



TO: Tennessee Public Charter School Commission

FROM: Tess Stovall, Executive Director

DATE: December 2, 2024

SUBJECT: Rocketship Dream Community Prep Amendment Petition

Background

Rocketship Dream Community Prep ("Rocketship Dream" or "RDCP"), operated by Rocketship Education Board of Directors ("RSED" or "National Board") entered into a charter agreement with the Tennessee Public Charter School Commission ("Commission") on April 9, 2021 to operate Rocketship Dream Community Prep in the Southeast region in Nashville, Tennessee serving students in kindergarten through fourth grade. Since the charter school was first authorized, Rocketship Dream has been governed by the National Board. During this time, the National Board has been responsible for the governance and oversight of the school. Rocketship Education Tennessee Board of Trustees ("RSED-TN") was formed and incorporated in March 2022 and has served in an advisory capacity to the RDCP's leadership team, while also providing the National Board counsel on local matters related to the Rocketship Public Schools in Tennessee. In addition, the RSED-TN Board Chair and the Second RSED-TN Board Member serve on the National Board and participate in the National Board's meeting as full voting members. Rocketship Dream contracts with Rocketship National to provide academic, financial, and operational support. The school opened in the 2022-23 school year, serving kindergarten through fourth grade. In the 2024-25 school year, the school has approximately 450 students. The maximum enrollment under the charter agreement is 560.

The proposed amendment for Rocketship Dream Community Prep incorporates three requests:

- 1) The amendment transfers governance from the national Rocketship Education Board of Directors to the local Rocketship Education Tennessee Board of Trustees, effective July 1, 2025. This shift aims to localize decision-making and give a stronger voice to the Tennessee community while maintaining support from the national network and charter management organization ("CMO").
- 2) The amendment proposes adding fifth grade to RDCP, aligning with local elementary models, and providing a smoother transition for students into middle school. This addition responds to parent requests and allows students to complete their elementary education in a familiar environment, fostering stronger relationships and continued academic growth.
- 3) To serve the fifth grade, the amendment requests an increase in the maximum enrollment to 630 students.

Pursuant to T.C.A. § 49-13-110(d), the governing body of a public charter school may petition the authorizer to amend the charter agreement. The Commission is charged with determining the timelines for approval of amendment petitions and the process for reviewing these petitions. Under Commission Rule 1185-01-01-.04, a public charter school may petition for a change in governance structure (including, but not limited to, a change in the nonprofit entity governing the school) or the addition of or changes to the charter management organization. In the case of RDCP, it was determined that the planned restructuring and the grade/enrollment changes were material modifications to the charter agreement. Upon receipt of an amendment petition, the Commission is responsible for

reviewing and scoring the amendment application with the Tennessee Department of Education's scoring rubric and must act on the petition within sixty calendar days of receiving the petition.¹

Commission staff independently reviewed the amendment petition, attachments, and budgets submitted by RDCP. The analysis below is based on materials submitted by the school and the conversations between Commission staff and school representatives.

Analysis

The Commission strives to be a first-in-class authorizer and desires to support the charter schools in its portfolio to best set them up for success. Recommendations for approval or denial of each amendment requested in an amendment application will be based on the materials submitted as well as the authorizer's due diligence in accordance with Commission Policy 3.900.

The proposed amendment transfers governance of RDCP from the national Rocketship Education Board of Directors to the local Rocketship Education Tennessee Board of Trustees. This shift aims to give a stronger voice to the Tennessee community by bringing decision-making closer to the school and ensuring it is more responsive to the specific needs and priorities of its students and families. This change was prompted by RSED-TN receiving its tax exemption from the Internal Revenue Service ("IRS"), allowing it to assume full governance responsibilities. If approved by the Commission, effective July 1, 2025, RSED-TN will hold RDCP's charter agreement and oversee all governance, replacing the National Board in this role. Despite this transfer, RDCP will maintain its connection to the national Rocketship network. The National Board will continue to play a role as a member of the Rocketship network and as the Sole Statutory Member of RSED-TN. Furthermore, the current CMO that serves the national network will continue to provide the same academic, financial, and operational support to RDCP as it has throughout the school's history. This ensures continuity and support for RDCP while allowing for greater local control.

In addition to the governance change, the amendment proposes adding fifth grade to RDCP. This decision was driven by parent requests and the desire to provide a smoother transition for students into middle school, as most local elementary schools in the area go through fifth grade. By offering fifth grade, RDCP would align with the local public elementary school model and allows students to complete their elementary education within the same familiar environment, fostering stronger relationships and better preparing them for the future. This also provides an additional year of enriched programming, allowing students to continue their academic and personal growth within a consistent and supportive community. If approved, fifth grade would be added beginning in the 2025-26 school year.

The amendment petition outlines clear contingency plans should any aspect of the proposed changes be denied. Both the National Board and the local RSED-TN board are committed to serving Tennessee students and will maintain their strong partnership to ensure local community input remains central to school operations, regardless of the outcome of the governance portion of the amendment. Similarly, the existing agreement and services provided by the CMO will remain unchanged and uninterrupted. Regarding the proposed addition of fifth grade, RDCP's financial health is independent of this expansion. Should this amendment be denied, RDCP will continue to operate operationally and financially strong as a kindergarten through fourth grade school, offering families comprehensive information and guidance on local schools with fifth-grade programs. While RDCP believes that extending its program through fifth grade is in the best interest of its students, the school is well-positioned to continue its successful kindergarten through fourth grade operation.

¹ Tenn. Comp. R. & Regs. 1185-01-01-.04(1)(h).

The Tennessee Department of Education's amendment petition scoring rubric lays out the characteristics of a strong amendment petition, and it is on these characteristics that this recommendation is based. The amendment petition allows RDCP to be governed by a Tennessee-based board further enhancing the opportunities for local voice while the addition of fifth grade reduces disruptions to student's experience based on the grade band structure of neighboring zoned elementary schools.

1. Alignment of proposed amendment with the school's mission and goals.

The mission of Rocketship Dream is to catalyze transformative change in low-income communities through a scalable and sustainable public-school model that propels student achievement, develops exceptional educators, and partners with parents who enable and support high-quality public schools to thrive in their community. The proposed changes, including the shift to a Tennessee-based governance structure, the addition of fifth grade, and the increased enrollment maximum, align with RDCP's mission. By establishing a local RSED-TN Board, the school enhances community voice and input, a cornerstone of the Rocketship Dream model and mission statement. This ensures the school remains responsive to the needs of the community it serves. Furthermore, adding fifth grade provides students with continuity of education, reducing disruptive transitions and allowing them to benefit from an additional year of enriched programming within a familiar and supportive environment. This directly contributes to propelling student achievement and fostering strong relationships between students, staff, and parents, all key elements of the RSED mission.

2. Academic results provide compelling support for the proposed amendment.

RDCP is committed to providing a nurturing and supportive learning environment that fosters academic growth and student retention. As the school looks to expand its offerings by adding fifth grade, its record of achievement provides support for this amendment. In its first year, RDCP earned a B letter grade on the Tennessee School Report Card, achieving the highest score among all elementary schools in the Cane Ridge Cluster. RDCP attributes this success to several factors, including strong student growth and high TVAAS composite levels across all subgroups. These achievements demonstrate the school's commitment to serving all students effectively, regardless of their background or learning needs. Along with strong growth, RDCP outperformed the resident district in most subject areas on TNReady as evidenced by the school meeting or exceeding standards on almost all comparative performance indicators on the Commission's School Performance Framework for the 2022-23 school year. RDCP's TVAAS Composite score was Level 5 for the 2022-23 school year, its first year of operation, and is on track to meet standards in this growth indicator for the 2023-24 school year demonstrating consistent academic growth amongst its students.

Furthermore, the amendment application presents data that demonstrates that students who have remained enrolled at RDCP have shown continued academic progress. The TNReady success rate increased by three percentage points for the cohort that was enrolled in both the 2022-23 and 2023-24 school years. This growth underscores the effectiveness of RDCP's educational programs and its dedication to continuous improvement. While the overall TNReady success rate declined in 2023-24 due to the lower performance of the third-grade cohort, it is crucial to consider the context. These students began their education during the COVID-19 pandemic, which significantly disrupted their schooling. Despite these challenges, RDCP has maintained a high TVAAS composite level for all reported subgroups, demonstrating its ability to support students and mitigate learning loss even in the face of adversity.

In addition, RDCP's English learners ("ELs") have shown continued progress in their English fluency, as measured by WIDA ACCESS scores. Approximately 60% of EL students met their growth targets in the past two years, with about 10% exiting from EL services each year. This data point highlights RDCP's dedication to supporting its

diverse student population and ensuring their success in both language acquisition and academic achievement. The academic performance of the school since opening in the 2022-23 school year provides evidence to support the addition of fifth grade. The requested grade level addition will allow students continuity of service in a program known to them while also providing a strong academic model as evidenced by the school's performance to date.

3. Realistic and detailed budget that explains the financial impact of the proposed amendment and clear evidence that the financial outlook of the school supports the costs associated with the proposed amendment.

RDCP provided financial projections for the current and two succeeding fiscal years, assuming approval of the amendment petition. These projections are supported by the most recent audited financial statements, which, due to RDCP's network affiliation, include the financial performance of all Rocketship schools in Tennessee. Review of the financial statements allow for an evaluation of the costs related to the proposed amendment and overall impact on the organization's financial performance.

RDCP's proposed amendments, focused on governance restructuring and the addition of fifth grade, require that RDCP has adequate financial resources available to ensure successful implementation. The restructuring of governance itself will not directly impact the school's finances. However, the addition of fifth grade requires financial planning to accommodate the costs associated with the increase in enrollment. The financial projections submitted within the petition reflect that the school continues to operate with positive net income year over year, with the school operating with a budgetary surplus. While the school remains financially sound without the additional grade level, the budget appropriately incorporates the increase in revenue that would result from the addition of the fifth grade and the associated additional costs. The school estimates a 10% increase in expenses to cover costs such as hiring additional teachers with expertise in upper elementary education, an English learner specialist, special education staff, and a paraprofessional. Operational costs will also increase, including expenses related to breakfast, lunch, and transportation. RDCP has calculated that these expenses will be offset by an estimated 13% increase in revenue, ensuring the financial capacity to support the expanded programs and services.

Additionally, the organization has a history of clean audits and met standards for financial performance based on their most recent audited financial statements as measured by the indicators on the Commission's School Performance Framework. This financial plan presented within the amendment demonstrates the school and network are well positioned to add the fifth grade without impacting the fiscal stability of the school or network and is a viable option for the school.

4. Detailed implementation plan with a realistic timeline that addresses the operational impact of the proposed amendment.

To ensure compliance with regulatory requirements and allow sufficient time for operational transitions, the proposed amendments are slated to take effect on July 1, 2025. This timeline allows sufficient time for the transfer of key operational functions between Rocketship National and RSED-TN. While RDCP will continue to receive academic, operational, and financial support from Rocketship National at the same level that is currently provided, the transfer in governance responsibility will require certain transfers between entities. These transfers will be facilitated and lead by Rocketship National and will include the transfer of state and federal funding from one nonprofit to another, the transfer of employees from one nonprofit entity to another, as needed, and the transfer of assets that belong to RDCP from Rocketship National to RSED TN. Until the official governance transfer takes place, the RSED-TN Board will continue to serve in a close advisory capacity to the National Board on matters related to the Rocketship schools authorized in Tennessee. Both boards will also continue to monitor RDCP's performance using customized data dashboards to track measure network health and ensure smooth transition.

RDCP's proposed amendments will follow a clear timeline, starting with the addition of fifth grade in the 2025-26 school year. This addition will increase the school's enrollment capacity, allowing it to serve up to 630 students. The governance structure change will take effect on July 1, 2025, transferring oversight to the Tennessee-based RSED-TN Board. The period between the amendment's approval and July 1, 2025 will be dedicated to executing a smooth transition. This includes transferring essential functions like funding, accounts, and personnel to the new governance structure. The school will also communicate its intention to add fifth grade to the community and current families, allowing ample time for them to plan for the upcoming school year.

5. Thoughtful and realistic facility plans to accommodate the proposed amendment.

The amendment petition incorporates a thoughtful and realistic facility plan to accommodate the addition of fifth grade. The school plans to add two fifth grade classes but currently has no open classrooms. To address this, two extra-curricular teachers will become itinerant, traveling to classrooms instead of students rotating to dedicated rooms. This maximizes existing space without compromising current grade levels or cohort sizes. Beyond classrooms, RDCP has also factored in transportation and cafeteria capacity. The school currently operates five buses with ample capacity for additional students. Bus stop assignments will be adjusted as needed to ensure balanced student distribution, and the school's transportation provider has confirmed the availability of an additional bus if required. The school's cafeteria can comfortably accommodate the projected increase in students, with current capacity well below its maximum. This demonstrates RDCP's comprehensive approach to facility planning, ensuring adequate resources and infrastructure to support the addition of fifth grade.

6. Clear evidence of support for the proposed amendment from parents, staff, and community partners.

RDCP has garnered support for the proposed amendments from parents, staff, and community partners. The school conducted a survey to gauge parental interest in the addition of fifth grade, and the response of twenty-three unique respondents all expressed support for adding fifth grade. Parents expressed a desire for their children to continue benefiting from the school's enriched programming and strong teacher-student relationships. Respondents also cited concerns about the emotional and social impact of transitioning to a middle school environment after fourth grade, highlighting the importance of providing continuity and stability for students. The proposed shift to a Tennessee-based governance structure has also been met with support from the local community. This change will enhance local voice and bring decision-making closer to the communities served. Although the current governance structure has allowed for collaboration between the National Board and the RSED-TN Board, the proposed amendment aims to further strengthen community engagement and input.

The collective support from parents, staff, and community partners underscores the alignment of the proposed amendments with the needs and aspirations of the RDCP community. The school's commitment to seeking and incorporating feedback from its stakeholders demonstrates a collaborative approach to governance and a dedication to providing the best possible educational experience for its students.

Recommendation

Throughout the Commission staff's review of the record of RDCP's amendment application, staff focused on the characteristics of a strong response as defined by the Tennessee Department of Education's amendment petition rubric. Through working with the operator and based on the materials reviewed, I acknowledge that the operator is well positioned to make the shift in governance structure and add the fifth grade as an academic option for the students it serves.

Commission staff presented this recommendation to the School Performance and Accountability Committee on December 2, 2024. The School Performance and Accountability Committee engaged in robust conversation of the Rocketship Dream Community Prep amendment petition, focusing on three key components. First, the Committee



discussed the proposed transfer of governance from the national Rocketship Education Board of Directors to the local Rocketship Education Tennessee Board of Trustees, emphasizing the benefits of localized decision-making and stronger community voice. This transition is further supported by the local board's existing experience and engagement, ensuring a seamless handover of responsibilities. Second, the Committee examined the school's plan to add a fifth grade, aligning with the local district's elementary model and facilitating smoother transitions for students into middle school. This addition is driven by parent requests and bolstered by the school's strong academic performance, which includes achieving a B letter grade on the Tennessee School Report Card and a Level 5 TVAAS Composite score – results that are in line with Commission expectations. To accommodate the fifth grade, RDCP has developed thoughtful facility plans and adjustments to resources like transportation and building capacity. Finally, the Committee acknowledged the comprehensive implementation plan, which includes a realistic budget and continued support from the charter management organization, guaranteeing uninterrupted services.

Commission staff recommends approval of the amendment petition by the Commission. Upon Commission approval of the amendment petition, the charter agreement will be amended to permit RDCP to formally shift its governance from Rocketship National to RSED-TN, effective July 1, 2025. This transition will also incorporate the fifth grade into the school's enrollment structure, increasing the student capacity to 630 students.

A handwritten signature in black ink that reads "Tess Stovall". The signature is written in a cursive style.

Tess Stovall, Executive Director
Tennessee Public Charter School Commission

December 2, 2024
Date