



**Tuesday, August 16, 2022**  
**Rocketship Public Schools Business Committee (2022-23 Q1)**

**Meeting Time: 10:00am**

**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.**

**Meeting Location: 2001 Gateway Place, Suite 230E San Jose, CA 95110**

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**Teleconference locations:**

**950 Owsley Ave, San Jose, CA 95122**

**1700 Cavallo Rd, Antioch, CA 94509**

**2351 Olivera Rd, Concord, CA 94520**

**909 Roosevelt Ave, Redwood City, CA 94061**

**311 Plus Park Blvd Suite 130, Nashville, TN 37217**

**175 Fox Hollow Rd, Woodside, CA 94062**

**1198 Crestmont D, Lafayette CA 94549**

**17876 E County Road 1700 N, Havana, IL 62644**

**1877 Camino A Los Cerros, Menlo Park, CA 94025**

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**1. Opening Items**

A. Call to order

B. Public comment on off-agenda items

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**2. Consent Items**

A. Approve minutes from May 16, 2022 Business Committee meeting

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**3. Agenda Items**

A. 2021-22 End of year financial review

B. 2022-23 Budget review

C. Fundraising update

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**4. Closed Session**

A. Conference with Legal Counsel — Anticipated Litigation: Significant exposure to litigation pursuant to California Government Code § 54956.9. Number of cases: 1

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**5. Agenda Items (Contd.)**

A. Public report on actions taken in closed session

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**6. 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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**Monday, May 16, 2022**

**Rocketship Public Schools Business Committee (2021-22 Q4)**

**1. Opening Items**

**A. Call to order**

At 9:06am, Mr. Terman took roll call. With a quorum of committee members present, Mr. Terman called the meeting to order.

Present: Charmaine Detweiler, Mike Fox, Alex Terman

Absent: Greg Stanger, Louis Jordan

**B. Public comment on off-agenda items**

At 9:07am, Mr. Terman called for public comment on off-agenda items. No members of the public were present.

At 9:08am, Louis Jordan joined the meeting.

**2. Consent Items**

**A. Approve minutes from February 18, 2022 Business committee meeting**

At 9:09am, Ms. Detweiler made a motion to approve the consent items. This motion was seconded by Mr. Fox, and carried unanimously by roll call vote.

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

N: --

Abstain: --

**3. Information Items**

**A. Approve minutes from February 15, 2022 Business committee meeting**

At 9:09am, the committee discussed and acknowledged the information items.

**4. Agenda Items**

**A. Q3 financial review and business operations update**

At 9:10am, the committee discussed agenda item 4(A).

At 9:30am, Mr. Jordan made a motion to recommend approval to the Rocketship Board of Directors of an asset transfer as described in the meeting materials, with an amount to be mutually determined by the Business Committee Chair and CFO. This motion was seconded by Mr. Fox, and carried unanimously by roll call vote.

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

N: --

Abstain:

The committee continued discussion of agenda item 4(A).

**B. Q3 development update and Q4 next steps**

At 9:47am, the committee discussed agenda item 4(B).

**C. Review 2022-23 annual plan and recommend approval of 2022-23 budget to Rocketship Board of Directors**

At 9:58am, the committee discussed agenda item 4(C).

At 10:38am, Mr. Jordan made a motion to recommend approval of the 22-23 budget to the Rocketship Board of Directors. This motion was seconded by Mr. Fox, and carried by a majority roll call vote.

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

N: --

Abstain:

**5. Closed Session**

**A. Conference with Legal Counsel — Anticipated Litigation: Significant exposure to litigation pursuant to California Government Code § 54956.9. Number of cases: 1**

At 10:44am, Ms. Detweiler made a motion to move to Closed Session. This motion was seconded by Mr. Jordan, and carried unanimously by roll call vote.

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

N: --

Abstain: --

At 10:45am, Alex Terman left the meeting prior to joining the closed session.

**6. Agenda Items (Contd.)**

**A. Public report on actions taken in closed session**

At 11:01am, Mr. Jordan took roll call. With a quorum of committee members present, Mr. Jordan called the open session meeting back to order.

Present: Charmaine Detweiler, Mike Fox, Louis Jordan

Absent: Alex Terman

At 11:02am, Mr. Jordan reported that no actions were taken during the closed session

**7. Adjourn**

At 11:03am, Ms. Detweiler made a motion to adjourn the meeting. This motion was seconded by Mr. Fox, and carried unanimously by roll call vote.

Y: Charmaine Detweiler, Mike Fox, Louis Jordan

N: --  
Abstain: --

# Rocketship Public Schools Business Committee

August 16, 2022



# Agenda

	Agenda Item
I.	Administrative
II.	Consent Items
III.	2021-22 End of Year Financial Review
IV.	2022-23 Budget Review
V.	Fundraising Update
VI.	Closed Session
VII.	Adjourn



# 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

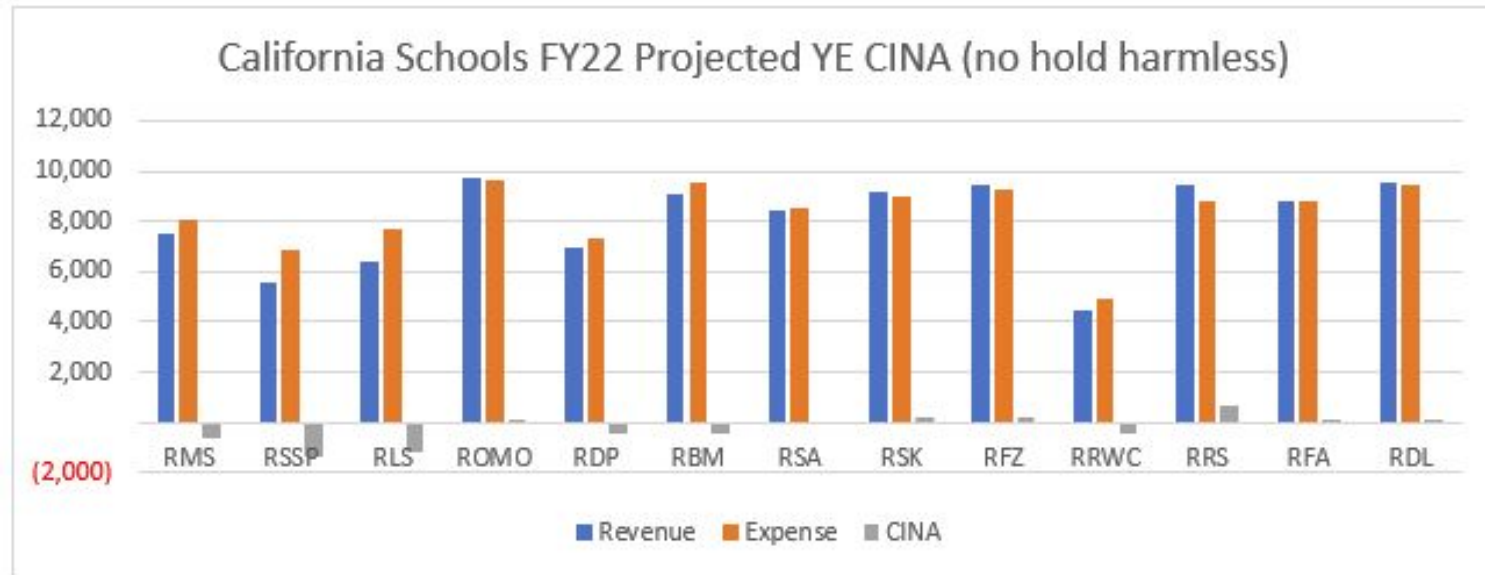
RPS Balance Sheet				
(000s)	Audited FY19	Audited FY20	Audited FY21	Preliminary FY22
Cash and cash equivalents	30,060	30,806	42,198	41,072
Accounts Receivable	12,585	19,026	25,524	28,350
Prepaid	2,967	3,558	5,892	6,476
Security Deposits	436	431	450	877
Property, plant & equipment	5,009	4,777	4,466	4,331
<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 \$3.7M 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.



# 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.



# 2022-23 Budget Review



## RPS FY23 August Budget for Approval:

- Enrollment Update
- Consolidated Rollup
- National NeST
- National and Regional NeST





# 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%
CA	6,537	6,436	-101	-2%
RNNE	458	500	42	9%
RUA	556	518	-38	-7%
NSH3	0	388	388	
NSH	1,014	1,406	392	39%
RSCP	468	443	-25	-5%
RTP	258	279	21	8%
MKE	726	722	-4	-1%
RISE	658	587	-71	-11%
RLP	660	664	4	1%
RIC	235	330	95	40%
DC	1,553	1,581	28	2%
TX1	0	413	413	
TX	0	413	413	
Total	9,830	10,558	728	7%

We shifted our approach to enrollment. The Enrollment 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 728 students or 7%
- CA enrollment down 2%
- 39% increase in NSH driven by opening NSH3
- MKE shows a 1% decrease
- DC will increase by 2%
- Addition of 413 students due to the launch of TX

We have made minor changes to the June enrollment projections. In total, August enrollment projection is 27 students higher than the June projection.

# FY23 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
- 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

Recommended for  
Board Approval

	FY23 Preliminary 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>

# 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



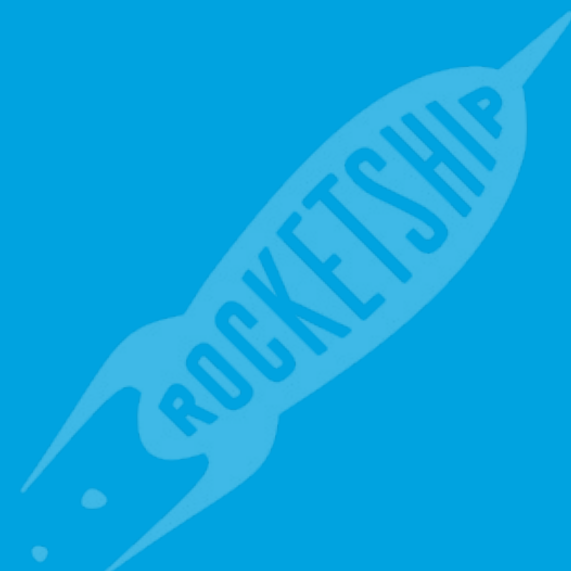
# All NeST Roll up

	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



# National NeST Path to Sustainability



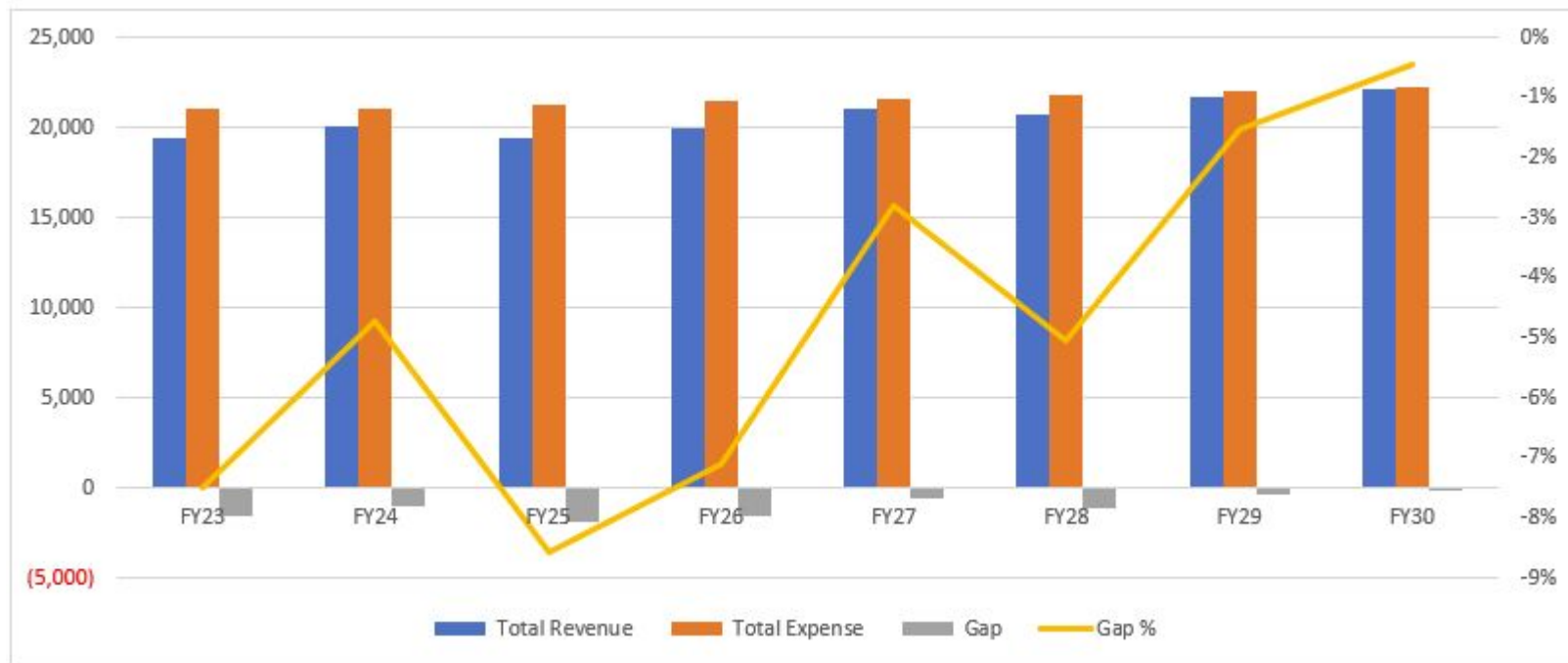
# National NeST Path to Sustainability

**By 2030, National NeST will be near sustainability without philanthropy, operating with a negative CINA of \$99,000**

- The path to sustainability is lumpy over time moving from a philanthropic need of 7% in FY23 to 0% in FY30.
- The periodic need for additional philanthropy is due to school revenue sources with limited life spans:
  - ESSER funds are eliminated in FY25
  - Two sources of funding in CA will end in FY28
- The major assumptions for growth are based on a six school model in TX, enrollment growth in DC, TN and MKE, and a return to pre-pandemic attendance in CA.
- Expense assumptions are based on FY23 projected expenses and grow modestly over the subsequent seven years adding a total of six positions and \$350K in non comp by FY30.



# National NeST Path to Sustainability with No Philanthropy

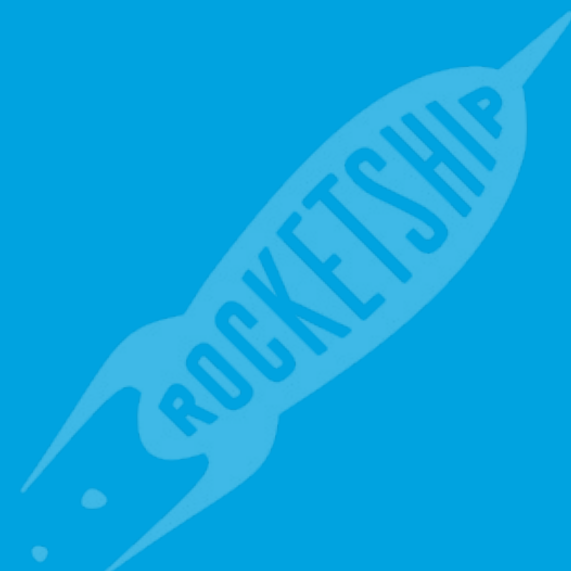


	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Total Revenue (without philanthropy)	19,428	20,056	19,430	19,926	21,041	20,745	21,715	22,151
Total Expense	21,000	21,050	21,250	21,450	21,650	21,850	22,050	22,250
Gap	(1,572)	(994)	(1,820)	(1,524)	(609)	(1,105)	(335)	(99)
Gap%	-7%	-5%	-9%	-7%	-3%	-5%	-2%	0%





# Regional FY23 Financial Update



# 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 Opportunitates 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.

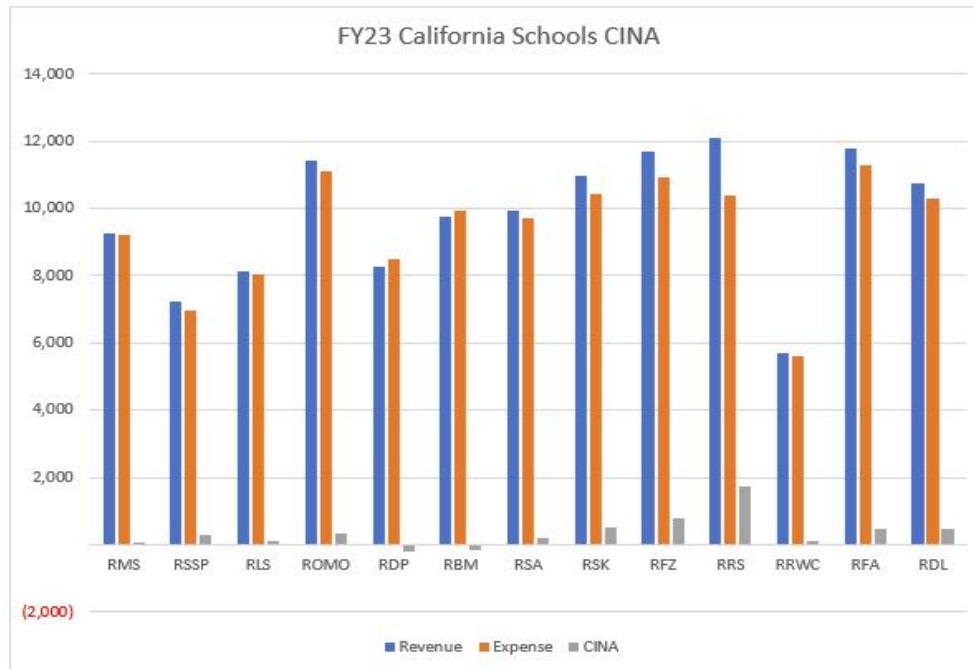


# CA FY23 Budget

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

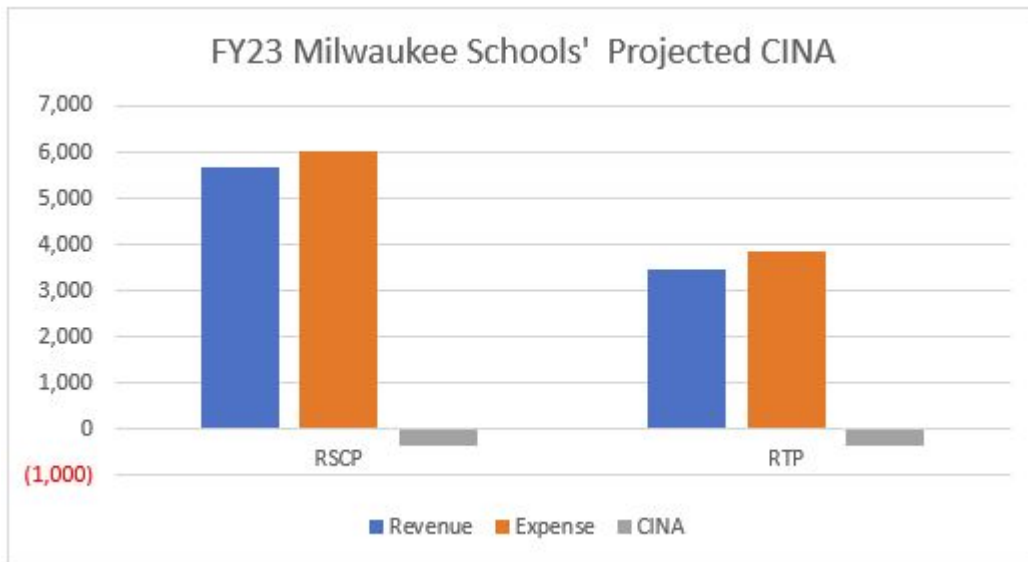
MKE	FY2023				
			Regional		
(\$000)	Schools Budget	NeST Budget	Budget	June Budget	Variance
Federal Income	2,455	0	2,455	2,455	0
State Revenue Sources	6,385	0	6,385	6,385	0
Other Local Revenues	0	0	0	0	0
Int Transfers/Network Support Fee	0	410	410	410	0
Grants and Fundraising	300	450	750	750	0
<b>Revenues</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>

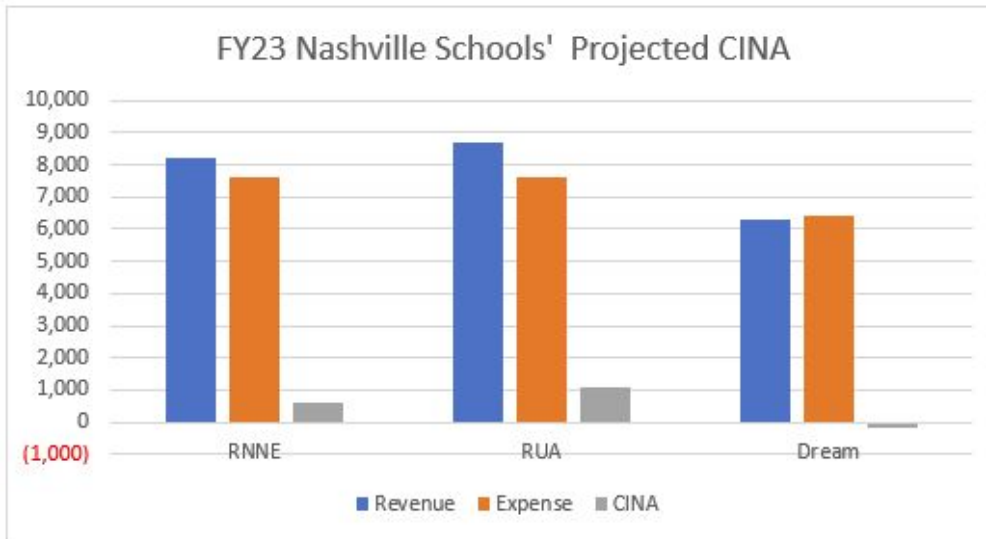
We anticipate that the Nashville budget will see revenue growth of over \$1M as a result of per pupil revenue increases. The increases have not yet been confirmed and are, therefore, not incorporated in this budget.





# 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.



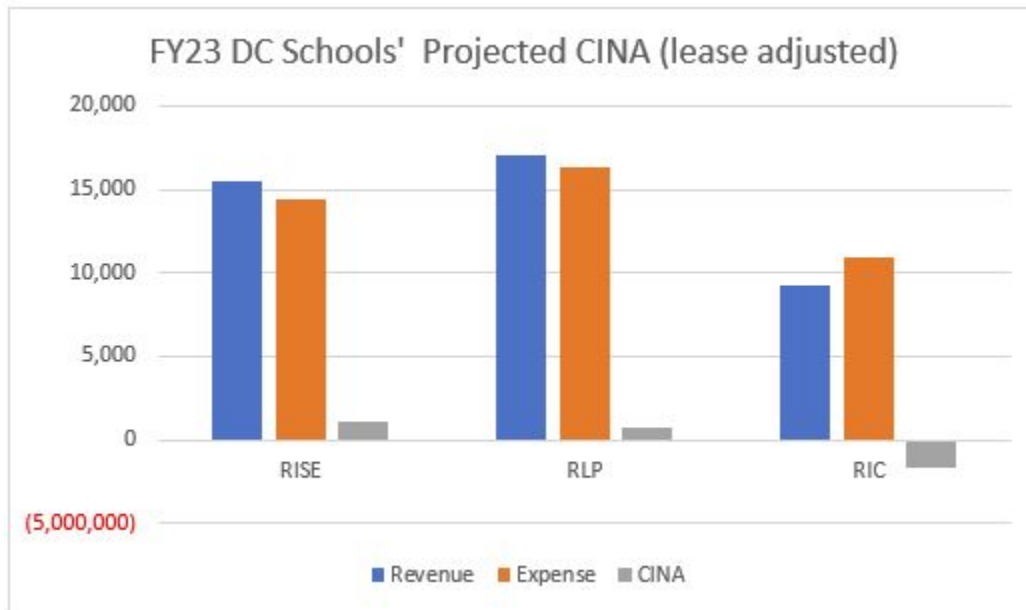
DC

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.

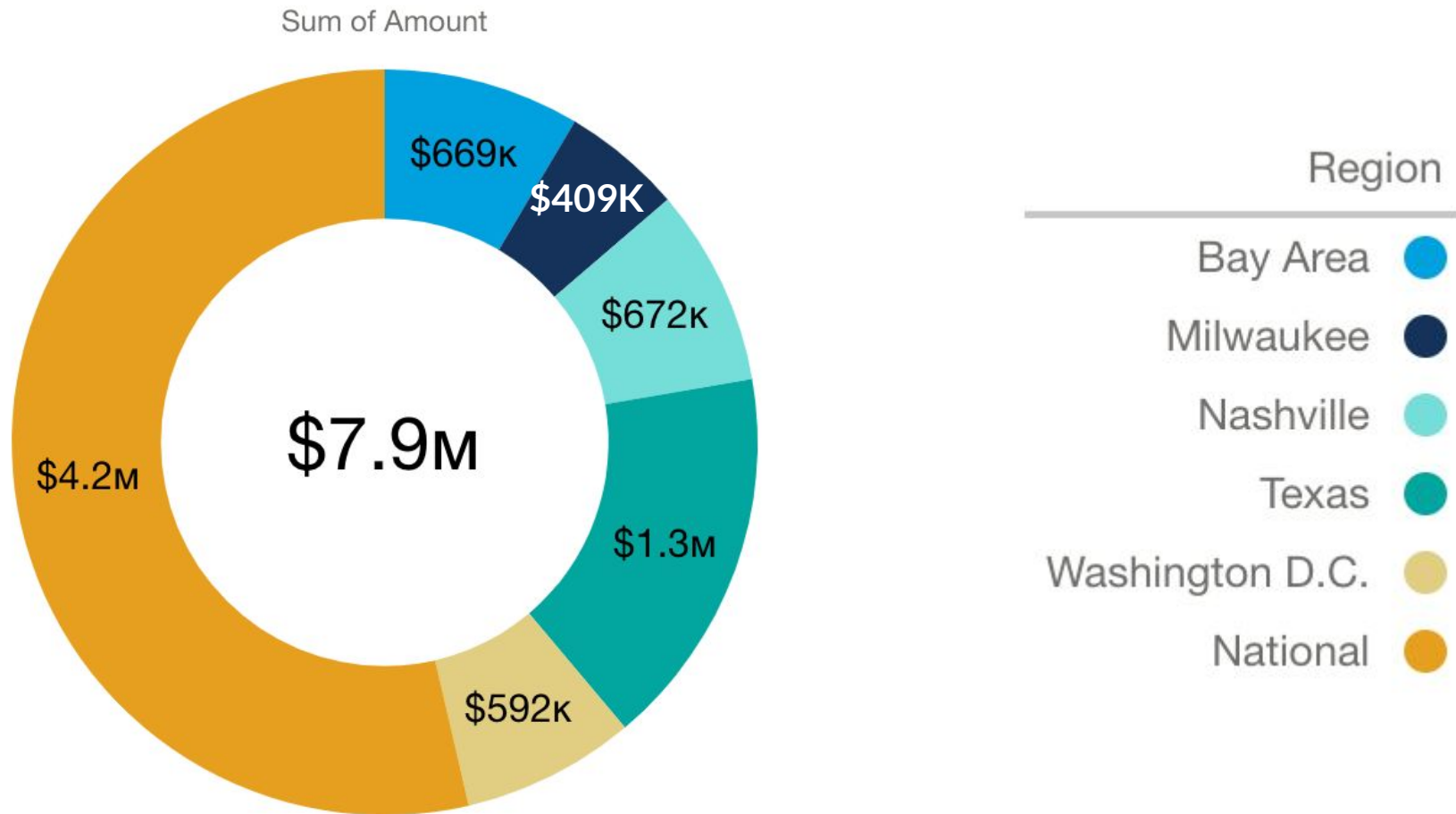


# Fundraising Update



We raised a total of \$10.4M in 2021-22\*

\$7.9M was raised against a budgeted goal of \$6.2M



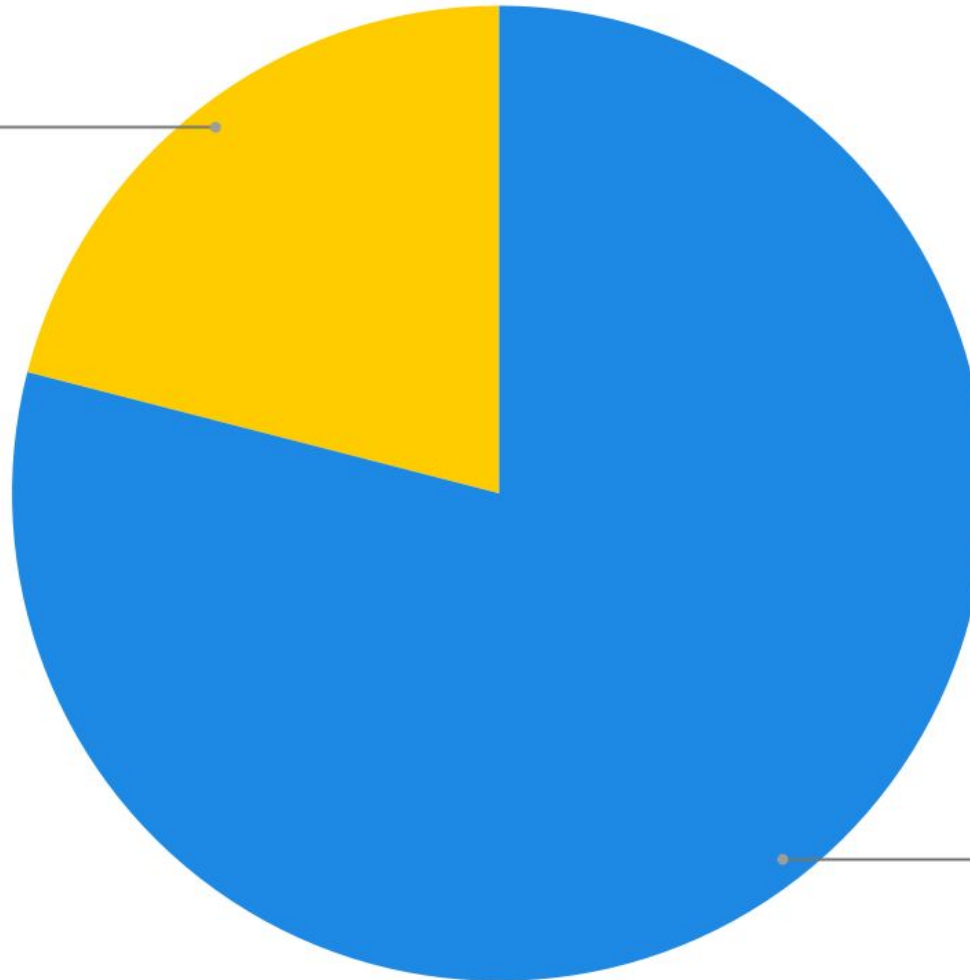
\*Funds raised that are CINA neutral include \$2.5m for the California Community Schools Partnership Program (CCSPP)

## FY22 Foundation vs Individual Giving (Network Wide)

\$1.9M Individual  
21.0%

Individual donations include \$92K in Network Wide Board Giving:

Nat'l: \$53K  
MKE: \$22K  
NSH: \$11K  
DC: \$9K  
TX: \$2K



\$6M Foundations  
79.0%



# FY23 Fundraising Target is \$8.45M, a \$2.25M increase from FY22

000s

	FY22	FY22	FY23
Region	Fundraising Goal	ACTUAL	Fundraising Goal
National	3,700	4,869	3,200
Bay Area	0	0	100
TX	1,200	1,300	3,500
NSH	400	672	400
MKE	400	409	750
DC	500	591	500
<b>TOTAL</b>	<b>6,200</b>	<b>7,841</b>	<b>8,450</b>




Largest increases are in TX and MKE, where National Dev team is planning to allocate more time, ensuring they reach that goal





## Goal, Pipeline, & Benchmark Key

**PIPELINE** - List of qualified prospects (i.e give to early childhood missions, education, school choice etc.) that are in various stages of cultivation and likelihood of giving this year.































Color	Definition
Green 	<b>On Track</b> Pipeline = at least 3x the benchmark
Yellow 	<b>Slightly off track</b> Pipeline is < 3x the benchmark but key prospects identified and the likelihood of gifts closing is high (i.e. renewal gifts)
Red 	<b>Off Track</b> Pipeline < the benchmark with a need for more prospects to be added to pipeline



# Pipeline Health Report

C&C = Cash In & Committed (signed agreement)

P = Pipeline    B = Benchmark

Region	Q1 Benchmark	Q2 Benchmark	Q3 Benchmark	Q4 Benchmark	Summary
National	 C&C: \$1.6m P: \$400K Q1 B: \$1.7m	 C&C: \$700K P: \$300K Q2 B: \$900K	 C&C: \$0 P: \$30K Q3 B: \$100K	 C&C: 0 P: \$500k Q4 B: \$500k	 C&C YTD: \$2.3m YE Goal: \$3.2m Gap to Goal: \$900k
Bay Area	 C&C: \$0m P: \$0 Q1 B: \$0	 C&C: \$0m P: \$100k Q2 B: \$50k	 C&C: \$0m P: \$50K Q3 B: \$25	 C&C: \$0m P: \$75K Q4 B: \$25	 C&C YTD: \$0 YE Goal: \$100k Gap to Goal: \$100k
Nashville	 C&C: \$41k P: \$0 Q1 B: \$40k	 C&C: \$0 P: \$500k Q2 B: \$100k	 C&C: \$0 P: \$50k Q3 B: \$50k	 C&C: \$0 P: \$300k Q4 B: \$210k	 C&C YTD: \$41k YE Goal: \$400k Gap to Goal: \$359K
Milwaukee	 C&C: \$0 P: \$100k Q1 B: \$50k	 C&C: \$0 P: \$13k Q2 B: \$100k	 C&C: \$0 P: \$251k Q3 B: \$300k	 C&C: \$0 P: \$1.3m Q4 B: \$300k	 C&C YTD: \$0 YE Goal: \$750k Gap to Goal: \$750k
DC	 C&C: \$100k P: \$0 Q1 B: \$100k	 C&C: \$0 P: \$320k Q2 B: \$50k	 C&C: \$0 P: \$327 Q3 B: \$100	 C&C: \$0 P: \$1m Q4 B: \$250k	 C&C YTD: \$100k YE Goal: \$500k Gap to Goal: \$400k
Texas	 C&C: \$0 P: \$0 Q1 B: \$0	 C&C: \$150k P: \$2.25 Q2 B: \$1.5m	 C&C: \$0 P: \$2.4m Q3 B: \$2m	 C&C: \$0 P: \$50k Q4 B: \$0	 C&C YTD: \$150k YE Goal: \$3.5m Gap to Goal: \$3.35m

# Appendix



# Goal & Benchmark Process

**Purpose:** Creating fundraising benchmarks will

1. Show us the health of fundraising pipelines through feasibility reporting
2. Give us data to create more accurate benchmarks in the future
3. Guide actions and priorities to ensure we reach our goals and develop contingencies

**Process:**

- Develop benchmarks that set feasible and necessary goals
- Continually monitor progress based on donor meetings and new information
- Identify expected close date of potential gifts through June 2023

**Background/Notes:**

- Benchmarks can be updated, but not recommended during the fiscal year
- This is managed in our Development Salesforce database

