

**Material Revision Staff Report
JCS Pine Hills
May 15, 2026**

JCS Pine Hills			
Charter Organization:	JCS, Inc.	Current Grades Served:	TK-12
District Boundary	Countywide	Current Authorized Grades:	TK-12
Year Opened:	2018	Current Enrollment:	745
Current Term	2018-2026	Proposed Material Revision:	July 1, 2026

I. Proposed Material Revision

JCS Pine Hills (“JCS” or “Charter School”) is proposing to add an additional site within the Hemet Unified School District (“District”) boundaries. JCS notified the District of its intent to locate a resource center within its boundaries on March 10, 2026. If approved, the resource center will be located at 105 N. Girard Street in Hemet, California. According to the Material Revision, the facility served as a learning center for another non-classroom based charter school. A lease agreement for the facility was not included with the Material Revision.

II. Renewal Options for Board Action

It is recommended that the Board take action to either grant or deny the proposed material revision to the current charter school petition. The Board has the following options:

1. Grant the material revision, to commence July 1, 2026, provided that the Memorandum of Understanding between the Charter School and RCOE be amended and/or the Petition revised to address any findings and recommendations identified in the Staff Report prior to the date of commencement.

2. Deny the material revision to the current charter petition, adopting the findings identified in the Staff Report, as findings of fact supporting legal reasons for denial.

III. Chartering Authority Responsibility

The chartering authority is responsible for evaluating and determining the approval or denial for a proposed material revision of a charter school petition under its authority.¹ The Riverside County Board of Education ("the Board") holds the authority to assess whether the findings of fact outlined in the Staff Report by RCOE staff substantiate approval or denial, in accordance with the criteria set forth in Education Code Section 47605².

IV. Legal Parameters for Review

A charter school seeking to expand its operations to additional sites or grade levels concurrently with its renewal must request a material revision to its charter. Any material revision to the provisions of a charter requires approval from the chartering authority.

The procedures for reviewing and approving a material revision for a countywide charter school are governed by the standards and criteria set forth in Education Code Section 47605. These procedures must include, but are not limited to, a reasonably comprehensive description of any new legal requirements enacted since the charter was originally granted or last renewed.

In evaluating a proposed material revision, the chartering authority will consider the following factors in determining whether to approve or deny the request:

- Whether the school presents an unsound educational program.
- Whether the petitioners are demonstrably unlikely to successfully implement the program set forth in the petition.
- Whether the petition does not contain an affirmation of each of the conditions described in Education Code Section 47605(e).

¹ Education Code Section 47607(a)(2)

² While the Education Code references 47605 for renewal standards, countywide charter school petitions must comply with the standards set forth in Education Code section 47605.6. (See Education Code Section 47607(a)(3).)

- Whether the petition does not contain reasonably comprehensive descriptions for all of the elements.
- Whether the charter school is demonstrably unlikely to serve the interests of the entire community in which the school is proposing to locate.
- Whether the school district is not positioned to absorb the fiscal impact of the proposed charter school.

The Riverside County Office of Education acknowledges that the current petition has been thoroughly reviewed and approved by the Riverside County Board of Education (“Board”). Accordingly, the scope of review for a material revision will be limited to the specific changes proposed and will not require a full reassessment of the petition. This Report only addresses the requested educational programming and facility changes identified in the Material Revision. All changes in the law that must be updated since the last approval of Charter School’s petition, is addressed in the Renewal Petition staff report, published by RCOE concurrently with this report.

V. Summary of Findings

Denial Reason #1

The charter school presents an unsound educational program for the pupils to be enrolled in the charter school:

Findings for Consideration
No Findings Determined.

[remainder intentionally left blank]

Denial Reason #2

The petitioners are demonstrably unlikely to successfully implement the program set forth in the petition.

Findings for Consideration

Fiscal Review of the Proposed Material Revision

As part of the review of the proposed material revision submitted by JCS Pine Hills, the school's multiyear financial projections, cash flow projections, and underlying fiscal assumptions were evaluated. The purpose of the review is to assess whether the projected fiscal condition supports a finding that the proposed material revision can be successfully implemented.

In conducting this review, the school's projected fiscal indicators were measured against the recommended practices and warning thresholds published by the California Charter Authorizing Professionals (CCAP) Fiscal Health Toolkit and the Fiscal Crisis and Management Assistance Team (FCMAT) *Charter School Accounting and Best Practices Manual* (revised 2022). These publications are widely used by California authorizers as reference standards for evaluating charter school fiscal health. They are advisory rather than statutory; they do not impose legal requirements, but they identify thresholds below which a school's fiscal condition is generally considered to present elevated risk.

Days of Cash on Hand

JCS Pine Hills' multiyear cash flow projections indicate insufficient liquidity throughout the projection period. Specifically, for fiscal year 2028–29, the school projects they will run out of cash (negative cash) during the months of August, September, November, December, January, February, and March. As shown in the table below, the school projects year-end cash on hand equivalent to 9 days in 2026–27, 13 days in 2027–28, and 15 days in 2028–29, representing shortfalls of 51, 47, and 45 days, respectively,

from the 60-day minimum reserve standard recommended by the California Charter Authorizing Professionals³.

The petition does not provide a credible or adequate plan to improve liquidity, address projected deficits, or mitigate the risk of negative cash balances. Accordingly, the fiscal plan does not support a finding that the proposed material revision can be successfully implemented.

However, upon careful review, we believe the charter school’s submitted cash flow projections contain material inaccuracies. For example, among other issues, the projections do not account for the receipt of deferred state apportionment revenue expected in July 2025 related to the June 2025 state deferral.

Projected Cash on Hand				
Fiscal Year	Year-End Cash (Days)	Average Monthly Cash (Days)	Months with Negative Cash	Comparison to Minimum 60-Day Standard
2026-27	9	5	None	-51 Days
2027-28	12.6	5.6	None	-47.4 Days
2028-29	15	1	August September November December January February March	-45 Days

Denial Reason #3

The petition does not contain reasonably comprehensive descriptions for all of the required elements.

Findings for Consideration

No Findings Determined.

³ California Charter Authorizing Professionals Financial Health and Sustainability Framework

Denial Reason #4

The charter school is demonstrably unlikely to serve the interests of the entire community in which the school is proposing to locate.

Findings for Consideration

No Findings Determined.

Denial Reason #5

The school district is not positioned to absorb the fiscal impact of the proposed charter school.

Findings for Consideration

No Findings Determined.