



Tuesday, December 3, 2024
Rocketship Public Schools Business Committee (2024-25 Q2)

Meeting Time: 10:30am

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

125 Fox Hollow Road, Woodside, CA 94062

1198 Crestmont Drive, Lafayette, CA 94549

5 S Somerset Ave, Ventnor City NJ 08406

228 Hamilton Ave, Palo Alto CA 94301

18370 Burbank Blvd., Suite 100, Tarzana CA 91356

1. Opening Items

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

2. Consent Items

- A. Approve minutes from August 20, 2024 Business Committee meeting

3. Information Items

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

4. Agenda Items

- A. 403(b) Update
- B. Development Update
- C. Financial Update

5. Action Items: Finance - Review and Recommend Approval

- A. Review and recommend approval of the Revised 2024-25 Budgets to the Rocketship Board of Directors

6. Agenda Items (contd.)

- A. Wisconsin Financial Deep Dive

7. 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 Business Committee (2024-25 Q1) (Tuesday, August 20, 2024)

Generated by Cristina Vasquez on Monday, August 26, 2024

1. Opening Items

A. Call to order

At 10:01am, Mr. Terman took roll call. With a quorum of committee members present, Mr. Terman called the meeting to order.
Present: Dan Sanchez, Greg Stanger, Ray Raven, Alex Terman
Absent: Charmaine Detweiler, Mike Fox

B. Public comment on off-agenda items

At 10:02am, Mr. Terman called for public comment on off-agenda items. No members of the public provided comment.

2. Consent Items

A. Approve minutes from May 21, 2024 Business Committee meeting

At 10:04am, Mr. Sanchez made a motion to approve the consent items. This motion was seconded by Mr. Stanger, and carried unanimously by roll call vote.
Y: Dan Sanchez, Greg Stanger, Ray Raven, Alex Terman
N: --
Abstain: --

3. Informational Items

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

At 10:04am, the committee reviewed item 3(A). No action was taken.

4. Agenda Items

A. Review and Recommend Approval of Revised Rocketship Fiscal Policies

At 10:07am, the committee discussed agenda item 4(A).
At 10:18am, Mr. Terman made a motion to recommend approval of agenda item 4(A). This motion was seconded by Mr. Stanger, and carried unanimously by roll call vote.
Y: Dan Sanchez, Greg Stanger, Ray Raven, Alex Terman
N: --
Abstain: --

B. 2023-24 EOY Financial Review

At 10:19am, the committee discussed agenda item 4(B). No action was taken.

C. Review and Recommend Approval of the 2024-25 Revised Budget to the Rocketship Board of Directors

At 11:01am, the committee discussed agenda item 4(C).
At 11:35am, Mr. Stanger made a motion to recommend approval of agenda item 4(C). This motion was seconded by Mr. Raven, and carried unanimously by roll call vote.
Y: Dan Sanchez, Greg Stanger, Ray Raven, Alex Terman
N: --
Abstain: --

D. Finance Team and Systems Update

At 11:37am, the committee discussed agenda item 4(D). No action was taken.

5. Closed Session

A. Conference with Real Property Negotiations pursuant to California Government Code Section § 54956.8. Property Location: Milwaukee, Wisconsin. Agency Negotiator: Benjamin Carson, Preston Smith. Negotiating Parties: To Be Determined. Under Negotiation: Price and Terms of Payment

At 11:39am, Mr. Stanger made a motion to move to Closed Session. This motion was seconded by Ms. Raven, and carried unanimously by roll call vote.
Y: Dan Sanchez, Greg Stanger, Ray Raven, Alex Terman
N: --
Abstain: --

6. Agenda Items (contd.)

A. Public report on actions taken in closed session

At 12:04pm, Mr. Terman called the open session back to order and reported that no actions were taken on item 5(A) during the closed session.

7. Adjourn

At 12:04pm, Mr. Raven made a motion to adjourn the meeting. This motion was seconded by Mr. Sanchez, and carried unanimously by roll call vote.
Y: Dan Sanchez, Greg Stanger, Ray Raven, Alex Terman
N: --
Abstain: --

Rocketship Education
Checks signed in excess of \$100,000
Jul 2024 - Sept 2024

Check Date	Check #	Vendor and Invoice #	Invoice Amount	Amount of check
Reoccurring Monthly Budgeted Expenditures (Policy #138 August 2014)				
Subtotal by category				
School Food Services				
7/5/2024	ACH-Heritage	Revolution Foods, Inc. 003106-C000469	505,953.67	
		Revolution Foods, Inc.FTI-002133	675.51	
		Revolution Foods, Inc. FTI-002190	1,779.47	
		Revolution Foods, Inc. FTIC-002793	-932.69	
		Revolution Foods, Inc. FTIC-002790	-68.42	
		Revolution Foods, Inc. FTIC-002801	-93.39	
		Revolution Foods, Inc. FTIC-002865	-169.95	507,144.20
7/19/2024	ACH	Revolution Foods, Inc. 003404-C000469		612,628.77
8/16/2024	ACH	Revolution Foods, Inc. 003817-C000469	238,282.12	
		Revolution Foods, Inc. FTIC-002883	-7,258.18	231,023.94
\$ 1,350,796.91				
Student Transportation				
9/6/2024	ACH	Gray Line Tennessee 65163		120,032.00
\$ 120,032.00				
After School Program				
7/16/2024	ACH	Boys & Girls Club of Silicon Valley 202113586		770,250.00
8/23/2024	ACH	Boys & Girls Club of Silicon Valley 202113758		596,800.00
9/13/2024	ACH	Boys & Girls Club of Silicon Valley 202113811		596,800.00
\$ 1,963,850.00				
Consultants				
7/19/2024	ACH	Lavinia Group LVGINV1953		110,060.00
8/21/2024	328	Ignite Reading INV-1106		187,500.00
\$ 297,560.00				
Contracted Substitutes				
9/27/2024	ACH	Swing Education INV00814864		241,395.00
\$ 241,395.00				
Software - Administrative				
8/2/2024	ACH	NWEA 112646		120,334.50
\$ 120,334.50				
Software - Curriculum				
8/30/2024	ACH	Lexia Learning 8075944		176,610.00
\$ 176,610.00				
CIP- Soft Costs				
8/14/2024	286	D.F. Chase 01-1071-2024 - 3		204,456.00
\$ 204,456.00				
Other Equipment				
9/27/2024	ACH	Avanti Restaurant Solutions INV44853		232,459.82
\$ 232,459.82				
Rent				
8/28/2024	379	Franklin Mckinley School District 10139		115,762.00
\$ 115,762.00				
Group Health Insurance				
7/10/2024	23	Cigna 3382628		507,401.97
8/14/2024	258	Cigna 3397324		567,074.36
9/18/2024	573	Cigna 3412183		565,232.12
7/23/2024	EFT	Kaiser Foundation Health Plan 813726629797		369,093.65
8/28/2024	EFT	Kaiser Foundation Health Plan 813723496174		341,153.78
9/30/2024	EFT	Kaiser Foundation Health Plan 813728223477		394,920.65
\$ 2,744,876.53				
Worker's Compensation				
7/24/2024	EFT	Berkshire Hathaway 901959		116,730.55
\$ 116,730.55				
Insurance				
7/15/2024	ACH	Marsh & McLennan Agency 2736466		814,691.00
\$ 814,691.00				
Example				
	Jumpstart	School startup online programs or furnitures.		
Total - All checks signed in excess of \$100,000				\$ 8,499,554.31

Q2 Rocketship Public Schools Business Committee Meeting

December 3, 2024



Agenda

1. Opening Items

A. Call to order

B. Public comment on off-agenda items

2. Consent Items

A. Approve minutes from August 20, 2024 Business Committee meeting

3. Information Items

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

4. Agenda Items

A. 403(b) Update

B. Development Update

C. Financial Update

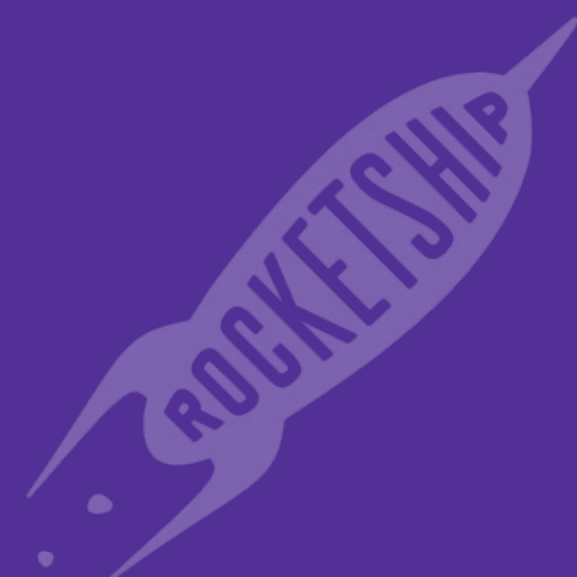
5. Action Items: Finance - Review and Recommend Approval

A. Review and recommend approval of the Revised 2024-25 Budgets to the Rocketship Board of Directors

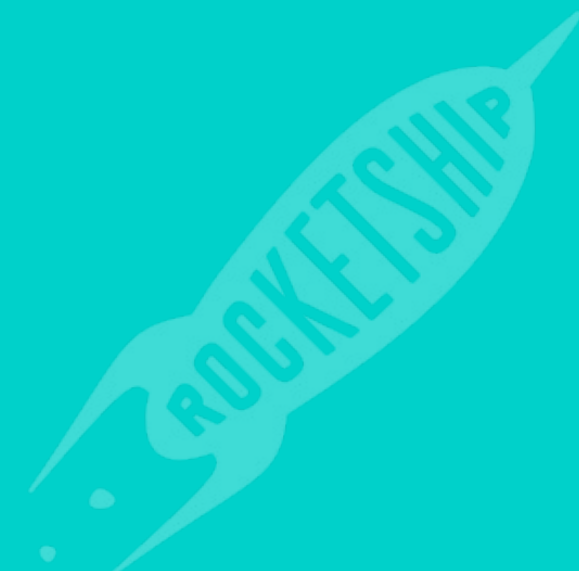
6. Agenda Items (contd.)

A. Wisconsin Financial Deep Dive

7. Adjourn



Public Comment

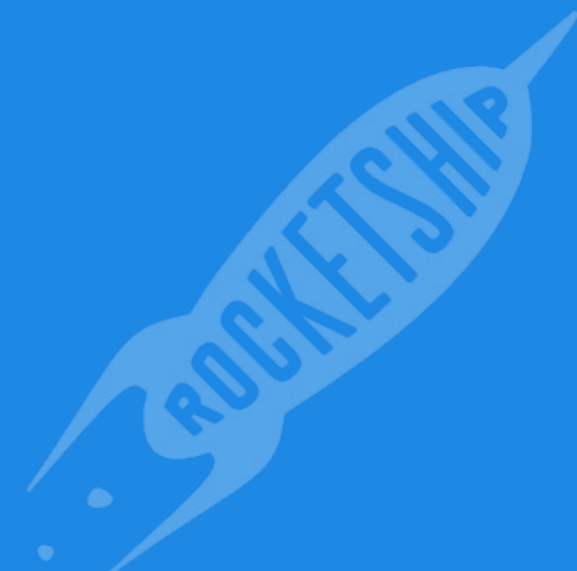


Information Item:

List of checks in excess of \$100k



403(b) Update



Transition of 403(b) Vendor Update

Goal

To enhance administrative support and the participant experience, while providing greater investment flexibility, ensuring fee transparency, and offering additional educational sessions to raise awareness about the Rocketship 403(b) Plan. This initiative aims to highlight the advantages of retirement savings, particularly for employees not covered by state pension plans. It reflects our steadfast commitment to offering a comprehensive total rewards package, inclusive of competitive retirement benefits.

Transition Process and Timeline

- **Account Transition:** The Rocketship Benefits Team and Fidelity Investments will manage all account transitions. **No action is required from employees.**
- **Communication Timeline:**
 - **November 20, 2024 (from Rocketship):** [Initial communication](#) about the transition emailed to all staff.
 - **November 27, 2024 (from Fidelity):** Transition Guide emailed to current participants, detailing key dates, investment transfer information, and Fidelity contact details. Transition Guide will be mailed to former Rocketship participants with Principal account balances.
- **Blackout Period:** To ensure an accurate and seamless transition, there will be a brief **blackout period** during which participants will not have access to their accounts.
 - **Start:** January 3, 2025, at 4:00 p.m. ET
 - **Duration:** Up to four weeks
 - **Key Notes:** Funds will remain continuously invested during the blackout period, and payroll deductions will continue as scheduled, depositing into Fidelity accounts.



Transition of 403(b) Vendor Update

Next Steps

- Rocketship and Fidelity's service agreement is currently undergoing our standard contract review process with the Legal team, with a target completion date set for December 2024.
- Payroll integration will begin in December 2024.

What's Changing?

The transition includes the following updates to investment options to ensure flexibility and alignment with financial goals:

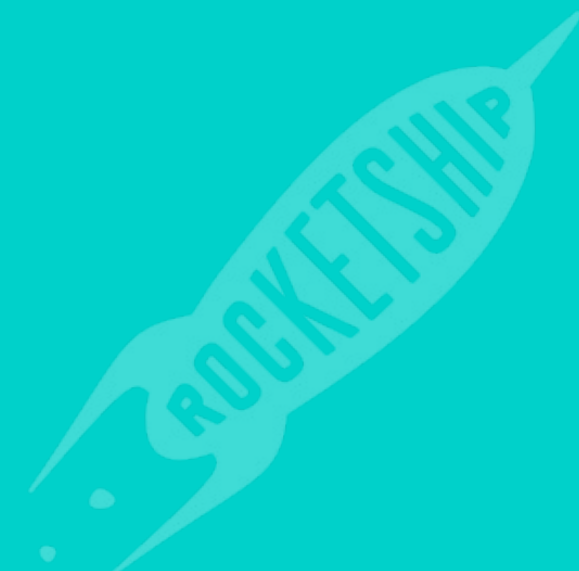
- **New Options:** Vanguard Target Retirement Series will replace Principal LifeTime target date funds. Vanguard Growth Index will replace the Principal Large Cap Growth Fund.
- **Expanded Choices:** A self-directed brokerage account will allow access to a broader array of investment options.

Upcoming Communication and Resources

- **Detailed Communications:** Beginning December 2024, from **Your Benefits Center** (fidelity.investments@mail.fidelity.com).
- **Live Employee Education Session:** December 9, 2024, introducing new plan features and transition details.
- **Virtual Office Hours with Benefits Team:** Available in January and February for follow-up questions.
- **Comprehensive FAQ Document:** To be created and available throughout the transition for details on investments, procedures, and timelines.



Development Update



FY25 YTD Fundraising Progress to Goal by Region

**Network FY25
Goal: \$ 13.8M**

**Network YTD
\$11M**



**National
Goal: \$3.2M**

**California
Goal: \$5M**

**DC
Goal: \$1.3M**



**Wisconsin
Goal: \$970K**

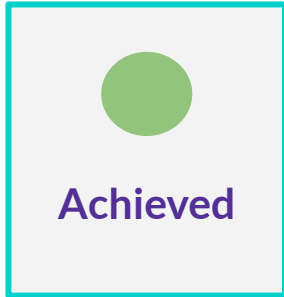
**Tennessee
Goal: \$400K**

**Texas
Goal: \$2.89M**

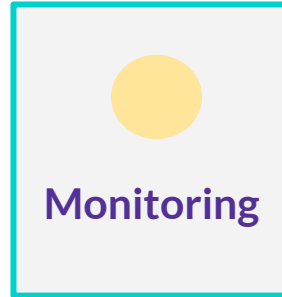


FY25 YTD Network Fundraising Health Dashboard

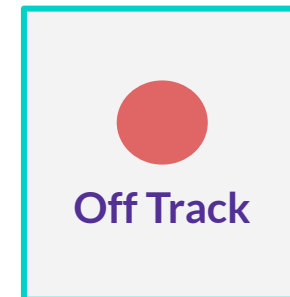
National



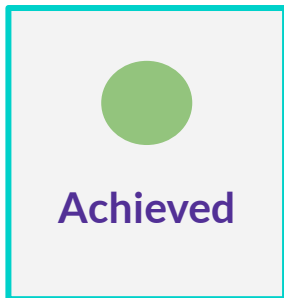
MKE



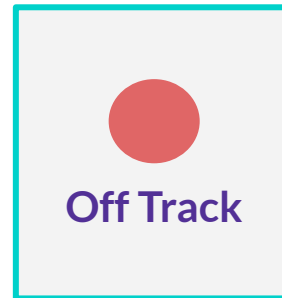
TN



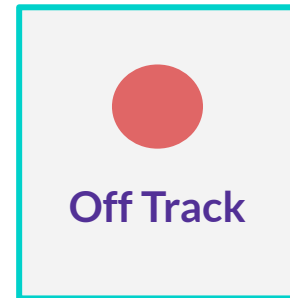
CA



DC



TX



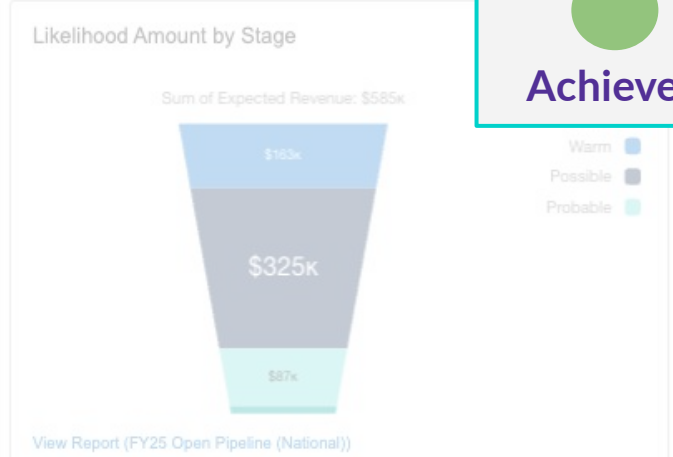
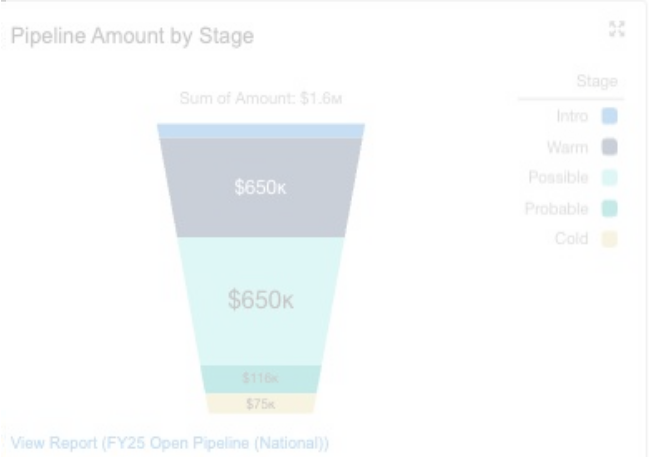
National exceeded our annual goal during Q2 thanks in large part to an unexpected upgraded gift from a longstanding donor.

**FY25 Goal:
\$3.2M**



**Gap to Goal
\$0**

Achieved



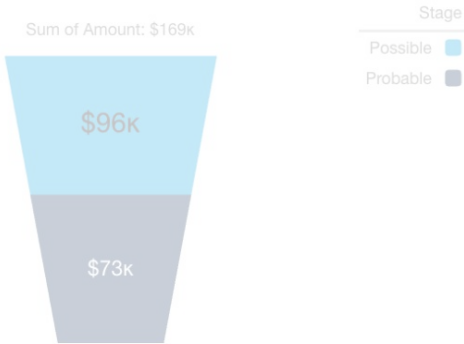
California's current focus is to steward existing donors and effectively manage their public competitive funds to ensure their sustainability.

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

\$169k

[View Report \(FY25 Open Pipeline \(CA\)\)](#)

Amount in Pipeline by Stage



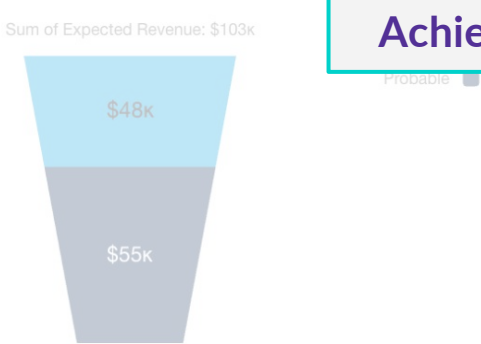
[View Report \(FY25 Open Pipeline \(CA\)\)](#)

Likelihood Amount
Likelihood amount in the pipeline

\$103k

[View Report \(FY25 Open Pipeline \(CA\)\)](#)

Likelihood Amount by Stage



[View Report \(FY25 Open Pipeline \(CA\)\)](#)

Amount Awarded
Amount received or committed

FY25 Goal: \$5M

\$5.1M

[View Report \(FY25 C+C \(BA\)\)](#)

Amount under Pipeline
Amount (new funders)

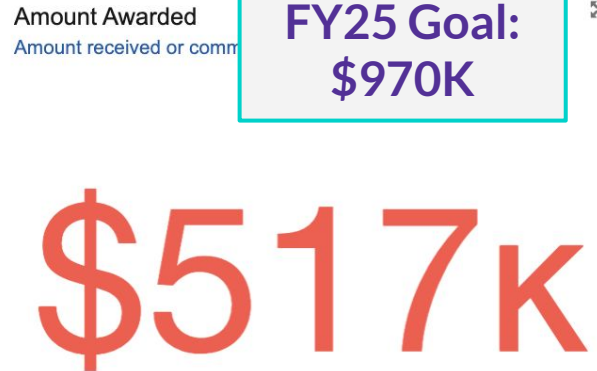
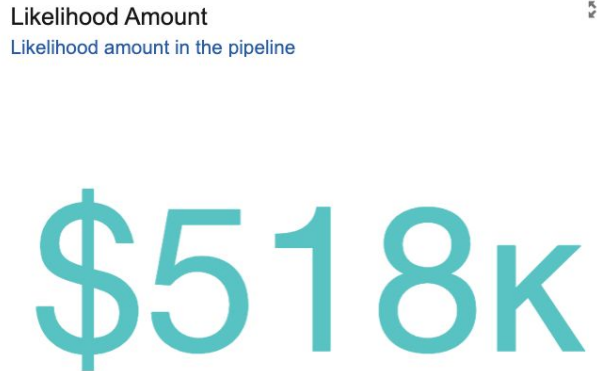
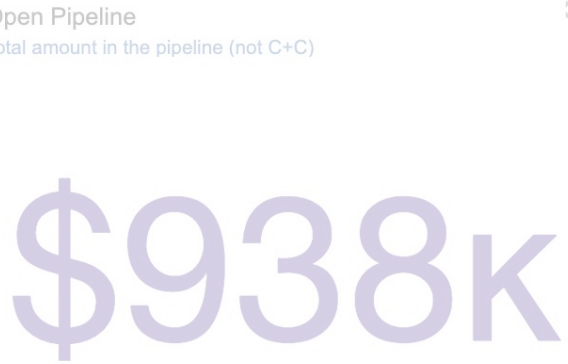
\$0

[View Report \(FY25 New funder pipeline \(CA\)\)](#)

Gap to Goal \$0
Achieved



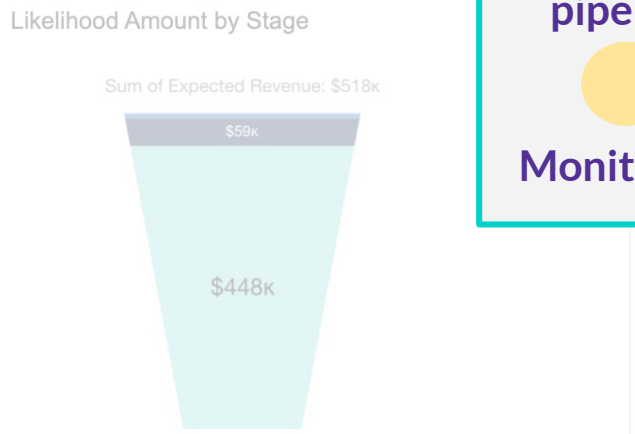
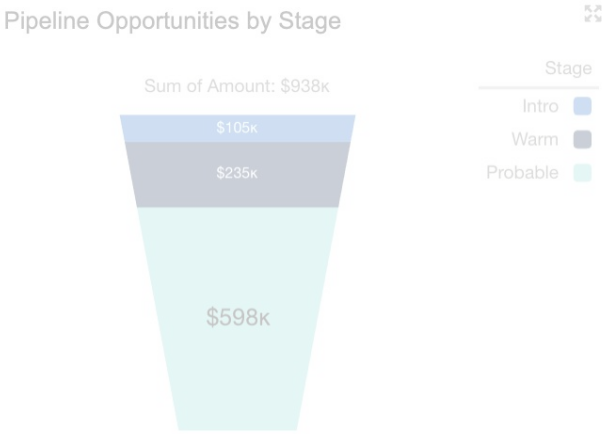
Milwaukee has piloted multiple cultivation strategies and after a busy fall of several engagement opportunities, is moving into the solicitation phase of moves management.



C+C = Cash-in and Committed
View Report (FY25 Open Pipeline (MKE))

View Report (FY25 Open Pipeline (MKE))

FY25 C+C (MKE)



er Pipeline
ount (new funders)

View Report (FY25 Open Pipeline (MKE))

View Report (FY25 Open Pipeline (MKE))

View Report (FY25 New funder pipeline (MKE))

No projected gap given pipeline

Monitoring

\$105k



Tennessee plans to focus on relationship building and cultivation in the new year to fuel a larger pipeline for future growth plans.

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

\$77k

C+C = Cash-in and Committed
View Report (FY25 Open Pipeline (TN))

Likelihood Amount
Likelihood amount in the pipeline

\$47k

View Report (FY25 Open Pipeline (TN))

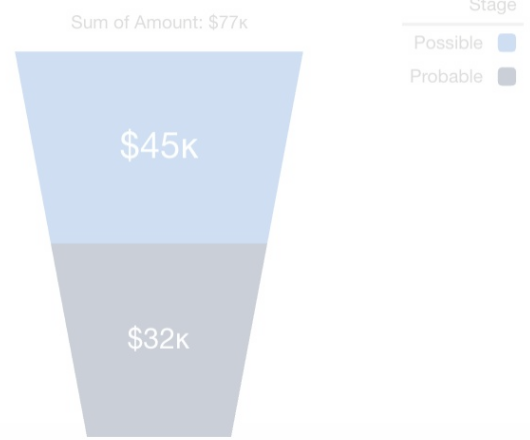
Amount Awarded
Amount received or comm

FY25 Goal:
\$400K

\$325k

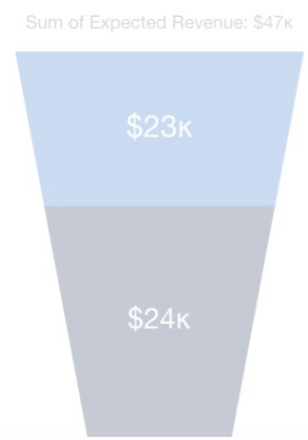
Report (FY25 C+C (TN))

Pipeline Opportunities by Stage



View Report (FY25 Open Pipeline (TN))

Likelihood Amount by Stage



View Report (FY25 Open Pipeline (TN))

Current Gap
\$28K
Off Track

Funder Pipeline Amount
Ask amount from new funders

\$0

View Report (FY25 New funder pipeline (TN))

DC is engaging philanthropic leaders in the the local market to drive cultivation strategies for new prospects.

Open Pipeline
total amount in the pipeline

\$1.6M

[View Report \(FY25 Open Pipeline \(DC\)\)](#)

Likelihood Amount
Likelihood amount in the pipeline

\$501k

[View Report \(FY25 Open Pipeline \(DC\)\)](#)

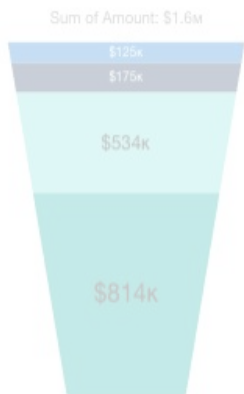
Amount Awarded
Amount received or committed

FY25 Goal:
\$1.3M

\$580k

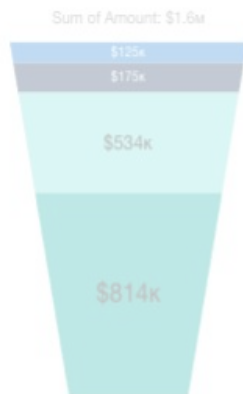
[View Report \(FY25 C+C \(DC\)\)](#)

Open Pipeline by Stage




[View Report \(FY25 Open Pipeline \(DC\)\)](#)

Likelihood Amount by Stage



[View Report \(FY25 Open Pipeline \(DC\)\)](#)

Current
Gap
\$219K

Off Track

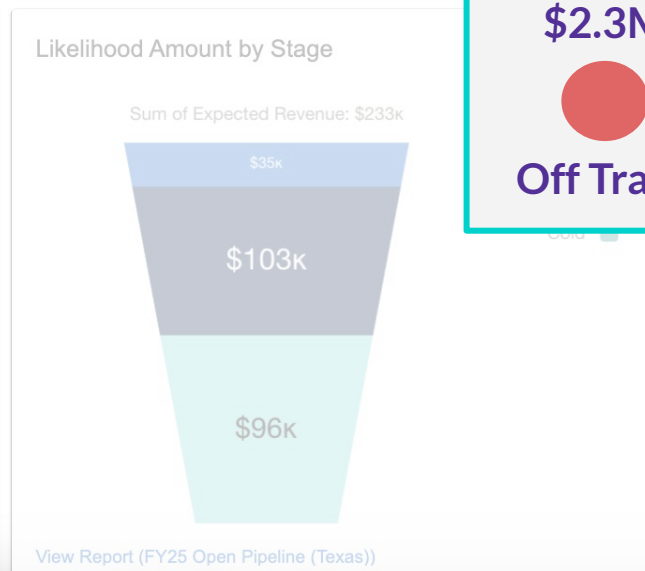
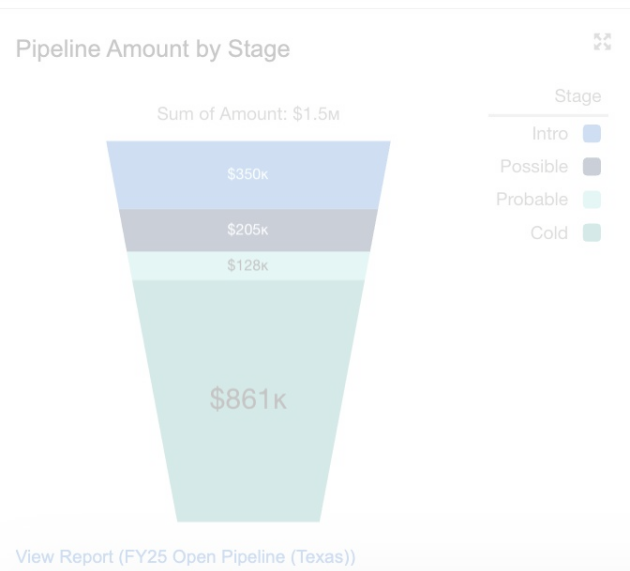
New Funder Pipeline
New Funder Pipeline

\$1.1M

Total ask amount of new funders
[View Report \(FY25 New funder pipeline \(DC\)\)](#)



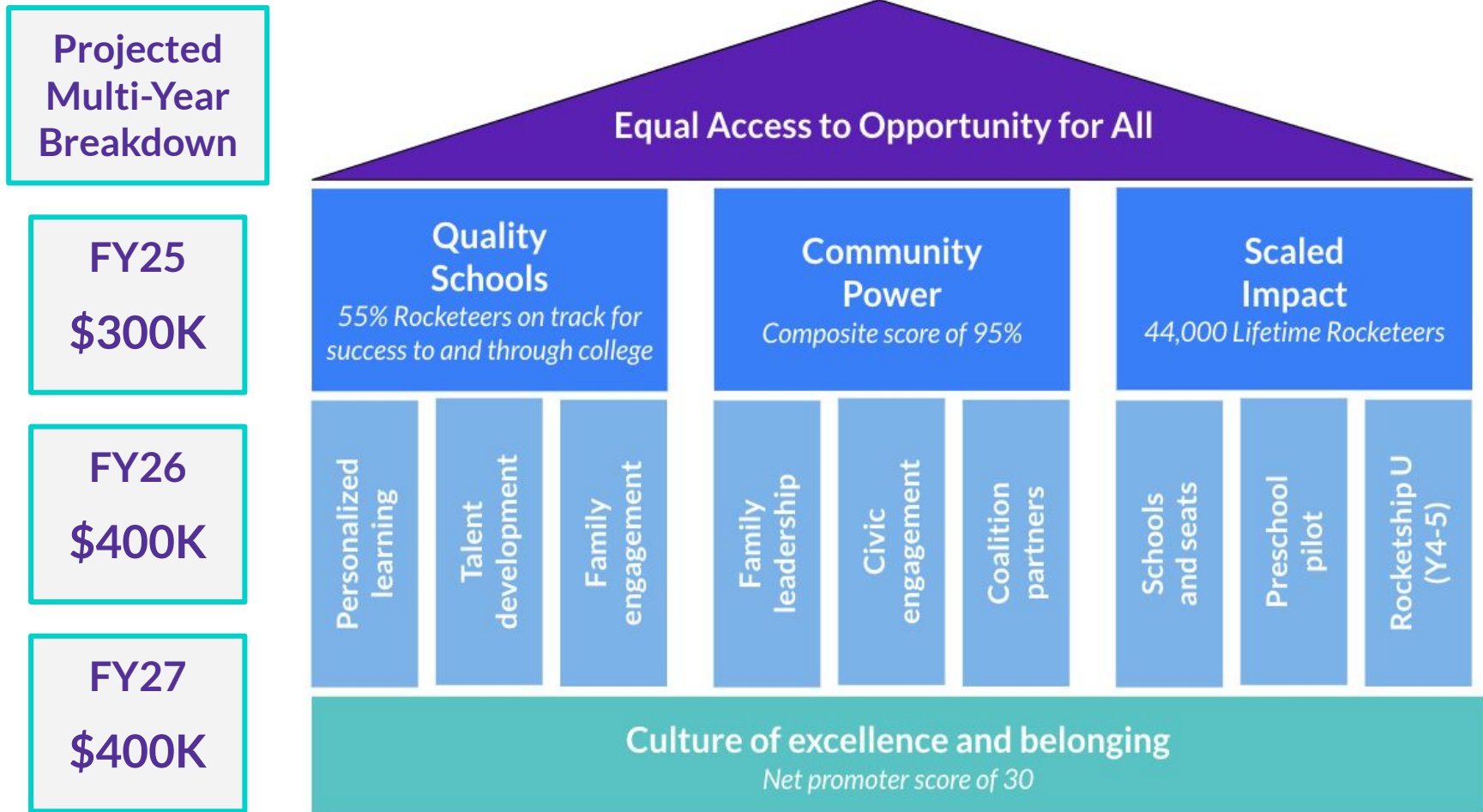
Texas leadership has prioritized engaging their local philanthropic community to drive towards their fundraising goals.



Current Gap \$2.3M

Off Track

National continues to seek **multi-year funding to support the 5-year strategic plan**. We are working closely with finance to determine ways to track budget offsetting expenses vs. new expenses.



Financial Update



Financial Scorecard through 10/31/24

Rocketship Financial Scorecard as of October 31, 2024

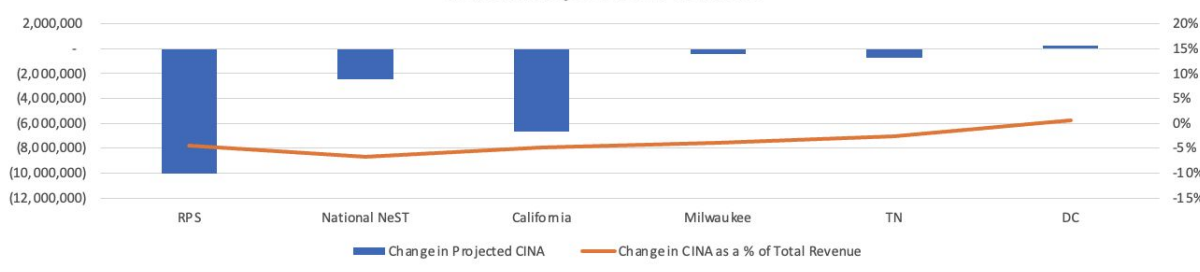
Financial Health

	RPS Sept 23	Red	Yellow	Green	Formula
Cash Position	86,916,723				
DCOH	146.29	<30	30 < x < 60	>60	=unrestricted cash / (operating expenses/365)
Current Ratio	2.26	<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	34%	<10%	10% < x < 20%	>20%	=net assets / operating expenses

Our balance sheet indicators remain very favorable.

CINA Forecast and Fiscal Management

Year End Projected CINA Variance



Our P&L indicators are not positive - 3 of 4 regions and NeST are all trending below budgeted CINA.

	Budgeted CINA	Year-End Reforecast	Change in Projected CINA	Change in CINA as a % of Total Revenue
RPS	7,630,600	(2,391,816)	(10,022,416)	-5%
National NeST	4,047,370	1,597,962	(2,449,408)	-7%
California	4,122,211	(2,536,492)	(6,658,703)	-5%
Milwaukee	107,531	(336,694)	(444,225)	-4%
TN	606,712	(95,674)	(702,386)	-3%
DC	(1,253,224)	(1,020,918)	232,306	1%

Annual Measures

FY24

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



Income Statement: Year to Date

	Natl+Nest(s)	CA	DC & Elim	WI	TN	ELIM	Total RSED
Total Other State revenue	-	12,342,580	2,633,255	83,378	127,567	-	15,186,780
Total Federal revenue	-	2,807,689	1,067,487	734,793	966,720	-	5,576,689
Total Other local revenue	1,004,670	26,907,334	7,353,135	2,390,506	6,722,377	-	44,378,023
Total Contributions	5,776,208	17,856	71,429	-	158,691	-	6,024,184
Total Other Revenue	8,873,961	-	-	-	-	(8,532,471)	341,490
Total Revenues	15,654,839	42,075,459	11,125,306	3,208,677	7,975,355	(8,532,471)	71,507,165
Total Compensation	8,271,983	20,928,466	4,245,011	2,053,386	4,522,058	-	40,020,905
Total Materials and Supplies	633,441	3,249,750	770,845	368,287	702,821	-	5,725,143
Total Student Food Services	-	1,295,526	268,565	147,954	424,011	-	2,136,057
Total Facility Fee	-	3,366,238	2,263,813	266,333	841,262	-	6,737,646
Total Facility Costs	391,432	1,292,561	518,108	135,494	308,205	-	2,645,801
Total Other Program Expenses	3,988,641	7,143,258	3,518,998	346,236	1,325,545	-	16,322,678
Total Program Expenses	13,285,498	37,275,800	11,585,340	3,317,691	8,123,901	-	73,588,229
Total Administration and general	-	5,766,173	1,234,777	431,683	1,099,837	(8,532,471)	-
Total Supporting Services	-	5,766,173	1,234,777	431,683	1,099,837	(8,532,471)	-
Total Expenses	13,285,498	43,041,973	12,820,117	3,749,374	9,223,738	(8,532,471)	73,588,229
Total Increase or (decrease) in unrestricted net assets	2,369,342	(966,514)	(1,694,811)	(540,698)	(1,248,383)	-	(2,081,064)
Total Beginning net assets	13,571,739	61,883,295	(2,277,173)	(4,406,665)	7,976,973	-	76,748,168
Total Ending Net Assets	15,941,080	60,916,781	(3,971,985)	(4,947,363)	6,728,590	-	74,667,105

Through October 31, RSED incurred a \$2mm decrease in net assets. Through the same period a year ago, the consolidated business incurred a \$2.6mm increase in net assets.

Balance Sheet through October 31

	Natl+Nest(s)	CA	DC & Elim	WI	TN	ELIM	Total RSED
Assets							
Total Cash and cash equivalents	5,563,012	53,843,255	19,534,893	(162,291)	8,137,853	-	86,916,723
Total Accounts Receivable	1,474,435	30,144,270	1,624,610	1,153,848	1,302,088	(1,234,778)	34,464,474
Total Prepaid expenses and deposits	2,013,656	824,923	1,910,769	118,587	222,950	-	5,090,885
Total Security Deposits	34,297	425,000	-	-	-	-	459,297
Total Property, plant & equipment	5,229,880	130,323,848	122,886,766	8,103,352	39,681,593	-	306,225,438
Total Less: Accumulated depreciation	(2,838,419)	(15,104,885)	(5,269,889)	(1,130,769)	(2,436,046)	-	(26,780,008)
Total Note receivable	9,196,892	-	-	-	-	(8,814,789)	382,103
Total Assets	20,673,753	200,456,411	140,687,148	8,082,727	46,908,438	(10,049,567)	406,758,911
Total Accounts payable	313,688	886,227	977,786	64,612	141,819	-	2,384,132
Total Accrued liabilities	2,622,983	3,080,954	710,508	286,046	1,059,847	-	7,760,338
Total Accrued lease payments S-T	351,975	6,344,307	1,755,768	459,411	628,216	-	9,539,677
Total Deferred Revenue	(0)	23,785,399	11,954,764	19,071	380,912	-	36,140,146
Total Deferred management fee S-T	-	-	1,234,777	-	-	(1,234,778)	(1)
Total Intercompany Loan	100,000	-	-	1,965,000	-	(2,065,000)	-
Total Current portion of loans payable	250,000	-	-	-	-	-	250,000
Total Current Liabilities	3,638,646	34,096,886	16,633,603	2,794,140	2,210,794	(3,299,778)	56,074,292
Total Accrued lease payments L-T	1,093,194	105,442,744	125,649,539	6,607,998	37,223,207	-	276,016,681
Total Accrued Interest	833	-	-	-	-	-	833
Total Loans payable L-T	-	-	2,375,991	3,627,952	745,846	(6,749,789)	0
Total Long-Term Liabilities	1,094,027	105,442,744	128,025,530	10,235,950	37,969,053	(6,749,789)	276,017,515
Net Assets	15,941,080	60,916,781	(3,971,985)	(4,947,363)	6,728,590	-	74,667,105
Total Liabilities and Net Assets	20,673,753	200,456,411	140,687,148	8,082,727	46,908,438	(10,049,567)	406,758,911

As of 10/31, the consolidated RSED balance sheet showed \$86.9mm in cash on hand, a \$16mm increase over the same period in the prior year and a \$1mm decrease since June 30 2024.



Reporting and Projections Process Update

In an attempt to be more accurate and timely in our reporting, our FP&A team is shifting its approach to reporting and forecasting.

Each month, we're generating revised forecasting based on the following assumptions:

1. End of year public revenue is modeled based on actual enrollment
2. Grants and fundraising is modeled to achieve Development targets (unless already exceeded)
3. End of year compensation is based on year-to date actual expenses plus current staffing continuing for rest of year
4. End of year non-compensation is based on year to date actual expenses plus budgeted expenses for rest of year
5. End of year network support fees are adjusted based on actual enrollment

This process is semi-automated at present (steps 1 and 3 are still calculated by our team), supported by our updated implementation of the Adaptive reporting platform.

Our goal is to completely automate these reports so that they are updating each month right after close (~business day 10).



Trends across the organization

In response to the ESSER cliff, our budgeting process made two “bets” for 2024-25, neither of which are so far working out:

1. Increasing enrollment to generate more per-pupil revenue: YTD enrollment is 8% below target and 3% below prior year levels.
2. Reducing non-compensation expenses: YTD non-compensation expenses are already \$2.8mm over prior year for the same period and \$9mm (36%) higher than budgeted for the period July - October.

The largest source of budget overage are in the services lines:

1. Contracted Substitutes
2. Special Education Consultants
3. After School Services

These are areas where we have made some progress in reducing costs but are still above targets.

To win the rest of the year, we need to prioritize:

- Deep dive into state grant revenues to ensure we are capturing maximum available revenue.
- Putting firebreaks in place around runaway expense categories (eg - principals can't request subs)
- Continuing to counsel individual campuses who are furthest ahead of budget on specific strategies.



RSED Overall Projections

(000s)	CA Schools	DC Schools	TN Schools	WI Schools	Schools Total			CA NeST	DC NeST	TN NeST	WI NeST	National NeST	NeST Total			Eliminations	RSED Total		
	FY25 Nov	FY25 Nov	FY25 Nov	FY25 Nov	FY25 Nov	FY25 Budget	Variance	FY25 Nov	FY25 Nov	FY25 Nov	FY25 Nov	FY25 Nov	FY25 Nov	FY25 Budget	Variance	FY25 Nov	FY25 Nov	FY25	Variance
	Trend	Trend	Trend	Trend	Trend			Trend	Trend	Trend	Trend	Trend	Trend		Trend	Trend	Budget		
Federal Income	7,528	3,355	2,981	2,241	16,105	16,105	0	0	0	0	0	0	0	0	0	0	16,105	16,105	0
State Revenue Sources	122,624	33,530	24,101	8,502	188,758	197,717	-8,960	0	0	0	0	0	0	0	0	0	188,758	197,717	-8,960
Other Local Revenues	13	298	50	27	389	389	0	0	0	0	0	1,500	1,500	1,500	0	1,889	1,889	0	
Internal Transfers	0	0	0	0	0	0	0	6,055	1,467	1,293	492	18,615	27,923	29,781	-1,858	-27,923	0	635	-635
Grants and Fundraising	0	600	0	0	600	600	0	0	700	325	550	5,551	7,126	4,825	2,301	7,726	5,425	2,301	
Total Revenues	130,165	37,783	27,133	10,770	205,851	214,811	-8,960	6,055	2,167	1,618	1,042	25,666	36,549	36,106	443	-27,923	214,477	221,771	-7,294
Certificated Salaries	30,603	6,105	5,869	3,250	45,827	43,731	-2,095	185	0	50	1	285	521	441	-80	46,348	44,172	-2,175	
Classified Salaries	20,045	4,588	4,859	1,840	31,333	33,973	-2,640	1,782	491	1,078	756	14,194	18,302	17,673	-629	49,635	51,646	-2,011	
Employee Benefits	13,749	1,977	3,026	1,259	20,012	22,443	-2,432	459	74	202	164	2,356	3,255	3,333	-77	23,267	25,776	-2,509	
Books and Supplies	6,150	1,311	1,432	556	9,448	8,234	-1,215	383	61	48	47	762	1,302	1,227	-75	10,750	9,460	-1,290	
Food Services	6,098	1,017	1,253	571	8,938	7,860	-1,078	32	4	4	1	101	143	60	-83	9,081	7,919	-1,161	
Services and Other Operating Expenses	21,239	12,004	3,884	883	38,010	36,918	-1,093	1,294	464	343	233	3,490	5,825	4,770	-1,054	43,835	41,688	-2,147	
Travel & Conferences	500	129	148	40	818	686	-132	527	175	161	55	927	1,845	1,512	-333	2,663	2,197	-465	
Dues and Insurance	781	187	149	82	1,199	1,231	32	44	21	5	8	781	859	509	-350	2,058	1,740	-318	
Rental, Leases, & Repairs	12,643	7,077	2,707	1,067	23,494	23,645	-150	388	107	98	3	292	888	737	-151	24,382	24,381	-1	
Management Fee	18,166	4,401	3,879	1,477	27,923	29,145	-1,222	0	0	0	0	0	0	0	0	-27,923	0	0	0
Capital Outlay	238	7	20	21	286	228	-58	0	0	0	0	414	414	297	-117	701	525	-176	
Interest Expense	-1	0	0	60	59	61	-2	0	0	5	2	71	77	50	-28	136	110	-26	
Miscellaneous Expense	2,492	0	1	0	2,493	3,074	-580	700	0	0	0	819	1,519	1,450	-69	4,013	4,524	-511	
Total Expense	132,702	38,804	27,228	11,107	209,841	211,228	-1,387	6,340	1,748	1,882	1,375	24,505	34,951	32,058	-2,892	-27,923	216,868	214,141	-2,728
CINA	-2,536	-1,021	-96	-337	-3,990	3,583	-7,573	-285	419	-264	-332	1,161	1,598	4,047	-2,449	0	-2,392	7,631	-10,022

The consolidated entity is currently trending about \$10mm below budgeted CINA on the back of a \$7.3mm projected revenue miss (driven by a 755 student, or ~7%, miss to enrollment goals)

Additionally, expenses year to date and trending \$2.7mm higher than budget. Overall compensation is consistent with budget (unlike prior year, where comp. ran under budget) and non-compensation cuts have not yet materialized.



CA School Projections

(\$000s)	RDP	RSSP	RMS	RLS	RBM	RSA	ROMO	RDL	RSK	RFZ	RRS	RFA	RRWC	CA Schools		
	FY25 Nov	FY25 Nov	FY25 Nov	FY25 Nov	FY25 Nov	FY25 Nov	FY25 Nov	FY25 Nov	FY25 Nov	FY25 Nov	FY25 Nov	FY25 Nov	FY25 Nov	FY25 Nov	Budget	Variance
	Trend	Trend	Trend	Trend	Trend	Trend	Trend	Trend	Trend	Trend	Trend	Trend	Trend			
Federal Income	550	439	594	435	709	648	622	608	560	672	599	666	426	7,528	7,528	0
State Revenue Sources	8,129	5,944	9,078	7,156	10,795	9,842	10,941	10,565	10,625	10,722	12,305	11,306	5,216	122,624	129,199	-6,575
Other Local Revenues	0	7	1	1	0	0	0	1	0	0	1	1	0	13	13	0
Internal Transfers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants and Fundraising	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Revenues	8,679	6,390	9,674	7,592	11,504	10,490	11,564	11,174	11,185	11,394	12,905	11,973	5,642	130,165	136,740	-6,575
Certificated Salaries	2,285	1,536	2,316	2,051	2,564	2,622	2,914	2,353	2,563	2,365	2,529	3,039	1,464	30,603	28,783	-1,820
Classified Salaries	1,297	1,005	1,407	1,019	1,577	1,473	2,123	1,736	1,841	1,773	1,867	1,948	980	20,045	20,564	518
Employee Benefits	950	685	1,066	829	1,167	1,187	1,381	999	1,184	1,113	1,201	1,312	675	13,749	15,228	1,479
Books and Supplies	426	320	580	353	474	469	430	494	502	478	531	643	451	6,150	5,668	-481
Food Services	466	369	476	325	592	508	545	474	563	539	424	518	299	6,098	5,179	-918
Services and Other Operating	1,587	1,330	1,930	1,218	1,655	1,630	1,655	1,892	1,520	1,782	1,749	2,104	1,188	21,239	21,032	-207
Travel & Conferences	30	18	79	19	24	44	29	51	45	42	29	61	30	500	413	-87
Dues and Insurance	51	44	61	47	62	63	72	72	68	70	61	79	32	781	791	9
Rental, Leases, & Repairs	979	723	1,077	1,038	1,030	940	1,084	1,470	1,147	1,337	1,137	588	93	12,643	12,590	-53
Management Fee	1,187	885	1,346	1,066	1,596	1,446	1,609	1,583	1,563	1,607	1,827	1,678	774	18,166	19,084	918
Capital Outlay	27	30	47	30	7	16	31	6	9	4	3	26	2	238	212	-26
Interest Expense	0	0	0	0	0	0	0	-1	0	0	0	0	0	-1	1	2
Miscellaneous Expense	23	98	25	71	454	65	383	465	210	265	407	17	11	2,492	3,074	581
Total Expense	9,145	6,982	10,556	7,931	11,124	10,220	11,888	12,002	10,980	11,354	11,781	11,469	5,926	132,702	132,618	-84
CINA	-466	-591	-882	-339	380	270	-324	-828	205	40	1,124	505	-284	-2,536	4,122	-6,659

Currently 7 CA schools are projecting a negative CINA.

Enrollment in CA schools is 6.5% below budget target and 3.6% below prior year enrollment.

We may have some opportunity to recover revenue on the basis of higher than budgeted attendance and acceleration of multi-year state grants - still under review.

In contrast to 2023-24, RPS CA schools are tracking comp. expenses consistent with budget, meaning that the overages in non-compensation don't have anything to offset against.

One year budget deficits following end of ESSER are not desirable but not life-threatening. CA schools in aggregate have 150+ days of operating reserves and are not in any solvency danger.



DC School Projections

(\$000s)	RISE	RLP	RIC	DC Schools		
	FY25 Nov	FY25 Nov	FY25 Nov	FY25 Nov	FY25	
	Trend	Trend	Trend	Trend	Budget	Variance
Federal Income	1,013	1,423	919	3,355	3,355	0
State Revenue Sources	10,353	14,471	8,706	33,530	34,801	-1,271
Other Local Revenues	98	127	73	298	298	0
Internal Transfers	0	0	0	0	0	0
Grants and Fundraising	200	200	200	600	600	0
Total Revenues	11,664	16,221	9,898	37,783	39,054	-1,271
Certificated Salaries	1,845	2,422	1,837	6,105	6,523	418
Classified Salaries	1,441	1,777	1,371	4,588	5,730	1,141
Employee Benefits	613	770	594	1,977	2,393	416
Books and Supplies	416	446	449	1,311	949	-361
Food Services	310	444	263	1,017	1,001	-16
Services and Other Operating	4,015	4,941	3,049	12,004	11,303	-701
Travel & Conferences	36	51	42	129	154	25
Dues and Insurance	53	61	73	187	185	-2
Rental, Leases, & Repairs	1,862	1,870	3,345	7,077	7,517	440
Management Fee	1,361	1,889	1,151	4,401	4,549	148
Capital Outlay	3	4	0	7	4	-4
Interest Expense	0	0	0	0	0	0
Miscellaneous Expense	0	0	0	0	0	0
Total Expense	12,447	15,335	12,296	38,804	40,307	1,504
CINA	-783	886	-2,398	-1,021	-1,253	232

RPS DC enrollment is about 100 students lower than the reduced August budget projection, and about 170 students lower than prior year.

The region has reduced staffing expenses in order to mitigate, but non-compensation expenses are still running ahead of budget.



TN School Projections

(\$000s)	RNNE	RUA	RDCP	TN Schools		
	FY25 Nov	FY25 Nov	FY25 Nov	FY25 Nov	FY25	
	Trend	Trend	Trend	Trend	Budget	Variance
Federal Income	1,035	1,014	932	2,981	2,981	0
State Revenue Sources	7,954	8,416	7,732	24,101	24,734	-632
Other Local Revenues	18	17	16	50	50	0
Internal Transfers	0	0	0	0	0	0
Grants and Fundraising	0	0	0	0	0	0
Total Revenues	9,007	9,447	8,679	27,133	27,765	-632
Certificated Salaries	2,085	1,957	1,828	5,869	5,644	-226
Classified Salaries	1,716	1,733	1,409	4,859	5,102	243
Employee Benefits	1,052	1,168	807	3,026	3,487	461
Books and Supplies	498	508	425	1,432	1,199	-233
Food Services	474	402	377	1,253	1,166	-86
Services and Other Operating	1,382	1,224	1,278	3,884	3,791	-94
Travel & Conferences	56	73	19	148	119	-29
Dues and Insurance	66	50	33	149	154	5
Rental, Leases, & Repairs	786	700	1,221	2,707	2,516	-191
Management Fee	1,288	1,351	1,241	3,879	3,969	90
Capital Outlay	13	6	1	20	12	-8
Interest Expense	0	0	0	0	0	0
Miscellaneous Expense	1	0	0	1	0	-1
Total Expense	9,625	9,050	8,675	27,228	27,158	-70
CINA	-618	397	4	-96	607	-702

Consistent with other regions, RPS Tennessee realized a 32 student enrollment miss to target.

Expenses on balance are running slightly ahead of budget.



WI School Projections

(\$000s)	RSCP		RTP		WI Schools	
	FY25 Nov	FY25 Nov	FY25 Nov	FY25		
	Trend	Trend	Trend	Budget	Variance	
Federal Income	1,238	1,002	2,241	2,241	0	
State Revenue Sources	4,820	3,682	8,502	8,984	-482	
Other Local Revenues	16	12	27	27	0	
Internal Transfers	0	0	0	0	0	
Grants and Fundraising	0	0	0	0	0	
Total Revenues	6,074	4,696	10,770	11,252	-482	
Certificated Salaries	1,926	1,324	3,250	2,782	-468	
Classified Salaries	1,200	640	1,840	2,578	738	
Employee Benefits	806	453	1,259	1,336	76	
Books and Supplies	332	224	556	417	-139	
Food Services	319	252	571	513	-58	
Services and Other Operating	511	373	883	793	-91	
Travel & Conferences	25	16	40	0	-40	
Dues and Insurance	44	37	82	101	20	
Rental, Leases, & Repairs	489	578	1,067	1,021	-46	
Management Fee	833	644	1,477	1,543	66	
Capital Outlay	1	20	21	0	-21	
Interest Expense	60	0	60	60	0	
Miscellaneous Expense	0	0	0	0	0	
Total Expense	6,681	4,581	11,107	11,144	37	
CINA	-606	115	-337	108	-444	

Enrollment in Wisconsin is currently 5% below target.

Expenses are tracking close to budget, though the schools have a number of vacancies that, if filled, would reduce compensation savings.



NEST Projections

(\$000s)	DC NeST	TN NeST	WI NeST	National	NeST Total		
	FY25 Nov	FY25 Nov	FY25 Nov	NeST	FY25 Nov	FY25	
	Trend	Trend	Trend	Trend	Trend	Budget	Variance
Federal Income	0	0	0	0	0	0	0
State Revenue Sources	0	0	0	0	0	0	0
Other Local Revenues	0	0	0	1,500	1,500	1,500	0
Internal Transfers	1,467	1,293	492	18,615	27,923	29,781	-1,858
Grants and Fundraising	700	325	550	5,551	7,126	4,825	2,301
Total Revenues	2,167	1,618	1,042	25,666	36,549	36,106	443
Certificated Salaries	0	50	1	285	521	441	-80
Classified Salaries	491	1,078	756	14,194	18,302	17,673	-629
Employee Benefits	74	202	164	2,356	3,255	3,333	77
Books and Supplies	61	48	47	762	1,302	1,227	-75
Food Services	4	4	1	101	143	60	-83
Services and Other Operating	464	343	233	3,490	5,825	4,770	-1,054
Travel & Conferences	175	161	55	927	1,845	1,512	-333
Dues and Insurance	21	5	8	781	859	509	-350
Rental, Leases, & Repairs	107	98	3	292	888	737	-151
Management Fee	0	0	0	0	0	0	0
Capital Outlay	0	0	0	414	414	297	-117
Interest Expense	0	5	2	71	77	50	-28
Miscellaneous Expense	0	0	0	819	1,519	1,450	-69
Total Expense	1,748	1,882	1,375	24,505	34,951	32,058	-2,892
CINA	419	-264	-332	1,161	1,598	4,047	-2,449

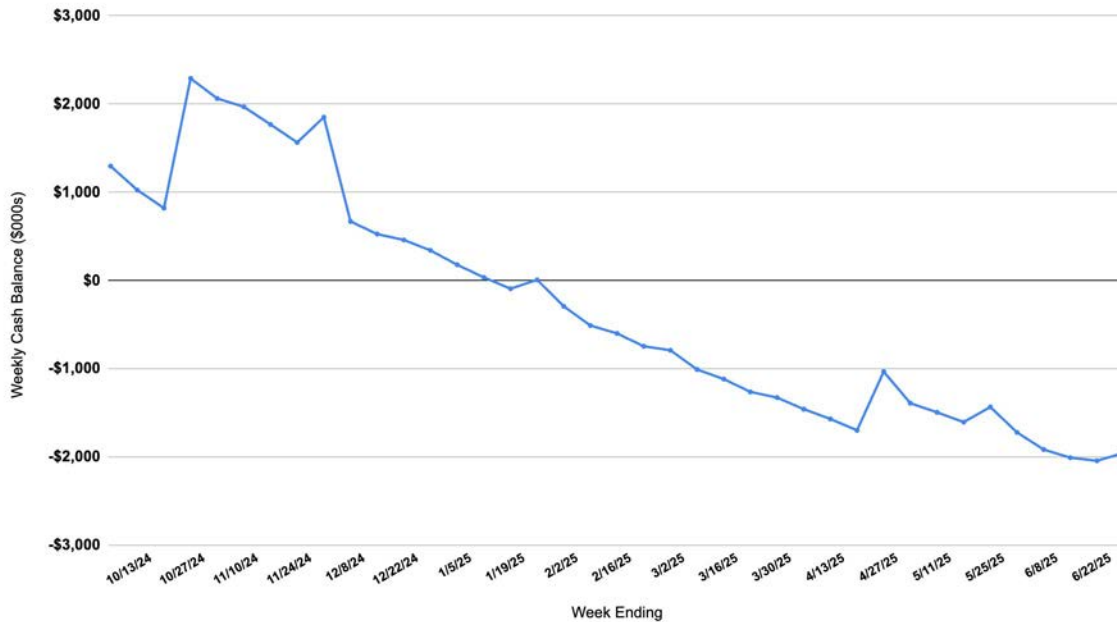
The consolidated NeST entity (regional and national teams) are experiencing a reduction in fee revenue consistent with regional enrollment challenges, but we have already outperformed national fundraising target.

NeST expenses are running above budget, though we believe many NeST expenses will eventually accrue to schools as allocated expenses (further increasing school budget deficits).



FYI: RPS TX Projections

RPSTX Weekly Cash Balance Trend thru 6/30/25



Reviewing actual inflows and outflows through 11/15/24 and forward projections, RPS Texas is still on track for negative cash on hand ~January 10.

YTD Philanthropy received and deposited is zero.

Cash on hand as of 11/15 was \$1.77mm. Net cash flow through November and December are averaging -\$200,000 per week.



Business Team Updates

Expense Management

- Following some quick wins (reducing number of credit cards, tightening expense policies), we are now looking for a longer-term solution
- Currently exploring an expense management platform to ensure that more expenses are approved *before* they are made rather than *after*
- Plan is to choose a platform in January, do tech implementation by April, roll out and train May-August

Controls Audit

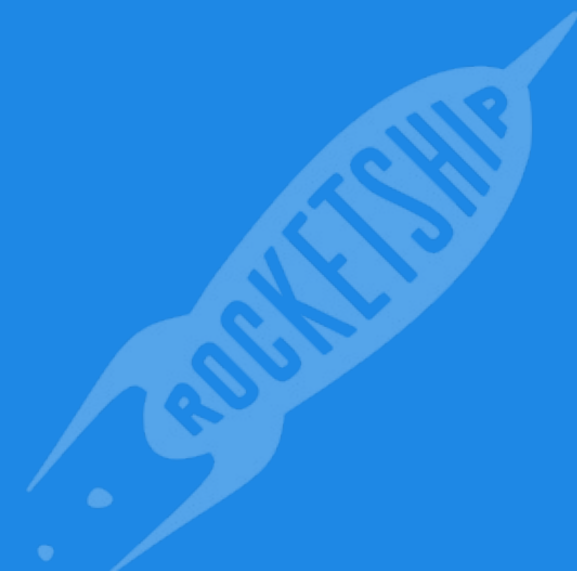
- The KPMG controls audit is underway - initial document submission planned for late November
- Expect initial findings in ~8 weeks

New Team Member

- We are excited to welcome Krystle Onibokun to the team as the new Director of Finance - Grants Management
 - Leading the Grants team to maximize our use of restricted revenue funds (\$30+mm across the org).



Review and Recommend Approval of Revised 2024-25 budgets to the Rocketship Board of Directors



Required Budget Revision: RNNE

RNNE			
(\$000s)	FY25 Revised Budget	FY25 Budget (August Version)	Variance
Enrollment	463	500	-37
Federal Revenue	958	1,035	-77
State	7,954	8,587	-632
Other Local Revenues	16	18	-1
Int Transfers/Network Support Fee	0	0	0
Grants and Fundraising	137	0	137
Total Revenues	9,066	9,639	-573
Certificated Salaries	1,895	1,990	94
Classified Salaries	1,706	1,822	116
Employee Benefits	1,196	1,273	77
Books and Supplies	464	471	7
Food Services	375	405	30
Services & Other Operating Expenses	1,265	1,343	78
Travel & Conferences	48	49	1
Dues and Insurance	61	61	0
Rental, Leases, & Repairs	769	769	0
Management Fee	1,276	1,378	102
Capital Outlay	10	10	0
Miscellaneous Expenses	0	0	0
Total Expenses	9,066	9,572	506
CINA	0	67	-67

Due to a greater than 5% enrollment variance, RNNE's authorizer is requiring a revised, board-approved budget be submitted.

This budget reflects the reduction in state and federal revenue expected from reduced enrollment and offsets with reduced staffing (from existing vacancies) and non-compensation spending.



Required Budget Revision: RPS DC

Total DC Region	FY25 Revised Budget						FY25 Budget (August Version)	
(\$000s)	RISE	RLP	RIC	Total DC Schools	DC Nest	Total DC Region	Total DC Region	Variance
Enrollment	339	526	321	1186	0	1186	1278	-92
Federal Revenue	898	1,393	850	3,140	0	3,140	3,124	17
State	10,353	14,471	8,706	33,531	0	33,531	35,033	-1,502
Other Local Revenues	96	126	72	293	0	293	298	-5
Int Transfers/Network Support Fee	0	0	0	0	1,481	1,481	1,516	-35
Grants and Fundraising	525	475	475	1,475	0	1,475	1,300	175
Total Revenues	11,872	16,465	10,103	38,439	1,481	39,920	41,270	-1,350
Certificated Salaries	1,852	2,533	1,788	6,173	0	6,173	6,523	350
Classified Salaries	1,566	2,195	1,485	5,245	651	5,896	6,220	324
Employee Benefits	671	915	643	2,229	94	2,323	2,466	143
Books and Supplies	325	363	242	930	38	968	987	19
Food Services	271	410	251	932	6	938	1,007	69
Services & Other Operating Expenses	3,712	4,602	3,055	11,369	358	11,727	11,450	-276
Travel & Conferences	24	29	24	77	147	224	302	77
Dues and Insurance	58	62	59	180	15	194	200	6
Rental, Leases, & Repairs	2,203	2,127	3,187	7,517	116	7,634	7,634	0
Management Fee	1,377	1,897	1,169	4,443	0	4,443	4,549	106
Capital Outlay	1	3	0	4	0	4	4	0
Miscellaneous Expenses	0	0	0	0	0	0	0	0
Total Expenses	12,060	15,136	11,904	39,100	1,425	40,524	41,342	818
CINA	-188	1,329	-1,801	-660	56	-604	-72	-532

Due to a large variance in enrollment, the RPS DC authorizer is requiring and updated budget submission.

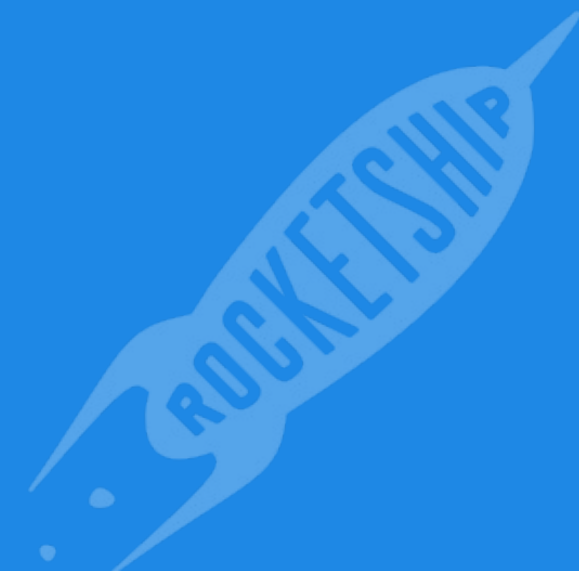
This budget incorporates a 92 student reduction, as well as current reduction in force savings and a small increase in non-compensation projections.

Regional CINA is currently budgeted at \$604,000.



Motion to:

Recommend Approval of Revised 2024-25
budgets to the Rocketship Board of
Directors



Wisconsin Financial Deep Dive

Scaled Impact

Rocketship Goal: 44,000 Lifetime Rocketeers served by 2028



Objectives of Rocketship Growth Process

To achieve our vision and catalyze our theory of change by launching schools that are fully enrolled, high achieving, financially strong, and set up for success on day one.

To scale our high-quality network and impact by ensuring excellence in both our current and new schools.

To balance enterprise and deliberation in our decision-making.

To create transparency into our growth strategy.

To leverage expertise and collaborate across the organization.



Objectives of today

- Provide an overview of a growth opportunity, financials, facilities, and next steps in planning to sustain/elevate excellence for three schools in 25-26
- National Business Committee discussion: questions, suggestions and cares

Objectives of the Committee and Board Review

- Incorporate **your feedback** in our growth, diligence and greenlighting processes
- Provide **a deeper look** into the work that has been completed and is in process
- Ensure **alignment and create more predictability** by understanding the Board and Committee members' questions and cares
- Collaboratively **drive towards the goal of 44,000 Lifetime Rocketeers served and success for our schools and our Rocketeers!**

WI Achievement Committee
National Achievement Committee
WI Business Committee
National Business Committee
WI Board
National Board

Executive Summary

Growth Context and Opportunity

- **Founding:** Rocketship Southside Community Prep 2013-14; Rocketship Transformation Prep 2018-19.
- **Opportunity:** aligned with objectives of Rocketship growth process.
- **Phase 1 Diligence:** Completed and confirmed WI regional health trending upwards and merits investment of national and regional resources to conduct phase 2 diligence process.

What is Going Well and Helps Sustain Excellence for 3 Schools in 25-26

- **Leadership:** Retention of 93% since June 24 provides consistency not recently experienced in WI and increases capacity for regional team to support core school model practices.
- **Achievement:** Data creates optimism for continued multi-year growth to elevate proficiency levels.
- **Facilities and Finances:** Are favorable, support implementation of core school model, and add additional resources for regional NeST.
- **Philanthropic Support and Fundraising:** Have been on an upward trajectory over last two years (exceeded FY24 goal). Currently on track to exceed FY25 goals.



Executive Summary (continued)

What needs to be stronger/planned for to Help Sustain Excellence for 3 Schools in 25-26

- **Achievement:** Early Fall 2024 data points indicate that RPS MKE is continuing to make gains on student achievement and still has areas for improvement to elevate proficiency levels.
 - A 3-5 year plan to restart a school via Rocketship core school and operating models (e.g., Program, Enrollment, Talent) without jeopardizing success of existing 2 schools.
- **Talent Development and Pipeline:**
 - Continued partnership with Program team focused on building coaching capacity, modeling data analysis and action planning for leaders, and elevating Tier 1 student culture.
 - Maintaining or improving teacher retention - especially at Rocketship Transformation Prep.
- **Family Recruitment:**
 - Marketing & Enrollment Team partnership to maximize recruitment and enrollment efforts.
 - Region had ~ 35% increase in enrollment since last year.
- **Finances/Sustainability:**
 - Still driving towards a sustainable region that is not fully dependent on philanthropy and projected 80% decrease in need for national deferred loans.



Summary of Milwaukee's Growth & Opportunity

Growth has been challenging in Milwaukee due to financial realities and constraints (i.e., K4 and ISE reimbursements as well as lower overall ADA), recruitment / enrollment challenges and a saturated education landscape. The original plan for rapid growth (8 schools) did not come to fruition and the path to serve more kids in Milwaukee has not been as clear over the years and the path to serve more kids has not been clear.

With shifts in the financial realities for Milwaukee (i.e., increased per pupil revenues) and continued significant need in the community, **growth in Milwaukee must be considered, especially in driving to a more sustainable, high-quality region. Region is stable and demonstrating historic achievements in: academics, fundraising, enrollment, staff satisfaction, family satisfaction.**

A CMO has confidentially engaged Rocketship to consider acquiring their elementary school. It is in a zip code with one of the largest gaps in the city (>10,000) between the need for and supply of high-quality school seats. A neighboring zip code also has many fewer high-quality seats than students.

What We're Excited About

- **Growth Trajectory:** Within Milwaukee, this is the most likely path to growing our impact (acquisitions v. new starts) due to the high saturation of low-quality schools in the region.
- **Alignment:** Significant between organizations
 - ELA & Math curriculum.
 - Lesson planning / Teacher prep expectations / coaching systems.
 - MTSS systems (Tier 1, Tier 2 behavior systems), uniforms.
- **Leadership Potential:** Principal communicated appetite for more coaching and development.
- **Facility opportunity:** Sizeable, modest repair costs (\$110K ~ same as RTP), loan is very affordable (~\$100K/year vs. \$400K for each WI school).
- **Financial Sustainability:** Addition of the new school will contribute to reaching sustainability sooner of the region.



We consider four overarching questions when **greenlighting**:

1 Have we earned the right to grow?

**Regional
Health**

Student Achievement
Staff Satisfaction
Finances
Enrollment
Leader/Educator Pipeline

2 Is there inequity in public education in this area? Is there demand for Rocketship schools?

**Need &
Demand**

Need: Market Size and Demographics
Competition: Quality and Access
Demand: Enrollment
Family and Community Engagement

3 Does the external environment support our ability to scale our impact?

Support

Charter
Community/Political Support

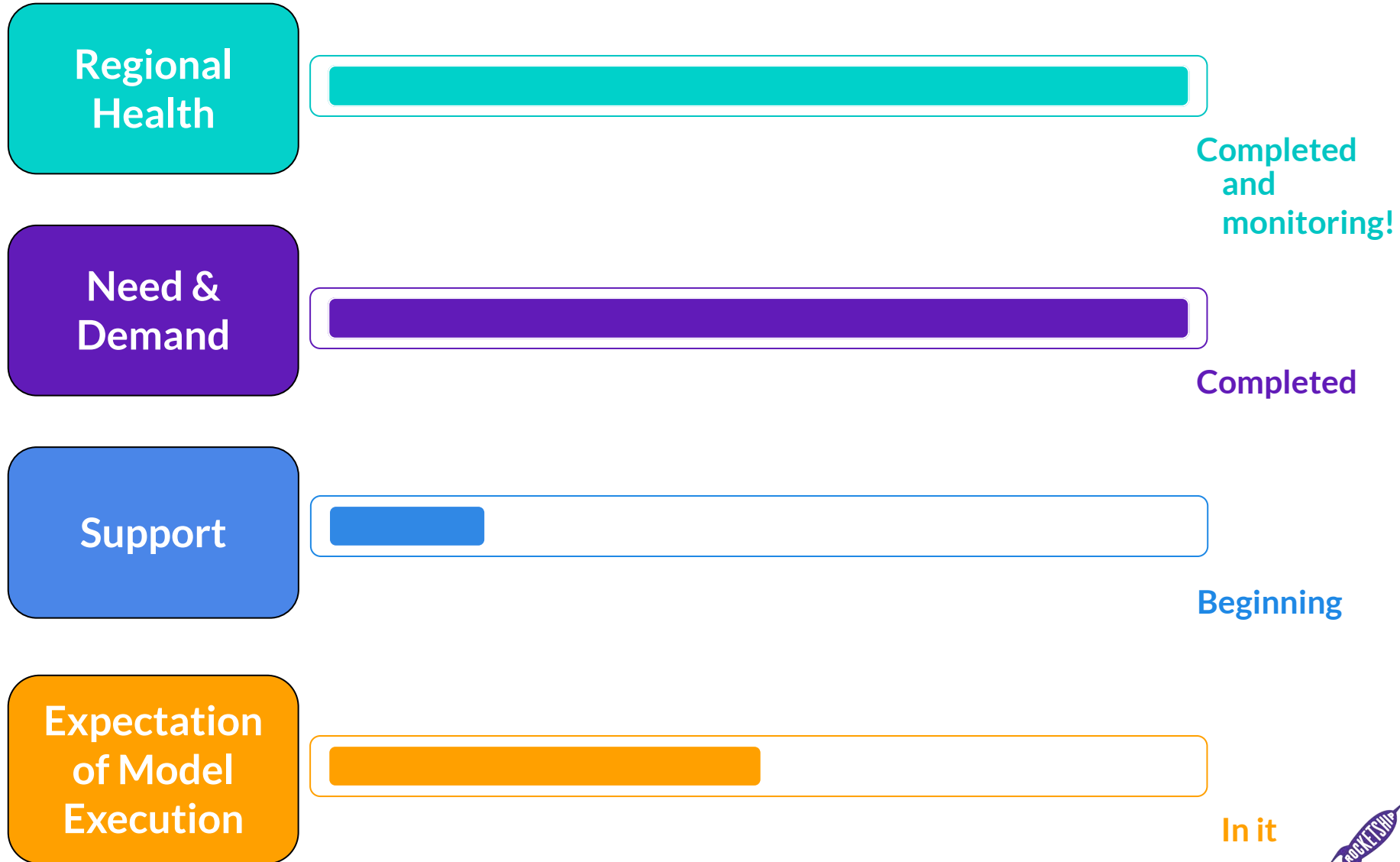
4 Can we execute our model with fidelity?

**Expectation
of Model
Execution**

Facilities
Talent
Finances & Fundraising



Overview of Phase 2 Due Diligence Progress (Sept - Dec)



Overview of Phase 2 Due Diligence Progress (Sept - Dec): Completed

Regional Health

- **Achievement:** Initial assessment completed in July
- **Program/Core School Model:** Utilized in WI, yielding positive results, and is basis for CSGF Bounce Back Grant
- **School Visit:** Conducted 2 site visits to assess alignment with core school and operating models, talent and adult/student culture
- **Enrollment:** Initial analysis indicates full enrollment not needed to fully fund Rocketship model at new school

Need & Demand

- Analysis for underserved children suggests a serviceable market of **13,001** students
 - *serviceable market* = students not being served well in their current schools
 - *methodology*: sum of (% not proficient in ELA on Forward x K4-5 enrollment at school) for each school in the 3 mile radius
- This suggests a required market share of **6%** (**9%** when considering schools performing at or below RSCP, as typically considered for greenlighting)
 - *required market share* = % of the serviceable market we will need to enroll to meet our budgeted model

Overview of Phase 2 Due Diligence Progress (Sept - Dec): In Progress

Regional Health

- **Achievement:** Progress monitored monthly during the Greenlighting process
 - OHD/RHD metrics serve as definition
 - Wisconsin Landing will share monthly progress
- **Program/Core School Model:** Revise plan that
 - Proposes a turnaround within 3-5 years
 - Builds out regional team to take on more responsibility currently supported on national NeST
 - Keeps Mod-Severe programming centralized at RSCP
- **Enrollment:** Work with existing CMO to keep retention rates 70%+ and increase enrollment efforts

Need & Demand

- **Need, Competition & Demand:** Multi-year analysis to be completed
- **Family & Community Engagement:** Direct engagement with school's current families and community dependent on a "hard yes" decision



Overview of Phase 2 Due Diligence Progress (Sept - Dec): Completed

Support

- **Authorizer:** Met with Rocketship regional executive team, received full support both verbally and in writing
 - **Communications:** Initial conversations with partner organizations to begin communications planning
-

Expectation of Model Execution

- **Facilities:** Initial walk through and appraisal
- **Finances & Fundraising:** Initial budget projects a + CINA
- **Talent:** Assessed existing staffing and alignment with RPS core model
- **Legal:** Engaged M&A firm
- **Non-negotiables:** Identified what must be true for a yes vote



Overview of Phase 2 Due Diligence Progress (Sept - Dec): In Progress

Support

- **Authorizer:** Have identified next steps and timing for submission for approval
 - **Communications:** No announcements/public communications until/if “hard yes” decision.
 - Developing communications plan in phases
 - Direct engagement with school’s current staff, families and students dependent on a “hard yes” decision
-

Expectation of Model Execution

- **Facilities:** Receive and review appraisal report
- **Finances & Fundraising:** Continue fundraising and refining budget as needed
- **Talent:** Assessed talent and adult/student culture during site visit, need to finalize staffing plan; engage new staff in direct relationships when/if hard yes; if hard yes implement existing recruitment and retention strategies
- **Legal:** Engaged M&A firm to provide expertise, ensure compliance and develop playbook for future use
- **Non-negotiables:** Continue to assess what must be true for a yes vote



ENROLLMENT

Fully enrolling students across RSCP and new school is feasible

We are exploring growth on the south side and assessing opportunity by evaluating the need, demand and feasibility for two south side schools.

Methodology	Most Recent Enroll Data 23-24		Projections			
	Enroll	Implied Mkt Share	Full Enroll: 27-28		5 Year: 29-30	
	Enroll	Implied Mkt Share	Enroll	Implied Mkt Share	Enroll	Implied Mkt Share
Total	16,413	5%	14,830	5%	14097	6%
% Students Not Prof (ELA)	13,001	6%	11,747	7%	11167	7%
Meets Expectations (3 Stars) or Below	10,597	8%	9,575	8%	9102	9%
At or Below RSCP Prof in ELA and/or Math	9456	9%	8,544	9%	8122	10%
Meets Few Expectations (2 Stars) or Below	5,291	15%	4,781	17%	4544	18%

Sensitivity analysis reveals that the implied market share to fully enroll students across RSCP and the new school ranges from 5% with an aggressive definition of our addressable market to 18% with a more conservative approach. We are continuing to assess the specific pathway to a steady state model.



Family Recruitment

- **Existing WI Schools**

- **Retention:** Increased retention of existing students over last year (nearly 70% from 40%), which is the easiest way to ensure consistent enrollment.
 - Increased recruitment resources at RTP (marketing, recruiting time, events, etc.).
- **Recruitment:** Considerable recruitment gains this year: ~ 100 new students = 35% more students than last year. Accomplished via clear goals; daily, weekly and monthly progress monitoring; weekly recruitment goal update emails; expanding daycare and community center partnerships; RET added enrollment as standing agenda item; and school leaders committed to 5-7 hours of weekly recruiting.

- **National/Regional Partnerships for Recruitment and Enrollment Improvements**

- Create and hire a new national role focused on leadership across full enrollment funnel: Director, Marketing & Enrollment.
- Designate a single leader in region responsible for recruitment and enrollment performance. Launch new “community of practice” with enrollment leader cohort.
- Set clear goals for enrollment progress at key intervals of 25-26 enrollment season.
- Partner with Analytics team to build new dashboard and tracking system.



Economics: Financials and Facilities

	FY26	FY27	FY28	FY29	FY30
Enrollment	1059	1086	1128	1128	1128
Revenue:					
Federal Income	\$2,329,800	\$2,389,200	\$2,481,600	\$2,481,600	\$2,481,600
State Revenue Sources	\$12,549,150	\$12,869,100	\$13,366,800	\$13,366,800	\$13,366,800
Regional Fee	\$0	\$0	\$0	\$0	\$0
Grants and Fundraising	\$0	\$0	\$0	\$0	\$0
Total Revenues	\$14,880,009	\$15,259,386	\$15,849,528	\$15,849,528	\$15,849,528
Expenses:					
Salaries	\$6,870,591	\$7,065,277	\$7,191,780	\$7,191,780	\$7,191,780
Employee Benefits	\$1,913,092	\$1,972,960	\$2,007,295	\$2,010,265	\$2,013,210
Books and Supplies	\$548,459	\$562,442	\$584,194	\$584,194	\$584,194
Food Services	\$696,806	\$714,571	\$742,207	\$742,207	\$742,207
Services and Other Operating Expenses	\$1,049,131	\$1,075,879	\$1,117,488	\$1,117,488	\$1,117,488
Travel & Conferences	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
Dues and Insurance	\$137,127	\$140,623	\$146,062	\$146,062	\$146,062
Rental, Leases, & Repairs <small>Less Facility Fees</small>	\$274,254	\$281,246	\$292,123	\$292,123	\$292,123
<i>Facilities Fees/Rent</i>	\$936,691	\$936,691	\$936,691	\$936,691	\$936,691
Management Fee (Regional and National)	\$2,231,843	\$2,288,745	\$2,377,260	\$2,377,260	\$2,377,260
Total Expenses	\$14,807,993	\$15,188,436	\$15,545,099	\$15,548,070	\$15,551,015
	\$0	\$0	\$0	\$0	\$0
CINA	\$72,016	\$70,950	\$304,429	\$301,458	\$298,513

Assuming that staffing is consistent with RTP, we model that with 3 schools reaching their steady state enrollment, the region grows to a steady surplus (compared to a small deficit in current state).



Facility Costs and Plan

CMO has indicated a desire to sell the new school facility for the price of outstanding debt: Projected at \$1.16mm in June 30.

Improvements:

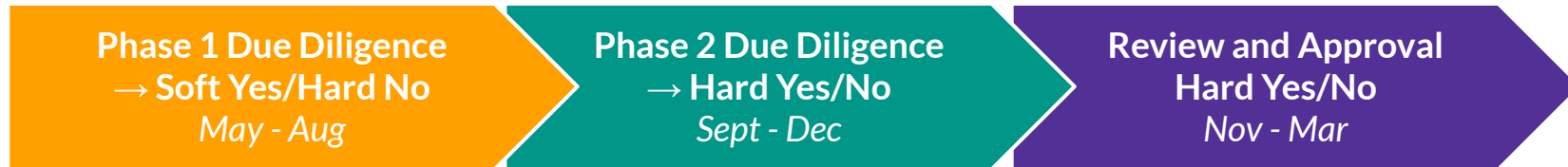
- Following a detailed inspection, we project that initial facility needs would be limited to cosmetics: Paint, signage, cleaning (\$200,000).
- Medium term: we project that the school will need basement flooring replacement (\$150,000), window replacement (\$100,000) and bathroom renovation (\$75,000) at some point in the first five years.

Financing Strategy: We envision two steps:

1. Acquisition and initial improvements: Borrow \$1.5mm from a CDFI or potentially assume outstanding note - Projected annual debt service of \$170,000 per year.
2. Refinance and additional improvements: Include outstanding debt and new needs in overall Wisconsin refinance, planned for Fall 2026 (along with RSCP and RTP refi).



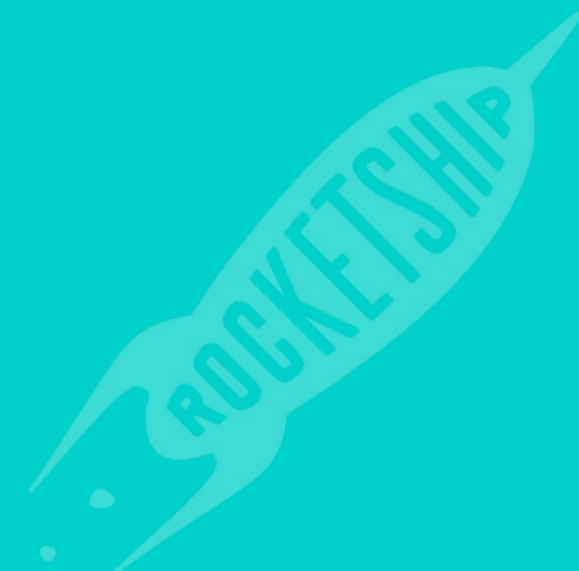
Overall Greenlighting Timeline



Objectives	Create assessment framework for soft yes/hard no decision to invest more national and regional resources in phase 2 diligence	Conduct deeper diligence for RET & NLT hard yes/hard no decision to engage in restart work	WI and National Board Comms review and Boards vote hard yes/hard no (non-negotiables included) and for contract approval
Activities and Milestones	<ul style="list-style-type: none"> ● May/Jun: Research, partner collaboration, and framework created ● Jun/Jul: Questions and documents identified and reviewed ● 7/26: Opportunity scored by regional (RLT) and functional (NLT) leads ● Aug: RET, NLT, WI Ach Com, WI & National Bus Coms & Boards reach soft yes and identify areas for deeper diligence + non negotiables 	<ul style="list-style-type: none"> ● Engage in deeper due diligence ● Engage with partner on comms plan and begin development ● Alignment on academics, talent, culture, operations, facilities ● Engage M&A counsel for due diligence and playbook ● WI RET vote ● NLT votes hard yes/hard no and identifies any outstanding non negotiables 	<ul style="list-style-type: none"> ● National Ach Com review ● WI Ach Com review ● WI Bus Com review ● National Bus Com review ● WI Board vote ● National Board vote ● WI Board Meeting contract approval ● National Board Meeting contract approval ● If approved, RPS assumes full responsibility



Appendix



Achievement, staff satisfaction, finances, enrollment and talent pipeline

Regional Health Data Presented to the National Achievement Committee on 11/12/24



Completed
and
monitoring!



Regional Health: What is going well and continued monitoring

Targets: End of Year Unless Specified

Monitoring Status Monthly

Achievement

- NWEA Absolutes (at 50th percentile+) - 45% in math and ELA
 - NWEA Absolutes (at 67th percentile+) - 32% for Math, 22% for ELA
 - **NWEA: Students on track to grow 1.3+ years**
- **EOY24:** RSCP achieved among the highest growth; RTP improved ranking since last year
 - **BOY25: State Assessment: RPS MKE outperformed the local district** in both subjects for Econ Disadvantaged & for All Students in Math (next state report card will report a score increase for RSCP - data currently embargoed)
 - **BOY25:** While NWEA Reading absolutes were lower than last fall, MKE **DIBELS Benchmark proficiency** started in a stronger position than last year
 - % at NWEA Map Reading 67th %ile = Q1 - 11%
 - % at NWEA Map Math 67th %ile = Q1 - 16%
 - **Math Unit Test Average Proficiency = 29%**
 - K-2 CKLA Skills (Approaching + Proficient) = 65% (RSCP)
 - 3-5 CKLA Integrated (Approaching + Proficient) = N/A
 - Math OLP (Zearn) Completion = 59%
 - HUM OLP (Boost) Completion = 49%
 - **UWM 23-24 Visit:** Impressed by growth, strong comms, confidence in ED & underscored need to meet UWM perf indicators before renewal in 27; RPS WI committed to 88% ADA, less than 40% chronic absenteeism and 1.1 years of projected growth (NWEA) by December 2024 at RTP
 - **UWM 10/24:** Supportive of growth opportunity
 - **NWEA: Students on track to grow 1.3+ years**
 - **OLP Completion - 80%+ students meeting weekly goals**
 - **Unit Tests - 60% Math proficiency avg, 75% (approaching + proficient)**

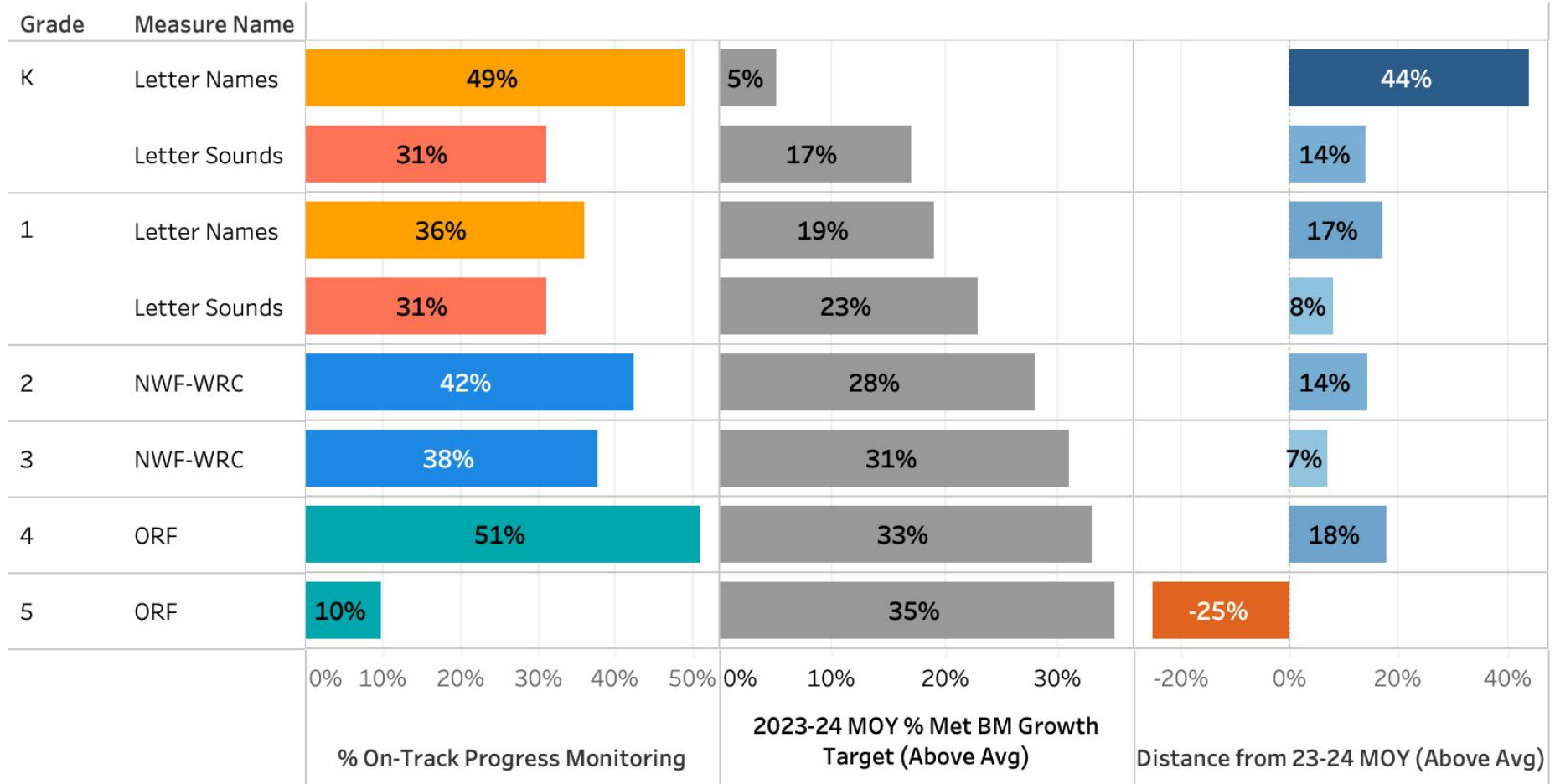
Attendance

- ADA at least at 90%
 - **Chronic Absenteeism (RTP 35% or less, RSCP 25% or less, MKE 30% or less)**
- **BOY25: ADA: YTD Oct - 91.2%**
 - **BOY25: Chronic Absenteeism: YTD Oct - 33%**
 - **BOY25: Attendance meetings and home visits led to improved attendance and decreased chronic absenteeism**



WI Monthly Reading Progress Monitoring

2024-25 October Progress Monitoring Proficiency Rates
RPS MKE



Regional Health

Targets: End of Year Unless Specified

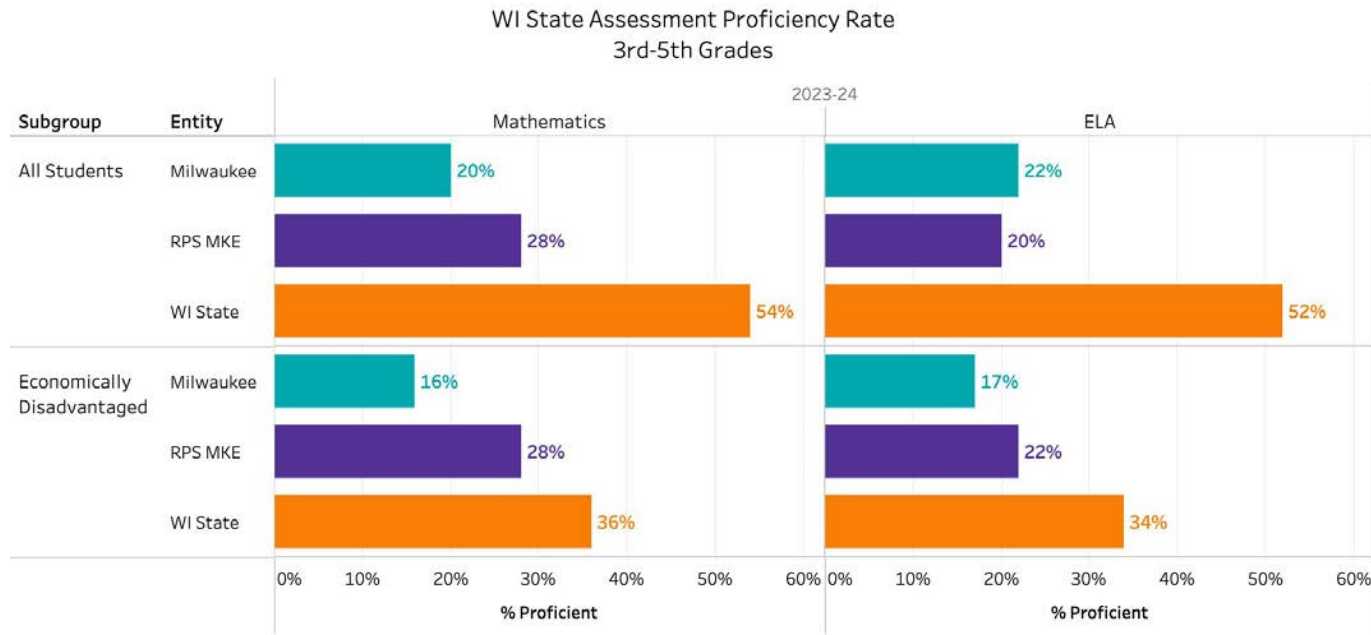
Status: BOY Data on [Slides 38-47](#)

<p>Enrollment</p>	<ul style="list-style-type: none"> ● On count day: Enrollment at RCSP and RTP at least at 780 ● Target maintaining current enrollment and adding 150 new students total to the 3 WI schools 	<ul style="list-style-type: none"> ● EOY24: Focused efforts = substantial increases in leads, apps and enrollments over prior year ● BOY25: Focused efforts yielded ~ 100 more students than 23-24 ● Count day enrollment = 739 (95% of enrollment goal); 10/24 enrollment = 725 (93% of enrollment goal)
<p>Finances & Fundraising</p>	<ul style="list-style-type: none"> ● Finances: Initial budget projects a + \$40K CINA (including regional mgt fee ~ \$192k) on public dollars only ● Fundraising: On track for \$970K goal 	<ul style="list-style-type: none"> ● EOY24: Exceeded last year's fundraising goal. ● BOY25: 53% of goal already raised; as of 9/24 raised \$517K toward FY25 goal of \$970K
<p>Talent</p>	<ul style="list-style-type: none"> ● At least 90% leader retention ● At least 93% of positions are filled 	<ul style="list-style-type: none"> ● EOY24: Projected leader retention ~90% ITR ● BOY25: Leader retention - 93% since June 24; up from 20% EOY23 and 87% EOY24; 0 vacancies ● BOY25: 100% of positions filled, 97% teacher attendance; network average 96%
<p>Culture</p>	<ul style="list-style-type: none"> ● Families/Students: PPH 100%; home visits 100% 	<ul style="list-style-type: none"> ● EOY24: Milwaukee was the only region to increase staff satisfaction two years in a row ● EOY24: Overall families are satisfied with their Rocketship schools; RSCP's Recommendation Score improved since 22-23; RTP's Recommendation Score has steadily improved since 21-22 ● BOY25: Percent of families reporting home visits increased +23% to 63%; PPH - 66%



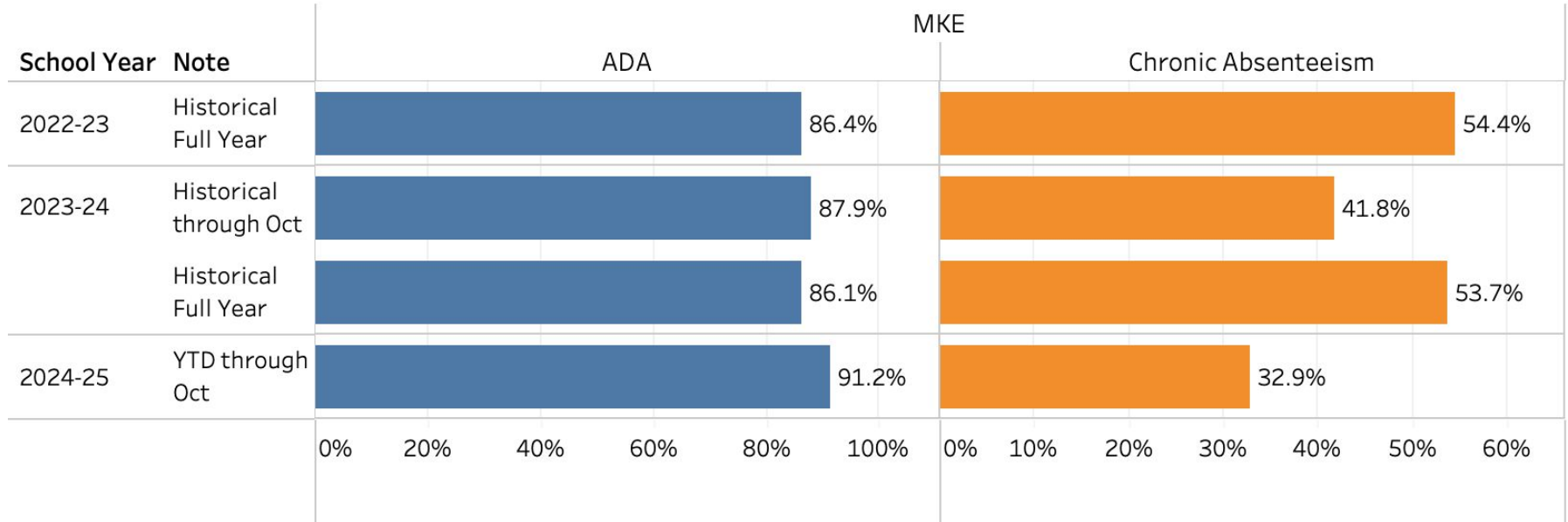
RPS MKE outperformed the local district in both subjects for Economically Disadvantaged Students and for All Students in Math

- WI revisions to their Math and ELA standards went into effect in 2023-24 and the state subsequently changed the cut score thresholds for proficiency rates
 - Given this change, 2024 proficiency rates **cannot** be directly compared to prior years
- While we can't compare YoY changes, RPS MKE relative results to the state and local district significantly improved in Math ⇒ **indicating RPS MKE made real gains in Math last year**
- State report cards released; RSCP's score remained the same.



Both MKE schools have reported strong attendance gains this fall

RPS MKE: Attendance Metrics



- Historically, attendance is lower during the winter months and schools see increases in chronic absenteeism at mid-year
- While MKE chronic absenteeism is likely to increase over the next few months, strong fall start will hopefully still drive full year YoY declines

National Partnerships: Talent Development and Pipeline

Development (Program team)

- Partnering this year with the Program team to:
 - Continue building capacity in regional leaders as coaching loads continue to shift.
 - Provide increased direct support (as much as once per week), focused on real time teacher coaching.
 - Continue modeling data analysis and action planning for leaders.
 - Make investments towards Year 2 Principal development (for both principals) and DoS development.
 - Elevate Tier 1 student culture.

Pipeline Environment (Talent team)

- Recruitment and retention of leaders has improved consistently over last 3 years.
- There are teacher vacancies each year due to competitive market; 0 vacancies now.
- MKE is a competitive market and we don't yet know enough about talent pipeline at 3rd school - this is an area requiring strong partnership amongst national and regional teams.
- Currently considering creative talent pipeline options:
 - Offering teachers from existing WI schools the opportunity to move to the new school to provide growth opportunities and accelerate alignment.
 - Intentional engagement with staff at 3rd school to retain high quality talent.



Recruitment Strategy 24-25

Rocketship uses a multi-faceted approach to target teachers who represent the communities we serve who also have strong instructional knowledge and are licensed to teach in our Elementary classrooms. Our Recruitment Strategy includes, but is not limited to:

- Tracking and analyzing our projected vacancies
- Create a strategic calendar, and start early
- Online Marketing focus
- Pipeline Programs
- Career Fairs: UW - Parkside, Center for Urban Teaching, Mount Mary
- Rigorous Interview Process
 - Phone Interview
 - Demonstration Lesson with Rocketeers
 - On site performance task to demonstrate reading and writing skills
 - On site Interview with School Leaders
- Build a Talent Community
 - Consistent Cultivation of Talent throughout the year
 - Referral incentives for all staff + cash bonuses given for Instructional Support referrals
- Focus on Teacher Retention
 - Coaching in classrooms
 - Teacher Appreciation
 - Rising Leaders Program



