



Tuesday, February 7, 2023
Rocketship Public Schools Executive Committee (2022-23 Q3)

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. You will be recognized once the public comment time begins, and be permitted to make comment for a duration of up to 3 minutes.

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

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

185 Spur Ridge Court, Healdsburg CA 95448

9112 Vendome Dr, Bethesda MD 20817

1060 Palo Alto Ave, Palo Alto, CA 94301

1221 Oriental Gardens Rd, Jacksonville, FL 32207

1. Opening Items

A. Call to order

B. Public comment on off-agenda items

2. Consent Items

A. Approve minutes from December 13, 2022 Executive Committee meeting

3. Action Items

A. Recommend to the Rocketship Board of Directors approval of investments in Human Capital Management Systems

4. 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.

REASONABLE ACCOMMODATION WILL BE PROVIDED FOR ANY INDIVIDUAL WITH A DISABILITY: Pursuant to the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990, any individual with a disability who requires reasonable accommodation to attend or participate in this meeting may request assistance by contacting us at compliance@rsed.org.

SPANISH & VIETNAMESE TRANSLATION: If you need Spanish or Vietnamese audio translation in order to access the Rocketship Board meeting, please send a request to compliance@rsed.org at least 24 hours before the start of the meeting. If you would like to make a public comment in Spanish or Vietnamese and would like us to translate to English for the Board, please send a request to compliance@rsed.org at least 24 hours before the start of the meeting.

Si necesita traducción de audio al español para acceder a la reunión de la Mesa Directiva de Rocketship, envíe una solicitud a compliance@rsed.org por lo menos 24 horas antes del inicio de la reunión.

Si desea hacer un comentario público en español y desea que lo traduzcamos al inglés para la Mesa Directiva, envíe una solicitud a compliance@rsed.org por lo menos 24 horas antes del inicio de la reunión.

Rocketship Public Schools Executive Committee (2022-23 Q2) (Tuesday, December 13, 2022)

Generated by Cristina Vasquez on Tuesday, December 13, 2022

1. Opening Items

A. Call to order

At 10:04am, Mr. Terman took roll call. With a quorum of committee members present, Mr. Terman called the meeting to order.

Present: Joey Sloter, Daniel Velasco, Alex Terman

Absent: Louis Jordan

B. Public comment on off-agenda items

At 10:04am, Mr. Terman called for public comment. No members of the public were present.

2. Consent Items

A. Approve minutes from November 1, 2022 Executive Committee meeting

At 10:05am, a motion to approve consent items was made by Ms. Sloter, seconded by Mr. Velasco, and carried unanimously by roll call vote.

Y: Joey Sloter, Daniel Velasco, Alex Terman

N: --

Abstain: --

3. Agenda Items

A. Approve the First Interim Reports for California Rocketship schools: Rocketship Mateo Sheedy, Rocketship Si Se Puede, Rocketship Los Suenos, Rocketship Mosaic, Rocketship Discovery Prep, Rocketship Brilliant Minds, Rocketship Alma, Rocketship Spark, Rocketship Fuerza, Rocketship Rising Stars, Rocketship Futuro, Rocketship Delta Prep and Rocketship Redwood City

At 10:06am, the committee began discussion of agenda item 3(A).

At 10:14am, a motion was made by Mr. Velasco to approve the First Interim Reports for California Rocketship schools: Approve the First Interim Reports for California Rocketship schools: Rocketship Mateo Sheedy, Rocketship Si Se Puede, Rocketship Los Suenos, Rocketship Mosaic, Rocketship Discovery Prep, Rocketship Brilliant Minds, Rocketship Alma, Rocketship Spark, Rocketship Fuerza, Rocketship Rising Stars, Rocketship Futuro, Rocketship Delta Prep and Rocketship Redwood City. The motion was seconded by Ms. Sloter, and carried unanimously by roll call vote.

Y: Joey Sloter, Daniel Velasco, Alex Terman

N: --

Abstain: --

At 10:15am, Ms. Sloter asked additional finance-related questions.

4. Adjourn

At 10:20am, a motion to adjourn the meeting was made by Ms. Sloter, seconded by Mr. Velasco, and carried unanimously by roll call vote.

Y: Joey Sloter, Daniel Velasco, Alex Terman

N: --

Abstain: --

Q3 Rocketship
Executive Committee Meeting

February 7, 2023



Agenda

- I. Administrative
- II. Recommend to the Rocketship Board of Directors
Approval of Investments in HCM Systems
- III. Adjourn

HCM/Investment Systems



Overview

In October we discussed payroll challenges that we had had over the summer and committed to developing a long-term solution to address them.

Our plan was to explore both an outsourced payroll provider and an HCM (HRIS) system as the solution the summer difficulties. In thinking more holistically about our needs, it was clear that we needed an inhouse solution.

Over the past six months, we identified and assessed seven systems as possible solutions. As we explored our needs and identified our priorities for a solution, we narrowed our recommendation to two HCMs, UKG and Workday.

Both systems will provide a robust, integrated solution with the controls needed for an organization of our size and complexity.

Further, both systems will create significant efficiencies for the Business and Talent teams, enhanced functionality for team member and robust tools for budget owners.



Current Pain Points

Lack of system integration (control and efficiency challenges)

- ADP does not integrate with Salesforce
 - Creates opportunities for human errors and omissions
 - Requires extensive reconciliation
- Neither ADP nor Salesforce integrate with our ERP or FPA solutions
 - Creates difficulty ensuring that personnel data is accurately recorded
 - Requires significant analysis to verify that compensation data is correctly allocated and reported to both internal and external stakeholders
 - Creates audit risk related to reporting of restricted funds

No single source of truth for employee data (control and employee relations)

- Data is manually entered into Salesforce, ADP and Adaptive
- Challenges with headcount control
- Employees see different data in Salesforce and ADP

Staff turnover (control)

- Processes are people dependent which leads to difficulties when there is staff turnover.



Security, scalability, and solutions orientation - Problem we are solving*

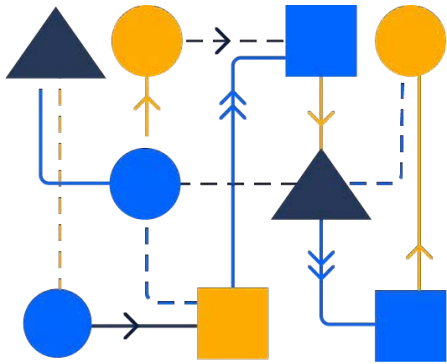
- Create stronger internal controls around the HR, Payroll and Fiscal Management processes
- Implement more robust system security
 - Security access and roles control
 - Audit log trail of all activity
 - Fraud detection notification
 - Data breach and system compromise incident management
- Remove/reduce manual and repetitive processes, through workflow automation
- Increase efficiency, effectiveness, and accuracy for the Talent and Business Teams

*See appendix for additional detail

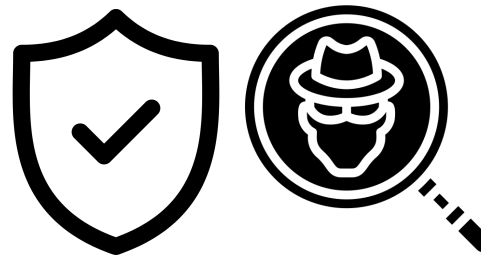


Security, scalability and solutions orientation - Benefits of the solution

Improved Transparency and Workflow Documented



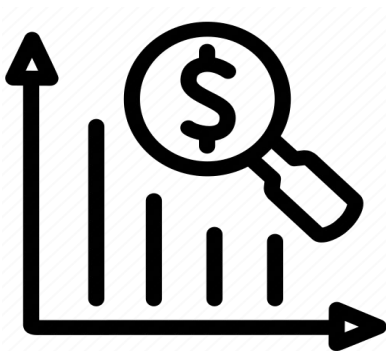
Enhanced Security, Controls, and Fraud Detection



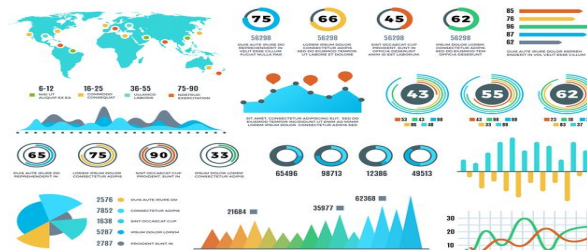
Authoritative Source of Data Truth



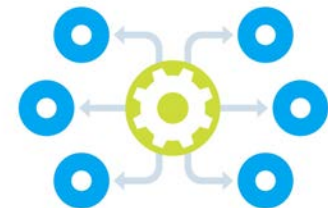
Improved Forecasting



Upgraded Data Dashboards



Automation and Auto-Syncing of data



Selection Process

Given large investment of time and resources, a multi-year commitment, the high-risk/high reward nature of the project and the impact that the HCM will have across the organization, we conducted a robust and inclusive selection process.

- The HCM (HRIS) selection process was led by Bryant Wong, a member of the talent team and a member of the SIS team.
- Team members across the organization provided feedback on system needs.
- Prioritized requirements of the Talent and Business teams as well as technical, security and data privacy considerations.
- Met with 7 high performing networks using HCMs
- Three selected for extensive demoing
- Matt, Lamar, and Stephen reviewed finalists
- Currently negotiating pricing and implementation options



Proposed Solutions - Workday

Overview

A modern HCM and Payroll solution built to meet our needs today and in the future. The system is robust, very secure and has proven capabilities to enhance our human capital, payroll and our fiscal management requirements. Workday is used by several of our peer networks.

Highlights

- Analytics and Dashboards is the best in breed and updated real-time
- Interface is user friendly
- System has built in AI and automation capabilities
- Future ready for our growing and expansive org needs
- Best in class security architecture and access controls

Other Considerations

- Payroll is not fully integrated in Workday. Workday prepares payroll but the actual processing of checks, direct deposits and taxes are managed by a 3rd party. Workday has a partner that we would use that seamlessly integrates into its system.
- Customer service is not as strong as UKG.



Proposed Solutions - UKG

Overview

A solid HCM and Payroll solution designed to meet and address our current business needs. The system has a very strong customer service offering with a solid suite of solutions that focuses on our core Human Capital, Payroll, and Fiscal Management needs.

Highlights

- Customer support and training is superior
- The UI is clean and aligned
- Reporting and Dashboards are robust with a focus on administrators
- System has built in AI capabilities
- Meets today's needs

Other Considerations

HCM is not as strong and expandability is limited. The employee experience is not as intuitive as Workday.



Financial Analysis - Overview

We have used the highest cost estimates to provide a five year analysis. We anticipate that costs will be lower and are still negotiating with the vendors.

HCM Implementation and Annual Expenses

Implementation - Capitalized

Implementation - HCM Consulting Support (high)	1,000,000
Implementation - Rocketship Consultants	200,000
Implementation - Licensing Cost	375,000
<i>Total Capitalized</i>	<i>1,575,000</i>
<i>Monthly Amortization 50 Months</i>	<i>31,500</i>

Annual Cost Post Implementation

Annual Subscription (high)	500,000
Annual Additional Operating	25,000
Savings ADP & Salesforce	(300,000)
<i>Annual Change in Non-Capitalized Expense</i>	<i>225,000</i>



Financial Analysis - Five Year Financial Implications

The HCM net annual CINA impact will be \$301K for FY24 and increase to \$603K until the software implementation asset is fully amortized.

The cash impact for implementation will be \$1.6M which will occur across FY23 and FY24. The ongoing annual cash impact will be \$225K

The projected National NeST FY23 increase in cash will be approximately \$2.4M which will be used to offset the implementation costs of the HCM.

	3/1/23 - 12/30/23	1/1/24- 6/30/24	7/1/24 - 6/30/25	7/1/25 - 6/30/26	7/1/26 - 6/30/27	7/1/27- 6/30/28
Amortization	-	189,000	378,000	378,000	378,000	252,000
Annual Change in Non-Cap Expense	-	112,500	225,000	225,000	225,000	225,000
Annual Expense	-	301,500	603,000	603,000	603,000	477,000
Cash Impact	1,575,000	112,500	225,000	225,000	225,000	225,000



HCM Cost Effectiveness

The HCM annual licensing cost and anticipated maintenance expenses will not exceed \$525K. We anticipate that it will be significantly lower than this as we continue to negotiate with the vendors.

We will not need to hire additional staff to manage the HCM.

The HCM cost will be offset by the elimination of ADP and Salesforce which represents a savings of approximately \$300K.

The net annual cash impact will total no more than \$225K or \$180 per employee.

We are actively working to identify savings to offset the cost of the HCM.



Next Steps and Timeline

Over the next two weeks, we will finalize our selection and bring a recommendation to the Business Committee and the board.

We are leaning toward Workday but are waiting until we have a final proposal before putting it forward as our solution of choice.

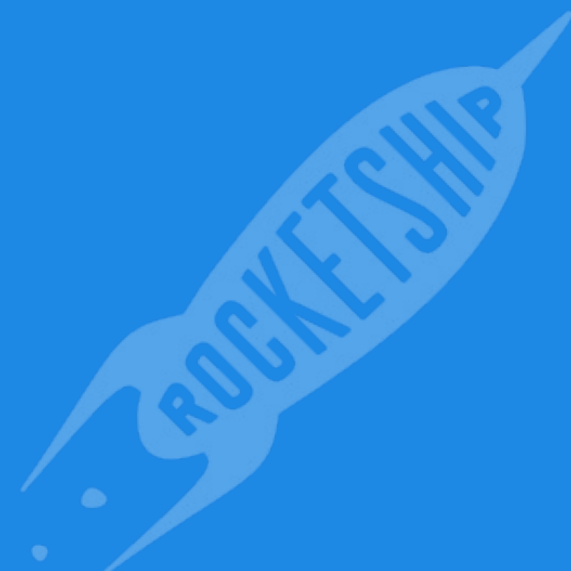
We are continuing to negotiate with both vendors and expect pricing to continue to come down. Currently:

- Workday's cost of implementation is \$500-700K higher than UKG
- UKG's annual licensing cost is \$150K higher than Workday

Upon approval from the board, we will execute a contract. The anticipated implementation timeline is 9 months. We would go live on 1/1/24.



Appendix



Security, scalability, and solutions orientation - Problem we are solving

Security

- Hardened and define security access roles: granularity by the individual data field, workflow, dashboard and reports
- 24x7 audit log trail of all activity, access to/from and throughout the system
- Fraud detection notification will be enabled to notify one or multiple executive(s): changes as granular as a single data field
- Multiple approver controls will be implemented to ensure proper separation of duties and responsibilities
- Create strong internal controls around the HR, Payroll and Fiscal Management processes
- Data breach and system compromise incident management will be enabled

Scalability

- Establish the authoritative source of data truths
- Remove/reduce manual and repetitive processes, through workflow automation
- Staff transitions; operationally have less impact to the system as a result of integration, systemization, and automation
- Create interoperability: integration of HCM, Payroll, ERP and FP&A softwares
- Increase efficiency, effectiveness, and accuracy for the Talent and Business Teams
- Shadow systems used to bridge multiple data sources will be dramatically reduced and or eliminated
- Systemize access via OKTA (SSO) with MFA