

APPROVED



KIPP Academy Massachusetts

Minutes

KIPP MA Finance and Facilities Committee Meeting

Date and Time

Friday June 20, 2025 at 10:00 AM

Location

<https://kippma-org.zoom.us/j/81631429583?pwd=awPL9139FVk96SrINWM9IbIPleGIVY.1&jst=3>

Committee Members Present

C. Zorokong (remote), K. Pierre-Louis (remote), P. Ketterer (remote), R. Barnes (remote), T. Beecher (remote)

Committee Members Absent

M. Fates

Committee Members who left before the meeting adjourned

T. Beecher

Guests Present

J. Fetbroth (remote), Z. Trotsky (remote)

I. Opening Items**A. Record Attendance****B. Call the Meeting to Order**

R. Barnes called a meeting of the Finance and Facilities Committee of KIPP Academy Massachusetts to order on Friday Jun 20, 2025 at 10:01 AM.

C. Approve Minutes

P. Ketterer made a motion to approve the minutes from KIPP MA Finance and Facilities Committee Meeting on 06-02-25.

T. Beecher seconded the motion.

Space was made for questions.

The committee **VOTED** to approve the motion.

Roll Call

C. Zorokong	Aye
P. Ketterer	Aye
K. Pierre-Louis	Aye
M. Fates	Absent
R. Barnes	Aye
T. Beecher	Aye

II. Finance and Facilities

A. Review FY26 Budget

The FY26 reflects 3 major changes to KIPP MA's budget

1. Full time roles have been reduced by 39 since beginning of this year.
2. KIPP MA will beginning budgeting healthcare at 125% (vs. 110%)-- this should lead us to experience less volatility while we consider if we need to move to a more standard policy.
3. We are planning for an increase in contingency.

KIPP MA is starting to get estimates from our healthcare providers about what the impact would be if we changed several policies with regard to healthcare. One we are definitely changing is the breakdown of employer vs. employee coverage of insurance costs. Our policy is that the employer covers 70% of costs and the employee covers 30%, but this has not been happening in practice. To ensure this is the case, there will be an increase in premiums, but it will lead to savings. This will be announced to staff in preparation for the next annual healthcare season, which will commence in January. People will have time to prepare.

A member of the KIPP MA Team shared updates on the FY25 budget. We did not meet our debt service ratios in Lynn in Q3, but we did in Boston. We are back on track.

The Board Chair said the meeting with Citizens went well-- their concern is we need more advanced notice, so they were grateful for the 3rd quarter advanced notice, and shared there would be a fee. The fee is currently unknown to us, but there were not additional

concerns. It looks like the fee will be between \$25,000 and \$50,000, though could be as high as \$100,000.

The SY26 Budget was reviewed. We had a \$1.6 million gap to close. KIPP MA's CFO consultant said we needed to cut \$2 million. These cuts came from discretionary costs (mainly central office) and staffing.

A member of the Committee asked if we also received guidance from the CFO consultant about cutting staff roles, and the team explained she did give this guidance. We need to ensure even with cuts, we still need to operate. Our core programmatic and student experience will be more or less as it was. The Executive Director talked about changes to our academic team and how we are ensuring that the student experience, particularly in science and civics, is not impacted. Most of the change will be in how adults experience the regional office.

A member of the committee asked for clarification on the 19 roles being eliminated. There were a few levels of reduction that had been decided before the total reduction-- this includes over hires. We need a more centralized system for all the roles. We need to significantly change our overhire process.

A member of the committee asked about how these shifts were communicated. The Executive Director, alongside the Managing Director of HR, met with every individual impacted. Almost every individual impacted was offered another role at a school. Of those offers, half were accepted. The Executive Director will be visiting every school in August to communicate these changes, and the regional office will receive messaging this week.

A member of the KIPP MA Team shared shifts in internal controls for next year including tighter processes for spending in certain areas (i.e. legal fees) and in tighter review of budgets throughout the year. A member of the Committee asked if we do a monthly closeout for finances, and requested a copy be shared with the Committee.

A member of the Committee asked to review the P&L. Another member of the committee asked how we're feeling about revenue. The projections are now final-- they wouldn't go down at this point in the year, only up.

A member of the Committee shared personnel expenses are going down, which capture health benefits as well. The reductions we're making in FTEs and lowering our costs, we're lowering our total by \$1.7 million. We're also reducing KIPP contributions to health plans.

A member of the Committee shared feeling confident about the increase in contingency. We're pretty certain about the revenue, we know our staffing costs-- what are the risks? We haven't had a budget this tight in a long time-- we're feeling confident. However,

budget owners, principals, senior leaders are going to need to spend to their budgets, which is not a practice we're accustomed to. We will be starting the year with monthly meetings. We also have not accounted for health savings in the budget yet, but we know there will be additional savings we can make that will positively impact us in the spring. Another barrier we've had is people didn't understand one another's budgets and the connections. We weren't aware of reductions. People feel more accountable for their budgets.

A member of the committee noted facilities will continue to be a risk to the budget. This was beefed up across all budgets, but likely still isn't enough.

A member of the committee asked how the team is feeling about the CFO consultant. It's going very well. She is closing out the year with the CFO on Monday.

The Board Chair asked us where with the CFO search. The Executive Director is meeting with a potential candidate next week. We are currently focusing on the audit, but we need to solidify our process as well. The consultant is currently month to month through December. Her goal is to have the audit done in September, but the waiver might conflict with this. If the CFO transitions before the audit is complete, the Executive Director, the COO and the CFO consultant will own the audit.

A member of the committee noted this is the tightest budget we've had.

B. Vote to Approve FY26 Budget

P. Ketterer made a motion to Approve the FY26 budget.

T. Beecher seconded the motion.

The committee **VOTED** to approve the motion.

Roll Call

T. Beecher Aye

P. Ketterer Aye

M. Fates Absent

K. Pierre-Louis Aye

C. Zorokong Aye

R. Barnes Aye

T. Beecher left at 10:32 AM.

III. Closing Items

A. Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 10:44 AM.

Respectfully Submitted,

P. Ketterer

Documents reviewed during the meeting:

- 6.20 Finance and Facilities deck
- KIPP MA FY26 budget
- KIPP MA FY26 staffing projections