

House District Statewide
Senate District Statewide

**THE TWENTY-SEVENTH LEGISLATURE
APPLICATION FOR GRANTS AND SUBSIDIES
CHAPTER 42F, HAWAII REVISED STATUTES**

Log No:

For Legislature's Use Only

Type of Grant or Subsidy Request:

- GRANT REQUEST – OPERATING GRANT REQUEST – CAPITAL SUBSIDY REQUEST

"Grant" means an award of state funds by the legislature, by an appropriation to a specified recipient, to support the activities of the recipient and permit the community to benefit from those activities.

"Subsidy" means an award of state funds by the legislature, by an appropriation to a recipient specified in the appropriation, to reduce the costs incurred by the organization or individual in providing a service available to some or all members of the public.

"Recipient" means any organization or person receiving a grant or subsidy.

STATE DEPARTMENT OR AGENCY RELATED TO THIS REQUEST (LEAVE BLANK IF UNKNOWN): STATE PUBLIC CHARTER SCHOOL COMMISSION
STATE PROGRAM I.D. NO. (LEAVE BLANK IF UNKNOWN): EDN 600

1. APPLICANT INFORMATION:

Legal Name of Requesting Organization or Individual:
Hawaii Public Charter School Network

Dba: n/a

Street Address: 600 Queen Street, C-4, Honolulu, HI 96813

Mailing Address: P.O. Box 3017, Aiea, Hawaii, 96701

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name LYNN FINNEGAN

Title Executive Director

Phone # c(808) 741-5966, o (808) 380-6403

Fax # none

e-mail lynn@hawaiiarterschools.com

3. TYPE OF BUSINESS ENTITY:

- NON PROFIT CORPORATION
 FOR PROFIT CORPORATION
 LIMITED LIABILITY COMPANY
 SOLE PROPRIETORSHIP/INDIVIDUAL

6. DESCRIPTIVE TITLE OF APPLICANT'S REQUEST:

DEVELOPMENT OF FEE-BASED SERVICES TO SUPPORT CHARTER SCHOOLS

4. FEDERAL TAX ID #: [REDACTED]
5. STATE TAX ID #: [REDACTED]

7. AMOUNT OF STATE FUNDS REQUESTED:

FISCAL YEAR 2015: \$ 75,000

8. STATUS OF SERVICE DESCRIBED IN THIS REQUEST:

- NEW SERVICE (PRESENTLY DOES NOT EXIST)
 EXISTING SERVICE (PRESENTLY IN OPERATION)

SPECIFY THE AMOUNT BY SOURCES OF FUNDS AVAILABLE AT THE TIME OF THIS REQUEST:

STATE \$ 0
FEDERAL \$ 0
COUNTY \$ 0
PRIVATE/OTHER \$ 0

TYPE NAME & TITLE OF AUTHORIZED REPRESENTATIVE:

LYNN FINNEGAN, EXECUTIVE DIRECTOR
NAME & TITLE

1-31-14
DATE SIGNED

Application for Grants and Subsidies

I. Background and Summary

1. Brief description of the applicant's background.

The Hawaii Public Charter Schools Network (HPCSN) is a non-profit 501(c)(3) organization was established in 2000 to enable, support, and unify charter schools and the charter school sector in the State of Hawaii. HPCSN links charter schools in the State of Hawaii to each other and to the charter efforts in other states, providing information and services to schools and individuals interested in establishing or improving the performance of charter schools in Hawaii, promoting and conducting research on educational reform, serving as a “vendor” for services needed by charter schools, and promoting partnerships with businesses and organizations for both the HPCSN and its member schools.

Some of the notable accomplishments over the years include increasing revenue by 300% since 2010, partnering with charter school stakeholders to improve the Hawaii charter school law, assisting charter schools and their authorizer through their first contractual agreement and securing three pilot projects to foster high quality standards in charter schooling.

HPCSN has focused on the implementation of Act 130, SLH 2012, which established a new charter school law and governance system including the establishment of performance-based charter contracts. HPCSN worked with the newly formed State Public Charter School Commission (Commission) and its Transition Coordinator to ensure a fair process while moving towards a system of accountability that will serve to improve the entire charter school sector.

2. Goals and objectives related to the request.

HPCSN requests a grant-in-aid to establish fee-based support services for charter schools. While HPCSN has historically focused on advocacy and linking/networking efforts, providing fee-based services is an important component to support charter schools and better enable them to focus on their particular strengths in providing quality education.

The goals are to identify, develop and implement fee-based support services that will enable charter schools to operate more effectively and accomplish the following:

- 1) Fulfill unmet needs of the charter schools;
- 2) Improve the quality or effectiveness of the service for the charter schools;
- 3) Increase the cost effectiveness of the service for the charter schools;
- 4) Achieve self-sustainability in that the costs of the service are fully covered by fees.

The objectives are as follows:

- 1) Identify 4-6 fee-based priority services to charter schools that fulfill unmet needs or improve service effectiveness and/or cost to the charter schools;
- 2) Plan, develop and implement 2-3 fee-based services to charter schools in the year one;
- 3) Obtain participation rate that ensures cost self-sufficiency and sustainability of the service;
- 4) Obtain satisfaction rate of at least 75% for each implemented service.

3. The public purpose and need to be served.

The students of Hawaii need and deserve alternatives to the traditional system of education in Hawaii with its centralized, top-down approach. Charter schools provide educators with the flexibility and autonomy to explore, select and implement effective alternative educational programs while meeting minimum federally required standards. Because of their autonomy, charter schools in Hawaii have the freedom to tailor programs to the community and students' needs and to spur educational innovation.

Although the charter schools receive a per pupil amount that is calculated based on similar Department of Education (DOE) costs, there remains a gap in resources. Part of this gap is due to the lack of facilities that DOE schools receive at no cost. But another significant part is due to the absence of economies of scale for charter school operations. It's like comparing the operational costs of a big national retailer to a small mom and pop store. While this freedom does provide enormous benefits for the charter schools, it also results in higher relative operating costs.

Furthermore, Act 130, SLH 2012, clarified the Commission's primary role as that of a charter school authorizer to ensure quality and accountability. As a result, there was a shift away from the former Charter School Administrative Office's role that included support for the charter schools.

Charter schools, operating on tight budgets, must perform all of the administrative functions of running a school as well as the educational or academic ones. In comparison, DOE schools have the central offices (e.g., Office of Fiscal Services, Office of Human Resources, Office of Information Technology Services, Office of School Facilities and Support Services, etc.) that provide administrative support services to the schools. Charter schools, on the other hand, must build and operate all of these functions into its single school.

HPCSN believes there is a role for it to play, similar to DOE's central offices, in providing support services to groups of charter schools thereby garnering economies of scale, potentially improving service quality and relieving the schools of administrative aspects so they can concentrate on their educational programs.

As a result, HPCSN intends to develop fee-based support services that not only fulfill unmet needs of the charter schools or increase cost efficiency and/or service effectiveness

but also operate self-sufficiently from a cost perspective and be self-sustaining over the long-term.

4. Describe the target population to be served.

The target populations to be served are charter schools in Hawaii with existing charter contracts with the Commission or new charter schools approved by the Commission.

Currently, there are 33 charter schools with existing charter contracts and one new school that was approved by the Commission last year and is scheduled to open this upcoming school year.

5. Describe the geographic coverage.

HPCSN support services will serve charter schools on any island of the State of Hawaii.

II. Service Summary and Outcomes

1. Describe the scope of work, tasks and responsibilities.

This grant-in-aid request will fund one FTE position (Director of School Support) whose scope of work, tasks and responsibilities will include the following:

- 1) Conduct a needs assessment of support services, including interviewing or surveying charter schools and stakeholders (e.g., Commission staff, DOE staff)
 - ✓ The needs assessment will identify 4-6 fee-based priority services that the charter schools and other stakeholders believe would fulfill unmet needs or improve service effectiveness and/or cost to the charter schools.
 - ✓ These activities will be performed right after the Commission will have completed the charter schools' first year evaluation of performance under the newly instituted charter contracts and performance measures. Examination of the schools' ratings, particularly in the organizational and financial performance measures, will provide important information as to support services that should be explored.
- 2) Research potential fee-based services, such as financial/accounting, audits, human resources, fundraising (grant writing), IT/data support or training.
 - ✓ Services will likely focus on organizational and financial aspects, rather than academic, as HPCSN believes charter schools' needs lie more in the administrative side of operating a school. However, if the needs assessment reveals a desire for services related to the educational program, HPCSN will include possible services in its analysis.
- 3) Develop a plan that identifies service alternatives, benefits and costs, with intention for services to be cost self-sufficient.
- 4) Obtain approval of services from HPCSN Executive Director and Board.
 - ✓ HPCSN intends to pursue 2-3 fee-based services during the first year.

- 5) Implement approved services; coordinate with third-party vendors as necessary.
- 6) Conduct monitoring and evaluation activities of services and make program adjustments as necessary to ensure successful outcomes and sustainability of services.

2. Provide a projected annual timeline for accomplishing the results or outcomes.

Timeframe	Outcome/Event
September 2014	Recruit and hire Director of School Support
October 2014	Complete needs assessment and analysis of potential services
November 2014	Select priority fee-based services and begin planning and development of services
January 2015	Begin implementation of fee-based services
January - June 2015	Conduct monitoring and evaluation activities of services
September 2015	Services are self-sufficient

3. Describe its quality assurance and evaluation plans for the request. Specify how the applicant plans to monitor, evaluate, and improve their results.

Monitoring activities to ensure timely and successful implementation of this request will include:

- 1) Daily communication between the HPCSN Executive Director and the Director of School Support on the planning, design and implementation of the program elements;
- 2) Monthly status reports from the Director of School Support to the HPCSN Executive Director, including workplan status (tasks and timeline), obstacles/challenges and proposed solutions;
- 3) Monthly status reports from the HPCSN Executive Director to the HPCSN Board; and
- 4) Progress reports to the Commission as required by the grant-in-aid contract.

Evaluation activities are intended to make a rigorous assessment of whether the fee-based services meet the intended goals and to provide feedback on whether adjustments should be made to the services. These activities will include:

- 1) Surveys or individual or focus group interviews with participating charter schools;
- 2) Individual interviews with vendors that provide implemented services;
- 3) Individual or focus group interviews with stakeholders (e.g., Commission staff); and
- 4) Tracking of the numbers related to participation in the implemented services.

4. List the measure(s) of effectiveness that will be reported to the State agency through which grant funds are appropriated (the expending agency).
 - 1) Number of fee-based services established and cost self-sufficient at the end of year one
 - 2) Number and percentage of charter schools participating in fee-based services
 - 3) Number and percentage of charter schools participating in fee-based services that evaluate the service positively

III. Financial

Budget

1. The applicant shall submit a budget utilizing the enclosed budget forms as applicable, to detail the cost of the request.

Please see attached.

2. The applicant shall provide its anticipated quarterly funding requests for the fiscal year 2015.

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
\$18,750	\$18,750	\$18,750	\$18,750	\$75,000

3. The applicant shall provide a listing of all other sources of funding that they are seeking for fiscal year 2015.

Kamehameha Schools	\$205,075
Harold Castle Foundation	\$96,400.00

4. The applicant shall provide a listing of all state and federal tax credits it has been granted within the prior three years. Additionally, the applicant shall provide a listing of all state and federal tax credits they have applied for or anticipate applying for pertaining to any capital project, if applicable.

None.

IV. Experience and Capability

A. Necessary Skills and Experience

Lynn Finnegan has been the executive director since December 2010. HPCSN is the only statewide Charter Support Organization (CSO) in the state of Hawaii. As a member of the National Alliance of Public Charter Schools (NAPCS), HPCSN attends training and education on national charter school issues through a series of master classes. Finnegan brings this knowledge and access to national best

practices and experiences back to Hawaii to guide the advancement of Hawaii's public charter school sector.

In turn, under the leadership of Executive Director Finnegan and with the support of the HPCSN Board, HPCSN increased its revenue by over 300% since December 2010 and worked with charter school stakeholders, legislators, NAPCS and the National Association of Charter School Authorizers (NACSA) to overhaul the Hawaii charter school law (Act 130, SLH 2012).

HPCSN will continue to partner with some of the best charter support organizations across the nation through NAPCS master classes, conferences and State Leader Committee (SLC) meetings to inform the development and implementation of a quality charter school support program for public charter schools in Hawaii.

On the other hand, but equally important to developing this support program, are relationships and working experiences with charter school stakeholders. HPCSN has had a vast amount of meetings with people from DOE, Board of Education (BOE), Commission and other state departments. HPCSN also conducts charter school leader meetings, webinars and school visits to connect with HPCSN members. HPCSN understands Hawaii's charter school landscape from a variety of perspectives and is uniquely situated to design and provide needed quality support services.

Listing of contracts or related experiences:

- Kamehameha Schools, Ho'olako Like Department – Contract to provide services to Kamehameha Schools and charter schools (2012-2014)
- Charter schools – Online quality standards portal
- Charter schools – Online risk management training
- Charter schools – 1:1 Chromebook Pilot Project

B. Facilities

HPCSN's office is located at 600 Queen Street, C-4, Honolulu, HI 96813. There is sufficient space for 3 staff members. Currently HPCSN has 2.5 staff members and a part-time technology assistant that works remotely. Consequently, there is adequate office space for the one additional position (Director of School Support) being requested under this grant-in-aid.

V. Personnel: Project Organization and Staffing

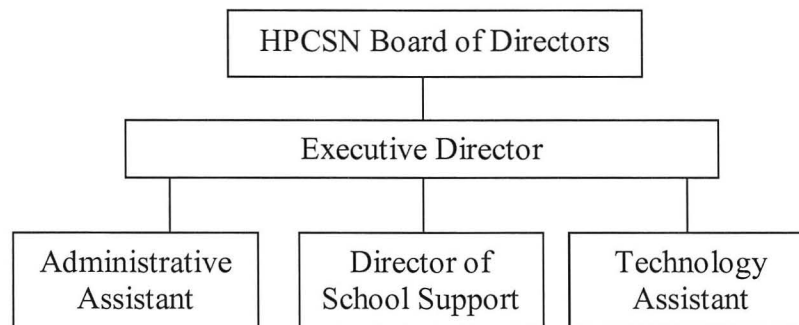
A. Proposed Staffing, Staff Qualifications, Supervision and Training

The HPCSN Executive Director, Lynn Finnegan, will hire and supervise the Director of School Support. The Director of School Support will be responsible for planning, developing and implementing the fee-based service program.

Lynn Finnegan has three years of experience as the Executive Director of HPCSN; eight years of experience in the Hawaii State House of Representatives, five of which were as the Minority Leader; and other relevant work experiences including small business ownership.

During this time Finnegan has obtained the necessary skills in communications, management, hiring, training, supervising and project management to successfully implement this new support program.

B. Organization Chart



C. Compensation

Executive Director: \$90,000.00/year
Administrative Assistant: \$31,200/year
Technology Assistant: \$15.00/hour (part-time)

VI. Other

A. Litigation


Not applicable.

B. Licensure or Accreditation

No licensures or accreditations are needed to identify, plan and develop fee-based support services. Where a specific service requires licensure or accreditation (e.g., services performed by a Certified Public Accountant), HPCSN will contract with a third-party vendor that possesses the required licenses or accreditation.

BUDGET REQUEST BY SOURCE OF FUNDS
(Period: July 1, 2014 to June 30, 2015)

Applicant: Hawaii Public Charter Schools Network

BUDGET CATEGORIES	Total State Funds Requested (a)	(b)	(c)	(d)
A. PERSONNEL COST				
1. Salaries	60,000			
2. Payroll Taxes & Assessments	15,000			
3. Fringe Benefits				
TOTAL PERSONNEL COST	75,000			
B. OTHER CURRENT EXPENSES				
1. Airfare, Inter-Island				
2. Insurance				
3. Lease/Rental of Equipment				
4. Lease/Rental of Space				
5. Staff Training				
6. Supplies				
7. Telecommunication				
8. Utilities				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
TOTAL OTHER CURRENT EXPENSES				
C. EQUIPMENT PURCHASES				
D. MOTOR VEHICLE PURCHASES				
E. CAPITAL				
TOTAL (A+B+C+D+E)	75,000			
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	75,000	LYNN FINNEGAN	741-5966	
(b)		Name (Please type or print) Phone		
(c)				
(d)				
TOTAL BUDGET	75,000	LYNN FINNEGAN, EXECUTIVE DIRECTOR Name and Title (Please type or print)		

BUDGET JUSTIFICATION PERSONNEL - SALARIES AND WAGES

Applicant: Hawaii Public Charter Schools Network

Period: July 1, 2014 to June 30, 2015

POSITION TITLE	FULL TIME EQUIVALENT	ANNUAL SALARY A	% OF TIME ALLOCATED TO GRANT REQUEST B	TOTAL STATE FUNDS REQUESTED (A x B)
Director of School Support	1.0	\$75,000.00	100.00%	\$ 75,000.00
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
TOTAL:				75,000.00

JUSTIFICATION/COMMENTS:
 HPCSN requests one full-time position to hire a Director of School Support who will be responsible for the planning, development and implementation of fee-based support services to charter schools.

BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Applicant: Hawaii Public Charter Schools Network Period: July 1, 2014 to June 30, 2015

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
None			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:			\$ -	
JUSTIFICATION/COMMENTS:				

DESCRIPTION OF MOTOR VEHICLE	NO. OF VEHICLES	COST PER VEHICLE	TOTAL COST	TOTAL BUDGETED
None			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:			\$ -	
JUSTIFICATION/COMMENTS:				

BUDGET JUSTIFICATION CAPITAL PROJECT DETAILS

Applicant: Hawaii Public Charter Schools Network

Period: July 1, 2014 to June 30, 2015

FUNDING AMOUNT REQUESTED						
TOTAL PROJECT COST	ALL SOURCES OF FUNDS RECEIVED IN PRIOR YEARS		STATE FUNDS REQUESTED	OF FUNDS REQUESTED	FUNDING REQUIRED IN SUCCEEDING YEARS	
	FY: 2012-2013	FY: 2013-2014	FY:2014-2015	FY:2014-2015	FY:2015-2016	FY:2016-2017
PLANS						
LAND ACQUISITION						
DESIGN						
CONSTRUCTION						
EQUIPMENT						
TOTAL:						
JUSTIFICATION/COMMENTS:						

**DECLARATION STATEMENT OF
APPLICANTS FOR GRANTS AND SUBSIDIES PURSUANT TO
CHAPTER 42F, HAWAII REVISIED STATUTES**

The undersigned authorized representative of the applicant certifies the following:

- 1) The applicant meets and will comply with all of the following standards for the award of grants and subsidies pursuant to Section 42F-103, Hawaii Revised Statutes:
 - a) Is licensed or accredited, in accordance with federal, state, or county statutes, rules, or ordinances, to conduct the activities or provide the services for which a grant or subsidy is awarded;
 - b) Complies with all applicable federal and state laws prohibiting discrimination against any person on the basis of race, color, national origin, religion, creed, sex, age, sexual orientation, or disability;
 - c) Agrees not to use state funds for entertainment or lobbying activities; and
 - d) Allows the state agency to which funds for the grant or subsidy were appropriated for expenditure, legislative committees and their staff, and the auditor full access to their records, reports, files, and other related documents and information for purposes of monitoring, measuring the effectiveness, and ensuring the proper expenditure of the grant or subsidy.
- 2) The applicant meets the following requirements pursuant to Section 42F-103, Hawaii Revised Statutes:
 - a) Is incorporated under the laws of the State; and
 - b) Has bylaws or policies that describe the manner in which the activities or services for which a grant or subsidy is awarded shall be conducted or provided.
- 3) If the applicant is a non-profit organization, it meets the following requirements pursuant to Section 42F-103, Hawaii Revised Statutes:
 - a) Is determined and designated to be a non-profit organization by the Internal Revenue Service; and
 - b) Has a governing board whose members have no material conflict of interest and serve without compensation.

Pursuant to Section 42F-103, Hawaii Revised Statutes, for grants or subsidies used for the acquisition of land, when the organization discontinues the activities or services on the land acquired for which the grant or subsidy was awarded and disposes of the land in fee simple or by lease, the organization shall negotiate with the expending agency for a lump sum or installment repayment to the State of the amount of the grant or subsidy used for the acquisition of the land.

Further, the undersigned authorized representative certifies that this statement is true and correct to the best of the applicant's knowledge.

Hawaii Public Charter Schools Network

1-31-2014
(Date)

Lynn Finnegan, Executive Director