



# UNDER PRESSURE

**LEADING SCHOOLS THROUGH  
SCARCITY AND STRESS**



# SPEAKERS



**KENNEDY HILARIO**  
ACE CHARTER SCHOOLS



**BILL TOOMEY**  
INGENIUM SCHOOLS



**SEBASTIAN COGNETTA**  
ALLEGIANCE STEAM ACADEMIES



**JASON SITOMER**  
CHARTER IMPACT

# AGENDA

## STORIES FROM THE FIELD

- **ACE : FINANCIAL DEFICIT & ENROLLMENT DECLINE**
- **INGENIUM: MORALE, CULTURE, & RETENTION**
- **ALLEGIANCE: EFFICIENCY & COMPLIANCE CHALLENGES**
  
- **MISSION BRIEF - ACTIVITY**
- **Q&A**



# WHO IS IN THE ROOM?



# SITUATION: FINANCIAL DEFICIT & ENROLLMENT DECLINE

ACE Charter Schools faced significant financial and enrollment challenges in the post-pandemic era, shaped by shifting political, financial, and demographic conditions.

Quick and decisive action was required to avoid the fate of nearby district and charter schools that were forced to close due to financial insolvency.



## CHALLENGES



- \$9M revenue loss from declining enrollment and the expiration of COVID relief funds.
- Schools operating on minimal reserves or deficit budgets.
- 25% enrollment decline over the past seven years.

## CAUSES



- Reliance on COVID funds to hire permanent staff.
- Declining enrollment driven by high cost of living, outmigration, and low birth rates.
- Turnover in key personnel (CFO, Senior Accountant, Business Manager).

## CONSTRAINT



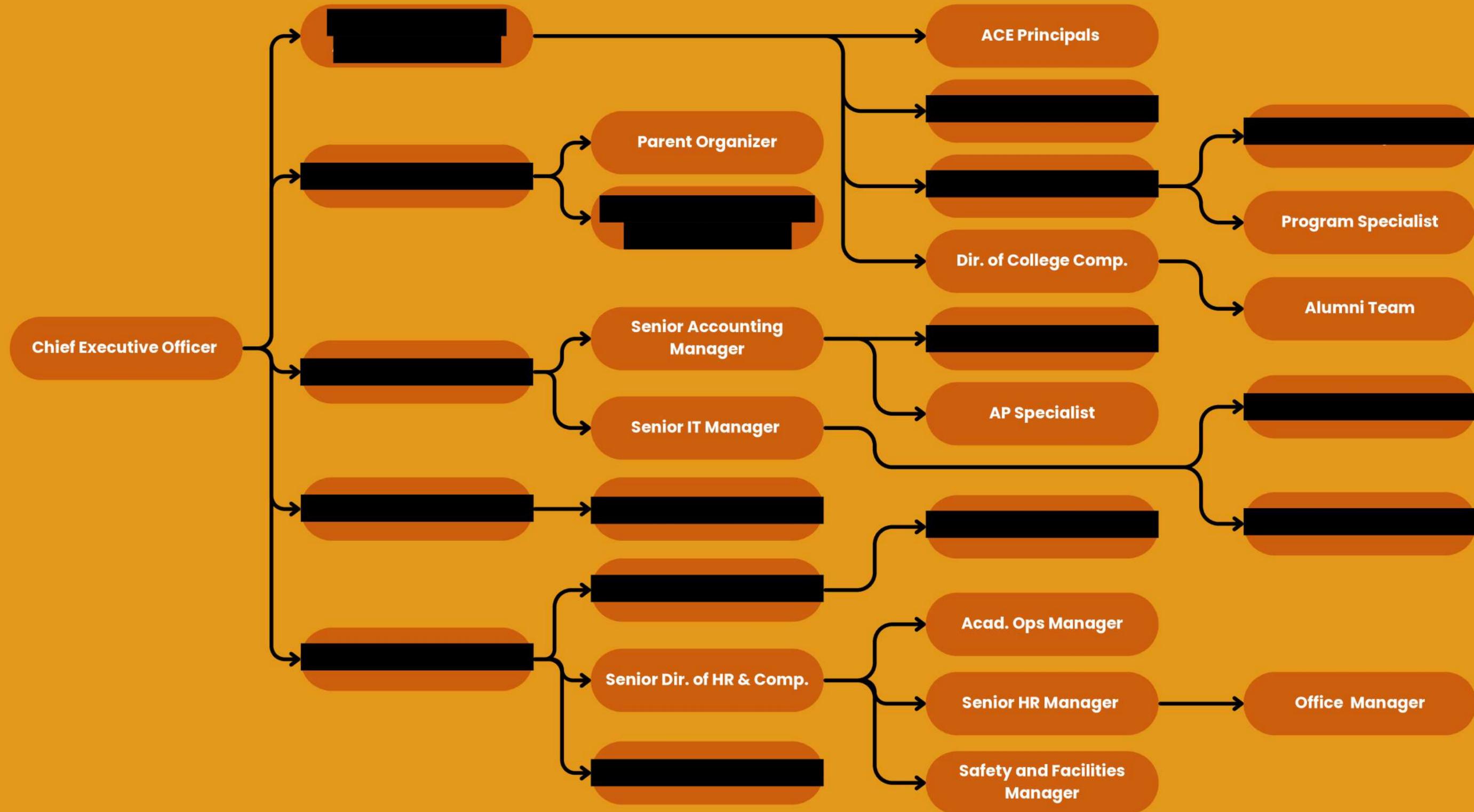
ACE needed time to determine which staff roles could be eliminated, consolidated, or outsourced. At the same time, the organization had to cut \$9M in costs within two years.



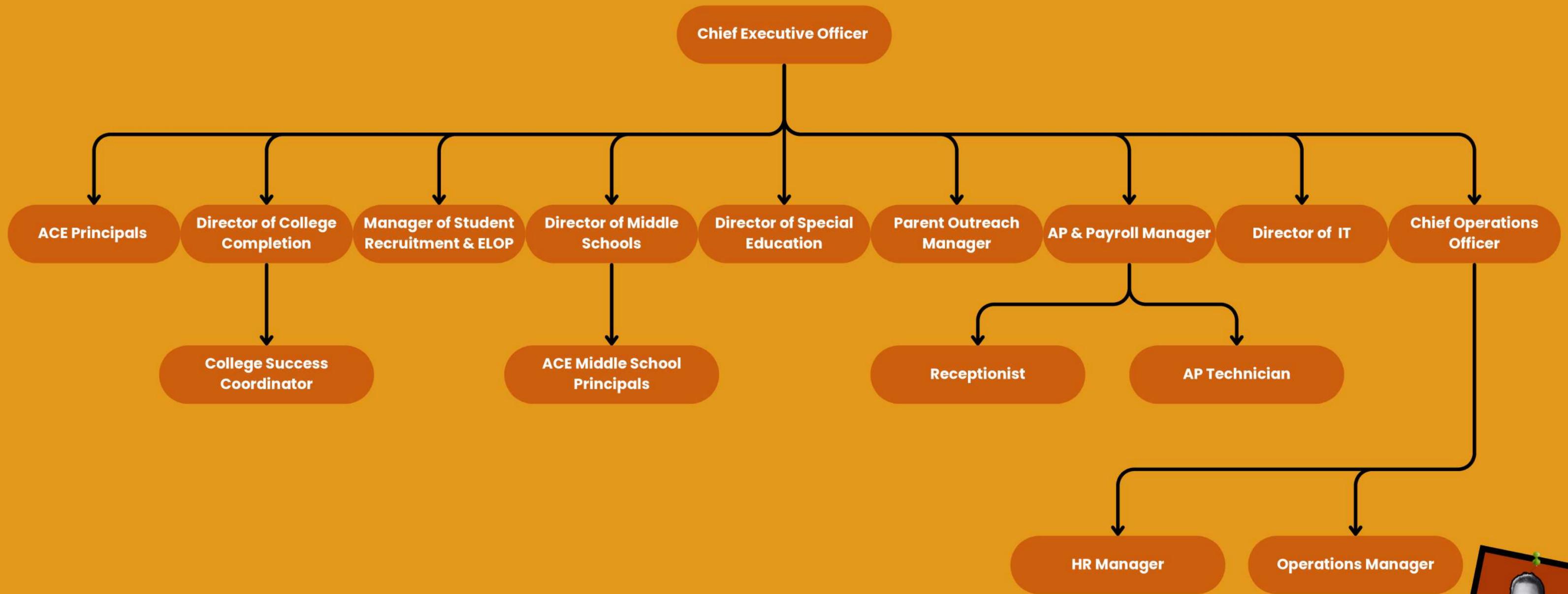
# ACE ORG CHART - 2022-2023



# ACE CMO ORG CHART - REDUCTION



# ACE CMO ORG CHART - 2025 UPDATE



# ACTIONS: SOLUTIONS TO ACHIEVE FINANCIAL STABILIZATION

- Outsourced back-office functions to stabilize operations and used consultants instead of hiring full-time roles.
- Rightsized the organization by reducing staffing by 40% (over 100 FTEs in three years).
- Adjusted school site staffing levels with direct input from site leadership.
- **Increased fundraising efforts:**
  - Secured large grants such as CCSPP (\$6M over seven years).
  - Successfully applied for \$2.6M in ERTC reimbursement funds.
- **Revamped student recruitment with a \$300K investment in marketing and outreach:**
  - Social media campaigns (Google AdSense, Meta/Facebook).
  - Parent-led recruitment through neighborhood canvassing.
  - Billboard and bus advertisements.
  - Mall and hospital signage.
  - Radio ads.
  - Partnerships with community organizations to host local events.



# TRACKING OF MULTI-YEAR FUNDS OVER TIME

**Sample Charter School**  
**Multi-Year One-Time Funding Planning Tracker**  
 Revised 10/24/2022

| Source                           | Resour | Expiratio | Typ   | Total             | FY20-21          | FY21-22          | FY22-23          | FY23-24          | FY24-25          | FY25-26          | FY26-27          | FY27-28          |
|----------------------------------|--------|-----------|-------|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|                                  |        |           |       | Other Federal:    | -                | 1,295,780        | 2,082,737        | 1,902,245        | -                | -                | -                | -                |
|                                  |        |           |       | Other State:      | 1,215,530        | -                | 334,820          | 251,491          | 1,501,372        | 1,409,252        | 1,699,440        | 1,699,440        |
| LRS                              | 6537   | 6/30/2023 | State | 256,223           | -                | -                | 256,223          | -                | -                | -                | -                | -                |
| DPF                              | 6536   | 6/30/2023 | State | 57,228            | -                | -                | 57,228           | -                | -                | -                | -                | -                |
| ESSER II                         | 3212   | 9/30/2023 | Fed   | 1,329,056         | -                | 876,177          | 452,879          | -                | -                | -                | -                | -                |
| ELOG (ESSER II)                  | 3216   | 9/30/2023 | Fed   | 321,016           | -                | 321,016          | -                | -                | -                | -                | -                | -                |
| ELOG (GEER II)                   | 3217   | 9/30/2023 | Fed   | 73,676            | -                | 73,676           | -                | -                | -                | -                | -                | -                |
| ELOG (State - General)           | 7425   | 9/30/2024 | State | 1,001,657         | 1,001,657        | -                | -                | -                | -                | -                | -                | -                |
| ELOG (State - Para)              | 7426   | 9/30/2024 | State | 213,873           | 213,873          | -                | -                | -                | -                | -                | -                | -                |
| ELOG (ESSER III - Emergency)     | 3218   | 9/30/2024 | Fed   | 209,265           | -                | -                | 209,265          | -                | -                | -                | -                | -                |
| ELOG (ESSER III - Learning Loss) | 3219   | 9/30/2024 | Fed   | 360,737           | -                | -                | 360,737          | -                | -                | -                | -                | -                |
| ESSER III                        | 3213   | 9/30/2024 | Fed   | 2,389,610         | -                | 24,860           | 700,000          | 1,664,750        | -                | -                | -                | -                |
| ESSER III                        | 3214   | 9/30/2024 | Fed   | 597,402           | -                | 51               | 359,856          | 237,495          | -                | -                | -                | -                |
| UPK                              | 6053   | 6/30/2024 | State | 139,878           | -                | -                | -                | 139,878          | -                | -                | -                | -                |
| A-G Completion                   | 7412   | 6/30/2026 | State | 81,723            | -                | -                | 11,613           | 11,613           | 20,431           | 38,066           | -                | -                |
| AMIMD                            | 6762   | 6/30/2026 | State | 2,427,280         | -                | -                | -                | -                | 1,213,640        | 1,213,640        | -                | -                |
| EEBG                             | 6266   | 6/30/2026 | State | 534,603           | -                | -                | 9,756            | 100,000          | 267,302          | 157,546          | -                | -                |
| LRBG                             | 7435   | 6/30/2028 | State | 3,398,880         | -                | -                | -                | -                | -                | -                | 1,699,440        | 1,699,440        |
| <b>TOTAL</b>                     |        |           |       | <b>13,392,107</b> | <b>1,215,530</b> | <b>1,295,780</b> | <b>2,417,557</b> | <b>2,153,736</b> | <b>1,501,372</b> | <b>1,409,252</b> | <b>1,699,440</b> | <b>1,699,440</b> |

Ensure that spending is on-track for what is in your budget/forecast and see how the spending cliff can be extended



# PLANNING FOR THE CLIFF HYPOTHETICAL SCENARIOS

|                          | ESSER Ends       |                | LREBO Ends      |                  |                  |
|--------------------------|------------------|----------------|-----------------|------------------|------------------|
|                          | 2022-23          | 2023-24        | AMIMBO Ends     |                  | 2026-27          |
|                          |                  |                | 2024-25         | 2025-26          |                  |
| <b>LCFF COLA</b>         | 13.26%           | 8.22%          | 0.76%           | 2.73%            | 3.11%            |
| <b>Salary Scale COLA</b> | 13.00%           | 8.00%          | 3.00%           | 3.00%            | 3.00%            |
| OPEX COLA                | 3.00%            | 3.00%          | 3.00%           | 3.00%            | 3.00%            |
| Total Revenue            | \$ 30,842,144    | \$ 31,839,636  | \$ 32,564,653   | \$ 33,321,657    | \$ 33,656,798    |
| Total Expenses           | 29,721,399       | 31,554,130     | 32,599,151      | 33,574,289       | 34,581,518       |
| <b>Annual Surplus</b>    | <b>1,120,745</b> | <b>285,506</b> | <b>(34,498)</b> | <b>(252,632)</b> | <b>(924,720)</b> |

Increases Consistent with LCFF



Increases Flatlined

|                          | ESSER Ends       |                  | LREBO Ends       |                  |                |
|--------------------------|------------------|------------------|------------------|------------------|----------------|
|                          | 2022-23          | 2023-24          | AMIMBO Ends      |                  | 2026-27        |
|                          |                  |                  | 2024-25          | 2025-26          |                |
| <b>LCFF COLA</b>         | 13.26%           | 8.22%            | 0.76%            | 2.73%            | 3.11%          |
| <b>Salary Scale COLA</b> | 8.00%            | 5.00%            | 3.00%            | 3.00%            | 3.00%          |
| OPEX COLA                | 3.00%            | 3.00%            | 3.00%            | 3.00%            | 3.00%          |
| Total Revenue            | \$ 30,842,144    | \$ 31,839,636    | \$ 32,564,653    | \$ 33,321,657    | \$ 33,656,798  |
| Total Expenses           | 28,978,364       | 30,291,965       | 31,213,687       | 32,147,382       | 33,111,803     |
| <b>Annual Surplus</b>    | <b>1,863,780</b> | <b>1,547,671</b> | <b>1,350,966</b> | <b>1,174,276</b> | <b>544,995</b> |



# SITUATION: MORALE, CULTURE, & RETENTION HIT A LOW

## Symptoms of decline:

- High turnover rates.
- Teacher concerns expressed at ICS board meetings.
- Lack of transparency in leadership decisions (Admin moved without explanation).
- Limited support for teachers (credentialing, recognition, career growth).

## Data snapshot (worst year):

- Teacher/Staff retention rate: 60% (lowest point).
- Morale scores (Panorama/other surveys): 35%.
- Salaries ranked below top 50% in the region.

## CAUSES



- Lack of transparent communication and trust in leadership.
- Limited feedback loops between teachers and administration.
- Credentialing barriers and lack of structured support programs.
- Compensation and benefits lagging behind peers.
- Recognition and appreciation often missing.



# PROGRAMS & INITIATIVES INTRODUCED

**Leadership Shift:** Full transparency and open Q&A sessions with staff.

## **Teacher Voice:**

- Stay Interviews.
- Panorama Surveys (regular morale/joy % tracking).
- 30-60-90 day check-ins for new staff.

## **Support & Development:**

- Addressed credentialing challenges.
- Brought back TAP (Teacher Advisory Panel).
- Increased autonomy for principals to support site-level needs.

## **Well-being & Recognition:**

- Celebrating successes and award ceremonies.
- Structured check-ins for ongoing support.



# COMPENSATION & INCENTIVES

- Salaries increased from below top 50% → top 20% in the region.
- New 403B retirement benefit for classified staff.
- Extra pay opportunities and incentives for leadership, mentoring, and special projects.
- Annual bonuses tied to performance and retention.



# CLOSING: LESSONS LEARNED

- Leadership transparency and trust-building are foundational.
- Data is only valuable if acted upon.
- Recognition and incentives matter—but authentic listening matters more.
- Pride and legacy matter to staff—using social media to highlight schools and celebrate successes
- Continuous improvement keeps retention strong and culture thriving.



# UNDERSTANDING THE COST OF INCREASES

- **Hypothetical Scenario**
- **Base Case is 25 Teachers at \$65K salary**
- **Comparison is total cost of 5% increase**

|            | Salary    | Benefits         | Total         |
|------------|-----------|------------------|---------------|
| \ Base     | 1,625,000 | 578,138          | 2,203,138     |
| \ 5% Raise | 1,706,250 | 593,307          | 2,299,557     |
|            |           | Cost of Increase | <b>96,419</b> |



# UNDERSTANDING THE COST OF INCREASES

## What else can be offered?

- **Work from home**
- **Flex days and support staff**
- **Conceptual input**
- **Career options**
- **Having an impact**
- **Professional development**
- **Recognition**
- **Increased transparency**
- **Understanding your staff's needs**



# **SITUATION: SMALL CENTRAL OFFICE = EFFICIENCY & COMPLIANCE CHALLENGES**

- **ASA operates with a lean central office, designed to minimize overhead and prioritize resources for students. However, this structure has resulted in critical inefficiencies in central office responsibilities including HR and compliance.**
- **Quick and strategic action was required to ensure operational effectiveness, meet compliance obligations, and sustain organizational growth.**



## CHALLENGES



- HR processes delayed (onboarding, credentialing, evaluations).
- Compliance risks from reporting gaps and limited monitoring capacity.
- Financial reporting often reactive instead of proactive.
- Staff feeling stretched with unclear role boundaries.

## CAUSES



- Minimal central staffing by design (“do more with less”).
- High dependency on site-based leaders to manage non-instructional tasks.
- Rapid organizational growth without proportional increase in back-office capacity.

## CONSTRAINT



ASA must balance its lean model with the need for compliance and efficiency. Additional staffing alone is not feasible—solutions must blend role redesign, outsourcing, and technology-driven process improvements.



# ACTIONS: SOLUTIONS TO STRENGTHEN OPERATIONS

- **AI-Driven Efficiency:** Leveraged AI tools to automate repetitive administrative tasks, freeing staff to focus on strategic priorities.
- **Governance Support Overhaul:** Introduced a revised board protocol—policies are reviewed monthly, with adoption scheduled for the following month.
- **HR Practices Redesign:** Implemented new SOPs—policy revisions are frontloaded to staff, input is solicited, and timelines for adoption/implementation are clearly communicated.
- **Staff Input & Engagement:** Established an annual calendar for staff feedback and participation in policy development.
- **Leadership Best Practices:** Codified practices such as delivering difficult news in person to build trust and accountability.



# ROCKS | PEBBLES | SAND



## Rocks

The most important things in your life  
**Standard Funding**

## Pebbles

Important, but you can live without  
**One-Time Funding**

## Sand

Filler activities that aren't important  
**Left-over/Any Funding**





## MISSION BRIEF

|                      |                       |
|----------------------|-----------------------|
| Open Date:           | Aug 27, 2018          |
| Location:            | Chino and Fontana, CA |
| Number of Sites:     | 2                     |
| Number of Employees: | 170                   |
| Combined Enrollment: | 1320                  |
| UFP:                 | 44%                   |

Sebastian Cognetta  
CEO

### THE CHALLENGE: STAFFING TURNOVER

- Staff retention was consistently above 90% from network's founding in 2018 through 2023-24 school year.
- In 2024-25, staff retention dropped to ~85%, marking significant rise in turnover.

### THE CHALLENGE: LOW TRUST & COLLABORATION

- **Communication & Support:** Growing perception among staff of poor communication from leadership and inconsistent support.
- **Overburdened Staff:** Teachers feel overwhelmed by unclear expectations and an uneven distribution of responsibilities, leading to burnout.
- **Eroding Trust:** Exit interviews and staff surveys echo these frustrations - many employees reported feeling unheard and undervalued, reflecting an erosion of trust in leadership.

### THE PLAN:

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## MISSION BRIEF

|                      |              |
|----------------------|--------------|
| Open Date:           | Aug 20, 2018 |
| Location:            | San Jose, CA |
| Number of Sites:     | 4            |
| Number of Employees: | 118          |
| Combined Enrollment: | 897          |
| UFP:                 | 82.60%       |

Kennedy Milano  
CEO

### THE CHALLENGE: BURNOUT & TURNOVER

- **Increased Workload:** With fewer staff, teachers are carrying more admin tasks and larger student loads.
- **Mental & Emotional Stress:** Teachers are juggling teaching, counseling, and tech support roles.
- **Lack of Support:** Professional development has not kept up with post-COVID student needs.
- **Compensation Concerns:** Many staff feel pay and stipends don't reflect the workload.
- **Student Behavior Issues:** Post-COVID disengagement and behavioral challenges increase stress.

### THE CHALLENGE: LOW TRUST & COLLABORATION

- **Across Schools:** Collaboration between sites is minimal.
- **Between Staff & Leadership:** Broken promises, inconsistent systems, and poor communication have eroded trust.
- **Perception:** Staff often feel unheard and undervalued in decision-making.

### THE PLAN:

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# MISSION DEBRIEF

**ANY QUESTIONS?**



# MISSION BRIEF



Sebastian Cognetta  
CEO

|                             |                              |
|-----------------------------|------------------------------|
| <b>Open Date:</b>           | <b>Aug 27, 2018</b>          |
| <b>Location:</b>            | <b>Chino and Fontana, CA</b> |
| <b>Number of Sites:</b>     | <b>2</b>                     |
| <b>Number of Employees:</b> | <b>170</b>                   |
| <b>Combined Enrollment:</b> | <b>1320</b>                  |
| <b>UPP:</b>                 | <b>44%</b>                   |

## THE CHALLENGE: STAFFING TURNOVER

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## THE PLAN:

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Kennedy Hilario  
CEO

# MISSION BRIEF

|                             |                     |
|-----------------------------|---------------------|
| <b>Open Date:</b>           | <b>Aug 20, 2012</b> |
| <b>Location:</b>            | <b>San Jose, CA</b> |
| <b>Number of Sites:</b>     | <b>4</b>            |
| <b>Number of Employees:</b> | <b>115</b>          |
| <b>Combined Enrollment:</b> | <b>897</b>          |
| <b>UPP:</b>                 | <b>82.60%</b>       |

## THE CHALLENGE: BURNOUT & TURNOVER

- **Increased Workload:** With fewer staff, teachers are carrying more admin tasks and larger student loads.
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