APPROVED

Lawrence Family Development Charter School
"strengthening families ... building community"

# Lawrence Family Development Charter School

## Minutes

### LFDCS Finance Subcommittee Meeting

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**Date and Time**
Thursday June 4, 2026 at 5:30 PM

**Location**
Zoom

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**Committee Members Present**
D. DeFillippo (remote), G. Lopez (remote), L. McRae (remote)

**Committee Members Absent**
C. Needham, J. Henriquez

**Guests Present**
D. Thakkar (remote), M. Ventre (remote), S. Stukuls (remote), Y. Rodriguez (remote)

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**I. Opening Items**

**A. Record Attendance**

**B. Call the Meeting to Order**

G. Lopez called a meeting of the Finance Committee of Lawrence Family Development Charter School to order on Thursday Jun 4, 2026 at 5:35 PM.

**C. Approve Minutes from May 7, 2026.**

D. DeFillippo made a motion to approve the minutes from LFDCS Finance Subcommittee Meeting on 05-07-26.
L. McRae seconded the motion.

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

**Roll Call**

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

## II. Business Items

### A. Finance Overview and FY27 Budget

Mark V. presented the FY26 proposed budget and reviewed the guiding principles used in its development. He explained that the overall budget strategy remains consistent with the priorities discussed during the previous Board meeting and is centered on enhancing instruction to improve student outcomes. The budget prioritizes recruiting, developing, and retaining highly qualified teachers and staff through competitive compensation while reinforcing the school's expectation of high performance from employees. Mark V. also emphasized reducing administrative costs, identifying operational efficiencies, and eliminating expenses that do not directly support the school's mission. He shared examples of ongoing cost-saving initiatives, including reviewing maintenance and operational purchases to identify opportunities for savings. He noted that another long-term financial objective is positioning the school to acquire the campus.

Mark V. reviewed the primary risks that could affect the FY27 budget, noting that the largest uncertainties involve state revenue, employee health insurance costs, and unforeseen facilities expenses. He explained that during the current fiscal year, the school experienced an unexpected reduction in state funding that ultimately totaled approximately $450,000 after the Commonwealth revised its charter school funding projections. While the school develops its budget using the most current state guidance, future revenue remains subject to legislative and executive decisions beyond the school's control. Mark V. also reported that health insurance costs have increased significantly, with expenses projected to approach $2 million compared to just over $1 million budgeted the previous year. He attributed much of this increase to changes in Medicaid enrollment and Affordable Care Act subsidies, which resulted in more employees enrolling in the school's health insurance plan. In addition, he noted that although the budget includes contingency planning for facilities maintenance, major unexpected failures involving building systems could require future budget adjustments.
Darshan T. provided additional context regarding the state funding reductions which began in December at $48,000 a month. He explained that the decrease resulted from the Governor exercising a previously reserved veto authority affecting charter school funding, resulting in reductions for charter schools across Massachusetts. Darshan T. noted that while the school budgets responsibly using available information, unexpected changes in state funding remain a significant risk. He also reported that the

Massachusetts Charter Public School Association (MCPSA) has secured a voting seat on the state budget conference committee for the first time, giving charter schools a greater voice during future budget negotiations. Although no guarantees exist regarding future funding, Darshan T. expressed optimism that this representation will improve advocacy efforts for charter schools.

Darshan T. also highlighted the school's continued strong enrollment position. While many charter schools across the Commonwealth are experiencing enrollment declines, LFDCS continues to maintain strong demand with a waiting list of more than 300 students. He informed the Board that state officials have approached the school regarding the possibility of future enrollment expansion because of its strong academic performance and reputation. Under its current charter, LFDCS is approved to grow to 1,000 students by 2030. The state has indicated that additional charter seats may become available in Lawrence, and LFDCS has been identified as a leading candidate to receive some or all of those seats should the school have sufficient facilities to accommodate future growth.

Mark V. reviewed the school's projected FY27 revenues. Tuition revenue is based on the most recent state guidance and is projected at approximately $22 million. He explained that per-pupil tuition rates are determined largely by the sending district, with nearly all LFDCS students residing in Lawrence. He also reported that the school will receive an additional $100 per student in facilities funding as a result of successful advocacy by the MCPSA generating approximately $94,000 in additional revenue. Federal grant revenue is projected to decline slightly from the current year, while revenues from extended day programs, summer school, and student fees remain relatively stable. Overall projected revenue for FY27 is approximately $23.2 million.

Mark V. reviewed the proposed expenditure budget, emphasizing that salaries, wages, and employee benefits account for approximately 72% of total revenues, reflecting the school's continued investment in instructional staff. He explained that education is fundamentally a people-centered enterprise, making personnel the school's largest investment. Administrative expenses, including legal services, are expected to decline from the current year following the completion of significant lease negotiations. Property and liability insurance costs remain substantial but are managed through participation in a charter school insurance purchasing consortium. Membership dues primarily reflect the school's support of the MCPSA, which continues to advocate on behalf of charter schools at the state level.

Additional operating expenses were reviewed, including printing, instructional services, curriculum, transportation, technology, and campus operations. Mark V. noted that the administration continues to encourage reduced printing and greater reliance on digital resources to lower paper and printing costs. He explained that contracted special education services remain a significant instructional expense and highlighted the school's partnership with Merrimack College, which provides teaching interns who have frequently transitioned into full-time teaching positions. Curriculum costs are expected to decrease in FY27 following major curriculum purchases completed during the current fiscal year, including a significant investment in new science curriculum materials. Transportation remains one of the school's largest operating expenses, and with continue to explore cost-saving opportunities through shared transportation arrangements for a summer program and competitive bidding. Technology expenses continue to increase due to rising instructional software costs and planned investments in classroom technology, including interactive displays for the 404 Haverhill Street expansion.

Mark V. presented a financial analysis of acquiring the school's campus. Based on current assumptions, including an estimated purchase price of $18 million with tax-exempt financing, he explained that annual debt service would be significantly lower than the school's current lease payments. Under these assumptions, ownership of the campus could reduce annual occupancy costs by nearly $1.2 million. Mark V. emphasized that campus acquisition remains a strategic financial priority because it would strengthen the school's long-term financial position and redirect substantial operating funds toward educational programs, staffing, and student services. He noted that these savings would continue to grow over time because lease payments increase by 3 percent annually, while debt service would remain relatively stable. Darshan T. added that the proposed financing would not include a prepayment penalty, providing the school with additional flexibility and potential savings should refinancing or early repayment become advantageous.

Mark V. also reviewed several facility-related initiatives included in the budget. He reported that the administration is working with the Lawrence Housing Authority to terminate the lease for the gymnasium located at 580 Haverhill Street, as it is no longer used for school operations and primarily serves the Lawrence Family Development Foundation's extracurricular programs. He explained that ownership of the campus would allow the school to invest in long-term energy efficiency improvements, including replacing windows and upgrading heating and air conditioning systems to reduce utility costs. The proposed budget includes approximately $200,000 reserves for repairs and maintenance to address the needs of the aging facilities, although Mark V. cautioned that significant failures of major building systems could require additional expenditures beyond the budgeted amount.

Mark V. reported that total non-payroll expenses are projected at approximately $6.1 million, resulting in an anticipated operating surplus of approximately $500,000. He explained that the school expects to incur approximately $480,000 in one-time acquisition-related expenses and has structured the budget to generate sufficient operating cash flow to absorb these costs without using reserve funds. Preserving reserves remains an important objective because maintaining adequate cash balances will strengthen the school's financial position during the campus acquisition process and support financing requirements. After accounting for these expenses, the budget is projected to generate a modest increase in net assets of approximately $20,000.

Dave D. asked whether the proposed increase in state facilities funding of $94,000 would be restricted to facilities-related expenses. Mark V. explained that the additional allocation

is unrestricted revenue that may be used for general operating purposes. He also noted that it is not confirmed. Darshan T. added that while the funding increase has been supported through the legislative process, it remains subject to final approval.
Mark V. reviewed the administration's efforts to monitor printing costs by utilizing employee printer usage reports to better understand printing patterns and encourage greater use of black-and-white printing in place of more expensive color printing. Dave D. shared that similar cost-control measures had been effective in other school districts and expressed support for the administration's approach.
Dave D. commented that the proposed budget reflects a very narrow operating margin. Mark V. acknowledged that the budget is intentionally conservative and emphasized that the administration's priority is to preserve instructional programs and student-facing positions while identifying savings in administrative and operational areas. He reiterated that purchasing the campus would significantly improve the school's long-term financial outlook, noting that the projected annual savings could support the equivalent of approximately ten additional teaching positions with benefits. He also stated that the administration has developed contingency plans should future state funding decline and affirmed that any necessary budget adjustments would continue to prioritize instruction and student services.
Dave D. also asked whether recent administrative staffing reductions had affected employee morale. Darshan T. responded that the administration has not observed significant anxiety among faculty or staff, which he attributed to consistent communication regarding the school's financial position and budget priorities. He explained that school leadership has openly discussed the budget with staff, families, and the Board, providing transparency throughout the process. Mark V. added that many public school districts across the Commonwealth are facing similar financial challenges following the expiration of pandemic-related funding, and that LFDCS has been able to avoid reductions to instructional staff. Dave D. remarked that the recent compensation adjustments likely also contributed to employee confidence.
D. DeFillippo made a motion to to move the FY27 Budget for final board approval.
L. McRae seconded the motion.
The committee **VOTED** to approve the motion.

**Roll Call**

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

Mark V. concluded with a finance department update, reporting that the school is implementing ADP for payroll, benefits administration, and time and attendance management to improve reporting and increase visibility into overtime costs. He also informed the Committee that preparations for the annual audit are underway and that the administration will soon begin working with financial advisors as part of the campus acquisition process.

**B.**

**Political Concerns**

Darshan T. informed the Finance Committee of correspondence received from Lawrence City Councilor Gregory Del Rosario regarding recent staffing decisions and school operations. Darshan explained that the email had been addressed to members of the local legislative delegation and copied to selected members of the Board and school administration. He requested that the correspondence be distributed to all trustees by Gerry L. when she has access to her email to ensure that the full Board received the same information and remained informed of the matter.

Darshan T. summarized that the correspondence expressed concerns regarding recent staffing decisions at Lawrence Family Development Charter School and requested that City officials, including members of the City Council and the Mayor's Office, be consulted regarding personnel decisions, programming, and meetings involving families. Darshan T. advised that, based on the school's understanding of applicable law, operational decisions involving staffing, school programming, and administration remain under the authority of the school's Board of Trustees and administration and are not subject to municipal approval or consultation requirements.

Darshan T. further stated that the email represented one of several recent instances in which the school has experienced increased attention and pressure from local elected officials regarding school operations. He explained that he wanted to make the Finance Committee aware of the correspondence because only selected Board members had initially received the email, and he believed it was important that all trustees have access to the same information before further discussion. He indicated that the matter, along with additional related correspondence, would be placed on the agenda for a future Board meeting to allow trustees to review the communications and consider whether any Board action or response would be appropriate.

Lynette M. asked whether the recently revised school visitor policy had been developed in response to the concerns raised in the correspondence. Darshan T. responded that the visitor policy was part of the school's regular annual policy review process and was not adopted specifically because of the current situation. He added that legal counsel had previously advised that the Board has the authority to adopt policies addressing operational concerns when appropriate and, if circumstances warrant, has an obligation to consider policies that protect the school's operations. Dave D. thanked Darshan T. for providing the Committee with the update and for keeping the Board informed of the matter.

## III. Closing Items

### A. Adjourn Meeting

D. DeFillippo made a motion to adjourn the meeting.
L. McRae seconded the motion.

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

**Roll Call**

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

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 6:23 PM.

Respectfully Submitted,
Y. Rodriguez

## Documents used during the meeting

*None*