



**CALIFORNIA DEPARTMENT
OF EDUCATION**

TOM TORLAKSON
STATE SUPERINTENDENT OF
PUBLIC INSTRUCTION

1430 N STREET, SACRAMENTO, CA 95814-5901 • 916-319-0800 • WWW.CDE.CA.GOV

Sent via First Class Mail and E-mail to:

Fferrer408@gmail.com

ccalvo@rsed.org

jcolon@rsed.org

June 13, 2018

Fred Ferrer, Board President
Cheye Calvo, Chief Growth and Community Engagement Officer
Jason Colón, Principal
Rocketship Futuro Academy
2351 Olivera Road
Concord, CA 94520

Dear President Ferrer, Mr. Calvo, and Principal Colón:

Subject: Fiscal Concerns on 2017–18 Second Interim Report and Request for a Fiscal Corrective Action Plan

The purpose of this letter is to inform the Rocketship Futuro Academy (RFA) Board of the California Department of Education's (CDE's) fiscal concerns regarding RFA's financial condition, which includes a negative ending fund balance of \$916,509 and a zero percent reserve in the RFA fiscal year (FY) 2017–18 second interim report.

In addition, the CDE previously sent RFA a letter of concern, dated October 4, 2017, regarding the negative ending fund balance of \$674,654 and a zero percent reserve in the FY 2016–17 second interim report.

Criteria:

- Pursuant to the Memorandum of Understanding (MOU) between RFA and the State Board of Education (SBE), p. 14, the charter school is expected to maintain reserves at a level at least equivalent to a school district of similar size as identified in *California Code of Regulations*, Title 5 Section 15450.
- Pursuant to the MOU between RFA and the SBE, pp. 15–16, RFA's enrollment must be consistent with the enrollment data described in the SBE-approved charter, or in an SBE-approved revised charter, or a change that could significantly impact the academic or financial sustainability of the charter school. If a change in enrollment of 25 percent or more occurs, a material revision to the petition may be required.

Observations:

- RFA reported a zero percent reserve for FY 2017–18; RFA's expected reserve level is five percent.

Fred Ferrer, Board President
Cheye Calvo, Chief Growth and Community Engagement Officer
Jason Colón, Principal
June 13, 2018
Page 2

- RFA reported a negative ending fund balance of \$916,509 in the FY 2017–18 second interim report. The CDE notes that a negative ending fund balance could jeopardize RFA's financial sustainability since liabilities cannot be covered even if all of RFA's assets were liquidated.

Fiscal Corrective Action Plan:

- The RFA Board must provide CDE with a Board-approved Fiscal Corrective Action Plan (FCAP) that addresses each of the noted observations with specific explanations, actions, and timeframes for improving RFA's financial condition.
- The RFA Board-approved FCAP must also include a detailed written narrative outlining the actions the RFA Board will undertake to ensure pupil enrollment growth is maintained at the level approved by the SBE, and that any changes in enrollment will not significantly impact the academic or financial sustainability of the charter school.
- Additionally, the following documents must be submitted to the CDE:
 - The RFA Board agenda with an action item for approval of the FCAP, submitted 72 hours in advance of the associated meeting
 - The RFA Board-approved minutes, submitted **within 30 days** of the associated meeting

Please submit the requested FCAP and documents via e-mail to SBEOVERSIGHT@cde.ca.gov **within three weeks from the date of this letter.**

If the RFA Board is unable to provide the requested FCAP or documents, the CDE may request that the SBE consider these matters for possible action.

If you have any questions or need any additional information regarding this letter, please contact Kylie Kwok, Education Fiscal Services Consultant, Charter Schools Division, by phone at 916-319-0498 or by e-mail at SBEOVERSIGHT@cde.ca.gov.

Sincerely,

/s/

Lisa F. Constancio, Director
Charter Schools Division

LFC:kk

cc: Karen Stapf Walters, Executive Director, California State Board of Education
Nick Schweizer, Deputy Superintendent, Systems Support Branch, California
Department of Education