

REDWOOD CITY SCHOOL DISTRICT

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Mission: RCSD creates a safe and supportive, inspirational and rigorous, joyful and inclusive environment for all learners

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September 3, 2025

Ms. Janine Ramirez, Senior Director of External Affairs
Rocketship Redwood City Prep Charter School
350 Twin Dolphin Drive, Suite 109
Redwood City, CA 94065

Subject: **Local Control Accountability Plans and Adopted Budget – Fiscal Year 2025-26**

Dear Ms. Ramirez:

In accordance with Education Code Section 47604.32, Redwood City School District (District) has examined the Local Control Accountability Plans (LCAP) and the Adopted Budget for Rocketship Redwood City Prep Charter School (Rocketship) for fiscal year 2025-26 to determine if it complies with the Criteria and Standards adopted by the State Board of Education (SBE) and verify that the Adopted Budget includes expenditures necessary to implement the LCAP.

The District is also required to monitor the fiscal condition of the charter school and verify that the Adopted Budget and multi-year projections allow the charter school to meet its financial obligations for the current and subsequent fiscal years.

The District understands the challenges and difficulties in adopting a budget during these uncertain times. Many of the assumptions made during budget adoption may have changed with the enactment of the State's 2025-26 budget.

Based on the review of the LCAP and 2025-26 Adopted budget report submitted by Rocketship, the District provides the following comments to assist the charter school in updating its current year budget and preparing its First interim projections:

2025-26 LCAP & LCFF BUDGET OVERVIEW FOR PARENTS

Rocketship has submitted its LCAP Goals, Actions, and Services for a for a 1-year period beginning 2025-26 using the template adopted by the State Board of Education which includes the Annual Updates for the 2024-25 LCAP. Rocketship has also submitted the Local Control Funding Formula (LCFF) and Budget Overview for Parents (BOP), which is a state-required tool to help parents and other stakeholders understand the charter school’s budget as it relates to the actions and services provided in their educational plans as reflected in the LCAP.

During the review of Rocketship’s LCAP and BOP, the District noted a few inconsistencies in the amounts reported compared to the 2025-26 Adopted Budget, as shown below:

	2025-26 Adopted Budget (Alternative Form)	Budget Overview for Parents	LCAP	LCFF Calculator
Total General Fund Revenues	\$6,258,515	\$6,258,516	n/a	n/a
Total LCFF Revenues	\$3,775,379	\$3,775,379	n/a	\$3,775,379
LCFF Supp & Conc Grants Only	n/a	\$692,852	\$692,852	\$692,852
Percentage to Increase or Improve Services for UPP	n/a	n/a	22.477%	22.48%
State Revenues	\$1,623,323	\$1,855,871	n/a	n/a
Federal Revenues	\$627,265	\$627,266	n/a	n/a
Total General Fund Expenditures	\$5,925,975	\$5,904,859	n/a	n/a
Total Expenditures Tied to LCAP	n/a	\$1,915,467	\$1,915,467	n/a
Total General Fund Expenditures not included in LCAP	n/a	\$4.0 million	n/a	n/a

Rocketship’s own unduplicated pupil percentage for the 2025-26 fiscal year is projected at approximately 93.76% of total student enrollment. However, the LCFF Supplemental & Concentration Grant funding calculations are capped at 61.35% based on Rocketship using the Redwood City School District as its District of Residence (DOR). For 2025-26 Rocketship used the COLA of 2.43% instead of the 2026 May Revision Dartboard COLA rate of 2.30%. The Supplemental and Concentration (S&C) Grant Funds calculated for the 2025-26 fiscal year is \$692,852. Rocketship plans to use these funds to support high needs students.

No Local Revenues were projected by Rocketship in the BOP. Rocketship included its Local Revenues in the State Revenues amount in the BOP. The Other State and Local Revenue Adopted Budget amounts added together equal the BOP State Revenues.

Rocketship is encouraged to communicate directly with the California Department of Education to ensure proper determination of the charter school’s district of residence to maximize LCFF funding. Rocketship is commended for posting the LCAP and BOP at the bottom of their homepage.

2025-26 ADOPTED BUDGET

General Fund Summary

The 2024-25 Estimated Actuals projects an operating deficit of \$29,437 and the 2025-26 Adopted Budget projects an operating surplus of \$332,540 as shown below:

	General Fund – Unrestricted/Restricted	2024-25 Estimated Actuals	2025-26 Adopted Budget
A.	Revenues	\$6,026,537	\$6,258,515
B.	Expenditures	6,055,974	5,925,975
C.	Excess (Deficiency) of Expenditures over Revenues	<29,437>	332,540
D.	Other Sources/Uses and Transfers	0	0
E.	Total Increase (Decrease) in Fund Balance	<29,437>	332,540
F.	Ending Balance – Unrestricted/Restricted	\$509,436	\$841,975
G.	Ending Balance – Unrestricted only	\$509,436	\$841,975

The projection for Federal and Other State revenues in 2025-26 includes approximately \$225,000 of CA Community School Partnership Program (CACSP), \$153,000 of After School Education & Safety program, \$582,000 of CA ELO-P funding and \$227,000 Stronger Connections Grant funds. The 2024-25 Estimated Actual revenues decreased by approximately \$62,000 compared to the Second Interim projection. This decrease consists of an approximately \$50,000 decrease in LCFF Revenues, a \$68,000 decrease in Federal funding and a \$162,000 decrease in Local Revenue offset by a \$218,000 increase in Other State and Local Revenues. The 2024-25 expenditures decreased by \$13,000 over the previous forecast.

The total available reserve for economic uncertainties for 2024-25 is \$509,436 or 8% of General Fund expenditures for 2024-25. In 2025-26, the total available reserve for economic uncertainties is \$841,975 or 14% of 2025-26 General Fund expenditures. Rocketship is commended for maintaining a reserve level that exceeds the 5% minimum reserve for economic uncertainties required per the Memorandum of Understanding (MOU) with the District.

In preparation of the closing of 2024-25 books, Rocketship is reminded to review carefully the conditions for receipt of state and federal grants and resources to ensure that revenues are not overstated. Rocketship is also encouraged to review the accounting changes as well as spending timelines for their grants to ensure proper revenue recognition and reporting.

Cash Flow Projections

Rocketship submitted its cash flow projections for the 2025-26 and 2026-27 fiscal years. Both fiscal years show positive monthly cash balances in each month. There were Other Receipts/Non-Revenue items as well as Other Disbursements/Non-Expenditure accounts included in the cash flow projections which, as indicated in the report, pertain to accruals and other general ledger accounts.

The District Superintendent urges the charter school to continue to implement best practices and monitor its cash position regularly to ensure payroll and other monthly obligations are met on a timely basis.

Multi-Year Projections (MYP)

The multi-year projection is one of the most important tools in determining the financial position of the school. Rocketship’s MYP shows a balanced General Fund budget.

Approximately 60%-69% of the total revenues for Rocketship are from Local Control Funding Formula (LCFF) sources. The LCFF-funded Average Daily Attendance (ADA) for the current and subsequent two fiscal years are, as follows:

	2024-25	2025-26	2026-27	2027-28
Enrollment	275	291	291	291
LCFF-funded ADA	252.24	272.87	272.87	272.87
Increase (decrease) from prior year	-	20.63	0.00	0.00

Rocketship’s attendance rate is projected at 94%. Enrollment is projected at 291 students per year in the next three fiscal years. Rocketship serves students in grades TK-5.

The chart below summarizes the projected revenues, expenditures, and fund balances each year in the multi-year projections:

General Fund (Unrestricted/Restricted)	2025-26	2026-27	2027-28
Estimated Beginning Balance	\$509,436	\$841,976	\$960,944
Revenues & Other Financing Sources	6,258,515	5,905,879	5,891,282
Expenditures & Other Financing Uses	5,925,975	5,786,911	5,818,860
Net increase (Decrease)	332,540	118,968	72,422
Projected Unrestricted/Restricted Ending Fund Balance	\$841,976	\$960,944	\$1,033,366
Projected Unrestricted Ending Fund Balance	\$841,976	\$960,944	\$1,033,366
<i>Unrestricted Fund Balance as a % to Total Expenditures</i>	<i>14%</i>	<i>17%</i>	<i>18%</i>

For 2025-26, 2026-27 and 2027-28 Rocketship used the COLA of 2.43%, 3.52% and 3.63% instead of the 2026 May Revision Dartboard COLA rate of 2.30%, 3.02% and 3.42% respectively. There were no significant expenditure changes in Certificated and Classified Salaries and Benefits, Books and Supplies, and Service Costs with the staffing levels decreasing by just one Classified Aide in 2026-27 and 2027-28 and the enrollments constant over the three fiscal years.

The Unrestricted General Fund ending balances are maintained at 14%-18% of the total General Fund expenditures.

CONCLUSION

Based on the District's review of the financial documents submitted, Rocketship's 2025-26 Adopted Budget and multi-year projections appear sufficient to meet the charter school's financial obligations for the current and subsequent two fiscal years. The Superintendent encourages Rocketship to continue to closely monitor the budget and make changes in its budget assumptions as new information becomes available.

As public schools continue to experience the current situation resulting from the coronavirus pandemic, it is critical to stay vigilant of developments in the federal, state and local level and prepared to make immediate budget revisions, as new information becomes available. It is highly important to closely monitor the budget and prudently manage the charter school resources to maintain long-term fiscal solvency and stability.

The District appreciates the support and cooperation of Rocketship's administration and staff during the process.

If you have any questions regarding the District's fiscal oversight or the contents of this letter, please do not hesitate to contact us.

Sincerely,

Rick Edson

Rick Edson
Chief Business Official
(650) 423-2232

John R. Baker

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Cc: Benjamin Carson, CFO, Rocketship Redwood City
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