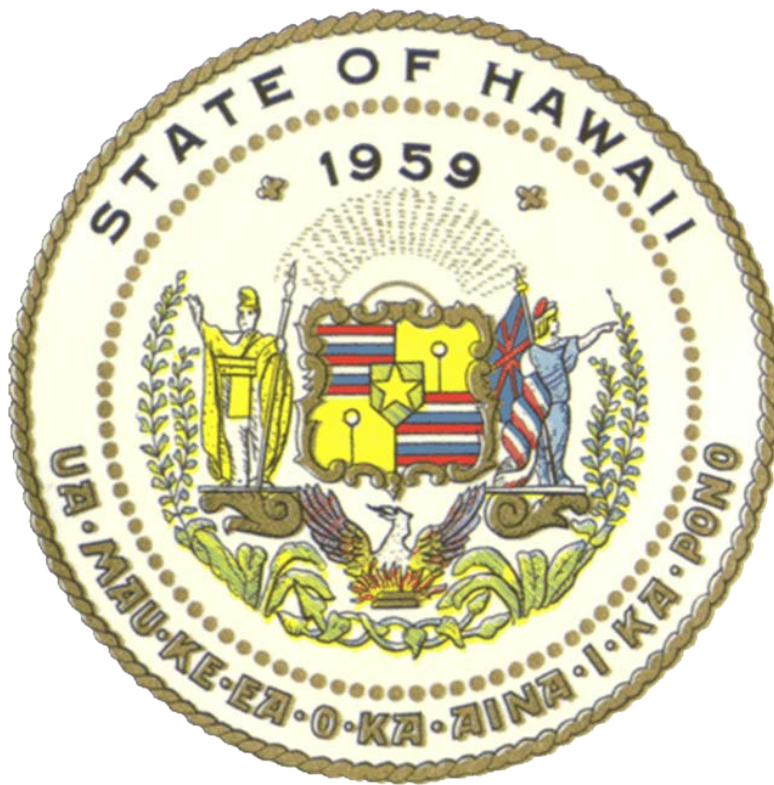


State Public Charter School Commission



Public Charter School Contract University Laboratory School

Effective July 1, 2017

CONTENTS

Parties	6
SECTION I. PURPOSE, TERM AND CONDITIONS.....	7
SECTION II. GENERAL TERMS	9
Section 2.1 Entire Contract	9
Section 2.2 Amendments.....	9
Section 2.3 Term	9
Section 2.4 Governing Law.....	9
Section 2.5 Compliance with Laws.....	9
Section 2.6 Conflict Between Contract, Law, and Administration Rules	10
Section 2.7 Legal Status of School	10
Section 2.8 Board of Education Authority	10
Section 2.9 Non-Assignability	10
Section 2.10 Notices	10
Section 2.11 Severability.....	10
Section 2.12 Waiver	11
Section 2.13 No Third-Party Beneficiary	11
SECTION III. GOVERNANCE OF SCHOOL.....	12
Section 3.1 Governing Board Responsibilities	12
Section 3.2 State Code of Ethics and Code of Conduct.....	12
Section 3.3 Governing Board Reporting	12
SECTION IV. EDUCATIONAL PROGRAM	13
Section 4.1 School's Control	13
Section 4.2 Material Elements of Educational Program	13
Section 4.3 Academic Standards.....	13
Section 4.4 Graduation Requirements for High School	13
Section 4.5 Education of Students with Disabilities.....	13
Section 4.6 Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act Amendments Act of 2008	14
Section 4.7 English Language Learners/English Learners	14
SECTION V. SCHOOL PERFORMANCE.....	15

Section 5.1 Performance Frameworks.....	15
Section 5.2 Modification to Performance Frameworks.....	15
Section 5.3 State Accountability System.....	15
SECTION VI. FINANCIAL MATTERS.....	16
Section 6.1 Fiscal Responsibilities.....	16
Section 6.2 Fiscal Year.....	16
Section 6.3 Procurement	16
Section 6.4 Management and Financial Controls	16
Section 6.5 Assets	16
Section 6.6 Chart of Accounts.....	16
Section 6.7 Transfer of Funds to Affiliated Nonprofit or Educational Service Provider	16
Section 6.8 Financing Agreements.....	17
Section 6.9 Insurance.....	17
Section 6.10 Per-pupil Funding	17
Section 6.11 Per-pupil Funding: Enrollment Count Reports for Funding	17
Section 6.12 Per-pupil Funding: Funding Subject to Appropriation	17
Section 6.13 Per-pupil Funding: Adjustments to Funding	17
Section 6.14 Per-pupil Funding: Facility Funds	18
Section 6.15 Per-pupil Funding: Federal Funding	18
Section 6.16 Per-pupil Funding: Title I Funding	18
Section 6.17 Per-pupil Funding: Additional Funds.....	18
Section 6.18 Per-pupil Funding: Fees.....	18
Section 6.19 Financial Reporting: Budget and Cash Flow	18
Section 6.20 Financial Reporting: Quarterly Financial Reports	19
Section 6.21 Financial Reporting: Annual Audits and Financial Reviews.....	19
SECTION VII. STUDENT ADMISSION, ENROLLMENT, WITHDRAWAL, & DISMISSAL	20
Section 7.1 Compulsory Education	20
Section 7.2 No Tuition or Fees for Admission, Enrollment, or Attendance.....	20
Section 7.3 Admissions	20
Section 7.4 Enrollment.....	20
Section 7.5 Attendance.....	20
Section 7.6 Attendance: Virtual or Blended Learning School/Program.....	20

Section 7.7 Dismissal.....	21
Section 7.8 Withdrawal and Transfer	21
SECTION VIII. OPERATION OF SCHOOL	22
Section 8.1 Student Records	22
Section 8.2 Records Retention.....	22
Section 8.3 Open Records Law.....	22
Section 8.4 Student Conduct and Discipline	22
Section 8.5 Punishment of Pupils	22
Section 8.6 Complaints Process	22
Section 8.7 Contracting with an Educational Service Provider.....	22
Section 8.8 Transportation	23
Section 8.9 School Policies.....	23
SECTION IX. HEALTH AND SAFETY	24
Section 9.1 Safe Environment.....	24
Section 9.2 Health Clearances	24
Section 9.3 Student Health	24
Section 9.4 Reporting of Crime-related Incidents	24
Section 9.5 Use of Tobacco Prohibited	24
SECTION X. STUDENT RECORDS AND DATA	25
Section 10.1 Educational Data	25
Section 10.2 Reporting of Data and School Information	25
Section 10.3 Commission’s Annual Report to the BOE and Legislature	25
Section 10.4 Permitted Disclosures and Users by Operators	25
SECTION XI. FACILITIES	26
Section 11.1 Location.....	26
Section 11.2 Emergency Relocation.....	26
Section 11.3 Occupancy Rights	26
Section 11.4 Compliance with Codes.....	26
Section 11.5 Relocation or Expansion of Facilities.....	26
SECTION XII. CHARTER SCHOOL PERSONNEL	28
Section 12.1 Collective Bargaining.....	28
Section 12.2 Nondiscrimination.....	28

Section 12.3 Teacher Credentials	28
Section 12.4 Personnel Data	28
Section 12.5 Evaluations	28
Section 12.6 Non-Instructional Employees.....	28
Section 12.7 Criminal History Checks.....	29
Section 12.8 Personnel Policies	29
SECTION XIII. IMMEDIATE NOTICE	30
Section 13.1 School Emergency Closure	30
Section 13.2 Mandatory Notification.....	30
SECTION XIV. OVERSIGHT	31
Section 14.1 Monitoring	31
Section 14.2 Monitoring Related to Federal Programs	31
Section 14.3 Access to Records.....	31
Section 14.4 Site Visits	31
Section 14.5 Intervention	31
SECTION XV. RENEWAL, NON-RENEWAL, REVOCATION, CLOSURE, AND DISSOLUTION.....	32
Section 15.1 Renewal and Non-renewal.....	32
Section 15.2 Revocation.....	32
Section 15.3 School-Initiated Closure	32
Section 15.4 Dissolution.....	32
Section 15.5 Financial Insolvency	32
Section 15.6 Remaining Assets	32
SECTION XVI. AGREEMENT	33
APPENDICES	34
Exhibit A: Educational Program	35
Exhibit B: Performance Frameworks (Academic, Financial, and Organizational).....	38
Exhibit C: Education Service Provider Requirements	59
Exhibit D: Intervention Protocol	63
Exhibit E: Renewal, Non-renewal, and Revocation.....	66

PARTIES

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, Hawaii 96822, singularly “Party” and collectively “Parties.”

SECTION I. PURPOSE, TERM AND CONDITIONS

Charter school contracts are the operational legal agreements between the authorizer who approves charter applications and renewals, provide ongoing accountability oversight, and, if necessary, closures of public charter schools. The Commission authorizes public charter schools in accordance with 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.

Mission – [§302D-3] State public charter school commission; establishment; appointment.

(a) There is established the state public charter school commission with statewide chartering jurisdiction and authority. The commission shall be placed within the department for administrative purposes only. Notwithstanding section 302D-25 and any law to the contrary, the commission shall be subject to chapter 92.

(b) The mission of the commission shall be to authorize high-quality public charter schools throughout the State.

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

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. Section 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. Through this Charter 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.

The Commission is committed to 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 ACT 130 will create genuine opportunities for communities to implement innovative models of community-based education.

The Commission is committed to the innovative nature and potential of dual language and cultural pathways in Hawaii public education system and affirms a commitment to develop a sensitive and appropriate evaluation framework for schools instructing in dual language and cultural contexts. The Commission is committed in engaging with the State Board of Education (BOE), the Hawaii Department of Education (DOE), charter schools, and other stakeholders in efforts, initiatives, and aspirations for

Hawaiian education programs as reflected in Article X Section IV of the Hawaii State Constitution and BOE policies, including BOE policies E3 and 105-8.

The Commission shall operate ethically and comply with ethical standards of conduct, federal and state laws, rules, regulations, policies, procedures, and guidance to promote public trust and confidence in public education. The Commission will adhere to the Hawaii State Code of Ethics and the Code of Ethics for public employees of the state as prescribed in Chapter 84 of the Hawaii Revised Statutes and Board of Education Policy 201-1.

The Commission shall approve quality charter applications that meet identified educational needs of the state, promote a diversity of educational opportunities and ensure the compliance of a public charter school it authorizes with all applicable state and federal laws, including reporting requirements.

The Commission shall produce and provide an annual report pursuant to Section 302D-7, HRS to include but not limited to; summarizing the Commission's strategic vision for chartering and progress towards that vision, academic and financial performance of all operating public charter schools overseen by the commission, commission's operating budget through its audited financials in compliance with generally accepted accounting principles, and a breakdown of federal funds received by the department and distributed by the commission.

The Commission shall distribute the School's per-pupil allocation each fiscal year pursuant to Section 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. The Commission shall distribute the School's per-pupil allocation each fiscal year pursuant to Section 302D-28(f), HRS, and shall provide the School with the calculations used to determine the per-pupil amount each year.

Charter Schools as defined in Section 302D-1, HRS are public schools that have the flexibility and independent authority to implement alternative frameworks with regard to curriculum, facilities management, instructional approach, virtual education, length of the school day, week, or year, and personnel management.

This contract—a charter—is a legally binding agreement that permits the school to operate and articulates **the rights and responsibilities of each party regarding school autonomy**, funding, administration and oversight, outcomes, measures for evaluating success or failure, performance consequences, and other material terms.

SECTION II. GENERAL TERMS

Section 2.1 Entire Contract

The Parties intend this Charter Contract, including all attachments and exhibits, to represent a final and complete expression of their agreement, which shall be considered the Charter 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 understand that any amendments to this Charter Contract needs to be in writing and expressly approved by the Commission.

Section 2.2 Amendments

Any amendment to this Contract shall be effective only if approved by a majority vote of the Commission at a public meeting.

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. A violation of this provision shall be considered material and substantial and may be grounds for immediate revocation of this Charter Contract.

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.

Section 2.3 Term

The term of this Contract shall be five years, commencing on July 1, 2017, and terminating on June 30, 2022.

Section 2.4 Governing Law

This Charter 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.

Section 2.5 Compliance with Laws

The School and the Commission shall comply with all applicable federal, State, and city and county laws, ordinances, codes, rules, and regulations, as the same may be amended from time to time.

Section 2.6 Conflict Between Contract, Law, and Administration Rules

In the event of a conflict between this Charter 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 Charter Contract.

Section 2.7 Legal Status of School

Pursuant to Sections 302D-1 and 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.

Section 2.8 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. Should conflicts between an applicable BOE policy and a provision in this Charter Contract occur, the BOE policy shall control.

Section 2.9 Non-Assignability

The School shall not assign or subcontract any duty, obligation, right, or interest under this Charter Contract without prior written approval of the Commission. A violation of this provision shall be considered material and substantial and may be grounds for immediate revocation of this Charter Contract.

Section 2.10 Notices

Unless otherwise specified by law, any written notice required to be given by a Party to this Charter Contract shall be delivered: (a) personally, (b) by United States first class mail, postage prepaid, to the Parties' mailing addresses first indicated in this Charter Contract; or (c) electronically via email.

A notice shall be deemed to have been received three business days after mailing or at the time of actual receipt, whichever is earlier. For notices sent electronically via email, the notice shall be deemed to be received once the Party sending the notice receives confirmation via an email tracking notice.

Parties are responsible for notifying each other in writing of any change of mailing and email addresses.

Section 2.11 Severability

In the event that any provision of this Charter 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 Charter Contract.

Section 2.12 Waiver

The failure of either Party to insist upon the strict performance of or compliance with any term, provision, or condition of this Charter 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 Charter Contract.

Section 2.13 No Third-Party Beneficiary

The enforcement of the terms and conditions of this Charter Contract shall be strictly reserved to the Commission and the School. Nothing contained in this Charter 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 Charter Contract that any person receiving services or benefits hereunder shall be deemed an incidental beneficiary only, without enforceable rights against a Party to this Charter Contract.

SECTION III. GOVERNANCE OF SCHOOL

Section 3.1 Governing Board Responsibilities

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, HRS; and ensures compliance with applicable laws.

Section 3.2 State Code of Ethics and Code of Conduct

The School's Governing Board and employees shall comply with the State Code of Ethics, codified in Chapter 84, HRS. The School's Governing Board, employees, contractors, and volunteers shall also comply with the Code of Conduct developed and implemented by the Commission, as required in BOE Policy 201-1, as may be amended.

Section 3.3 Governing Board Reporting

The School's Governing Board shall notify the Commission within 14 business days of any membership changes on the Governing Board.

The School's Governing Board 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:

- a. A list of the current names and contact information of the Governing Board's members and officers;
- b. The schedule of Governing Board meetings by September 1 of each year;
- c. Governing Board meeting notices and agendas as specified in Section 302D-12, HRS; and
- d. Governing Board meeting minutes as specified in Section 302D-12, HRS.

SECTION IV. EDUCATIONAL PROGRAM

Section 4.1 School's Control

Subject to the terms and conditions of this Charter 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 4.2 of this Charter Contract, 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.

Section 4.2 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 Charter 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 (such as establishing, creating, or expanding a virtual or blended learning programs or expanding or eliminating a division) shall be considered a material change to the Charter 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 5.1 of this Charter Contract particularly to the extent that such changes are intended to improve educational outcomes.

Section 4.3 Academic Standards

As determined by BOE Policy 102-3, as may be amended, the School shall implement the Common Core or other State academic standards.

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.

Section 4.4 Graduation Requirements for High School

The School shall comply with the high school graduation requirements set in BOE Policy 102-15, as may be amended, provided that the School may request a waiver of this policy from the BOE and shall notify the Commission in writing of any approved waivers within 14 business days.

Section 4.5 Education of Students with Disabilities

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 Chapter 8-60, Hawaii Administrative Rules (HAR).

The Commission shall collaborate with the DOE to develop guidelines related to the provision of special education services and resources to each charter school.

The DOE is statutorily responsible for the provision of a free appropriate public education as defined by Section 504 of the Rehabilitation Act of 1973 ("Section 504") and IDEA. 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.

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.

Section 4.6 Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act Amendments Act of 2008

The School shall comply with Section 504 and the Americans with Disabilities Act Amendments Act of 2008 and all related DOE rules, policies, and procedures in its general curriculum, including but not limited to implementation of any 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.

Section 4.7 English Language Learners/English Learners

The School shall provide services to students who are English Language Learners (English 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. Should the DOE continue to provide the Commission funding to administer this technical assistance, the Commission shall provide the School such technical assistance. 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.

SECTION V. SCHOOL PERFORMANCE

Section 5.1 Performance Frameworks

The School's academic, organizational, and financial performance under this Charter Contract shall be evaluated using the Academic, Organizational, and Financial Performance Frameworks, respectively, attached as Exhibit B to this Charter Contract. 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 changes to the Performance Frameworks shall require approval by the Commission.

Section 5.2 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.

Section 5.3 State Accountability System

The School shall be subject to the State public school accountability system and comply with all requirements related to the State assessment for all public schools. The School shall also be subject to mandatory reporting requirements from the United States Department of Education. The School shall administer all student testing as required by applicable federal and State law, rule, policies, and procedures.

SECTION VI. FINANCIAL MATTERS

Section 6.1 Fiscal Responsibilities

The School shall maintain accurate and comprehensive financial records, practice governmental accounting in accordance with Generally Accepted Accounting Principles, and use public funds in a fiscally responsible manner.

Section 6.2 Fiscal Year

The fiscal year for the School shall begin on July 1 and end on June 30 of the subsequent calendar year.

Section 6.3 Procurement

Pursuant to Sections 302D-25(b) and 302D-12(d), HRS, the School and its Governing Board shall be exempt from Chapter 103D, HRS. However, 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 as described in Section 8.9 of this Charter Contract

Section 6.4 Management and Financial Controls

The School's Governing Board shall develop and adhere to a policy for the School's financial management that shall be readily accessible from the School's website, as described in Section 8.9. This policy shall allow the School to 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, inventory, and fixed assets.

Section 6.5 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.

Section 6.6 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.

Section 6.7 Transfer of Funds to Affiliated Nonprofit or Educational Service Provider

The School shall not transfer public funds to any affiliated nonprofit or educational service provider except for legitimate and reasonable payments from the School to the affiliated nonprofit or

educational service provider pursuant to a written legal agreement. The School shall provide the Commission a copy of any newly executed agreement between the affiliated nonprofit or educational service provider and the School within 14 business days of execution.

Section 6.8 Financing Agreements

The School shall comply with Chapter 37D, HRS, relating to financing agreements, which requires the approval of the attorney general. "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.

Section 6.9 Insurance

The School shall be covered under the Statewide Risk Management Program pursuant to Chapter 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.

Section 6.10 Per-pupil Funding

The School's non-facility general fund per-pupil funding shall be as defined in Section 302D-28, HRS. 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 Charter Contract.

Section 6.11 Per-pupil Funding: Enrollment Count Reports for Funding

The School shall provide the Commission projected enrollment counts as required for funding, budgeting, and reporting purposes by May 15. The Commission shall obtain actual enrollment counts directly from student information data systems to determine the School's per-pupil funding.

Section 6.12 Per-pupil Funding: 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 Charter Contract shall terminate on the last day of the fiscal year for which sufficient funds are available.

Section 6.13 Per-pupil Funding: 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 Section 302D-28, HRS.

The Commission shall have the discretion to determine whether to make an adjustment by:

- a. Reconciling the adjusted amount in a subsequent disbursement to the School; or
- b. Either making payment to the School or requiring reimbursement from the School with at least thirty (30) days' written notice by the Commission.

Section 6.14 Per-pupil Funding: 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, as provided for in Section 302D-29.5, HRS. All funds distributed to the School shall be restricted to the purposes of the appropriation.

Section 6.15 Per-pupil Funding: Federal Funding

Pursuant to Section 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 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.

Section 6.16 Per-pupil Funding: Title I Funding

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.

Section 6.17 Per-pupil Funding: 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.

Section 6.18 Per-pupil Funding: Fees

Pursuant to Section 302D-28, HRS, the School may charge reasonable fees, to the extent permitted by law, for co-curricular activities.

Section 6.19 Financial Reporting: 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.

Section 6.20 Financial Reporting: Quarterly Financial Reports

The School shall prepare and submit quarterly financial reports to the Commission within 30 calendar days of the end of each fiscal year quarter.

Section 6.21 Financial Reporting: Annual Audits and Financial Reviews

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 allow a financial review, pursuant to Section 302D-32, HRS. The School shall provide the completed audit or financial review to the Commission by November 1, 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 financial review if an appropriation is not made by the Legislature for such purpose.

SECTION VII. STUDENT ADMISSION, ENROLLMENT, WITHDRAWAL, & DISMISSAL

Section 7.1 Compulsory Education

The School shall follow the age and compulsory attendance requirements set in Section 302A-1132, HRS.

Section 7.2 No Tuition or Fees for Admission, Enrollment, or Attendance

Pursuant to Section 302D-28, HRS, the School shall not assess tuition, contributions, or fees of any kind as a condition of admission, enrollment, or attendance. The School may charge fees for co-curricular activities, as described in Section 6.18 of this Charter Contract.

Section 7.3 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 enroll using a public lottery that shall be publicly noticed; provided that if the School is a conversion charter school serving as the home school for the DOE district, then the School shall follow Section 302D-34(c), HRS. These policies and procedures shall be readily accessible from the School's website, as described in Section 8.9 of this Charter Contract

Section 7.4 Enrollment

Pursuant to Section 302D-34, HRS, 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, gender, sexual orientation, income level, disability, level of proficiency in the English language, need for special education services, or academic or athletic ability. The School shall maintain accurate and complete enrollment data.

The School shall not impose enrollment preferences, except as allowed for in Section 302D-34, HRS. Any enrollment preferences adopted by the School shall be included in the admissions policy and procedures, as described in Section 7.3 of this Charter Contract.

Section 7.5 Attendance

The School's Governing Board shall maintain and adhere to a policy for attendance. The policy shall be readily accessible from the School's website, as described in Section 8.9 of the Charter Contract. The School shall maintain daily records of student attendance and absences.

Section 7.6 Attendance: Virtual or Blended Learning School/Program

If the School is a virtual or blended learning school/program, the School's attendance policy shall include:

- a. School procedures to account for student attendance online; and
- b. The requirements for on-site attendance for each course and grade level.

Section 7.7 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 Sections 302A-1134 and 302A-1134.6, HRS, and due process requirements, provided that any dismissal of a student with a disability shall comply with the requirements of Chapter 8-60, HAR.

Section 7.8 Withdrawal and Transfer

The School shall adopt and adhere to withdrawal and transfer procedures which provide for the timely release of any student who withdraws from the School and/or transfers to another 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 reasonable timeframe.

SECTION VIII. OPERATION OF SCHOOL

Section 8.1 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 (FERPA), as may be amended from time to time.

Section 8.2 Records Retention

The School shall comply with all applicable federal and State requirements pertaining to the retention of all School records. 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.

Section 8.3 Open Records Law

The School shall comply with Chapter 92F, HRS, the Uniform Information Practices Act.

Section 8.4 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 all applicable federal and State laws. The School shall provide this policy to parent(s)/guardian(s) and students at the start of each school year and shall make this policy readily accessible from the School's website, as described in Section 8.9 of this Charter Contract.

Section 8.5 Punishment of Pupils

Pursuant to Section 302A-1141, HRS, no physical punishment of any kind may be inflicted upon any pupil.

Section 8.6 Complaints Process

The School shall adopt and adhere to a process for resolving public complaints which shall include an opportunity for complainants to be heard by the School's Governing Board. For matters concerning the operations and administration of the School, the decision by the School's Governing Board shall be considered final, except where the complaint pertains to a possible violation of any law or breach of this Charter Contract. In the case of a possible violation of law or breach of the Charter Contract, the Commission or other appropriate state agency may investigate the validity of the complaint to determine whether additional actions are needed. The complaints process shall be readily accessible from the School's website, as described in Section 8.9, of this Charter Contract.

Section 8.7 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) and reviewed and approved as to form by the School's Deputy Attorney General. 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.

Section 8.8 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. Pursuant to Section 286-181, HRS, any transportation services provided by the School shall follow the safety rules and standards relating to school vehicles, equipment, and drivers adopted by the Department of Transportation.

Section 8.9 School Policies

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

- a. Admissions policies and procedures, as described in Section 7.3 of this Charter Contract;
- b. Student conduct and discipline policy, as described in Section 8.4 of this Charter Contract;
- c. Complaints procedures, as described in Section 8.6 of this Charter Contract;
- d. Attendance policies and procedures, as described in Section 7.5 of this Charter Contract;
- e. Procurement policy, as described in Section 6.3 of this Charter Contract;
- f. Safety plan, as described in Section 9.1 of this Charter Contract;
- g. Financial management policies and procedures, as described in Section 6.4 of this Charter Contract; and
- h. Personnel policies, as described in Section 12.8 of this Charter Contract.

SECTION IX. HEALTH AND SAFETY

Section 9.1 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 readily accessible from the School's website, as described in Section 8.9 of this Charter Contract.

Section 9.2 Health Clearances

The School shall comply with Sections 302A-1154 to 302A-1163, HRS, and Chapter 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 Section 302A-1161, HRS, if a child does not complete the immunizations or physical examination required within the period provided by Section 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.

Section 9.3 Student Health

The School shall provide appropriate 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.

Section 9.4 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 reporting any incident; and
- c. Impose appropriate disciplinary action for failure to report these incidents, including probation, suspension, demotion, and discharge of School officials.

Section 9.5 Use of Tobacco Prohibited

Pursuant to section 302A-102, HRS, the School shall prohibit the use of tobacco at its school or at School functions.

SECTION X. STUDENT RECORDS AND DATA

Section 10.1 Educational Data

Pursuant to Section 302D-23, HRS, the School shall comply with the minimum educational data reporting standards established by the 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.

Section 10.2 Reporting of Data and School Information

The School shall 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 reports and due dates and provide this information to the School.

Section 10.3 Commission's Annual Report to the BOE and Legislature

Pursuant to Section 302D-17, HRS, the Commission shall publish and provide an annual report on the School's performance in accordance with the performance frameworks.

Section 10.4 Permitted Disclosures and Users by Operators

Pursuant to Section 302A-500, HRS, the School shall be responsible for notifying operators, as defined in Section 499, HRS, with access to student data and information of the operators' statutory responsibilities and restrictions.

SECTION XI. FACILITIES

Section 11.1 Location

The School shall provide educational services, including the delivery of instruction, primarily at locations identified in Exhibit A.

Section 11.2 Emergency Relocation

In the event of natural disasters, emergencies, and/or damage to a School's facilities, the School may provide educational services at temporary locations not identified in Exhibit A, provided the School notify the Commission of the location prior to the start of services at the temporary location.

Section 11.3 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, except if the School occupies State or DOE school facilities.

Section 11.4 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.

If the School is located in facilities other than State or 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.

The School shall comply at all times with the occupancy capacity limits set by zoning, building, fire, and other applicable regulations.

Section 11.5 Relocation or Expansion of Facilities

The School's relocation to different or additional facilities for non-emergency reasons shall constitute a material change in the Contract and shall require prior written approval by the Commission pursuant to Section 4.2 of this Charter Contract. Approval shall be contingent upon meeting the following conditions:

- a. Submission of enrollment projections for the upcoming school year, should the School seek to increase enrollment;
- b. Submission to the Commission of a Certificate of Occupancy for the new facilities prior to the first day of occupancy;
- c. Submission to the Commission of a lease, deed, or other document showing the School possesses the right to occupy the new premises;
- d. Submission to the Commission of documentation that the new facilities meet applicable health, safety, fire, building, and zoning code requirements; and

- e. Submission to the Commission of documentation that the new facilities are of sufficient size to safely house the maximum anticipated enrollment.

SECTION XII. CHARTER SCHOOL PERSONNEL

Section 12.1 Collective Bargaining

All employees of the School shall be subject to collective bargaining under Chapter 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 or the DOE.

Section 12.2 Nondiscrimination

The School, including any employees or agents of the School, shall not engage in any discrimination that is prohibited by any applicable federal, State, or city and county law, including but not limited to Section 378-2, HRS.

Section 12.3 Teacher Credentials

Pursuant to Section 302A-804, HRS, the School shall hire licensed teachers that meet the applicable State licensing requirements consistent with federal law and requirements, State law, and collective bargaining agreements, as such requirements may be amended.

Section 12.4 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, DOE 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 that qualifies for State benefits receives such benefits.

Section 12.5 Evaluations

Pursuant to federal and state law and policy, the School is responsible for implementing principal and teacher evaluation systems. The School shall ensure that the evaluation systems are in compliance with all applicable laws, regulations, and policies, including, but not limited to the State's Every Student Succeeds Act (ESSA) plan and collective bargaining requirements.

Section 12.6 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 Charter Contract, and that all applicable licensing and operating requirements imposed or required under federal, State, or city and 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, as well as any applicable collective bargaining agreements.

Section 12.7 Criminal History Checks

The School shall conduct criminal history checks, administered by the Hawaii Criminal Justice Data Center in accordance with Section 846-2.7, HRS, solely for the purpose of determining whether a prospective employee or agent 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.

Section 12.8 Personnel Policies

The School's Governing Board shall adopt and adhere to personnel policies for all school employees. These policies must be made readily accessible from the School's website, as described in Section 8.9 of this Charter Contract.

SECTION XIII. IMMEDIATE NOTICE

Section 13.1 School Emergency Closure

The School shall promptly notify the Commission, the appropriate county civil defense office(s), and the public of any circumstance requiring the closure of the School, including, but not limited to, a natural disaster or destruction of or damage to the School facility.

Section 13.2 Mandatory Notification

The School shall notify the Commission within two calendar days when it has knowledge of any of the following:

- a. Any condition that may cause the School to vary from the terms of this Charter 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. A court judgment that any members of the School Governing Board or School employees have been found guilty; plead no-contest, or accepted a deferred acceptance of a no-contest plea;
- 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 is a party to a legal suit;
- g. Severe damage to a School's facilities that render the facilities unusable and require the School to relocate; or
- h. A default on any obligation, which shall include debts for which payments are past due by ninety (90) calendar days or more.

SECTION XIV. OVERSIGHT

Section 14.1 Monitoring

The Commission shall continually monitor the performance and legal compliance of the School. The Commission shall have the authority to conduct oversight activities that enable the Commission to fulfill its responsibilities under Chapter 302D, HRS, including conducting appropriate inquiries and investigations, so long as those activities are consistent with the intent of Chapter 302D, HRS, and adhere to the terms of this Contract.

Section 14.2 Monitoring Related to Federal Programs

The School shall allow the DOE access to and provide any information needed to meet its oversight and reporting obligations as the SEA or LEA. The DOE 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.

Section 14.3 Access to Records

Consistent with the school's obligations under FERPA, the School shall make all School records open to inspection by the Commission, the DOE, the Office of the Auditor, law enforcement officials, contractors, or any other federal or State regulatory agency within five business days after request is made, or sooner if required by law.

Section 14.4 Site Visits

The Commission may visit the School at any time and may, at its discretion, conduct site visits and monitoring. 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, staff of an affiliated nonprofit or educational service provider and community members; and observation of classroom instruction.

Section 14.5 Intervention

Intervention(s) 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 any of the Performance Frameworks.

Upon finding that a School has failed to meet legal or contractual compliance obligations, the Commission and the School shall follow the Intervention Protocol (Exhibit D). 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.

SECTION XV. RENEWAL, NON-RENEWAL, REVOCATION, CLOSURE, AND DISSOLUTION

Section 15.1 Renewal and Non-renewal

Charter contract renewal and non-renewal shall follow the requirements set in Section 302D-18, HRS. The Commission's renewal and non-renewal criteria and processes are provided within this charter contract as Exhibit E.

Section 15.2 Revocation

The Commission may revoke a charter contract pursuant to Section 302D-18, HRS, and Chapters 8-5-505-15, HAR.

Section 15.3 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.

Section 15.4 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 shall cooperate with the Commission in scheduling cessation of operations and shall comply with the Commission's closure policies and protocol.

Section 15.5 Financial Insolvency

Pursuant to Section 302D-28.5, HRS, any public charter school that becomes financially insolvent shall be deemed to have surrendered its charter. For the purpose of this provision, the School shall be determined to be financially insolvent when it is unable to pay its staff when payroll is due. The School shall cooperate with the Commission in ensuring the orderly closure of the School. The School shall comply with the Commission's closure policies and protocol, once adopted by the Commission.

Section 15.6 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 Section 302D-19, HRS.

SECTION XVI. AGREEMENT

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

STATE PUBLIC CHARTER SCHOOL COMMISSION


Signature

Sione Thompson

Executive Director

6/26/2017
Date

UNIVERSITY LABORATORY SCHOOL


Signature

David Orde

Print Name

Governing Board Chair

Title
6/15/17

Date


Signature

A. Keoni Jeremiah

Print Name

ULS Principal

Title
6/15/17

Date


APPROVED AS TO FORM:


Deputy Attorney General

APPROVED AS TO FORM:

Deputy Attorney General

APPENDICES

Exhibit A: Educational Program

Exhibit B: Performance Frameworks (Academic, Financial, and Organizational)

Exhibit C: Education Service Provider Requirements

Exhibit D: Intervention Protocol

Exhibit E: Renewal, Non-renewal, and Revocation

Exhibit A: Educational Program

EXHIBIT A

EDUCATIONAL PROGRAM

SCHOOL INFORMATION	
School Name:	University Laboratory School
Shortened School Name:	ULS
Grades Served in School Year:	2017-2022: K-12
Grade Levels that Comprise Each Division:	Elementary: K-5 Middle: 6-8 High: 9-12
Mission and Vision:	<p>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.</p> <p>The vision of the University Laboratory School is that all students graduate ready for college, work and responsible citizenship.</p>
Essential Term #1:	Heterogeneous grouping in all classes from across a diverse, purposive lottery of students to represent a demographic cross-section of Hawai'i.
Essential Term #2:	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.
Essential Term #3:	<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"> ● 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

	<p>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 our disciplinary departments.</p> <p>*Based on guiding principles of King & Brownell, 1966 -each discipline tends to reflect characteristics such as:</p> <ul style="list-style-type: none"> o a community of persons o an expression of human imagination o a domain o a tradition o a syntactical structure (a mode of inquiry) o a conceptual structure (a substance) o a specialized language or system of symbols o a heritage of literature, artifacts, network of communications o an instructive community 	
Essential Term #4:	N/A	
Essential Term #5:	N/A	
Targeted Geographic Area:	O'ahu (island--wide)	
Instructional Sites and Maximum Occupancy:	1776 University Avenue, Honolulu, HI 96822	Max Occupancy: 480
Educational Service Provider:	N/A	
<p><i>For the purposes of this section, a virtual learning program is defined as a form of distance education that uses the Internet and computer technologies to connect teachers and students and deliver curriculum with students fewer than five hours per week of instruction at a supervised brick and mortar school site location.</i></p> <p>Does the school have a virtual learning program? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><i>For the purposes of this section, blended learning is defined as a program where students receive instruction at a supervised brick and mortar school site location for five hours or more per week and in part through a virtual learning program or alternative learning experience in which students have some element of control over time, place, path, and/or pace.</i></p> <p>Does the school have a blended learning program? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>		

Exhibit B: Performance Frameworks (Academic, Financial, and Organizational)

EXHIBIT B

ACADEMIC PERFORMANCE FRAMEWORK

The Academic Performance Framework consists of two sections: Student Academic Outcomes and Value Added.

1. Student Academic Outcomes

This section contains the measures that are required by Section 302D-16, HRS including:

- a) **Student academic proficiency:** schools will set a target for the percentage of students who score at the levels of proficient or above on the statewide assessments in English Language Arts or Hawaiian Language Arts and math.
- b) **Student academic growth:** schools will set a target for growth based on statewide assessment results, as measured under the state ESSA plan for federal reporting and accountability or revised state accountability system (i.e., Strive HI)¹.
- c) **Achievement gaps in proficiency between major subgroups:** schools will set a target for high-needs proficiency rates in order to close the achievement gap between the non-high needs and high needs student subgroups.²
- d) **College and career readiness:** schools will set a target for each college and career readiness indicator for each grade division served.
 - a. For high schools and schools with a high school division, the readiness measures must include the four-year graduation rate.³ In addition, schools may also add the five-year graduation⁴ and/or college-going rates.⁵

¹ If this measure is not calculated using the current growth model for the state ESSA plan for federal reporting and accountability or revised state accountability system (i.e., Strive HI), this measure will not be calculated for the Academic Performance Framework until a calculation methodology for growth is determined and approved by the Commission.

² High needs students include the following full school year students who tested: economically disadvantaged, students with disabilities (IDEA only), English Language Learners, recent exits (2 years) for students with disabilities and English Language Learner. Non-high needs students comprise of all remaining full school year students who tested. See [2015-16 Strive HI Indicators and Measures Technical Report](#) for more details.

³ The four-year graduation rate is calculated using a four-year adjusted cohort graduation rate (ACGR) methodology. The graduation rate reported is lagged by one year. The rate reported for 2015-2016 results are based on the four-year cohort graduating by the end of 2014-2015.

The four-year ACGR =
$$\frac{\text{\# of on-time graduates in a year}}{\text{\# of first time entering 9th graders} + \text{transfers in} - \text{transfers out}}$$

- Graduates are students who receive a diploma within four years
- on-time for all students is four years
- graduation requirements may be completed during the summer of the given final year

- b. For middle schools and schools with middle school divisions, schools may choose any measure that is consistent with the middle school college and career readiness measures used or captured by the DOE such as chronic absenteeism⁶ or average daily attendance⁷, ACT Aspire exam, eighth graders taking and passing Algebra 1, or the PSAT.
- c. For elementary divisions, schools will set a target for attendance and may choose between chronic absenteeism, or average daily attendance rates as defined above.

Optional other measures: optional measures are not required by Section 302D-16, HRS. They must focus on valid and reliable student outcome data and may be school-developed or drawn from existing data sources such as DOE data or school-selected formative assessment.

When selecting measures within these categories, the availability and reliability of the data are important, and sometimes limiting, factors. For this reason, the Academic Performance Framework measures pull from Strive HI data and other data collected by the DOE for all public schools statewide.

-
- GED certificates of completion and other school-based certificates do not count as graduates for this calculation
 - students who transfer in will be added to the school's appropriate graduating cohort
 - students who transfer out must be documented by the sending school with an official transcript from the receiving school, only then can the student be removed from the cohort, students whose status is unknown or dropped out of the system are non-graduates
 - students who are retained in grade 9 count only in their "first time grade 9" cohort.

See [2015-16 Strive HI Indicators and Measures Technical Report](#) for more details.

⁴ The five-year graduation rate is an extended year adjusted cohort graduation rate that accounts for graduates for an additional, fifth year. This rate is calculated following the same methodology used for the four-year adjusted cohort graduation rate. See [2015-16 Strive HI Indicators and Measures Technical Report](#) for more details.

⁵ This metric reports the percent of high school diploma earners with confirmed postsecondary enrollment (based on National Clearing House data) within 16 months after high school graduation. See [College and Career Readiness Indicators Report Class of 2015 Technical Report](#) for more details.

⁶ Chronic absenteeism is based on the number of full school year students (as defined by DOE) enrolled at a school (denominator) and the number of full school-year students who were absent, excused or unexcused, for 15 days or more during the full school year period (numerator). See [2015-16 Strive HI Indicators and Measures Technical Report](#) for more details.

⁷ Average Daily Attendance = (sum of full day present attendance days x 100) / (sum of the total number of possible school attendance days for each active student).

Excused and unexcused absences are treated as absences in the attendance calculation.

Calculation example: There are 30 students at your school and it is the 10th day of the new school year. During the first 10 days of school 9 students missed a full school day. The denominator is based on the total number of possible school days: 30 students x 10 days = 300. The numerator is 30 students x 10 days of school/ 9 days of absences = 291. (291 x 100) / 300 = 97%

For each measure, schools will work with staff to set annual target ranges, and interim targets if required by the school's charter contract. These ranges will be developed by analyzing a school's historical data, as well as comparative data for each school's geographic complex and all schools statewide.

2. Value Added

The second section of the Academic Performance Framework captures the work that schools are doing to add value to their school community or the education system at large. Each school must create a minimum of one Value Added goal. This section can measure the implementation of systems designed to increase program effectiveness, innovative practices and those that are aligned to the school's mission and vision. These goals will be specifically articulated and measurable and will include implementation timelines.

Evaluation and Reporting

For each measure included in its Academic Performance Framework, schools will set targets for each year of their contract. The Commission will publicly report these targets, as well as each school's performance on the measures, to the extent possible while protecting the privacy and confidentiality of students' data. The Commission will also report whether the school met its annual target, exceeded the target, or did not meet the target.

If the School does not achieve results within the set target range, the School is subject to the Intervention Protocol, provided in Exhibit D of this Charter Contract.

Modifications to the Academic Performance Framework During the Contract Period

Modifications can be made to the APF during the contract period in limited circumstances:

1. Modifications to the student outcome targets, which can be made when a school experiences a major shift in demographics.
2. Measures in both the Academic Student Outcomes and Value Added sections may be modified or added,
3. Academic Student Outcome targets may be renegotiated should the approved ESSA state accountability plan include extensive deviations from the methodology currently described in this submittal.

New Student Academic Outcome measures may be added between March 1st and May 15th for implementation the following year. Value Added measures may be added or modified after the school conducts a comprehensive needs assessment or similar strategic planning, but no later than July 1st.

University Laboratory School

Academic Performance Framework

I. Student Academic Outcomes

1. Academic Proficiency

Subject	TARGETS				
	% Proficient SY 17-18	% Proficient SY 18-19	% Proficient SY 19-20	% Proficient SY 20-21	% Proficient SY 21-22
Math	40% - 49%	40% - 49%	40% - 49%	40% - 49%	40% - 49%
ELA	63% - 72%	63% - 72%	63% - 72%	63% - 72%	63% - 72%

2. Academic Growth

SGP= Student Growth Percentile

Subject	TARGETS				
	Median SGP SY 17-18	Median SGP SY 18-19	Median SGP SY 19-20	Median SGP SY 20-21	Median SGP SY 21-22
Math	50 – 55	50 – 55	50 – 55	50 – 55	50 – 55
ELA	45 - 49	45 - 49	45 - 49	45 - 49	45 - 49

3. College and Career Readiness:

Chronic Absenteeism: Elementary and Middle

TARGETS				
% Chronically Absent Combined Elementary & Middle SY 17-18	% Chronically Absent Combined Elementary & Middle SY 18-19	% Chronically Absent Combined Elementary & Middle SY 19-20	% Chronically Absent Combined Elementary & Middle SY 20-21	% Chronically Absent Combined Elementary & Middle SY 21-22
11% or less	11% or less	11% or less	11% or less	11% or less

University Laboratory School
Academic Performance Framework
11th Grade ACT: High School

TARGETS				
% Scoring 19+	% Scoring 19+	% Scoring 19+	% Scoring 19+	% Scoring 19+
SY 17-18	SY 18-19	SY 19-20	SY 20-21	SY 21-22
70% - 79%	70% - 79%	70% - 79%	70% - 79%	70% - 79%

High Needs 11th Grade ACT: High School

TARGETS				
% Scoring 19+	% Scoring 19+	% Scoring 19+	% Scoring 19+	% Scoring 19+
SY 17-18	SY 18-19	SY 19-20	SY 20-21	SY 21-22
No Target	No Target	TBD	TBD	TBD

Graduation Rate: High School

TARGETS				
% Graduating in 4 years SY 17-18	% Graduating in 4 years SY 18-19	% Graduating in 4 years SY 19-20	% Graduating in 4 years SY 20-21	% Graduating in 4 years SY 21-22
91% - 100%	91% - 100%	91% - 100%	91% - 100%	91% - 100%

College-going Rate: High School

TARGETS				
% College- Going SY 17-18	% College- Going SY 18-19	% College- Going SY 19-20	% College- Going SY 20-21	% College-Going SY 21-22
85% - 94%	85% - 94%	85% - 94%	85% - 94%	85% - 94%

University Laboratory School
Academic Performance Framework
4. Achievement Gap

Targets for increasing the proficiency of high needs students in order to close the achievement gap

Subject	TARGETS				
	% Proficient High Needs SY 17-18	% Proficient High Needs SY 18-19	% Proficient High Needs SY 19-20	% Proficient High Needs SY 20-21	% Proficient High Needs SY 21-22
Math	20% - 29%	20% - 29%	20% - 29%	20% - 29%	20% - 29%
ELA	45% - 54%	45% - 54%	45% - 54%	45% - 54%	45% - 54%

University Laboratory School

Academic Performance Framework

II. Value Added

At University Laboratory School (ULS), we aim to lead rather than follow trends in education. For decades, we have functioned as the demonstration site for innovative practices in education, aligned with our philosophy of learning and teaching. Our approach relies heavily upon the many features identified in our mission, vision and academic program, such as our emulation of disciplinary practices and habits of mind, reliance upon collaborative learning environments and group discussions, a spiral approach to the introduction and re-visitation of content and skills in the disciplines, and a focus on educational research and curriculum development. We aim to illustrate what is possible by holding all students accountable to a rigorous challenging program offered from our specific approach, rather than dismantling our research-based programs to follow the changing tides of state and national assessments. We will continue to provide a high quality education to our students, while also helping to explore, research, and disseminate effective approaches in teaching and learning for all students. This is evidenced in our consistent high ranking in state and national comparisons (Hawaii P-20 College and Career Readiness Indicators Report (CCRI), US News and World Report- 2013-2015 Bronze medal, 2017 Honolulu Magazine Grading the Public Schools -top ranked high school), as well as other measures we feel speak to our well-rounded students - schoolwide participation and achievement in athletics, performing and visual arts, and other extra-curricular and co-curricular activities. The numbers on the previous pages may perhaps be interpreted rather as a record of the stability of our programs, and the high standards we set for all of our students through our challenging program which we have not changed in response to educational reform movements. Unlike other school settings where stakeholders may refer to concerns around “teaching to the test” - thereby narrowing or changing the scope of what is taught - we continue to teach our innovative, project-, problem- and inquiry-based programs because we know that they provide our students the best preparation for college, work, and responsible citizenship.

Action	Measurable Outcomes	Lead	Evidence of Completion	Due Date
1. Educational Research (ULS Teacher Research)	1. Updated ULS Faculty Research Program Guidelines and timeline provided to faculty. 2. Faculty researchers submit proposals for the following school year. 3. Research Council is formed from volunteer faculty, reviews and provides feedback to faculty researchers on their proposals. 4. Faculty researchers present their proposals to the ULS faculty and staff. 5. Faculty and staff vote on proposals. 6. Proposals approved by the faculty move on to be vetted and approved by the Partnership Coordination Council (PCC - composed of five appointed members, including two from the University, as designated by the Dean of the College of Education,	Dean of Curriculum and Instruction	A. Research proposals approved by the PCC B. Updates provided by faculty researchers	Process begins second semester and is repeated on a yearly basis. Evidence provided within 30 days of proposal approval (A) and within 30 days of presentation to faculty and staff (B).

University Laboratory School

Academic Performance Framework

	<p>and three from the Governing Board, as designated by the Board)</p> <p>7. Faculty researchers meet together throughout the school year along with the Dean of Curriculum and Instruction to discuss the progress of their projects.</p> <p>8. Faculty researchers provide mid-year updates on their projects to the ULS faculty and staff.</p> <p>9. Faculty researchers provide year-end updates on their research to the ULS faculty and staff.</p> <p>10. Faculty researchers are encouraged to and supported in the process of submitting their final research findings for publication or presentation at applicable conferences.</p> <p>11. Faculty researchers publish and present their research projects and findings.</p>			
2. Educational Research (Externally Supported Research)	<p>1. University of Hawai'i at Mānoa: Curriculum Research and Development Group - Members of CRDG interested in collecting data or conducting research at the ULS complete the "CRDG-ULS Proposed Project Planning Form."</p> <p>a. Depending on the scope and impact of the project the planning form is then submitted to the ULS Principal, the director of CRDG or the PCC for approval.</p> <p>b. Once approved, researchers work with the ULS' Dean of Curriculum and Instruction to plan out the implementation of the research project.</p> <p>c. CRDG research commences.</p> <p>d. CRDG research is completed and findings shared with the ULS faculty and staff.</p> <p>e. CRDG publishes, presents their findings, or uses their research to inform other practices or</p>	Principal, Dean of Curriculum and Instruction	Summary of UH researcher(s) and/or CRDG research implementation (made available by UH researcher(s) and/or CRDG to ULS and the Commission).	<p>Continuous throughout the school year</p> <p>Evidence due within 30 days of completion.</p>

University Laboratory School

Academic Performance Framework

	<p>programs.</p> <p>2. University of Hawai'i at Mānoa - Professors and graduate students interested in collecting data or conducting research at the ULS contact the Dean of Curriculum and Instruction.</p> <p>a. Dean of Curriculum and Instruction meets with researchers to discuss scope and impact of research.</p> <p>b. Dean of Curriculum and Instruction shares proposal of research to the ULS Principal.</p> <p>c. Principal approves research proposal.</p> <p>d. Dean of Curriculum and Instruction and UH researchers meet to plan out the implementation of the research project.</p> <p>e. UH research commences.</p> <p>f. UH research is completed and findings shared with the ULS faculty and staff.</p> <p>g. UH researcher publishes, presents their findings, or uses their research to inform other practices or programs.</p> <p>3. Other Individuals from various educational research institutions request support for their research to the Dean of Curriculum and Instruction.</p> <p>a. The same process as listed in #2 would apply.</p>			
3. Dissemination of Best Practices	<p>1. ULS faculty researchers present projects and findings to the ULS faculty, staff and greater educational community through publications and presentations.</p> <p>2. ULS faculty host events to share best practices with the greater ULS and educational communities.</p> <p>3. ULS faculty host observations of best practices in curriculum and pedagogy.</p> <p>a. Presentations, observations and discussion sessions are</p>	Principal, Dean of Curriculum and Instruction, ULS Faculty	Schedule of presentations, events, and observations/visitations (will be posted online as appropriate and made available to the Commission).	<p>Continuous throughout the school year</p> <p>Observations as scheduled.</p>

University Laboratory School

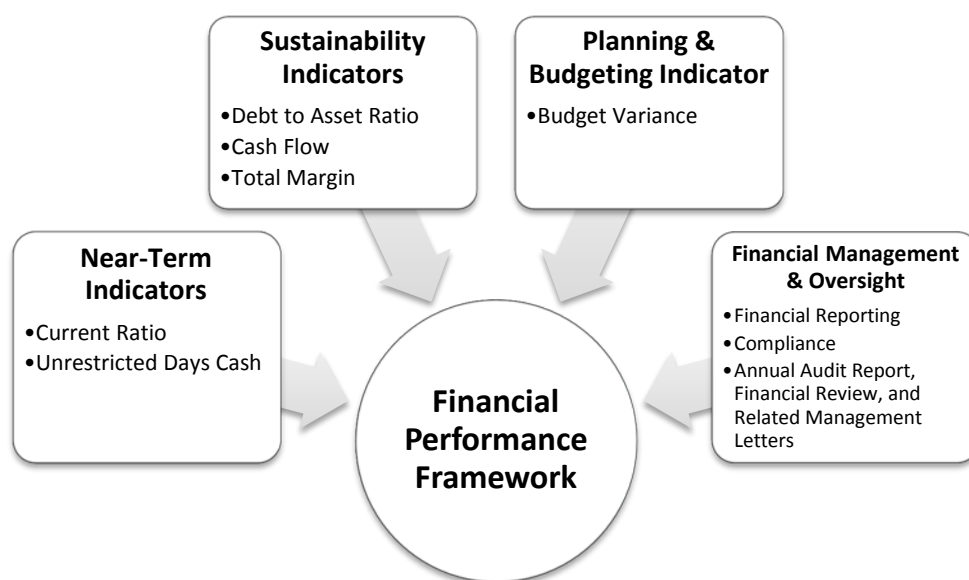
Academic Performance Framework

	<p>scheduled for visiting DOE, Private and Charter School faculty.</p> <p>b. Presentations, observations and discussion sessions are scheduled for visiting university faculty and students from various national/international institutions.</p> <p>c. Presentations, observations and discussion sessions are scheduled for visiting University of Hawai'i faculty and students from various teacher preparation courses.</p>			
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EXHIBIT B

FINANCIAL PERFORMANCE FRAMEWORK

The Financial Performance Framework (“Framework”) serves as a tool for the Commission to assess the financial health and viability of charter schools in its portfolio. The framework intends to provide a financial frame of reference based on current and past financial performance of charter schools. The indicators used in the framework are based on industry standard financial measures (e.g. ratios, variances) designed to be viewed in the aggregate with other complementary and supplementary information (e.g. timely and accurate financial and reporting practices, management practices). No single indicator or point in time data point gives a full picture of the financial situation of a school. Taken together, however, the indicators provide a qualitative assessment of the school’s near-term financial health, mid-term capacity, and long-term financial sustainability.



Risk-Based Approach

The framework adopts a risk assessment model as part of ongoing oversight and monitoring of charter schools’ fiscal activities, and renewal decision-making. The model aligns the framework to the unique funding and governance environment for charter schools in the State of Hawai‘i. This risk-based approach will help identify areas of strength and weakness, highlighting controls that are designed to mitigate risks.

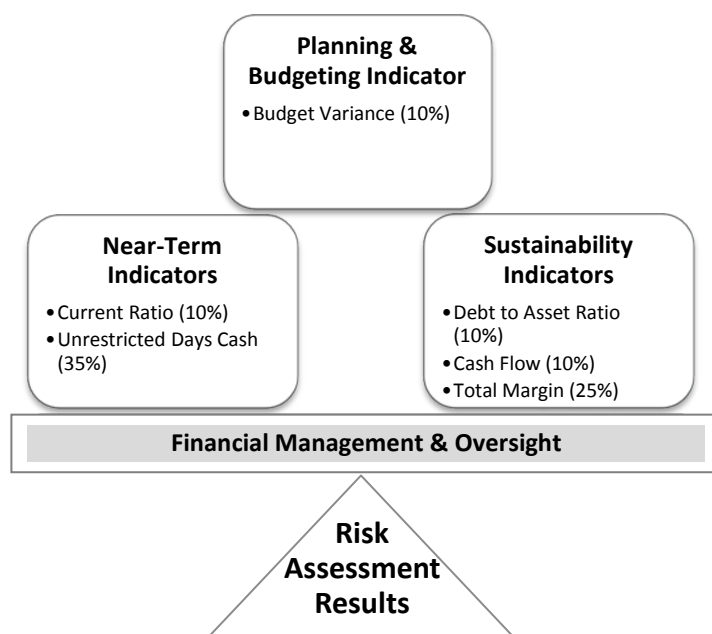
School(s) will be closely monitored if there is heightened risk of financial problems. Financial monitoring may include, but not limited to, request for reports or other documentation, inquiries through written or telephone communications, desk audits, or on-site visits, announced or otherwise. Moreover, a school may be requested to develop an appropriate corrective action plan in accordance with the Intervention Protocol (**Exhibit D**) to address any monitoring issues identified during the risk assessment. The corrective action plan provides a school an opportunity to explain the issue(s); identify measurable solution(s); identify person(s) who will be responsible for each solution; set timelines; and monitor the progress of the corrective action plan.

Annual Risk Assessment Process

The annual risk assessment evaluates whether the financial viability of a school is at-risk based on the Commission's review of financial information which will be drawn from the school's annual audited financial statements or financial review. The inclusion of a "component unit" (an affiliated non-profit entity) may apply when a school's annual audited financial statements include the presentation of reporting the audited component unit. The Commission's assessment may also include other financial information and/or a more detailed examination of the school's financial position and practices, as needed. The Commission may also consider the more current and more detailed information to determine whether the risk assessment result is still applicable throughout the assessment period and the degree to which it is, in fact, an indication of financial risk or distress or mitigation.

The risk assessment will focus on six indicators, or measures based on the National Association of Charter School Authorizers (NACSA) standards. Each indicator will be assessed on a scale from 1 to 5, with 1 being the lowest risk and 5 the highest risk. All six indicators will collectively make up a school's overall risk level. The annual risk assessment result for a school will be determined using a balanced weighted formula utilizing the individual scores calculated for each indicator as follows:

$$(Current\ Ratio \times 0.10) + (Unrestricted\ Days\ Cash \times 0.35) + (Debt\ to\ Asset\ Ratio \times 0.10) + (Cash\ Flow \times 0.10) + (Total\ Margin \times 0.25) + (Budget\ Variance \times 0.10)$$



The individual and final risk assessment results will be represented as one of five categories based on the school's risk assessment calculations as color-coded below and will be rounded to the nearest whole number.

Low	Acceptable	Moderate	High	Significant
1	2	3	4	5

Near Term Indicators

Current Ratio

$$\text{Current Ratio} = \text{Current Assets} \div \text{Current Liabilities}$$

The current ratio shows the relationship between a school's current assets and current liabilities. Current assets are balance sheet accounts (e.g. cash, receivables) that include the value of all assets that are expected to be converted to cash through normal operations within the current fiscal year. Current liabilities represent obligations (e.g. payables, accrued payroll, accrued vacation) that are payable in cash within a fiscal year. This ratio gives an indication of a school's ability to pay its obligations over the next twelve months. A school may be at-risk if it is unable to meet its current obligations.

This indicator accounts for **10 percent** of a school's aggregate final risk assessment.

Low	Acceptable	Moderate	High	Significant
Ratio is greater than (>) 1.5	Ratio is between 1.35 – 1.5	Ratio is between 1.2 – 1.35	Ratio is between 1.0 – 1.2	Ratio is less than (<) 1.0

Unrestricted Days of Cash on Hand

$$\text{Unrestricted Days Cash} = \text{Days Cash} \div [(\text{Total Expenses} - \text{Depreciation Expense}) \div 365]$$

The unrestricted days of cash on hand provides the number of days a school can pay its current expenses without another inflow of cash. Cash balances fluctuate since schools can expend and receive money on an almost daily basis. It indicates whether a school maintains a sufficient cash balance to meet its cash obligations. A school may be at-risk if there is insufficient cash to meet its cash obligations.

The indicator looks at a fixed point in time (the time the financial statement is prepared) and a trend over a period of time. Although this indicator is at a fixed point in time, it tells whether a school may have challenges in meeting its cash obligations. Note that this indicator looks at unrestricted cash, not cash that already has been earmarked for a specific purpose, such as renovations or facilities.

This indicator accounts for **35 percent** of a school's aggregate final risk assessment.

Low	Acceptable	Moderate	High	Significant
Days Cash is more than 60 days and having an upward or downward trend over three years or more	Days Cash is between 50 – 60 days and having an upward or downward trend over three years or more	Days Cash is between 30 – 50 days and having an upward or downward trend over three years or more	Days Cash is between 20 – 30 days and having an upward or downward trend over three years or more	Days Cash is less than 20 days and having a downward trend over three years or more

Sustainability Indicators

Debt to Asset Ratio

$$\text{Debt to Asset Ratio} = \text{Total Liabilities} \div \text{Total Assets}$$

The Debt to Asset Ratio compares a school's financial liabilities against the assets it owns. A lower ratio generally indicates stronger financial health. A higher ratio indicates that the school may be at-risk of not being able to pay back its debts. It is generally accepted indicator of potential long-term financial issues.

This indicator accounts for **10 percent** of a school's aggregate final risk assessment.

Low	Acceptable	Moderate	High	Significant
Ratio is less than (<) 0.2	Ratio is between 0.2 – 0.4	Ratio is between 0.4 – 0.5	Ratio is between 0.5 – 0.75	Ratio is greater than (>) 0.75

Cash Flow

$$\text{Cash Flow} = \text{Year-end Cash Balance} - \text{Beginning Year Cash Balance}$$

Cash Flow measures a school's change in cash balance from one period to another. This indicator is similar to days' cash on hand, but it provides insight into a school's long-term stability, as it helps to assess a school's sustainability over a period of time in an uncertain funding environment. A positive cash flow over time generally indicates increasing financial health and sustainability.

This indicator and accounts for **10 percent** of a school's aggregate final risk assessment.

Low	Acceptable	Moderate	High	Significant
Current Year Cash Flow is positive (+) and having an upward trend over three years or more	Current Year Cash Flow is positive (+) and having an upward or a down trend over three years or more	Current Year Cash Flow is either positive or negative (+/-) and having an upward or a downward trend over three years or more	Current Year Cash Flow is negative (-) and having an upward or a downward trend over three years or more	Current Year Cash Flow is negative (-) and having a downward trend over three years or more

Total Margin

$$\text{Total Margin} = \text{Net Income} \div \text{Total Revenue}$$

Total Margin measures the surplus or deficit a school yields out of its total revenues. This indicator is important because a school cannot operate at a deficit for a sustained period of time without the risk of closure. The intent of this indicator is not for the schools to be profitable, but is important for charter schools to operate within its available resources in a particular year and to build a reserve to support growth and sustainability.

This indicator is calculated by dividing net income by total revenue and accounts for **25 percent** of a school's aggregate final risk assessment.

Low	Acceptable	Moderate	High	Significant
Current Year Margin is positive (+) and having an upward trend over three years or more	Current Year Margin is positive (+) and having an upward or a downward trend over three years or more	Current Year Margin is either positive or negative (+/-) and having an upward or a downward trend over three years or more	Current Year Margin is negative (-) and having an upward or a downward trend over three years or more	Current Year Margin is negative (-) and having a downward trend over three years or more

Planning & Budgeting

Budget Variance

$$\text{Budget Variance} = \text{Actual Total Revenues} \div \text{Projected Total Revenues in the Charter School's Board-Approved Budget}$$

The budget variance depicts actual versus projected incoming revenues for a fiscal year. This indicator is important because revenues drive the development of a school's budget. While the per-pupil funding is the primary revenue source for charter schools, there are other sources (e.g. federal funds, grants, other state funds) that provide the basis for determining costs such as staffing and supplies. A budget based on revenues that are significantly more than its actual revenues may be at-risk of not meeting all of its budgeted expenses. Budgeted revenues that do not exceed actual revenues would not have a significant impact to the risk assessment rating scale.

This indicator accounts for **10 percent** of a school's aggregate final risk assessment.

Low	Acceptable	Moderate	High	Significant
Variance is greater than (>) 99%	Variance is between 96% – 98%	Variance is between 94% – 95%	Variance is between 91% – 93%	Variance is less than (<) 90%

Financial Management and Oversight

Compliance

The Commission ensures that the school complies with applicable laws, rules, regulations and provisions of the charter contract relating to financial reporting requirements, and to financial management and oversight expectations as evidenced by an annual independent audit or review, 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
- 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

If the School does not comply with the requirements of this Financial Performance Framework, the School is subject to the Intervention Protocol, provided in Exhibit D of this Charter Contract.¹

As provided in the Charter Contract:

14.1 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, so long as those

¹ in accordance with **§302D-17 Ongoing oversight and corrective actions;**

(a) An authorizer shall continually monitor the performance and legal compliance of the public charter schools it oversees, including collecting and analyzing data to support ongoing evaluation according to the Charter Contract.

responsibilities are consistent with the intent of Chapter 302D, HRS, and adhere to the terms of this Charter Contract.

EXHIBIT B

ORGANIZATIONAL PERFORMANCE FRAMEWORK

The Organizational Performance Framework serves as the means by which the Commission addresses one of an authorizer's core responsibilities: protecting the public interest. The framework ensures that charter schools meet all applicable federal, state, and local laws and regulations as well as contractual requirements.

The Commission pledges to exercise its best efforts to meet NACSA's standards on performance evaluation and compliance monitoring by implementing an accountability system that effectively streamlines federal, state, and local performance expectations and compliance requirements while protecting schools' legally entitled autonomy and minimizing school's administrative and reporting burdens.

The Organizational Performance Framework requires the School to complete the Assurance of Compliance Statement (included in this framework) on an annual basis. The Assurance of Compliance Statement identifies the specific federal, state, and local laws and regulations and contractual requirements that the School is accountable to. Regardless of the specific references to law, rule, regulation, or contractual provision contained in the Statement, the School is required comply with all relevant laws and regulations at all times.

The Commission will evaluate and assess performance under the framework by:

1. Conducting audits of any compliance requirements associated with the references identified in the Statement;
2. Conducting at least one school site visit during the term of the Charter Contract;
3. Requiring submission of documentation verifying compliance through the Commission's online compliance management system; and
4. Reporting on the School's fulfillment of compliance requirements specified in this framework.

The level of oversight the School will receive may vary during the term of the Charter Contract. If the School does not comply with the requirements of this Organizational Performance Framework, the School is subject to the Intervention Protocol, provided in **Exhibit D** of this Charter Contract.

Within the first quarter of each fiscal year, the Commission will provide an annual Organizational Framework Report to the School that covers the previous year. The report will include a narrative of the School's performance under the framework, including any compliance breaches and actions required through the Intervention Protocol.

ASSURANCE OF COMPLIANCE STATEMENT

This document provides assurances to the Commission that the School is in compliance with the laws, rules, regulations, policies, and Charter Contract provisions set forth below. This document will be assigned to the School through the Commission's online compliance management system and must be completed, signed, and dated by the School's board chair and school leader annually.

In addition to this Assurance of Compliance Statement, the School is required to comply with all relevant laws and regulations at all times, regardless of the specific references in this document.

The School should read through each reference below, and then check the corresponding box to assure the Commission that the School is in compliance with the specified items identified below for the specified school year. A School with compliance breaches that require the Intervention Protocol will need to resolve the compliance breach by the end of the school year or be in the process of implementing a corrective action plan that resolves the compliance breach.

GOVERNANCE

- ☐ Section 302D-12(a), HRS: Governing Board Composition
- ☐ Section 302D-12(c), HRS: Governing Board Composition- Chair
- ☐ Section 302D-12(b), HRS: Governing Board Recruitment
- ☐ Section 302D-12(f), HRS: Oversight
- ☐ Section 302D-12(g), HRS: Procurement
- ☐ Section 302D-12(h), HRS: Open Meeting Requirements
- ☐ Section 302D-12(i), HRS: State Code of Ethics

HEALTH AND SAFETY

- ☐ Charter Contract Section 11.4: Facilities- Compliance with Codes
- ☐ Charter Contract Section 9.1: Safe Environment
- ☐ Chapter 12-45.2, Hawaii Administrative Rules: State Fire Code

ACCESS AND EQUITY

- ☐ Section 302D-34(a), HRS: Enrollment
- ☐ Charter Contract Section 7.3- Admissions
- ☐ Americans with Disabilities Act: 42 U.S.C. 12101
- ☐ Individuals with Disabilities Educational Act: 20 U.S.C. 1400 et seq.
- ☐ Section 302D-30, HRS: Special Education Services
- ☐ Section 504 of the Rehabilitation Act of 1973: 29 U.S.C 794
- ☐ Title VI of the Civil Rights Act of 1964 and the Equal Educational Opportunities Act of 1974

STUDENT CONDUCT AND DISCIPLINE

- ☐ Section 302A-1132, HRS: Compulsory Education Law
- ☐ Section 302A-1134, HRS: Exclusion from School
- ☐ Section 302A-1134.6, HRS: Zero Tolerance Policy
- ☐ Section 302A-1141, HRS: Punishment of Students
- ☐ Section 302A-1141.3, HRS: Seclusion and Chemical and Mechanical Restraint Prohibited
- ☐ Section 302A-1141.4, HRS: Use of Physical Restraint Limited
- ☐ Section 709-309(2), HRS: Use of force by persons with special responsibility for care, discipline, or safety of others

PERSONNEL

- ☐ Section 302D-33, HRS: Criminal History Record Checks
- ☐ Section 302A-804, HRS: Teacher Credentials
- ☐ Charter Contract Section 9.4: Reporting Crime-related Incidents

SCHOOL OPERATIONS

- ☐ Family Educational Rights and Privacy Act (FERPA) of 1974
- ☐ Charter Contract Section 7.5: Attendance
- ☐ Charter Contract Section 7.8: Withdrawal and Transfer
- ☐ Charter Contract Section 8.6: Complaints Process
- ☐ Charter Contract Section 8.9: School Policies
- ☐ Board of Education Policy 102-15: High School Graduation Requirements and Commencement *(if applicable)*
- ☐ Section 286-181, HRS: Pupil Transportation Safety *(if applicable)*

School Governing Board Chair

Date

School Director

Date

Exhibit C: Education Service Provider Requirements

EXHIBIT C

EDUCATIONAL SERVICE PROVIDER REQUIREMENTS

For the purpose of this section an Educational Service Provider (ESP) is defined as a non-profit or for-profit entity that is contracted by the School to provide services that would otherwise be handled by employees of the School, which include, but are not limited to, operational back office functions and services related to the instructional design of the School, in return for fees. ESP 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 Charter Contract and applicable law.

1. The ESP agreement shall be subject to, and shall incorporate by reference, the terms and conditions of the Charter Contract.
2. The term of the ESP agreement shall not exceed the term of the Charter 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 Chapter 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 Charter 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 (Chapter 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 Section 14.3 of the Charter 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 Charter 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 Section 12.7 of the Charter 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 Charter 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 Chapter 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

EXHIBIT D

INTERVENTION PROTOCOL

In accordance with Section 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 terms of this Charter Contract and consistent with nationally recognized principles and standards for quality authorizing. It enables the Commission to take timely and appropriate action to notify the School about performance and/or compliance concerns and provide the School a reasonable opportunity to remedy such problems.

NOTICE OF CONCERN PROTOCOLS

1. Upon finding that the School has failed to meet legal or contractual compliance obligations (including any goals, objectives, or outcomes set in the performance frameworks), the Commission may issue a Notice of Concern, pursuant to Section 2.10 Notices of this Charter Contract.
2. Upon receiving a Notice of Concern, the School's Governing Board will be required to provide a written response to the Commission within fourteen calendar days and the response must include at least one of the following:
 - i. a description of the remedy of the compliance breach, if the breach has been completely remedied, including evidence of such remedy;
 - ii. a written notification disputing the determination that a compliance breach has occurred with accompanying evidence in support of that assertion;
 - iii. a Corrective Action Plan designed to remedy the compliance breach that includes timelines and persons responsible for each action within the plan. If the submitted Corrective Action Plan is not mutually agreeable to both the School and the Commission staff, the matter will be brought to the Commission at a General Business Meeting.
3. If the School disputes the Notice of Concern, the Commission will consider the matter at a General Business Meeting and retract, modify, or uphold the Notice of Concern.
4. The Commission shall be updated on the issuance, remedy, and progress towards implementation of Corrective Action Plans in the Executive Director's Report during General Business Meetings.

ESCALATION OF NOTICES OF CONCERN

If the School fails to respond or make progress towards correcting the breach in the time as stated in the Corrective Action Plan, repeatedly fails to comply with applicable law or Contract provision(s), or when the breach presents an immediate concern for student or employee health and safety, the Commission may take any or all of the following actions:

1. Issue a Notice of Deficiency which may include prescriptive, specific action plans and conditions for the School; or
2. Issue a Notification of Warning which initiates revocation proceedings in accordance with Chapter 302D, HRS, and applicable administrative rules.

In accordance with Section 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 Chapter 302D, HRS, and the established rules, procedures and protocols for revocation shall apply.

Exhibit E: Renewal, Non-renewal, and Revocation

EXHIBIT E

RENEWAL AND NON-RENEWAL CRITERIA AND PROCESS

The School will begin the process for renewal or non-renewal in the fall of the final year of the contract. Soon after academic results are released for the previous school year, typically in September or October, the School will receive a Final Performance Report for each year of the contract. The Final Performance Report shall summarize the School's performance record to date as well as the due process afforded to the School through the administrative rules¹. Each school will have 30 days from the time of receipt of the Final Performance Report to complete the renewal application and respond to the Final Performance Report.

PROCESS FOR SCHOOLS THAT DID NOT RECEIVE A NOTICE OF DEFICIENCY DURING THE CONTRACT PERIOD

If the School did not receive a Notice of Deficiency during the contract period will submit a renewal application for a five-year contract after receiving the Final Performance Report. The School may also request a hearing pursuant to Sections 8-505-12(b)(2) or 8-505-16(3), HAR.

PROCESS FOR SCHOOLS THAT RECEIVED A NOTICE OF DEFICIENCY DURING THE CONTRACT PERIOD

If the School received a Notice of Deficiency at any time during the contract period, the Commission will conduct a performance review hearing within 45 days of receiving the School's application for renewal. During the performance review hearing, the Commission will determine whether or not the School has earned a renewal of the charter and may apply conditions if applicable.

At the performance review hearing, the Commission may decide not to renew the Charter Contract if it is determined that the school:

- (1) Committed a material and substantial violation of any of the terms, conditions, standards, or procedures required under Chapter 302D, HRS, or the charter school contract.**

In evaluating this provision, the Commission will place a heavier emphasis on violations of law or contract when the law or contract provision was designed to protect the health or safety of students or protect equal access and equity of educational opportunities.

- (2) Failed to meet or make sufficient progress toward performance expectations set forth in the contract.**

When evaluating this provision for the Academic Framework, the Commission shall find that sufficient progress was not made toward academic performance expectations when there is

¹ The processes and procedures pertaining to renewal or nonrenewal of a charter contract are found in Sections 8-505-10 through 8-505-13, HAR.

a pattern of failing to meet a majority of targets, there is a pattern of failing to meet targets coupled with a downward trend in performance, or there is a pattern of failure to implement corrective action plans.

When evaluating this provision for the Organizational and Financial Performance Frameworks, the Commission shall find that progress has not been made when standards have not been met and/or there is a pattern of failure to implement corrective action plans in a timely manner.

(3) Failed to meet generally accepted accounting principles of fiscal management.

The Commission shall find failure to meet standards when there is a pattern of fiscal mismanagement in addition to failing to take corrective actions to address significant financial risks identified during the contract period.

(4) Substantially violated any material provision of law from which the charter school is not exempted.

When evaluating this provision, the Commission will place a heavier emphasis on violations of law that were designed to protect the health and safety of students and access and equity of educational opportunities.