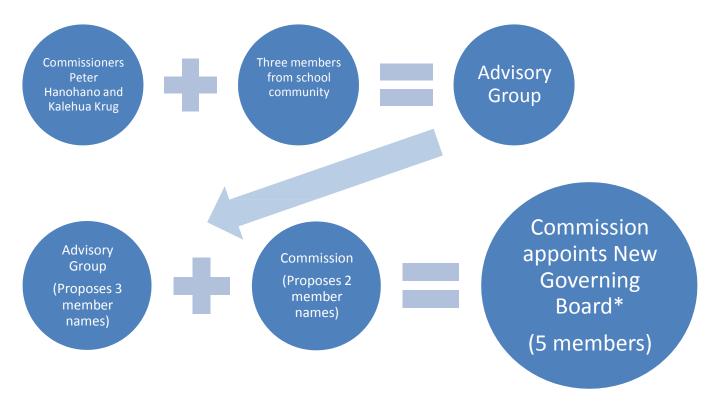
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HĀLAU LŌKAHI CHARTER SCHOOL

What is the current status of Hālau Lōkahi's Charter Contract? Hālau Lōkahi Charter School ("Halau Lokahi") signed a State Public Charter School Contract ("Charter Contract") with the State Public Charter School Commission ("Commission") on June 30, 2014. The <u>Charter Contract</u> contained special provisions, which included the resignations of the governing board members and school director who were serving at that time.

Now that Halau Lokahi Charter School has signed a Charter Contract with the Commission, how does this affect the upcoming school year? In accordance with the special provisions in Halau Lokahi's <u>Charter Contract</u>, the Commission has appointed a new governing board after consulting with the school community. This new governing board is tasked with deciding how to proceed regarding the future of the school.

How was new governing board chosen? In order to consult with the community, a five-member advisory group was formed, made up of Commissioners Peter Hanohano and Kalehua Krug and three school community members. This advisory group proposed, for the Commission's consideration, the names of individuals for three of five seats on the new governing board. The Commission identified the other members. See the graphic below for more information.



All five members of the new governing board were approved by the full Commission on July 10, 2014. Upon their appointment, the resignations of the previous governing board and school director were effective. One of the five new governing board members unexpectedly had to decline the appointment. The other four members are: Kama Hopkins, Keone Nunes, Andre Perez, and Faye Uyeda. The Commission is expected to appoint the fifth member on July 24, 2014.

The Commission has directed the school to take no actions that would obligate the school or the State without the authorization of the new governing board.

Does this mean that Halau Lokahi's financial issues have been resolved? No. One of the most important tasks for the new governing board will be to address the school's financial health. Under the financial plan submitted by the Halau Lokahi's previous leadership, an enrollment of 225 students was needed to meet the financial obligations of the school and provide it with enough resources to complete the 2014-2015 school year.

The school's new leadership may modify the plan, but any plan must both meet the school's unpaid financial obligations and be able to sustain the school through the 2014-2015 school year.

The Commission will release Hālau Lōkahi's first allocation of state per pupil funding for the 2014-15 school year once the new governing board has, to the satisfaction of the Commission:

- 1. Completed its assessment of the school's financial viability;
- 2. Determined the school will open this school year;
- 3. Provided an acceptable plan for completing the 2014-15 school year; and
- 4. Verified the number of students that will be attending the school.

This action will enable the Commission to set the funding aside for Hālau Lōkahi for now while the governing board has time to act and make the determination that the school will open, since the deadline otherwise would have been this week. In the meantime, however, if the governing board requires some funds in order to fulfill these tasks it may request that the Commission release specific amounts of funds and provide the details on their proposed use.

What happens if the 225 enrollment count is not met? Again, the school's current plan required an enrollment of 225, but if the new leadership can succeed in finding alternative sources of funds (such as tapping private resources and restructuring expenses to pay the school's debts and make it through the coming school year), a lower enrollment figure may still be sustainable.

Will the current teachers and staff remain intact or will there be changes? Under any scenario there are likely to be at least some staff changes, but the details and the process will be up to the school's new governing board, with Commission oversight.

GENERAL INFORMATION

How many charter schools are there in Hawaii? There are 34 current operating charter schools in Hawaii, serving more than 10,000 students.

Are charter schools public schools? Yes! Charter schools are Hawaii Department of Education ("DOE") **public** schools. They are funded with states taxes. They cannot charge tuition, and they are open to all students.

If charters are public schools, how are they different from DOE schools? Charters are different from the DOE schools in many ways. One of the most important differences is that charter schools are governed by independent governing boards that enter into a Charter Contract with an authorizer (the Commission is an authorizer). The Charter Contract ensures that the school meets academic, financial, and organizational standards, but it provides schools with more flexibility on how to meet those standards.

What is the role of an authorizer? An authorizer, like the Commission, is an entity that monitors charter schools. The authorizer is responsible for oversight and for ensuring that the charter school complies with laws. The authorizer distributes public funds to charter schools, but it does not determine how much funding schools receive. Those decisions are made by the legislature.

How are charter schools funded? All charter schools receive funds from the State. The program budgets for EDN 100-School Based Budgeting, EDN 200-Instructional Support, EDN 300-State Administration, and EDN 400-School Support are accumulated then divided by the number of expected DOE enrollment to arrive at an amount per pupil. This per pupil amount, referred to as non-facility general fund per pupil, is provided for each charter school student.

Charter schools can seek supplemental funding from other sources including donations, grants from private foundations, and the federal government. For more general information on charter schools, please visit the <u>Hawaii Public Charter</u> <u>Schools FAQs page</u>.

GOVERNING BOARD

What is the role of the charter school governing board? The governing board is responsible for oversight of the school and the school's financial, organizational, and academic viability. The governing board has the authority to determine the organization and management of the school, the curriculum, virtual education, budget and spending, and ensures that the school is in compliance with applicable federal, state, and local laws. The governing board is also responsible for ensuring that the school complies with the terms of the Charter Contract between the authorizer and the school.

Who can serve on the governing board of a charter school? <u>Hawaii law</u> sets forth certain requirements for governing board members. The board should be diverse in perspective and represent the interests of the charter school students and the surrounding community. The board, as a whole, should include people who understand best practices of nonprofit governance, and who have experience in financial and academic management. The board should also include people with human resource and fundraising experience.

<u>Hawaii law</u> also provides that no more than one-third of the board can be comprised of employees or recent (within the past year) employees of the school, relatives of employees or recent (within the past year) employees of the school, or vendors or contractors who are working for the school or who have worked for the school in the past year. The law defines a "relative" as one within four degrees of relationship by blood. For more information on who is included in this definition of "relative."

For more information, contact us at (808) 586-3775 or info@spcsc.hawaii.gov.