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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REDWOOD CITY
SCHOOL DISTRICT

August 13, 2026

Ms. Janine Ramirez, Senior Director of External Affairs,
Rocketship Redwood City Prep Charter School
2001 Gateway Place, Suite 230E
San Jose, CA 95110

Subject: **Local Control Accountability Plan and Adopted Budget – Fiscal Year 2026-27**

Dear Ms. Ramirez:

In accordance with Education Code Section 47604.32, Redwood City School District (District) has examined the Local Control Accountability Plan (LCAP) and the Adopted Budget for Rocketship Redwood City Prep Charter School (Rocketship) for fiscal year 2026-27 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 charter school's fiscal condition and verify that the Adopted Budget and multi-year projections enable the charter school to meet its financial obligations for the current and subsequent fiscal years.

The District understands the challenges of 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 2026-27 budget.

Based on the review of the LCAP and 2026-27 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:

2026-27 LCAP & LCFF BUDGET OVERVIEW FOR PARENTS

Rocketship has submitted its LCAP Goals, Actions, and Services for a 1-year period beginning 2026-27 using the template adopted by the State Board of Education, which includes the Annual Updates for the 2025-26 LCAP. Rocketship has also submitted the Local Control Funding Formula (LCFF) and Budget Overview for Parents (BOP), a state-required tool that helps 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 2026-27 Rocketship's LCAP and BOP, the District noted that the Total General Fund Expenditures between the BOP and the Alternative form for the Adopted Budget do not match. The difference is $9,939. All revenue amounts reported in the Alternative Form and BOP match, including LCFF revenues and Supplemental and Concentration (S&C) funding. The table below shows the expected revenue and expenditures by each category on each form.

	Adopted Budget (Alternative Form)	**Budget Overview for Parents**	**LCFF Calculator**
Total General Fund Revenues	$6,710,490	$6,710,490	n/a
Total LCFF Revenues	$4,166,499	$4,166,499	$4,166,499
LCFF Supp & Conc Grants Only	n/a	$720,863	$720,863
Percentage to Increase or Improve Services for UPP	n/a	20.921%	20.92%
State Revenues	$1,883,559	$1,883,559	n/a
Federal Revenues	$512,191	$512,191	n/a
Total General Fund Expenditures	$6,685,464	$6,695,403	n/a
Total Expenditures Tied to LCAP	n/a	$2,258,036	n/a
Total General Fund Expenditures not included in LCAP	n/a	$4,437,367	n/a

Rocketship's unduplicated pupil percentage for the 2026-27 fiscal year is projected at approximately 94.16% of total student enrollment. However, the LCFF Supplemental & Concentration Grant funding calculations are capped at 60.36%. The Supplemental and Concentration (S&C) Grant Funds calculated for the 2026-27 fiscal year are $720,863. Such funds are generated from the enrollment of high-need students. Rocketship plans to use the S&C funds to provide more training and resources to teachers, who will personalize a learning plan for each student based on the student's individual needs.

The District appreciates that both the BOP and LCAP plans are posted on the Charter's website and available for public review.

2026-27 ADOPTED BUDGET

General Fund Financial Report Summary

The 2025-26 Estimated Actuals project an operating deficit of $114,226, and the 2026-27 Adopted Budget projects an operating surplus of $25,027, as shown below:

	General Fund-Unrestricted/Restricted	2025-26 Estimated Actuals	2026-27 Adopted Budget
A.	Revenues	$6,473,367	$6,710,490
B.	Expenditures	6,587,592	6,685,464
C.	Excess (Deficiency) of Expenditures over Revenues	<114,226>	25,027
D.	Other Sources/Uses and Transfers	0	0
E.	Total Increase (Decrease) in Fund Balance	<114,226>	25,027
F.	Ending Balance – Unrestricted/Restricted	$295,247	$320,274
G.	Ending Balance – Unrestricted only	$295,247	$320,274

Compared to the 2025-26 Second Interim projection, the Estimated Actual revenues increased by approximately $94,580. This increase consists of an approximately $20,768 decrease in LCFF Revenues, a $22,573 decrease in Federal funding, and a $15,973 decrease in Local Revenue, offset by a $153,894 increase in Other State and Local Revenues. The 2025-26 expenditures increased by $293,229 over the previous forecast. The major increase was $263,685 in services and other operating expenses. Book and supplies also increased by $49,658, while salaries and benefits decreased by $20,354.

The total available reserve for economic uncertainties for 2025-26 is $295,247, or 4.48% of General Fund expenditures. For 2026-27, the total available reserve for economic uncertainties is $320,274, or 4.79% of 2026-27 General Fund expenditures. These reserve levels are below the 5% minimum reserve required under the Memorandum of Understanding (MOU) with the District due to economic uncertainties.

The District Superintendent urges the charter school to review, plan, and adjust its expenditures to increase its reserves for economic uncertainties, and continue to monitor its cash position regularly to ensure the minimum balance is within the required MOU percentage.

Cash Flow Projections

Rocketship submitted its cash flow projections for the 2026-27 and 2027-28 fiscal years. Receipts and disbursements for both years equal their corresponding revenues and expenditures in the Adopted Budget. All fiscal years show positive monthly cash balances through the end of each fiscal year.

The District Superintendent recommends that the charter school continue to implement best practices and regularly monitor its cash position 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 for determining the school's financial position. Rocketship's MYP projects a positive General Fund balance for each of the three fiscal years.

Approximately 62% of Rocketship's total revenues come from Local Control Funding Formula (LCFF) sources. The LCFF-funded Average Daily Attendance (ADA) for the current and subsequent two fiscal years is as follows:

	2025-26	**2026-27**	**2027-28**	**2028-29**
Enrollment	273	296	296	296
LCFF-funded ADA	257.25	279.42	279.42	279.42
Increase (decrease) from prior year	-	22.17	0.00	0.00

Rocketship's attendance rate is projected at 94%. Enrollment is projected at 296 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)	**2026-27**	**2027-28**	**2028-29**
Estimated Beginning Balance	$295,247	$320,274	$376,281
Revenues & Other Financing Sources	6,710,490	6,630,500	6,688,439
Expenditures & Other Financing Uses	6,685,464	6,574,492	6,600,888
Net increase (Decrease)	25,027	56,008	87,551
Projected Unrestricted/Restricted Ending Fund Balance	$320,274	$376,281	$463,833
Unrestricted Fund Balance as a % of Total Expenditures	*4.79%*	*5.72%*	*7.03%*

Rocketship projects to be operating in surplus for the next three fiscal years. The Unrestricted General Fund ending balance in 2026-27 will be approximately 4.79% of the total expenditures. For 2027-28 and 2028-29, the fund balance will continue to increase to 5.72% and 7.03% respectively.

CONCLUSION

Based on the District's review of the financial documents submitted, Rocketship's 2026-27 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 recommends that Rocketship continue to closely monitor the budget and adjust its budget assumptions as new information becomes available, especially because its fund's reserves are below or near the required percentage.

The District recommends that Rocketship closely monitor its budget and prudently manage its 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

Dr. Christian J. Rubalcaba

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