

# Q1 Rocketship Public Schools Board of Directors Meeting

August 24, 2022



# Agenda

- I. Administrative
- II. Board Update
- III. CA Board Committee
- IV. 2021-22 Results & Achievement Update
- V. 2022-23 Start Up, Enrollment, Budget, & Day 0-30 Update
- VI. 5 Year Strategic Plan Launch
- VII. Sufficiency of Instructional Materials for SY22-23

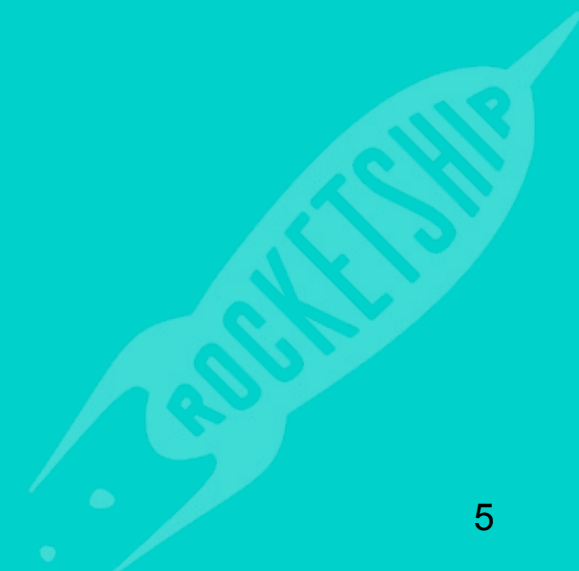


# Board Update





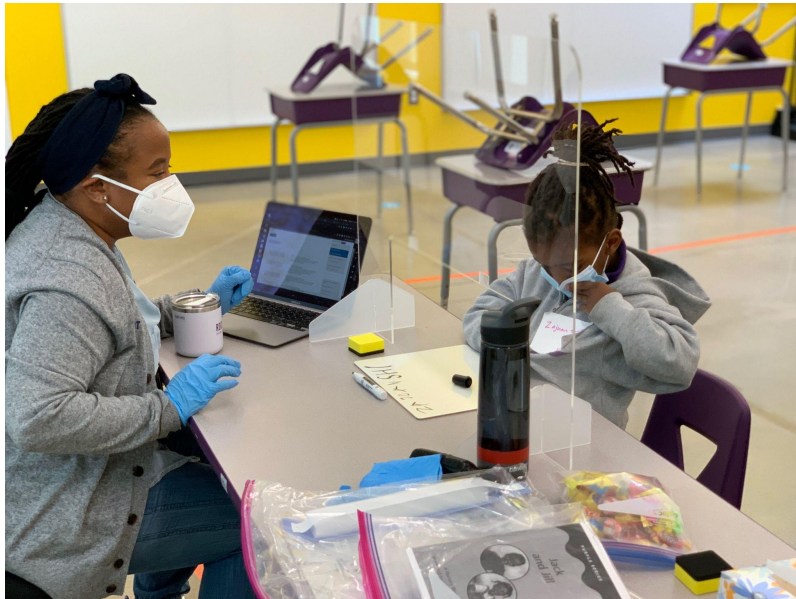
# CA Board Committee



# 2021-22 School Achievement Data & Next Steps for 22-23



# The Rocketship Experience

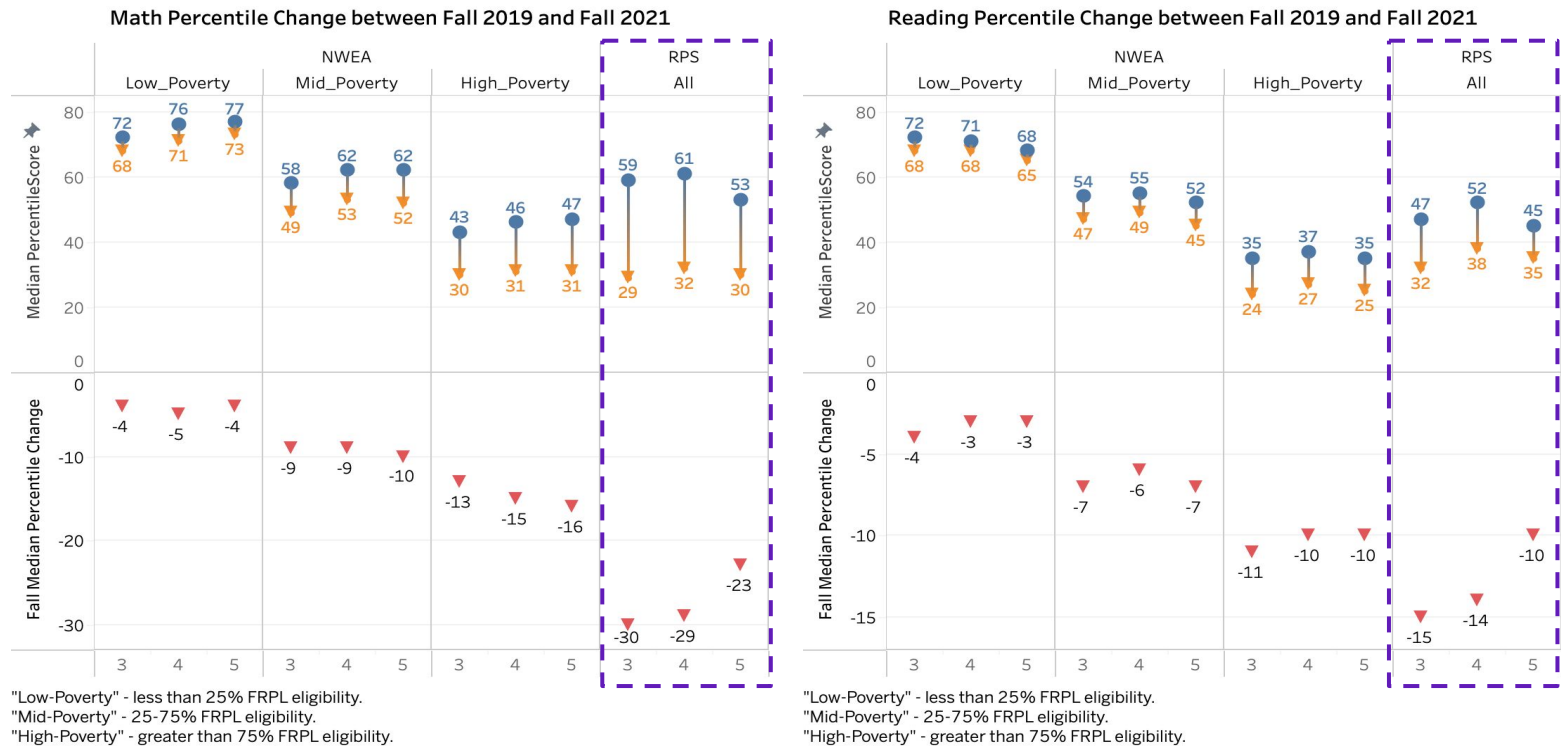


# Executive Summary

- NWEA Comparisons
  - 21-22 **first** year in recovery stage; recovery process is multi-year
  - CSGF comparison: RPS growth in 21-22 is above 80th percentile in both subjects
    - Tool shows RPS success prior to the pandemic
    - RPS had further to fall and ranking significantly dropped during distance learning
  - RPS ranking among the CSGF portfolio improved during the school year
    - RPS is the second largest elementary-serving organization in the CSGF portfolio and outperformed 74% of organizations in Math and 66% in Reading in Spring 2022
- State tests
  - Similar to performance on NWEA
    - CA and NSH's current proficiency rates are more than 20 percentage points lower than 18-19
    - MKE is closer to pre-pandemic but underscores lower proficiency in region prior to the pandemic
  - Anticipate seeing the full impact on ELA reflected in state results over the next two years
    - G1 and G2 NWEA Reading scores indicate that pandemic impact on ELA state assessment results may just be delayed without significant growth for incoming 2nd and 3rd graders



While Rocketship historically performed in line with “mid-poverty” schools, performance fell to the level of “high poverty” schools after 1.5 years of pandemic instructional disruptions



- In Fall 2021, lower achievement outcomes nationwide with historically disadvantaged subgroups experiencing greater negative impacts
  - RPS experienced larger declines than the national average
- Larger impacts observed in Math at RPS and nationwide

**School Year**  
 ■ 2019-20  
 ■ 2021-22



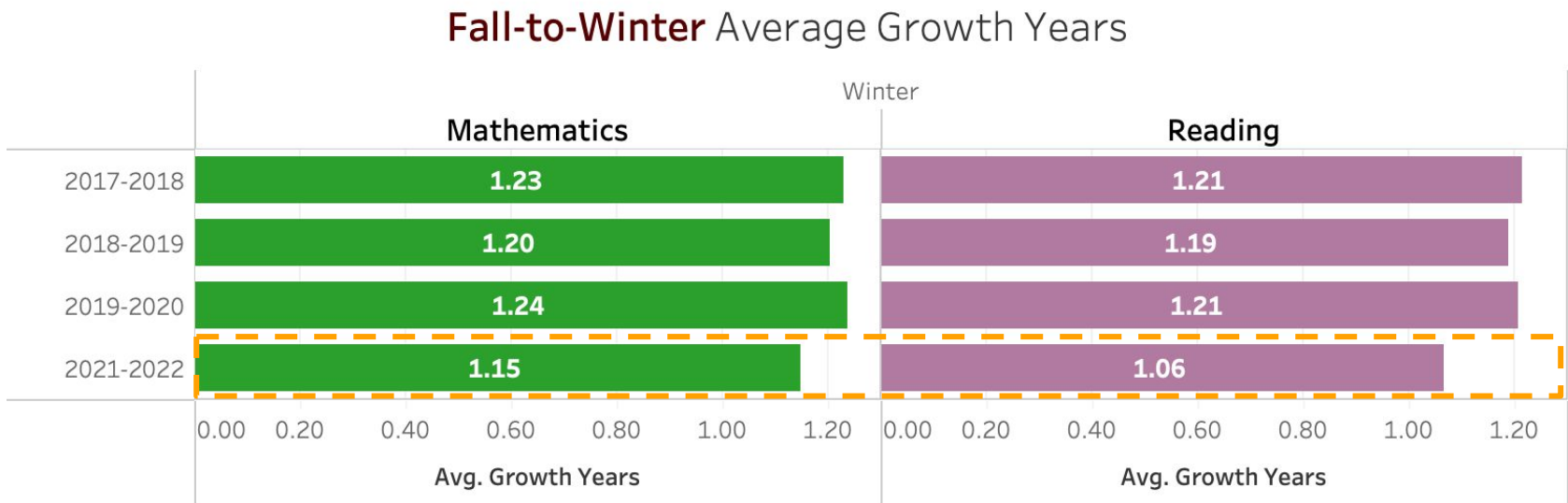


# Challenges in the first semester

- Rocketship model depends on human interactions (launch, community engagement, small group instruction, rotations); in 1st semester, were unable to fully implement our model often
- Vaccination, quarantining mandates created large staffing and student disruptions
- Because of staffing disruptions, consistent, strategic coaching suffered
- Systemic challenges around weekly and monthly Director of School analysis and corresponding action plans
- Development of key blocks took place virtually (summer leader and teacher PD was primarily virtual and/or hybrid)
- Made 1+ yr of growth, but lower than anticipated in 1st semester



Returning to in-person instruction was more challenging than anticipated and mid-year growth rates were below our internal high expectations



- 360 approach was inconsistent at best
- Delta and the start of the Omicron surge contributed to lower student and staff attendance due to sickness and quarantines
  - Hindered consistent execution of instructional routines (IP, obs/feedback, coaching, DDI)

## Mid-year results led to re-evaluation of practices and sparked even deeper commitment to instructional excellence

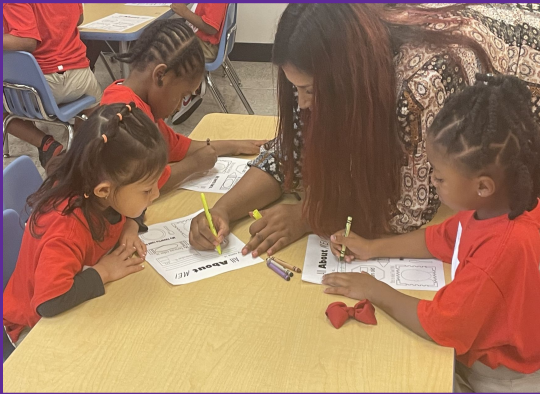
2nd Semester Priorities	What it looked like
Strategic Coaching	<ul style="list-style-type: none"><li>● Reset on principal and AP coaching calendars (and related development)</li><li>● Coaching priority blocks 2-3x/ week</li><li>● Coaching on classroom management</li><li>● Coverage plans identified, to protect time to coach</li></ul>
Data Analysis	<ul style="list-style-type: none"><li>● Weekly data analysis and action planning meetings with Directors of Schools</li><li>● DoS → P weekly data analysis meetings</li><li>● Monthly principal meetings focused on data analysis and action planning</li></ul>
Instructional Excellence	<ul style="list-style-type: none"><li>● Relaunched key development structures (i.e., skills labs, NW PD) to develop expertise in content and instructional excellence</li></ul>
Re-humanized the Rocketship Experience	<ul style="list-style-type: none"><li>● Re-engaged families via launch, community meetings, Los Dichos</li><li>● Prioritized small group instruction, enrichment experiences, rotations, etc</li><li>● Reduced student and staff absenteeism</li></ul>



# 360 Experience: Personalized Learning, Talent Development and Parent Power



Personalized Learning



Talent Development

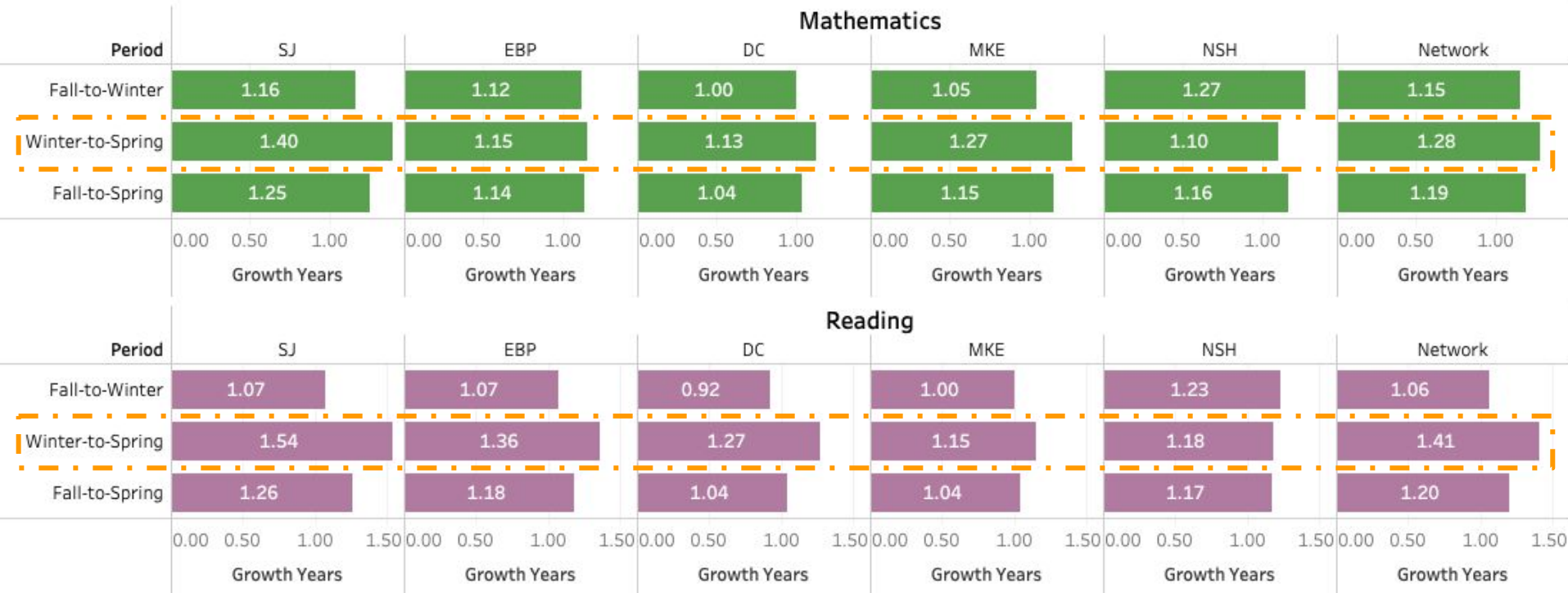


Parent Power



# Our Revised Strategies Worked: 2nd semester growth elevated and returned to our high expectations

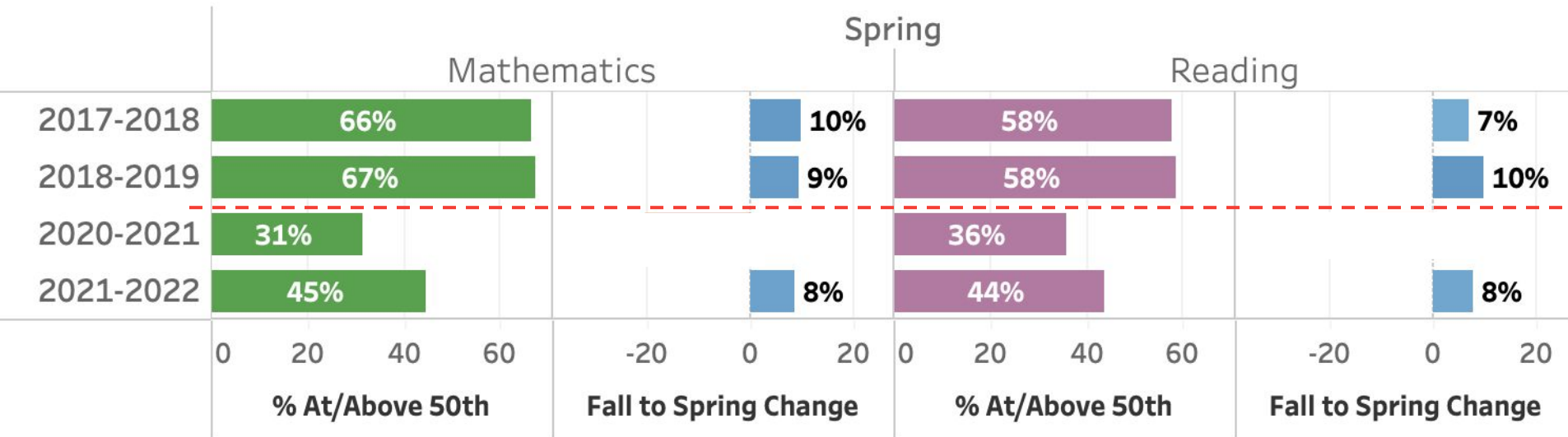
2021-22 Avg Growth Years by Term



- Accelerated growth in 2nd semester; b/c of lower growth in 1st semester, F-S avg lower than desired
- 2nd semester pivots included weekly DoS data analysis and action planning meetings, resets on coaching calendars, prioritization of key blocks, and improved attendance for staff and students

# 2021-22 was the **START** of Rocketship's Recovery Stage

## Fall to Spring Period NWEA Absolute Changes - % *Top 50*



### Notes:

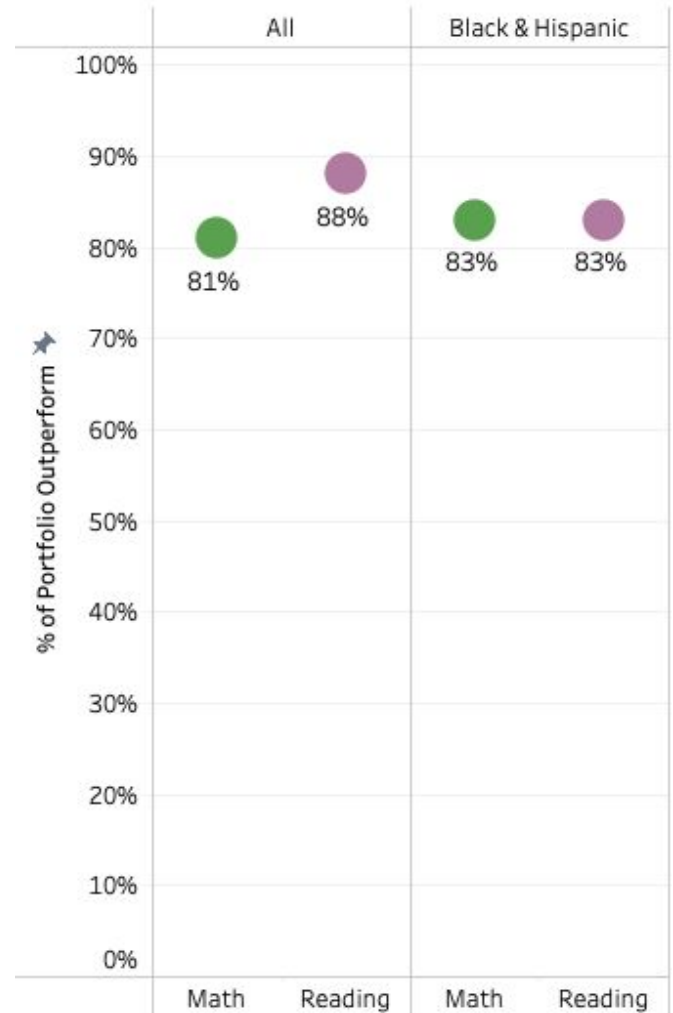
RPS did not take Spring NWEA during SY 2019-20  
Lower participation rates in Spring 2020-21 (~80%)

- We're still only at the beginning of the recovery process and full recovery may take several years
- NWEA Spring 2022 report estimates that most grades will take 3-5 years to recover based on growth trajectories from 21-22

## RPS growth ranks above the 80th Percentile among CSGF portfolio members

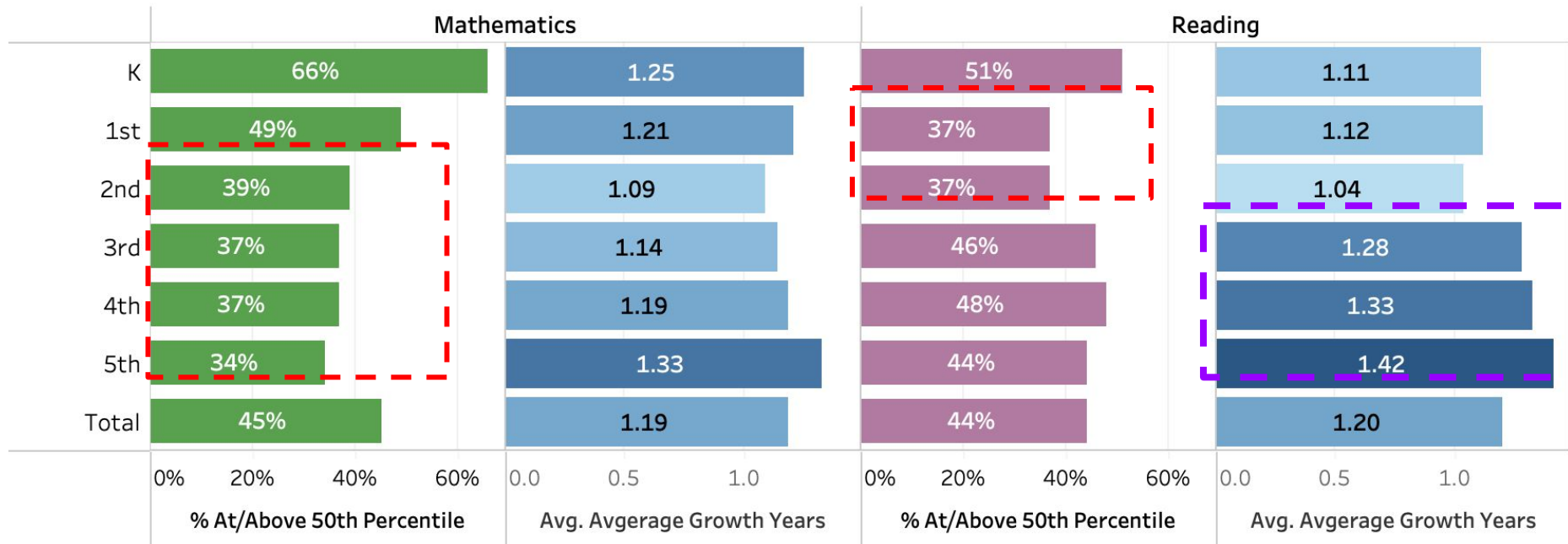
- We currently do not have many comparison data points to place RPS SY21-22 performance in larger context
- Through a Charter School Growth Fund (CSGF) data tool, we have evidence that our NWEA growth performance was higher than the portfolio average for elementary grades
  - RPS is the 2nd largest elementary organization in the CSGF portfolio
  - RPS ranked above the 80th percentile for All students and for Black & Hispanic students
- Given the high growth ranking for RPS, we hope to experience a faster recovery for our students

% of Charter School Growth Fund Portfolio Growth Ranking



## Pandemic effects varied by subject and grade levels

Spring 2021-22 NWEA MAP



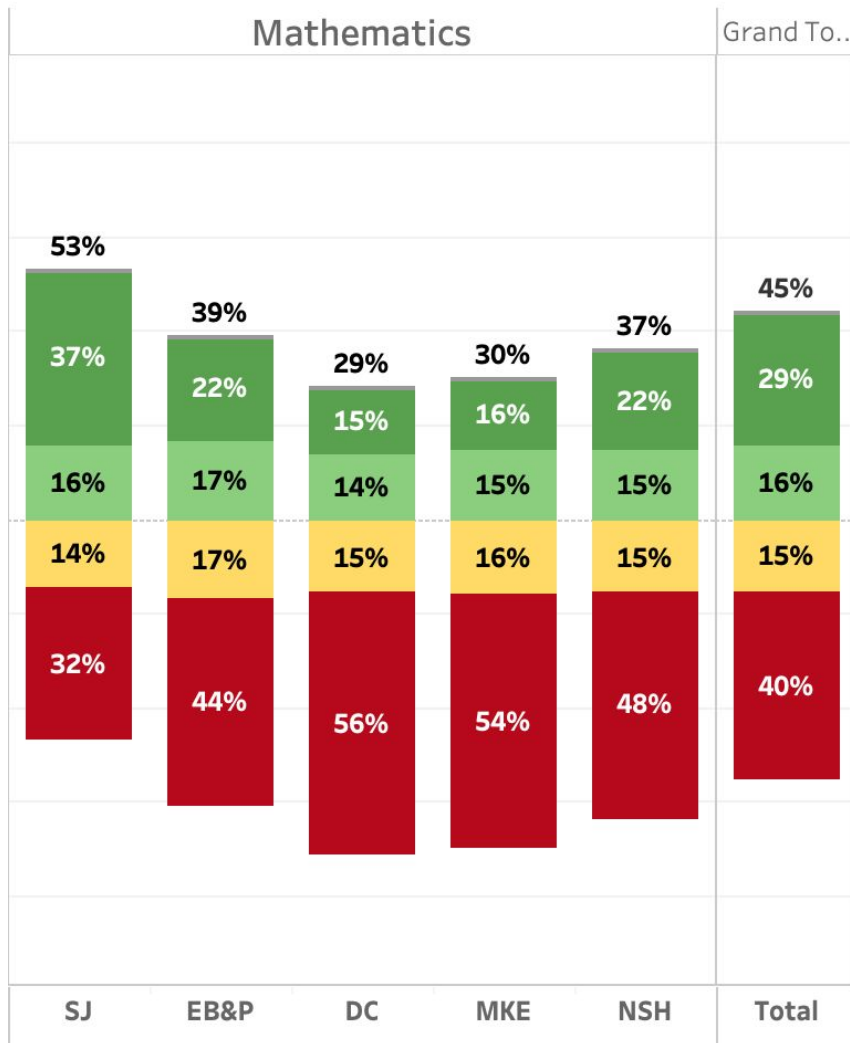
- Instructional disruptions impacted Math across grade levels
  - 2nd-5th grades most impacted by math instructional disruptions and current percentage on grade level are ~55% of typical amount
- Upper grade HUM in stronger position than lower grade students whose early literacy was disrupted
  - High growth in upper grades



# Regions are in different stages of the recovery process

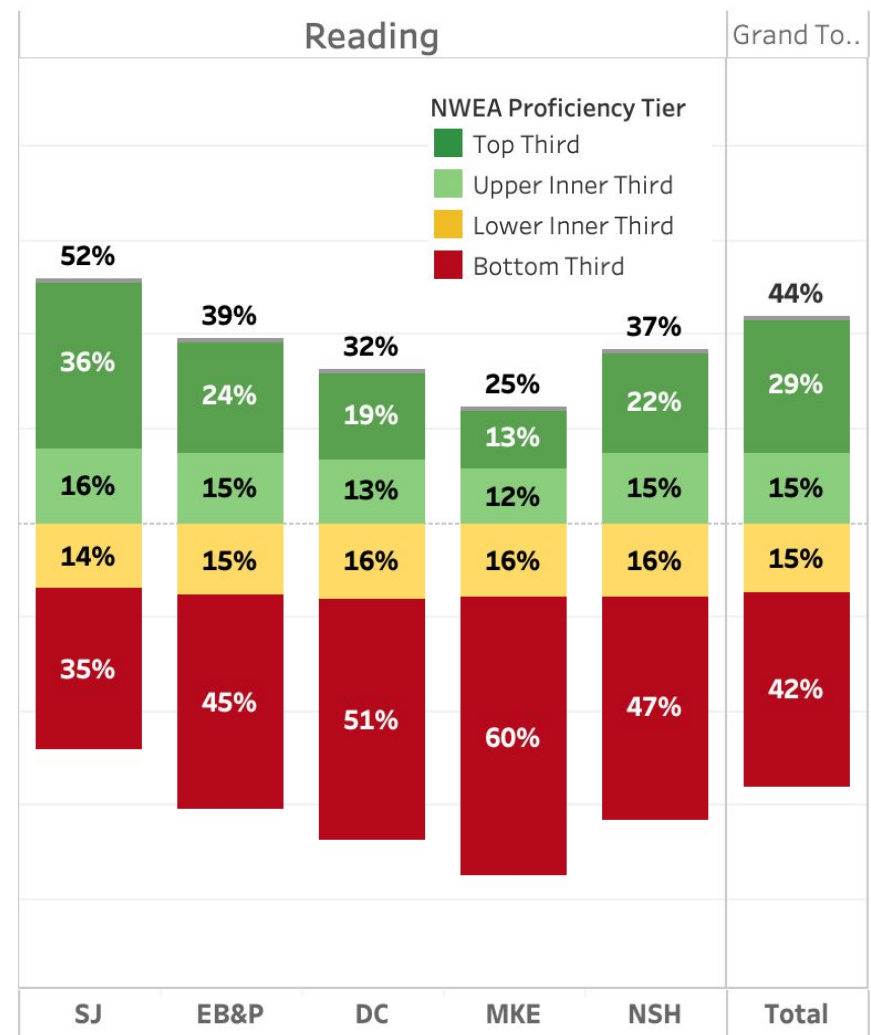
**2021-2022 Spring** NWEA - Subject:  
*Mathematics*

## Regional Proficiency Tier Distributions

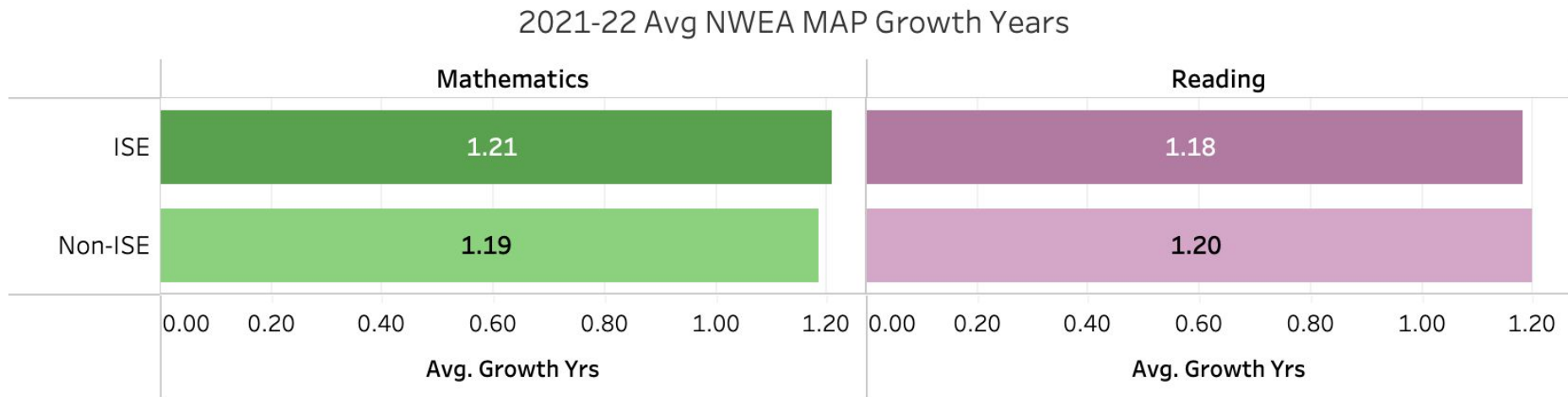


**2021-2022 Spring** NWEA - Subject:  
*Reading*

## Regional Proficiency Tier Distributions



## Special Education students achieved similar growth rates as Gen Ed peers

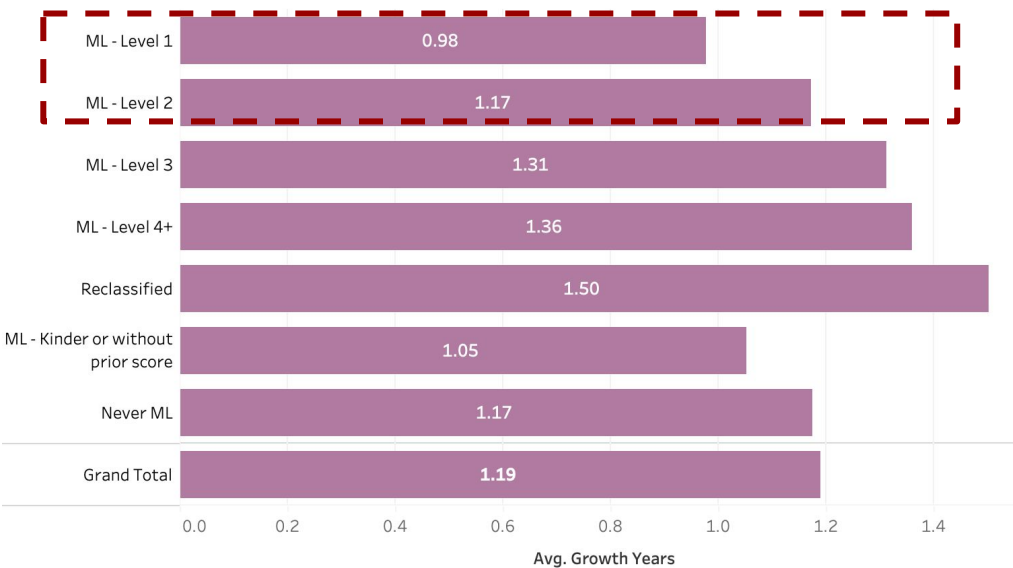


- Special Education students typically achieve greater Fall-to-Spring growth than Gen Ed students
  - With two-thirds of ISE students in the bottom third on NWEA, special education students need higher growth than Gen Ed to close achievement gaps
- Special Education students substantially outpaced their Gen Ed peers in two regions
  - NSH: Special Education students grew by >1.3 years in Math and Reading
  - MKE: Special Education students achieved 1.3 years of growth in Math

## Subgroup performance analysis

# Multilingual Learners (ML) with lower English proficiency tend to have a greater challenge achieving NWEA Reading growth expectations

Spring 2021-22 NWEA MAP by Multilanguage Learner (ML) Status  
Reading



	ELPAC Level Movement in 21-22		
Prior Year ELPAC Level	Decreased	Steady	Increased
LEVEL 1	-	55%	45%
LEVEL 2 Low	23%	27%	50%
LEVEL 2 High	29%	30%	41%
LEVEL 3 Low	33%	27%	41%
LEVEL 3 High	39%	27%	33%
Level 4	63%	37%	-
<b>Overall</b>	<b>28%</b>	<b>33%</b>	<b>39%</b>

- 41% of ML students met their EL Proficiency growth goals on ACCESS/ELPAC
- Largest declines in language proficiency levels were in 1st grade, indicating need for stronger interventions and foundational literacy development



## Pandemic had varying effects on subgroups within our regions

Spring 2021-22 NWEA MAP by Race/Ethnicity



- Subgroup data varied across regions
- Black student performance varied by campus, with some campuses achieving nearly 1.5+ yrs of growth
- Priorities in this year are more regionalized and focused on responding to specific needs

## Pandemic had varying effects on subgroups from 18.19 baselines

NWEA MAP Avg Growth by Race/Ethnicity



- Math subgroup performance demonstrated similar gaps from 18.19 SY and 21.22 SY
- Reading subgroup performance indicates need for further evaluating and bolstering vocabulary acquisition and writing skills

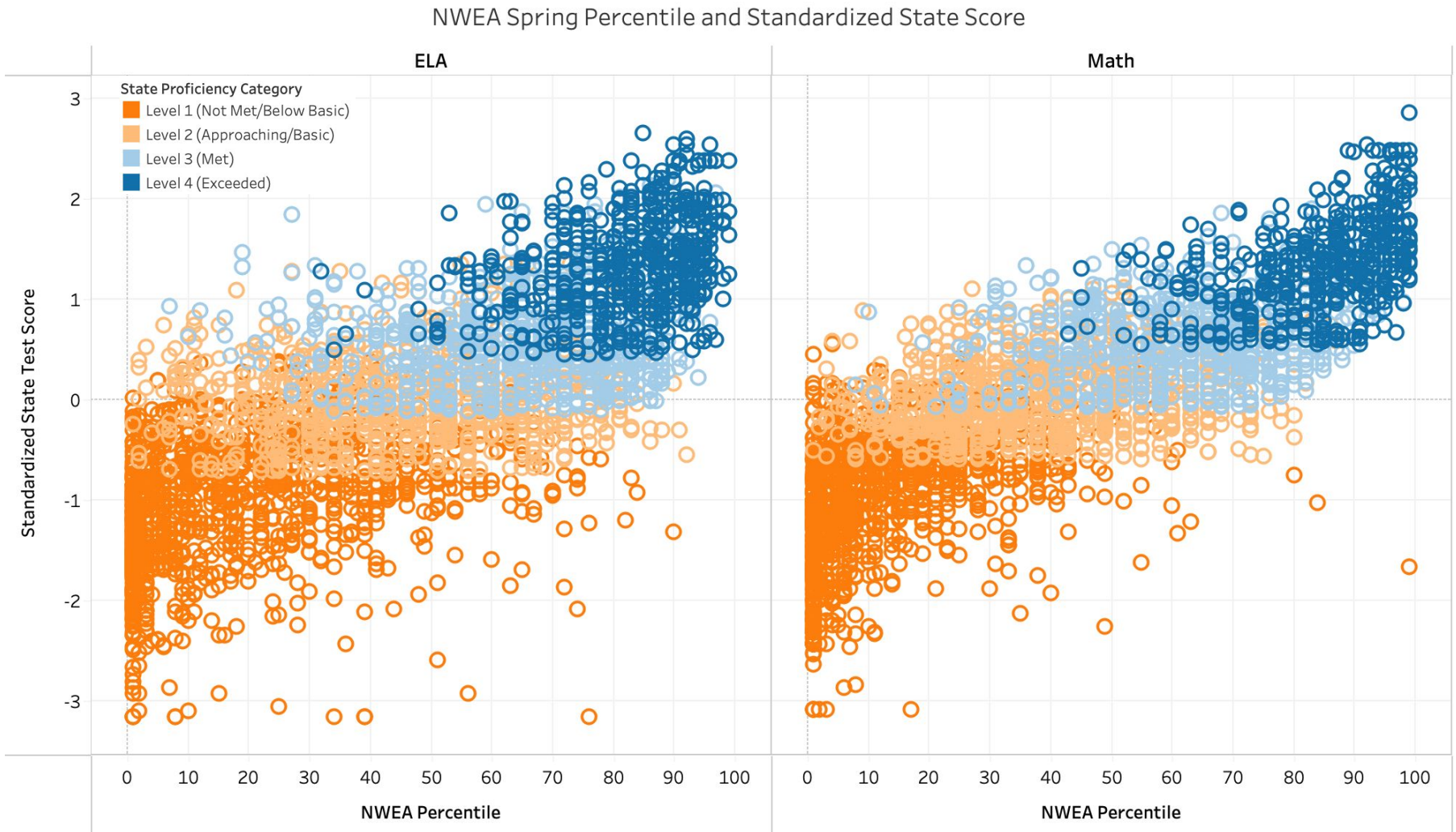
## Low income students have lower absolutes than peers and slightly lower growth rates

Spring 2021-22 NWEA MAP by Income Status



- >75% of Rocketeers are from low-income families
- Investing in Day 0-30 strategies, CareCorp and 360 model approach paramount to student success
- 22% foster/ homeless population in DC further adversely impacted by pandemic
-

# NWEA provides important guidance as scores are correlated with state assessment scores





# Program Team 22-23 Priorities

TEAM OBJECTIVES	INITIATIVES
<b>Strengthen Current Core Practices</b>	<ul style="list-style-type: none"> <li>• Focus on DDI, content coaching, block prioritization</li> <li>• Investment in interventions and decodables</li> <li>• 360 model implementation</li> </ul>
<b>National Curriculum Review and Pilots</b>	<ul style="list-style-type: none"> <li>• Amplify launch in TX</li> <li>• Working group launched and comprised of SLs and Ts from every region</li> <li>• Will make determination in January (post mid-year NWEA results)</li> </ul>
<b>Elevate Professional Learning</b>	<ul style="list-style-type: none"> <li>• Regional SLL and T PD</li> <li>• Year long professional learning scope and sequence map</li> <li>• OM and BOM professional learning now also included</li> </ul>
<b>Communication &amp; Connection</b>	<ul style="list-style-type: none"> <li>• Engaging in direct service model (PT visiting each region, leading PD directly, etc)</li> <li>• Investing in development of AMs</li> <li>• Cascading communication (ex: launching T Advisory Group)</li> </ul>



# Program Team 22-23 Priorities by Region

REGION	INITIATIVES	REGION	INITIATIVES
<b>CA</b>	<ul style="list-style-type: none"> <li>• DoS Development</li> <li>• Weekly Data Analysis</li> <li>• 360 Model Implementation</li> </ul>	<b>DC</b>	<ul style="list-style-type: none"> <li>• Back on Model</li> <li>• Weekly Data Meetings</li> <li>• Family Re-engagement</li> </ul>
<b>MKE</b>	<ul style="list-style-type: none"> <li>• Leader Development</li> <li>• Back on Model</li> <li>• Interventions</li> </ul>	<b>NSH</b>	<ul style="list-style-type: none"> <li>• Culture and Classroom Management Practices</li> <li>• Content Expertise</li> <li>• Science</li> </ul>
<b>TX</b>	<ul style="list-style-type: none"> <li>• Launch the Region</li> </ul>		



## 22.23 Student Achievement Goals

Region	Goals
National	<ul style="list-style-type: none"> <li>• 35% above top third in Reading NWEA; 50% above 50th percentile</li> <li>• 37% above top third in Math NWEA; 52% above 50th percentile</li> <li>• 60% of students meeting tiered growth goals</li> <li>• +5ppt increase on regional state assessment, reading and math</li> </ul>
CA	<ul style="list-style-type: none"> <li>• +5 ppt on CAASPP ELA</li> <li>• +5 ppt on CAASPP Math</li> <li>• 57% of students meeting tiered growth goals on NWEA</li> </ul>
MKE	<ul style="list-style-type: none"> <li>• +5 ppt on WI Forward</li> <li>• 45% above 50th percentile NWEA Math</li> <li>• 40% above 50th percentile NWEA Reading</li> <li>• 60% of students meeting tiered growth goals on NWEA</li> <li>• 15% increase in top third on Math and Reading NWEA</li> </ul>
DC	<ul style="list-style-type: none"> <li>• Tier I Status</li> <li>• +5 ppt on PARCC Reading and Math</li> <li>• 56% of students meeting tiered growth goals on NWEA</li> </ul>
NSH	<ul style="list-style-type: none"> <li>• Rewards Status for RNNE and RUA</li> <li>• +5 ppt TN Ready Reading</li> <li>• +5 ppt TN Ready Math</li> <li>• RDCP TVAAS Level 5</li> </ul>
TX	<ul style="list-style-type: none"> <li>• B on TX state report card</li> <li>• 40% of G3 on/ above grade level on STAR</li> <li>• 50% of G3 in top third NWEA reading and math</li> </ul>

- Drafted goals in partnership with Analytics, EDs, these goals are ambitious and attainable, and keep us on track with our multi-year recovery process



# Day 0-30: Launching Strong

- Re-engaging our communities and families is a key initiative in our Day 0-30 plans.
- Day 0-30 began pre-pandemic, and have since elevated our practices
- Deeper regional partnerships and focused on the entirety of the Rocketship experience





# 2021-22 End of Year Financial Review



# RPS FY22 Year-End Budget to Actual

**The overall RPS forecasted CINA is \$6.8M lower than budgeted. This is driven primarily by negative CINA in CA and DC**

- The FY22 California financial picture has shifted dramatically as a result of significant decreases in ADA (primarily attendance impact due to COVID, especially Omicron surge, and keeping our kids/team safe through quarantines).
- In addition, our special education expenses in CA far exceeded budget. These expenditures are necessary to provide a high quality, meaningful inclusion model for our special education students and to ensure that we continue to serve all students with excellence.
- In DC, enrollment declines and the demographic makeup of our student bodies impacted revenue.
- The overall RPS CINA may improve if:
  - We are able to allocate CA Hold Harmless funding (approximately \$6-8M)
    - Hold harmless legislation was approved however, it is not yet clear if we will be able to recognize the revenue in FY22 or will be required to recognize it in FY23
  - Per pupil revenue increases by \$800 in TN as anticipated (this will not be reflected until confirmed by the state).

*Note: Grants and Fundraising figures in the FY22 actuals differ from the Development Team numbers because they include additional revenue sources.*



# FY22 YE Projections

	FY22 Year End Projections								
(\$000)	CA	MKE	NSH	DC	NTL	Elim	RPS	August Budget	Variance
Federal Income	16,863	2,548	3,833	7,525	0		30,769	28,957	1,811
State Revenue Sources	87,071	6,486	13,521	32,486	0		139,564	148,437	(8,873)
Other Local Revenues	124	23	9	630	277		1,063	1,471	(408)
Int Transfers/Network Support Fee	5,307	879	782	1,622	15,599	(24,189)			
Grants and Fundraising	212	378	694	646	5,203		7,133	6,320	813
<b>Revenues</b>	<b>109,577</b>	<b>10,315</b>	<b>18,839</b>	<b>42,909</b>	<b>21,079</b>	<b>(24,189)</b>	<b>178,529</b>	<b>185,186</b>	<b>(6,657)</b>
Compensation	58,141	5,377	8,622	16,193	12,101		100,435	106,049	5,614
Non Compensation	28,884	3,280	5,306	16,956	7,804	(746)	61,484	55,262	(6,223)
Rent	11,190	574	1,097	7,217	38		20,116	20,554	438
Network Service Fee	14,840	1,259	2,477	4,867	0	(23,444)	0	0	
<b>Expense</b>	<b>113,056</b>	<b>10,490</b>	<b>17,502</b>	<b>45,233</b>	<b>19,944</b>	<b>(24,190)</b>	<b>182,035</b>	<b>181,865</b>	<b>(170)</b>
<b>CINA</b>	<b>(3,480)</b>	<b>(175)</b>	<b>1,337</b>	<b>(2,324)</b>	<b>1,136</b>		<b>(3,506)</b>	<b>3,321</b>	<b>(6,827)</b>
<b>Lease Adjusted CINA</b>	<b>(3,480)</b>	<b>(175)</b>	<b>1,337</b>	<b>(1,152)</b>	<b>1,136</b>		<b>(2,334)</b>	<b>4,925</b>	<b>(7,259)</b>

# RPS FY22 Year-End Balance Sheet Projection

## RPS Balance Sheet Highlights:

- Cash
  - FY22 \$41M (or 22% of total expenses) down from \$42M in FY21
  - The decrease is as a result of both the negative CINA for the network and the increase in accounts receivable
  - This represents 82 DCOH(days cash on hand).
  - The cash reserves ensure that Rocketship will be able to continue to serve all Rocketeers with excellence should there be an abrupt decrease in our cash receipts or extraordinary expenses.
- Accounts Receivable
  - FY22 \$28M up from \$26M in FY21
  - Reflects significant ESSER revenue accruals
- Total Assets \$81M
- Liabilities total \$38M
- Net Assets total \$43M which reflects the negative CINA of approximately \$3.5M

Despite our negative CINA, Rocketship is in strong financial health as demonstrated by our balance sheet. Rocketship has:

- 82 Days Cash on Hand ( best practice is a minimum of 60 with a target of greater than 90)
- Net Asset Margin of 45% (target is greater than 20%)
- Liabilities as a Percentage of Assets of 47% (target is lower than 80%)

**Comparison of Key Balance Sheet Metrics FY21 to FY22**

	FY21	FY22
Days Cash on Hand	106	82
Liabilities as % of Assets	41%	47%
Net Asset Margin	54%	45%



# FY22 YE Projections

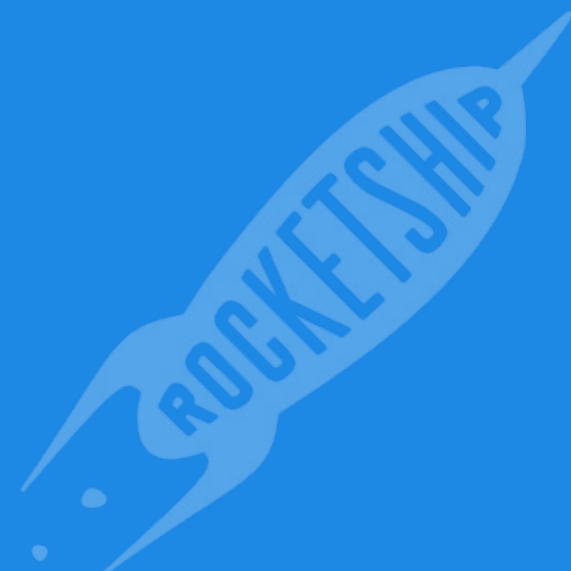
RPS Balance Sheet				
(000s)	Audited FY19	Audited FY20	Audited FY21	Preliminary FY22
Cash and cash equivalents	30,060	30,806	42,198	41,072
Accounts Receivable	12,585	19,026	25,524	28,350
Prepaid	2,967	3,558	5,892	6,476
Security Deposits	436	431	450	877
Property, plant & equipment	5,009	4,777	4,466	4,331
<b>Total Assets</b>	<b>51,057</b>	<b>58,598</b>	<b>78,530</b>	<b>81,104</b>
Accounts Payable	7,779	3,794	6,049	5,710
Accrued Liabilities	3,461	3,755	3,647	5,050
Deferred Revenue	912	1,582	5,046	14,281
Deferred Lease Liability	7,757	8,385	10,671	12,878
Long-Term Loans	2,525	7,873	6,793	367
<b>Total Liabilities</b>	<b>22,434</b>	<b>25,389</b>	<b>32,206</b>	<b>38,286</b>
<b>Net Assets</b>	<b>28,623</b>	<b>33,209</b>	<b>46,324</b>	<b>42,818</b>
<b>Total Liabilities and Net Assets</b>	<b>51,057</b>	<b>58,598</b>	<b>78,530</b>	<b>81,104</b>

# CA Hold Harmless and Asset Transfer

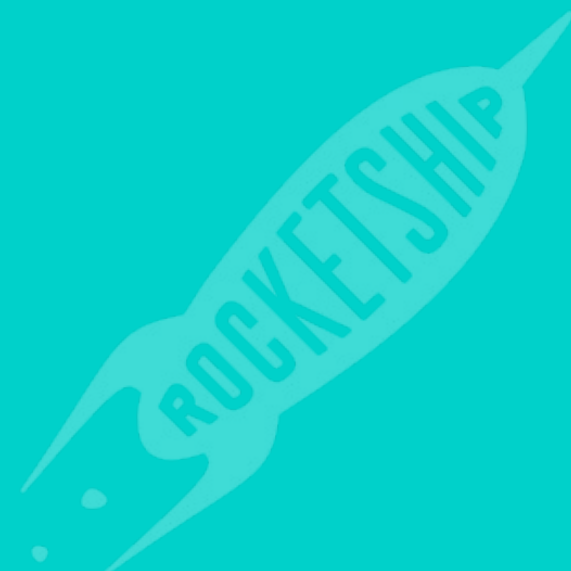
- California schools show a negative CINA of \$3.5M which is primarily the result of a significant decrease in ADA.
- The state passed hold harmless legislation that will increase our funding to reflect pre-pandemic ADA. The hold harmless legislation will only impact FY22, there will not be hold harmless in future years. This puts us on equal footing with CA districts for FY22 as they already have hold harmless in place. However, we remain on unequal footing overall as hold harmless is an ongoing benefit for district schools, charters will not receive it in the future.
- Our auditor is directing us to book the hold harmless revenue in FY23 as such it is not represented in our year-end numbers.
- We are working with our auditor to align around recognizing the funds in FY22. He is open to the conversation but it has not yet been resolved.
- In June the Business Committee discussed implementing an asset transfer in the event hold harmless did not pass.
- We have since talked to our bond underwriter about asking bond holders to waive the lease coverage ratio covenants in the event that the hold harmless revenue is booked in FY23 as opposed to FY22. He indicated that he saw no issue with this.
- We hope to have resolution with the auditor in the next 3-4 weeks and will then follow up with the bond underwriter.
- We do not anticipate that we will need to use the asset transfer.



2022-23 Start Up, Enrollment, Day 0-30  
Update, & Budget



# Enrollment Update





We're projecting 10,529 enrolled students this year across the network, a 7% increase from last year.

FY22 vs FY23 Projection				
	FY23 Budget/Staffing			
	FY22	Projection	Change	%Change
CA	6,537	6,436	-101	-2%
NSH	1,014	1,406	392	39%
MKE	726	722	-4	-1%
DC	1,553	1,552	-1	0%
TX	0	413	413	
Total	9,830	10,529	699	7%

We've shifted our approach to enrollment. The Budget/Staffing Projection represents a conservative estimate based on historical data and trends. This number is used for both budgeting and staffing purposes. A separate Campus Target is set as an aspirational goal for each school. This approach improves transparency and clarity across teams, elevates decision-making for our school leaders and regional teams, as well as creates more authentic and accurate budgets.

For FY23 we project:

- Overall increase of 699 students or 7%
- CA enrollment down 2%
- 39% increase in NSH driven by opening NSH3
- MKE shows a 1% decrease
- DC stay flat
- Addition of 413 students due to the launch of TX

We have made minor changes to the June enrollment projections.

As of August 16, Rocketship had 10,525 students enrolled across all regions.

Region	Enrolled	Budget/Staffing Projection	% to Budget/Staffing Projection	Distance to Budget/Staffing Projection	% to Budget/Staffing Projection (incl. Pending Enrollments)	Distance to Budget/Staffing Projection (incl. Pending Enrollments)
California	6,475	6,436	100.6%	39	102.8%	43
Wisconsin	714	722	98.9%	-8	104.8%	34
Tennessee	1,353	1,406	96.2%	-53	99.8%	-3
Washington DC	1,554	1,552	100.1%	2	105.0%	79
Texas	348	413	84.3%	-65	128.3%	117
<b>Network</b>	<b>10,444</b>	<b>10,529</b>	<b>99.2%</b>	<b>-85</b>	<b>103.4%</b>	<b>391</b>

# California is on track to be at or above its projection of 6,436.

CA Enrollment as of 8/16/22

School	Enrolled	Budget/Staffing Projection	% to Budget/Staffing Projection	Distance to Budget/Staffing Projection	% to Budget/Staffing Projection (incl. Pending Enrollments)	Distance to Budget/Staffing Projection (incl. Pending Enrollments)
RMS	515	483	106.6%	36	107.7%	37
RSSP	333	311	107.1%	22	109.3%	29
RLS	370	381	97.1%	-11	97.6%	-9
ROMO	586	577	101.6%	9	102.1%	12
RDP	426	438	97.3%	-12	99.8%	-1
RBM	497	460	108.0%	15	108.3%	40
RSA	521	517	100.8%	4	101.0%	5
RSK	539	574	93.9%	-35	96.2%	-22
RFZ	575	564	102.0%	11	107.1%	40
RRS	611	587	104.1%	24	107.3%	43
RRWC	308	275	112.0%	33	117.1%	47
RFA	689	675	102.1%	7	101.2%	8
RDL	603	594	101.5%	9	105.4%	32
CA Total	6,573	6,436	102.1%	112	104.4%	261

- While enrollment is overall strong, important to note 2% decrease in enrollment targets from last year to this year
- Continued long-term work in the years ahead to assess path forward to regional enrollment health in response to gentrification and low birth rate.

Wisconsin is on track to reach its Budget/Staffing Projection, though RTP has a bit of ground to make up.

WI Enrollment as of 8/16/22

School	Enrolled	Budget/Staffing Projection	% to Budget/Staffing Projection	Distance to Budget/Staffing Projection	% to Budget/Staffing Projection (incl. Pending Enrollments)	Distance to Budget/Staffing Projection (incl. Pending Enrollments)
RSCP	<b>447</b>	443	102.8%	12	105.1%	22
RTP	<b>262</b>	279	92.6%	-21	98.9%	-3
WI Total	<b>709</b>	722	98.2%	-9	102.1%	19

- RSCP on track to surpass Budget/Staffing Projection
- Count Day is September 16. Our approach until then:
  - Continued recruitment up to Count Day, focused on RTP
  - New and returning family engagement, especially leveraging Home Visits

Tennessee is slightly behind, with continued recruitment closing gaps.

TN Enrollment as of 8/16/22

School	Enrolled	Budget/Staffing Projection	% to Budget/Staffing Projection	Distance to Budget/Staffing Projection	% to Budget/Staffing Projection (incl. Pending Enrollments)	Distance to Budget/Staffing Projection (incl. Pending Enrollments)
RNNE	508	500	101.6%	8	103.4%	17
RUA	493	518	95.2%	-25	97.9%	-11
RDCP	349	388	89.9%	-39	98.2%	-7
TN Total	1350	1,406	96.0%	-56	99.9%	-1

As the region opened its third school in Antioch, we expected some initial challenges with maintaining enrollment at our South Nashville Campus. RDCP's first day enrollment is similar to RUA's first day enrollment several years ago, and we aim to make up ground here in the weeks and years ahead. The recruitment team continues to engage families in South Nashville and Antioch, and is submitting new applications every week.

DC overall fully enrolled with enough pending enrollments for all three campuses to be above Budget/Staffing Projection.

DC Enrollment as of 8/16/22

School	Enrolled	Budget/Staffing Projection	% to Budget/Staffing Projection	Distance to Budget/Staffing Projection	% to Budget/Staffing Projection (incl. Pending Enrollments)	Distance to Budget/Staffing Projection (incl. Pending Enrollments)
RISE	562	600	93.8%	-37	101.3%	8
RLP	678	649	104.5%	29	106.9%	45
RIC	313	303	95.4%	-14	107.3%	22
DC Total	1553	1,552	100.1%	-22	106.3%	75

*\*enrollment data is inclusive of Appletree PK3 and PK4*

- Enrollment gaps most prominent in Appletree PK3 and PK4
- In K-5, all campuses are enrolled above Budget/Staffing Projection
- Family Recruitment team to continue recruitment through count day in early October



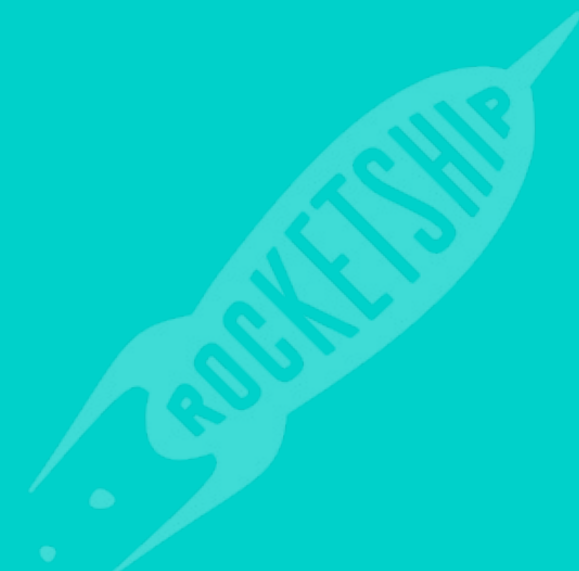
After the Texas region officially opened earlier this month, new enrollments have continued to funnel in.

TX Enrollment as of 8/16/22

School	Enrolled	Budget/Staffing Projection	% to Budget/Staffing Projection	Distance to Budget/Staffing Projection	% to Budget/Staffing Projection (incl. Pending Enrollments)	Distance to Budget/Staffing Projection (incl. Pending Enrollments)
RDDE	340	413	82.3%	-73	122.5%	93

- Though we expect quite a few of our pending enrollments to ultimately drop out of the funnel (many applied and accepted their offers in the Spring and have been unreachable over the summer, despite multiple phone and in-person outreach attempts), new families continue to apply daily.
- Family Recruitment continues to recruit in targeted neighborhoods across Southeast Fort Worth, while the School Team continues to engage and register students who enroll after the first day.

# Day 0-30 Update



Day 0-30

Family engagement is at the root of everything we do.





## “What is the Day 0 - 30 Initiative?”

Launched in the 18-19 school year, the Day 1-30 Initiative is a cross-functional (*Schools, Family Recruitment, MarComm, Ops*) effort to proactively engage new and returning families in the new school year in efforts to reach and maintain attendance at 100%+ to BSP through the first month of school. The Day 1-30 Initiative exists to help schools meaningfully engage their families so we can start strong & stay strong.

**Healthy beginning of year enrollment & school culture are key to achieving our goals throughout the year!**



The initiative is divided into four key phases:

Pre-Summer	Summer	First Day of School	First 30 Days
Offer-Making Call Day	Grade-Level Warm-Up Camps	Day 1 Show Rate (Attendance)	Daily Student Counts
Monthly New Family Engagement Events	Home Visits	Daily Student Counts	New Parent Coffee
	Pre-Day 1 Ops Walkthroughs	No-Show Phone Calls	Back-to-School Night
	Pre-Day 1 Phone Calls	No-Show Phone Calls	OM/Principal Enrollment Debriefs
	Community Event		Home Visits
	Digital Playbook		
	Postcards		
	Orientation		



Day 0-30

Our network-wide show rate peaked in 2019-20 and is beginning to rebound after significant challenges throughout COVID-19.

RPS Day 1 Show Rate % to Enrollment Target							
Year	San Jose	EB & P	Wisconsin	Tennessee	DC	Texas	Network
18-19	96.3%	94.2%	86.2%	86.2%	89.1%	N/A	90.4%
19-20	95.8%	95.8%	95.1%	95.8%	89.7%	N/A	94.4%
20-21	92.3%	96.2%	86.1%	84.2%	79.0%	N/A	84.1%
21-22	86.3%	94.3%	83.8%	84.1%	82.2%	N/A	86.6%
22-23	95.8%	96.6%	88.5%	88.9%	76.7%	64.9%	91.0%

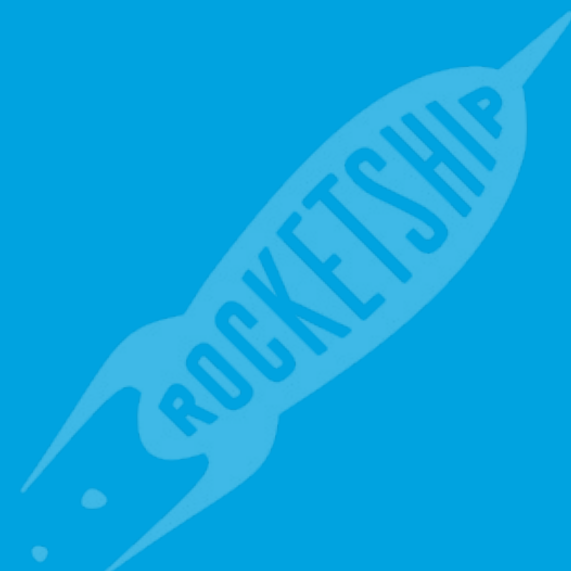
2022-23 shift  
in Day 1 show  
rate goal\*

\* Shift in 22-23 from “Budgeted Enrollment Target,” or “BET,” to Budget/Staffing Projection, or “BSP,” led to shift in goals. Previously, Day 1 show rate target was 95% to BET. Presently, Day 1 show rate target is 100% to BSP.





RPS FY23 August Budget for Approval:



# FY23 Primary and Alternate Budgets for Approval

We are presenting two budget versions for approval. We currently are uncertain whether the California hold harmless funding will be recognized in FY22 or FY23.

- The primary budget for approval assumes that the hold harmless funding will be recognized in FY22 and therefore does not incorporate it in the revenue.
- The alternate budget for approval assumes that the hold harmless funding will be recognized in FY23 and therefore incorporates an additional \$8M in revenue.

**We are asking the board to approve both of these budgets contingent upon when we recognize the hold harmless revenue. In the event that we recognize it in FY22, we will adopt the primary budget and if we recognize it in FY23, we will adopt the alternate budget.**

This will allow us to provide more meaningful reporting throughout the year.

# FY23 Primary Budget Overview

The overall RPS budget improved dramatically since June driven in large measure by additional revenues.

- CINA (lease adjusted) improved by \$6.9M from \$1.2M to \$8.1M
  - Revenues increased by \$26.3M
  - Expenses increased by \$19.5M
- All regions and National operate with a positive CINA except for MKE
  - MKE's deficit of \$689K will be eliminated through ESSER funding
- CA changes drive the majority of budget changes. CA CINA increases by \$5.4M as a result of increases in per pupil funding and additional program revenue and expense
- This budget does not include approximately \$8M in CA hold harmless funding.
- National had a positive CINA variance of \$2.2M associated with the additional regional revenue.
- We anticipate that NSH revenue will improve by approximately \$800 per pupil but are waiting for state guidance before incorporating that change into the budget.
- Please note, TX is not included in the consolidated RPS budget. The only impact that TX has is the 10% network support fee.



# RPS Financial Overview -Primary Budget for Approval

Recommended for  
Board Approval

	FY23 Preliminary Primary RPS Budget								
(\$000)	CA	MKE	NSH	DC	NTL	Elim	August RPS	June Budget	Variance
Federal Income	17,292	2,455	4,424	6,420	0		30,591	30,026	565
State Revenue Sources	109,146	6,385	18,778	34,957	0		169,266	142,889	26,377
Other Local Revenues	184	0	1	508	72		766	1,051	(285)
Int Transfers/Network Support Fee	6,599	410	1,109	1,648	19,428	(29,193)		417	(417)
Grants and Fundraising	100	750	400	500	3,200		4,950	4,850	100
<b>Revenues</b>	<b>133,321</b>	<b>9,999</b>	<b>24,712</b>	<b>44,034</b>	<b>22,700</b>	<b>(29,193)</b>	<b>205,573</b>	<b>179,232</b>	<b>26,340</b>
Compensation	59,748	5,391	11,387	17,130	15,133		108,789	105,273	(3,516)
Non Compensation	39,699	3,425	6,369	15,436	5,854	(1,871)	68,911	52,957	(15,954)
Rent	10,704	643	1,989	7,348	171		20,855	20,854	()
Network Service Fee	17,822	1,229	3,327	4,944	0	(27,322)	0	0	
<b>Expense</b>	<b>127,973</b>	<b>10,688</b>	<b>23,072</b>	<b>44,858</b>	<b>21,158</b>	<b>(29,193)</b>	<b>198,555</b>	<b>179,085</b>	<b>(19,471)</b>
<b>CINA</b>	<b>5,349</b>	<b>(689)</b>	<b>1,640</b>	<b>(824)</b>	<b>1,542</b>	<b>()</b>	<b>7,017</b>	<b>148</b>	<b>6,870</b>
<b>Lease Adjusted CINA</b>	<b>5,349</b>	<b>(689)</b>	<b>1,640</b>	<b>273</b>	<b>1,542</b>		<b>8,114</b>	<b>1,245</b>	<b>6,869</b>

The primary budget for board approval does not include the hold harmless funding.

# RPS Financial Overview -Alternate Budget for Approval

Recommended for  
Board Approval

	FY23 Preliminary Alternate RPS Budget								
(\$000)	CA	MKE	NSH	DC	NTL	Elim	August RPS	June Budget	Variance
Federal Income	17,292	2,455	4,424	6,420	0		30,591	30,026	565
State Revenue Sources	117,146	6,385	18,778	34,957	0		177,266	142,889	34,377
Other Local Revenues	184	0	1	508	72		766	1,051	(285)
Int Transfers/Network Support Fee	6,999	410	1,109	1,648	20,228	(30,393)	417	417	(417)
Grants and Fundraising	100	750	400	500	3,200		4,950	4,850	100
<b>Revenues</b>	<b>141,721</b>	<b>9,999</b>	<b>24,712</b>	<b>44,034</b>	<b>23,500</b>	<b>(30,393)</b>	<b>213,573</b>	<b>179,232</b>	<b>34,340</b>
Compensation	59,748	5,391	11,387	17,130	15,133		108,789	105,273	(3,516)
Non Compensation	39,699	3,425	6,369	15,436	5,854	(1,871)	68,911	52,957	(15,954)
Rent	10,704	643	1,989	7,348	171		20,855	20,854	()
Network Service Fee	19,022	1,229	3,327	4,944		(28,522)	0	0	
<b>Expense</b>	<b>129,173</b>	<b>10,688</b>	<b>23,072</b>	<b>44,858</b>	<b>21,158</b>	<b>(30,393)</b>	<b>198,555</b>	<b>179,085</b>	<b>(19,471)</b>
CINA	12,549	(689)	1,640	(824)	2,342	()	15,017	148	14,870
<b>Lease Adjusted CINA</b>	<b>12,549</b>	<b>(689)</b>	<b>1,640</b>	<b>273</b>	<b>2,342</b>		<b>16,114</b>	<b>1,245</b>	<b>14,869</b>

The alternate budget for board approval includes \$8M in hold harmless funding.

# National FY23 Budget

National	FY2023	FY2023	FY2023	FY2023
(\$000)	June Budget	August	Variance	Notes
Federal Income	0	0	0	0
State Revenue Sources	0	0	0	0
Other Local Revenues	72	72	0	
Int Transfers/Network Svc Fee	16,717	19,428	2,711	Increase in funding
Grants and Fundraising	3,200	3,200	0	
<b>Revenues</b>	<b>19,989</b>	<b>22,700</b>	<b>2,711</b>	<b>0</b>
Compensation	15,133	15,133	0	
Non-Comp	5,304	5,854	(550)	Increase in contingency
Rent	171	171	0	
<b>Expense</b>	<b>20,608</b>	<b>21,158</b>	<b>(550)</b>	<b>0</b>
<b>CINA</b>	<b>(619)</b>	<b>1,542</b>	<b>2,161</b>	<b>0</b>

The National NeST budget is markedly improved from the June version.

- CINA is \$1.5M, an increase of \$2.2M from June
- Revenues increased by \$2.7M driven by increases in CA and DC revenue
- Expenses increased by \$550K to build a more significant contingency





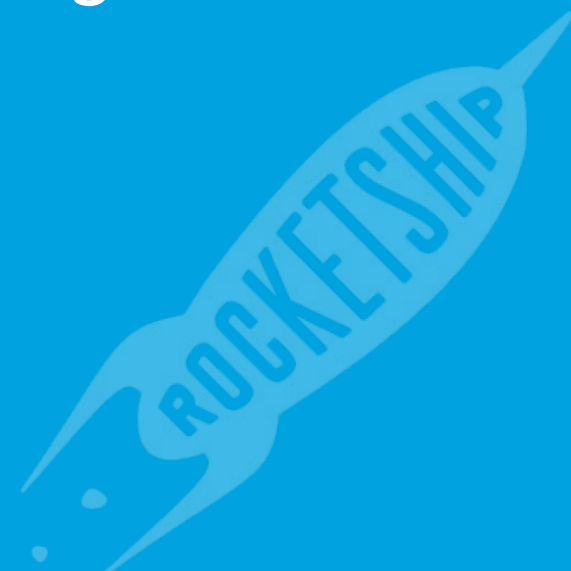
# All NeST Roll up

	FY23 Preliminary NeST Budgets					
(\$000)	CA	MKE	NSH	DC	NTL	RPS
Federal Income	0	0	0	0	0	0
State Revenue Sources	0	0	0	0	0	0
Other Local Revenues	0	0	0	0	72	72
Int Transfers/Network Support Fee	6,099	410	1,109	1,649	19,428	28,694
Grants and Fundraising	100	450	400	500	3,200	4,650
<b>Revenues</b>	<b>6,199</b>	<b>860</b>	<b>1,509</b>	<b>2,149</b>	<b>22,700</b>	<b>33,416</b>
Compensation	3,033	705	1,286	1,665	15,133	21,821
Non Compensation	2,161	133	155	444	5,854	8,747
Rent	292	0	0	0	171	463
Network Service Fee	0	0	0	0	0	0
<b>Expense</b>	<b>5,487</b>	<b>838</b>	<b>1,441</b>	<b>2,108</b>	<b>21,158</b>	<b>31,031</b>
<b>CINA</b>	<b>712</b>	<b>22</b>	<b>68</b>	<b>41</b>	<b>1,542</b>	<b>2,384</b>

- All Regional NeSTs operate with a positive CINA for FY23
- The aggregate NeST CINA is \$2.4M



Approve the FY23 updated budget (to be used if 21-22 school year California Hold Harmless revenue is recognized in FY22 financials), and the FY23 alternate budget (to be used if 21-22 California Hold Harmless revenue is instead recognized in FY23 financials)



# 5 Year Strategic Plan Discussion

Rocketship Public Schools Board of Directors Meeting

August 24, 2022



In 2022-23, we will initiate development of our next 5 year strategic plan.

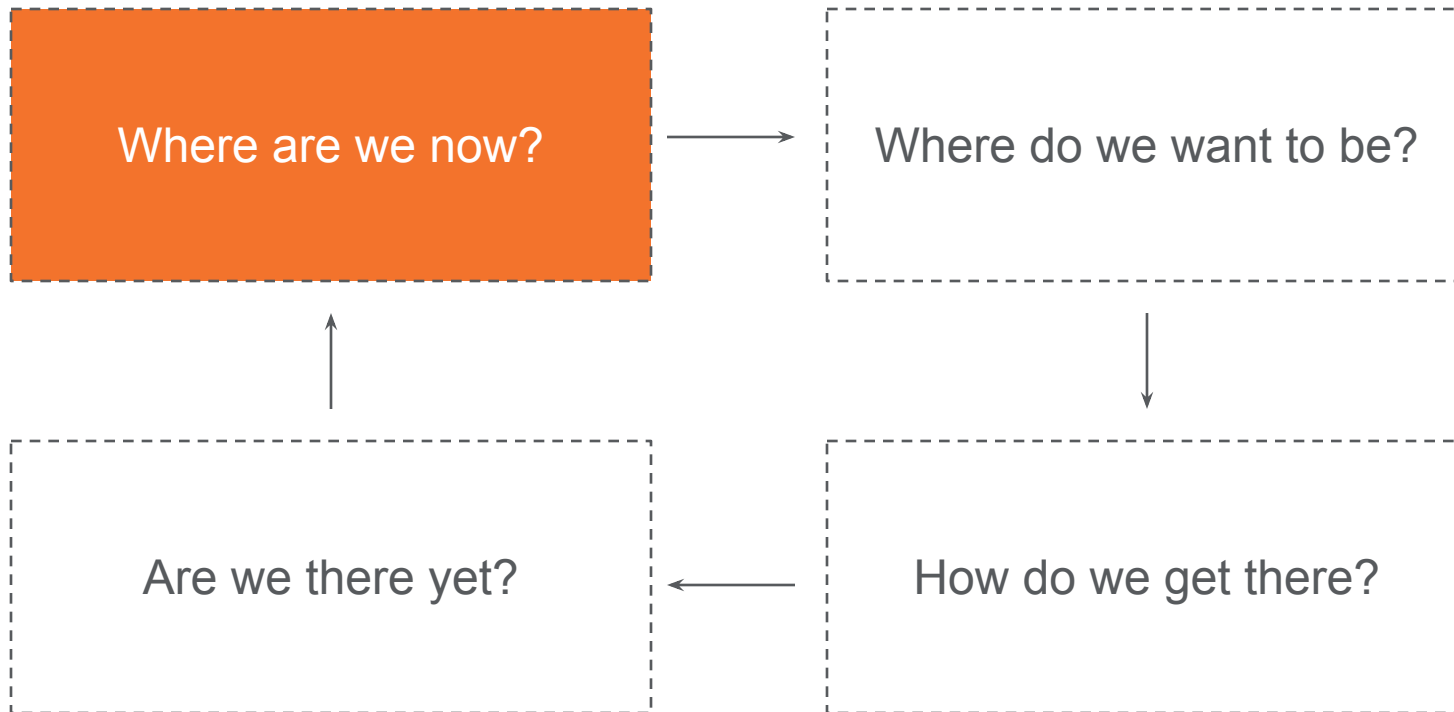
Align on goals for the upcoming 5 years  
(2023-24 to 2028-29)

Determine levers to achieve growth goals informed by  
opportunity for impact and feasibility

Engage stakeholders (Board, NET, DEI Council, Rocketship Team  
Members, etc.) in the process in a meaningful way

Ultimately, receive Board approval of the strategic plan at the  
August 2023 board meeting

Today, we will begin that process by reviewing progress against current plan and evolution of our approach.



Today, we will begin that process by reviewing progress against current plan and evolution of our approach.

1

### **Where are we now**

**20 minutes**

3:00pm - 3:20pm

2

### **Lessons learned and evolution in approach**

**60 minutes**

- Presentation [20 min]
- Small group discussion [40 min]

3:20pm - 4:20pm

-----10 minute break-----

3

### **Exploring new pathways to impact**

**40 minutes**

- Presentation [10 min]
- Small group discussions [30 min]

4:30pm - 5:10pm

4

### **Strategic plan process next steps**

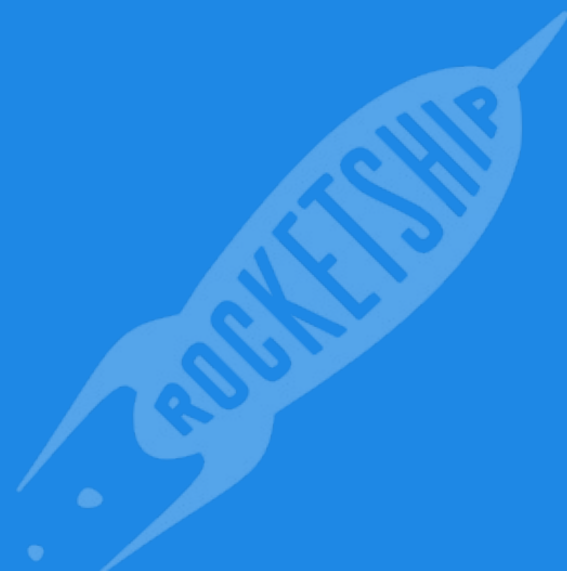
**15 minutes**

5:10pm - 5:25pm



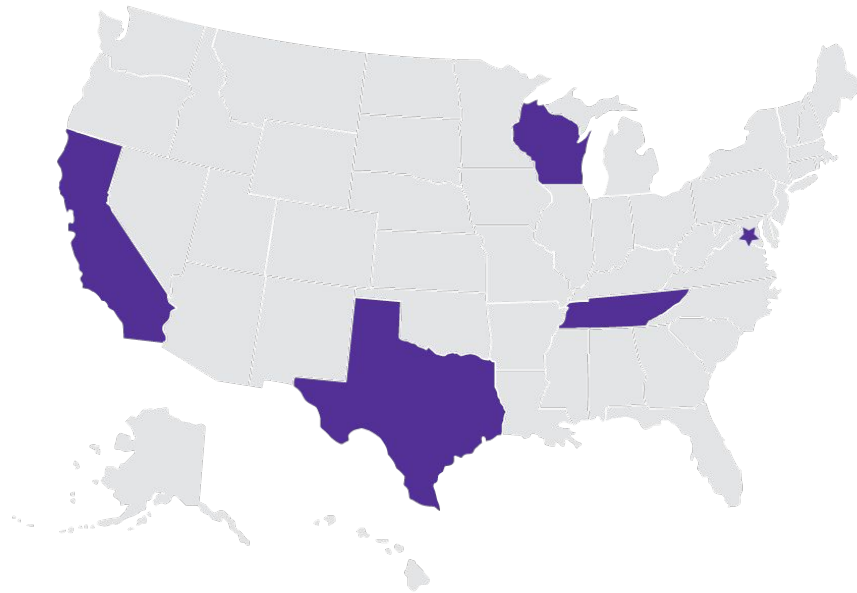
State of the network in 2022

# Where are we now?



# ROCKETSHIP

## PUBLIC SCHOOLS



**15** years

**22** PreK-5 schools launched

**25,000+** students served (lifetime)

**75%+** socio-economically disadvantaged



Our 5 year “Always Important” goals have guided our way.

## Quality

Schools are in  
top 10% for SED  
(~ top 25% for all  
students)

## Impact

Serve 14,000  
Rocketeers through a  
financial  
sustainably national  
network

## Advocacy

100 parent  
power  
meetings per  
year

## Culture

80% of staff  
recommend  
Rocketship as a great  
place to work

## DEI

60%+ of leaders  
represent student  
racial & ethnic  
identities

Quality Goal: Schools in top 10% SED

11 of 19 eligible schools in top 10% for SED students in 18-19.

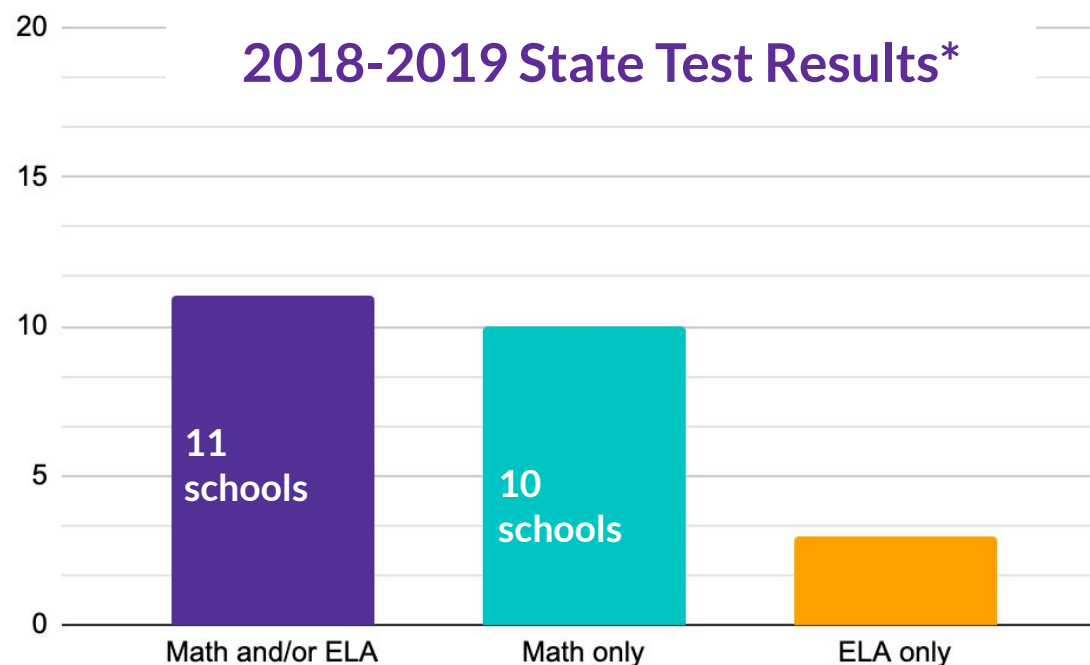
### 2018-19 SY\*

11 schools in top  
10% of SED in ELA  
and/or math

10 schools in math

3 schools in ELA

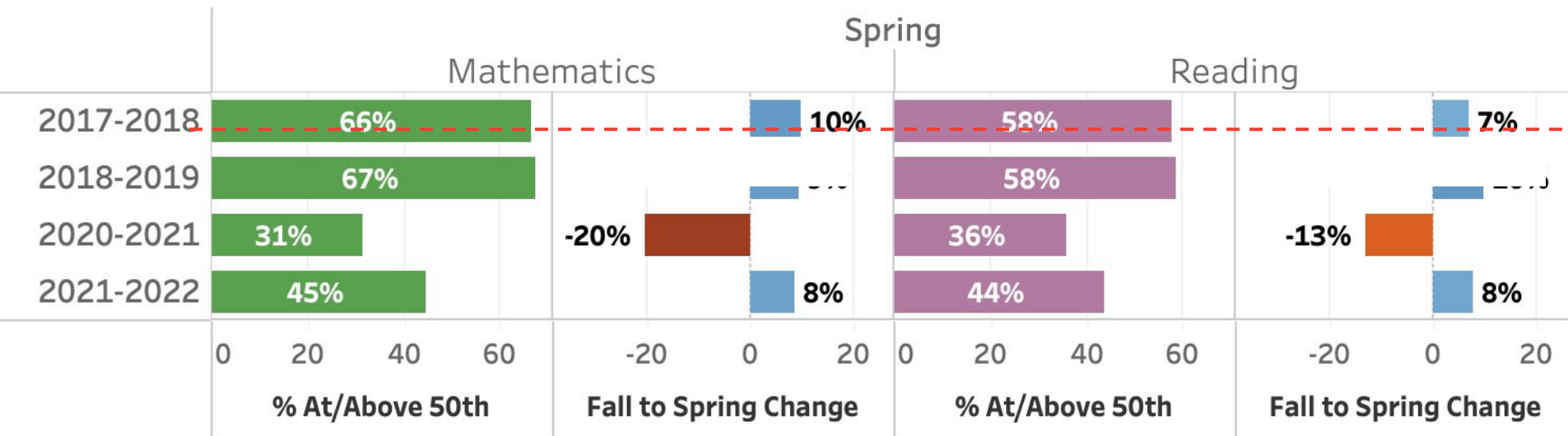
### 2018-2019 State Test Results\*



\*The last school year with all states publishing results from state assessments.

2021-22 was the **START** of Rocketship's recovery.

### Fall to Spring Period NWEA Absolute Changes - % Top 50



- We're still only at the beginning of the recovery process.
- NWEA study projects 3-5 year recovery pathway
- Network averaged 1.2 years of growth in math and reading in 21-22.

Impact Goal: 14,000 students

Advancing our impact and path to financial sustainability.

14,000 students

=

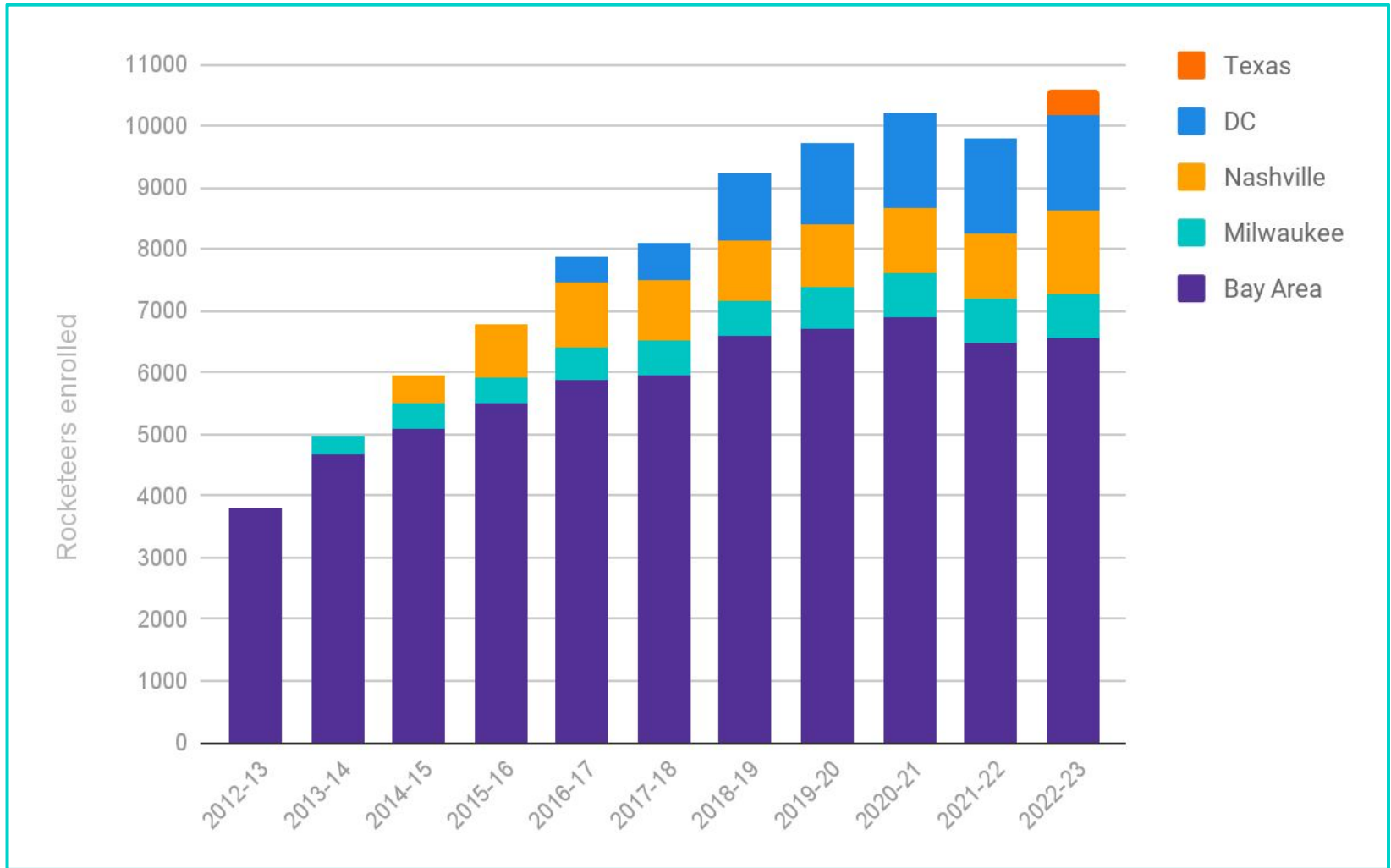
*National network is fully supported  
through public funding.*





Impact Goal: 14,000 students

More than doubled our impact over the last 10 years.



Impact Goal: 14,000 students

We are not on track to reach 14K students by 23-24.

## 22 in 2022

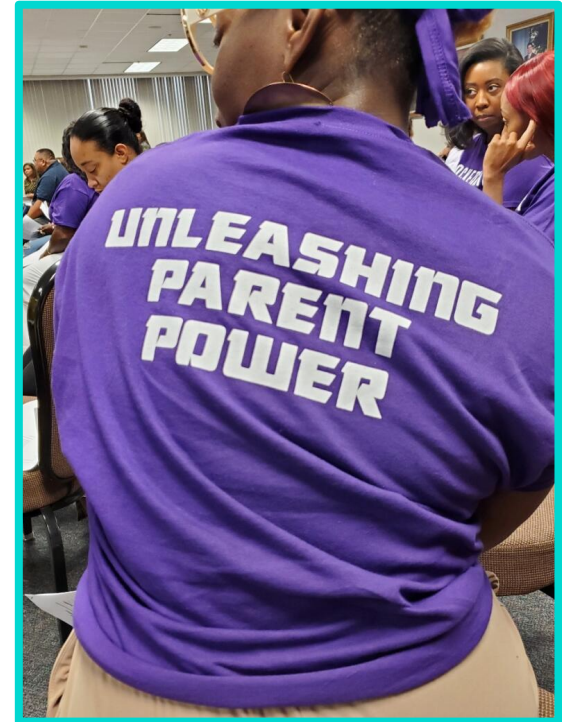
total schools per region per year

	19-20	20-21	21-22	22-23	23-24
California	13	13	13	13	13
Wisconsin	2	2	2	2	2
Tennessee	2	2	2	3	3
DC	2	3	3	3	3
Texas				1	2
Total schools	19	20	20	22	23
Total enrollment	9,706	10,199	9,810	10,528	~11,000

Advocacy Goal: 100 power meetings per year

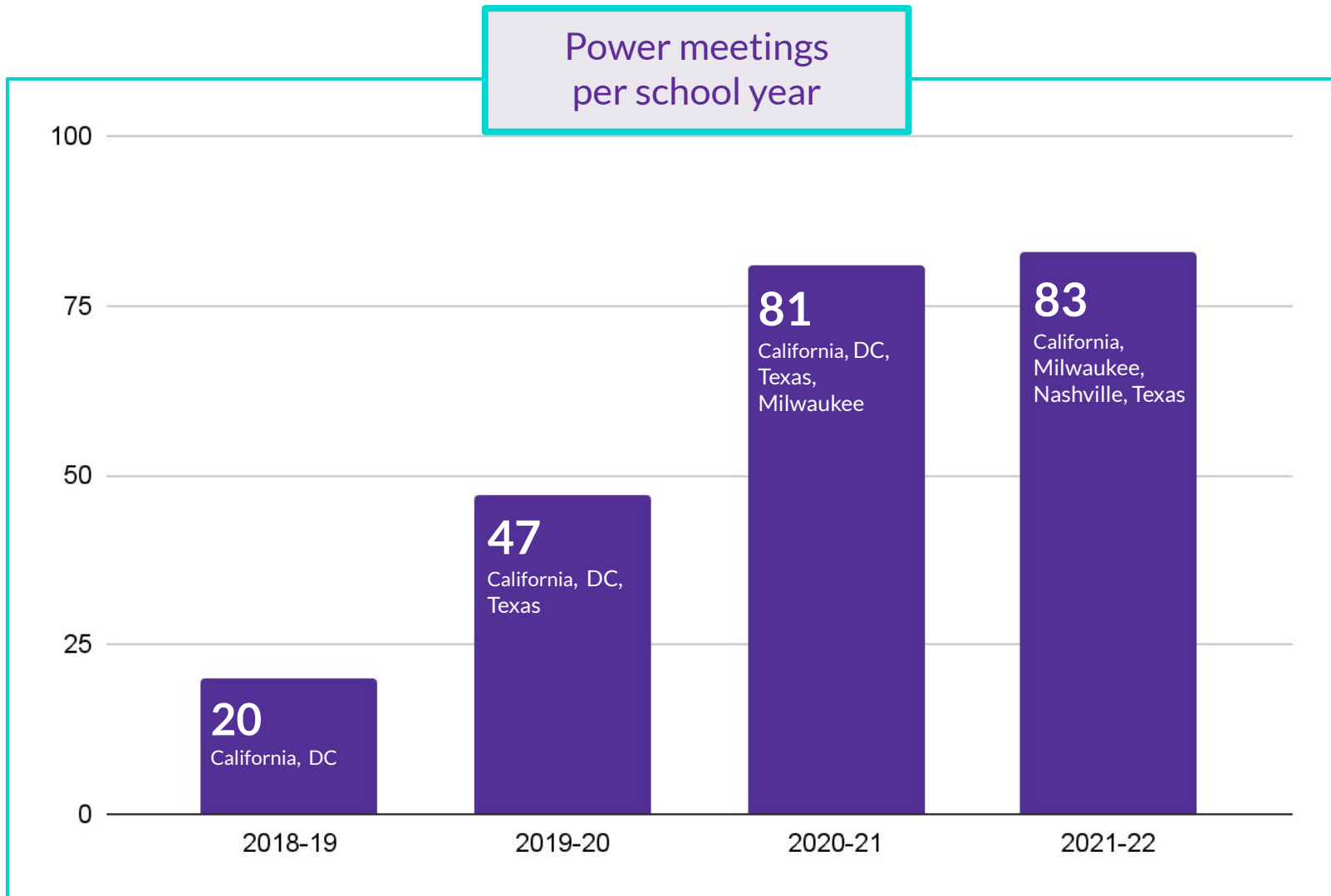
## Measuring parent power.

**Power meeting** = a combination of parent led meetings and public actions held with public officials to build relationship, put equity issues on public agenda, demand public officials declare position, and demonstrate power to hold leaders accountable.



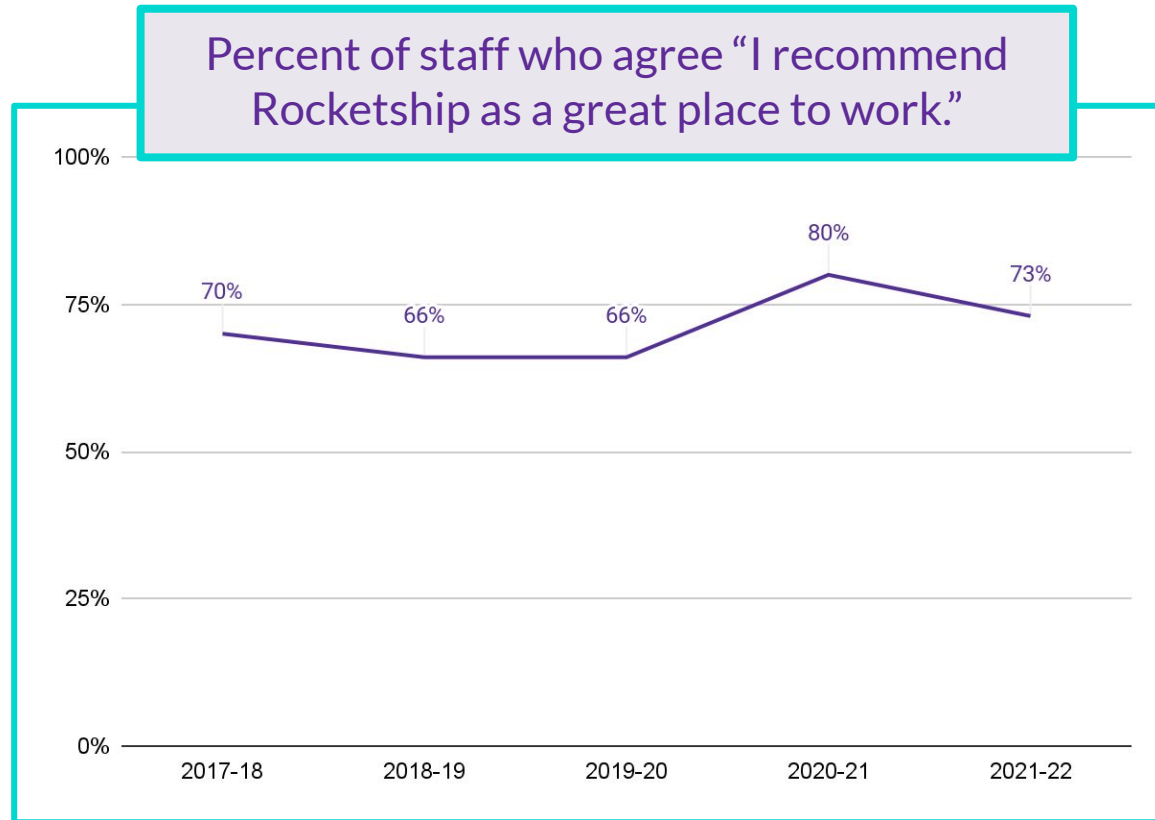
Advocacy Goal: 100 power meetings

Closing in on our annual goal despite COVID challenges.



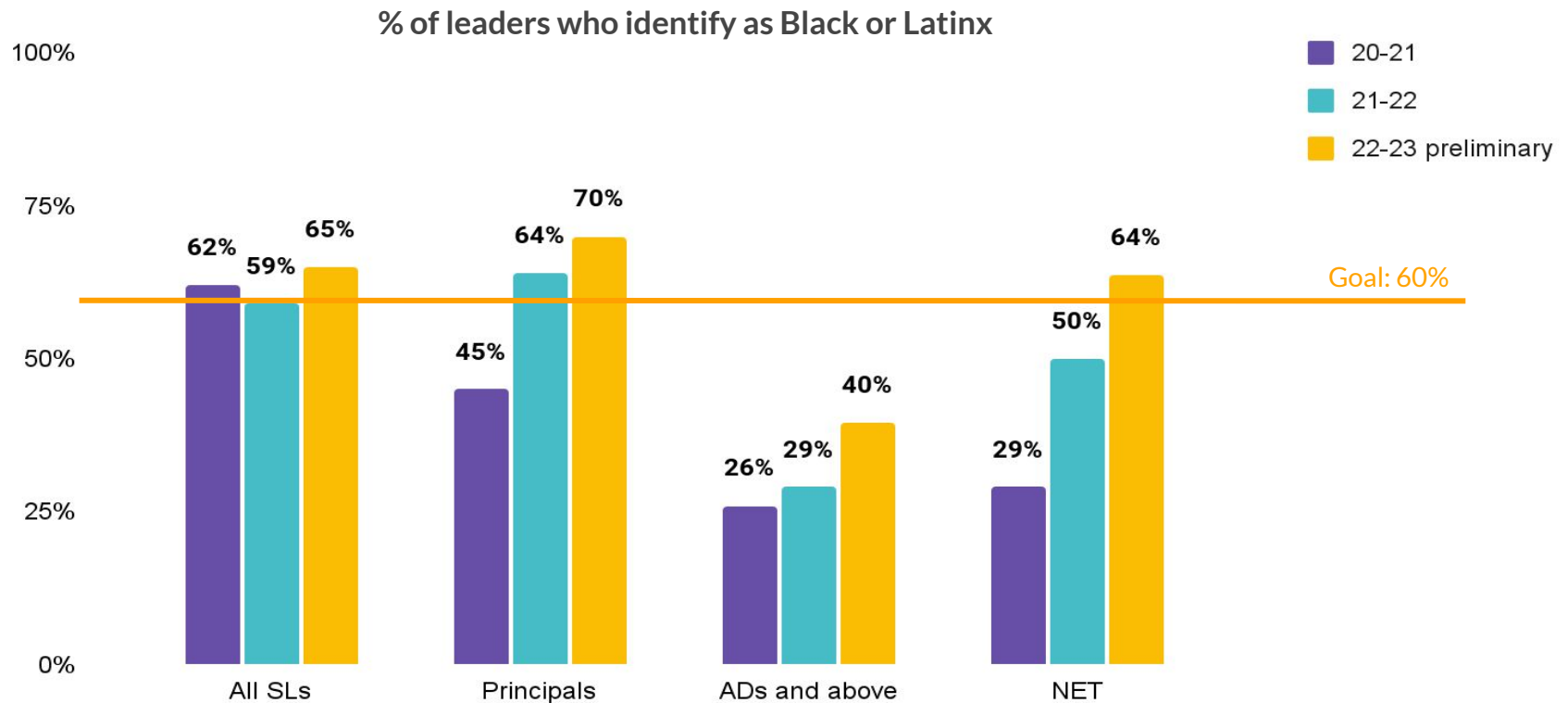
Culture Goal: 80% recommend RPS as great place to work

We met our 80% goal in 2021 - a network high point.



DEI Goal: 60% of leaders represent student racial and ethnic identities

# Making major progress towards meeting our DEI goal.



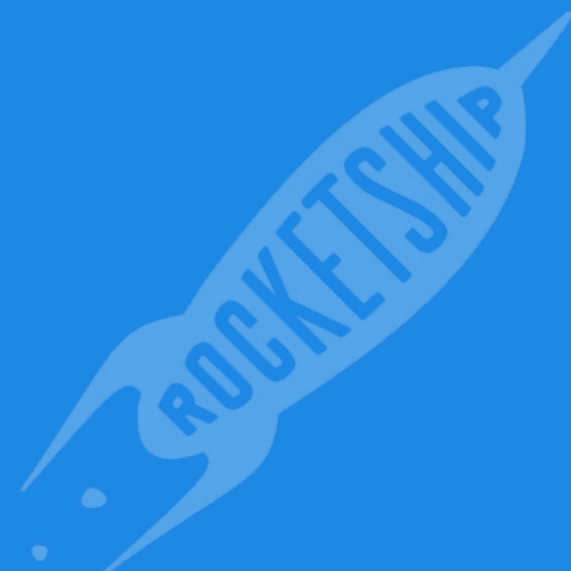
## Summary assessment at end of 21-22 SY.

Quality	Impact	Advocacy	Culture	DEI
Schools are in top 10% for SED (~ top 25% for <u>all</u> students)	Serve 14,000 Rocketeers through a financial sustainably national network	100 parent power meetings per year	80% of staff recommend Rocketship as a great place to work	60%+ of leaders represent student racial & ethnic identities
<i>Slowed due to COVID but regained momentum in spring 2022.</i>	<i>Off track for national network, will not achieve sustainability on public funding by 2023.</i>	<i>Slowed due to COVID but on track to reach by 2023.</i>	<i>Achieved in 2020, must sustain year-over-year.</i>	<i>On track, must sustain year-over-year.</i>

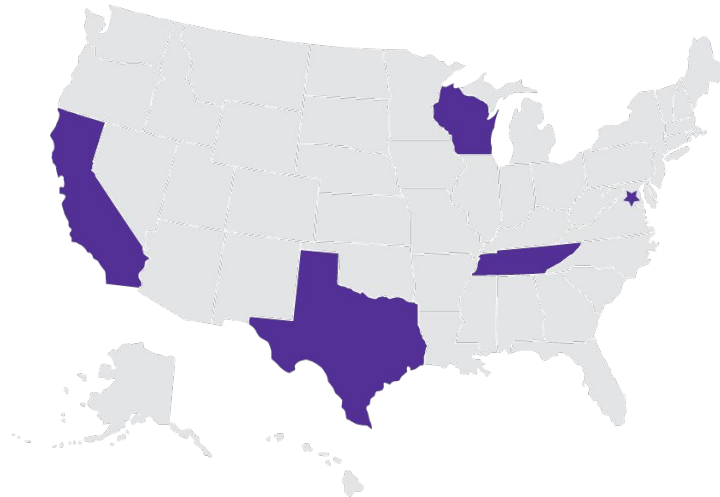
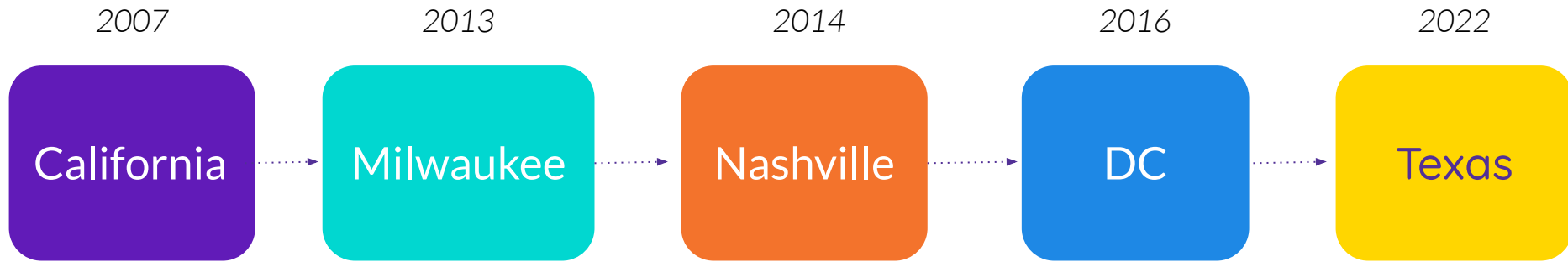


State of the network in 2022

# Lessons learned and evolution in approach



With every region opening, we have learned deeply and evolved our approach.



Overtime, we have refined and crystalized key aspects of our model, strategy, and theory of change.

Personalized  
Learning

Ecosystem  
Impact

Regional  
expansion

Sustainability on  
public funding

Talent  
Development

Parent  
Power

Overtime, we have refined and crystalized key aspects of our model and theory of change.

## Personalized Learning



- We launched our first school with many core aspects of our personalized learning model that still exist today: rotational model, teacher specialization, learning lab, purposeful use of technology.
- In 2018, we strengthened alignment between teacher instruction and digital learning by moving OLPs into the classroom and re-designing the learning lab to return to a focus on high-quality enrichments and project based learning.
- In 2020, we responded to pandemic by expanding our approach to socio-emotional learning, mental health, and whole family support through Care Corps as well as built out JetPackED to empower teachers to more effectively and efficiently utilize data from OLPs to personalize support for their students.

Overtime, we have refined and crystalized key aspects of our model and theory of change.

## Ecosystem Impact



- Our founding Theory of Change was similar to that of the choice movement - providing high quality education and creating healthy competition.
- Growing into new regions helped us understand what truly differentiates our impact at Rocketship - *by focusing exclusively on elementary education and deepening engagement with parents, our model helps **improve the entire ecosystem** of public education in the communities we serve - we are not creating a parallel K-12 school system.*
- Three-year study by SRI Education validated our model of sustained academic performance. Our Rocketeer alumni are a full year ahead of their classmates after the first and second year of middle school.
- Our Theory of Change is now centered on eco-system impact and was the cornerstone of our greenlighting process for Rocketship Texas.

Overtime, we have refined and crystalized key aspects of our model and theory of change.

## Regional expansion



- We have demonstrated our model can deliver academic excellence across a diverse range of geographies and communities. Our schools in every region are outperforming local districts.
- As we've grown beyond CA, we have learned the power of building an invested local board, establishing strong relationships with local funders, and building a dedicated regional leadership team.
- Through each expansion, we have developed more refined and rigorous greenlighting criteria to fully assess the full range of factors determining the need, demand, and conditions required for achieving impact.
- Maintaining one network enables us to learn from each region and continue to elevate our model by incorporating new strategies and best practices system wide (e.g., trauma informed care in DC, English language instruction in CA and TN).

Overtime, we have refined and crystalized key aspects of our model and theory of change.

## Sustainability on public funding



- Our founding vision was to achieve full financial sustainability on public funding to provide a powerful proof concept of the excellent public education we can provide in every zip code on public funding alone.
- In 2013, we achieved regional sustainability in the Bay Area with 8 schools serving nearly 5,000 students.
- We have a pathway to regional sustainability in all regions aside from Milwaukee where public funding does not provide sufficient support to deliver the quality of education our Rocketeers deserve.
- We have made major strides in achieving financial sustainability on public funding at the national level, however it remains further out and we have begun exploring other pathways to national sustainability beyond public funding.



Overtime, we have refined and crystalized key aspects of our model and theory of change.

## Talent Development



- From our founding, our school leaders' primary responsibility is to develop instructional excellence in their school.
- In 2013-14, we strengthened instructional management and coaching capacity by adding APs and Operations Managers to our core school leadership team.
- All school leaders drive talent development through differentiated professional development and targeted one-on-one coaching. This model enables new teachers to deliver student growth 20% higher than the national average.
- We introduced a teacher evaluation rubric that heavily weights student achievement and extended this evaluation approach to all instructional staff, helping to retain high performers.
- Our leadership development programs target critical career junctures and in recent years we have formed partnerships to develop and retain leaders of color and embedded DEI into competencies for all leaders.

Overtime, we have refined and crystalized key aspects of our model and theory of change.

## Parent Power



- “Parents are our students first teachers” has been our guiding philosophy from inception. Family engagement practices including annual home visits, community meetings, partnership hours, school naming, and more remain core practices at every RPS school.
- Parent leadership began to take flight in 2014 when San Jose parents turned out over 1,200 community members for our first parent-led mayoral forum.
- In 2018, we invested in the expansion of our Parent Leadership and Advocacy work and elevated this work to our Always Important Goals by setting clear targets and tracking “annual power meetings” across all regions.
- Parent leadership is now an integrated function across our regions with dedicated team members in each region leading this work.

This does not cover everything, but it begins to inform our discussion on what's next.

Personalized  
Learning

Ecosystem  
Impact

Regional  
expansion

Sustainability on  
public funding

Talent  
Development

Parent  
Power

## Small group discussion & share out

Small group discussion - 20 min  
Full group share out - 20 min

1

Based on what we have achieved in our first 15 years and our strengths as an organization, what do you want to see Rocketship accomplish in the next 5 years?

2

What do you want to see Rocketship accomplish in the next 10 years?

### Group 1 (Zoom)

Daniel, Malka, Deb,  
Ralph, Peter

### Group 2

Louis, Julie,  
Yolanda, Rajen

### Group 3

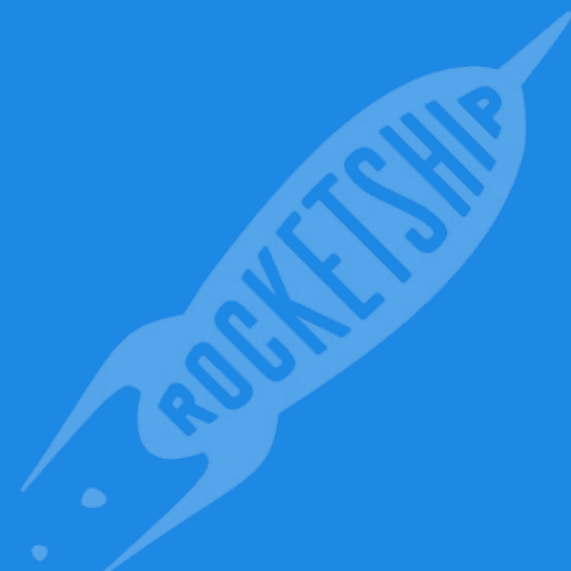
Alex, Hugo,  
Joey, Ray

### Group 4

Charmaine, June  
Greg, Mike

State of the network in 2022

# Exploring new pathways to impact



Our new leadership structure has evolved significantly from our last strategic plan.

*Network Executive Team*



Launched in 2021, this new leadership structure is designed to create greater agency and accountability in our regions and improve the efficacy and focus of our national network support teams.

Regions now drive their impact strategy in response to local political, funding, and facility market context.

Texas	<b>Expand network in Fort Worth</b> State support for charters; Favorable pathway to facilities
Tennessee	<b>Expand network in Tennessee</b> State support for charters; Strong philanthropic support for growth
Washington, D.C.	<b>Continue to pursue expansion</b> Tight facilities market is main obstacle to growth
California	<b>Hold share</b> Defend Rocketship share; Build political power to re-open growth
Wisconsin	<b>Hold share</b> Scale does not improve sustainability; Build parent power to improve public funding



In response to increased regionalization, the role of National is evolving.

**Support to regions**

Finance, Accounting, Human Resources, Talent Recruitment, Legal, MarComm, Compliance, Tech solutions, Professional learning, etc

**Advancing model**

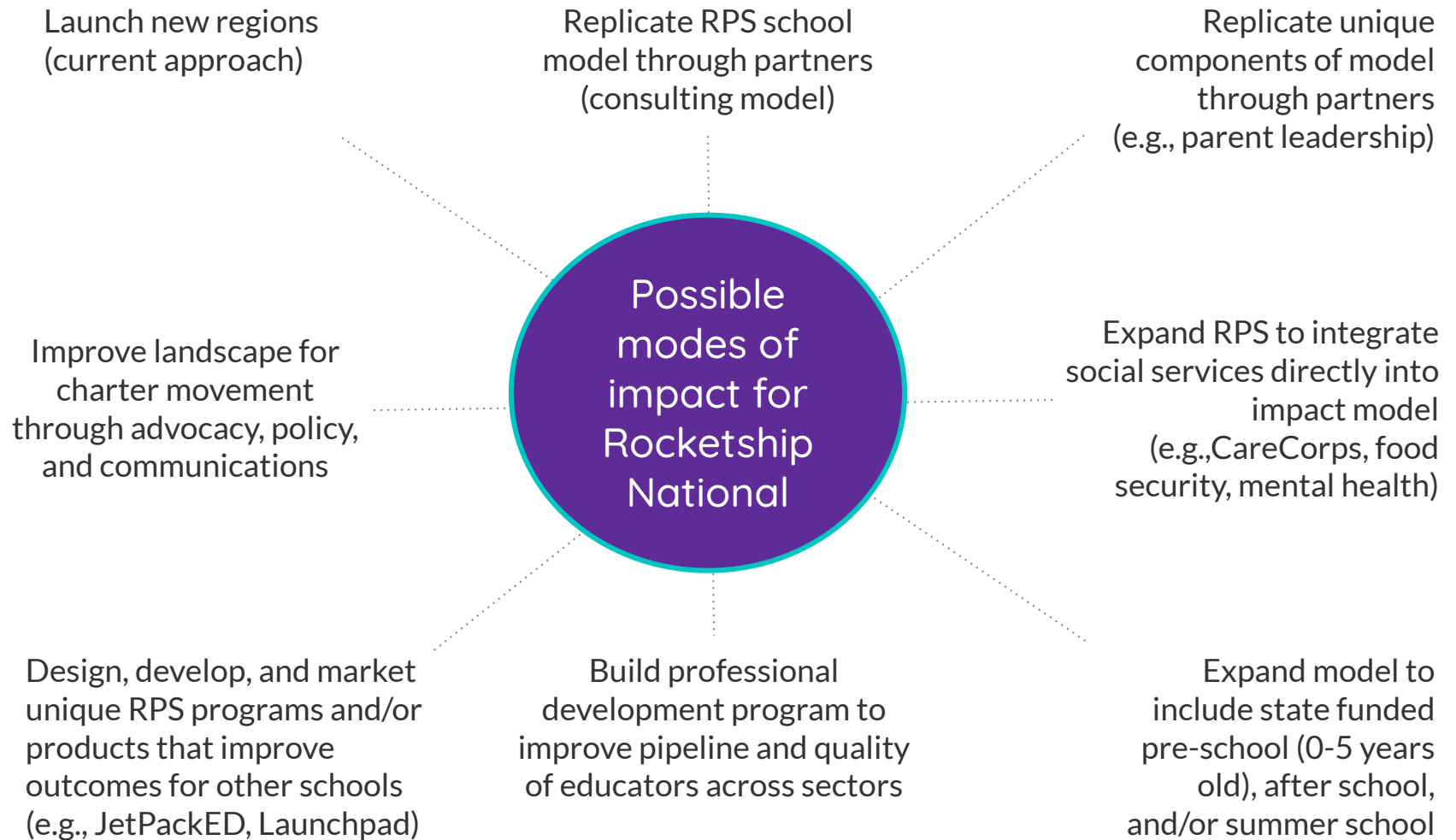
Program, Strategy, Innovation (e.g., JetPackED), Analytics

**Building movement**

Parent leadership, Advocacy, Policy, Communications



Our new structure opens up new possibilities to explore as we design national's next 5 year strategic plan.



## Small group discussion & share out

Small group discussion - 15 min  
Full group share out - 15 min

- 1 What new pathways to impact should we consider exploring?
- 2 Where do you think is the greatest opportunity for Rocketship to advance our vision to eliminate the achievement gap in our lifetime?

### Group 1 (Zoom)

Daniel, Malka, Deb,  
Ralph, Peter

### Group 2

Louis, Julie,  
Yolanda, Rajen

### Group 3

Alex, Hugo,  
Joey, Ray

### Group 4

Charmaine, June  
Greg, Mike

Next Steps



# 2022-2023 Strategic Planning Process

	STAGE	MILESTONES
SEP-OCT	Align on long-term goals and levers for impact	Sept: Launch Sub Committee on Strategic Planning (2-4 board members)
NOV-JAN	Develop strategic options to reach goals	Nov: Confirm levers for impact informed by landscape review
FEB-MAY	Develop plans including outcomes and resource requirements informed by stakeholder input	Feb: Agree on top strategic options
JUN-AUG	Finalize implementation plans	June: approve 22-23 budget Aug: approve 5-year strategic growth plan

# Establish a Strategic Planning Committee

## Purposes of Strategic Planning Committee

- Incorporate your feedback in our strategic growth planning process in a way that would not be possible under the constraints of the board meeting schedule
- Ensure alignment and representative perspectives from multiple committees and regions
- Collaboratively drive towards the goal of expanding Rocketship impact over the next 5 years

## Membership (ideally not exceed 12 people)

- RPS Board Members (2-4)
- Members of Network Executive Team (2-4)
- Other NeST (National and Regional) members (2-4)
- Other RPS Team members (i.e. Principal) (1-2)

## Commitment

- Monthly 90 min. meetings to advise core RPS staff team leading strategic growth planning

Approve Resolution #22-12, regarding  
California Education Code section 1240



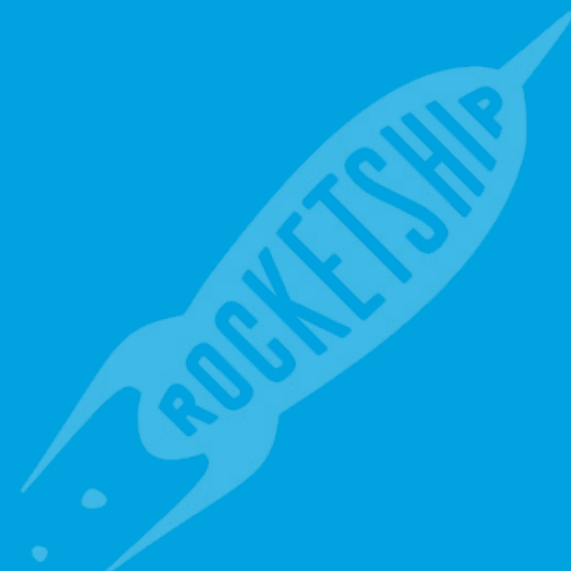


# Appendix

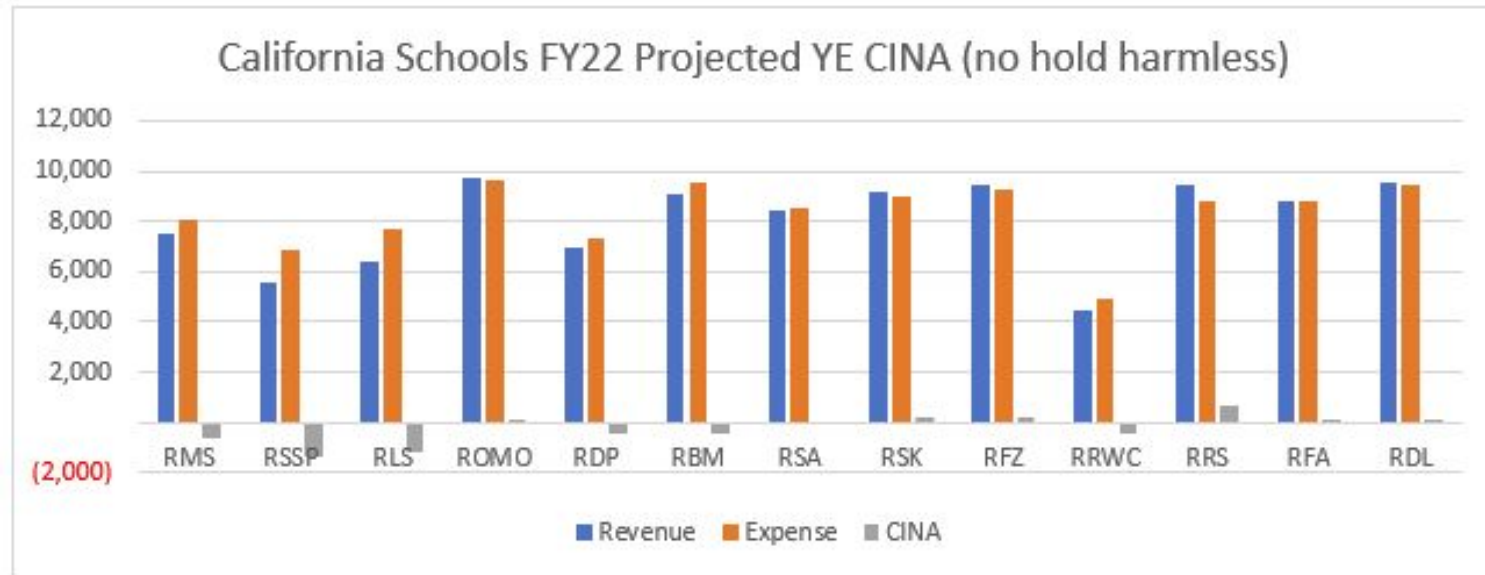


# Appendix:

## 2021-22 End of Year Financial Review



# FY22 YE Projections - California Schools



	RMS	RSSP	RLS	ROMO	RDP	RBM	RSA
Revenue	7,487	5,523	6,441	9,685	6,947	9,069	8,456
Expense	8,092	6,875	7,653	9,670	7,363	9,523	8,510
CINA	(604)	(1,352)	(1,213)	15	(416)	(454)	(55)

	RSK	RFZ	RRWC	RRS	RFA	RDL	Total CA Schools
Revenue	9,152	9,480	4,481	9,496	8,835	9,570	104,621
Expense	8,976	9,241	4,915	8,825	8,778	9,458	107,879
CINA	177	239	(434)	670	57	112	(3,258)

# Forecasted FY22 YE Loans and Deferred Network Support Fee

At present there is a total of \$14.9M due to National and Regional NeST for loans and deferred network support fees. In an effort to ensure that our first priority is supporting our schools and regions, we have at times deferred Network Support fees. We plan to explore repayment options in FY23 if at all possible for regions, while still continuing to prioritize the needs of our schools and regions.

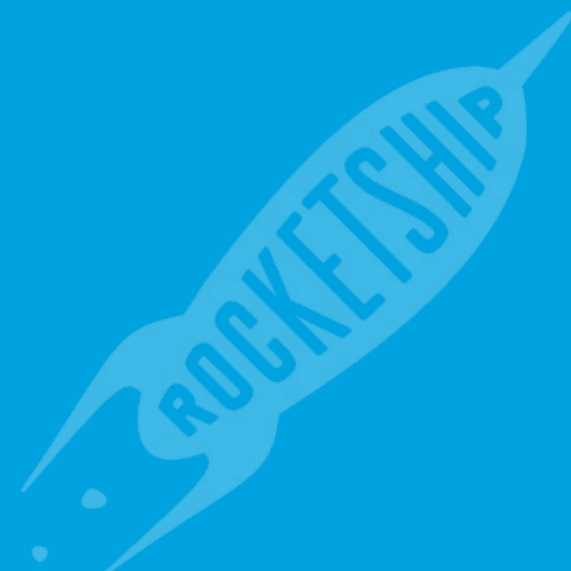
National will not make any new grants, loans or network support fee deferrals in FY23.

	FY20	FY21	FY22
CA	5,450	3,604	3,502
MKE	4,213	4,321	4,690
DC	2,648	2,421	3,872
Nashville	1,177	1,246	1,246
<b>Total</b>	<b>13,488</b>	<b>11,592</b>	<b>13,264</b>

Note: The amount due from DC as of 6/30/22 is significantly higher than in prior years because DC still owed Rocketship management fee at the end of last fiscal year.



# Appendix: Regional FY23 Financial Update



# Enrollment

FY22 vs FY23 Projection

	FY23			
	FY22	Budget/Staffing Projection	Change	%Change
RMS	474	483	9	2%
RSSP	334	311	-23	-7%
RLS	398	381	-17	-4%
ROMO	561	577	16	3%
RDP	462	438	-24	-5%
RBM	520	460	-60	-12%
RSA	516	517	1	0%
RSK	565	574	9	2%
RFZ	575	564	-11	-2%
RRS	609	587	-22	-4%
RRWC	301	275	-26	-9%
RFA	649	675	26	4%
RDL	573	594	21	4%
<b>CA</b>	<b>6,537</b>	<b>6,436</b>	<b>-101</b>	<b>-2%</b>
RNNE	458	500	42	9%
RUA	556	518	-38	-7%
NSH3	0	388	388	
<b>NSH</b>	<b>1,014</b>	<b>1,406</b>	<b>392</b>	<b>39%</b>
RSCP	468	443	-25	-5%
RTP	258	279	21	8%
<b>MKE</b>	<b>726</b>	<b>722</b>	<b>-4</b>	<b>-1%</b>
RISE	658	600	-58	-9%
RLP	660	649	-11	-2%
RIC	235	303	68	29%
<b>DC</b>	<b>1,553</b>	<b>1,552</b>	<b>-1</b>	<b>0%</b>
TX1	0	413	413	
<b>TX</b>	<b>0</b>	<b>413</b>	<b>413</b>	
<b>Total</b>	<b>9,830</b>	<b>10,529</b>	<b>699</b>	<b>7%</b>

FY22 vs FY23 Projection of Existing Schools Only

	FY23			
	FY22	Budget/Staffing Projection	Change	%Change
<b>CA</b>	<b>6,537</b>	<b>6,436</b>	<b>-101</b>	<b>-2%</b>
<b>NSH</b>	<b>1,014</b>	<b>1,018</b>	<b>4</b>	<b>0%</b>
<b>MKE</b>	<b>726</b>	<b>722</b>	<b>-4</b>	<b>-1%</b>
<b>DC</b>	<b>1,553</b>	<b>1,552</b>	<b>-1</b>	<b>0%</b>
<b>TX</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total</b>	<b>9,830</b>	<b>9,728</b>	<b>-102</b>	<b>-1%</b>

For FY23 we project:

- Overall increase of 699 students or 7%
- CA enrollment down 2%
- 39% increase in NSH driven by opening NSH3
- MKE shows a 1% decrease
- DC stay flat
- Addition of 413 students due to the launch of TX

We have made minor changes to the June enrollment projections.

# Regional Budgets

## Regional budget highlights:

- The most significant shift in regional budgets is CA with an increase in CINA of \$5.4M
- The Milwaukee budget had minimal changes
- The Nashville incorporates wage increases in order to remain competitive in the region and at the 75th percentile of compensation.
- The DC budget represents an increase in state funding, in ESSER funds and additional pupils. Additionally, the compensation and non-compensation have been modified to more accurately reflect the region's needs and ensure we also remain competitive with the regional landscape.





# California Overview

There have been significant changes to the California budget.

Revenues increased by \$26M, expenses increased by \$21M and CINA increased by \$5M

## Major updates include:

- We included revenue and expense for three programs:
  - Education Opportunites Learning Program - an afterschool and summer school program with just under \$14M in total revenue
  - Community Schools Grant - a competitive five-year grant from the state which generates approximately \$3M per year
  - Universal TK Planning grant - a \$1M one time grant
- We have updated LCFF and other state funding
  - In the June budget, LCFF was projected to have a 5.3% increase. The final state budget calls for LCFF of approximately 13%
  - We will receive approximately \$2,000 per pupil in funds that can be used over 5 years. We have represented this as \$400 per pupil each year. We may however be forced to recognize the full \$2,000 in FY23 which would increase the budget.
- If hold harmless funds are recognized in FY23, revenue will increase by an additional \$6-8M. Currently, these funds are **not** included in the FY23 budget.

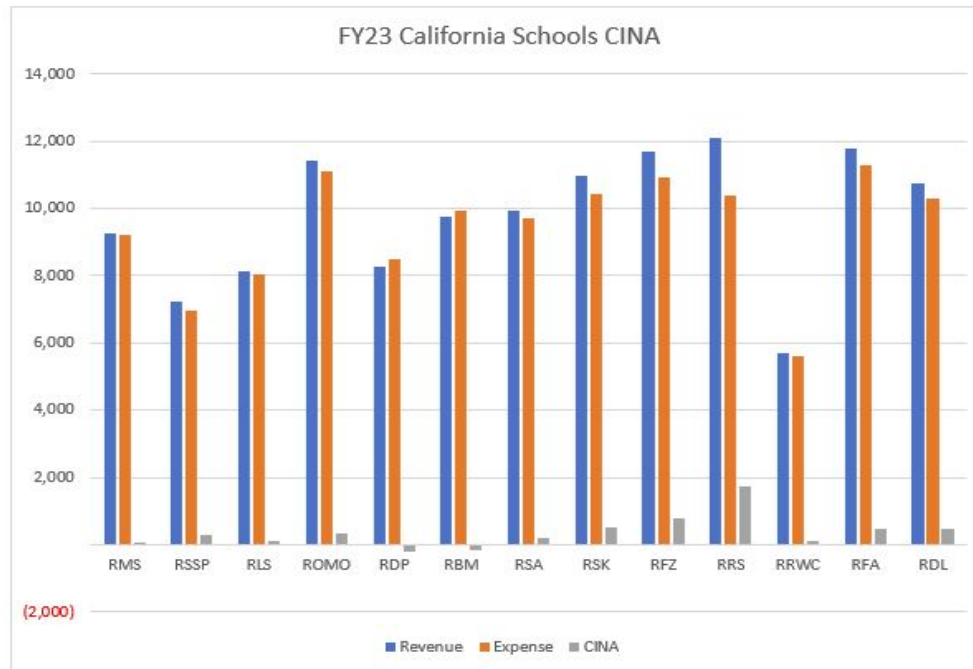


# CA FY23 Budget

CA	FY2023				
			Regional		
(\$000)	Schools Budget	NeST Budget	Budget	June Budget	Variance
Federal Income	17,292	0	17,292	17,297	(5)
State Revenue Sources	109,146	0	109,146	84,502	24,644
Other Local Revenues	184	0	184	184	1
Int Transfers/Network Support Fee	500	6,099	6,599	5,403	1,196
Grants and Fundraising	0	100	100	0	100
<b>Revenues</b>	<b>127,123</b>	<b>6,199</b>	<b>133,321</b>	<b>107,385</b>	<b>25,936</b>
Compensation	56,714	3,033	59,748	58,740	(1,007)
Non Compensation	37,537	2,161	39,699	23,604	(16,094)
Rent	10,412	292	10,704	10,704	0
Network Service Fee	17,822	0	17,822	14,339	(3,483)
<b>Expense</b>	<b>122,486</b>	<b>5,487</b>	<b>127,973</b>	<b>107,388</b>	<b>(20,585)</b>
<b>CINA</b>	<b>4,637</b>	<b>712</b>	<b>5,349</b>	<b>(3)</b>	<b>5,351</b>



# CA FY23 Budget



In aggregate, CA schools will generate \$4.6M in positive CINA.

All schools with the exception of RDP and RBM will operate with positive CINA in FY23. The negative CINA totals \$397K across the two schools.

We will work to identify opportunities to close the negative CINA gap for the these two schools.

	RMS	RSSP	RLS	ROMO	RDP	RBM	RSA
Revenue	9,279	7,241	8,152	11,423	8,268	9,764	9,937
Expense	9,221	6,972	8,061	11,093	8,492	9,937	9,720
CINA	58	269	91	330	(224)	(173)	217

	RSK	RFZ	RRS	RRWC	RFA	RDL	Total Schools
Revenue	10,981	11,719	12,125	5,712	11,769	10,755	127,123
Expense	10,444	10,941	10,411	5,597	11,303	10,293	122,486
CINA	537	779	1,713	115	465	463	4,637



# MKE FY23 Budget

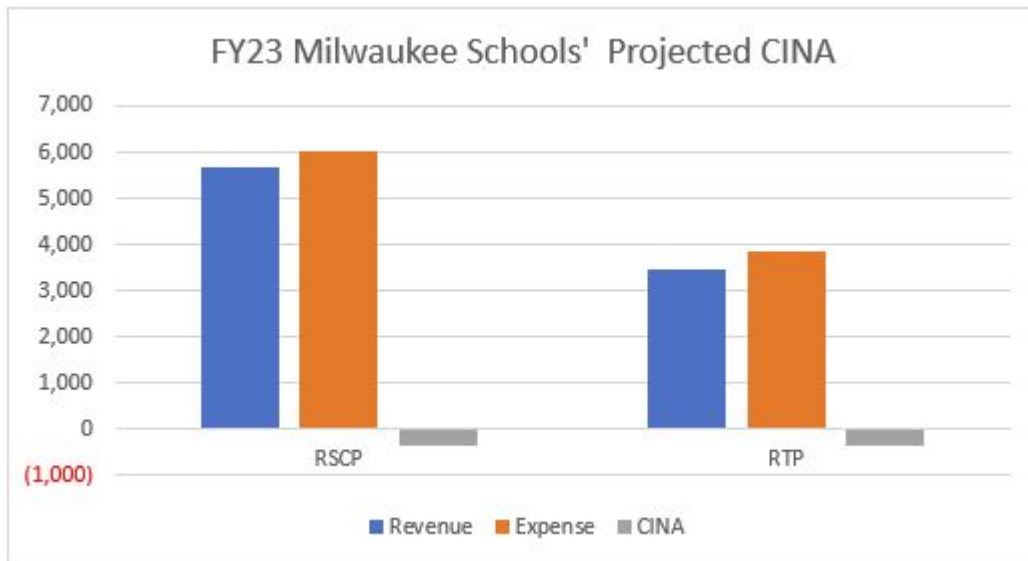
MKE	FY2023				
			Regional		
(\$000)	Schools Budget	NeST Budget	Budget	June Budget	Variance
Federal Income	2,455	0	2,455	2,455	0
State Revenue Sources	6,385	0	6,385	6,385	0
Other Local Revenues	0	0	0	0	0
Int Transfers/Network Support Fee	0	410	410	410	0
Grants and Fundraising	300	450	750	750	0
<b>Revenues</b>	<b>9,140</b>	<b>860</b>	<b>9,999</b>	<b>9,999</b>	<b>0</b>
Compensation	4,686	705	5,391	5,316	(75)
Non Compensation	3,292	133	3,425	3,356	(69)
Rent	643	0	643	643	0
Network Service Fee	1,229	0	1,229	1,229	0
<b>Expense</b>	<b>9,850</b>	<b>838</b>	<b>10,688</b>	<b>10,544</b>	<b>(144)</b>
<b>CINA</b>	<b>(710)</b>	<b>22</b>	<b>(689)</b>	<b>(545)</b>	<b>(144)</b>

The Milwaukee budget is not shown as BE however there are \$730K in COVID funds that have been designated for next year which will likely eliminate the negative CINA.



# MKE FY23 Budget

	FY23 Proposed Milwaukee Budgets				
(\$000)	RSCP	RTP	Total Schools	MKE NeST	Total
Revenue	5,659	3,480	9,140	860	9,999
Expense	6,009	3,841	9,850	838	10,688
CINA	(350)	(360)	(711)	22	(689)



RTP and RSCP show slightly negative CINAs. This will be eliminated with COVID funds which are currently shown as additional expense in the budget. Upon WI approval to use the funds for budgeted expenditures, we will eliminate the additional COVID expenses and CINAs will be positive.



# NSH FY23 Budget

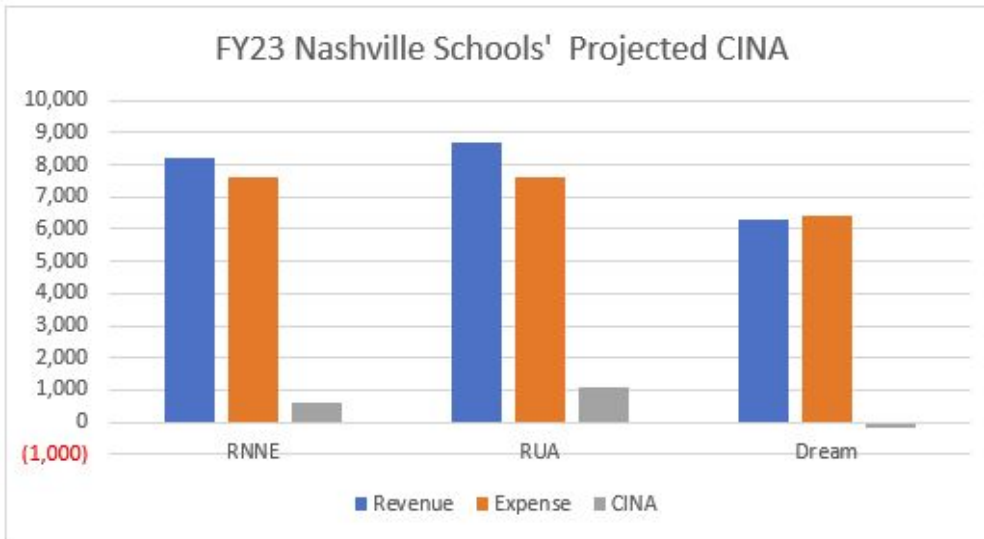
Nashville	FY2023				
			Regional		
(\$000)	Schools Budget	NeST Budget	Budget	June Budget	Variance
Federal Income	4,424	0	4,424	4,424	0
State Revenue Sources	18,778	0	18,778	18,778	(0)
Other Local Revenues	1	0	1	1	0
Int Transfers/Network Support Fee	0	1,109	1,109	1,109	(0)
Grants and Fundraising	0	400	400	400	0
<b>Revenues</b>	<b>23,203</b>	<b>1,509</b>	<b>24,712</b>	<b>24,712</b>	<b>(0)</b>
Compensation	10,102	1,286	11,387	9,895	(1,492)
Non Compensation	6,214	155	6,369	7,548	1,179
Rent	1,989	0	1,989	1,989	0
Network Service Fee	3,327	0	3,327	3,327	0
<b>Expense</b>	<b>21,631</b>	<b>1,441</b>	<b>23,072</b>	<b>22,759</b>	<b>(313)</b>
<b>CINA</b>	<b>1,572</b>	<b>68</b>	<b>1,640</b>	<b>1,953</b>	<b>(313)</b>

We anticipate that the Nashville budget will see revenue growth of over \$1M as a result of per pupil revenue increases. The increases have not yet been confirmed and are, therefore, not incorporated in this budget.



# NSH FY23 Budget

	FY23 Proposed Nashville Budgets					
(\$000)	RNNE	RUA	Dream	Total Schools	NSH NeST	Total
Revenue	8,229	8,694	6,281	23,203	1,509	24,712
Expense	7,603	7,589	6,438	21,631	1,441	23,072
CINA	625	1,105	(158)	1,572	68	1,640



RNNE and RUA are projected to operate with positive CINA.

Dream shows a slightly negative CINA which will become positive over time as the school grows to full enrollment.





DC

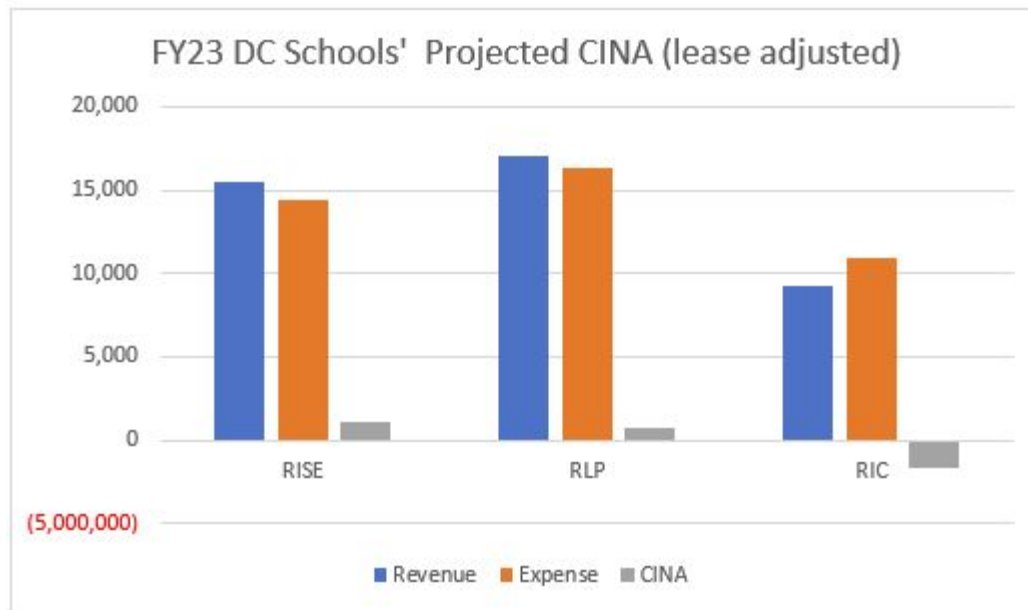
DC	FY2023				
			Regional		
(\$000)	Schools Budget	Ne ST Budget	Budget	June Budget	Variance
Federal Income	6,420	0	6,420	5,850	570
State Revenue Sources	34,957	0	34,957	33,224	1,733
Other Local Revenues	508	0	508	794	(286)
Int Transfers/Network Support Fee	(736)	1,649	1,648	1,502	146
Grants and Fundraising	0	500	500	500	0
<b>Revenues</b>	<b>41,885</b>	<b>2,149</b>	<b>44,034</b>	<b>41,870</b>	<b>2,164</b>
Compensation	15,466	1,665	17,130	16,189	(941)
Non Compensation	14,992	444	15,436	14,468	(968)
Rent	7,348	0	7,348	7,348	0
Network Service Fee	4,944	0	4,944	4,505	(439)
<b>Expense</b>	<b>42,750</b>	<b>2,108</b>	<b>44,858</b>	<b>42,509</b>	<b>(2,349)</b>
<b>CINA</b>	<b>(865)</b>	<b>41</b>	<b>(824)</b>	<b>(639)</b>	<b>(185)</b>
<b>Lease Adjusted CINA</b>	<b>232</b>	<b>41</b>	<b>273</b>	<b>458</b>	<b>(185)</b>





# DC

	FY23 Proposed DC Budgets					
(\$000)	RISE	RLP	RIC	Total Schools	DC NeST	Total
Revenue	15,508	17,097	9,280	41,885	2,149	44,034
Expense	14,434	16,353	11,962	42,749	2,108	44,858
CINA	1,074	744	(2,682)	(864)	41	(824)
Lease Adjustment		(41)	(1,056)	(1,097)		(1,097)
Lease Adjusted CINA	1,074	785	(1,626)	233	41	273



Both RISE and RLP operate with positive CINAs. RIC's negative CINA will be eliminated over time as the school grows to full enrollment.



# Texas

TX FY23 Budget			
(\$000)	Schools Budget	NeST Budget	Region Budget
Federal Income	1,239	0	1,239
State Revenue Sources	4,044	0	4,044
Other Local Revenues	0	0	0
Int Transfers/Network Svc Fee	0	208	208
Grants and Fundraising	0	3,500	3,500
<b>Revenues</b>	<b>5,283</b>	<b>3,708</b>	<b>8,991</b>
Compensation	2,888	1,246	4,134
Non Compensation	2,299	242	2,541
Rent	865	18	883
Network Service Fee	625	0	625
<b>Expense</b>	<b>6,677</b>	<b>1,506</b>	<b>8,183</b>
<b>Net Income</b>	<b>(1,395)</b>	<b>2,203</b>	<b>808</b>

The Texas budget includes \$3.5M in philanthropy which both offsets the deficit and generates approximately \$800K in reserves. While \$1.83M is currently committed for TX, we're in the process of renegotiating the payment terms and are hoping for additional dollars upfront next year.

The Texas budget is not included in the RPS roll up. Its only impact on the RPS budget is the 10% network support fee.

The first Texas school is projected to operate with a positive CINA in its third year.



