

MEETING MINUTES

Subcommittee of Trustees Finance Subcommittee Meeting

Date: June 3, 2025 – 9:00 am

Location: Hybrid 11 Resnik Rd, Plymouth & Zoom Virtual

Attendees:

Josh Charpentier (Co-Director & Subcommittee Member), In-person

Derek Paiva (Treasurer & Subcommittee Member), In-person

Adam Earle (Subcommittee Member), Zoom

Liza Veto (Chair & Subcommittee Member), Zoom

Rachel Babcock (Co-Director & Subcommittee Member), In-person

1. Call to Order/Attendance

a. Public Comment

Josh Charpentier confirmed that there were no public commenters present.

2. New Business

a. Tuition & Disbursement Recap/Update

Josh Charpentier recapped the previous meetings where subcommittee members had spoken about revenue sources – particularly tuition and how enrollment was a very important metric in Map Academy's funding. He emphasized the finance subcommittee meetings were focused on high level budgeting and professional development on how charter school finance works so the board is equipped with the knowledge they need. He noted that he would update subcommittee members on revenue for FY25 and FY26, due to DESE releasing new figures as of May 2025.

Josh Charpentier then highlighted the agenda points for today's meeting. He presented a timeline of how Commonwealth charter schools are funded and explained how tuition payments were calculated and disbursed for charter schools. He highlighted the importance of October 1 SIMS, which is a data collection that is submitted via the schools SIS system that details the list of the students enrolled at Map Academy. He pointed out the February claim form and said he would address that in more detail on a later slide. He presented his screen showing the DESE Calculation and Disbursement of Commonwealth Charter School Tuition, which showed the same information in more detail and was accessible through a link in the presentation for board members who wanted more robust detailed information.

Liza Veto highlighted the importance of the annual lotteries in February for charter schools. Rachel Babcock added that the timing for the primary lottery was built into the law and needed to happen in February in order to ensure that the process functioned. Liza Veto noted that Map Academy leadership works tirelessly to ensure full enrollment while also being cognizant of the mission and not having students languish on wait lists, which results in subsequent lotteries during the school year.

Josh Charpentier noted that Map Academy had four graduations a year and was backfilling seats all year round due to graduates and serving a transient student population. He proceeded to show subcommittee members what the February claim form looked like. Student names were blocked out and were not publicly broadcast.

Derek Paiva queried how the city or town determined how much money it allocates to charter schools. He asked whether it was based on historical enrollment numbers. Josh Charpentier replied that the amount of funding allocated to charter schools is based on a statewide formula for both per pupil tuition allocation and number of charter seats that each city or town has available. Josh Charpeniter pointed out on the DESE website where this information was explained for more detail.

Josh Charpentier reported that the February claim form sheet determined the June 30 reconciliation. He highlighted 'FTE Calc' and mentioned that it was the most important column. Every row was a student, and enrolled as of March 1. He clarified that students would be considered enrolled for the remainder of the year if they were enrolled as of 3/1. Josh Charpentier continued to walk through the claim form and talked about 'FTE Calc' for all subcommittee members. With regard to funding, Josh Charpentier stressed the importance of maintaining full enrollment.

At the bottom of the form, Josh Charpentier highlighted the 'FTE Calc' at 302.85, which he said was technically 2.85 over, and noted that Map Academy did not receive funding for that overage, though it was necessary to run over for contingency. Josh Charpentier explained that Map Academy was fully enrolled and therefore would receive full funding. He highlighted that Map Academy had maintained full enrollment since the first year, which included full enrollment for the current fiscal year.

Liza Veto checked for her own understanding that Map Academy FTE count of 302.85 was students and not staff. Josh Charpentier replied that this was correct and said that students and staff were both referred to as FTEs creating a bit of confusion, but the February claim form is specifically talking about students and not staff. Map Academy served a total of 302.85 students for the whole year. Josh Charpentier noted that, for example, a student who had graduated in January was 0.5, and the student who then filled that seat was the other 0.5. He stated that the person used in his example equalled 1.0 FTE, but when the funding was completed, Map Academy was fully funded.

Rachel Babcock reported that the only compliance issue they faced was due to over-enrollment. She commented that it was almost impossible to get the figures 100% to the day with the Map Academy multiple graduations per year model. She further explained that erring on the side of caution required allowing a buffer of students due to risk, despite not getting funding for those excess students.

Adam Earle questioned what figure might concern Map Academy if the numbers dropped below the enrollment total. Rachel Babcock responded that the number was 299 and said there was an ever-present waiting list and the school takes very seriously the need to remain at full enrollment. She thanked Adam Earle for the question and reinforced that it was an important one, due to building expansion, the new LMS, and greater demands. She commented that Map Academy was managing demand but we would like

to one day increase enrollment to 325, while conservatively budgeting for 315 to create that buffer in advance in terms of budgeting. She added that waiting lists were being managed and students were no longer languishing on the lists. Rachel Babcock reflected that, with the new space, Map Academy could have 350 students. She talked about the increased staffing necessary for that potential eventual increase in enrollment and said that the revenue from the spots would fuel the expansion.

Derek Paiva responded to Adam Earle's previous question and said that it was a great exercise to partake in. He rhetorically asked what the breakeven number was for enrollment numbers. Adam Earle talked further about managing cash flows and said that bankers reflected on the worst-case scenarios to see where that left a company theoretically particularly when looking to take loans and assess risk. Josh Charpentier said that around 15 students was the breakeven number based on the FY26 budget. While each student has a different per pupil allocation a ballpark figure to utilize was approximately \$22k/student. Derek Paiva remarked that 15 students was not a huge buffer. Rachel Babcock replied that Map Academy always had a waiting list. Josh Charpentier outlined that Map Academy paid more attention to the February claim form and enrollment than most schools would normally. He said that, by the nature of their model, they knew they would lose and acquire more students four times every year due to the built in graduations. He further emphasized this is precisely why leadership gives the board an enrollment update at every board meeting via the Co-directors report.

Josh Charpentier walked through the FY26 fiscal budget and talked about the approved budget from March 2025. He referenced revenue projections for the next fiscal year, based on DESE's January figures. He reminded the board that the FY26 approved budget revenue for tuition were a \$309,134 reduction to the DESE FY26 projection to ensure conservative budgeting. He went on to explain that FY26 revenue numbers had been released as of May 2025 and they were slightly higher than anticipated but Map Academy leadership was happy with where the numbers landed. He emphasized again that Map Academy had always budgeted conservatively for revenue to ensure financial viability.

Derek Paiva asked about excess surplus. Josh Charpentier replied that as well was a formula based number and pointed out where that formula could be found for precise explanation but also advised that it was based on 20% of the following year's tuition. He said that as part of the end-of-year process, Map Academy would allocate funds to go into the capital plan, meaning the excess surplus would be reduced. Josh Charpentier stated that leadership and AAF CPA's were already working on preliminary figures and monitoring this closely to ensure the correct allocation for the long term capital planning needs of the school.

Rachel Babcock mentioned that those figures were up in the air based on what FY25 spending on the LMS for the current year would be. Josh Charpentier added that the capital plan was worded incorrectly in relation to excess surplus. He explained to subcommittee members the reasoning and corrections to the wording, which he said would be amended at the July meeting.

Old Business

a. LMS Contract Update

Rachel Babcock updated members and said there was not much to articulate since the May 19 meeting prior. She stated that the LMS contract was still underway, and lawyers were making progress on the intellectual property side, though the scope of the project had not changed. The signing of the contract was intended to take place by the end of the fiscal year.

Liza Veto raised that subcommittee members needed an understanding of how Map Academy would use a learning management system effectively to explain that to future financiers. She remarked that a financier might not understand how Map Academy would use an LMS differently from a traditional school. She explained that it may be a capital expense and that money might be able to be set aside for these purposes. She stated that an LMS was a key driver in how Map students learn and where. She highlighted that Map Academy constantly enrolls new students four times a year. Rachel Babcock agreed with Liza Veto's raising of awareness around subcommittee members' understanding of the financial reasoning for the LMS and for conversations around enrollment.

Adam Earle highlighted the importance of thinking ahead about the tangible plans that are a few years away. Liza Veto commented on her frustration around DESE's site visitors, who just followed their usual script, which did not match up with Map's model. She said it was important for Map Academy to ease their understanding in accordance with DESE's questioning and/or format.

Josh Charpentier disclosed that he believes Map Academy organizationally is exactly where they should be at the end of FY25 reiterating they would need to put more money into the capital plan as the hope would be that the purchase of the building will occur in the next charter term. He further updated subcommittee members on goals for the capital plan. He said all of Map Academy's data and auditing tools, and DESE's information, showed they were in great shape financially and well positioned to receive the loan when ready to purchase the building and set up the school for long-term success.

a. Building Update

Rachel Babcock noted the next step would be an updated lease agreement as the landlord's planned expansion of the building moves forward. No additional cost to Map would be incurred until the school took occupancy of the expanded space. She mentioned that furnishings and fixtures would come from the capital account, though the ultimate goal for that account would be for the purchase of the building from the landlord after agreement of the sale.

Josh Charpentier stated there were several leaks in the roof that the landlord agreed would be fixed over the summer. Liza Veto queried whether the ballpark timescale for the lease would be fall of next year (2026). Rachel Babcock hoped that would be the case. Derek Paiva asked how long the lease covered. Josh Charpentier responded that it would be a lease amendment and likely five years. Rachel Babcock noted that an amendment to the lease would take place and said that it had a renewal clause linked to the charter. She commented that the lease was solid and beneficial to both parties, though she expected a second amendment pertaining to the expansion of the building.

Derek Paiva asked what the expectation of the finance subcommittee was for the building piece and what subcommittee members needed to do. Josh Charpentier replied that subcommittee members needed to be at the July 28 meeting to vote on the allocation of funds to the capital plan. He added that the subcommittee needed another year to talk about said plans and that, regarding conversations with the bank, they would talk to Derek Paiva and Adam Earle if support was needed. Josh Charpentier said they were using a bank that was well versed in charter schools.

Rachel Babcock reiterated that the landlord does not want to sell the building right now. She stated the intent was to purchase the building eventually when he is ready to sell but they would be leasing the additional space first.

Josh Charpentier remarked that he believed subcommittee members now understood how closely enrollment was tied to funding. He hypothesized that it would be in FY27, although he felt that was ambitious. Rachel Babcock said that it was on the radar as a possibility. Josh Charpentier asked whether it was out of the question that a 12,000 square foot renovation could be done in 18 months. Adam Earle said not impossible but commented that it was an aggressive timeline based on his experience. Adam Earle asked Rachel Babcock who the attorney was at present. She replied that they had several, but the one they used for real estate and contracting was Mike Sweet, partner at Bulkley Richardson, who had been supporting Map Academy since the beginning. She added that Mike Sweet's team were helping with the LMS contract too. She further updated members on Mike Sweet's prior experience and skills and said it was great that the firm had specific knowledge of the unique details that came with running a charter school.

Lizo Veto returned to the issue of what the finance subcommittee was able to do and mentioned the student catchment area potentially expanding. She remarked that it would be helpful for the committee to discuss around that point. She also asked whether it would be prudent to have another meeting in advance of the October audit full subcommittee meeting. Josh Charpentier agreed that could be arranged. He said he would add the finance subcommittee dates to the full board schedule that is going to be an agenda item for the July meeting.

3. Comments/Announcements

Josh Charpentier checked if subcommittee members could make the July 28, 2025 Board meeting. He reminded everyone that attending virtually was an option. Adam Earle and Derek Paiva confirmed their intention to attend. Rachel Babcock informed everyone that, due to the addition of two new subcommittee members, making 10 in total, they needed six to make a quorum. Members all agreed that they would be present.

Lizo Veto checked that subcommittee members received her email from the previous week and asked if members could schedule a meeting with her in the next month. Adam Earle confirmed that he would book in. Derek Paiva said that he was waiting to onboard two new subcommittee members. Lizo Veto confirmed that he could do that. Derek Paiva said he would reach out to the new subcommittee members and schedule onboarding before July 28, 2025.

4. Upcoming full Board meeting dates

a. Monday, July 28, 2025

b. Graduation – Tuesday, June 17, 2025

c. Graduation – Wednesday, June 18, 2025

5. Adjournment

Lizo Veto moved to adjourn the meeting. Derek Paiva seconded it.

For	Against
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Liza Veto Adam Earle Derek Paiva Rachel Babcock Josh Charpentier	
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The meeting was adjourned at 9.55 am.

Document List:

- June 3, 2025, Finance Sub Committee Agenda
- Tuition & Disbursement Recap/Update Presentation
- 25Charter3517 Feb Claim Report
- May 5, 2025, DESE Updated Figures