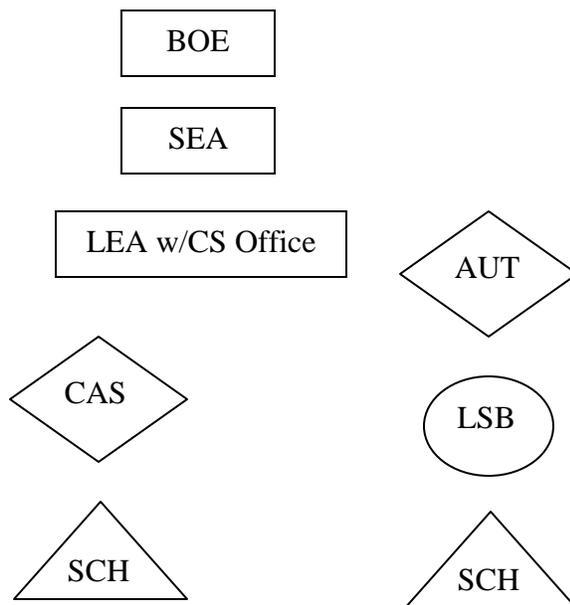
Working Group #2 Conclusions

While the initial conclusion of the working group was to continue to support and further delineate governance authorities under a Charter School LEA model, information was presented to the group that required a change in direction.

It has been brought to our attention that provisions within the federal impact aid regulations grant additional financial benefits to single LEA states like Hawaii. The estimated loss in impact aid funds should Hawaii become a multiple LEA state ranges between \$21-23 million annually. A loss of this magnitude would have a financial impact on ALL public schools.

Understanding the difficult fiscal realities this would pose, the group agreed to consider an LEA-like model that would best seek to address the 3 overarching themes identified without creating a unique LEA for charter schools.

Initial Model Considered By the Group:



For the purposes of presenting a working model to the task force, the group agreed to allow the Co-Chair to confer with Superintendent Matayoshi and other knowledgeable parties including NACSA and NGA in putting together a possible structure.

See attached diagram & explanation: Attachment A

Working Group #3 Notes

The working group examined the functions, oversight and monitoring responsibilities, and current statutory authority for the following entities: CSRP (authorizer), CSAO, LEA, LSB, SEA & BOE.

See attached table for analysis: Attachment B

Working Group #3 Conclusions

While the working group did clarify specific oversight and monitoring responsibilities for the CSRP & CSAO, there was a strong acknowledgement that we would like to see the recommendations being made by NACSA and seek input from NGA on this area.

There was extensive discussion on the area of Local School Boards (LSB) and a desire to change the constituency-based makeup of the LSB to encompass more generalized desired qualifications. There was also a strong desire to consider training requirements for LSB members, and a need to be clearly delineate relationship between an authorizer and the LSB, whether it be for federal compliance purposes or as it relates to their charter contract. Need to ensure that this would not be contradicted by “autonomous” language referenced in 302B-7.

2) Need for elevated status for charter schools when it comes to federal grant applications and proposals or decisions regarding the use of federal funds.

PCS LEA

The SEA is required to consult with LEAs. Evidence of consultation is generally one of those things that the USDOE looks for when monitoring programs.

NOTE: It is only consultation and the LEAs do not have decision making authority.

Any LEA choosing to participate in an SEA discretionary grant would have that decision making authority.

CAS LEA

Historically there has been little or no CAS input and complex area superintendent or school level agreement is not a requirement for either the SEA or LEA.

Conclusion

The LEA status would provide a cleaner structure for charter school participation in decision making related to formula and discretionary grants.

3) Access to federal grant opportunities limited in having only 1 LEA.

I am not aware of any grants as were described. However, at the moment any grant in which an LEA is eligible to apply must go through the Department. To the extent that the Department has capacity, the grant may or may not be a priority.

Other thoughts:

PCS LEA

Responsibilities

It would require

- Agreement from PCSs on the level of representation and participation.
- Commitment of an individual to be available and knowledgeable regarding related PCS activities (i.e., what are the PCSs doing now? A CAS is expected to know the answer.)
- The Department would need to create a more formal structure for the planning and use of federal funds.

Liabilities

This would change the relationship of PCSs within the HDOE.

It would require an identified entity to serve as the conduit of information and resources from HDOE to the PCS and reporting data from the PCS to HDOE.

Possible misperceptions

There seems to be a perception that there is a need for a vast amount of resources needed to meet LEA responsibilities. I believe it is likely based on the fact that the only immediate reference is the HDOE in which current staffing addresses both SEA and LEA responsibilities in a particular manner.

There are single school districts on the mainland that will meet LEA responsibilities. The amount of resources needed by an LEA entity is dependent upon a number of things which include: (a) the degree to which they chose to operate differently than other LEAs, (b) the extent to which they do not rely on SEA technical assistance, or (c) the degree to which they chose to operate independent from other LEAs.

PCS CAS

Responsibilities

It would require

- Agreement from PCSs on the level of representation and participation
- Commitment of an individual to be available and knowledgeable regarding related PCS activities (i.e., what are the PCSs doing now? A CAS is expected to know the answer.)
- The Department would need to change the way in which topics for Leadership Team meetings are held and the agenda generation as these meetings are a combination of internal messaging, leadership development, and DOE operational decisions.

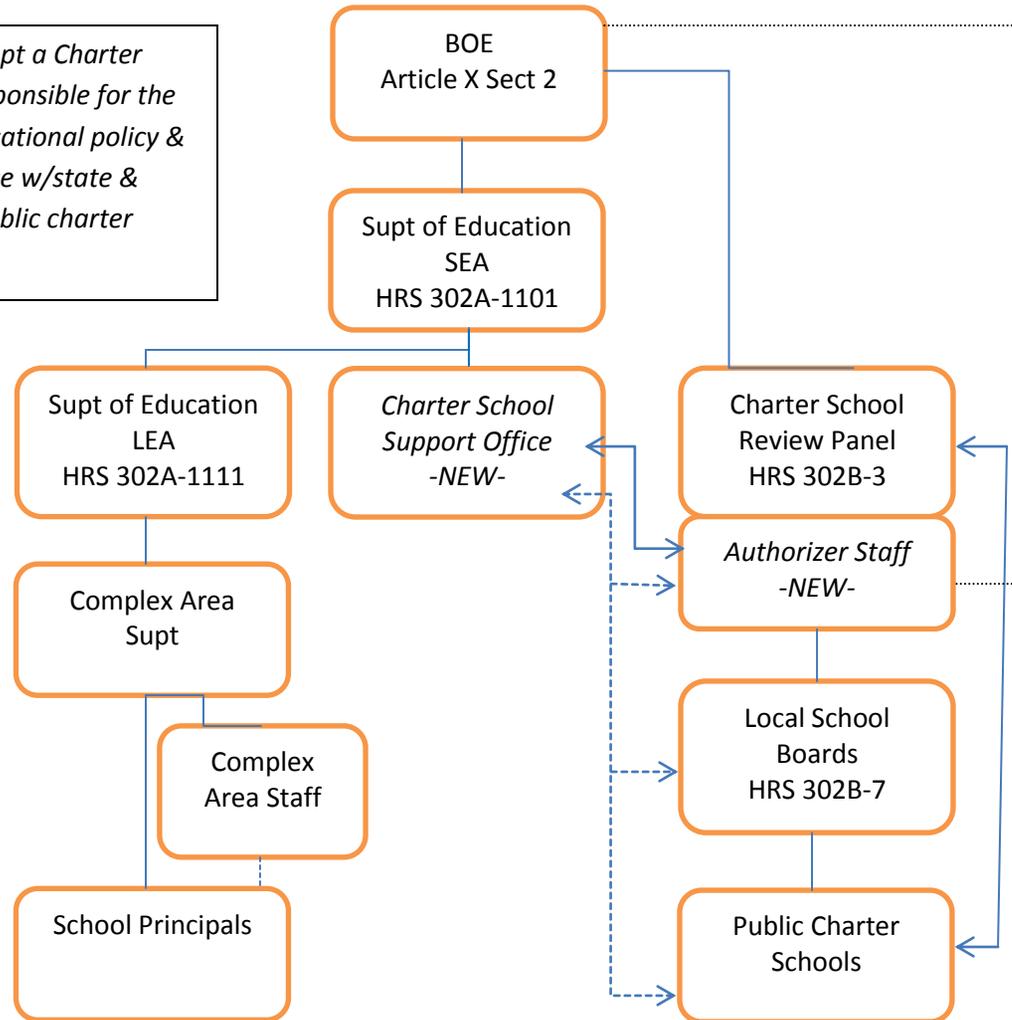
Possible Misperceptions

I get the feeling that non-attendees at Leadership Team meetings think that it is a problem-solving, solution-generating, and decision-making forum whereby the 22 HDOE leaders jointly discuss issues and make decisions regarding federal programs. That is not the case. With the possible exception of Title II, Part A funds this group is merely told by OCISS Program Manager of the decisions that have been made regarding the funds. This is consistent with federal regs as the CAS is the head of an administrative subunit and the regs only address required collaboration with external groups.

Working Group #2 Plan B - DRAFT 1

There shall be within the Office of the Supt a Charter School Support Office which shall be responsible for the overall administration of statewide educational policy & development of standards for compliance w/state & federal laws as they are applicable to public charter schools (HRS302A-1102)

The Director of the Charter School Support Office shall serve as the liaison within the DOE for the purpose of coordinating PCS involvement and/or required participation in any SEA or LEA applications & proposals for federal grant funds.



Staffing resources currently in the CSAO to be redistributed to the CSRP as authorizer staff & to the newly created Support Office. Personnel management for Support Office under the jurisdiction of the Office of the Supt. Authorizer Staff Office will be administratively attached to the BOE.

Guiding Principles: 1) Staffing resources distributed on the basis of function w/need for clearly defined authority; 2) Elevated status & ability for more consultation & interaction at the SEA & LEA level through creation of office; 3) More direct distribution of funds through elimination of CAS layer for PCS's.

Technical Assistance & Consultation to be provided by the Charter School Support Office.

Working Group #3

Looking at oversight, monitoring, CSR, LSB, CSAO etc.

Organization	Function	Oversight/Monitors Whom	Current HRS Authority?
CSR – Authorizer	<p>-Dictated in statute change (Model Law), including but not limited to specific responsibilities detailed in charter contract</p> <p><i>-Get NACSA recommendations</i></p>	<p>-Charter Schools they have authorized;</p> <p>-Until another authorizer comes on board, ALL CS's fall under CSR's purview.</p> <p><i>-How does the authorizer hold LSBs accountable?</i></p>	<p>-Powers and Duties Currently in 302B-3.</p> <p>-Generally panel establishes operating procedures, including conflict of interest procedures;</p> <p>-Specific duties are listed in 302B-3(i)</p> <p>-Under 302B-14, Panel is responsible for conducting multi-year evals of CS's, placing CS's on probationary status, revocation of charter</p> <p><i>Note:</i> <i>302B-3 will likely be repealed or amended to incorporate Model Law/NACSA recommendations.</i> <i>302B-14, (b) through (i) will be amended to reflect the language in Section VII(3) of the Model Law (Renewals, Revocations, and Non-Renewals)</i></p>
CSAO	<p><i>-Roger to do homework re: functions</i></p> <p><i>-Get NACSA recommendations</i></p>		<p>-302B-8 (as amended by Act 130, SLH 2011) makes CSAO responsible for internal organization, operation, and management of CS system; including, but not limited to:</p> <ul style="list-style-type: none"> -Preparing budget, CIP requests for CS's; -Allocating appropriations to CS's and distribution of federal funds to CS; -Preparing contracts between CS and DOE; -Providing advocacy, support, assistance to CS's -Assisting CSR -Assisting CS with collective bargaining -Ensure that local school boards are fulfilling their oversight responsibilities pursuant to section

			302B-7 (Act 130)
LEA	<ul style="list-style-type: none"> -Serves as public authority with administrative control for charters as it relates to distribution of federal and title funds (see draft statute change definition of LEA) -<i>Work in progress, need to flesh out of what is an LEA Bob homework.</i> -Seek out and apply for/comply with federal funding opportunities 	<ul style="list-style-type: none"> -LEA ensures compliance with all federal reporting requirements -LEA works with Authorizers to ensure all schools are complying -Works with LSB and/or Authorizer on corrective action plans for schools that are in trouble 	<ul style="list-style-type: none"> -Not in HRS; Language will need to be crafted
LSB	<ul style="list-style-type: none"> -Autonomous governing body of the school -Ensure compliance with laws and regulations -Negotiates supplemental collective bargaining agreements 	<ul style="list-style-type: none"> -Oversee all aspects of a schools organizations-finance, academic, personnel, adherence to charter/performance contract -Collective bargaining -Change makeup requirements of LSB, based on best practices and flexibilities. -Training component added to HRS/HAR LSB's -Add in compliance with their performance contract -Add in specific section delineating relationship between authorizer and LSB (federal compliance, charter contract, etc). 	<ul style="list-style-type: none"> Powers and duties found in 302B-7, as amended by Act 130, SLH 2001, includes but is not limited to the following: -LSB are autonomous governing body of its CS and shall have oversight (Act 130) and responsibility for financial an academic viability of CS -Determines organization, management of school, curriculum, virtual education, compliance with state and federal laws, developing internal policies for procurement of goods and services, make LSB agendas and minutes available; -Develop internal procedures to ensure policies and procedures meet chapter 84 ethics requirements (Act 130)
SEA	<ul style="list-style-type: none"> -Administers all federal education programs in the State 	<ul style="list-style-type: none"> Monitoring and general supervision over LEAs. 	<ul style="list-style-type: none"> 26-12 lays out general duty of DOE (Sup't) as administrating education and public instruction

	<p>-Provides technical assistance, general supervision, disbursement of funds, monitoring tech assistance, reports to Washington on all required data</p> <p>-Work in progress</p>		<p>throughout the State</p> <p>Role of DOE in CS's as laid out in chapter 302B is limited to 302B-15 re: SPED</p> <p>Authority for the SEA functions as they currently stand may be in federal law.</p> <p>Will likely have to craft new HRS language specifically to deal with the roles and responsibilities of the SEA in relation to a CS LEA.</p>
BOE (as it relates to CS)	<p>-Formulates statewide educational policy</p> <p>-Statewide Authorizer Oversight body; (authorizer of authorizers)(Model Law)</p> <p>-Appellate body</p>	<p>-BOE oversees all authorizers</p> <p>-Final arbitrator on decisions</p>	<p>302B-3.5 – BOE has power to decide appeals from the decision of CSR to deny/revoke charter or deny amendment to DIP</p> <p><i>Note: Model Law language to be incorporated re: BOE's role as to Authorizers.</i></p>