



Wednesday, February 14, 2024
Rocketship Public Schools Business Committee (2023-24 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:

683 Sylvandale Ave, San Jose, CA 95111
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
351 Linfield Dr, Menlo Park, CA 94025
1877 Camino A Los Cerros, Menlo Park, CA 94025
1080 North 7th Street, San Jose, CA 95112
1198 Crestmont Drive, Lafayette, CA 94549
12930 SE Suzanne Drive, Hobe Sound, FL

1. Opening Items

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

2. Consent Items

- A. Approve minutes from November 16, 2023 Business Committee meeting

3. Information Items

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

4. Agenda Items

- A. Fundraising Update
- B. Q2 Financial Review and Business Operations Update

5. Adjourn

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

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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 Business Committee Meeting (2023-24 Q2) (Thursday, November 16, 2023)

Generated by Cristina Vasquez on Monday, November 20, 2023

1. Opening Items

A. Call to order

At 10:33am, Mr. Terman took roll call. With a quorum of committee members present, Mr. Terman called the meeting to order.

Present: Charmaine Detweiler, Dan Sanchez, Alex Terman, Ray Raven, Louis Jordan (advisor), *Ken Kumer (advisor)*

Absent: Greg Stanger, Mike Fox, *Rob Elliott (advisor)*

B. Public comment on off-agenda items

At 10:35am, Mr. Terman called for public comment on off-agenda items. No members of the public provided comment.

2. Informational Items

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

At 10:36am, the committee reviewed item 2(A). No action was taken.

3. Consent Items

A. Approve minutes from August 15, 2023 Business Committee meeting

At 10:36am, Mr. Raven made a motion to approve the consent items. This motion was seconded by Ms. Detweiler, and carried unanimously by roll call vote.

Y: Charmaine Detweiler, Dan Sanchez, Alex Terman, Ray Raven

No: --

Abstain: --

4. Agenda Items

A. Development Update

At 10:37am, the committee discussed agenda item 4(A). No action was taken.

B. Financial Update

At 11:19am, the committee discussed agenda item 4(B). No action was taken.

5. Adjourn

At 12:26pm, Ms. Detweiler made a motion to adjourn the meeting. This motion was seconded by Mr. Sanchez, and carried unanimously by roll call vote.

Y: Charmaine Detweiler, Dan Sanchez, Alex Terman, Ray Raven

No: --

Abstain: --

Rocketship Education				
Checks signed in excess of \$100,000				
Oct 2023 - Dec 2023				
Check Date	Check #	Vendor and Invoice #	Invoice Amount	Amount of check
Reoccurring Monthly Budgeted Expenditures (Policy #138 August 2014)				
Subtotal by category				
Group health insurance				
10/24/23	51816	Cigna 3248752		539,811.06
11/28/23	52079	Cigna 3263259		580,581.41
12/12/23	52192	Cigna 3277867		537,250.24
10/24/23	EFT	Kaiser Foundation Health Plan 813723666770		345,300.11
11/30/23	EFT	Kaiser Foundation Health Plan 813720511559		361,838.06
12/13/23	EFT	Kaiser Foundation Health Plan 813727696307		347,481.33
				\$ 2,712,262.21
CIP-Soft Costs				
10/13/23	ACH	Workday WD-306300		244,621.57
12/15/23	ACH	Workday WD-318093	244,621.57	
		Workday WD-317154	858.62	245,480.19
				\$ 490,101.76
Prepaid-Contracted Substitutes				
10/6/23	ACH	Swing INV00632238		241,395.00
				\$ 241,395.00
Student Transportation				
10/6/23	ACH	RLCL Acquisition 59099		120,032.00
11/20/23	ACH	RLCL Acquisition 59791		120,032.00
12/1/23	ACH	RLCL Acquisition 60234	120,032.00	
		RLCL Acquisition 60118	4,800.00	124,832.00
12/22/23	ACH	RLCL Acquisition 61048		120,032.00
				\$ 484,928.00
School Food Services				
11/20/23	ACH	Revolution Foods, Inc. 000454-C000469		314,845.19
12/8/23	ACH	Revolution Foods, Inc. 000785-C000469	478,607.02	
		Revolution Foods, Inc. FTI-001995	46,800.00	525,407.02
12/22/23	ACH	Revolution Foods, Inc. 001127-C000469	556,181.14	
		Revolution Foods, Inc. FTI-002054	459.91	
		Revolution Foods, Inc. FTIC-002646	-586.08	556,054.97
				\$ 1,396,307.18
After School Program				
10/13/23	ACH	Boys & Girls Club of Silicon Valley 202112978		436,427.00
11/10/23	ACH	Boys & Girls Club of Silicon Valley 202113033		436,427.00
12/18/23	ACH	Boys & Girls Club of Silicon Valley 202113087		436,427.00
				\$ 1,309,281.00
SPED Consultants				
10/3/23	51631	Language World Services 206275		106,396.31
				\$ 106,396.31
Example	Jumpstart	School startup online programs or furnitures.		
Total - All checks signed in excess of \$100,000				\$ 6,740,671.46

Q3 Rocketship Public Schools Business Committee Meeting

February 14, 2024



Agenda

1. Opening Items

A. Call to order

B. Public comment on off-agenda items

2. Consent Items

A. Approve minutes from November 16, 2023 Business Committee meeting

3. Information Items

A. Listing of checks in excess of \$100,000

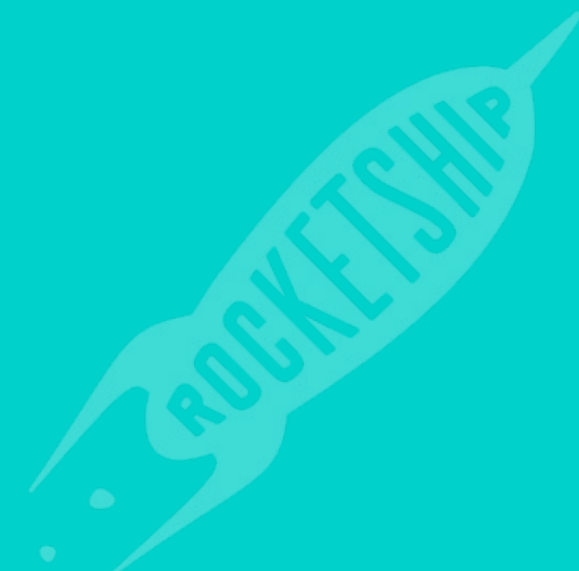
4. Agenda Items

A. Fundraising Update

B. Q2 Financial Review and Business Operations Update

5. Adjourn

Public Comment



Information Item

List of Checks in Excess of \$100,000



Fundraising Update



Year-to-Date Fundraising Progress to Goal by Region

Network YTD
\$12.3M



National
Goal: \$3.2M



California
Goal: \$100K



DC
Goal: \$1M



Wisconsin
Goal: \$800K



Tennessee
Goal: \$400K




Texas
Goal: \$6.7M




Network fundraising health dashboard

National




Achieved

TN




Achieved

MKE




Monitoring

CA




Achieved

DC



Achieved

TX



Off Track



National has exceeded its annual goal by almost \$2M

FY24 Goal: \$3.2M

Total Ask Amount
Total amount in the pipeline

\$1.6M

[View Report \(FY24 Open Pipeline \(National\)\)](#)

Likelihood Amount
Likelihood amount in the pipeline

\$246k

[View Report \(FY24 Open Pipeline \(National\)\)](#)

Closed Won
Amount received + committed (C+C)

\$5.1M

C+C = Cash-in +Committed
[View Report \(FY24 C+C \(National\)\)](#)

**Gap to Goal
\$0
Achieved**

Pipeline Amount by Stage

Sum of Amount: \$1.6M



[View Report \(FY24 Open Pipeline \(National\)\)](#)

- Intro
- Warm
- Possible
- Probable

Likelihood Amount by Stage

Sum of Expected Revenue: \$246k



[View Report \(FY24 Open Pipeline \(National\)\)](#)

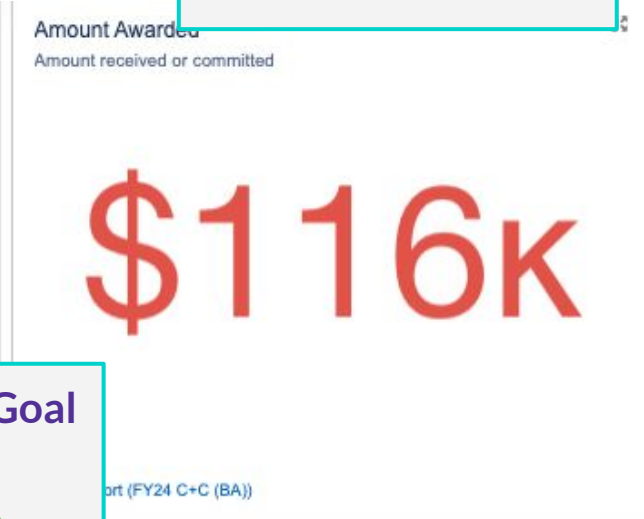
New Funder Pipeline
Ask amount from new funders

\$1.4M

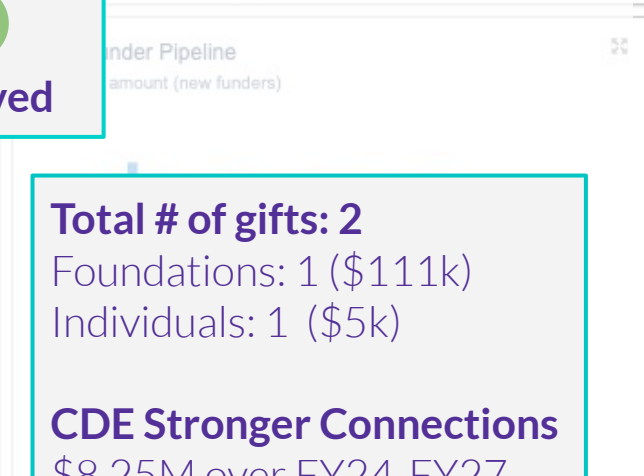
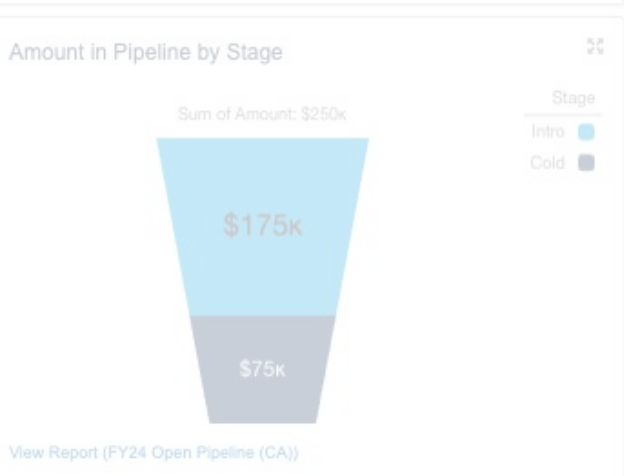
Total # of gifts: 30
Foundations: 7 (\$800K)
Corporations: 5 (\$8K)
Individuals: 18 (\$4.3M)

CA has already exceeded annual goal through foundation support & wins multi-year, state-wide competitive grant

FY24 Goal: \$100K



**Gap to Goal
\$0
Achieved**

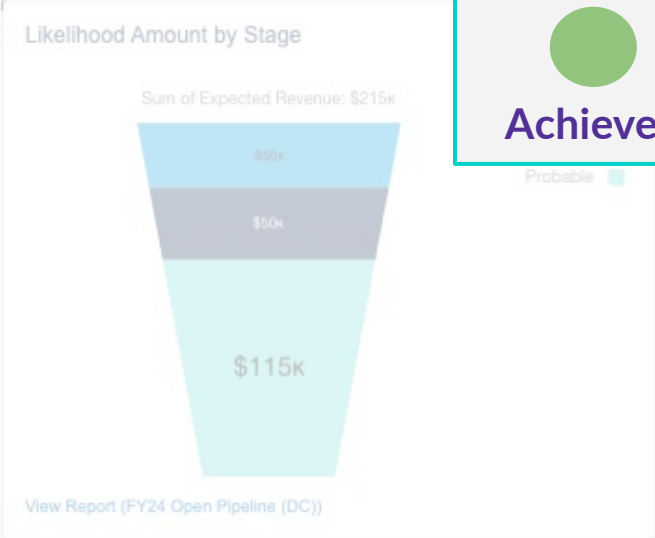
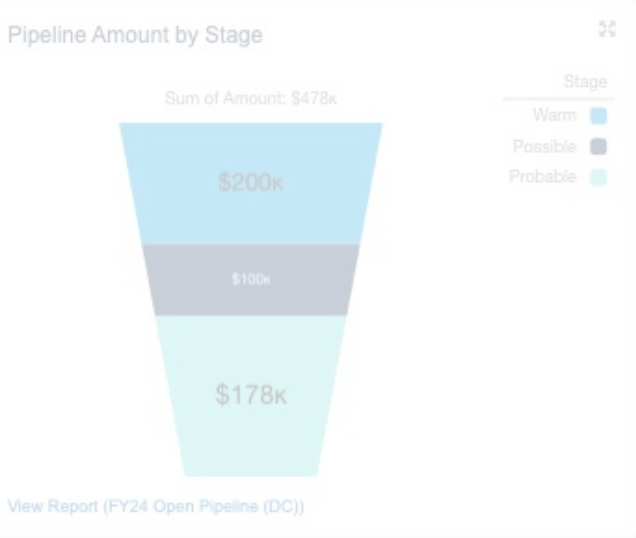


DC exceeds \$1M annual goal thanks to winning key public grants for afterschool and mental health

FY24 Goal: \$1M



Gap to Goal
\$0
Achieved



Funder Pipeline
Amount from new funders

Total # of gifts: 16
 Foundations: 4 (\$720K)
 Corporations: 2 (\$2,400)
 Individuals: 8 (\$5,600)
 Public grants: 2 (\$554k)

Tennessee exceeds annual goal thanks to local foundation support

FY24 Goal: \$400k

Open Pipeline
Total amount in the pipeline (not C+C)

\$49k

C+C = Cash-in and Committed
View Report (FY24 Open Pipeline (TN))

Likelihood Amount
Likelihood amount in the pipeline

\$37k

View Report (FY24 Open Pipeline (TN))

Amount Awarded
Amount received or committed

\$509k

View Report (FY24 C+C (NSH))

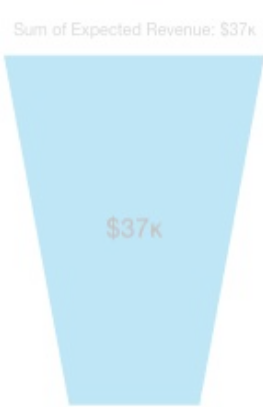
**Gap to Goal
\$0
Achieved**

Pipeline Opportunities by Stage



View Report (FY24 Open Pipeline (TN))

Likelihood Amount by Stage



View Report (FY24 Open Pipeline (TN))

Funder Pipeline Amount
Ask amount from new funders

\$0

Total # of gifts: 5
Foundations: 5 (\$509K)

View Report (FY24 New funder pipeline (TN))

Milwaukee wins \$2.5M federal grant and is closing in on annual goal thanks to a strong pipeline

FY24 Goal: \$800K

Open Pipeline
total amount in the pipeline (not C+C)

\$1M

C+C = Cash-in and Committed
View Report (FY24 Open Pipeline (MKE))

Likelihood Amount
Likelihood amount in the pipeline

\$413k

View Report (FY24 Open Pipeline (MKE))

Amount Awarded
Amount received or committed

\$553k

**Gap to Goal
\$247,000**

Monitoring

**Projected EOY
Total
\$966K
(above goal)**

Pipeline Opportunities by Stage



View Report (FY24 Open Pipeline (MKE))

Likelihood Amount by Stage



View Report (FY24 Open Pipeline (MKE))

Total # of gifts: 10
 Foundations: 3 (\$195K)
 Corporations: 2 (\$50K)
 Individuals: 4 (\$8K)
 Public grants: 1 (\$300K)



Texas makes major progress towards annual goal thanks to increased gifts from committed donors

Open Pipeline
Total amount in the pipeline (not C+C)

\$3.5M

C+C = Cash-in and Committed
View Report (FY24 Open Pipeline (Texas))

Likelihood Amount
Likelihood amount in the pipeline

\$1.7M

View Report (FY24 Open Pipeline (Texas))

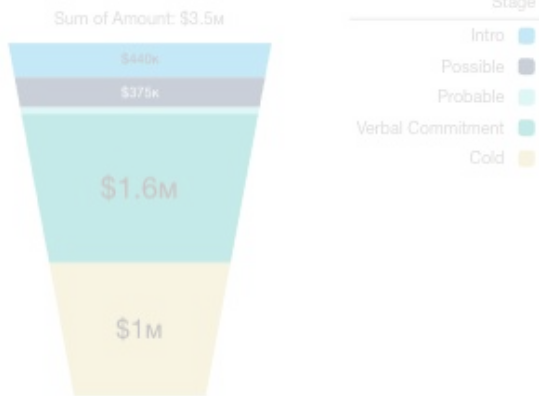
Amount Awa
Amount receive

FY24 Goal: \$6.7M

\$4.8M

View Report (FY24 New funder pipeline (TX))

Pipeline Amount by Stage



View Report (FY24 Open Pipeline (Texas))

Likelihood Amount by Stage



View Report (FY24 Open Pipeline (Texas))

Current Gap to Goal
\$1.9M
Off Track

Projected EOY Total
\$6.5M
(\$200K below goal)

Total # of gifts: 7
Foundations: 6 (\$4.6M)
Public grants: 1 (\$219K)

Use the last two quarters to identify and cultivate stronger relationships with donors and build towards multi-year gifts

Cultivate donors through regional events

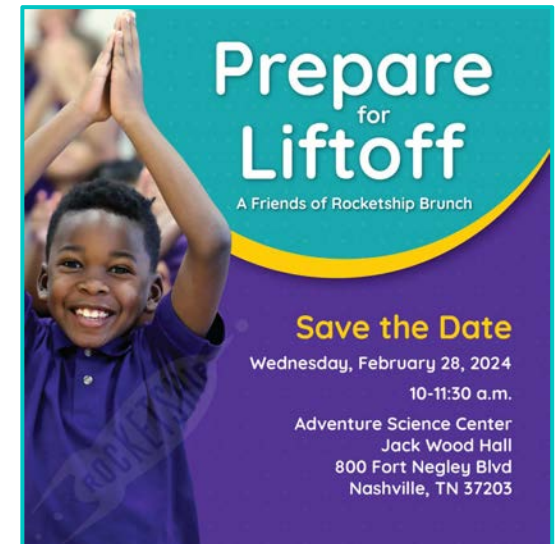
- Funder Brunch in NSH on February 28
- Friendraiser Event in CA on May 16
- Multiple small gatherings planned in MKE in the spring

Build larger base of new funders

- Engage with lead generation across the network

Promote multi-year giving strategy

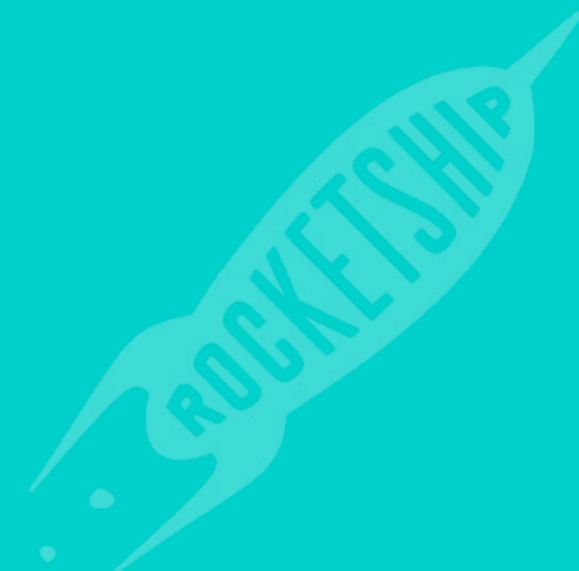
- Seek multi-year opportunities
 - DC recently awarded multi-year afterschool award (up to 3 years)
 - CA recently awarded multi-year Stronger Connections award (4 fiscal years)
 - MKE received 5-year Full-Service Community Schools award
- Engage donors around multi-year giving to coincide with 5-year strategic plan



Q2 Financial Review and Business Operations Update



FY24 Q2 Financial Review and Business Operations Update: Financial Statements



RPS Financial Scorecard

We are introducing a quarterly financial scorecard which is intended to provide a snapshot of RPS's financial health, fiscal management, and financial stewardship.

Financial Health

We are measuring financial health through a set of balance sheet metrics which are commonly used throughout our sector.

We analyze liquidity through:

- Cash position
- Days Cash on Hand
- Current Ratio

Together, these three metrics provide us with a clear understanding of RPS's ability to meet near term obligations and weather any near-term shocks.

We will be revising our long-term health and stability metrics. While the Net Asset Margin remains a strong measure of financial health, the Liabilities as a Percentage of Asset is no longer as useful. The implementation of the new lease standards has meaningfully shifted the balance sheet, shifting the outcome of this metric.



RPS Financial Scorecard

Fiscal Management

A comparison of the projected year-end CINA to the budgeted CINA allows us to quickly understand how we are managing to our budgets.

In addition to the absolute numbers, we also look at the variance as a percent of budgeted revenue. This provides a standardized approach to the analysis as it takes the size of the total regional/national budget into account.

Financial Stewardship

This section of the scorecard is updated annually to indicate our performance against our bond covenants and the outcomes of our financial audits.

RPS FY24 Q2 Financial Scorecard

Financial Health

- The FY24 Q2 financial scorecard shows that RPS is in a very strong financial position.
- Our near-term balance sheet metrics show that we have excellent liquidity with 115 DCOH and a current ratio above 2.0.
- A key driver of the cash balance is the \$13M+ that we received from CA in FY23. These funds are intended to be spent over the next four years. A significant portion of these funds are shown as a liability on our balance sheet as we have not yet earned them.
- Our net asset margin metrics is green, demonstrating our long-term financial health.

Fiscal Management

- The CINA Forecast and Fiscal Management tables show that our RPS FY24 Q2 CINA projection is \$241K lower than budgeted.
- National NeST is projected to have a \$1.8M positive CINA variance
- California, DC and Tennessee CINA changes are projected to be plus or minus 1-2% of total revenue.
- Milwaukee and TX are projected to have significantly lower CINAs than budgeted.

Annual Measures

- The Annual Measures show that we met our bond covenants and had clean audits with no findings for FY23.



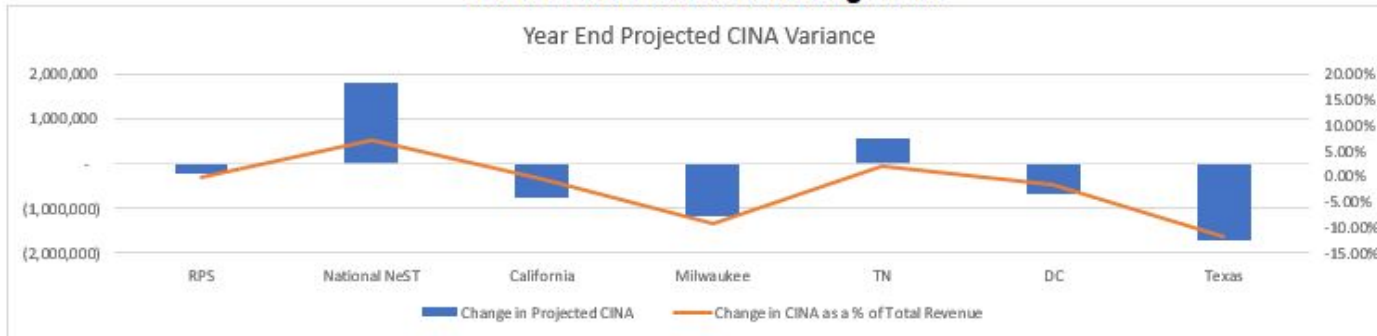
FY24 Q2 Scorecard

Rocketship Financial Scorecard as of December 31, 2023

Financial Health

	RPS March 23	Red	Yellow	Green	Formula
Cash Position	69,589,358				
DCOH	115.47	<30	30 < x < 60	>60	=unrestricted cash / (operating expenses/365)
Current Ratio	2.05	<1	1 < x < 1.2	>1.2	=current assets / current liabilities
Liabilities as a % of Assets	82%	>0.90	0.80 < x < 0.90	0.80 <	=liabilities / assets
Net Asset Margin	32%	<10%	10% < x < 20%	>20%	=net assets / operating expenses

CINA Forecast and Fiscal Management



	Budgeted CINA	Year-End Reforecast	Change in Projected CINA	Change in CINA as a % of Total Revenue
RPS	6,112,854	5,872,307	(240,547)	0%
National NeST	836,482	2,626,894	1,790,412	7%
California	3,425,118	2,670,764	(754,354)	-1%
Milwaukee	178,427	(985,575)	(1,164,003)	-9%
TN	741,584	1,307,716	566,132	2%
DC	931,242	252,508	(678,734)	-1%
Texas	1,604,144	(103,869)	(1,708,013)	-12%

Annual Measures

FY23

Bond Covenants	Met/Not Met	Met
Audit Rocketship	Opinion Findings	Unqualified/Qualified None
Audits Regions	Opinion Findings	Unqualified None



FY24 Q2 Balance Sheet and Statement of Activities

FY24 Q2 Balance Sheet

- Rocketship ended Q2 with \$70M in cash and net assets of \$71M.
- Our strong cash position provides Rocketship with reserves that will allow us to weather a downturn in revenue, a delay in cash receipts, or a significant increase in expenditures.
- The balance sheet reflects implementation of the new lease standards which have increased both revenues and liabilities significantly. These were implemented in FY23.

FY24 Q2 Statement of Activities

- Rocketship realized a \$5.4M CINA which increased our net assets from \$66M to \$71M.
- Q2 YTD revenues totaled \$111M with expenses of \$106M



FY24 Q2 Balance Sheet

Rocketship Public Schools Balance Sheet - Consolidated

	12/31/2023	6/30/2023	
	Actual	Actual	Change
Assets			
Cash and cash equivalents	69,589,358	60,105,087	9,484,271
Accounts Receivable	34,217,993	36,102,417	(1,884,425)
Prepaid expenses and deposits	3,432,195	5,520,138	(2,087,943)
Security Deposits	459,297	459,297	-
Property, plant & equipment	289,107,087	287,798,429	1,308,658
Less: Accumulated depreciation	(17,118,080)	(12,214,291)	(4,903,790)
Intercompany Due To/Due From	8,075,168	776,304	7,298,864
Total Assets	387,763,017	378,547,381	9,215,636
Liabilities			
Accounts payable	4,427,789	3,461,873	965,916
Accrued liabilities	9,256,269	12,138,301	(2,882,032)
Accrued lease payments S-T	8,915,288	8,765,009	150,279
Deferred Revenue	29,130,481	19,677,626	9,452,855
Deferred management fee S-T	-	-	-
Intercompany Loan	-	-	-
Current portion of loans payable	513,479	540,439	(26,960)
Total Current Liabilities	52,243,307	44,583,248	7,660,059
Accrued lease payments L-T	263,666,790	267,485,164	(3,818,374)
Accrued Interest	219,507	215,757	3,750
Loans payable L-T	250,000	250,000	-
Total Long-Term Liabilities	264,136,297	267,950,921	(3,814,624)
Total Liabilities	316,379,604	312,534,170	3,845,435
Net Assets	71,383,413	66,013,212	5,370,201
Total Liabilities and Net Assets	387,763,017	378,547,381	9,215,636

Rocketship's FY24 Q2
Balance Sheet shows:

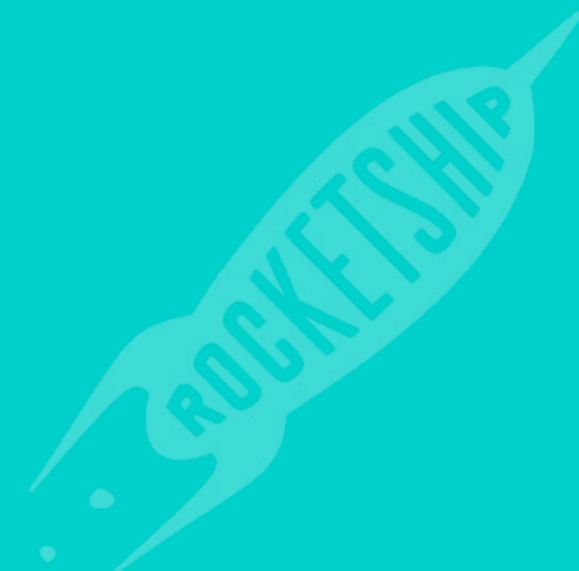
Assets	\$388M
Liabilities	\$316M
Net Assets	\$71M
Cash position	\$70M

FY24 Q2 Statement of Activities

RPS realized a \$5.4M CINA through Q2.

Rocketship Public Schools (\$000)	Q2 Actuals						
	CA	DC	MKE	TN	National	Elim	Total
Federal Revenue	7,057	2,827	1,245	2,073			13,201
State	58,000	14,982	3,440	11,942			88,364
Other Local Revenues	119	1,807	22	32	859		2,840
Int Transfers/Network Support Fee	2,944	687	218	667	9,298	(13,723)	89
Grants and Fundraising	185	572	43	708	4,998		6,506
Total Revenues	68,304	20,875	4,967	15,422	15,154	(13,723)	111,000
Certificated Salaries	14,600	3,743	1,546	3,092	50		23,031
Classified Salaries	9,920	3,047	1,368	2,542	7,098		23,976
Employee Benefits	6,968	1,312	649	1,491	1,110		11,530
Books and Supplies	3,754	1,257	500	916	534		6,960
Food Services	2,297	566	137	557	3		3,561
Operating and Housekeeping	1,382	651	164	303	11		2,512
Professional Services	9,127	5,061	474	1,596	2,124		18,383
Other Operating Expenses	823	355	167	213	1,078		2,636
Facility Fee	5,334	3,521	372	1,261			10,487
Leases and Repairs	1,232	515	114	308	207		2,376
Network Support Fee	9,010	2,060	654	2,000		(13,723)	
Miscellaneous Expenses	94	4	60	13	6		177
Total Expenses	64,541	22,093	6,206	14,292	12,221	(13,723)	105,630
CINA	3,763	(1,218)	(1,238)	1,129	2,934		5,370

FY24 Q2 Financial Review and Business Operations Update: Enrollment



FY24 Q2 Enrollment Update

Enrollment as of 1/31/24 was 10,352, 2% lower than budgeted across all regions.

Of note, Tennessee's enrollment is 48 students higher than budgeted. California shows enrollment that is materially the same as budgeted.

Milwaukee's enrollment is 110 students lower than budgeted and DC has 161 fewer students than budgeted.

Texas had 20 students fewer than budgeted.

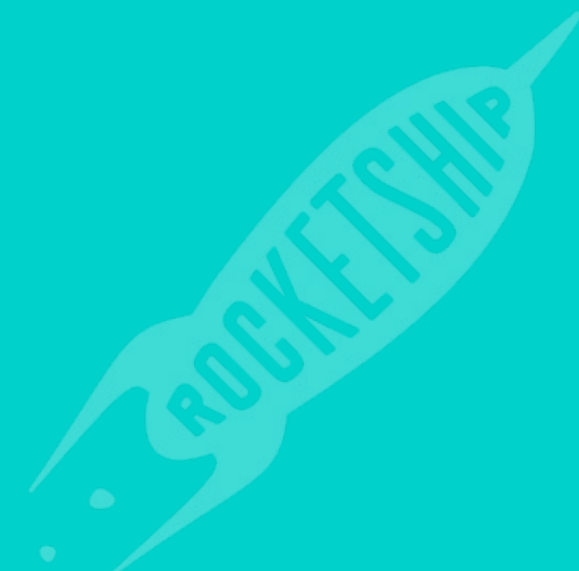
Milwaukee has two count days, each accounts for 50% of per pupil funding. The average of the two counts 637 students.

DC has a single count which determines its enrollment for the entire school year. The official count for DC was 1379.

Enrollment Change				
	Budget	1/31/2024	Change	% Change
CA	6,366	6,365	(1)	0%
TN	1,356	1,404	48	4%
MKE	752	642	(110)	15%
DC	1,482	1,321	(161)	11%
TX	640	620	(20)	3%
Total	10,596	10,352	(244)	2%



FY24 Q2 Financial Review and Business Operations Update: Financial Analysis



FY24 Q2 Financial Analysis

Overview

- The Q2 forecast CINA is \$5.9M which is \$241K lower than budgeted
- The Q2 forecast shows a CINA across all schools of \$3.0M which is \$1.4M lower than budgeted and \$2.9M across all NeSTs which is \$1.2M higher than budgeted.
- The changes in CINA are primarily due to lower than budgeted enrollment in DC and Milwaukee and higher than budgeted philanthropy at National NeST.
- The TX financials are presented separately.

Presentation

- We are presenting the RPS budget in a slightly different format. The consolidating budget shows the regions as schools only and all of the NeSTs together.
- This is how it is presented in our audited financial statements. While the Regional NeSTs are part of the regions, their finances are a component of the national organization.
- This presentation is intended to provide additional insight to the National Business Committee and Board to support them in meeting their fiduciary responsibility
- We have not changed the presentation for the regions, they include both the schools and the Regional NeSTs.



RPS FY24 Q2 Reforecasts

The Q2 forecast shows a projected \$5.9M positive CINA, \$241K lower than budgeted.

Rocketship Public Schools	Q2 Forecast												FY24 Board Approved Budget		
(\$000)	CA Schools	DC Schools	MKE Schools	TN Schools	Schools Total	CA NeST	DC NeST	MKE NeST	TN NeST	National	NeST Total	Elim	Total	Total	Variance
Enrollment	6,351	1,379	637	1,402	9,769								9,769	9,956	188
Federal Revenue	14,741	5,957	2,611	3,975	27,284								27,284	28,699	(1,415)
State	122,063	33,562	6,936	23,656	186,218								186,218	188,190	(1,972)
Other Local Revenues	64	2,891	89	50	3,094					2,000	2,000		5,094	2,884	2,209
Int Transfers/Network Support Fee						6,314	1,538	439	1,323	20,748	30,363	(29,723)	641	500	140
Grants and Fundraising	179	652	2	213	1,045	6	501	800	692	4,998	6,996		8,041	5,817	2,225
Total Revenues	137,047	43,062	9,638	27,894	217,641	6,321	2,039	1,239	2,015	27,746	39,359	(29,723)	227,277	226,090	1,188
Certificated Salaries	30,087	7,423	2,752	5,865	46,128	211				100	312		46,440	51,207	4,767
Classified Salaries	20,479	4,293	1,926	4,677	31,375	2,368	1,237	842	713	13,962	19,124		50,499	48,990	(1,509)
Employee Benefits	14,344	2,365	1,077	3,211	20,997	548	267	177	248	2,268	3,509		24,505	25,429	923
Books and Supplies	6,927	2,112	732	1,396	11,167	310	204	47	68	1,174	1,803		12,970	12,786	(184)
Food Services	4,772	1,070	460	1,096	7,399	52	6	5	8	9	80		7,479	7,423	(57)
Operating and Housekeeping	3,053	1,313	340	706	5,412	3	3		11		16		5,428	5,329	(99)
Professional Services	19,979	10,819	798	3,021	34,617	872	342	65	323	4,096	5,699		40,316	35,375	(4,941)
Other Operating Expenses	2,131	568	227	437	3,363	530	287	51	199	1,718	2,784		6,147	5,114	(1,034)
Facility Fee	10,021	7,103	712	1,903	19,739								19,739	19,403	(336)
Leases and Repairs	2,861	690	219	618	4,388	403	126	1	106	367	1,003		5,391	5,606	215
Network Support Fee	19,122	4,615	1,316	3,970	29,023							(29,023)	()	()	
Miscellaneous Expenses	922	4	114	17	1,057	700		1	7	1,425	2,134	(700)	2,490	3,316	826
Total Expenses	134,700	42,374	10,672	26,918	214,664	5,998	2,474	1,190	1,683	25,119	36,463	(29,723)	221,405	219,977	(1,428)
CINA	2,348	687	(1,034)	976	2,977	323	(435)	49	332	2,627	2,896		5,872	6,113	(241)



RPS FY24 Q2 Reforecast vs Budget - National NeST

Revenue:

National NeST Q2 reforecast reflects lower support fees as a result of the decreases in enrollment in DC and Milwaukee.

Increases in interest income and philanthropy offset the loss of support fees and drive an increase in revenue. Philanthropy is projected to be \$5.0M, \$1.6M higher than budgeted.

Note that the philanthropic revenue at National NeST differs from the development team's numbers due to accounting regulations that required us to recognize certain philanthropic revenue in FY23 despite the fact that the cash receipts occurred in FY24.

Expenses:

Expenses are projected to be \$102K lower than budgeted. The net changes in expenses reflect several strategic investments:

- A Director of Schools in Milwaukee. This position will be paid for by National NeST in FY24 and will shift to the region's budget in FY25 as enrollment elevates in order to sustainably afford the regional team and infrastructure.
- A shift of resources from compensation to consulting
- Additional consulting expenses to support the payroll and accounting teams to allow for a high level of engagement in the Workday implementation.
- The projections include a \$900K contingency which remains untouched.



FY24 Q2 National Reforecast

National NeST	Q2 Forecast	FY24 August Budget	
(\$000)	Total	Total	Variance
Federal Revenue			
State			
Other Local Revenues	2,000	1,443	557
Int Transfers/Network Support Fee	20,748	21,214	(466)
Grants and Fundraising	4,998	3,400	1,598
Total Revenues	27,746	26,057	1,689
Certificated Salaries	100	(583)	(683)
Classified Salaries	13,962	15,447	1,484
Employee Benefits	2,268	2,624	356
Books and Supplies	1,174	1,231	57
Food Services	9	6	(3)
Operating and Housekeeping		6	6
Professional Services	4,096	3,038	(1,058)
Other Operating Expenses	1,718	1,519	(199)
Facility Fee			
Leases and Repairs	367	311	(56)
Network Support Fee			
Miscellaneous Expenses	1,425	1,623	197
Total Expenses	25,119	25,221	102
CINA	2,627	836	1,790

The Q2 National forecast shows a CINA projected to be \$1.8M higher than budgeted.

This is driven primarily by higher than budgeted philanthropic revenue.

Expenses are projected to be slightly lower than budgeted.



FY24 Q2 California Reforecast

The California forecast projects a \$2.7M CINA, \$754K lower than budgeted. The CINA decrease represents less than 1% of total California revenue.

The revenue total is projected to be relatively consistent with the budget.

Expenses are projected to be \$719K higher than budgeted. There are significant shifts in expenditures. Compensation is projected to be almost \$3M lower than budgeted while professional services are projected to be \$2.5M higher than budgeted.

The expense projections are conservative and we anticipate finding significant savings with the schools and NeST for the remainder of the year.



FY24 Q2 California Reforecast

The CA forecast shows a CINA of \$2.7M which is \$754K lower than budgeted.

CA Schools & Regional NeST ((\$000))	Q2 Forecast			Aug Budget			Variance
	Total Schools	CA NeST	Total	Total Schools	CA NeST	Total	
Enrollment	6,351		6351	6366		6366	-15
Federal Revenue	14,741		14,741	15,677		15,677	(936)
State	122,063		122,063	121,259		121,259	805
Other Local Revenues	64		64	26		26	39
Int Transfers/Network Support Fee		6,314	6,314		6,442	6,442	(127)
Grants and Fundraising	179	6	185				185
Total Revenues	137,047	6,321	143,368	136,961	6,442	143,403	(35)
Certificated Salaries	30,087	211	30,299	32,226		32,226	1,927
Classified Salaries	20,479	2,368	22,847	20,360	2,751	23,111	264
Employee Benefits	14,344	548	14,892	15,117	517	15,633	741
Books and Supplies	6,927	310	7,237	6,528	243	6,771	(466)
Food Services	4,772	52	4,824	4,665	39	4,704	(121)
Operating and Housekeeping	3,053	3	3,056	2,865	9	2,874	(182)
Professional Services	19,979	872	20,851	17,713	667	18,380	(2,471)
Other Operating Expenses	2,131	530	2,661	1,695	484	2,179	(483)
Facility Fee	10,021		10,021	9,586		9,586	(435)
Leases and Repairs	2,861	403	3,264	3,041	379	3,420	156
Network Support Fee	19,122		19,122	19,325		19,325	204
Miscellaneous Expenses	922	700	1,623	1,068	700	1,768	145
Total Expenses	134,700	5,998	140,697	134,189	5,789	139,978	(719)
CINA	2,348	323	2,671	2,773	652	3,425	(754)



FY24 Q2 Financial Analysis - Milwaukee Reforecast

We are providing two presentations for the Milwaukee analysis:

- Variance to the original budget
- Variance to the Q1 Revision

The region is managing to the Q1 Revision which reflects the actual fall enrollment.

The Milwaukee forecast shows a negative CINA of \$986K, this represents a projected \$418K decrease from the Q1 Revision.

This shift will be mitigated by two factors:

- We are anticipating significant additional Medicaid funding and will have firm numbers next month.
- We are working to decrease our outsourced special education expenses while continuing to provide robust services to our ISE students.

Additionally, \$50K of this shift is due to higher than budgeted depreciation expenses which does not have a cash impact.

Rocketship National plans to defer management fee up to \$550K. Additionally, National NeST will pay for the Milwaukee DOS in FY24.

Milwaukee is committed to generating a positive CINA in FY25 and hiring the DOS directly.



FY24 Q2 Milwaukee Reforecast v Budget

In the Q2 reforecast, Milwaukee CINA decreased by \$1.2M from the approved budget to (\$986K).

MKE Schools & Regional NeST (\$000)	Q2 Forecast			Aug Budget			Variance
	Total Schools	MKE NeST	Total	Total Schools	MKE NeST	Total	
Enrollment	637		637	752		752	-116
Federal Revenue	2,611		2,611	2,941		2,941	(330)
State	6,936		6,936	8,322		8,322	(1,386)
Other Local Revenues	89		89	80		80	9
Int Transfers/Network Support Fee		439	439		508	508	(69)
Grants and Fundraising	2	800	802		800	800	2
Total Revenues	9,638	1,239	10,877	11,343	1,308	12,651	(1,774)
Certificated Salaries	2,752		2,752	2,913		2,913	161
Classified Salaries	1,926	842	2,768	2,039	1,014	3,052	284
Employee Benefits	1,077	177	1,254	1,058	166	1,225	(29)
Books and Supplies	732	47	779	670	12	683	(97)
Food Services	460	5	465	629	4	633	167
Operating and Housekeeping	340		340	352		352	12
Professional Services	798	65	864	396	35	432	(432)
Other Operating Expenses	227	51	278	178	27	205	(73)
Facility Fee	712		712	723		723	11
Leases and Repairs	219	1	220	277		277	57
Network Support Fee	1,316		1,316	1,524		1,524	208
Miscellaneous Expenses	114	1	115	414	40	454	339
Total Expenses	10,672	1,190	11,862	11,174	1,298	12,472	610
CINA	(1,034)	49	(986)	169	10	178	(1,164)



FY24 Q2 Milwaukee Reforecast v Q1 Revision

The Q1 revision represents the working budget for Milwaukee. It reflects the actual enrollment for the first count.

As compared to the Q1 revision, the Q2 forecast shows a CINA decrease of \$418K.

MKE Schools & Regional NeST (\$000)	Q2 Forecast			Q1 Forecast			Variance
	Total Schools	MKE NeST	Total	Total Schools	MKE NeST	Total	
Enrollment	637		637	630		630	7
Federal Revenue	2,611		2,611	2,590		2,590	21
State	6,936		6,936	6,865		6,865	72
Other Local Revenues	89		89	80		80	9
Int Transfers/Network Support Fee		439	439		435	435	3
Grants and Fundraising	2	800	802		800	800	2
Total Revenues	9,638	1,239	10,877	9,535	1,235	10,770	107
Certificated Salaries	2,752		2,752	2,634	155	2,789	37
Classified Salaries	1,926	842	2,768	1,874	767	2,641	(128)
Employee Benefits	1,077	177	1,254	947	194	1,140	(113)
Books and Supplies	732	47	779	673	10	683	(97)
Food Services	460	5	465	504		504	39
Operating and Housekeeping	340		340	352		352	12
Professional Services	798	65	864	492	167	658	(205)
Other Operating Expenses	227	51	278	178	27	204	(73)
Facility Fee	712		712	723		723	11
Leases and Repairs	219	1	220	277		277	57
Network Support Fee	1,316		1,316	1,306		1,306	(10)
Miscellaneous Expenses	114	1	115	60		60	(55)
Total Expenses	10,672	1,190	11,862	10,019	1,319	11,338	(524)
CINA	(1,034)	49	(986)	(485)	(83)	(568)	(418)



FY24 Q2 Nashville Reforecast

The Q2 forecast shows a \$566K increase in CINA driven by the increase in enrollment.

NSH Schools & Regional NeST ((\$000))	Q2 Forecast			Aug Budget			Variance
	Total Schools	NSH NeST	Total	Total Schools	NSH NeST	Total	
Enrollment	1,402	-	1402	1356	-	1356	46
Federal Revenue	3,975		3,975	3,918		3,918	57
State	23,656		23,656	22,903		22,903	753
Other Local Revenues	50		50	71		71	(21)
Int Transfers/Network Support Fee		1,323	1,323		1,285	1,285	38
Grants and Fundraising	213	692	904	417	200	617	288
Total Revenues	27,894	2,015	29,909	27,309	1,485	28,794	1,115
Certificated Salaries	5,865		5,865	5,552		5,552	(314)
Classified Salaries	4,677	713	5,390	4,908	720	5,628	238
Employee Benefits	3,211	248	3,459	3,127	151	3,279	(181)
Books and Supplies	1,396	68	1,463	1,497	19	1,515	52
Food Services	1,096	8	1,104	1,121	12	1,133	29
Operating and Housekeeping	706	11	717	768		768	51
Professional Services	3,021	323	3,344	2,728	272	3,000	(344)
Other Operating Expenses	437	199	636	365	181	546	(90)
Facility Fee	1,903		1,903	1,974		1,974	71
Leases and Repairs	618	106	724	544	87	631	(94)
Network Support Fee	3,970		3,970	3,855		3,855	(115)
Miscellaneous Expenses	17	7	23	163	9	171	148
Total Expenses	26,918	1,683	28,601	26,602	1,450	28,052	(549)
CINA	976	332	1,308	707	35	742	566



FY24 Q2 Financial Analysis - DC Reforecast

We are providing two presentations for the DC analysis:

- Variance to the original budget
- Variance to the Q1 Revision

The region is managing to the Q1 Revision which reflects the actual fall enrollment.

The DC forecast shows a \$253K positive CINA which is \$679K lower than the approved budget and \$55K lower than the Q1 Revision.

Revenues are projected to increase by \$412K over the Q1 Revision and expenses are projected to increase \$467K.



FY24 Q2 DC Reforecast v Budget

DC CINA is forecast to be \$253K, \$679K lower than budgeted.

DC Schools & Regional NeST (\$000)	Q2 Forecast			Aug Budget			Variance
	Total Schools	DC NeST	Total	Total Schools	DC NeST	Total	
Enrollment	1,379	-	1379	1482	-	1482	-103
Federal Revenue	5,957		5,957	6,163		6,163	(206)
State	33,562		33,562	35,706		35,706	(2,144)
Other Local Revenues	2,891		2,891	1,265		1,265	1,626
Int Transfers/Network Support Fee		1,538	1,538		1,772	1,772	(234)
Grants and Fundraising	652	501	1,152	650	350	1,000	152
Total Revenues	43,062	2,039	45,101	43,783	2,122	45,906	(805)
Certificated Salaries	7,423		7,424	6,397		6,397	(1,027)
Classified Salaries	4,293	1,237	5,530	5,358	1,096	6,454	924
Employee Benefits	2,365	267	2,632	2,455	213	2,668	36
Books and Supplies	2,112	204	2,316	2,443	143	2,586	270
Food Services	1,070	6	1,077	937	10	947	(129)
Operating and Housekeeping	1,313	3	1,316	1,330		1,330	14
Professional Services	10,819	342	11,161	10,323	201	10,525	(636)
Other Operating Expenses	568	287	855	484	182	666	(189)
Facility Fee	7,103		7,103	7,118		7,118	16
Leases and Repairs	690	126	816	853	114	967	151
Network Support Fee	4,615		4,615	5,317		5,317	701
Miscellaneous Expenses	4		4				(4)
Total Expenses	42,374	2,474	44,848	43,016	1,958	44,974	126
CINA	687	(435)	253	767	164	931	(679)



FY24 Q2 DC Reforecast v Q1 Revision

DC CINA is forecast to be \$253K, \$55K lower than the Q1 Revision.

DC Schools & Regional NeST (\$000)	Q2 Forecast			Q1 Forecast			Variance
	Total Schools	DC NeST	Total	Total Schools	DC NeST	Total	
Enrollment	1,379	0	1379	1365		1365	14
Federal Revenue	5,957		5,957	5,933		5,933	24
State	33,562		33,562	34,676		34,676	(1,115)
Other Local Revenues	2,891		2,891	1,505		1,505	1,386
Int Transfers/Network Support		1,538	1,538		1,574	1,574	(36)
Grants and Fundraising	652	501	1,152	350	650	1,000	152
Total Revenues	43,062	2,039	45,101	42,464	2,224	44,689	412
Certificated Salaries	7,423		7,424	6,558	58	6,616	(807)
Classified Salaries	4,293	1,237	5,530	4,698	1,018	5,716	186
Employee Benefits	2,365	267	2,632	2,404	231	2,635	3
Books and Supplies	2,112	204	2,316	2,025	203	2,227	(89)
Food Services	1,070	6	1,077	928	9	936	(140)
Operating and Housekeeping	1,313	3	1,316	1,290	1	1,291	(25)
Professional Services	10,819	342	11,161	11,040	297	11,337	176
Other Operating Expenses	568	287	855	490	221	711	(144)
Facility Fee	7,103		7,103	7,007	72	7,079	(24)
Leases and Repairs	690	126	816	885	72	958	142
Network Support Fee	4,615		4,615	4,723		4,723	107
Miscellaneous Expenses	4		4	152		152	148
Total Expenses	42,374	2,474	44,848	42,200	2,181	44,381	(467)
CINA	687	(435)	253	265	43	308	(55)



Q2 Financial Review and Business
Operations Update:
Texas Update



FY24 Q2 Reforecast - Texas

The year-end forecast as of December shows a negative CINA variance of \$1.7M which results from a projected \$416K increase in total revenues and a \$2.1M increase in total expenses.

The increase in expenses is the result of several line items including:

- Higher than anticipated start-up materials for REX,
- Increases in food service expenses which is offset by additional revenue
- Increased staffing costs which are being managed going forward
- Higher than anticipated utilities expenses
- Higher than budgeted service expenses such as transportation

We are actively identifying potential cost savings.

Additionally, we anticipate significant additional state revenue but will not know the full amount until March.

FY24 Q2

The projected TX CINA is \$1.7M lower than budgeted.

Rocketship Public Schools Texas
December 2023 Forecast

For the 2023-24 School Year

	Budget					Total	Dec. Forecast	
	FY24 RDDE	FY24 REX	FY24 Schools	FY24 NeST	Elim		Total	Variance
Projected enrollment	410	230	640	-		640		
Revenues								
State Revenue	4,402	2,478	6,879			6,879	7,125	245
Federal Revenue	606	324	930			930	1,089	160
Grants and Contributions				6,700		6,700	6,700	
Other Local Revenues				344	(344)		11	11
Total Revenues	5,008	2,801	7,809	7,044	(344)	14,509	14,925	416
Expenses								
Certificated Salaries	1,729	1,270	3,000	406		3,405	2,755	651
Classified Salaries	719	658	1,377	413		1,790	3,129	(1,340)
Employee Benefits	672	529	1,201	225		1,426	1,574	(148)
Books and Supplies	275	630	905	27		932	1,564	(632)
Food Services	318	170	488	11		499	778	(279)
Services and Other Operating Expenses	1,026	1,074	2,100	164		2,264	2,674	(410)
Travel and Conferences	213	126	339	53		391	144	248
Dues and Insurance	64	39	103	3		106	100	6
Rental, Leases and Repairs	227	125	352			352	559	(207)
Facility Fee	890	144	1,034	18		1,052	1,040	12
Management Fee - Region	220	124	344		(344)			
Management Fee - National	440	248	688			688	712	(25)
Total Expenses	6,793	5,137	11,930	1,319	(344)	12,905	15,029	(2,124)
CINA before depreciation	(1,785)	(2,335)	(4,120)	5,725		1,604	(104)	(1,708)

Q2 Financial Review and Business
Operations Update:
Workday HCM Update



Workday Update

Payroll Went Live 1/2/24

The payroll transition was smooth.

- First Workday payroll included approximately 1250 employees.
- It was completed with over 97% accuracy and on time delivery.
- We had 98% within 24 hours of pay date
- 99% accuracy by the end of the first business day post payroll

The system provides us with robust auditing and reporting capabilities which we can conduct pre-payroll as opposed to the former system which required significant post payroll auditing.

