

TO: Zoning, Neighborhoods & Development Committee  
of the City of Milwaukee

FROM: Lawrence M. Hoffman  
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Milwaukee, WI 53212  
Representing Schools and Communities United

DATE: October 4, 2016

RE: Testimony – Opposition to Resolution Selling Carlton E.S. to Rocketship

Please include this memo as testimony for agenda item #10 in file #151894.

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**Selling Carlton Elementary School to Rocketship should register as problematic with this committee.** Perhaps the most concerning are **fiscal issues**. They have been raised at two meetings of the Charter School Review Committee (CSRC).

1. **“They’re bleeding money.”** It is stated in the CSRC’s approved minutes for May 25 of this year:

“Rocketship - He [Carl Cira of ML Tharps] has some concerns about this school as they're bleeding money. He has talked to them and they have a deficit of \$1.4 million and projecting another \$400,000 deficit for this year as well [as] \$300,000 for 2016/17. The school says that after next year they will break even and then be generating a surplus in the following years. 2016/17 will be in the fourth year of a contract with the city. The parent organization is still financially supporting this school. Mr. Steinbrecher would like to get a copy of the monthly reports on this school as they come in as well as the budget-to-actual. One problem might be high salaries. They are only financially viable to continue as the parent organization is funding them.... They have enough funds to meet their current obligations, but they are looking at a \$2 million long-term liability.”

CSRC summoned Rocketship management from their main office in California, and at the CSRC meeting of June 9, they testified that they would cover the losses of their individual schools. A similar policy had been adopted by Lighthouse charter schools, but by last year, the Northpoint Lighthouse charter school in Milwaukee had apparently lost more money than the owners could tolerate. Subsequently Northpoint was closed, and most of the kids transferred to MPS. **How long will Rocketship’s national office allow their Milwaukee school or schools to remain open if they continue to lose money?**

## 2. What's their enrollment, compared to their original projection?

When Rocketship came to Milwaukee, their enrollment projection was **5,000 students at eight K-through-5 schools**. It has come nowhere near that projection.

*“Is there a direct relationship between the enrollment at [Southside Rocketship] and their ability to break even and their ability to stay open?”* I asked this question at the June 9 meeting.

The committee's answer was: *“Yes.... So we'll wait and see the results.... No school can guarantee that every student's going to come there. That number will be confirmed when school starts in September and with the 3<sup>rd</sup> Friday count....”*

*“What are their revised goals today?”* I asked this at the same meeting.

The committee could have asked the Rocketship managers in the room, but they didn't. I don't know why. The committee simply said: *“I can't answer that question.”*

**Rather than assuming that a new Rocketship school is going to open, the City might keep a close eye on the enrollment and the enrollment trends at Southside Rocketship.**

**3. Other issues.** Other significant issues could be raised in oral testimony.