



Tuesday, August 17, 2021
Rocketship Public Schools Business Committee (2021-22 Q1)

Meeting Time: 10:30am to 12:30pm

Webinar link: <https://rocketshipschools.zoom.us/j/88602313295>

Public Comment: Members of the public can make comment on off-agenda items at the start of the meeting, and on agenda items immediately preceding the board's discussion of each item. Please use the webinar's "raise hand" feature to indicate you would like to make a comment. You will be recognized once the public comment time begins, and will be unmuted by the host and permitted to make comment for a duration of up to 3 minutes.

1. Open Items

- A. Call to order
- B. Public comment on off-agenda items

2. Information Items

- A. List of checks in excess of \$100,000

3. Consent Items

- A. Approve minutes from May 18, 2021 Business Committee meeting

4. Agenda Items

- A. FY20-21 End of Year financial review
- B. FY21-22 Annual plan and budget review
- C. Business updates

5. Adjourn

THE ORDER OF BUSINESS AND TIMINGS MAY BE CHANGED WITHOUT NOTICE: Notice is hereby given that the order of consideration of matters on this agenda may be changed without prior notice, provided that the Board takes action to effectuate such change.

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Rocketship Education
Checks signed in excess of \$100,000
Apr 2021 - Jun 2021

Check Date	Check #	Vendor and Invoice #	Invoice Amount	Amount of check	
Reoccurring Monthly Budgeted Expenditures (Policy #138 August 2014)					
Subtotal by category					
Group health					
4/20/2021	43638	Cigna 2805679	439,378.27	439,378.27	
5/24/2021	43868	Cigna 2820538	431,091.04	431,091.04	
6/15/2021	44007	Cigna 2335756-0621	19,004.99		
		Cigna 2835301	420,446.41	439,451.40	
4/27/2021	EFT	Kaiser Foundation Health Plan 03/02/2021 - 04/01/2021	272,765.18	272,765.18	
5/24/2021	EFT	Kaiser Foundation Health Plan 04/02/2021 - 05/01/2021	271,065.35	271,065.35	
6/24/2021	EFT	Kaiser Foundation Health Plan 05/02/2021 - 06/01/2021	284,823.38	284,823.38	
					\$ 2,138,574.62
Software - Assessments - Manage fee and Step OAS Licenses FY21					
5/18/2021	43826	UChicago Impact LLC ST4447	179,430.00	179,430.00	
					\$ 179,430.00
DC_FY21_PropertyTx_Settlement					
6/30/2021	44112	Launchpad Development Company	176,933.10	176,933.10	
					\$ 176,933.10
Laptops & Licenses for Staff					
6/17/21	ACH	Apple Inc. AF06918840	115,380.43		
		Apple Inc. AF07073191	11,833.89		
		Apple Inc. AF07139548	1,972.32	129,186.64	
					\$ 129,186.64
MNPS BEP Duplicate Payment Refund					
6/22/21	44046	Metropolitan Nashville Public Schools	563,273.33	563,273.33	
					\$ 563,273.33
Budgeted Expenditures - not recurring payments					
Example	Jumpstart School startup online programs or furnitures.				
Total - All checks signed in excess of \$100,000					<u>\$ 3,187,397.69</u>

Rocketship Public Schools Business Committee (2020-21 Q4) (Tuesday, May 18, 2021)

Generated by Rachel Heredia on Friday, August 06, 2021

1. Opening Items**A. Call to order**

At 10:32am, Mr. Terman took roll call. With a quorum of committee members present, Mr. Terman called the meeting to order.

Present: Alex Terman, Greg Stanger, Charmaine Detweiler, Louis Jordan, Mike Fox

Advisors: Emily Alwood

B. Public comment on off-agenda items

At 10:33am, Mr. Terman called for public comment on off-agenda items. While members of public were in attendance via Zoom, no comment was made.

2. Information Item**A. Listing of checks in excess of \$100,000**

At 10:35am, the committee discussed and acknowledged the information items.

3. Consent Items**A. Approve minutes from February 16, 2021 Business committee meeting**

At 10:36am, Mr. Terman called for a motion to approve the consent items. A motion was made by Mr. Stanger, seconded by Mr. Jordan, and carried unanimously by roll call vote.

Y: Alex Terman, Greg Stanger, Charmaine Detweiler, Louis Jordan, Mike Fox

N: --

Abstain: --

4. Agenda Items**A. Financial overview and 2020-21 forecast**

At 10:38am, the committee discussed agenda item 4(A).

B. Review 2021-22 annual plan and recommend approval of 2021-22 budget to Rocketship Board of Directors

At 12:02pm, Mr. Terman called for a motion to recommend to the Rocketship Public Schools Board of Directors approval of the 2021-22 budget. A motion was made by Ms. Detweiler, seconded by Mr. Stanger, and carried unanimously by roll call vote.

Y: Alex Terman, Greg Stanger, Charmaine Detweiler, Louis Jordan, Mike Fox

N: --

Abstain: --

C. Review real estate project updates and approve the new maturity date for Rocketship Mosaic and Rocketship Alma leases, associated with the refinancing of the existing longer term facility debt financing via Launchpad

At 12:17pm, Mr. Terman called for a motion to approve the new maturity date for Rocketship Mosaic and Rocketship Alma leases. A motion was made by Mr. Stanger, seconded by Mr. Jordan, and carried unanimously by roll call vote.

Y: Alex Terman, Greg Stanger, Charmaine Detweiler, Louis Jordan, Mike Fox

N: --

Abstain: --

D. Recommend adoption of California Expanded Learning Opportunities Grant Plan to Rocketship Board of Directors

At 12:26pm, Mr. Terman called for a motion to recommend to the Rocketship Public Schools Board of Directors approval of the California Expanded Learning Opportunities Grant Plans. A motion was made by Ms. Detweiler, seconded by Mr. Jordan, and carried unanimously by roll call vote.

Y: Alex Terman, Greg Stanger, Charmaine Detweiler, Louis Jordan, Mike Fox

N: --

Abstain: --

5. Adjourn

At 12:28pm, Mr. Terman called for a motion to adjourn the meeting. A motion was made by Mr. Jordan, seconded by Mr. Stanger, and carried unanimously by roll call vote.

Y: Alex Terman, Greg Stanger, Charmaine Detweiler, Louis Jordan, Mike Fox

N: --

Abstain: --

Respectfully Submitted,

Rachel Heredia
Director, Compliance Strategy
Rocketship Public Schools

RPS Business Committee Update August 2021

August 18, 2021

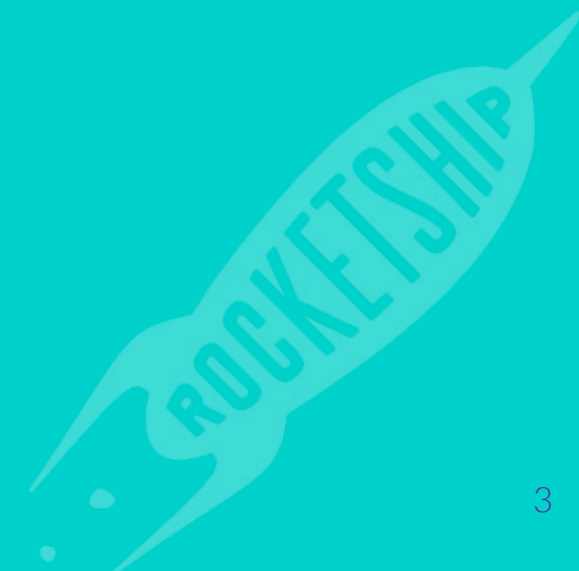


Discussion Overview

- FY20-21 End of Year Financial Review
- FY21-22 Annual Plan and Budget Review
 - Regional FY22 Plans
 - Sustainability and NeST
- Business Updates



FY20-21 End of Year Financial Review



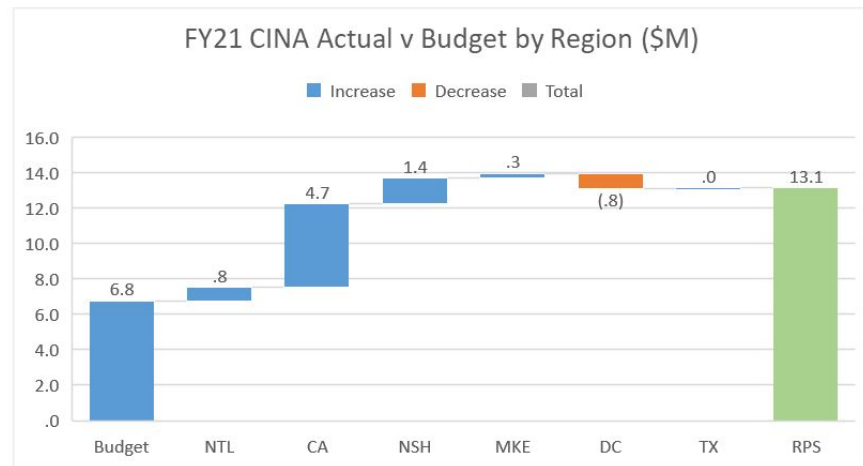
FY2020-21 Year End Financial Snapshot

FY21 FY			
	Actual RPS	Budget RPS	Variance
Federal Income	19,196	26,046	(6,850)
State Revenue Sources	133,314	130,359	2,955
Other Local Revenues	649	1,058	(410)
Internal Transfers and Fees	-	-	-
Grants and Fundraising	5,742	7,035	(1,292)
Total Revenues	158,901	164,497	(5,597)
Compensation	85,659	88,399	(2,740)
Non Compensation	39,663	50,227	(10,564)
Rent	20,465	19,108	1,357
Network Service Fees	-	-	-
Expense	145,787	157,734	(11,947)
CINA	13,114	6,763	6,351
Cash	42,198	30,092	12,105

- Each region realized a CINA better than budget with the exception of DC and TX.
- DC negative variance is due to non-cash lease expense.

Variance

- Positive variance in CINA is primarily driven by savings associated with remote instruction
- Positive variance in cash is primarily driven by CINA, deferred revenue and the SJUSD settlement.



Note: Consolidated financial statements now eliminate intercompany transactions reducing revenues and expenses with no impact to CINA.

FY21 Budget to Actuals: All RPS

	FY21 Actuals									
(\$000)	CA	MKE	NSH	DC	TX	NTL	Elim	RPS	FY21 B	Variance
Federal Income	12,396	1,440	1,247	3,953	0	160		19,196	26,046	(6,850)
State Revenue Sources	83,208	6,356	12,947	30,802	0	0		133,314	130,359	2,955
Other Local Revenues	107	31	127	205	0	178		649	1,058	(410)
Int Transfers/Network Support Fee	5,012	457	702	1,341	835	14,973	(23,320)	-	-	-
Grants and Fundraising	433	379	191	814	1	3,925		5,742	7,035	(1,292)
Revenues	117,108	10,672	17,302	43,115	1,648	20,762	(23,320)	158,901	164,497	(5,597)
Compensation	49,232	4,553	7,067	12,678	521	11,608		85,659	88,399	2,740
Non Compensation	17,649	2,167	3,186	12,821	302	5,748	(2,210)	39,663	50,227	10,564
Rent	11,402	652	1,079	7,160	1	171		20,465	19,108	(1,357)
Network Service Fee	13,912	1,071	2,105	4,022	0	0	(21,110)	0	0	0
Expense	92,195	8,442	13,437	36,682	824	17,527	(23,320)	145,787	157,734	11,947
CINA	8,961	221	1,777	434	12	1,709	-	13,114	6,763	6,351
Budgeted CINA	4,281	(33)	328	1,263	2	923		6,763		
Variance	4,680	254	1,450	(830)	10	786		6,351		
Cash Balance	27,499	724	2,708	5,150	123	5,993	-	42,198	30,092	12,105
Net Assets	41,645	(3,010)	799	(3,124)	9	10,003	-	46,323	39,972	6,351

Balance Sheet: Strong Increase in Cash and Net Assets

- FY21 ended the year with
 - \$79M total assets
 - \$32M total liabilities
 - \$46M net assets
 - \$42M cash
- FY21 shows significant increase in cash and net assets
- FY21 days cash on hand (DCOH) has increased to 106 meeting industry best practice

Balance Sheet RPS	6/30/2019	6/30/2020	6/30/2021
(000s)	RPS	RPS	RPS
Cash and cash equivalents	30,060	30,806	42,198
Accounts Receivable	12,585	19,026	25,524
Prepaid	2,967	3,558	5,892
Security Deposits	436	431	450
Property, plant & equipment	5,009	4,777	4,466
Total Assets	51,057	58,598	78,529
Accounts Payable	7,779	3,794	6,049
Accrued Liabilities	3,461	3,755	3,647
Deferred Revenue	912	1,582	5,046
Deferred Lease Liability	7,757	8,385	10,671
Long-Term Loans	2,525	7,873	6,793
Total Liabilities	22,434	25,389	32,206
Net Assets	28,624	33,209	46,323
Total Liabilities and Net Assets	51,057	58,598	78,529

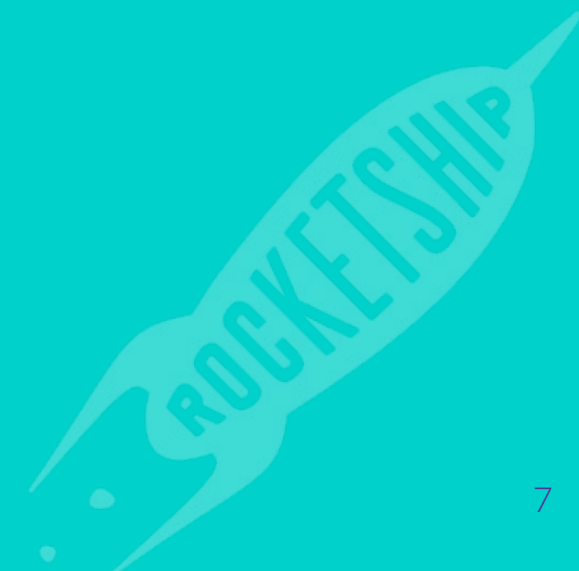
Change in Days Cash on Hand



Total Cash and Net Assets by Year



FY21-22 Annual Plan and Budget Review

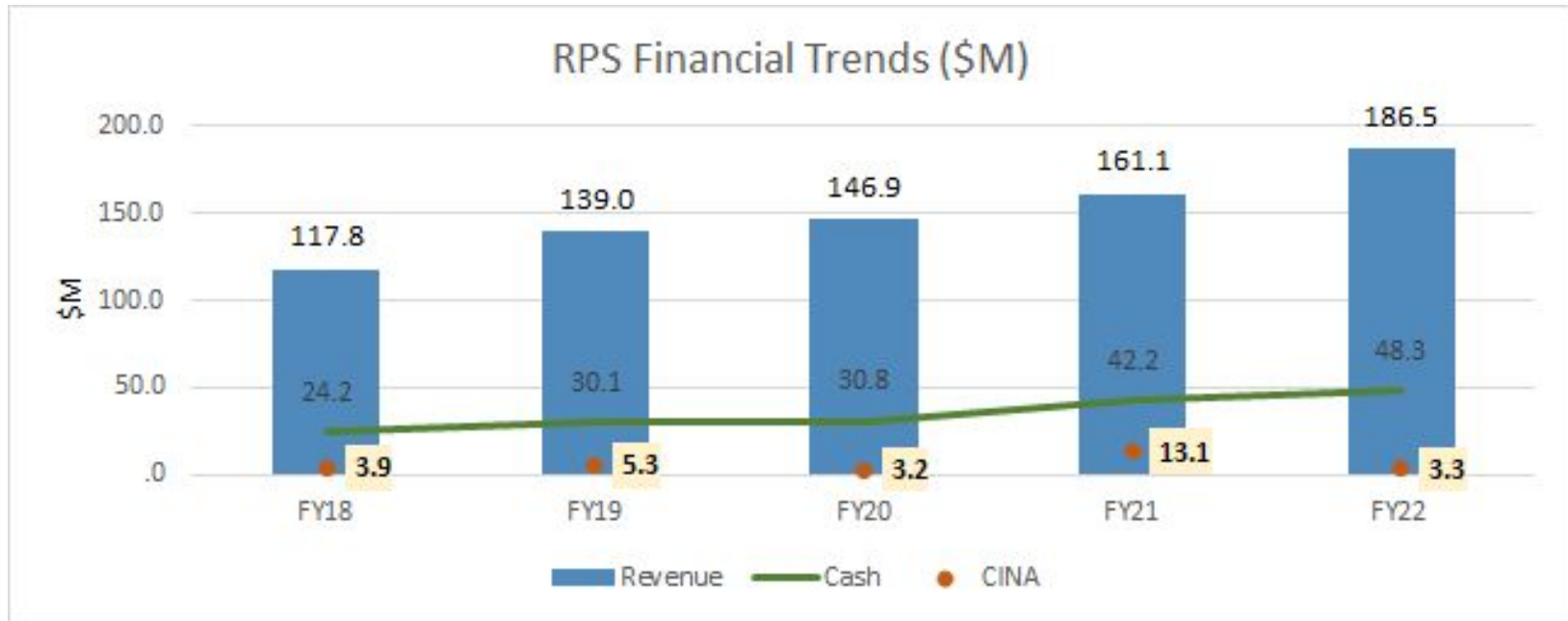


Financial plan responding to changing School and economic environment

		May/June	August Update
Key Considerations			<ul style="list-style-type: none"> • 100% return to in-person learning • Pandemic resurgence would not negatively impact CINA • COVID relief fund compliance requirements
Revenue: Per pupil funding		<ul style="list-style-type: none"> • CA Governor's May revision included 5.07% super COLA • DC Mayor's Budget of 3.6% per pupil increase and added weighting of funds for at-risk students • NSH assumed continuation of FY21 ~\$500 per pupil increase 	<ul style="list-style-type: none"> • Per pupil revenues have increased significantly in CA and TN from earlier projections. • Additional revenue offsets losses for schools with changes to enrollment assumptions.
Revenue: Enrollment		<ul style="list-style-type: none"> • Positive intent to return response improving CA projections • DC, MKE, NSH targets close or at BET - growth at RIC and RTP • Monitoring RNNE lower grade levels • TK/K below BET network wide 	<ul style="list-style-type: none"> • We are using conservative estimates. • Enrollment is expected to grow through August and September. • Day 1 enrollment is unpredictable for FY22 as a result of transition to in-person learning.
Expense: School Operations		<ul style="list-style-type: none"> • Comp increases due to COVID funding staffing investments and rate increases • Non-comp expenses return to prior levels 	<ul style="list-style-type: none"> • Kept CINA constant for most schools <ul style="list-style-type: none"> ◦ Increased expenses in line with increase in revenue and increase in enrollment ◦ Decreased expenses in line with decrease in enrollment



FY22 Trends August Update



Trends:

- Cash is projected to increase to \$48.3M in FY22
- Revenues growth is anticipated to be 16% from FY21 to FY22
- 11% of FY22 revenue growth related to one-time funding across network
- Change in CINA:
 - FY22 CINA is in line with CINA for FY18-FY20.
 - FY21 CINA was an exception due in large measure to savings associated with remote learning, loan forgiveness, and stimulus funding.

FY22 August Budget Overview

	FY22 Budget		
(\$000)	Jun FY22 B	Aug FY22 B	Change
Federal Income	29,326	28,957	(369)
State Revenue Sources	146,547	148,438	1,890
Other Local Revenues	1,516	1,471	(45)
Grants and Fundraising	6,320	6,320	
Revenues	183,710	185,186	1,476
Compensation	106,668	106,049	(618)
Non Compensation	53,771	55,262	1,490
Rent	20,572	20,554	(18)
Expense	181,011	181,865	854
CINA	2,699	3,321	622
Projected Cash Balance	41,393	48,331	6,938

FY22 Budget

- Proposed August budget:
 - Revenue \$185.2M
 - Expense \$181.9M
 - CINA \$3.3M
- Changes from the June Budget:
 - Revenues increased by \$1.5M
 - Expenses increased by \$861K
 - CINA increased by \$615K
 - Cash increased by \$6.9M
- Kept CINA constant for most schools from June to August budgets.

FY22 Enrollment update by region

- Modest YoY enrollment growth in East Bay, DC and MKE
- NSH is showing a decline in enrollment driven in large measure by an anticipated decrease in enrollment for RNNE.
- Expenses have been adjusted to offset the YoY change.
- The August budgeted enrollment is 3% lower than BET to account for attrition and as a conservative measure.
- Return to in-person instruction has changed recruiting planning and family outreach and increased uncertainty
- Schools are using conservative enrollment estimates and we anticipate enrolling additional students through August and into September.

FY22 Enrollment				
	FY22 BET	Jun Budget	Aug Budget	YoY Change
CA	7,183	6,986	7,015	83
MKE	784	769	765	67
NSH	1,091	1,032	1,003	(49)
DC	1,643	1,643	1,595	75
TOTAL	10,701	10,430	10,378	175



Enrollment Updates

FY22 Enrollment			
	Jun Budget	Aug Budget	Jun - Aug Change
RMS	502	495	(7)
RSSP	365	367	2
RLS	456	443	(13)
ROMO	625	625	-
RDP	525	515	(10)
RBM	590	590	-
RSA	517	524	7
RSK	621	621	-
RFZ	620	620	-
RRS	610	615	5
RRWC	323	319	(4)
RFA	646	660	14
RDL	585	620	35
CA	6,986	7,015	29
RNNE	470	445	(25)
RUA	562	558	(5)
NSH	1,032	1,003	(29)
RSCP	497	497	-
RTP	272	268	(4)
MKE	769	765	(4)
RISE	707	670	(37)
RLP	681	685	4
RIC	255	240	(15)
DC	1,643	1,595	(48)
Total	10,430	10,378	(53)

- Preliminary enrollment projections as of early August show enrollment increases in six campuses as compared to the June budget.
 - CINA was held constant at most of these schools by increasing expenses
- Preliminary conservative enrollment projections show decreases at nine schools as compared to June.
 - We expect enrollment to continue to grow through August
 - Plans are less predictable than in prior years as a result of distance learning
 - For most of the schools that are falling short, CINA has been maintained through increases in revenue
 - For other schools, CINA was kept constant through decreases in expenses.



FY22 August Budget: RPS Summary by Region

Recommendation
Board approval

	FY22 Budget										
(\$000)	CA	MKE	NSH	DC	TX	NTL	Elim	Aug RPS	Jun FY22 B	FY21 B	FY21 Act
Federal Income	14,641	2,610	4,320	6,705	430	250		28,957	29,326	26,046	19,196
State Revenue Sources	96,369	6,921	11,825	33,324	0	0		148,438	146,547	130,359	133,314
Other Local Revenues	193	200	0	1,006	0	72		1,471	1,516	1,058	649
Int Transfers/Network Support Fee	5,905	541	757	1,581	18	16,620	(25,421)	0	-	-	-
Grants and Fundraising	0	400	400	500	1,200	3,820		6,320	6,320	7,035	5,742
Revenues	117,108	10,672	17,302	43,115	1,648	20,762	(25,421)	185,186	183,710	164,497	158,901
Compensation	60,722	6,069	8,561	16,115	1,115	13,466		106,049	106,668	88,399	85,659
Non Compensation	26,111	2,906	4,618	15,584	325	7,150	(1,432)	55,262	53,771	50,227	39,663
Rent	11,340	592	1,079	7,348	18	177		20,554	20,572	19,108	20,465
Network Service Fee	15,601	1,322	2,270	4,743	53	0	(23,989)	0	0	0	0
Expense	113,774	10,890	16,528	43,790	1,511	20,793	(25,421)	181,865	181,011	157,734	145,787
CINA	3,334	(218)	773	(675)	136	(30)		3,321	2,699	6,763	13,114
Projected Cash Balance	32,525	499	2,706	6,130	198	6,273	-	48,331	41,393	30,092	42,198
Projected Net Assets	44,979	(3,227)	1,572	(3,798)	145	9,973	-	49,644	45,588	39,972	46,323

*DC CINA is positive \$872K when adjusted for \$1.6M non-cash lease expense

Cash and Liquidity Projection/Balance Sheet

Budgeted Balance Sheet - 6/30/22									6/31/21
(000s)	National	CA	MKE	NSH	DC	TX	Elim	RPS	RPS
Cash and cash equivalents	6,273	32,525	499	2,706	6,130	198		48,331	42,198
Accounts Receivable	1,202	13,012	997	688	577	49	(1,580)	14,945	25,524
Prepaid	2,147	3,178	97	182	288	0		5,892	5,892
Security Deposits	5	444	0	0	0	0		450	450
Property, plant & equipment	69	4,276	25	73	24	0		4,466	4,466
Note receivable	6,055	957	865	23	1,526	0	(9,426)	0	0
Total Assets	15,752	54,392	2,482	3,671	8,545	247	(11,006)	74,084	78,529
Accounts Payable	1,428	2,744	210	225	836	59		5,502	6,049
Accrued Liabilities	1,620	638	68	107	234	43		2,710	3,647
Deferred Lease Liability	0	3,680	109	8	8,088	0		11,885	10,671
Deferred network svc fee	0	1,619	3,171	896	2,421	0	(8,106)	0	0
Intercompany Loan	0	250	1,850	150	650	0	(2,900)	0	0
Long-Term Loans	2,941	281	302	714	0	0		4,238	6,793
Total Liabilities	5,990	9,213	5,710	2,099	12,229	102	(11,006)	24,335	32,206
Net Assets	9,773	45,179	(3,227)	1,572	(3,733)	145	0	49,749	46,323
Total Liabilities and Net Assets	15,763	54,392	2,482	3,671	8,496	247	(11,006)	74,084	78,529

Intercompany Loans and Grants

- Four schools will require grants from National in FY22 totaling \$500K
- Grants from national have decreased from \$2.6M in FY20 to \$500K in FY22

Grants From National				
	FY20	Budget FY21	Actual FY21	Budget FY22
RDP		100	200	100
RRWC	350	350	175	200
RFA		50		
RDL	1,052	750		100
RSCP			100	100
RTP	200	200		
RNNE	357			
RUA	228			
NSH3	28			
DC3	100			
TX Region	310	1,350	835	
Total	2,625	2,800	1,310	500

** RSSP, \$175K Interdistrict FY22

Deferral/ Interco Loans	FY20 YE	FY21 YE	FY22
CA	5,450	3,604	1,869
MKE	4,213	4,321	4,771
NSH	1,177	1,246	1,046
DC	2,648	2,421	2,421
Total	13,488	11,591	10,106

- Deferrals and intercompany loans have decreased YoY from \$13.5M in FY20 to \$10.1M in FY22
- Decrease in deferrals and intercompany loans has been most significant in CA.
- MKE is the only region anticipated to increase their deferrals and intercompany loans in FY22.

COVID Relief Funds

	COVID/One Time Revenue				
(\$000s)	FY21	FY22	FY23	FY24	TOTAL
CA	8,199	13,168	11,887	6,904	40,158
MKE	150	2,151	1,800	1,307	5,409
NSH	270	1,288	1,425	733	3,717
DC	731	3,597	3,672	3,600	11,600
TOTAL	9,349	20,205	18,784	12,544	60,883

- Federal and state COVID Relief funding totaling \$61M has been committed across all regions.
- COVID Relief revenue is recognized when funds are expended.
- The intended use of these funds was to respond to the pandemic and provide distance learning in FY21, shifting to safely reopening and mitigating learning loss for the most highly impacted students in FY22-FY24. Examples of how we will use the one-time funds include:
 - Support **student academic needs**: Additional teachers, AP, academic interventionists, paras, supplement after-school programming and summer school, replenish classroom libraries
 - Support **student emotional needs**: Additional social workers, psychologist, ED programming (RISE)
 - **Wellness** support: family wellness programming, staff wellness partnerships
 - Support **safe return to campus**: PPE, staff and student testing
 - Provide **education technology**: Wifi upgrade, chromebooks
- We have budgeted \$20M in COVID Relief spending for FY22 with decreasing amounts for each of the next two years.

Development plan for FY22 extends across regions

	National	CA	MKE	NSH	DC	TX*	Total
(000s)							
FY22 Budgeted Philanthropy	3,700		400	400	500	1,200	6,200
FY21 Actual Philanthropy	3,743	433	379	191	814	1	5,561
Change FY22 vs FY21	(43)	(433)	21	209	(314)	1,199	639

YTD Cash-In/Committed: ~\$4M

- NTL: \$2.4M
- MKE: \$35K
- NSH: \$130K
- DC: \$400K
- TX: FWEP Terms and Payment Schedule in Progress (anticipating ~\$1M+)

Highly Likely Renewal Potential: \$800K

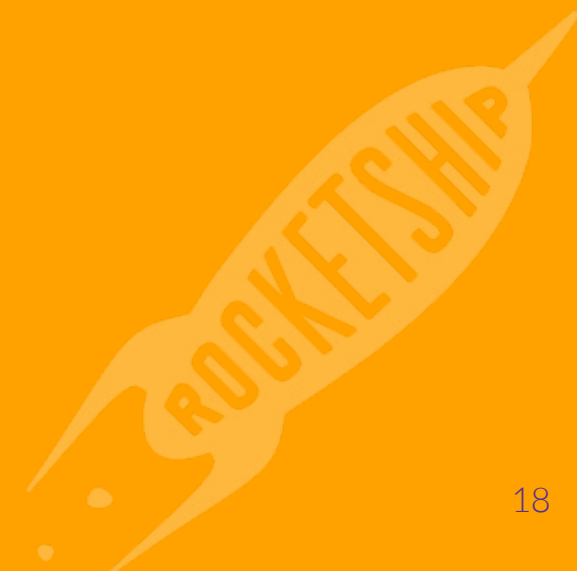
- NTL: \$400K
- MKE: \$250K
- NSH: \$30-40K
- DC \$100K

Current Gap to Goal ~\$2.2M

All regions, including National have FY22 Strategy Plans in place mapping the tactics and quarterly benchmarks needed to raise the remaining \$2.2M.

With \$800K in renewals likely to close, there is **\$1.4M in new money** needed to reach \$6.2M network wide goal.

Regional Detail Updates



CA Schools - FY22 Budget Review

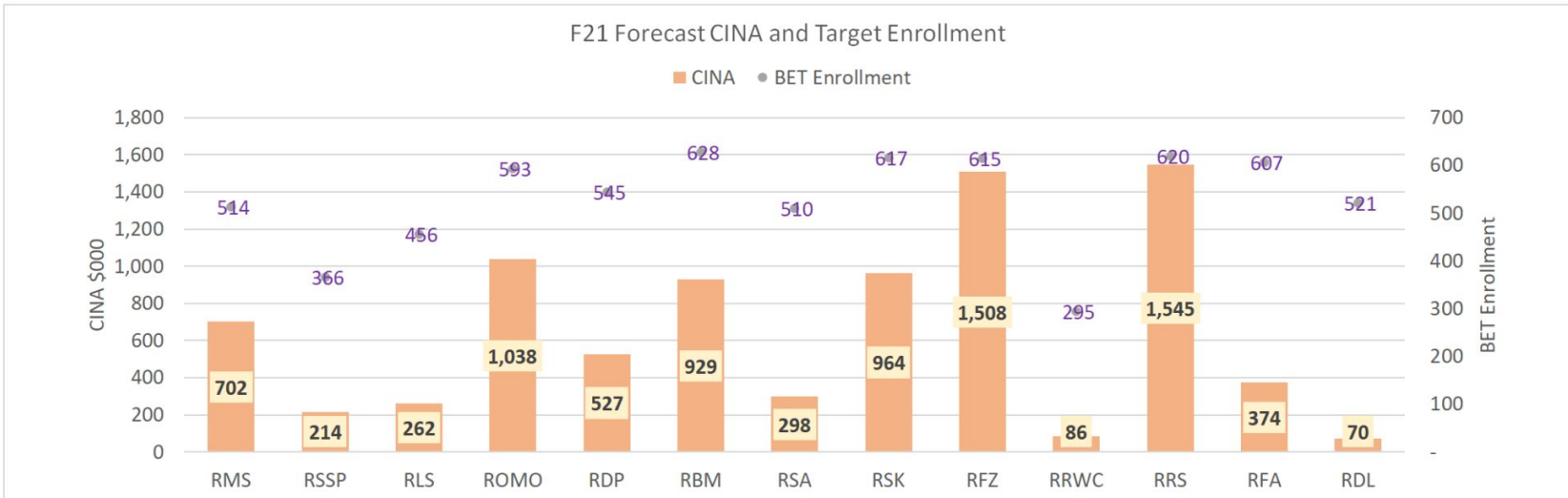
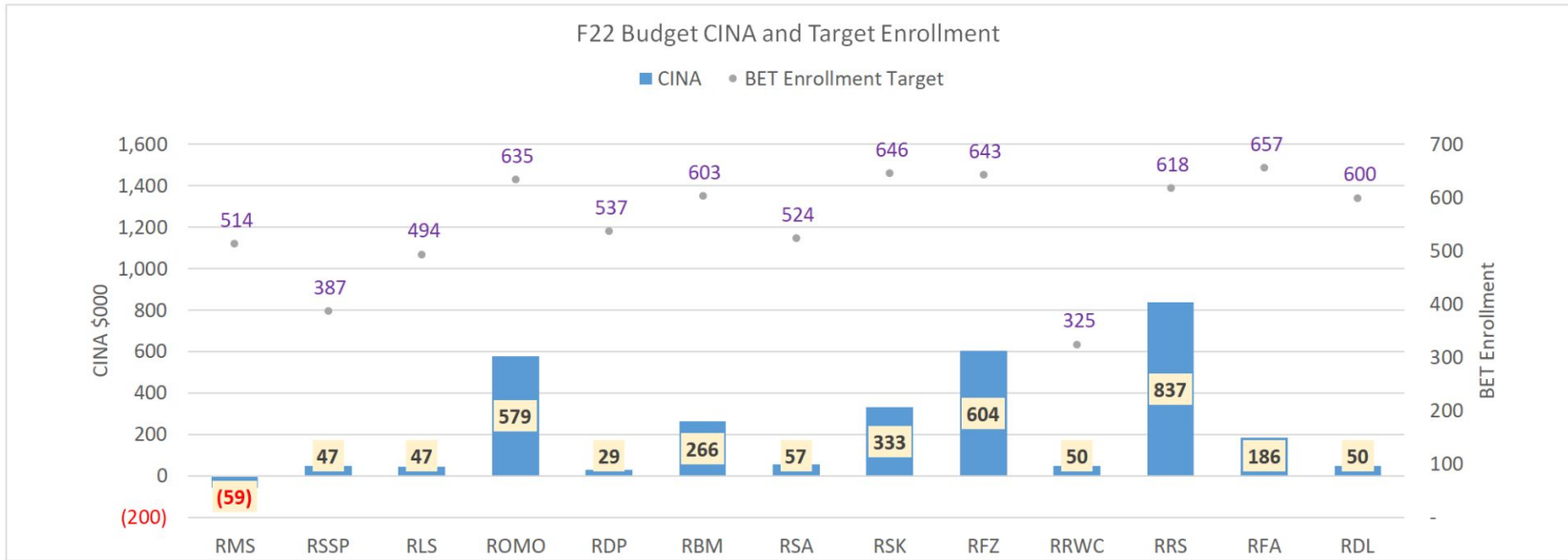
- Region wide school revenue projection of \$112M includes \$5.8M of Federal and \$7.3 M of State COVID-relief funds to support strong and safe in-person reopening
 - Includes \$3M awarded for 2 year CA Community Schools Partnership Program; will fund CareCorp program, tutors, and Mental Health Provider interns at 7 campuses
- State aid reflects increased per pupil funding for at-risk students
- \$10M comp increase due to added staffing to support return to campus and mitigate learning loss and increase in the CA minimum wage.
- Non-comp expenses assume return to more normal rate for books and supplies, contracted substitutes, food service, field trips, travel
- Specific CA Schools detail:
 - East Bay continues to project strong enrollment growth - RFA and RDL
 - South Bay ROMO, RSK, and RFZ continue to project enrollment over 600+
 - RRWC and RSSP smaller size impacts results
 - RDL, still growing enrollment, with ISE service at 11.7%
 - RMS factors include ISE service growth from 5.6% to 9.6% since FY18

CA 2021-22 Proposed Budget

CA	FY2022	FY2022	FY2022	FY2022	FY2021	
	Schools Budget	NeST Budget	Aug Budget	June Budget	Region	
(\$000)					Actual	Budget
Federal Income	14,641	0	14,641	15,177	12,396	17,061
State Revenue Sources	96,369	0	96,369	93,337	83,208	80,371
Other Local Revenues	193	0	193	237	107	204
Int Transfers/Network Support Fee	575	5,330	5,905	5,772	5,212	5,875
Grants and Fundraising	0	0	0	0	433	650
Revenues	111,778	5,330	117,108	114,522	101,356	104,161
Compensation	57,462	3,260	60,722	60,608	49,232	49,206
Non Compensation	24,634	1,477	26,111	24,226	17,649	25,797
Rent	11,056	284	11,340	11,339	11,402	11,281
Network Service Fee	15,601	0	15,601	15,223	13,912	13,595
Expense	108,753	5,021	113,774	111,396	92,195	99,880
CINA	3,025	309	3,334	3,126	9,161	4,281

CA Schools: CINA and Enrollment

CA REGION



August Update: CA School Budget Detail

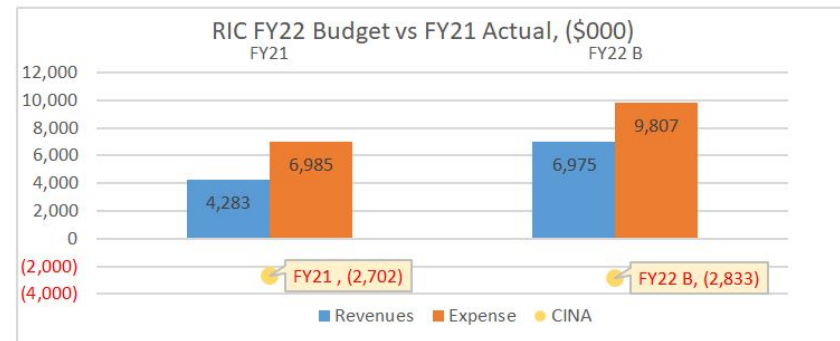
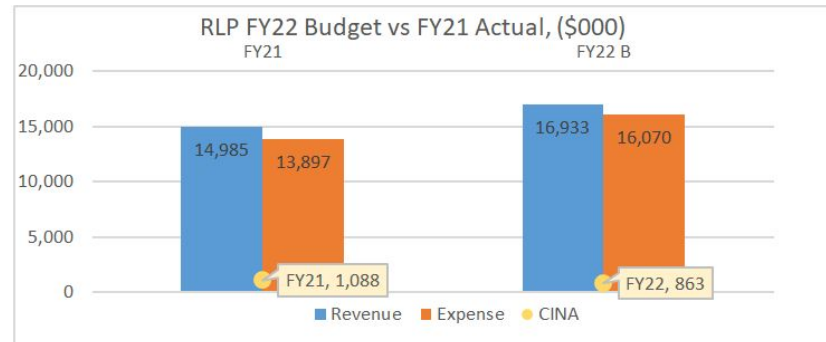
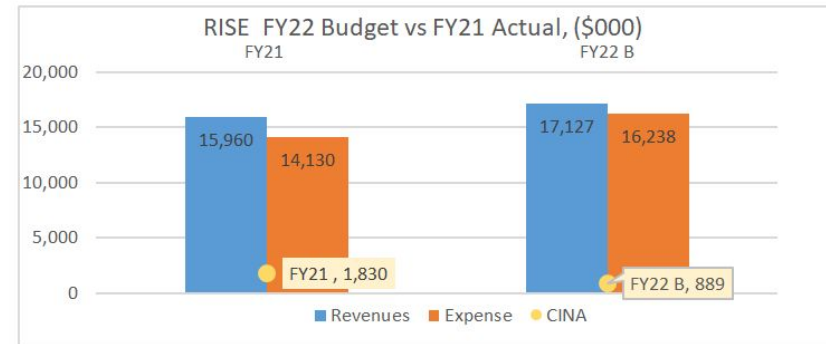
CA REGION

FY22	RMS	RSSP	RLS	ROMO	RDP	RBM	RSA
Federal Income	1,210	950	1,018	1,296	1,340	1,025	1,174
State Revenue Sources	6,711	5,504	6,725	8,832	6,592	8,852	7,013
Internal + Grants	0	175	0	0	100	0	0
Revenue	7,921	6,630	7,743	10,128	8,032	9,877	8,186
Compensation	4,327	3,268	4,243	4,968	4,494	4,909	4,470
Non-Compensation	1,671	1,374	1,488	2,179	1,672	2,206	1,798
Mgmt Fee	1,113	908	1,093	1,426	1,094	1,392	1,146
Rent	868	1,032	872	977	744	1,104	716
Expense	7,980	6,582	7,697	9,550	8,004	9,611	8,129
CINA	(59)	47	47	579	29	266	57
BET Enrollment Target	514	387	494	635	537	603	524

FY22	RSK	RFZ	RRWC	RRS	RFA	RDL	TOTAL CA
Federal Income	1,161	1,187	526	1,103	1,396	1,254	14,641
State Revenue Sources	8,332	9,263	4,214	8,699	7,500	8,325	96,562
Internal + Grants	0	0	200	0	0	100	575
Revenue	9,493	10,450	4,940	9,802	8,896	9,679	111,778
Compensation	4,759	4,571	2,940	4,507	5,113	4,893	57,462
Non-Compensation	2,176	2,348	1,282	2,215	1,977	2,247	24,634
Mgmt Fee	1,347	1,475	643	1,379	1,240	1,346	15,601
Rent	878	1,452	25	865	380	1,143	11,056
Expense	9,160	9,846	4,890	8,965	8,710	9,629	108,753
CINA	333	604	50	837	186	50	3,025
BET Enrollment Target	646	643	325	618	657	600	7,183

DC plan includes revenue growth of \$6M, driven primarily by one-time funding and reopening

- Revenue increase at both RISE and RLP reflect return to in classroom instruction and one-time funding supports; revenue growth of \$1.1M for RISE and \$1.9M for RLP
- RISE and RLP CINA reduction year over year reflects FY21 inclusion of one time non-cash PPP forgiveness
- RIC adding ~80 students, growth and one time funding increasing revenue by \$2.7M
- RIC's negative CINA position is caused, in large measure, by a \$1.3M non-cash lease expense

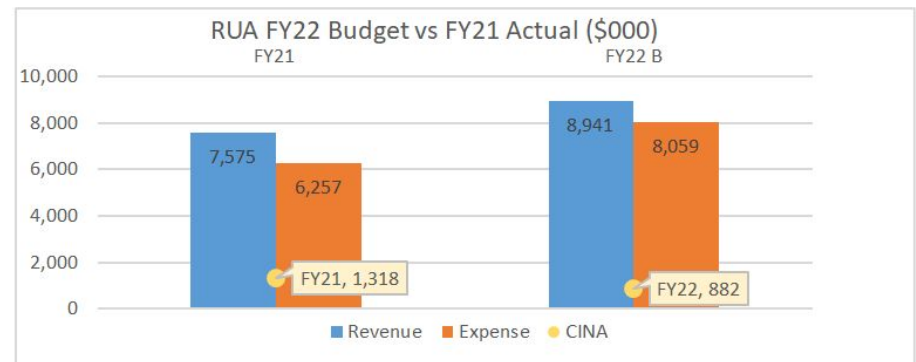
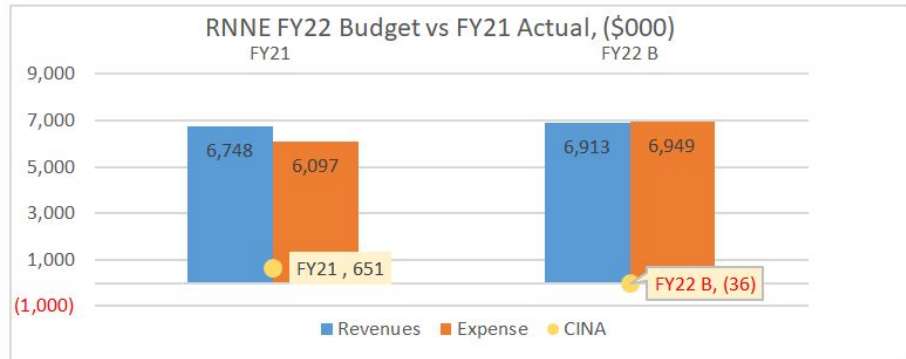


DC 2021-22 Proposed Budget

DC	FY2022	FY2022	FY2022	FY2022	FY2021	
	Schools Budget	NeST Budget	Aug Budget	Jun Budget	Region	
(\$000)					Actual	Budget
Federal Income	6,705	0	6,705	6,776	3,953	4,786
State Revenue Sources	33,324	0	33,324	34,273	30,802	32,344
Other Local Revenues	1,006	0	1,006	1,006	205	781
Int Transfers/Network Support Fee	0	1,581	1,581	1,589	1,341	1,568
Grants and Fundraising	0	0	500	500	814	500
Revenues	41,035	1,581	43,115	44,144	37,115	39,979
Compensation	14,870	1,246	16,115	16,291	12,678	14,042
Non Compensation	15,155	429	15,584	16,386	12,821	14,002
Rent	7,348	0	7,348	7,367	7,095	5,966
Network Service Fee	4,743	0	4,743	4,766	4,022	4,705
Expense	42,116	1,675	43,790	44,811	36,616	38,715
CINA	(1,081)	(94)	(675)	(667)	499	1,263
Lease Adjusted CINA	523	(94)	930	809	2,740	3,504

Nashville: FY22 expense management will be important

- Revenue increase at both RNNE and RUA reflecting return to classroom instruction, increased per pupil funding and one-time funding supports; growth of \$0.2M at RNNE and \$1.4M at RUA
- Enrollment projections are lower at RNNE and expenses have been cut accordingly.
- Expense increase also reflects full return to campus and additional student supports
- CINA reductions due to enrollment projections and comp increases

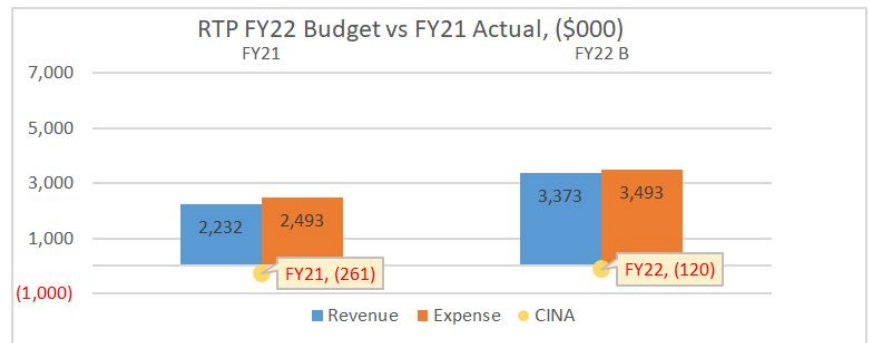
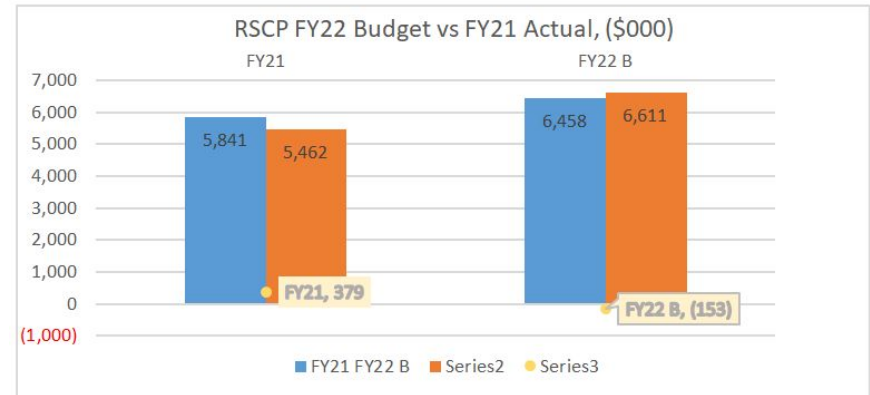


Nashville 2021-22 Proposed Budget

NSH	FY2022	FY2022	FY2022	FY2022	FY2021	
	Schools Budget	NeST Budget	Aug Budget	Jun Board Budget	Region	
(\$000)					Actual	Budget
Federal Income	4,249	71	4,320	4,137	1,247	1,634
State Revenue Sources	11,825	0	11,825	11,906	12,947	11,481
Other Local Revenues	0	0	0	2	127	2
Int Transfers/Network Support	0	757	757	750	702	619
Grants and Fundraising	400	0	400	400	191	250
Revenues	16,474	827	17,302	17,195	15,214	13,986
Compensation	7,445	1,117	8,561	8,834	7,067	6,769
Non Compensation	4,451	166	4,618	4,239	3,186	3,950
Rent	1,079	0	1,079	1,079	1,079	1,081
Network Service Fee	2,270	0	2,270	2,251	2,105	1,858
Expense	15,245	1,283	16,528	16,404	13,437	13,658
CINA	1,229	(456)	773	792	1,777	328

MKE: FY22 plan includes revenue growth

- RTP continues to grow in size with proposed addition of ~ 60 students; RTP revenue growth of \$1.2M
- Revenue increase at both RSCP and RTP reflecting return to in classroom instruction and one-time funding supports; RSCP revenue growth of \$0.6M
- RSCP includes anticipated Cell Tower agreement revenue of \$200K
- RSCP's CINA reduction year over year reflects FY21 inclusion of one time non cash PPP forgiveness



Milwaukee 2021-22 Proposed Budget

MKE	FY2022	FY2022	FY2022	FY2022	FY2021	
	Schools Budget	NeST Budget	Aug Budget	Jun Budget	Actual	Region Budget
(\$000)						
Federal Income	2,610	0	2,610	2,557	1,440	2,003
State Revenue Sources	6,921	0	6,921	7,032	6,356	6,163
Other Local Revenues	200	0	200	200	31	0
Int Transfers/Network Support Fee	100	441	541	543	457	552
Grants and Fundraising	400	0	400	400	379	265
Revenues	10,231	441	10,672	10,732	8,663	8,983
Compensation	5,410	659	6,069	6,113	4,553	4,840
Non Compensation	2,779	127	2,906	2,954	2,167	2,530
Rent	592	0	592	592	652	591
Network Service Fee	1,322	0	1,322	1,330	1,071	1,055
Expense	10,104	786	10,890	10,988	8,442	9,016
CINA	127	(345)	(218)	(257)	221	(33)

Fort Worth 2021-22 Proposed Budget

TX	FY2022	FY2022	FY2022	FY2022
((\$000))	Schools Budget	NeST Budget	Aug Budget	Jun Board Budget
Federal Income	350	80	430	430
Int Transfers/Network Support Fe	0	18	18	18
Grants and Fundraising	0	1,200	1,200	1,200
Revenues	350	1,298	1,648	1,648
Compensation	257	858	1,115	1,355
Non Compensation	2	324	325	325
Rent	0	18	18	18
Network Service Fee	53	0	53	53
Expense	311	1,200	1,511	1,751
CINA	39	98	136	(104)

FY2021	
Actual	Region Budget
0	561
835	1,350
1	0
836	1,911
521	1,377
302	517
1	15
0	0
824	1,910
12	2

NeST and Sustainability



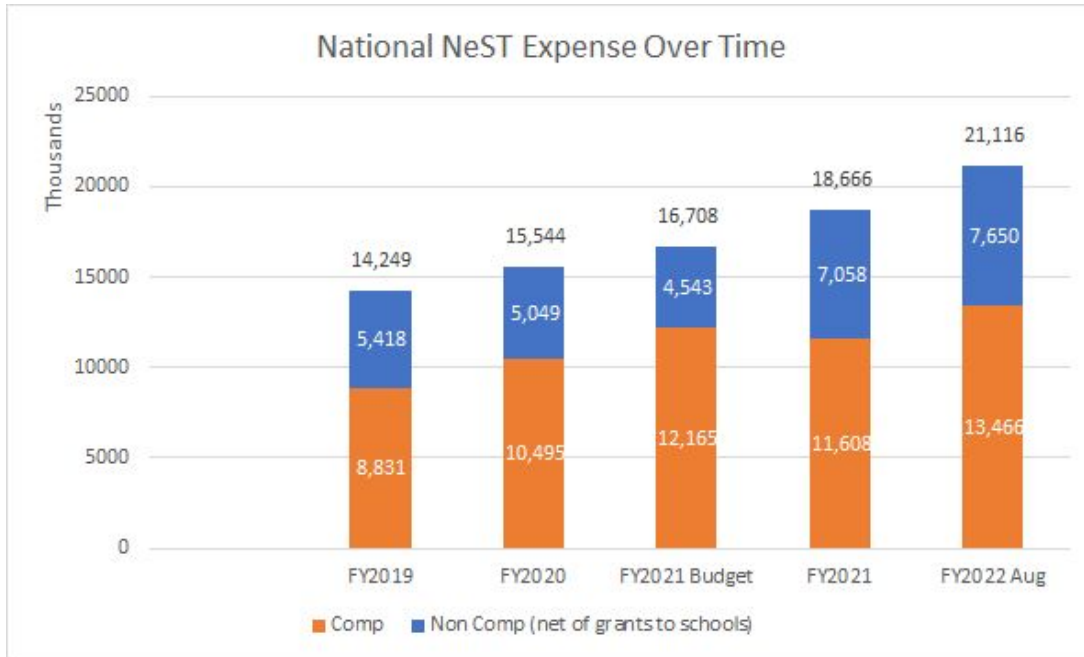
National NeST FY22 Update

Minimal change from the June to August budgets

CINA improved slightly from (190)K to (30)K

<i>National (000s)</i>	FY2020	FY21 Actual	Jun FY2022 Budget	Aug FY2022 Budget	Change
Network Support Fees	12,241	14,073	15,749	15,992	244
Grants and Fundraising	4,388	3,925	3,820	3,820	0
Transfers from LDC/SB Nest	1,350	900	700	700	0
Other	346	338	250	250	0
Revenue	18,325	19,236	20,519	20,762	244
Comp	10,495	11,608	13,466	13,466	0
Non Comp	6,877	5,748	7,066	7,150	84
Rent/Other	169	171	177	177	0
Expense	17,541	17,527	20,709	20,793	84
CINA	784	1,709	(190)	(30)	160
Contingency	0	0	1,000	1,000	0
Grants to Schools	1,711	1,310	500	500	0

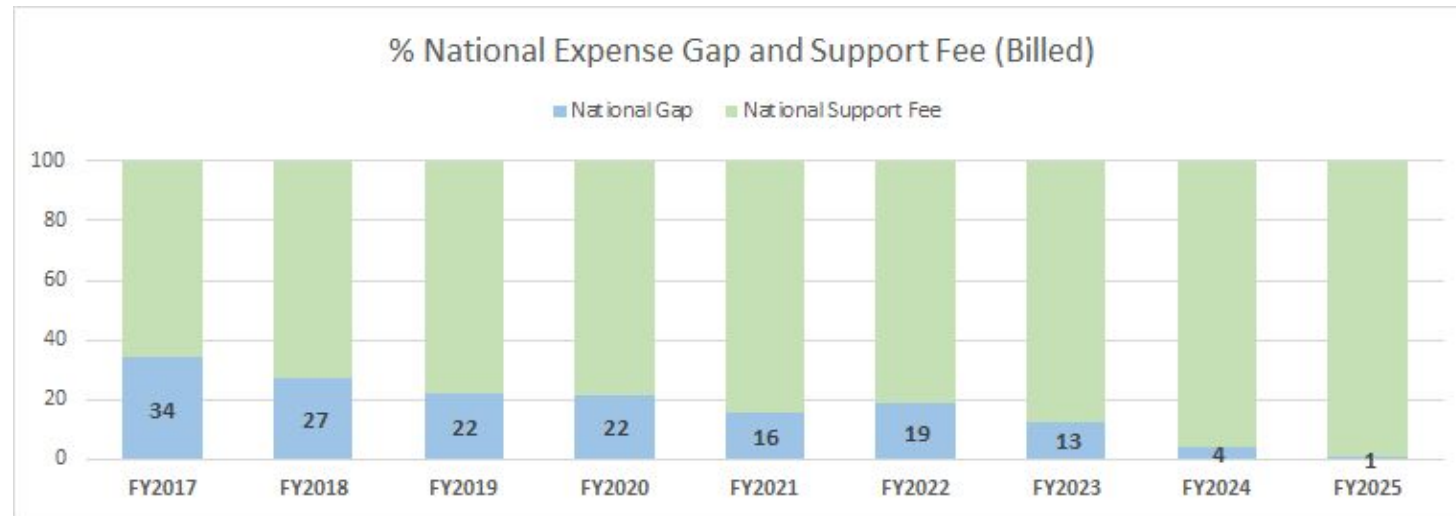
National Nest Expense Year over Year change



- NeST expenses have grown significantly from FY21 to FY22
- There are 16 proposed new National roles.
- Contingency at National of \$1M
- FY22 NeST budget supports strategic initiatives:
 - TX and NSH growth - academic and operational supports
 - DEI initiatives
 - Recruiting, training, and performance management support for NeST

On our current path, we expect to approach National NeST sustainability in FY25

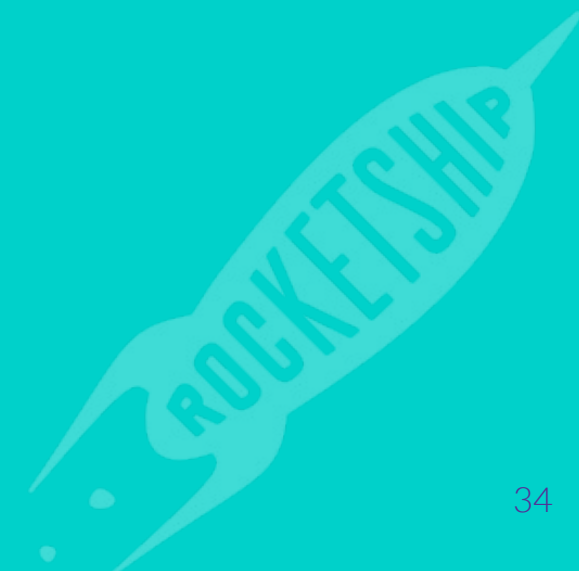
NeST sustainability has been defined by our ability to match National NeST costs to network service fee revenue



	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Enrollment	7,166	8303	9,541	10,203	10,378	11,242	12,009	13,235
National Revenue (non fundraise)	10,547	11,935	13,736	15,133	16,870	17,651	18,553	18,683
National Op Expense	14,466	15,088	17,541	17,727	20,793	19,979	19,331	18,926
National Network Gap	(3,919)	(3,153)	(3,805)	(2,594)	(3,922)	(2,328)	(778)	(243)
% gap	27%	22%	22%	15%	19%	12%	4%	1%

- **FY22 includes \$1M of contingency** expense; if unused FY22 19% could reduce to 14%
- Does not incorporate DC4 commencement by FY25; DC growth would offset expense reduction estimates
- TX expansion is included and drives 10% improvement + by FY25
- Fee deferrals are excluded in this measurement, and impact cash basis sustainability

Business Updates



RSTX and RPS Agreements - Recommended Timeline

1. **Berry Street Lease - July 30, 2021 (Extended to 8/16)**
 - a. 7.12.2021: Final Term Sheet, Acquisition Documents, and Development Docs circulated **Term Sheet approved (includes typical RPS Guaranty for Years 1 - 3)**
 - b. 7.22.2021: Approval by TX Board contingent upon execution of additional contracts **Lease final action item set for 8/13 by RSTX Board; TX Local Counsel has been finalizing with Turner's counsel**
 - c. 7.30.2021: Executed Lease agreement (RPS TX + Turner Impact Capital) **Final Sigs on 8/16 - 8/17, if approved**
2. **Management agreement - August 26, 2021**
 - a. 7.12-16.2021: Required Contingencies received from TEA (60 Day Period Begins)
 - b. 7.16.2021: First Draft CMO agreement circulated internally
 - c. 7.23.2021: Final Draft CMO agreement circulated internally
 - d. 7.30.2021: Draft CMO agreement provided to TEA for feedback
 - e. 8.19.2021: CMO agreement approved by Executive Committee of Texas board
 - f. 8.26.2021: CMO agreement approved by National board
 - g. 9.10.2021: Contingency Period Deadline
3. **Licensing agreement - August 26, 2021**
 - a. 7.16.2021: First Draft CMO agreement circulated internally
 - b. 7.23.2021: Draft licensing agreement circulated internally
 - c. 8.19.2021: Licensing agreement approved by Executive Committee of Texas board
 - d. 8.26.2021: Licensing agreement approved by National board
4. **Philanthropic agreement - October 28, 2021**
 - a. TBD: Preliminary Financial Update
 - b. 8.26.2021: Updated financials (Final)
 - c. 9.24.2021: First draft grant agreement: TBD
 - d. 10.8.2021: Negotiated grant terms complete
 - e. October 21 & 28, 2021: Board update/ action

