



Date: October 18, 2017

To: Board of Directors

From: Kevin Sved, CEO

Re: Recommendation to Greenlight Market Development in Watsonville for Navigator School #3

Recommendation

It is recommended that the Board authorize the Navigator Staff to greenlight market development in Watsonville with the goal of submitting a charter petition to Pajaro Valley Unified School District (PVUSD) in the first quarter of 2018.

Background

Navigator School's Strategic Plan calls for Navigator to become a beacon for outstanding TK-8 education for underserved students throughout the North Central Coast Area by growing to five schools serving 2,825 TK-8 students, at least 75% of whom are low-income, in five schools across the North Central Coast (NCC). With positive Board feedback regarding the draft strategic plan shared in June 2017, Navigator staff initiated preliminary market analysis and community outreach in the target area. Staff focused on Watsonville as the community for School 3 based on several factors, including existing Navigator ties to the Watsonville community, the high percentage of English language learners in PVUSD, and persistently low academic achievement within the district.

During the strategic planning process, a greenlighting process for opening a new Navigator school was developed in collaboration with the Board to help ensure that Navigator is ready at the following stages of the school development process:

- 24 month before launch: greenlight market development
- 18 months before launch: greenlight charter submission
- 12 months before school opens: greenlight school opening

The greenlighting framework is based on 1) internal criteria, 2) new market criteria, and consideration of four critical questions. The attached slide deck provides a detailed analysis comparing the current measure to the greenlight criteria for **the 24 month stage**. A summary of this analysis is below:

Internal Criteria	6 of 7 measures met	All 6 members of founding team not yet identified.
New Market Criteria	4 of 7 measures met	While not "green", significant progress has been made with 1) community engagement, 2) pathway to authorization, and 3) fundraising.

Four critical questions:

1. Is the school model clearly articulated and codified?
2. Is the Support Office team thriving and does it have the capacity to support growth?
3. Are organizational systems and structures strong and driving effective execution?
4. Will the political landscape support successful community engagement, authorizing, facilities, and enrollment in the target market?

As the attached slides illustrate, the leadership team and I believe we are either green or moving swiftly towards green regarding each question. Over the last two months, considerable effort has been devoted to developing a thriving Support Office team that will have the capacity to support growth. These efforts have included the full participation of fourteen leadership team members in a four-day communication training, weekly executive coaching sessions for me with Andrew Bray, leadership team commitment to engage in healthy conflict and strengthen healthy communication.

With Board approval to greenlight market development in Watsonville, the second priority to be successful will be to increase our efforts to build community support for Navigator. While Navigator's strong academic performance, history of clean audits, healthy financial reserves, and strong board and management team should pave a smooth charter authorization pathway, a clear demonstration of strong parent and community support within the Watsonville community will be imperative for Navigator's success. We believe we can develop strong parent and community support in Watsonville with a focused and sustained outreach effort. The following community outreach efforts have set the stage for an official launch of market development in Watsonville:

- CEO met with PVUSD Superintendent and key community non-profit leaders
- Letters sent to PVUSD Board Members
- Community Engagement Facilitator initiated a listening tour with Watsonville families connected to Navigator staff, including a former Navigator parent who is a current Watsonville resident

Significant planning and preparation efforts have been made by Navigator's Director of Community Outreach and the Community Engagement Facilitator, including:

- Participating in Innovate Public Schools' Community Organizer Training
- Scheduled a meeting with Mayor of Watsonville
- Scheduling community outreach events and parent recruitment efforts at grocery stores, preschools, youth sporting events, and churches.
- Scheduled a parent leader recruitment night

A Navigator school in Watsonville would make a huge positive impact for low-income students who currently do not have an option for a high-performing public school. With Board support, staff is prepared to allocate significant time to implement the community outreach and parent recruitment effort in Watsonville.

Summary

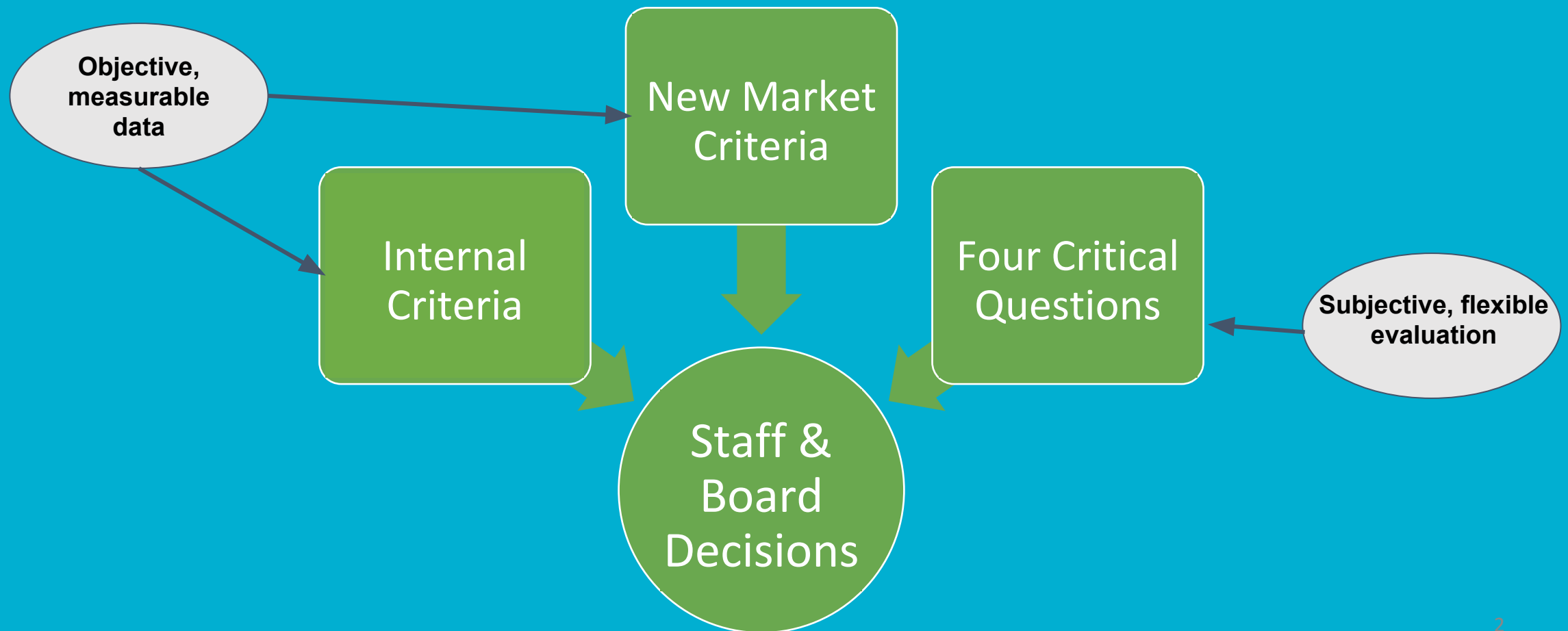
Navigator is well positioned to build parent and community support for a Navigator school in Watsonville. Board approval to greenlight market development in Watsonville will bring a high quality public school option for that community closer to reality.

Navigator Greenlighting Board Update

October 2017

Greenlighting: Framework

Greenlighting will be based on three categories of information:



Greenlighting: Process Review

- In order for the board to approve the continued pursuit of additional Navigator campuses, staff will need to illustrate action on selected criteria.
- The Board reviewed greenlighting criteria & process at May board meeting. The greenlighting tool contains criteria to be evaluated by the Navigator leadership team and board
 - 24 month before launch: greenlight market development
 - 18 months before launch: greenlight charter submission
 - 12 months before school opens: greenlight school opening
- **Staff is recommending board greenlight Watsonville market development for a Pajaro Valley Unified School District charter submission.**

Internal Criteria	24 months	Current	18 months	12 months
Academic Performance: SBAC Percent of students who have been at Navigator for at least three years that meet or exceed proficiency on SBAC	70%	81% of all NS students taking the test	70%	70%
Organizational Health: Enrollment Actual enrollment as percentage of target	>99%	100%	>99%	>99%
Organizational Health: Staff Retention Percent of full-time staff who return annually (Fall to Fall)	75%	87%	75%	75%
Organizational Health: Staff Satisfaction Percent of staff that are “likely to recommend working at Navigator to a friend” (as measured by the Fall/Spring surveys)	80%	91%	80%	80%
Financial Strength: Reserves Percent of current fiscal year expenses held in reserve	20%	29%	20%	20%
Financial Strength: Sustainability Percent of GPS & HPS costs that are covered by philanthropy	<5%	<5%	<5%	<5%
Founding Team: Principal and Seed Teachers	At least six potential founding team members identified	Leadership pipeline has been established with an opening team available.	Potential Principal identified	Principal and two teachers confirmed

New Market Criteria - Progress to date	24 months pre-launch	Current	18 months pre-launch	12 months pre-launch
The Need: Poverty Rates	At least 80% FRL in target area schools	Watsonville area schools have FRL rates around 90%	At least 80% FRL in target area schools	At least 80% FRL in target area schools
The Need: School Performance	No schools in the target area with 60%+ FRL beat state averages in math and reading	Average SBAC scores for PVUSD - 32% ELA/21% math - Watsonville area schools are even lower	No schools in the target area with 60%+ FRL beat state averages in math and reading	No schools in the target area with 60%+ FRL beat state averages in math and reading
Community Support: Student Recruitment	NS staff have held meetings with prospective parents	NS staff have met with a handful of PVUSD parents. Community/Parent info night set for November 7th.NS staff attending Innovate parent training.	Letters of intent for 70% of first year seats & 50% of willing teacher signatures	Letters of intent for at least 100% of first year seats & 100% of willing teacher signatures
Community Support/ Stakeholder mapping/ Community Engagement	NS staff have met with district leadership, parents, and community organizations.	NS staff has met with the PVUSD supt. and reached out to PVUSD board members. Staff has met with a few community members. City council member meetings next.	8+ parent leaders share their experience meeting with district board at a NS board meeting requesting charter to be submitted in their community.	15+ parent leaders share their experience meeting with district board speak at NS board meeting requesting charter to be opened in their community.
Facilities	Preliminary market analysis complete	Preliminary analysis indicates feasibility for leased space in available commercial market. Vacant parcels also provide short and long-term options.	At least two potential facilities identified. Estimated cost enables school to get to breakeven at scale, or Prop 39.	Viable facility formally confirmed at cost that enables school to get to breakeven at scale , or Prop 39. Facility available at least one month prior to school launch.
Pathway to Authorization	Authorization plan in place with likelihood of success	NS staff has had legal counsel review charter renewal petition to provide a strong foundation for the charter petition.	Draft of high quality charter application written and on track to be submitted no later than February	Charter obtained or appeal to state board is underway
Fundraising	Viable fundraising strategy in place	NS staff in conversations with Charter School Growth Fund & Silicon Schools is a strong possibility as a funder.	(1) Year zero funders of new school and support office identified with high likelihood of success. (2) New school breakeven by year [x].	(1) Funders of new school and support office confirmed for year 0-2. (2) New school breakeven by year [x].

Four Critical Questions

- Question 1 - Is the school model clearly articulated & codified?
- Question 2 - Is the Support Office team thriving and does it have the capacity to support growth?
- Question 3 - Are organizational systems and structures strong and driving effective execution?
- Question 4 - Will the political landscape support successful community engagement, authorizing, facilities, and enrollment in the target market?

● Is the school model clearly articulated & codified?

● The schools' programs are easily replicable.

● The barriers for replicating the programs and their effectiveness have been identified and remedied.

● The schools' educational programs align to the current mission.

● Is the Support Office team thriving and does it have the capacity to support growth?

● There is a leadership pipeline

● There are formal ways to cultivate leaders from within

● Thriving - (area of growth and current focus)

- Trust each other
- Engage in healthy conflict
- Commitment to decisions
- Hold each other accountable
- Focus on team results

● Are the organizational systems and structures strong and driving effective execution?

● There are people clearly/consistently responsible for the critical functions of the organization

● Policies, processes, and procedures exist and are documented

● There is a clear chain of command

● Will the political landscape support successful community engagement, authorizing, facilities, and enrollment in the target market?

● District of interest has a high socio-economic disadvantaged/English language learner underserved population

● There is a plan for new facilities needs

● Document fifty families willing to attend and/or speak at all hearings.

Greenlighting Process for 2019 school launch		
Date	Key Staff Activities	Key Board Activities
April-June 2017	<ul style="list-style-type: none"> Conduct market research and develop key community relationships 	<ul style="list-style-type: none"> Board feedback on greenlighting process at May meeting Board feedback on strategic plan at June meeting
July 2017	<ul style="list-style-type: none"> Prepare Greenlighting Report CEO greenlighting decision 	
August/September 2017 (24 months pre-launch)	<ul style="list-style-type: none"> Present recommendation of target market (one or possibly two markets) to board using greenlighting criteria 	<ul style="list-style-type: none"> Board meeting to determine whether to greenlight (1) on-the-ground market development and (2) preparation of charter application
Fall/Winter 2017	<ul style="list-style-type: none"> Continue on-the-ground market development and community engagement efforts Draft charter application 	
December/January 2018 (18 months pre-launch)	<ul style="list-style-type: none"> Prepare Greenlighting Report CEO greenlighting decision 	<ul style="list-style-type: none"> Board meeting to determine (1) greenlighting of charter submission and (2) continued market development. <i>A special January board meeting may be needed for a February submission.</i>
February 2018	<ul style="list-style-type: none"> Charter submitted to district 	
Spring/Summer 2018	<ul style="list-style-type: none"> Intensive on-the-ground market development and school planning Identifying new school founding team Charter appeal if necessary 	
July 2018	<ul style="list-style-type: none"> Prepare Greenlighting Report CEO greenlighting decision 	