

Office of John G. Mendiburu
Kern County Superintendent of Schools
Advocates for Children...

Charter Petition Review
REALMS Charter

Petition Analysis and Staff Recommendation

Key Information Regarding the REALMS Renewal Petition:

REALMS Charter was originally approved by the KCBE in 2019 for a two-year term, after the Sierra Sands School District denied that petition. In 2020, the KCBE approved a one-year extension due to extenuating circumstances related to the Ridgecrest earthquake and the COVID Pandemic. Subsequently, the SBE then extended the terms of all charters for three additional years due to the lack of assessment data.

Initially, the Charter was identified as being in the low performance tier in 2024. However, the CDE revised its language related to performance tier criteria, and REALMS was then determined to be in the middle performance tier.

The Charter submitted its Renewal Petition on January 10, 2025 and a public hearing was held on February 11th.

Petition Analysis

KCSOS staff with expertise in the various components of the Petition, reviewed the submission based upon the requirements outlined in Education Codes 47605 and 47607.

The staff found that the Petition principally met all requirements with the exception of the following items which staff believe can be addressed through a mutually agreed-upon Memorandum of Understanding (MOU):

1. Reasonably Comprehensive Descriptions of the Educational Program:

- The process outlined in the petition for identification and reclassification of English Learners does not fully align with California Education Code.
- The renewal petition does not specify that English Learner (EL) students will receive 30 minutes of Designated English Language Development (ELD) instruction daily, as required.
- The petition does not include SELPA Assurances and is missing other language related to serving students with disabilities.

2. The charter's ability to successfully implement the educational program outlined in the Renewal Petition due to budget and fiscal issues:

- A solvent budget is an essential requirement for the operation of the school. Currently, the Charter School's projected budget (see Petition Appendices) reflects various issues including Deficit of Revenues over Expenditures, Net Decrease in Fund Balance and Fund Balance Reserves. These issues result in fiscal deficits that threaten the fiscal sustainability of the Charter School.
- The Charter has consistently relied on its reserve funds to balance its budget every year.
- The Charter's budget was established based on enrollment figures ranging from 420 students in 2019 to 439 students in 2022. However, actual enrollment has ranged from 159 in 2019 to 237 as of February, 2025. The budget projections have not been revised to address the enrollment differences.

All other requirements outlined in Education Code for renewal petitions were met.

Staff Recommendation:

KCSOS staff recommend that the County Board approve the REALMS Renewal Petition for five years beginning July 1, 2025 through June 30, 2030 contingent upon the execution of a mutually-agreed upon MOU addressing the findings in the staff report. The rationale for this recommendation is as follows:

1. Compliance with Education Code 47607

Education Code (47607) requires that charters in the middle performance tier be renewed for five years unless the authorizer has factual findings that:

- a. The charter is not serving all students who wish to attend, and/or
- b. The school is demonstrably unlikely to successfully implement the program set forth in the petition due to substantial fiscal or governance factors.

2. Fiscal Oversight and Risk Mitigation

Following a diligent review of REALMS' fiscal condition and with ongoing collaboration with the Charter, KCSOS staff believe that the Charter's administration and board are committed to addressing all aspects of their financial management. However, KCSOS must ensure that charters under its authorization operate in a fiscally-responsible manner, not only for the benefit of students and staff, but also to protect the authorizer from potential liabilities arising from fiscal collapse and school closure.

To ensure that REALMS addresses its fiscal issues, KCSOS recommends the inclusion of specific fiscal management provisions in the MOU. Although the above fiscal issues represent serious concerns, KCSOS staff believe that the Charter can remedy them through a mutually-agreed upon MOU that would include the following requirements:

- a. Within sixty (60) calendar days of the effective date of the MOU, the Charter School will develop and present to the KCSOS Superintendent, a Fiscal Stabilization Plan that addresses all of the budgetary issues and fiscal deficits identified in the Petition's budget.
- b. In the event the Charter School does not timely submit an approvable Fiscal Stabilization Plan that removes the issues noted above, the Charter School board will agree to voluntarily close the school and terminate the charter by June 30, 2025.
- c. In the event the Charter School does not project to maintain a minimum general fund reserves of 5% in the fiscal years 2027-28, 2028-29, and 2029-30 by December 31, 2027, the Charter School board agrees to voluntarily close the school and terminate the charter by June 30, 2028.