



COLORADO
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GATHER, VERIFY, TRACK: AN APPROACH TO DUE DILIGENCE

Adam Emerson, Florida Department of
Education
Jenna Hodgens, Hillsborough County
Public Schools
Elisa Westapher, NACSA

KEY QUESTIONS

What is due diligence?

Why is it important to conduct due diligence?

How can I develop my own due diligence process?

DUE DILIGENCE DEFINED

“**Due diligence**” generally refers to the care a reasonable person should take before entering into an agreement or a transaction with another party” or “the research and analysis of a company or organization done in preparation for a business transaction.”

DIY DUE DILIGENCE

- Analyze information gathered in RFP; fact check
- Other authorizers
- Simple online research
- Capacity Interview
- Alignment between narrative, budget, and management agreement (if applicable)

NACSA's *Principles and Standards for Quality Authorizing* advise authorizers to conduct "due diligence to examine the applicant's experience and capacity" when experienced charter school operators apply for a new school.



NACSA DUE DILIGENCE REPORTS

- Experienced operators
- Comprehensive report on an experienced operator's academic, financial, and organizational track record
- Factual; no judgments
- Application specific
- Inform interview questions/areas of clarification

FLORIDA DEPARTMENT OF EDUCATION

The Model Application and Due Diligence

Adam Emerson, Charter Schools Director

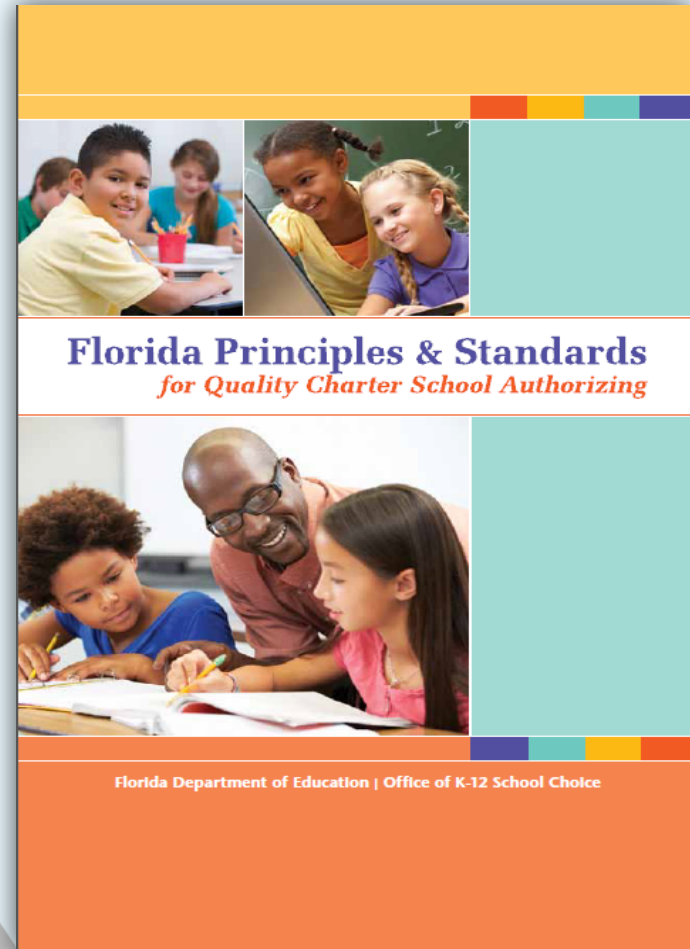


MODEL FLORIDA CHARTER SCHOOL APPLICATION

- Required for all applicants and authorizers
- Developed in consultation with districts, operators, and national experts (2009)
- Districts may request additional information (section 1002.33(6)(a)6., Florida Statutes)
- Recent and proposed revisions

MODEL FLORIDA CHARTER SCHOOL APPLICATION

- Recent and Proposed Revisions
 - Guided by Principles and Standards
 - Raising the bar
 - Rigor
 - Scope
 - Clarity



MODEL APPLICATION REVISIONS

- Applicant History Worksheet
 - Completed by applicants with previous charter school experience
 - Individual (leadership), governing board, management company
 - Five years of data per charter school
 - Active/closed
 - Enrollment and FRL
 - Academic and financial performance

MODEL APPLICATION WORKSHEET

■ Aligned with Principles and Standards

- *Accept proposals from first-time charter applicants as well as existing school operators/replicators, while taking into consideration past performance, experience and capacity (Standard 2.A.2)*
- *Grant charters only to applicants that have demonstrated competence and capacity to succeed in all aspects of the school, consistent with the stated approval criteria (Standard 2.C.5)*
- *Rigorously evaluate each application through a thorough review of the written proposal, a substantive interview with the applicant group, and other due diligence to examine the applicant's experience and capacity, conducted by knowledgeable and competent evaluators (Standard 2.C.6)*

ADDITIONAL INITIATIVES

- Florida Principles and Standards for Quality Authorizing
- Comprehensive Authorizer Evaluations
 - Conducted by NACSA
 - No cost to district
 - Five completed, three scheduled
 - Five years of data per charter school
- Applicant interview training
- Additional tools
 - NACSA database (beta)
 - Charter School Search (beta)

HILLSBOROUGH COUNTY PUBLIC SCHOOLS

Due Diligence in Action

Jenna Hodgens, General Director, Charter Schools



APPLICATION PROCESS OVERVIEW

- Potential Applicant meeting
- Technical Assistance as requested by applicant

Once submitted:

- Presentation by applicant
- Review of application as individual reviewer
- Review team meetings
- Interview with applicant
- Recommendation to the Superintendent
- Recommendation to the Board by the Superintendent

DUE DILIGENCE – PRIOR TO SUBMITTAL

- Meeting with applicant/applicant group
- Looking at past history
- Amount of knowledge and expertise possessed by the group

DUE DILIGENCE - DURING REVIEW PROCESS

- Consider past performance of applicant, management organization, and governing board
- Google information
- Call board members who do not show up to presentation or interview
- Consult with other authorizers who have worked with the applicant through application or operation
- DOE tracker
- NACSA tracker

CAPACITY DOES MATTER AND CAN BE USED FOR DENIAL OF AN APPLICATION

NACSA'S CHARTER OPERATOR TRACKER

(Beta Version - aka the "Tracker")

- Searchable database of information about EMOs/CMOs.
- Compilation of basic, factual information
 - Schools currently operating
 - Schools by state
 - Enrollment by school/state
 - Authorizers
- Operator-Verified Data/Updated Annually

WHY BUILD THE TRACKER?

- Reliable current information does not exist in one place.
- Make information easily accessible in a central location.
- Help authorizers do their own due diligence.

THE TRACKER (Beta Version) LAUNCH

- Florida Pilot
 - Introduced to coincide with Florida's **August 1st** statewide application submission deadline.
- Improve and expand the scope of the Tracker.
 - 1-2 additional states 2015-16
 - Annual update of information

LET'S TAKE A TOUR!





**WHAT'S YOUR APPROACH
TO DUE DILIGENCE?**

QUESTIONS?