APPROVED

Lawrence Family Development Charter School

Minutes

LFDCS Finance Subcommittee Meeting

Date and Time
Wednesday April 2, 2025 at 5:30 PM

Location
Zoom

Committee Members Present
C. Needham (remote), G. Lopez (remote), J. Henriquez (remote)

Committee Members Absent
D. DeFillippo, L. McRae

Guests Present
S. Perry (remote), Y. Rodriguez (remote)

I. Opening Items

A. Record Attendance

B. Call the Meeting to Order

C. Needham called a meeting of the Finance Committee of Lawrence Family Development Charter School to order on Wednesday Apr 2, 2025 at 5:34 PM.

C. Approve Minutes

J. Henriquez made a motion to approve the minutes from LFDCS Finance Subcommittee Meeting on 03-05-25.
G. Lopez seconded the motion.

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

Roll Call

L. McRae	Absent
G. Lopez	Aye
D. DeFillippo	Absent
J. Henriquez	Aye
C. Needham	Aye

Chris Needham said today that they intended to review the MSA, but they will instead review the agreement and discuss it at the next Board of Trustees meeting on April 9, 2025.

Chris N. requested that committee members review the MSA ahead of the next Board of Trustees meeting to ensure they have an opportunity to raise any questions regarding the agreement.

II. School Budget FY 2026

A. School Budget FY 2026

Susan P. provided an overview of the preliminary FY26 budget, beginning with the revenue section. She noted that she had reviewed the draft in collaboration with Superintendent Darshan T. and Principal Hali C.

The draft currently includes a budget-to-actuals comparison for fiscal years 2023 through 2025 (with FY25 covering July through January). However, the budget for FY25 was not included in the draft. Chris N. requested that Susan P. add this information, emphasizing that it would be valuable for the Board's review.

Susan P. began her review by discussing projected revenues, highlighting tuition reimbursement based on an enrollment of 920 students. Chris N. inquired whether the budget was developed using the full enrollment figure or a more conservative estimate. Susan confirmed it was based on full capacity. Chris N. advised adjusting the budget to reflect a lower enrollment figure to allow for flexibility in case actual enrollment falls short.

Chris N. also raised concerns about potential reductions in grant funding, specifically for Title I and Title III programs, including Special Education. Susan P. responded that current guidance indicates there are no anticipated changes due to prior funding commitments. However, she acknowledged that the school is reverting to pre-COVID budgeting practices, given that many COVID relief funds are no longer available.

Chris N. asked whether the Department of Elementary and Secondary Education (DESE) had issued any guidance related to a potential federal Department of Education shutdown. Susan explained that the state is not currently concerned, as such a shutdown is not considered legally feasible. She added that while some federal programs may

close, associated funds are expected to be redirected to state-level departments. Given Massachusetts' strong support for education, the state does not foresee significant negative impacts. Nevertheless, Chris N. expressed concern about potential risks if these assumptions do not hold and requested an update next month on possible impacts from federal or state government shutdowns.

Chris N. also indicated that he would like to follow up with Darshan T. to further discuss the proposed increases, suggesting that they may be managed differently. He asked Jose H. to coordinate a brief call with Darshan T. in preparation for the upcoming salary vote scheduled for Wednesday's meeting.

Susan P. noted that a placeholder has been included in the budget for teacher retirement costs. The school is required to report its share of these costs, and the specific figures will be updated once available.

Chris N. inquired about the current interest rate for the school's money market account. Susan P. reported it as 2.73%. Chris N. suggested exploring other banking institutions, such as Fidelity, where current rates are closer to 4%.

Susan P. also informed the group that Enterprise Bank has been acquired by Rockland Trust, with a merger likely to occur in September.

Lastly, Chris N. asked about the status of the $5 million line of credit, specifically the deadline for its use. Susan P. stated that she is currently unsure of the impact the merger will have on this credit line and noted that the non-profit board will be meeting to discuss this further.

Susan P. reviewed the proposed salary expenses for the upcoming fiscal year, noting that the expense section is organized into categories, including salaries, taxes, and benefits. Additional expense areas include administrative costs, instructional costs, student services, facilities, and depreciation.

Beginning with salaries, Susan P. explained that these are broken down by department, such as Administration and the Instructional Leadership Team, which includes the Principal and Heads of School. Other categories include Teachers, Paraprofessionals, Extended Support Staff, Student Services, and Stipends. There is no salary data included for Custodial and Nutritional Services, as these departments have transitioned to the oversight of LFD.

Susan P. emphasized that several new positions have been added for the upcoming year, in response to both the school's expansion and staff requests. At the administrative level, new roles include an Assistant Superintendent, Executive Assistant, Communications Specialist, Human Resources staff, Payroll personnel, and potentially

an Accounts Payable position. This expansion accounts for the significant increase in the administrative salary line.

The Instructional Leadership category reflects a modest increase. The teacher salaries, traditionally budgeted at $5 million, are expected to rise due to a proposed 10% increase under the career ladder model. Historically, the budget has shown a surplus due to ongoing staffing shortages, which resulted in unspent salary funds.

Jose H. inquired whether the salary increases averaged approximately 5% across the board. Susan P. responded that this was not necessarily the case. Teacher salaries are determined through the career ladder system, which is based on experience and Department of Education guidelines. It does not follow a uniform percentage increase.

Jose H. noted that in earlier discussions, it was indicated that performance reviews had influenced salary adjustments. Susan confirmed that the career ladder incorporates performance and experience, and that it typically ranges from 5% to 10%. She added that the model is objective and transparent, allowing staff to clearly understand their position and growth potential.

Chris N. asked for clarification on the number of teachers budgeted versus currently employed. Susan stated that there are currently 60 teachers employed. The school plans to add two additional positions next year—one for Grade 4 and another for a Physical Education teacher—pending further review. Currently, there are 143 total staff members employed on the school side.
Chris N. requested that a more detailed update on teacher staffing be provided at the next meeting. He also mentioned the school's goal of increasing the number of staff members with Hispanic backgrounds and asked for an update on this initiative. Susan shared that the school is progressing in this area through a "feeder" program that supports paraprofessionals in becoming licensed teachers. This program has seen significant advancement with the support of a Para Coach.

Chris N. also addressed the notable increase in the Student Services budget line, noting previous discussions around adding a school psychologist. Susan P. confirmed that a psychologist has been added, in addition to positions such as a Curriculum Specialist. There has also been turnover in the Opening Doors program, which has contributed to the increase.

Regarding benefits, Susan P. reported that health insurance costs have risen significantly. With the expectation of a full staff complement in the upcoming fiscal year, benefit costs are projected to continue increasing accordingly.
Susan P. provided an overview of the proposed Administrative Expenses for the upcoming fiscal year, including the Management Services Contract between LFDCS and LFD. She clarified that the contract now exclusively covers IT services. In response to Chris N.’s inquiry about whether this contract is still calculated as a percentage of tuition,

Susan P. confirmed that it is not. Instead, the amount is based on actual costs incurred by the nonprofit organization.

Administrative expenses include payroll and human resources services, accounting fees, and legal fees. Susan noted an increase in licenses and permits, primarily due to higher fees from the Charter School Association and PowerSchool. Additionally, the budget reflects an increase in computer infrastructure spending, tied to the ongoing upgrade of technology and equipment. Property insurance costs are expected to remain flat.

For Instructional Expenses, Susan P. highlighted increases in several areas, including contracted services, staff development, and tuition reimbursement. Notably, it was recommended that tuition reimbursement coverage be increased from 50% to 75%, further supporting professional development initiatives.

In the Student Services category, Susan P. reported that the school has issued a Request for Proposals (RFP) for a new Nutritional Services contract. When Chris N. asked whether multiple bids had been received, Susan P. responded that the procurement process is currently being handled internally by the school. She also addressed the increase in transportation costs, attributing it to the addition of a sixth school bus during the current academic year.

Within the Facilities category, Susan P. clarified that many recent expenses were capital expenditures funded by the prior year’s surplus and are therefore not included in the regular operating budget presented.

Chris N. inquired about the rent expense. Susan explained that the current lease rate is $16 per square foot under a double net lease structure. This means the school is responsible for rent and insurance but not property taxes. She also noted that custodial fees are currently included in the rent line item, though there are ongoing discussions about separating these costs so that the rent reflects only the cost of the physical space occupied by the school.

Chris N. asked about depreciation and the school’s owned assets. Susan P. stated that depreciation has been relatively minimal in recent years, with $140,000 recorded in FY2023 and a decrease to $78,000 in FY2024. However, she anticipates an increase beginning in FY2025 due to recent capital investments that will be depreciated over time.

Chris N. also asked whether the $1.2 million in capital expenditures had been factored into the rent expense. Susan confirmed that it had not. Based on this, Chris suggested that the actual rent figure may end up being lower than currently budgeted.
Chris N. said that the recomendation is to approve a first draft budget and present it to the board subject to review on Monday by Jose H. Chris N. and Darshan T.

J. Henriquez made a motion to to approve a first draft budget specifically about salaries and present it to the board subject to review on Monday by Jose H. Chris N. and Darshan T.
G. Lopez seconded the motion.
The committee **VOTED** to approve the motion.

Roll Call

C. Needham	Aye
L. McRae	Absent
D. DeFillippo	Absent
J. Henriquez	Aye
G. Lopez	Aye

III. Closing Items

A. Adjourn Meeting

J. Henriquez made a motion to adjourn the meeting.
G. Lopez seconded the motion.
The committee **VOTED** to approve the motion.

Roll Call

L. McRae	Absent
G. Lopez	Aye
C. Needham	Aye
J. Henriquez	Aye
D. DeFillippo	Absent

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 6:24 PM.

Respectfully Submitted,
Y. Rodriguez

Documents used during the meeting

- School Budget F26a.xlsx