

student formula creates a transparent process to identify funds and levels of funding for schools, and give principals control over how best to expend these resources. During its 2010 session, the State Legislature cut \$35 million from state and district level offices, but restored more than \$22 million to classrooms through an increase in funds allocated using the weighted student formula. As a result, schools will receive \$131 more per student than they did last year, despite the dire fiscal circumstances of the State. Act 51 is discussed further in Section (F)(3).

(F)(2) Ensuring successful conditions for high-performing charter schools and other innovative schools (40 points)

The extent to which—

- (i) The State has a charter school law that does not prohibit or effectively inhibit increasing the number of high-performing charter schools (as defined in this notice) in the State, measured (as set forth in Appendix B) by the percentage of total schools in the State that are allowed to be charter schools or otherwise restrict student enrollment in charter schools;
 - (ii) The State has laws, statutes, regulations, or guidelines regarding how charter school authorizers approve, monitor, hold accountable, reauthorize, and close charter schools; in particular, whether authorizers require that student achievement (as defined in this notice) be one significant factor, among others, in authorization or renewal; encourage charter schools that serve student populations that are similar to local district student populations, especially relative to high-need students (as defined in this notice); and have closed or not renewed ineffective charter schools;
 - (iii) The State’s charter schools receive (as set forth in Appendix B) equitable funding compared to traditional public schools, and a commensurate share of local, State, and Federal revenues;
 - (iv) The State provides charter schools with funding for facilities (for leasing facilities, purchasing facilities, or making tenant improvements), assistance with facilities acquisition, access to public facilities, the ability to share in bonds and mill levies, or other supports; and the extent to which the State does not impose any facility-related requirements on charter schools that are stricter than those applied to traditional public schools; and
 - (v) The State enables LEAs to operate innovative, autonomous public schools (as defined in this notice) other than charter schools.
- In the text box below, the State shall describe its current status in meeting the criterion. The narrative or attachments shall also include, at a minimum, the evidence listed below, and how each piece of evidence demonstrates the State’s success in meeting the criterion. The narrative and attachments may also include any additional information the State believes will be helpful to peer reviewers. For attachments included in the Appendix, note in the narrative the location where the attachments can be found.*

Evidence for (F)(2)(i):

- A description of the State’s applicable laws, statutes, regulations, or other relevant legal documents.
- The number of charter schools allowed under State law and the percentage this represents of the total number of schools in the State.
- The number and types of charter schools currently operating in the State.

Evidence for (F)(2)(ii):

- A description of the State’s approach to charter school accountability and authorization, and a description of the State’s applicable laws, statutes, regulations, or other relevant legal documents.
- For each of the last five years:
 - The number of charter school applications made in the State.
 - The number of charter school applications approved.
 - The number of charter school applications denied and reasons for the denials (academic, financial, low enrollment, other).
 - The number of charter schools closed (including charter schools that were not reauthorized to operate).

Evidence for (F)(2)(iii):

- A description of the State’s applicable statutes, regulations, or other relevant legal documents.
- A description of the State’s approach to charter school funding, the amount of funding passed through to charter schools per student, and how those amounts compare with traditional public school per-student funding allocations.

Evidence for (F)(2)(iv):

- A description of the State’s applicable statutes, regulations, or other relevant legal documents.
- A description of the statewide facilities supports provided to charter schools, if any.

Evidence for (F)(2)(v):

- A description of how the State enables LEAs to operate innovative, autonomous public schools (as defined in this notice) other than charter schools.

Recommended maximum response length: Six pages

(F)(2)(i) **Charter School Law:** Prior to 2006, the Hawaii Board of Education (BOE) was responsible for the approval, authorization, and monitoring of charter schools. In 2006, the governance of Hawaii’s charter schools was incorporated in Hawaii

Revised Statutes (HRS) Chapter 302B (page F-2), which included establishment of the Charter School Review Panel (CSRP) as the sole authorizer of charter schools. By statute, the BOE appoints the CSRP, which is authorized to approve, monitor, hold accountable, adopt reporting requirements, and place on probation or revoke charters (HRS 302B-3(i), page F-5).

Over the past few years, Hawaii – in partnership with the charter school community and supportive stakeholders—has made great strides in fostering a high quality charter school sector unique to Hawaii’s culture and educational goals. Of Hawaii’s 287 public schools, 31, or 11%, are public charter schools. Twenty-six schools are “start up” charter schools and five schools are conversions. A conversion charter school is a formerly HIDOE-administered school that converts to a charter school, and the CSRP has been authorized to approve 25 new conversion charter schools. Conversions provide considerable flexibility to HIDOE in working with Persistently Lowest-Achieving Schools as one means of restructuring.

The number of charter schools already operating in the state is within the “high cap” safe harbor and Hawaii has improved the law this year to allow for even more growth. Prior to 2010, the CSRP could authorize one new start-up charter school for each existing start-up charter school accredited for three years or longer by WASC or a comparable accreditation authority (HRS 302B-4, page F-6). CSRP has authorized three new charters pursuant to this process. In order to further encourage the expansion of successful charter schools, the Governor signed into law Act 144 on May 26, 2010 (page F-20). This Act revises the charter school law to enable the CSRP to authorize three additional start-up charter schools for every existing charter school that achieves accreditation for three years or longer through the Western Association of Schools and Colleges (WASC) or a comparable accreditation authority. The revised law specifies that the 25 openings for conversion charter schools will remain, in addition to 12 openings for start-up charters, increasing the number of charter schools permitted to 67, or up to 23% of public schools statewide. The approval of additional charter schools will be possible as current schools strive for and meet WASC accreditation standards. As described in section (F)(2)(ii) below, there are significant State and private resources to support charter schools in pursuing accreditation.

(F)(2)(ii) Charter School Approval, Monitoring and Accountability: As of 2006, the Charter School Review Panel (CSRP) is the State's sole authorizer of charter schools, and is authorized to approve, monitor, hold accountable, adopt reporting requirements, and place on probation or revoke charters (HRS 302B-3(i), page F-5). In order to establish a charter school, the charter school applicant must submit a proposal to the CSRP. The CSRP has implemented a thorough authorization process which includes an evaluation of a school's academic, operational, and fiscal viability (pages F-81 and F-50 for Start Up and Conversion Application details). The review process is a mandatory 18 months which provides ample time to evaluate applications. The recently passed Act 144, signed into law by the Governor on May 26, 2010, makes it very clear that student achievement is a significant factor for the authorization and reauthorization of charter schools (page F-20).

Prior to this year, Hawaii did not have a reauthorization requirement in statute. The charter community recognized that mandatory review and reauthorization of charters is a more accountable model than only closing schools via revocation. Therefore, the charter community supported new legislation (Act 144) requiring the CSRP to establish rigorous criteria, including student achievement as a significant factor, for the reauthorization of charter schools and to review schools every four years or six years (page F-20).

Each public charter school is required by law to conduct and submit an annual self evaluation to the CSRP within 60 working days of the end of the school year (page F-50). The guidelines for this report are extensive and the self-evaluation must include the identification and adoption of benchmarks to measure and evaluate administrative and instructional programs (HRS 302B-14(a)(1)) and an evaluation of student achievement (HRS 302B-14(a)(4)). As part of their oversight function, the CSRP requires every charter school to undertake an annual external financial audit (page F-113). If a school has been flagged for concern, the CSRP conducts a site visit and meets monthly with school staff to provide support and ensure progress is made to respond to audit concerns.

The CSRP revoked a charter in 2009, but the Hawaii Third Circuit granted injunctive relief which prevented the CSRP's ability to revoke the school's charter due to a legal technicality concerning the adoption of certain administrative rules by the Board

of Education. This led the CSRP to suspend receipt of new charter applications until it could ensure its authority to revoke the charters of nonperforming schools. The Board of Education has promulgated administrative rules for the closure of charter schools, which were signed by the Governor on May 6, 2010. (Chapter 8-500, Hawaii Administrative Rules, page F-121). Hawaii can now report that the CSRP has the clear authority to take appropriate action with respect to charter schools moving forward. At its May 13, 2010 meeting, the CSRP lifted its suspension of new applications for charters. The demand for new charters remains: in each of 2008 and 2009, eight organizations submitted to the CSRP their letters of intent to establish start up charters. The chart below summarizes charter school applications submitted since 2006.

Charter School Applications Received Since 2006					
Year	2010	2009	2008	2007	2006
No. charter school applications		0	4	8	
No. Charter Applications approved		0	1	3	
No. of charter school applications denied		0	3	5	
No of charter school closed, including not reauthorized to operate		1*			

*A court later reversed the Panel’s revocation of this charter based on a legal technicality concerning the adoption of certain administrative rules by the Board of Education. The Board has since passed these new rules and they were approved by the Governor on May 6, 2010. (Ch. 500 of Title 8, Hawaii Administrative Rules, entitled “Hawaii Public Charter Schools Probation and Revocation Procedures”).

More than half of the charter schools are Hawaiian culture-based and serve high-need students. Two are virtual hybrid schools, others have strong Art and Science components, including one STEM academy, and the majority include environmental stewardship into their curricula. Approximately 88% of the students in Hawaiian culture-based charter schools are Native Hawaiians or part-Hawaiians. The Hawaiian culture-based charters also serve a high proportion of socio-economically and educationally disadvantaged student populations. In the charter school system overall, 47% of the students enrolled qualify for free

and reduced lunch, with a couple of schools as high as 97%. Hawaii's charter schools serve a higher-risk population than do traditional HDOE schools.

Accreditation has become an important tool for creating transparency and accountability for the charter schools. Currently, seven charter schools are accredited by WASC. Accreditation is a strategy for schools to engage in a rigorous process of self evaluation that is open to scrutiny and invites feedback from peers. It demands rigor, is based on data, and approaches documentation of results with discipline. Accreditation leads to being directly accountable for quality and student outcomes. There is a great deal of financial and technical assistance available to Hawaii charter schools pursuing accreditation. For example, Kamehameha Schools Public Education Support Division announced a \$5.86 million initiative in February, 2010 that will provide up to \$200,000 per school annually for a minimum of three years for up to 14 Hawaiian focused charter schools that commit to pursuing WASC accreditation. In addition, the Governor dedicated \$3,142,809 of SFSF Part B ARRA funds to provide support for the accreditation of all charter schools and to support existing practices in those schools already accredited. Dedicating these General Services funds to education, and particularly charter schools, signaled exceptional commitment from Hawaii's government for quality charter schools.

Hawaii's charter school quality is supported by additional external stakeholders interested in improving the academic outcomes of the student populations served by the schools, and promoting high quality charter schools. Kamehameha Schools, the Office of Hawaiian Affairs, and the Harold K.L. Castle Foundation provide support and require rigorous expectations and accountability measures including mandatory participation in training and professional learning communities, enhanced data collection and reporting practices, and transparent and effective operational and fiscal processes, as well as deep family engagement within schools.

Additional quality assurance for charter schools is driven by the statute requiring local charter school boards to have representatives from the community as members. As a result, parents, teachers, operational staff, community members, administration and students have mandatory seats on the board. This enhances quality by giving the people on the front lines the

responsibility to achieve school improvement.

(F)(2)(iii) **Equitable Funding:** State policy requires that all public school students be supported with an equitable amount of public education resources. Charter school funding laws were amended in the 2006, 2007, and 2009 Legislative Sessions in an effort to better define the equitable amount of public education resources available to public charter schools. HRS 302B-12(a) states: “Beginning with fiscal year 2009-2010, and each fiscal year thereafter, the non-facility per-pupil funding request for charter school students shall not be less than the per-pupil amount to the [HIDOE] in the most recently approved executive budget recommendation for the department...” (page F-13). The statute clarifies that the charter school funding request should be based on projected enrollments, and should include all regular education cost categories, excluding fringe benefit costs which are ascribed to the Department of Budget and Finance. The same statute requires that charter schools also be eligible for all federal financial support to the same extent as all other public schools. (HRS 302B-12(c)).

The State Legislature is currently engaged in discussions with representatives of the charter schools and HIDOE, with assistance provided by the private Harold K.L. Castle Foundation, to resolve discrepancies in funding and create transparency. This working group has determined that there are many complexities in calculating the per-pupil funding and, for the first time, all sides are resolving the details and agreeing on a process for calculating funding. A task force has been created to complete this work and to provide a report to the Legislature, policy makers, and the Governor. (Senate Concurrent Resolution 108, Senate Draft 2, adopted April 21, 2010). (Page F-131).

(F)(2)(iv) **Facilities:** It is undisputed that both regular HIDOE and charter schools need access to quality facilities in which to educate their students. The State provides strong facility support by providing many schools access to existing land and facilities in collaboration with the Department of Hawaiian Homelands (DHHL) and the Department of Land and Natural Resources (DLNR). The facility-related statutory requirements for charter schools are the same as those for traditional public schools. Because most charter schools lease their facilities, the most effective way to provide facility support is via a per pupil allocation. Therefore, last year the statute was amended to provide facility funding to charter schools through a per-pupil lump sum general fund

appropriation, based on a Debt Service Formula calculation that provides facility funding based on a percentage of the debt service attributable to HIDOE. (HRS §302B-8(b)) (page F-11). This year, the charter schools received their facilities appropriation with the amended statute. Additionally, the statute was further amended under the aforementioned Act 144 to give charter schools the first rights to occupy facilities on any HIDOE property that becomes vacant or underutilized.

(F)(2)(v) **Allowing Innovative, Autonomous Public Schools:** One of the significant strengths embedded within a single state-wide educational system is the ability to support widespread educational reform. School community councils, required by statute in all HIDOE administered public schools, have the ability to request waivers from policies, rules, or procedures from any State agency. (HRS §§302A-1124 and 302A-1126) (page D-26 and D-27). Board policy provides guidance on the implementation of the State statute and delineates that waivers and exceptions are designed to enhance flexibility in order to facilitate school improvement. (Board Policy 2412, School Community Council Waivers and School Community Council Exceptions). The policy makes the process of obtaining waivers less burdensome and less time-consuming through the use of generic waivers and/or exceptions used at BOE discretion.

Most recently, 99 schools have exercised flexibility by requesting a waiver to the BOE adopted calendar and changes to the bell schedule in order to provide additional instructional time to students. Three secondary schools offer International Baccalaureate Degree programs while two others (both located in the Zone of School Innovation) are creating a “New Tech High” component that will enhance students’ access to technology and anchor all teaching in project-based learning. (See Section E). Another innovation is developing education through the Hawaiian language. Hawaii is now the national leader in education through an indigenous language, not only for reviving an endangered language, but for increased student engagement among students in Hawaiian-language immersion schools. For example, the Hawaiian Language College in Hilo was legislatively established in 1997 to enable a P-20 system of education in the Hawaiian language. The College developed a P-20 laboratory school program at Ke Kula Nawahiokalaniopuu Iki Lab School (“Nawahi”) via a partnership between HIDOE, the non-profit 'Aha Punana Leo, and the Office of Hawaiian Affairs. Nawahi includes a K-8 charter school component and a 9-12 standard department high school component.

Having both a charter model and a standard public school model allows the laboratory school to work on best practices for Hawaiian language schools. The statewide Punana Leo preschool system serves as the foundation for the Hawaiian immersion schools. In addition, three other charter schools have joined this laboratory school program.

Approximately 70% of the students at Nawahi School are free and reduced lunch eligible. Despite this, these students have done much better on average than their peers in traditional schools (in English). The high school graduation rate has been 100% per year since the first class in 1999.

(F)(3) Demonstrating other significant reform conditions (5 points)

The extent to which the State, in addition to information provided under other State Reform Conditions Criteria, has created, through law, regulation, or policy, other conditions favorable to education reform or innovation that have increased student achievement or graduation rates, narrowed achievement gaps, or resulted in other important outcomes.

In the text box below, the State shall describe its current status in meeting the criterion. The narrative or attachments shall also include, at a minimum, the evidence listed below, and how each piece of evidence demonstrates the State's success in meeting the criterion. The narrative and attachments may also include any additional information the State believes will be helpful to peer reviewers. For attachments included in the Appendix, note in the narrative the location where the attachments can be found.

Evidence for (F)(3):

- A description of the State's other applicable key education laws, statutes, regulations, or relevant legal documents.

Recommended maximum response length: Two pages

For the past 15 years, Hawaii has exhibited leadership in actively seeking the reform conditions to dramatically improve student achievement for all students. Public education leaders and stakeholders have enacted several major, statewide educational reform movements during this time; each has resulted in a positive reform environment statewide and increased school and student performance. The State legislation, Board of Education (BOE), and Hawaii Department of Education (HIDOE) reforms described below have generated enormous collective impact