MEETING MINUTES

Finance Sub Committee Board Meeting

Date: March 17, 2026 – 9:00 a.m.

Location: Hybrid – 11 Resnik Rd. Plymouth & Zoom Virtual

Attendees:

Liza Veto, (Board Chair), Zoom

Rachel Babcock, (Co Director and Board Member), In-person (Zoom)

Adam Earle (Board Treasurer), Zoom

Josh Charpentier (Co Director and Board Member), In-person (Zoom)

1. **Call to Order/Attendance**

Josh Charpentier called the meeting to order at 9:03 a.m.

Liza Veto explained that she had emailed Alissa Hopkins at the department to have the financial disclosure emails sent to board members who had not yet completed them and thanked Adam Earle for completing his.

2. **New Business**

   a) **FY26 Budget Amendment and FY27 Proposed Budget**

Josh Charpentier outlined the FY26 budget presentation, explaining that the first goal with the full board would be to amend the FY26 budget due to changes in revenue sources and expense lines, and then approve the FY27 budget. He described the process for creating the budget, stating that every expense at Map Academy is coded by both a budget account and a funding source, reviewed monthly with AFC PAs, and confirmed that revenue and expense lines are checked twelve times a year.

Josh Charpentier continued that in December, he and Rachel Babcock take a deep dive into budget to actuals and conduct a complete salary analysis, repeated three times to ensure accuracy, and that projections of state and federal funding are also incorporated. Rachel Babcock added that salaries are reviewed annually against required and additional licensures and compared to Plummeth Public Schools' union-negotiated contract to ensure Map's base salaries are higher, noting that adjustments had been made over the last two years, but no gaps were found this year.

Josh Charpentier explained the training slide on charter school funding, stating that tuition from sending districts accounted for approximately 85 percent of total revenue, calculated through a complex formula by DESE, with a link provided for more information on the DESE website. He described facilities funding, noting that charter schools cannot access MSBA funding and receive a flat amount per pupil, recently increased to $1,188 per pupil, which did not cover the building costs but contributed. Josh Charpentier added that the remaining 15 percent of revenue came from state and federal grants, private grants, and nutrition and transportation reimbursements. He then presented the FY26 budget amendment, explaining that the approved budget from March 2025 projected total revenue of $8,411,923, while the amended budget increased to $9,015,225 due to higher tuition and facilities revenue and unexpected competitive grants. He noted that the board had remained fully enrolled all year and that the original budget included a reduction of $309,000 to be conservative. Josh Charpentier stated that the amended budget was approximately $418,000 higher than projected, which was a positive outcome, and invited questions.

Adam Earle asked whether the increase was largely due to unexpected grants or per-student revenue, noting that the overall increase was approximately seven percent and inquiring about allocation to the capital account. Josh Charpentier responded that some grants contributed about $160,000 but not a large amount, and he explained that the initial revenue haircut was a longstanding strategy to ensure surplus and financial stability. He emphasized that the approach had been successful for nine years, avoiding issues with any potential revenue shortfalls. Rachel Babcock added that this method allowed the organization to manage large projects and ensure robust compensation, which supported retaining staff and hiring effectively.

Adam Earle stated that enrollment was critically important and emphasized that it was truly the driver of operations. He noted that a three and a half to four percent increase, approximately $300,000, made sense and asked whether the $108,000 increase could go entirely into the capital account or if a percentage allocation was required. Josh Charpentier responded that there was a percentage, but he would address it later. Liza Veto added that for board members who were not budget experts, it was important to clarify why the budget haircut was applied, explaining that projections from DESE were best guesses informed by data but could be wrong either way and that external events or life changes could also influence outcomes, highlighting these as reasons for the conservative approach. Rachel Babcock noted that Map has been fully enrolled since opening in 2028 and also that enrollment had been stable at maximum capacity for the second year with no growth, and explained that future growth would require requesting additional seats through a board and DESE approved amendment, which may be an option for the board to consider at some point. She indicated that budgeting for 310 or 315 students would generate additional revenue and emphasized that even modest increases, such as 15 students, added up to significant revenue, which this story illustrated.

Josh Charpentier explained that tuition and facilities were the largest revenue sources and described the color scheme in the amended FY26 budget, with orange representing the approved budget and teal the amended figures. He noted that state grants increased by $75,000, federal grants by $50,000 after initially being reduced, and that private grants included a $185,000 Mass Life Sciences grant. Other income came from investment interest on cash and LMS allocations, and transportation reimbursement reflected FY25 expenses reimbursed in FY26. He stated that total expenses would increase from $7.5 million to approximately $7.9 million due to the unexpected private grant of $160,000, a $50,000 insurance contingency for potential family plan changes or workers' compensation adjustments, and $60,000 of FY25 Grad Path (LMS) money shifted to FY26. He added that personnel costs were only $124,000 higher than projected, including the insurance contingency, reflecting closeness to projected personnel costs.

Rachel Babcock noted that personnel costs were more predictable due to a stable staff, reflecting improved retention and forecasting, and that stronger staff allowed for more reliable predictions. Adam Earle asked whether any form of tenure existed in the charter school. Rachel Babcock responded that formal tenure did not exist, but staff could become long-standing through attachment to the environment, dedication to the mission and strong performance. She explained that after three years, if coaching and performance goals show stagnation, limited impact or poor licensure follow-through, a fourth year was considered carefully. She stated that second and third-year renewals are generally granted if staff are mission-fit and coachable, and staff receive holiday bonuses, renewal bonuses in spring, four percent annual COLA, and opportunities for salary increases through licensure, professional development, tuition reimbursement, and student loan support. She highlighted that this approach promotes retention, ensures the right staff stay, prevents tenure-like issues with lack of continuous improvement, and is a constant work in progress that is going well.

Josh Charpentier stated that after three years, professional development investment in staff must be evaluated, highlighting that continued investment in staff who are not progressing is not worthwhile. Rachel Babcock agreed that if staff are not growing, no investment should continue and highlighted improvements in hiring practices, which have created a positive cycle by attracting better applicants as the organization has matured. Josh Charpentier explained that non-personnel expenses, previously approved at $3 million, would increase by approximately $300,000, including $160,000 in grant-specific expenditures and a $125,000 contingency line, of which $10,000 had been spent on snow removal due to an expensive winter. Liza Veto confirmed that the contingency line existed for such purposes.

Josh Charpentier added that historically, prior budgets required significant realignment to account for shifting operating costs associated with being a new organization and also disruptions due to COVID, but the current budget has stabilized with very few line items exceeding $10,000. He detailed increases of $60,000 due to contract finalization for the LMS, $15,000 for building supplies and maintenance reflecting higher material costs, and slight increases in information management and technology, with the $160,000 grant increase offset by corresponding revenue. Rachel Babcock highlighted that a new facilities management specialist hired the previous summer has allowed the organization to purchase more supplies and manage operations effectively, explaining part of the increase in certain expense lines.

Josh Charpentier noted that only four-line items were adjusting by $10,000 compared to two slides worth of adjustments last year and presented the amended budget, indicating an anticipated surplus of approximately $313,979, which could realistically reach $450,500. He clarified to Adam Earle that a portion of the surplus would go into capital planning. Rachel Babcock added that there was a little extra money in many lines which adds up overall. Josh Charpentier explained that the organization could carry over some reserves, not all needing to go into capital planning, and that capital planning adjustments support the building purchase, with constant monitoring by him and AAFCPAs to ensure compliance with DESE's excess surplus formula.

Adam Earle asked if the surplus had other potential uses beyond capital or carryover. Josh Charpentier replied that these were the two primary areas, with all excess cash held in a money market checking account generating interest. Rachel Babcock added that the school could invest cash on hand and in the capital account, noting that capital account CDs had been aligned to mature simultaneously. Adam Earle observed that securing capital in CDs made sense despite current low yields, confirming no additional cash funds existed beyond capital or carryover. Rachel Babcock stated that once capital was accumulated for building purchase and outfitting, schools typically maintained a robust capital fund for future maintenance such as roof or HVAC replacements. Adam Earle noted that similar to snow removal, future building costs were inevitable, emphasizing the necessity of a capital account for ongoing building-related expenses.

Rachel Babcock stated that the law allowed the school to carry over funds. Liza Veto noted that highlighting amended column changes in a different color could help non-budget people focus on the numbers that had changed and suggested doing so for clarity. She added that philosophically, personal financing differed from school budgeting, as private or state grantors wanted funds spent on students in the current school year rather than being parked for future use, emphasizing prudent planning for contingencies and replacements. Rachel Babcock highlighted that charter schools had no override or prop two and a half mechanism for raising revenue, which justified the capital fund, and conservative smart budgeting and enrollment were essential to avoid financial issues, with charter rules prohibiting holding large cash amounts. Josh Charpentier explained that schools were allowed to carry over a certain amount of cash without allocating it to the capital plan and suggested discussing the possibility of laddered CDs versus the money market account with Adam Earle.

Adam Earle acknowledged the need to maximize savings while emphasizing that grant money should be allocated specifically and immediately for students, noting that there was no war chest outside the capital account. Josh Charpentier clarified that certain federal grants, such as special education, could be spent over 36 months, with prior year funds spent before current year allocations, and that reimbursement-based grants required submitting expenses to the state for payment, which had become more efficient under the new state system, improving cashflow and reserve funding. Rachel Babcock observed that the school operated with a very lean team, with personnel expenses as the biggest driver, and that each staff member's responsibilities encompassed multiple roles, which allowed the model to function efficiently and sustainably.

Josh Charpentier noted that the amended FY 26 budget would be voted on before proceeding to the FY 27 proposed budget, which built on the amended FY 26 figures. He reported that FY 27 total revenue was projected at $9,063,000, a $50,000 increase over FY 26, with a $250,000 tuition reduction or "haircut" applied, still leaving a $225,000 surplus based on DESE projections from February 23rd. He stated that enrollment projections had stabilized and reductions in state and federal grants were anticipated, with state grants projected slightly lower due to reliance on recurring rather than one-time grants, including $77,000 from YouthWorks, and federal grants reduced by $14,483 for Title I funding, reflecting uncertainty about Massachusetts' federal Title I allocation.

Rachel Babcock noted that a recent webinar highlighted that relative to the total federal funding for entitlement grants, Massachusetts' share for low-income students had declined, prompting forecasts that overall federal money to Massachusetts would decrease, and advising to budget based on the hold harmless amount. Josh Charpentier clarified that this represented 85% of current Title I funds/ Josh Charpentier reported that other state and federal grants were expected to remain stable, and that other income sources included interest and cash on hand. He stated that $250,000 of reserve funding would be used specifically for funding the LMS to balance the budget, with interest on cash, nutrition, and transportation reimbursement expected to remain similar, though they were not betting on increases. Rachel Babcock added that this was almost the last year of the LMS expense, allowing cash on hand to cover it and provide flexibility for future system development. Josh Charpentier confirmed that FY27 would be the last year of major LMS expenses, with the expectation that FY28 the school would have full use of the platform and in FY29 might see GradPath as a revenue source. Rachel Babcock added that cash on hand would also support increased building space in the future.

Josh Charpentier detailed that personnel costs would rise from $4.6 million in the amended FY26 budget to $5 million in FY27, reflecting a 4% COLA increase for all staff, including $77,000 for YouthWorks wages offset by grant revenue, approximately $150,000 in non-committed salary funds, master's degree and additional licensure increases, longevity, end-of-year payments, and benefits contingencies, particularly for health insurance. He noted that projected PeopleJoy tuition reimbursement and student loan repayment benefits supported staff retention. Liza Veto highlighted that financial counseling was included, which Josh confirmed. Josh Charpentier explained that unlike traditional public schools, Map Academy did not budget for retirees' health insurance due to the school's nine-year history and minimal retirements, though eventual contribution mechanisms were being explored. Rachel Babcock stated that the school was transparent with hires regarding this policy and anticipated creating a future budget line for retirees.

Josh Charpentier indicated that non-personnel expenses would decrease due to the one time nature of two FY26 grants totaling $160,000 and a reduced contingency line from $125,000 to $100,000, reflecting confidence in the organization's reserves. Rachel Babcock noted that contingency lines had been higher in the past due to uncertainties with operating costs. Josh Charpentier summarized that total expenses would increase by $251,000, with personnel rising by $415,000 and non-personnel decreasing by $164,000, marking budget stabilization. He presented historical personnel spending, noting stabilization between 50 and 60% of revenue.

Liza Veto noted that she had another meeting but could follow the remaining slides.

Josh Charpentier highlighted that Map Academy's net position had grown from $0 in FY17 to a projected $4.9 million, positioning the organization well financially for future LMS and building investments.

Adam Earle stated that he found the graph and the rocket visual impressive, emphasizing that starting at zero and building to the current point was remarkable and praising the chart as a great visual. Josh Charpentier thanked him and clarified that the discussion pertained to voting on the proposed FY27 budget versus the amended budget. Liza Veto acknowledged this. Adam Earle noted that despite Liza needing to leave, he wanted to highlight that financial know-how was a major focus for the bank this year, emphasizing that it was about community benefits rather than sales and that programs such as Credit for Life for adults or children could be implemented in schools. Rachel Babcock responded that it would be cool to consider, noting that a few teachers were already teaching personal finance and financial literacy, which could create an opportunity to integrate such programs. Liza Veto confirmed that the discussion could continue, stating she would email Josh about a few items and would see everyone on Monday on Zoom. Rachel Babcock thanked Liza, who then left the meeting.

Adam Earle continued by clarifying that financial literacy initiatives were significant, describing a recent large presentation for back-office workers near Dr. Lane's office, noting that it provided practical budgeting guidance, including HSA information, which had produced positive outcomes and deliverables. Rachel Babcock highlighted that this could enhance staff confidence in their own finances and enable them to better support students, particularly adult learners, and suggested implementing such initiatives in the fall during benefits orientation for the new school year. Adam Earle agreed, noting that it would align well with the timing and provide value without being remedial, citing those previous sessions had been well received by other clients.

Josh Charpentier indicated that once the August PD schedule was finalized, the initiative for the calendar year 2026 could be incorporated. Adam Earle confirmed that this aligned with the bank's focus for the year and then asked how to handle his contribution to Monday's presentation, inquiring whether he should take some slides or assist differently. Josh Charpentier suggested a collaborative approach, similar to the current session, with Adam helping drive conversation, highlighting points such as the growth in net position, which many board members might not realize, and noting its relevance for financing considerations. Adam Earle confirmed that net position was a critical component for financial strength and stability and emphasized the importance of a strong balance sheet for future challenges. Josh Charpentier agreed that collaborative presentation delivery was preferable to assigning specific slides individually. Adam Earle concluded by requesting that the presentation be sent to him directly rather than via a shared drive, noting access limitations on shared drives.

The meeting adjourned at 10:00 am.

Document List:

- FY26 Budget Amendment and FY27 Proposed Budget Presentation