

Finance Committee 05/14/2025

To: Finance Committee
From: Tyler Martin
Date: 05/14/2025
Re: Budget Draft
Call Date: **Wednesday**, May 14th @ 9:30am
Call in: <https://bostonprep-org.zoom.us/j/62264177592?from=addon>
Executive Summary

1. **Minute Approval:** Please see appendix.
 2. **Tuition Update:** Tuition for FY25 is coming in as planned, however potential issues on the horizon.
 3. **Budget Draft:** Committee to review and provide input on the FY26 draft budget.
 4. **Budget Timeline:** Budget timeline dates previewed below.
-

Discussion Items:

- 1) **Minute Approval:** Please see appendix. Committee to vote to approve minutes from the last two meetings.
- 2) **Tuition Update:** The Q3 tuition update for FY25 came in at \$26,895, which was \$20 less per student than in Q2.
 - i) Tuition for the year remains strong and we should finish the year ahead of plan (\$26,524). Enrollment is also still holding right in line with budget.
 - ii) We recently found out about DESE trying to implement a change to the tuition rate formula to account for retired employee health insurance. If put in place this could cost approx. ~1% in our tuition rate based on my estimates.
 - (a) Myself, the MCPSA and other Boston CFOs will be meeting with Rob O'Donnell from the Department of Revenue to try and fully understand the implications and timeline later this week.
- 3) **Budget Draft:** See attached FY26 budget draft for review:
 - i) Revenues
 - (a) Tuition: Expecting tuition to be up 4% next school year. However, we are expecting pressure on the rate as Boston is hinting at shifts in their budgeting strategy.
 - (i) Positives: Foundation Rate, BTU contract
 - (ii) Negatives: Demographic Data, Above Foundation Rate
 - (b) Enrollment: Trending in line with last school year
 - (i) Expected to start the year with more than 700 students.
 - ii) Expenses
 - (a) Salary Scale: After reviewing salary data from other charters and local districts we decided to raise our scales by 1%. This is inline with the inflation kicker in the tuition rate calculation. The 1% will be added on top of normal raises.
 - (i) Additionally added tenure bonuses that occur after your first and second year.
 - (b) Staffing: Similar to how we approached staffing reductions on the instructional side last year, we went through the back of the house team this staffing cycle. We were able to reduce roles evenly across the back-office team. This allowed for some strategic additions back on the instructional side (instructional coach, curriculum manager).
 - (i) Overall FTEs were reduced from 143 to 139.
 - (c) Major additions: Instructional roles, substitutes, curriculum/professional development
 - (d) Facility Refinancing: We are working to refinance phase 1 with Citizens. Given rates are higher than when we originally financed the costs are expected to increase by ~\$130K.
 - iii) FY26 Overview
 - (a) Overall, we still have a remaining gap of about \$300K for FY26, Options below:
 - (i) \$50-100k from strategic line-item reductions
 - (ii) \$100k from additional fundraising
 - (iii) \$150k from 1 less bus

- (iv) \$75K from elimination of contingency role
- 4) **Budget Timeline:** See below meetings that outline the budget process.
- i) Committee Draft Review – 5/14
 - ii) Board Draft Review – 5/16
 - iii) Committee Final Draft Review – 5/29
 - iv) Board Final Approval – 6/18

Please don't hesitate to contact me with any questions or comments. I can be reached by email at tmartin@bostonprep.org, or by phone at 617-910-5353.

Appendix:

Minutes: 1/23/25

Attending: TM, CM, JR, AP, KB, BJ, JG, BC

Notes:

- Public comment: None
- Minutes:
 - Remove the purchase the price in the minutes as it was in executive session
 - Minutes approved
- Tuition
 - Rate in December was up
 - Worried about ESSER spend from Boston
 - Cautiously Optimistic
- Enrollment
 - In line with budget 691 vs 690
- Parking lot
 - 3rd party potentially
 - Do we need to set a deadline
 - Add a little funds to the deal to push over the edge
- Compensation Planning
 - Review the two models from the working group
 - Y1 large raises
 - Single scale
 - What is driving attrition at Boston Prep?
 - How does the culture impact here?
 - Two models
 - Veteran teacher led
 - Teach what you want to teach
 - Younger teachers
 - Tight on structure
 - How does this fit into the overall strategy
 - How do we compare to the value proposition of other schools
 - How does this tie to the talent strategy
 - How do we align incentives
 - Do we do school wide bonuses vs. individual performance

Minutes: 3/10/25

Attending: TM, JG, MeS, AP, CM, LB, KB, DR, BJ, BC

Notes:

- Meeting Called to Order
- Public Comment
 - None
- Moved to executive session - vote on real estate purchase