

eStem Responses to Charter Authorizing Panel Questions

1. What prompted to change in locations? What caused you to make the requested changes to the organizational structure (grade spans/locations) of your schools?

- a. The proposed change in locations was prompted by several factors, including:
 1. Current building occupancy – The occupancy rate of our five buildings during the 24-25 school year ranged from 38% to 83%. The available capacity across the five buildings was over 800 students, with 700 of those seats located in our 3rd Street and East Village buildings.
 2. Our work with Mariposa Consulting – Throughout the end of the 23-24 school year and the 24-25 school year, we worked with Mariposa Consulting to identify and implement recruitment and retention best practices. We committed tens-of-thousands of dollars to developing and implementing this plan. Despite these efforts, our enrollment has not returned to pre-COVID levels, leaving our facilities' footprint and enrollment out of balance. Given the fixed facility costs and declining revenue, we found ourselves in a position where we were more concerned about the 800 students *not* in our schools than the 2,400 students *in* our schools. That did not sit well with the team and me.
 3. Our work with Afton Consulting – Also, throughout the end of the 23-24 and the 24-25 school years, we worked with Afton, a financial consultant, to establish a new budget framework and incorporate best practices. During this partnership, it became clear that we were operating unsustainably given our fixed costs, declining revenue, and the personnel required to staff five buildings.
 4. To solve these issues, we worked with Afton to create a new financial model built around our 2024-2025 3rd Quarter ADM (2381) that identified all recurring and nonrecurring revenue streams; allocated 65% of recurring revenue to personnel, 23% to non-personnel, non-facilities, and 12% to facilities. Nonrecurring revenue was earmarked for specific supplemental or one-time projects. To meet both the personnel and facilities benchmarks of our new sustainable model, it became clear that we needed to operate with four buildings, all with a more efficient occupancy rate. Under our new structure, three buildings are operating at over 85% capacity (two over 92%), and the one that isn't will also house two-thirds of our CMO staff.

2. Discuss the facility fit for the students moving from UALR.

- a. The larger building in East Village, formerly East Village Elementary School, was selected for the new location for eStem High School because of its size, layout, parking access, and the ease with which it can be retrofitted for high school use. The facility features a spacious, open layout with the necessary classrooms and capacity to accommodate students from 9th grade through 12th grade in the same location. It has a lunchroom and access to outside space for lunch and instruction. To serve our staff and students, we have more than 160 parking spots in the East Village neighborhood - in addition to

street and public parking. Additionally, we are performing renovations to ensure the building is well-equipped for high school use, including adding internet drops for more computer labs, modifying floors and plumbing fixtures in art rooms and labs, removing cabinetry to create additional space, and converting demonstration science labs to participation science labs.

3. What is the rationale for the locations of choice?

- a. We developed the proposed plan with the goal to maximize utilization of facilities to focus resources for education. Additional considerations are outlined below:
 - i. Once it was decided that we would move forward with four buildings, our team developed a few non-negotiables.
 - 1. We wanted to continue to serve grades K-12.
 - 2. We wanted to ensure all current eStem students had a spot for the 25-26 school year.
 - ii. We also looked back at our history and identified trends from when we were performing at our best.
 - 1. We were committed to downtown Little Rock.
 - 2. We offered one pathway for students to move through eStem from kindergarten to 12th grade.
 - iii. We created a plan that allowed us to meet our non-negotiables, commit to downtown Little Rock, and offer a high-quality pathway for all students from Kindergarten through 12th grade.
 - 1. This included combining our elementary schools into one K-6 school to ensure consistency and free up the larger East Village building for eStem High.
 - 2. We spread the elementary school over the Gazette (K-4th) and Federal Reserve (5th-6th) buildings due to their capacity, the proximity to each other, and the demand from parents to attend elementary school at our downtown location.
 - 3. This necessitated that we relocate the current Junior High School to the smaller East Village building. This decision was made because our Junior High School only serves 7th and 8th grades, and the smaller East Village Building has the smallest capacity. We also wanted the Junior High School to be near the high school so that we can efficiently accelerate middle school students and offer advanced high school classes.

4. Discuss rationale for each location move.

- a. Combined with the above.

5. Discuss the background for the exit from UALR.

- a. The background for the exit from UA-Little Rock consists of several factors:
 - i. The current capacity of the facility on UA-Little Rock's campus is 600 students, which means that we can only accommodate students in 10th through 12th grade at that location. The original plans called for eStem to renovate a portion of the neighboring Ross Hall to expand the space and increase the capacity. However, during those discussions, it became clear that a renovation of Ross

Hall would necessitate the addition of sprinklers to several floors. This made the renovations prohibitively expensive.

- ii. Additionally, our facility lacked a cafeteria, which necessitated leasing extra space at an additional cost to serve lunch.
 - iii. The facility at UA-Little Rock is also six miles from our campuses on West 3rd Street and seven miles from our campuses in East Village, making it a difficult commute for parents or guardians dropping off at both locations. Some families had drop-off and pick-up at all three locations.
 - iv. Finally, the facility on UA-Little Rock campus was leased, whereas the four located in downtown Little Rock are owned.
- b. Once the decision was made to move forward with four buildings instead of five, these factors led to our decision to prioritize operating the four buildings in downtown Little Rock.

6. Describe the current relationship between the school and UALR.

- a. We have a positive relationship with UA-Little Rock. We have worked closely throughout the year to expand CTE and concurrent credit offerings aligned to the state's pathways for graduation with merit and distinction. We will have our first cohort of the Collegiate Academy taking courses at UALR this fall, and we will continue to partner with UA-Little Rock on concurrent courses moving forward. Dr. Drale understood the need to consolidate into our four downtown buildings. In my opinion, both sides have worked hard to support each other through this transition and to continue a partnership moving forward.

7. Discuss traffic plans for each school.

- a. Our traffic plans for each school will be in line with our previous traffic plans, which were worked out with support from LRPD and the City of Little Rock and are supported by LRPD officers. The total number of students at each location is in line with previous years:
 - i. Gazette Building
 - 1. 2025 – 885
 - 2. 2023 – 892
 - ii. Federal Reserve
 - 1. 2025 – 379
 - 2. 2023 – 406
 - iii. East Village Large
 - 1. 2025 – 721
 - 2. 2023 – 772
 - iv. East Village Small
 - 1. 2025 - 393
 - 2. 2023 – 292
- b. The only substantial difference is the increase in students at the smaller East Village location, a net increase of 50 students. Officer Don Williams met with Clay Henry, the chief traffic engineer for the city of Little Rock, last week, and they are confident that the existing plans will support the increase in student enrollment. However, we remain committed to working with LRPD, the City of Little Rock, and our neighbors to modify

our traffic procedures as necessary to ensure our school traffic is comparable with the traffic created by other schools throughout the city.

8. How are you handling the exit from the partnership with UA-Little Rock? Is money still owed on the Larson Hall facility? Was UA-Little Rock receptive to ending the partnership? Will you continue to partner with them in any manner (offer concurrent credit courses, use of athletic facilities, etc)?

- a. We are coordinating with UA-Little Rock on the exit from campus. UA-Little Rock understood our need to consolidate our operations across our four downtown buildings, and we will continue to partner with UA-Little Rock on concurrent credit opportunities and our Collegiate Academy, where eStem students will take classes on the UA-Little Rock campus. The financial aspect of the partnership with UA-Little Rock involved a dollar-per-year lease for the Larson Hall facility, as well as the ability to rent additional meeting spaces, parking, and athletic facilities. We share similar arrangements for athletic facilities with the Arkansas School for the Deaf, Burns Park, and others. We will continue to work and explore all opportunities to ensure we offer a robust selection of athletic opportunities for our students.

9. Will the new location for eStem High School offer the amenities needed for the age group? i.e. Will there be sufficient parking, space for larger events/meetings, facilities for sports/extracurricular activities available for students?

- a. We are committed to ensuring the new high school location offers the amenities needed for the age group, including dedicated art classrooms, computer labs, science labs, outdoor space, and a cafeteria/lunchroom. We have over 160 parking spots in the East Village neighborhood to support our staff and students. We have always rented space for larger events, meetings, and athletic facilities, and we will continue to do so under this new structure. For example, we are hosting our back-to-school convocation at the Ron Robinson Theater in downtown Little Rock, almost an equal distance from our 3rd Street and East Village campuses.

10. What are the plans for turning around the high school's academic performance, which has fallen from an "A" letter grade to a "C" in recent years?

- a. When I was hired as eStem's new CEO, I went back and looked at all the available data, and eStem High School has had a C letter grade since 2021-2022. Our goal is to improve academic performance, and this restructuring will free up resources to allow us to invest in our students for years to come. In our simulated grades for the 2023-2024 school year, eStem High School exceeded the state median by 20.4 points and was within 7 points of being rated a B. eStem High School won the 2024 Office of Educational Policy Growth Awards for Best Overall Growth Scores and Best Math Growth Scores, a top 5% growth/graduation award from the Arkansas Department of Education, and Peer Network Growth Award. We feel confident that eStem High School is moving in the right direction and will continue to grow in the years to come. This year, eStem High School is collaborating with Mastery Prep on an ACT boot camp and APSRC on an ATLAS boot camp, and reorganizing our content labs to provide students who need the most

support with four-week blocks of extra focus on standards. Our goal is that both our teachers and students have the support and resources they need to continue our momentum and growth.

11. What are your future enrollment goals/recruitment plans? Are your expectations for future enrollment limited to the space available in the Downtown and East Village locations?

- a. We will have room for growth under this new structure. While our previous facilities' footprint made sense with a proposed expansion of the facility on the UA-Little Rock campus and an overall enrollment of over 3,200 students, which would eventually increase to 3,500 students, our new structure will allow us to grow to approximately 2,700 students across the four buildings.

12. Have your long-term goals changed as a result of the consolidation of the facilities?

- a. Our long-term goal continues to be to provide a high-quality public education that ensures all of our students are College Ready, Career Ready, and World Ready. We firmly believe that this restructuring and consolidation of our facilities will enable us to achieve this goal, manage our resources more efficiently, and invest in our students.