



Date: October 19, 2017

To: Board of Directors

From: Kevin Sved, CEO

Recommendation

It is recommended that the Board approve the Navigator Schools' Strategic Plan dated October 24, 2017. The updated SBAC scores are the only changes to the Strategic Plan shared in June.

Background

Following board approval in December 2016, the Navigator team launched a strategic planning process in January 2017 with the support of consultant Andrew Bray. Our leadership team has spent significant time together reflecting on Navigator's strengths and weaknesses as an organization, the opportunities and challenges in the broader landscape in which we operate, and the impact we might pursue in the future. The Board formed a Strategic Planning subcommittee that worked closely with Andrew and Kevin on vetting elements of the strategic plan in advance of Board Meetings. In March 2017, the Board approved the following impact statement – a statement that can serve as a foundation or “north star” to guide our strategy over the next five years.

By 2022, Navigator will 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);
- increasing the number of high-performing K-8 schools in the NCC that serve at least 60% low-income students by 500%; and
- inspiring improved performance at NCC districts by operating schools that are in the top 10% of high-achieving schools in the state and partnering with aligned districts to train their educators.

Based on the Board approval of the Impact Statement, staff and consultant continued to work with the Board to design a strategic plan to achieve this impact. Draft plans were shared with Board Members for input that refined the final plan that was submitted to the Board in June 2017 along with access to the detailed 10-year financial projections developed by Bryan Adams. The financial projections will be adjusted as more details emerge regarding facilities projects, public funding rates, and personnel requirements. During the Board's retreat in August 2017, the Board discussed the role of the Board in implementing the Strategic Plan.

Summary

It is recommended that the Board approve the Navigator Schools' Strategic Plan dated October 24, 2017. This is the same Strategic Plan shared in June 2017 with updated SBAC Scores.

Strategic Plan

June 2017



Agenda

- ✓ Introduction
- ✓ Our School Model
- ✓ Growth Strategy
- ✓ Support Office
- ✓ Talent
- ✓ Finance & Fundraising
- ✓ Lessons & Risk Mitigation



Introduction

Our Mission



Navigator's mission is to drive phenomenal student achievement by developing top tier teachers and leaders who consistently improve innovative classrooms and schools.

NAVIGATORS

A L W A Y S

Persevere • Strive for the Goal
Display Positive Attitudes

C O N T I N U E

Developing Their Potential

E V O L V I N G

We are values-driven in
everything we do.

Our History



2010:
**Someday
is Now.**
Navigator
founded

2011:
Gilroy Prep
opens K-2

2013:
Hollister
Prep
opens K-2

Aug 2017:
Navigator
serves 960
students K-8

**Navigator was launched by
parents & educators who refused
to wait for someone else to
address educational inequity**

Leadership Team



Kevin Sved
Chief Executive Officer



Melissa Alatorre Alnas
Director of Human Resources



Kirsten Carr
Director of Community Outreach



James Dent
CAO/GPS Principal



Benjamin Moeller
Director of IT & Operations



Heather Parsons
HPS Principal

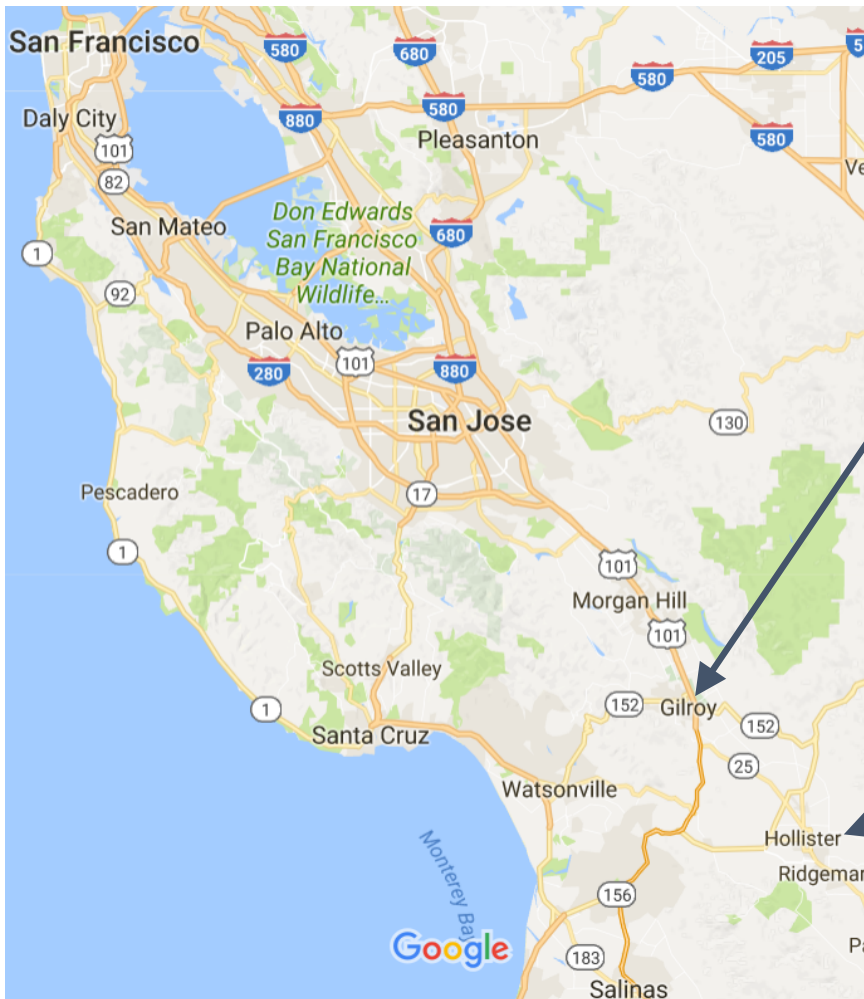


Sharon Waller
Director of Student Services

Board of Directors



Name	Background
JP Anderson	<ul style="list-style-type: none">• Key Point Credit Union• Gilroy Prep parent
Nora Crivello	<ul style="list-style-type: none">• Westpak, Inc.• Hollister Prep parent
Alicia Gallegos-Fambrini (Secretary)	<ul style="list-style-type: none">• Former Director, San Jose Charter School Consortium• Board Member, Innovate Public Schools
John Glover	<ul style="list-style-type: none">• Founder & CEO, Alpha Public Schools• Former teacher and principal, AIM Schools
Joyce Montgomery (Treasurer)	<ul style="list-style-type: none">• VP Finance, Summit Public Schools• Former CFO, Leadership Public Schools
Caitrin Wright (Chair)	<ul style="list-style-type: none">• Partner, Silicon Schools Fund• Former Manager at The Bridgespan Group



Gilroy Prep:

- 480 students, K-7
- 49% FRL
- 64% Latino
- 38% ELL

Hollister Prep:

- 360 students, K-5
- 58% FRL
- 83% Latino
- 59% ELL

Our School Model

A Day in the Life of a Navi!



Small group reading centers



PE



Science



Science and Social Studies field trips



Library



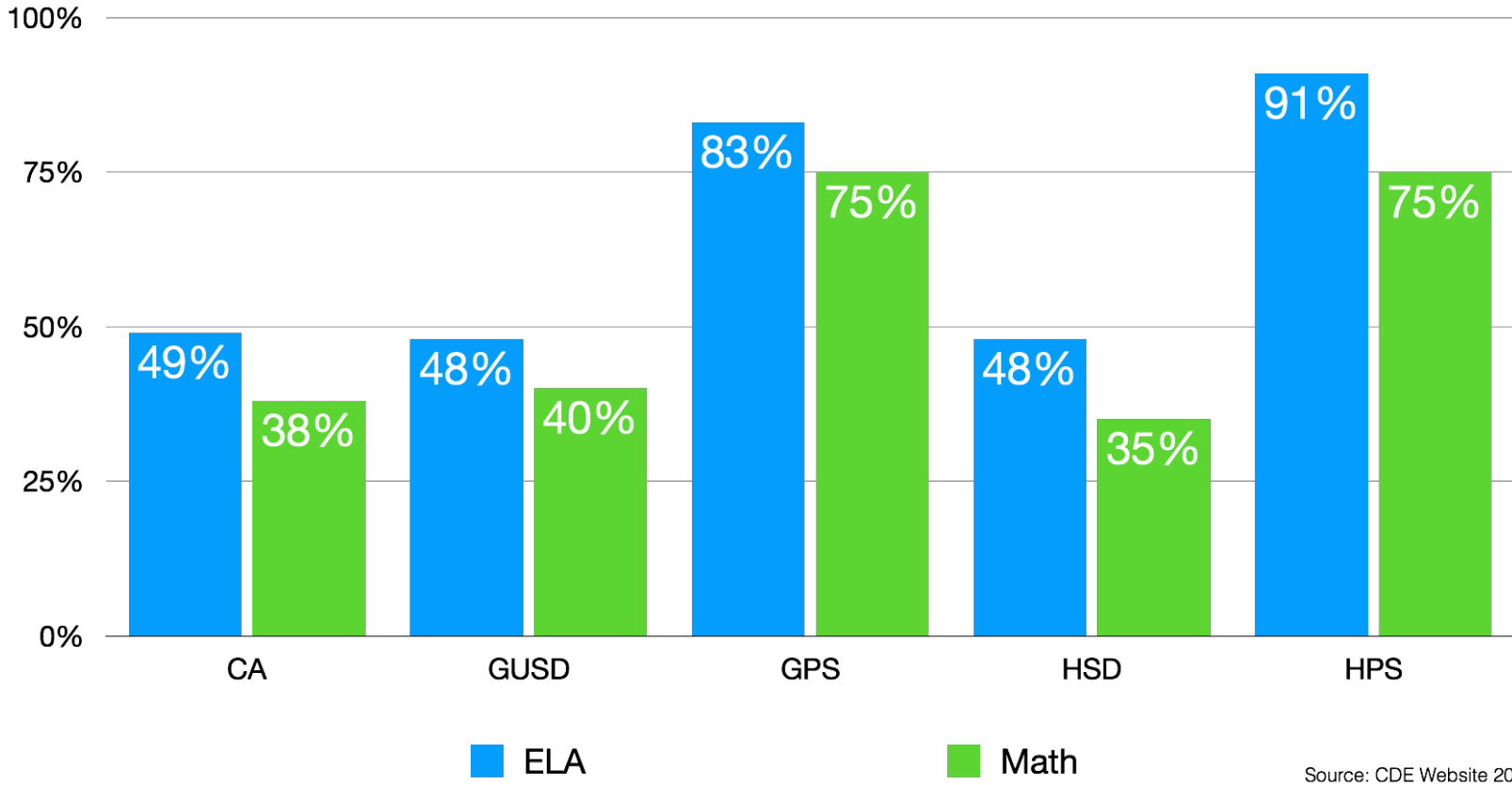
Social Studies



Small group math centers

2017 SBAC Proficiency Rates

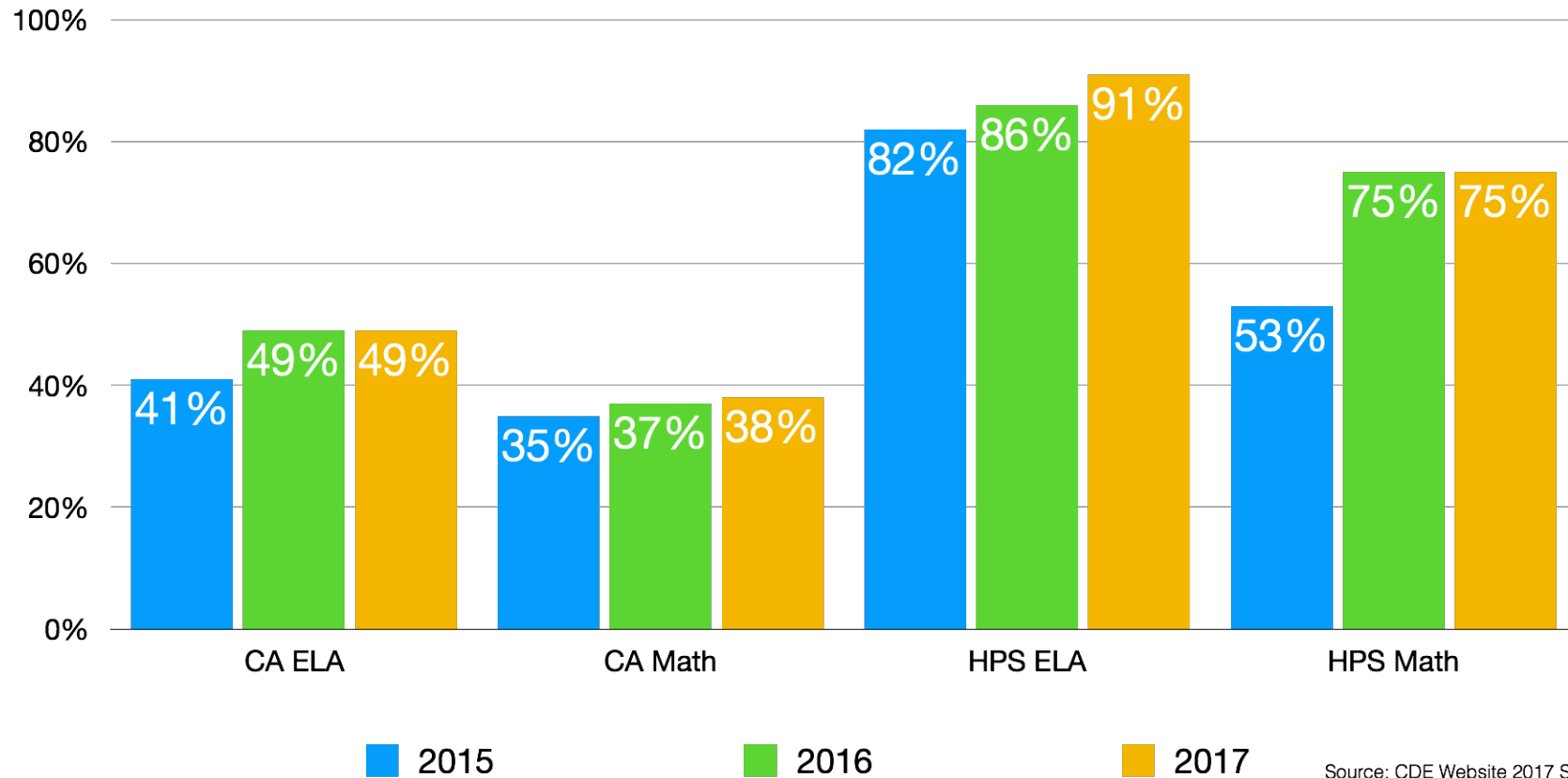
All Students: Proficiency Level 3 (L3) + Proficiency Level 4 (L4)



Source: CDE Website 2017 SBAC Data

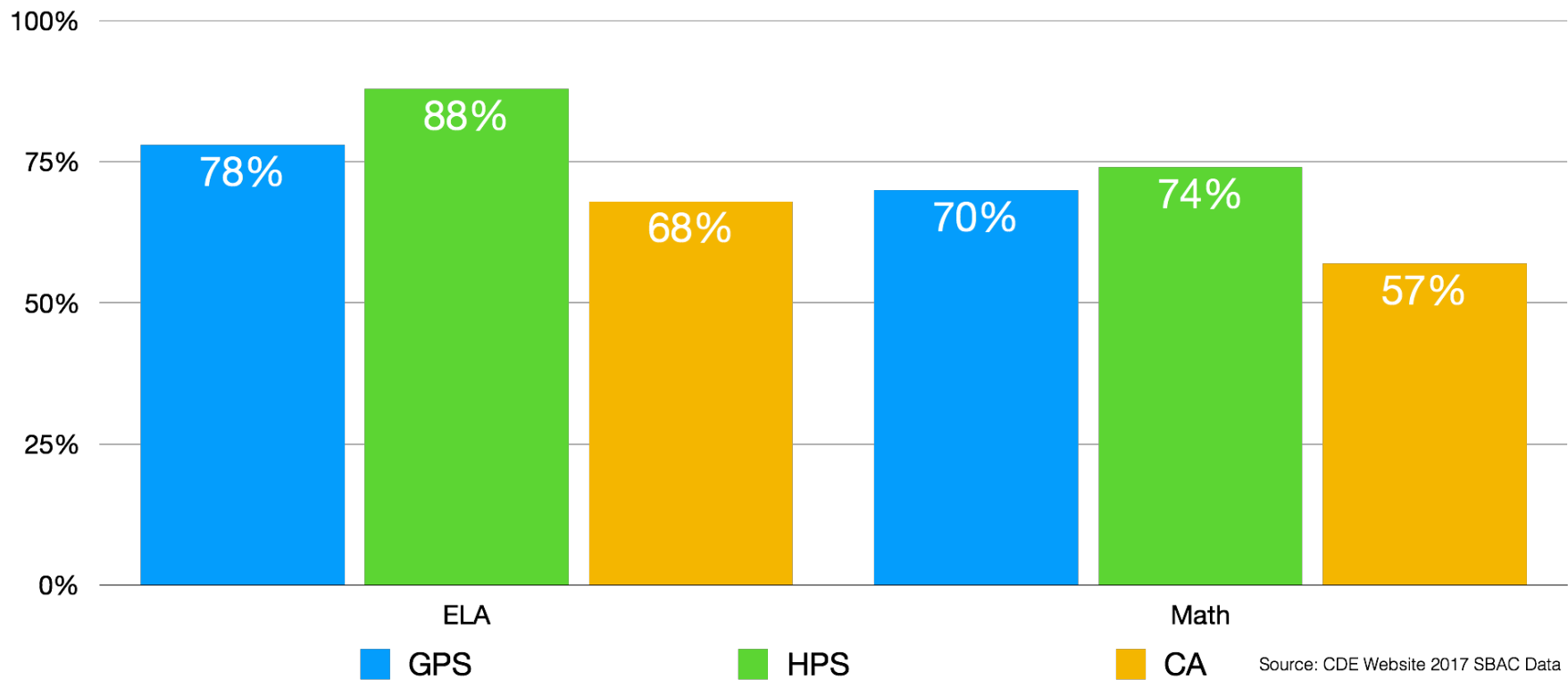
2015-17 Hollister Prep SBAC Proficiency Growth

All Students (L3 and L4)

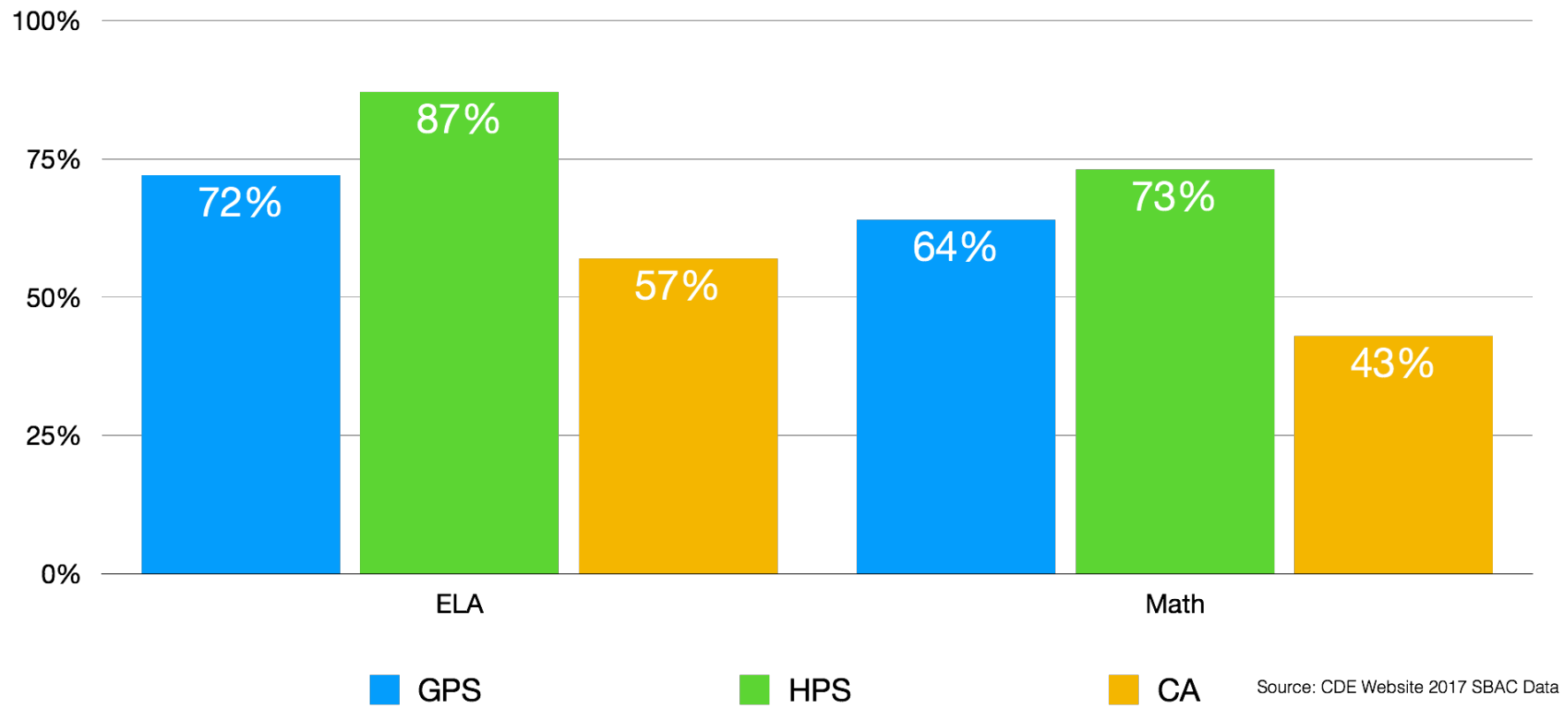


Source: CDE Website 2017 SBAC Data

Navigator's economically disadvantaged students continue to score higher than California's economically advantaged students (L3 and L4)



Navigator's English Language Learners continue to score higher than California's Fluent English Proficient & English Only students (L3 and L4)



Inspiration for Our Model



RELAY/GSE
Culture, Rigor, & DDI



**Marshall Pomeroy
Elementary School**
MILPITAS UNIFIED SCHOOL DISTRICT

Thinking Maps



Small Group Instruction & PE

**Uncommon
Schools**

Culture, Rigor, & DDI

KIPP:
Culture



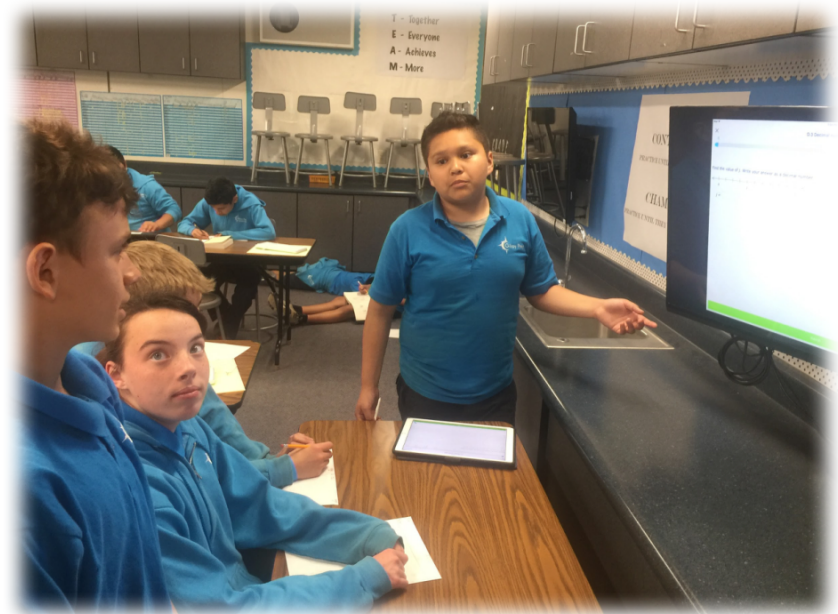
Sixth Street Prep
Whole Brain Teaching & DDI

Our Vision of Student Success

Exceptional readers, writers, scientists,
artists and mathematicians

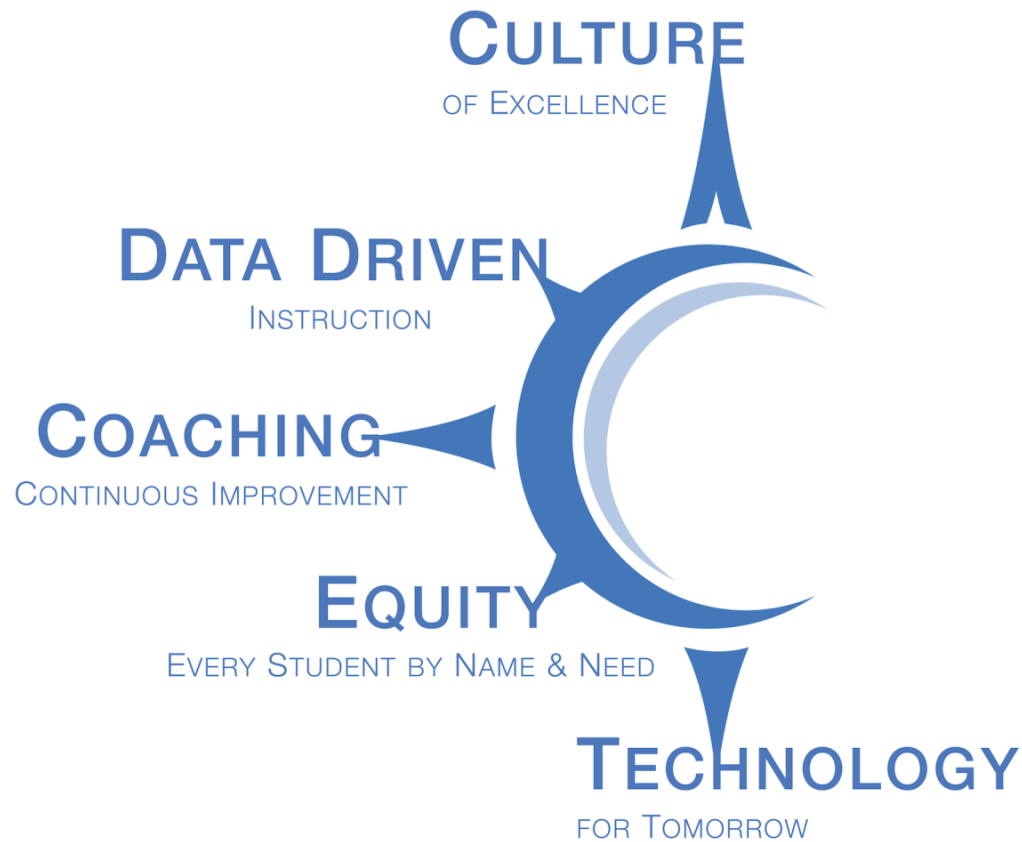


Capable of analyzing and solving a
variety of problems

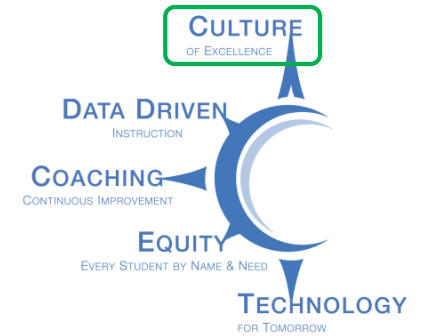


Effective communicators, able to lead and
teach others, demonstrate empathy,
confidence, and compassion

Essential Components of Academic Model



Navigator Culture is defined by...



Perseverance – Navigators never give up

High Expectations – Navigators strive for their goals

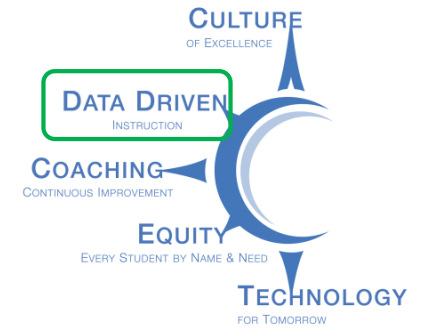
Positivity - Navigators always display positive attitudes

Continuous Improvement - Navigators never stop developing their potential

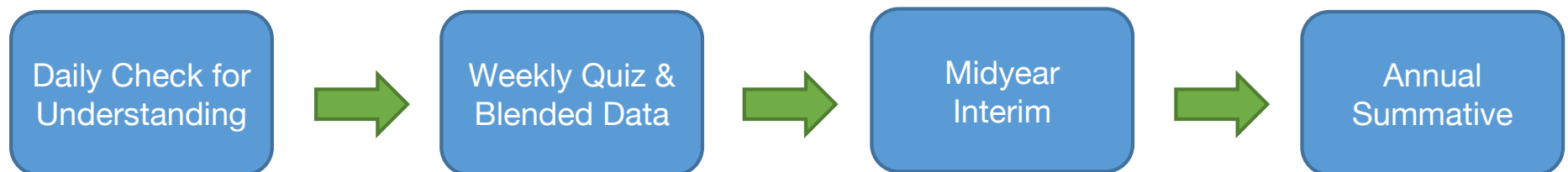
Innovation - Navigator programs continue to evolve

Consistent Data Collection

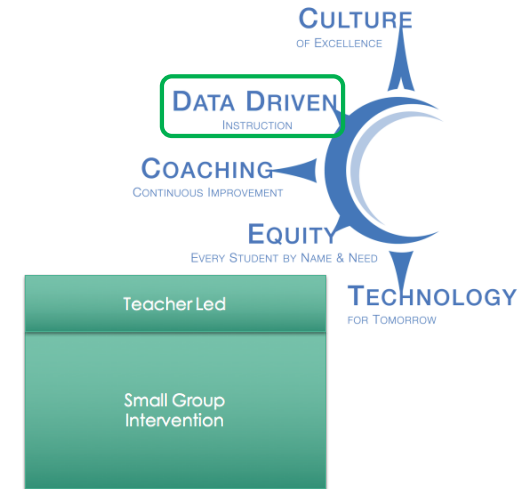
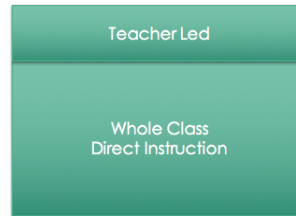
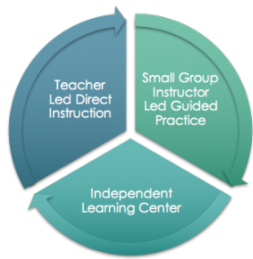
Although teachers have a clear scope and sequence of instruction, the nature of our **data driven instruction** model allows teachers to personalize student learning. Instruction, intervention groupings, and spiral review of standards are adjusted daily based on student achievement data.



Data cycles

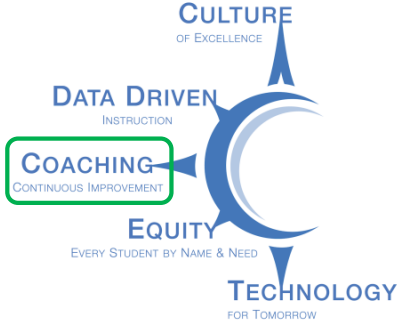
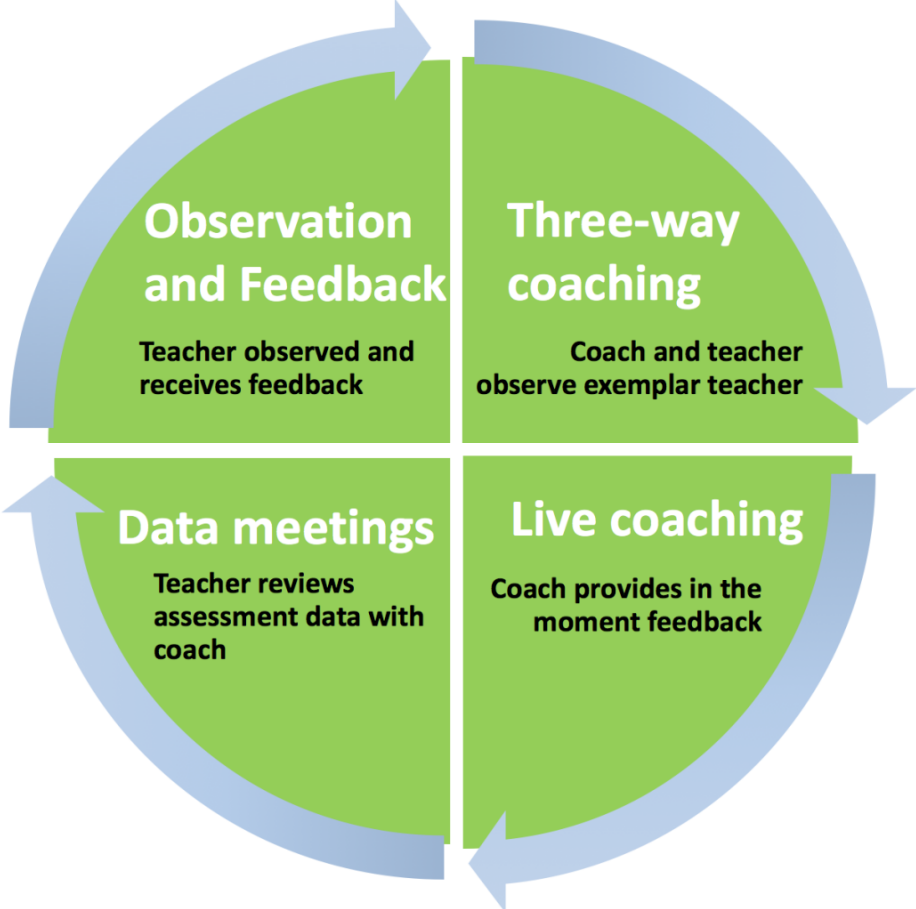


Data drives student grouping

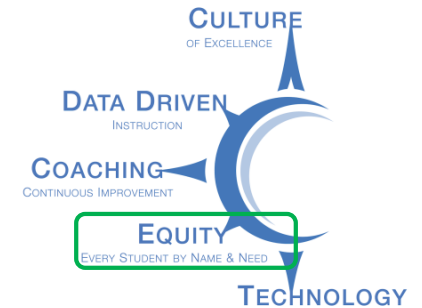


Homogenous Groups Groupings & Instruction Determined Through Data	Heterogeneous Groups Instruction Determined Through Pacing and Data	Homogenous Intervention Groups Groupings & Instruction Determined Through Data
<ul style="list-style-type: none"> • Math • Guided Reading • Phonics • Reading Fluency • Blended Learning • Standards-based assessment 	<ul style="list-style-type: none"> • Standards-based instruction • Enrichment • The Arts • PE • Standards-based assessment 	<ul style="list-style-type: none"> • Reading • Mathematics • Science • Social Studies

Coaching for Continuous Improvement

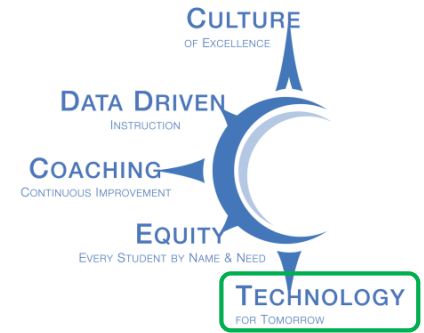


Every Student by Name and Need with Multi-Tiered System of Supports



Tier 1 (All students)	Tier 2 (10-15% of students)	Tier 3 (5-10% of students)
<ul style="list-style-type: none"> ● Engaging curriculum ● Effective teaching strategies ● Schoolwide positive behavior supports ● Full inclusion of special education students 	<ul style="list-style-type: none"> ● Small group intervention within daily schedule ● Extended day ● Extended school year ● Social skills groups ● Regular data meetings 	<ul style="list-style-type: none"> ● Student study team ● Individual student plans ● Counseling or behavior support ● Sped staff assists with support ● Educational Leadership Team monitors data

Technology for Tomorrow



- Adaptive
- Personalized
- Interactive
- One-to-one
- Real time collaboration
- Real time data collection
- Empowering learning



Supporting High School & College Success



Navigator will support alumni by:

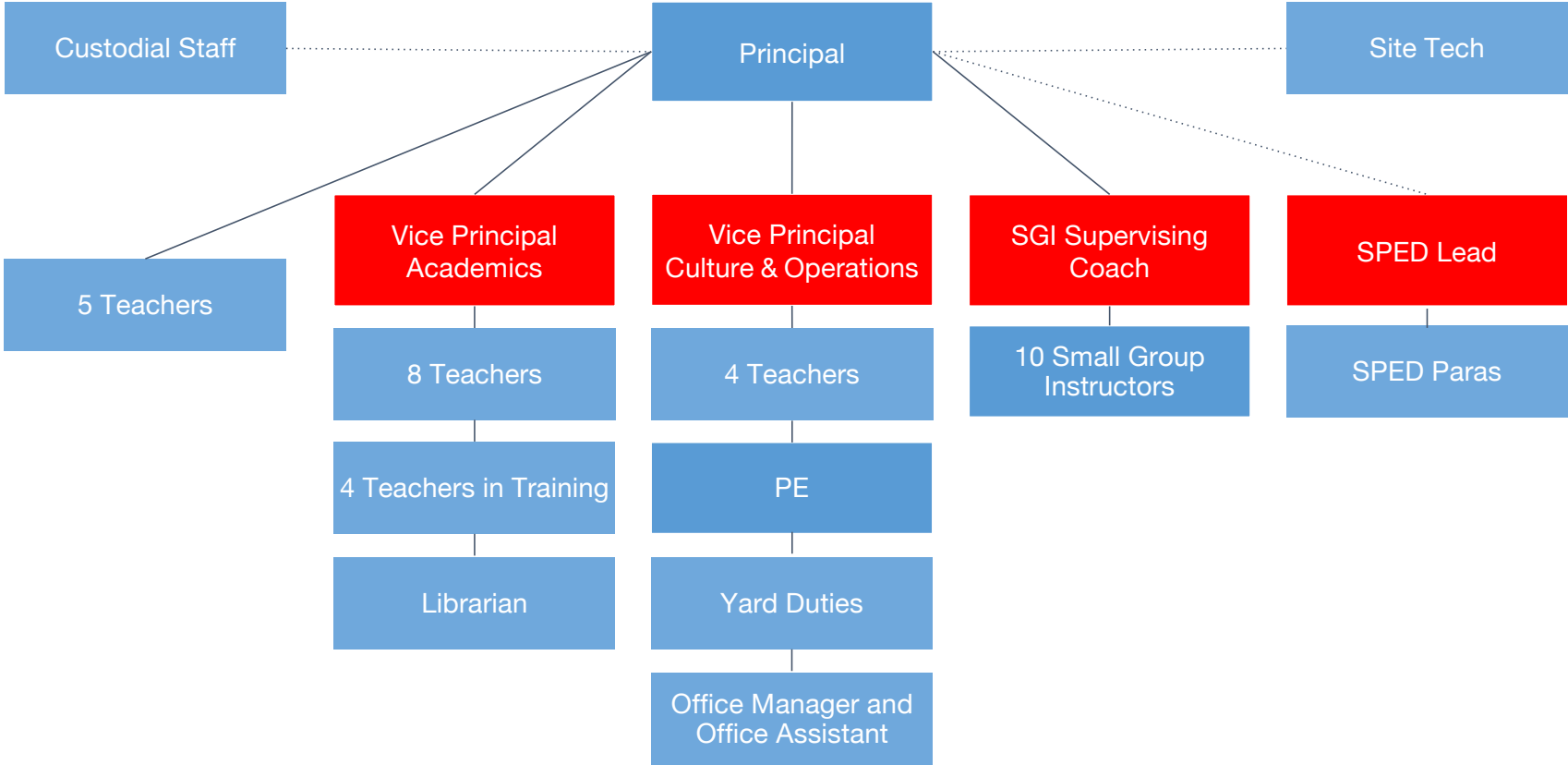
- Providing high school placement support
- Promoting pathways to attend Dr. TJ Owens Gilroy Early College Academy (GECA)
- Engaging alumni for their community service goals and to participate in school events
- Tracking alumni high school and college success

Autonomy & the Navigator Model

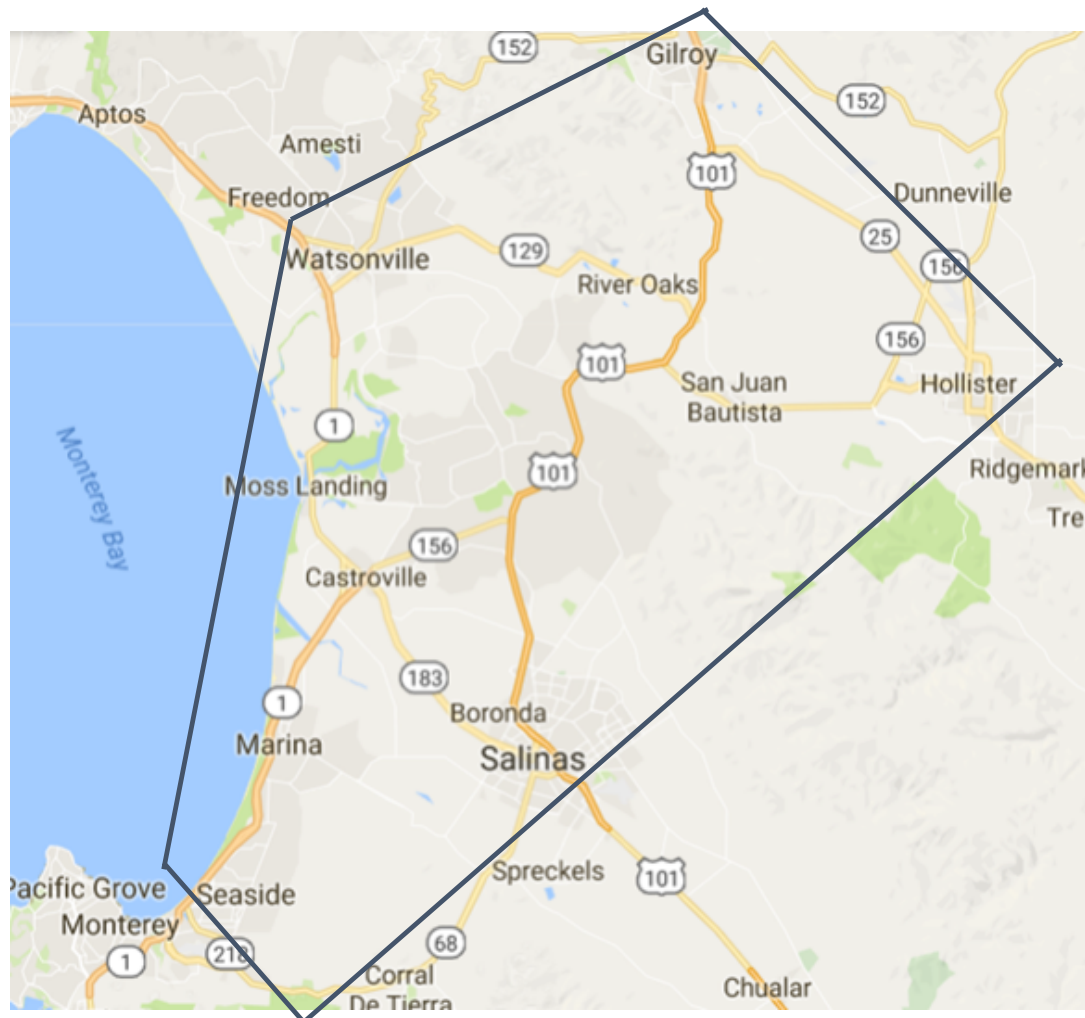


Domain	Tight/Centralized	Loose/School-based
Assessments / Curriculum		
Centers Model / Personalization		
SPED Model		
Blended Learning Programs		
School Culture		
Student Ratio		
Daily/yearly Schedules		
Method of Data Collection		
Coaching Model		
Multi-tiered system of supports		
Innovation		
Grading / Behavior plan		
Athletic Programs		
Elective Offerings		

School Staffing Model (Full K-8 Prototype)



Growth Strategy



North Central Coast Region (K-8)

- 104,656 students
- 10 districts
- 108 schools
- 49% FRL
- **Number of elementary or middle schools serving 60%+ FRL and beating CA proficiency rates: 1**

Our Future Impact



By 2022, **Navigator will become a beacon** for outstanding TK-8 education for underserved students throughout the NCC by:



Scale

growing to five schools serving 2,825 TK-8 students, at least 75% of whom are low-income, across the NCC



Performance

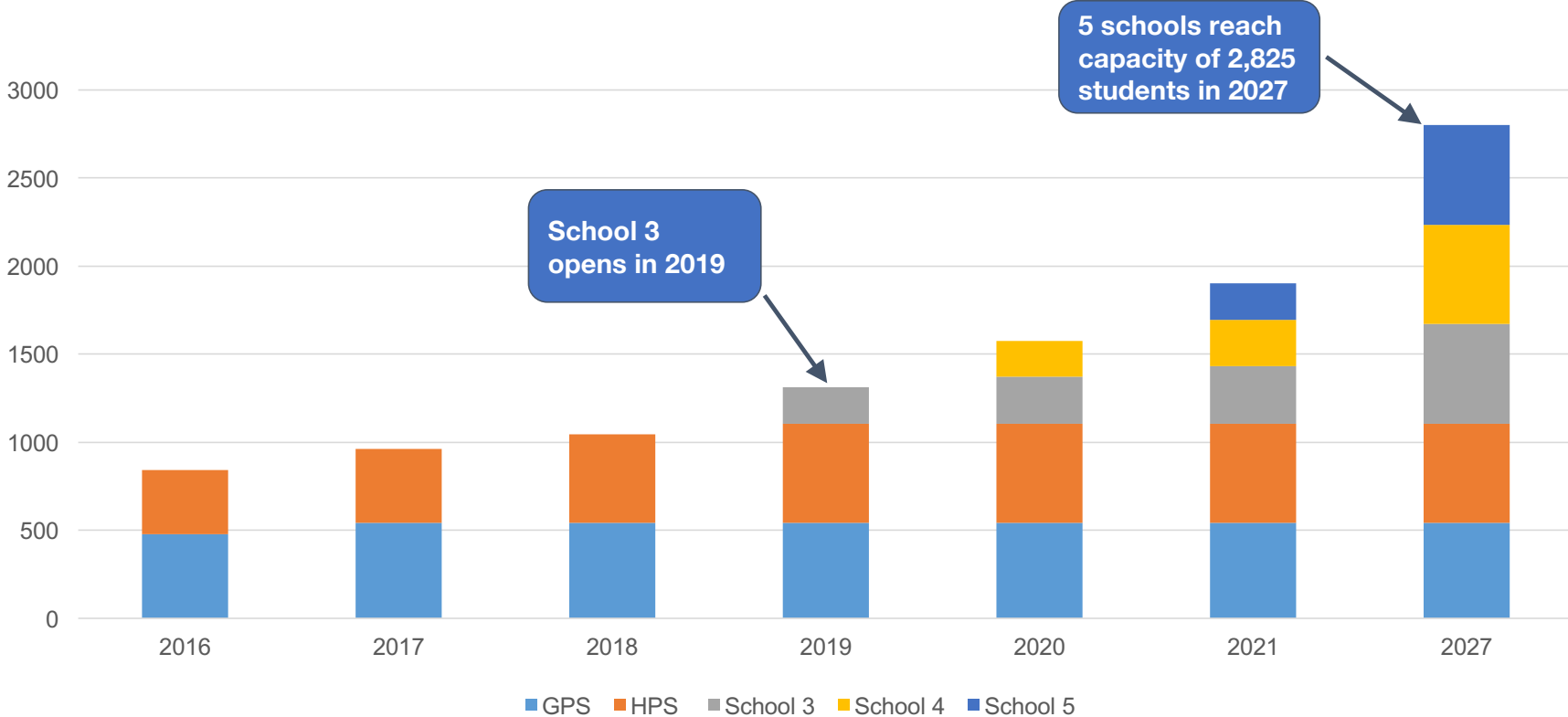
increasing the number of high-performing K-8 schools in the NCC that serve 60%+ low-income students by 500%



Influence

inspiring improved performance at NCC districts by operating schools in the top 10% in CA and partnering with aligned districts to train their educators

Growth Plan



Market Selection Considerations



- Is there a clear and compelling **need**?
- Is there strong **community** support?
- Is there a viable pathway to **authorization**?
- Are there reasonable **facility** options?
- Are **political conditions** favorable?
- Could we recruit existing Navigator and new **staff**?

Politics & Authorizing

- District openness to new charters in the NCC varies
- Appeals to counties (Monterey & Santa Cruz) and state
- Navigator's strong track record likely to make denial difficult
- Minimal active opposition to charters - but also few activated supporters
- We seek to partner and collaborate with authorizing districts whenever possible

District Partnerships



- Navigator seeks to broaden its impact by sharing our learnings and practices with interested districts
- More formal district partnerships may be considered on case-by-case basis subject to Navigator Board approval
- Current offerings include:
 - district staff participation in Navigator PD
 - open source resources shared via website
 - in-depth school tours for district staff

Community Engagement



- In most NCC communities, parents know little about charters and the educational potential they represent
- It is critical to our strategy to have parents highly engaged in potential new communities - **“pulling” Navigator in** and supporting a new school launch
- Educating and empowering parents about charters in general and the opportunity that Navigator represents is a key priority in new communities - will take time and resources
- **Educating and empowering parents** about charters in general and the opportunity that Navigator represents is a key priority in new communities - will take time and resources

Road Map to Community Success



- Learn from other CMOs and organizations, i.e. Innovate Public Schools
- Hire a full time Community Engagement Facilitator

Establish partnerships in communities of interest:

Community Partnerships

Preschools

YMCA

Churches

Business/Civic Partnerships

Large employers

Chamber of Commerce

Elected officials

Student Recruitment



- Our existing schools have always had strong demand and substantial waitlists
- Entering new markets will require more intensive recruitment efforts and brand-building during the early years, including:
 - Preschool alliances (Head Start, First Five)
 - Information sessions at private day care centers, YMCA after school programs, and sports leagues
 - Door-to-door parent outreach
 - Parent coffees hosted by engaged community leaders

Facilities Strategy



- Navigator analyzes Prop 39 facility offers, leased space, and private capital investments to deliver best facility options for school success
- GPS & HPS utilize district facilities provided through Prop 39
- Navigator is building reserves that can support permanent facility solutions for GPS & HPS
- Navigator collaborates with partners including Pacific Charter School Development, local school districts, and municipalities to develop optimal facility solutions for Navigator students.

Facilities Analysis



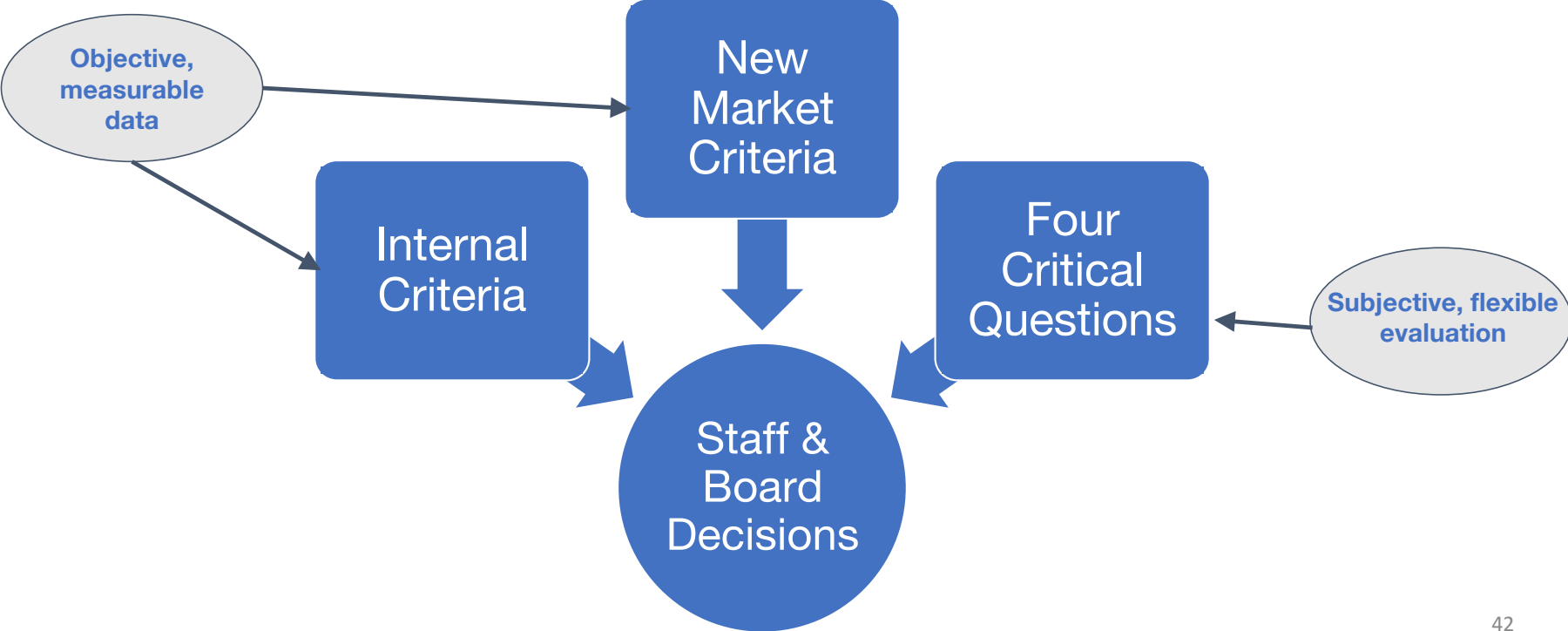
- Reviewed NCC districts and their facilities master plans
- Analyzed enrollment patterns at schools in NCC
- Researched cost of available land and buildings in NCC
- Prepared to identify best facility options based on targeted communities

Greenlighting Growth

- The aim of our greenlighting process is to ensure that Navigator engages in only high-quality, strategic growth
 - Only open new schools when the existing organization is healthy and performing well
 - Only enter new markets that position Navigator for high impact and success (and that are within agreed upon target geography)
- Greenlighting provides “stage gates” along the path defined by our strategic plan

Greenlighting Criteria

Greenlighting will be based on three categories of information:



Support Office

Our Support Office exists to:



1. **Support** school staff with systems, information, and guidance that allow them to focus on students and families.
2. **Manage** functions where a centralized approach saves time or money for schools.
3. **Set** overall organizational strategy, values, and expectations.

Core Support Office Functions



- Academic Support and Accountability
- Human Resources
- Finance
- Growth Management / Strategic Planning
- Governance
- Operations / IT / Data Reporting
- Facilities Planning & Development
- External Relations & Institutional Development
- Legal/Compliance

IT & Operations

Our success depends on best-in-class technology and operations



IT

- Student Information Systems
- User Administration
- Daily Tech Support
- Network Administration
- Enterprise Device Management
- Help Desk Management
- Technology Training
- Reliable IT Infrastructure

Operations

- Facilities Maintenance
- Food Services Program
- Custodial Services
- Grounds keeping
- Emergency Planning

Innovation

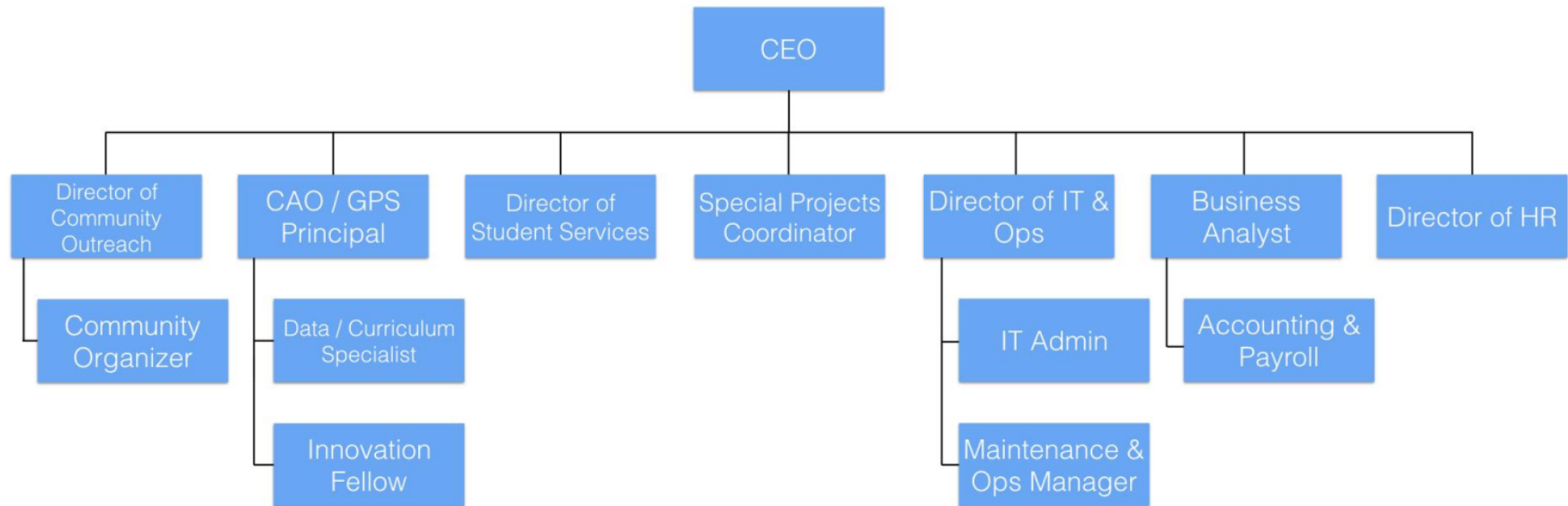
**Superior Customer
Service**

Fanatically Driven

Support Office Design Principles

- Link all hires to excellent outcomes for our students
- Minimize reporting layers when possible
- Hire ahead of growth...but not too far ahead
- Be lean...but not too lean
- Bring management fee down to 11% and ensure value delivered to schools exceeds fee amount
- Minimize philanthropic need and ultimately become sustainable on school management fees alone
- Ensure that all roles have clear job descriptions and deliverables

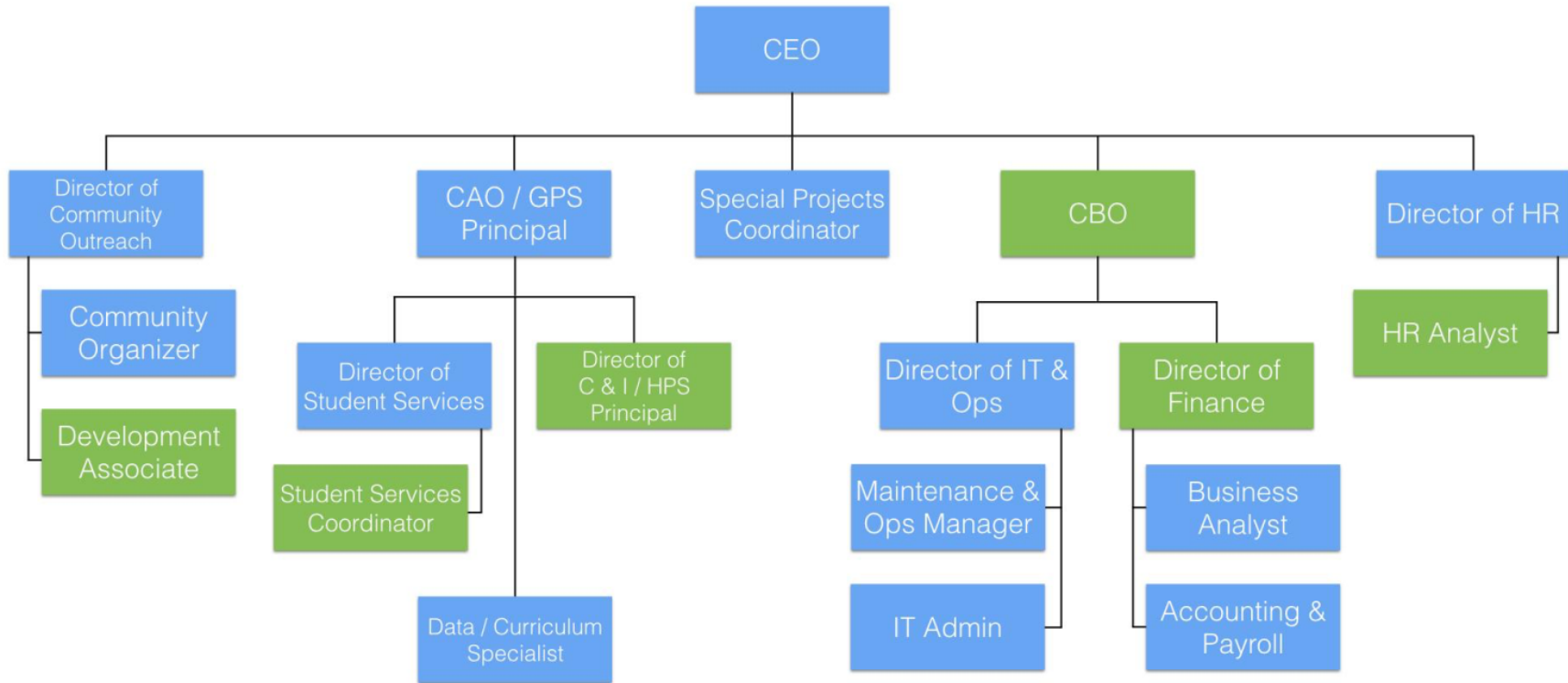
Support Office Team 2017-18



Support Office Management of School Personnel

- CEO manages 2 principals
- DSS manages 2 resource teachers, 1 counselor, 2 speech
- IT/OPS Director manages 2 site techs
- Maintenance/Ops Manager manages custodians, food service

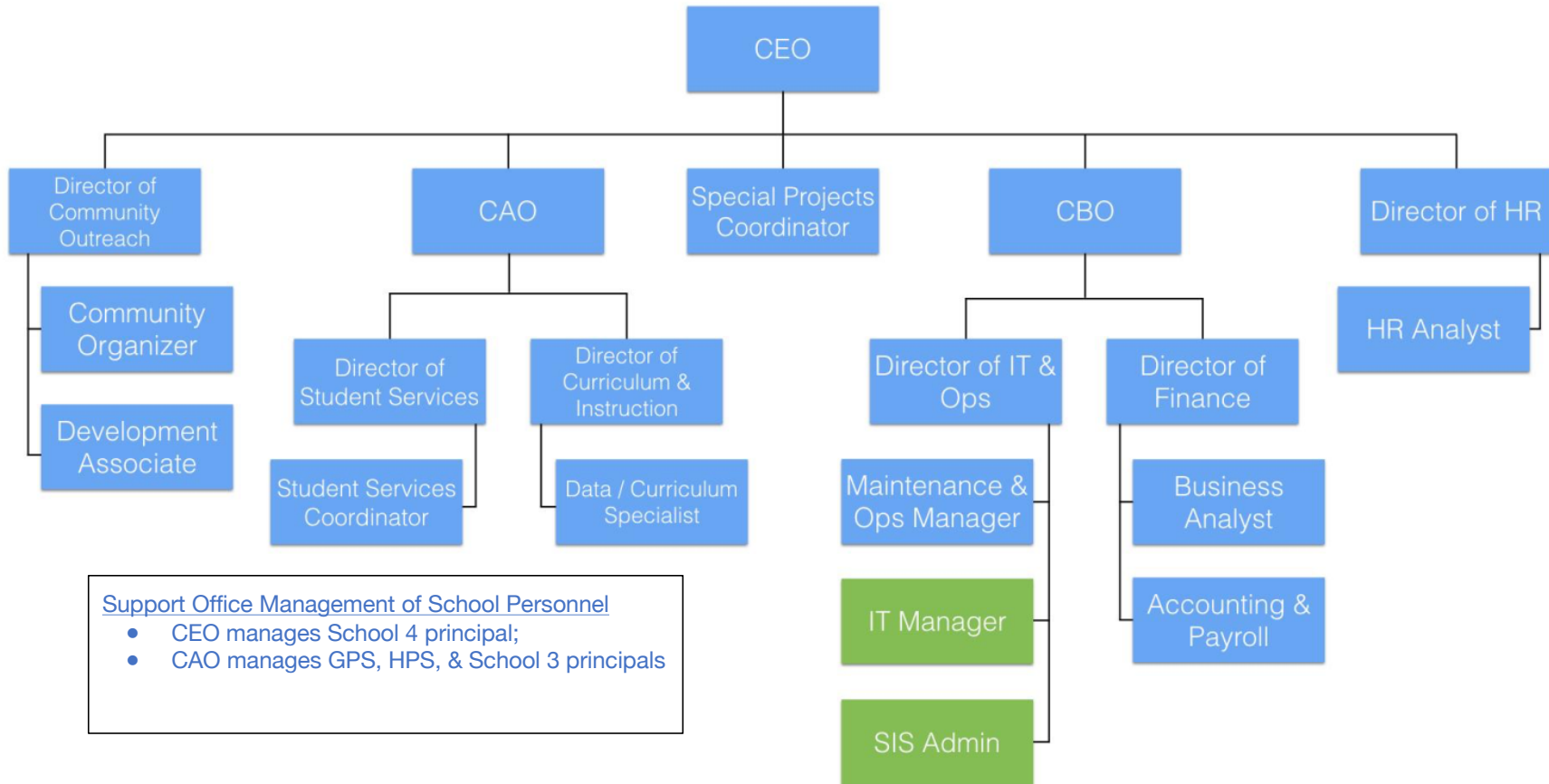
Support Office Team 2018-19



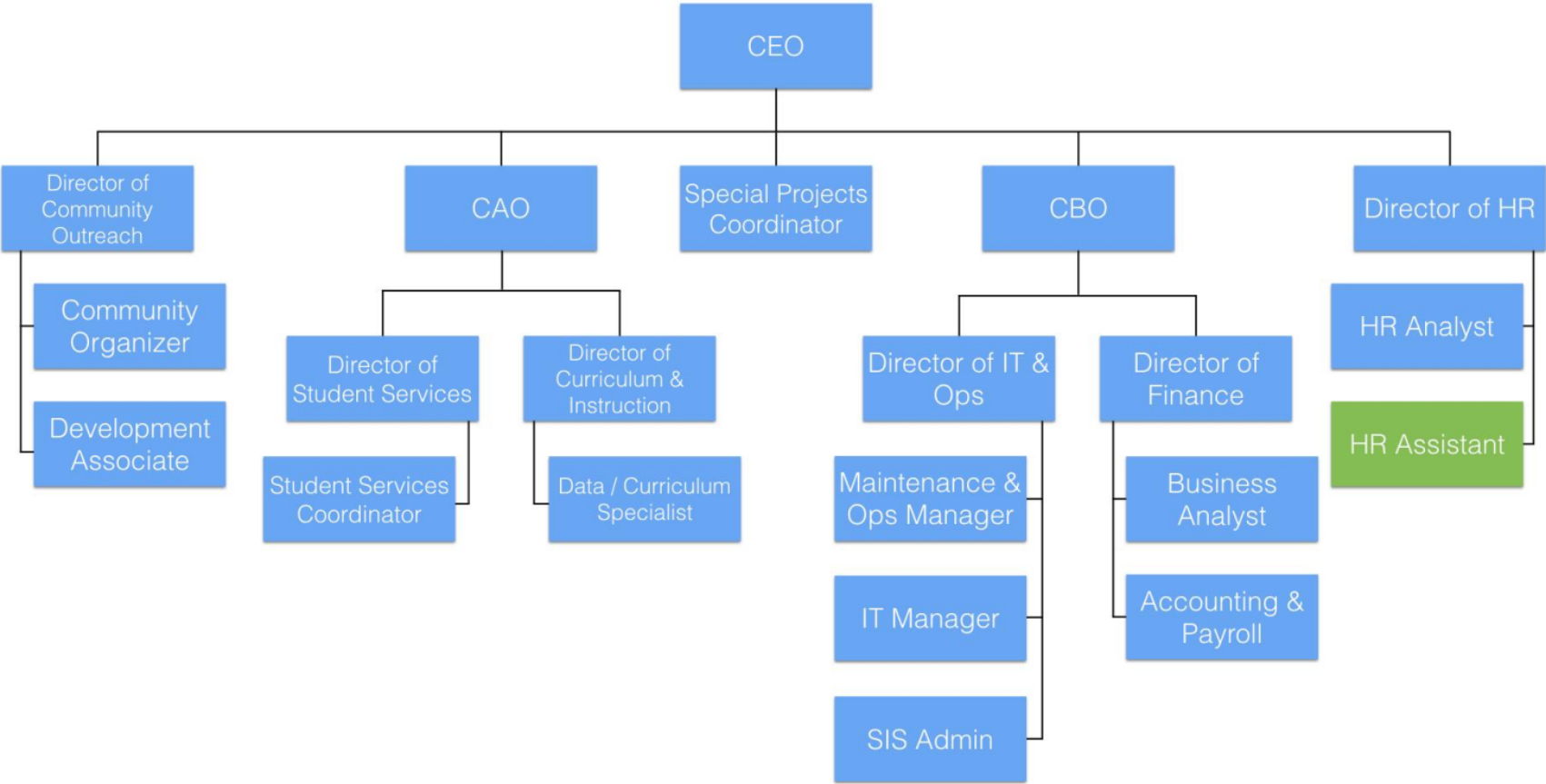
Support Office Management of School Personnel

- CEO manages School 3 principal; CAO manages GPS & HPS principals
- If our pipeline is ready, we will have principals in residence at GPS & HPS
- CBO manages facilities consultant/project management

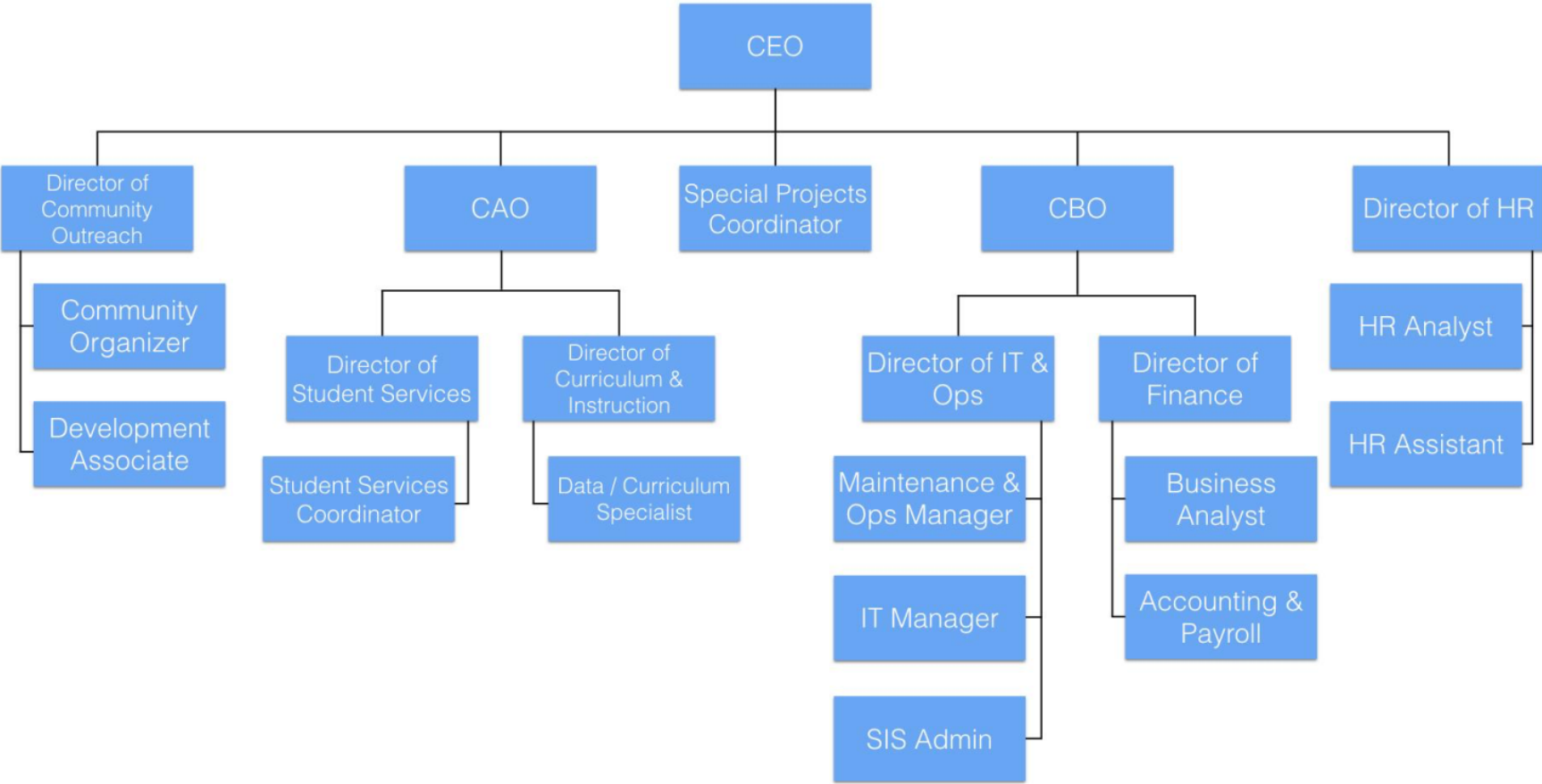
Support Office Team 2019-20



Support Office Team 2020-21



Support Office Team 2021-22



Increased SO Efficiency



	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22		2025-26	2026-27	2027-28
SO FTE	7	12	19	20	21	20		19	19	19
Students/ SO FTE	115	78	56	66	75	95		137	144	147
SO FTE / School	3.6	6.1	9.6	6.7	5.3	4.0		3.8	3.8	3.8

Typical reduction in efficiency in advance of growth that ultimately leads to greater efficiency at scale

“Tight” or “Loose”?

We are guided by the following principles in determining what is controlled centrally versus at school sites

- Core elements of the Navigator educational model are defined centrally and held consistent across all of our schools
- Schools own the implementation of the Navigator educational model with principals and teachers as valued leaders
- Non-academic functions are tightly defined and centrally led in order to increase efficiency and allow schools to focus on academics
- A centralized approach is taken in areas that involve the Navigator brand or require us to speak with one voice

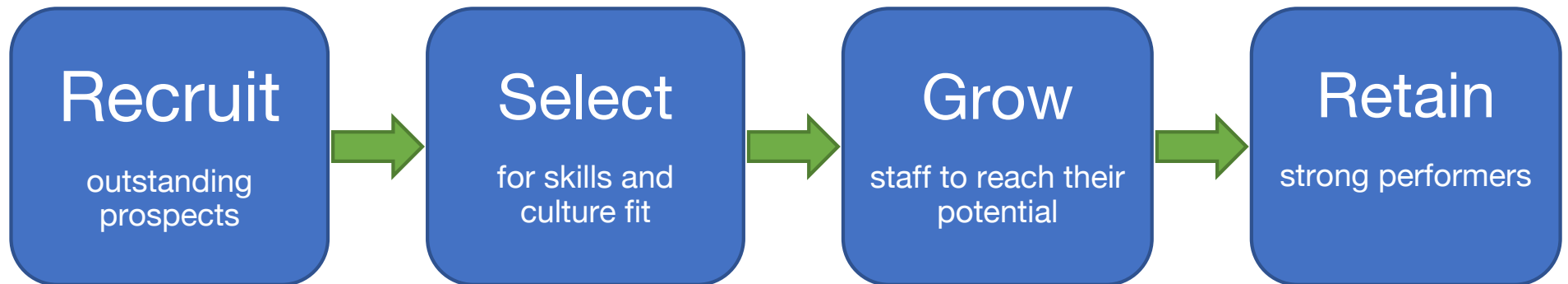
Where Decisions Sit



Domain	Tight/Centralized	Loose/School-based
Mission & Core Values	██████████	
Strategy	██████████	
Compass Points	██████████	
IT	██████████	
Operations & Facilities	██████████	
Student & Staff Recruiting	██████████	
Compliance/Legal Matters	██████████	
Finance/Budgeting		██████████
Branding/Communications		██████████
Teacher Compensation		██████████
Family Relations		██████████
School Staff Hire/Fire		██████████
School Relations/Discipline		██████████

Talent

Our Talent Strategy



Recruitment: Two Big Rocks



Our talent capacity will need to significantly evolve in order to tackle two notable new challenges

- 1) Hiring ~205 new staff to fuel our growth to five schools
- 2) Entering new communities where Navigator does not have an established brand or network

Teacher Recruitment

- Our Teacher In Training program is the cornerstone of our strategy to grow more teachers
- 86% of Teachers In Training receive offers to become lead teachers at Navigator
- We estimate 75% of our teachers will begin as Teachers in Training

Recruiting: Teachers In Training

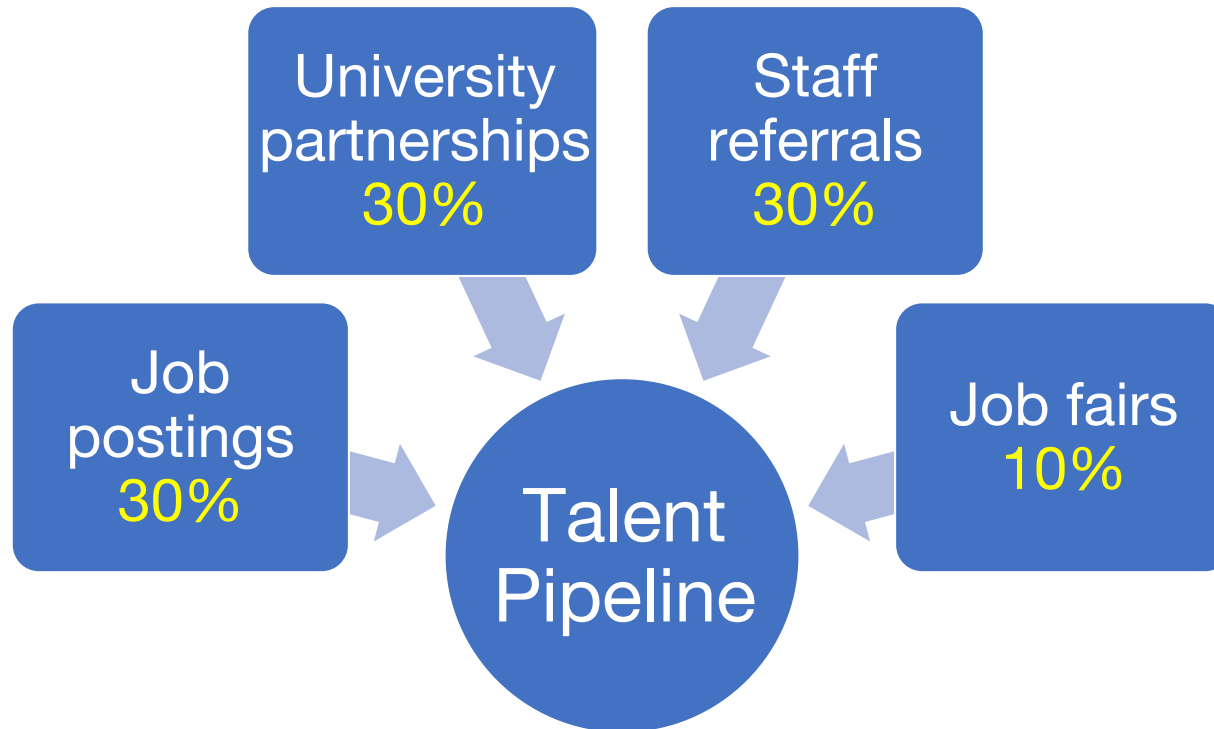
Teachers In Training:

- Have a BA but not necessarily teaching experience
- Have passed the CBEST
- Are enrolled in a teacher credentialing program
- Assist successful Navigator teachers for one year and receive intensive professional development and practical experience

Recruitment: Why Navigator?

- Most of our target candidates are choosing between Navigator and district schools
- We appeal to candidates by offering:
 - a results-oriented culture
 - an innovative instructional model
 - compensation that is competitive with the local district's
 - intensive professional development
 - opportunities for leadership over time
- Recent teacher offers that were accepted: 29 out of 30 = 97%

Recruitment: Channels



Selection: Criteria



During the selection process, the hiring team (HR, SO and site leadership and staff) is looking for evidence of a strong mission fit during all stages of the selection process:

- Aura of positivity
- Collaborative
- Flexibility
- Constantly striving to improve
- Goal-oriented
- Hunger for developing themselves and others
- Perseverant

Growing Staff to Reach Their Potential



- Intensive on-boarding: Navi 101 and Navi 201
 - Culture, values, expectations, and core practices
- Weekly coaching and feedback sessions
- Weekly targeted professional development
- Performance evaluation system
- Leadership opportunities

Our Leadership Pipeline

- To get to five schools, we need to fill at least nine leadership roles
 - Three principals
 - Six VPs, deans, APs
- We insist on hiring principals from within to ensure fit and alignment
- Principals will have previous experience on one of our school leadership teams
- New school principals will participate in leadership training and weekly leadership coaching and feedback sessions

Retaining our Staff



We retained 97% of school staff this year!

Key drivers of retention:

- Supportive work environment with strong, positive culture
- Growth and leadership opportunities
- Competitive compensation
- Weekly curriculum and instruction coaching and professional development
- Innovative technology training and implementation
- Healthy benefits, including STRS

Finance & Fundraising

Guiding Principles for Finance



- Ensure the optimal allocation of resources to achieve outstanding student outcomes
- Ensure short- and long-term organizational health, stability, and financial sustainability
- Steward public and philanthropic resources responsibly
- Ensure that each school and SO become sustainable on recurring public revenues once they achieve scale

Key Financial Assumptions

- Public funding growth rate: LCFF avg. of ~1.8% and 1% non-LCFF
- Average teacher salary in 2017-18: \$ 55,808
- Salary inflation rate starting in 2018-19: 1.5%
- Healthcare inflation rate: 8% lowering to 4% over next 5 years
- CalStrs rate increases: About 2% to 2019-20, then 0.5% beyond
- Non-personnel expense inflation rate: 1.5%
- Support Office mgmt. fee: begins at 18% and declines to 11%
- Percent of LCFF allocated for new school facilities: 12%
- Assumes federal startup grants of \$575,000 per new school

School Unit



Schools need ~\$1.1m in private philanthropy during start up.

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	TOTAL
	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	Years 0-7
Enrollment	0	205	265	325	385	445	505	565	
Public Revenues*	150,000	2,501,953	3,286,632	3,788,402	4,508,619	5,247,685	6,023,236	6,818,978	
Expenses**	347,852	2,670,841	3,083,518	3,791,522	4,388,606	5,157,666	5,688,658	6,203,514	
Net Income	(197,852)	(168,887)	203,114	(3,120)	120,013	90,019	334,578	615,463	
Working Capital Need	534,168	82,535	0	57,904	33,799	16,179	-	-	
Private Funding Need***	732,020	251,423	0	61,024	33,799	16,179	-	-	1,094,445

* Assumes PCSGP Implementation Grant of \$575k years 0-2 and SB740 Revenue

** Assumes facilities cost of 12% of LCFF + SB 740 revenue.

*** Assumes any annual deficit + funding needed to achieve the required fund balance of 20% of following years expenditures.

*** Does not include capital expense for facilities, which is highly variable and will range from \$0 to ~\$1m depending on details.

Support Office



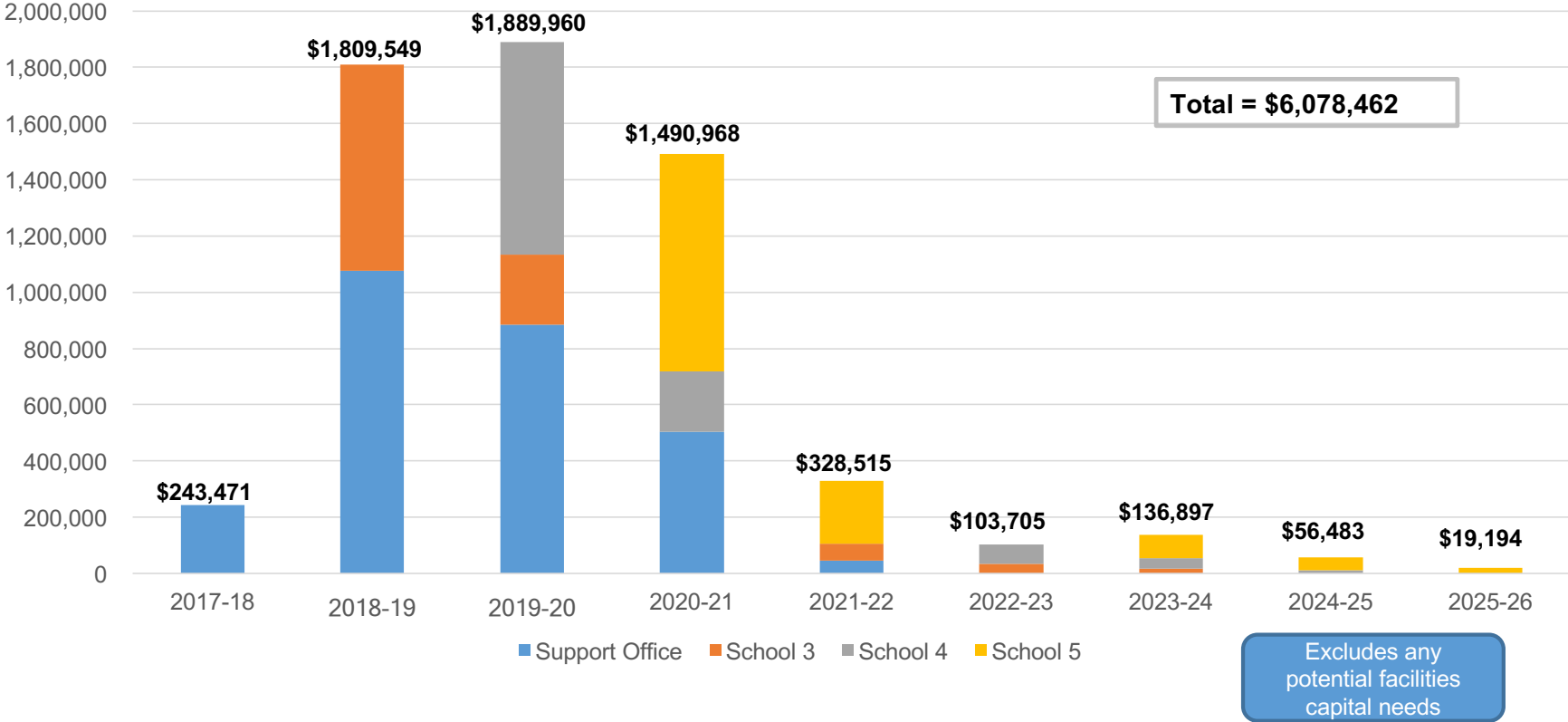
SO needs ~\$2.75m in private philanthropy to achieve scale.

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	TOTAL
# of Schools	2	2	3	4	5	5	5	5	
Enrollment	960	1,070	1,335	1,600	1,925	2,105	2,285	2,465	
Revenues - Management Fees	1,449,942	1,546,583	1,884,471	2,362,792	2,777,443	2,863,823	2,941,166	3,041,231	
Expenses	1,601,828	2,609,371	2,756,780	2,872,487	2,817,752	2,863,209	2,912,068	2,849,188	
Net Income	(151,886)	(1,062,788)	(872,309)	(509,695)	(40,308)	615	29,099	192,043	
Working Capital Need	91,585	14,741	11,571	-	-	-	-	-	
Private Funding Need*	243,471#	1,077,529	883,880	509,695	40,308	-	-	-	2,754,833

* Assumes any annual deficit + funding needed to achieve the required fund balance of 10% of following years expenditures.

Projected beginning fund balance in 2017-18 is \$179,959.

Total Philanthropic Need



Fundraising



Challenges

- Fundraising is mostly new to Navigator
- Our local communities have minimal philanthropic resources

Tailwinds

- Bay Area has large and active education philanthropy community
- Exceptional results and innovative model may interest national funders

Strategy

- Add additional fundraising capacity on Support Office team
- Increase engagement of volunteers and school community

Lessons & Mitigation

We Aim to Be Bold While Minimizing Risk



- Learn from CMO successes and failures
- Learn from our own history
- Design strategies and systems to mitigate risks

Key Lessons from CMOs

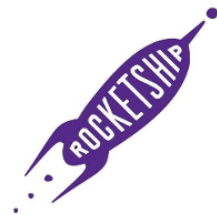


- Have a clear strategy *before* growing
- Define the model you're replicating
- Build your leadership bench
- Early stage growth demands a transition from implicit to explicit culture and systems
- Proactively define and manage the relationship between the central office and schools
- Leadership teams must be willing to evolve during growth
- Don't let growth outpace culture
- Don't underestimate the importance of politics

Unique Challenges of Multi-district Growth



Few **early stage** CMOs have pursued multi-region growth. Most grow at home before entering new districts - not an option in our geography.



Key Learnings

- Allow longer runway for new school launch
- Take community building seriously
- Adjust for demographic differences
- Be sure your school economics work
- Mitigate “outsider” status

Learning from Our Own History



While Navigator's educational outcomes have always been strong, we stumbled with our growth efforts in 2014, with three charters denied in one year.

Key lessons learned:

- Our lean “bootstrapping” spirit went too far: we lacked adequate central capacity to execute growth efforts at a high level
- We underestimated the politics: naive about authorizing process
- We were overly ambitious: went for three new charters, not one
- Importance of building in resources to maintain alignment between current sites during growth process

Key Risks & Mitigation



Risk Area	Mitigation Strategies
Politics	<ul style="list-style-type: none"> -Cultivating authentic parent and community engagement -Building support at school board, city government, and County Office of Ed
Facilities	<ul style="list-style-type: none"> -Identifying feasible start-up locations for first 3 years as alternative to Prop 39 -Building reserves until scale is reached to support permanent facility solutions
Student Recruitment	<ul style="list-style-type: none"> -Building relationships with preschool providers -Providing educational events that demonstrate small group model and 1:1 tech
Fundraising	<ul style="list-style-type: none"> -Minimizing need for philanthropic support to achievable levels -Maintaining high levels of academic achievement to be attractive for investment
Changing Demographics	<ul style="list-style-type: none"> -Focusing student recruitment on low-income families -Developing relationships with CBOs that serve low-income families

Appendix

Supporting Materials

(Available Upon Request)



Growth Planning

- Financial Model
- Greenlighting

Framework

Academic Model

- Curriculum Map
- Teaching Strategies

Other Critical Documents

- HR Playbook
- Performance Evaluation System
- ITOM Handbook
- ITOM Dashboard
- Decision Rights
- Performance Dashboard
- Teacher Development Pathway
- Leadership Development Model