



CALIFORNIA
DEPARTMENT OF
EDUCATION

TOM TORLAKSON

STATE SUPERINTENDENT OF PUBLIC INSTRUCTION

Sent via First Class Mail and E-mail to:
cbrown@flexsf.org

December 3, 2015

Charleston Brown, Principal
San Francisco Flex Academy
1350 7th Avenue
San Francisco, CA 94122

Subject: Letter of Concern Regarding Enrollment and Fiscal Corrective Action Plan

Dear Principal Brown:

The purpose of this letter is to inform the San Francisco Flex Academy (SFFA) of the California Department of Education's (CDE's) concerns over the latest fiscal year (FY) 2015–16 enrollment reported to the CDE's Charter Schools Division.

The SFFA budget includes projected enrollment of 110 pupils for FY 2015–16. As of November 24, 2015, SFFA's latest report to the CDE reflects actual enrollment at 83 pupils, or a 25 percent decline from the enrollment projected in the budget.

SFFA's 2015–16 budget was based on a higher enrollment count. The current decline in enrollment will have a significant negative impact on SFFA's budget without expenditure adjustments. The CDE estimates that SFFA's financial condition, without expenditure adjustments, will be insolvent with a projected negative \$106,000 ending fund balance. As a result, the budget revenues and expenditures submitted to the CDE are no longer realistic and will need to be revised.

To remedy this concern, the CDE is requesting that SFFA provide a Fiscal Corrective Action Plan (FCAP) that includes the following:

- Written narrative explaining what caused the decline in anticipated enrollment and what steps will be taken to address the decline
- Written narrative on what budget actions have been taken to date to adjust to the lower enrollment numbers
- Revised multiyear budget and cash flow statements for the current FY 2015–16 and two subsequent FYs (2016–17 and 2017–18) with written detailed assumptions included that reflect SFFA's resolution on addressing the unanticipated enrollment decline

- SFFA board agenda and scheduled meeting date acknowledging the FCAP

Please mail the FCAP outlined above to:

Charter Schools Division
Charter Schools Oversight Unit
California Department of Education
1430 N Street, Suite 5401
Sacramento, California 95814

The FCAP must be received no later than **5 p.m. on December 17, 2015.**

If SFFA is unable to provide the requested FCAP, the CDE may request that the State Board of Education consider these matters for possible action.

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

Sincerely,

/s/

Cindy S. Chan, Director
Charter Schools Division

CSC:bf

cc: Karen Stapf Walters, Executive Director, California State Board of Education
Nick Schweizer, Deputy Superintendent, Services for Administration, Finance,
Technology, and Infrastructure Branch, California Department of Education