



MBEF COLLEGE & CAREER ACADEMIES, INC. (MECCA)

The MECCA Business Learning Institute (MBLI)

DOCUMENTED RECORD OF IMPLEMENTATION AND OPERATIONAL STATUS

(Response to MCPS Administration's January 8, 2026 Presentation)

MBLI maintains a documented record of communications and implementation steps addressing each issue asserted by MCPS Administration. MBLI opened as a newly authorized public charter school within MCPS in August 2025 and, well before opening, acted in good faith to ensure that students would be appropriately served and that school practices aligned with applicable law and MCPS procedures as communicated. From the first day of the school's opening for instruction, MBLI consistently reoriented plans, procedures, staffing practices, and documentation in accordance with evolving direction from MCPS offices and staff, while maintaining continuity of instruction and student services.

From the first day of this inaugural school year, MBLI has responded promptly to written communications from MCPS and made timely adjustments to align with MCPS expectations as conveyed. However, MCPS has advanced and escalated allegations—characterizing them as material violations, particularly related to special education—before providing the underlying student-level data necessary to validate the assertions or support targeted, evidence-based alignment. MCPS further escalated after MBLI had implemented district-directed changes and matters had been treated as addressed and resolved and additionally inserted broad operational “concerns” (including finance, transportation, facilities, technology, staffing, and communications) after only approximately three months of school operations, without accounting for the start-up and MCPS-system-dependent nature of those functions.

This sequence raises substantial concerns for MBLI regarding procedural regularity, fundamental fairness, and the integrity of the support-and-verification framework contemplated by IDEA, COMAR, and the Charter Agreement, including whether MBLI was afforded a meaningful opportunity to address concerns following clear notice, specific findings, and verified post-implementation monitoring using consistent standards. The record reflects MBLI's timely responses, documented implementation steps within stated timelines, and repeated requests for the specific evidence sources referenced by MCPS—requests that, in multiple instances, were not met. MBLI does not concede that the matters asserted constitute legal violations or breaches absent verified evidence and a completed verification cycle.

MBLI further notes that the Charter Agreement limits revocation to circumstances involving failure to meet contingencies, failure to comply after notice and a reasonable opportunity to address concerns, or failure to comply with applicable legal requirements. For a school operating for approximately three months—where special education allegations were advanced prior to provision of specific supporting data and where MBLI repeatedly requested but did not receive the information necessary to verify and address the claims—assertions of a failure to correct are unsupported by the record and inconsistent with the Charter Agreement's plain requirements. At



no point during the periods described did MBLI suspend instruction, deny enrolled students access to educational services, or fail to operate as an instructional program. MBLI further notes that, at no time were students or staff placed in unsafe conditions.

As the only public charter school operating within the county, MBLI required charter-specific operational frameworks that did not previously exist within MCPS systems. MCPS did not demonstrate comparable urgency to establish the charter-specific implementation supports necessary for timely, faithful operations—despite MBLI’s repeated requests for coordination and clarification. In contrast, the district has moved quickly to elevate operational issues through formal revocation. MCPS’s failure to collaborate with MBLI and the relevant bargaining units to develop secondary MOUs or other implementation guidance tailored to charter operations (including staffing and benefits administration, scheduling, transportation, and other day-to-day operational processes) contributed to operational ambiguity and avoidable friction—issues that are now being cited by the district as grounds for concern.

Additionally, MBLI notes that this approach is inconsistent with the implementation grace afforded to new MCPS-initiated programs and start-up initiatives as systems, staffing, and procedures stabilize. A newly opened charter school integrating into MCPS-controlled systems should be evaluated using the same reasonableness and implementation lens—particularly during its initial months of operation—rather than subjected to accelerated escalation that the district would not apply to its own new initiatives.

Narrative responses and supporting correspondence are attached.

A DOCUMENTED RECORD OF CURRENT STUDENT ENROLLMENT

Enrollment Context and History – SY 2025–26

Original Enrollment Plan

MBLI’s approved enrollment plan for SY 2025–26 contemplated an initial target of 250 students, developed in 2021–2022 for planning purposes and carried forward into charter implementation. The charter agreement was executed in 2023 with the approved understanding of a SY 2025–26 opening. Accordingly, the 250-student figure reflected forward-looking assumptions that could not be fully validated until implementation and remained subject to adjustment as actual operating conditions became known.

Enrollment Count Methodology

For official reporting and enrollment-based calculations, MBLI’s enrollment is determined using the state-established September 30 enrollment count date and is recorded as 186 students. This methodology is prescribed by Maryland law and applicable state guidance and is not subject to discretionary or ad hoc adjustment based on informal timelines or shifting administrative preferences. While student mobility may occur throughout the year, the September 30 count is the operative measure used for state-recognized reporting and related funding calculations. MBLI further notes that MCPS did not provide MBLI with the finalized official September 30,



2025 enrollment record contemporaneously—or thereafter. MBLI located the finalized record through independent review/research. This is material because MCPS halted additional per-pupil disbursements after the September payment while referencing the September 30 count, notwithstanding that MBLI was not provided the underlying official record needed to confirm the finalized count and reconcile funding calculations.

Temporary Facility and Financial Constraints

During the final pre-opening period, the Maryland State Department of Education suggested MCPS provision a holding space for MBLI use to allow additional time to prepare the permanent Goldenrod Lane campus to a standard satisfactory to MCPS. MBLI accepted this recommendation in good faith to support a safe and orderly opening while continuing work on the permanent site. MCPS offered the Radnor facility as the temporary location, representing that although updates were required, the building was in better overall condition than other potential holding facilities. MBLI agreed to this arrangement with the understanding that it would be short-term and transitional. However, under the conditions imposed by MCPS, MBLI was required to pay full rent for the Radnor facility and assume responsibility for capital updates and readiness work, without rent credit or financial offset. MBLI had not projected the need to finance and operate two facilities simultaneously—a temporary site and a permanent campus during the same period. These overlapping obligations materially increased operating costs at a critical stage of school launch.

These challenges were compounded by the timeline required to secure formal authorization to occupy the Radnor facility. MCPS advised MBLI in writing that lease terms would need to be finalized and submitted to the Board of Education in advance of the June 10, 2025 Board meeting, followed by State Superintendent approval, in order for MCPS to begin necessary repairs. The time required to complete this process further compressed MBLI’s planning and financial projections. In light of these district-directed conditions—including full rent, unfunded capital responsibilities, and concurrent financing of the permanent Goldenrod Lane campus—MBLI notified MCPS that enrollment of an additional 40 students during the temporary period would be necessary to maintain financial viability and operational continuity. This request reflected the financial realities created by the temporary facility arrangement and was communicated transparently to the district. These circumstances underscore that the financial strain associated with MBLI’s temporary facility was not the result of discretionary school decisions, but rather the cumulative impact of state-suggested, district-offered, and district-conditioned actions.

Geographic Distribution and Temporary Location Impact

More than 50 percent of MBLI’s enrolled students resided in up-county communities, including Gaithersburg and Germantown. The temporary Radnor facility, located in Bethesda, was substantially farther from these communities than the permanent Goldenrod Lane site. During the temporary period, MBLI experienced transportation disruptions, vendor changes, and evolving compliance requirements. In combination with the increased distance to the temporary facility, these factors led some families to determine that attendance during the temporary period was not sustainable, resulting in student withdrawals.



Communications Regarding Additional Enrollment

MBLI communicated its need to enroll up to 290 students for SY 2025–26 and understood that MCPS staff were pursuing the necessary approvals and operational steps to support that enrollment level. This understanding was reinforced through MCPS correspondence and operational actions related to uploading MBLI’s enrollment file into Synergy Production, including notification that approval had been received to proceed and confirmation that 287 students had been enrolled under MBLI. Based on these operational signals—supported by MCPS communications—MBLI reasonably understood that it was authorized to proceed at that enrollment level in order to sustain operations during the 2025–26 school year. MBLI was later informed that a formal Board of Education request was required for the additional 40 students. MBLI submitted that request as directed. The Board did not act on the request, resulting in MBLI being limited to 250 students for SY 2025–26 despite earlier operational signals to the contrary.

Impact of MCPS Communications to Families

During the enrollment process, MBLI became aware that MCPS central office notified principals at students’ prior schools when families withdrew to enroll at MBLI. When MBLI raised concerns, the MCPS office responsible for school choice programs advised that this notification practice is “the way it is done.” Following these notifications, however, some principals contacted families directly regarding their enrollment decisions. MBLI is concerned that this practice undermines the freedom of parental choice and places families in a precarious position when selecting a new public school option—particularly a newly opened public charter school that is not outwardly supported by the district. Providing school-based administrators with the names of students leaving for MBLI, and subsequent outreach to families, creates a foreseeable chilling effect on parents’ ability to make enrollment decisions free from perceived pressure or discouragement. As a result, approximately 20 families elected not to proceed with enrollment. In multiple instances, MBLI further observed that the students’ prior (home) schools then coordinated re-enrollment directly with MCPS central office—without any contact with MBLI. This practice created confusion for families navigating a new school choice, disrupted customary transfer coordination, and reinforced the perception that charter enrollment decisions were not being treated neutrally or supported as a lawful public-school option.

Central Office Student Record Actions Without MBLI Notice

During the enrollment period, MBLI observed instances in which MCPS central office personnel removed students from MBLI’s Synergy enrollment roster or altered enrollment status without prior notice to MBLI and outside customary procedures for transfers to a public charter school. MBLI identified these actions through internal reconciliation and audits of Synergy data, including review of withdrawals, enrollment status changes, withdrawal codes, and student record histories. These central record actions had immediate operational and financial implications for the school, including disruption to onboarding, scheduling, staffing, and service planning. MBLI raised concerns with MCPS and was initially advised that central removals would not continue. MBLI subsequently observed additional central removals. MBLI was later advised by district leadership that central removals would continue when parents contacted the central office, notwithstanding the customary MCPS practice of directing families to coordinate enrollment changes directly with the school(s). MBLI includes this information to ensure the



enrollment record reflects not only family-driven mobility, but also authorizer- and system-driven actions that materially affected enrollment during SY 2025–26.

Record of Current Student Enrollment

As of January 16, 2026, MBLI’s active enrollment, as reflected in Synergy, is 91 students, following the school’s midyear transition to its permanent Goldenrod Lane campus. This figure reflects cumulative student movement during a constrained startup period and must be understood within the broader operational context of SY 2025–26. The January 16 enrollment snapshot is distinct from the September 30 count, which governs official reporting and funding. MBLI provides this information for transparency while emphasizing that midyear enrollment during a transitional period should not be viewed in isolation or as predictive of future enrollment under stabilized operating conditions.

Summary

MBLI’s SY 2025–26 enrollment outcomes were shaped by a convergence of authorizer-directed, system-level, and facility-related factors, including:

1. Operation in a temporary MCPS facility with full rent and unfunded capital responsibilities;
2. Concurrent financing of both temporary and permanent facilities;
3. Evolving and incomplete guidance regarding enrollment approvals;
4. Operational signals indicating approval to enroll up to 290 students, followed by a lack of Board action;
5. Central office communications to families following withdrawals;
6. Centralized student record actions without prior notice; and
7. Geographic and transportation challenges associated with the temporary site.

Collectively, these factors materially affected enrollment stability during a constrained startup period and should not be misconstrued as a lack of interest in MBLI, a lack of community demand, or a lack of institutional capacity. To the contrary, family interest in the school has remained strong notwithstanding the district’s current characterization of MBLI’s operations, as reflected in ongoing application activity, sustained inquiry from families, and continued community engagement. MBLI submits this record to ensure that enrollment is evaluated in its full operational and authorizer-driven context, rather than through an incomplete snapshot taken during an extraordinary transitional period.

A DOCUMENTED RECORD OF THE NUMBER OF APPLICATIONS RECEIVED FOR ENROLLMENT 2026–2027 School Year (To Date)

The MECCA Business Learning Institute Public Charter School (MBLI) has received a strong and verifiable number of applications for the 2026–2027 school year, reflecting sustained family interest and continued confidence in MBLI’s mission and educational model.

As of **January 19, 2026**, MBLI has received: **279 applications**



The volume of Grade 6 applications demonstrates robust entry-grade demand, with applications exceeding available seats by more than 60 percent. This level of interest confirms that families are intentionally selecting MBLI as a school of choice for middle-school entry, based on the school’s distinctive focus on business education, career readiness, and whole-child development.

Context and Demand Signal

Importantly, these application levels have been achieved despite the extraordinary challenges associated with MBLI’s inaugural year, including facility transitions, transportation disruptions, and heightened scrutiny during early operations. Rather than diminishing interest, these conditions underscore MBLI’s resilience and credibility, as families continue to seek enrollment and signal confidence in the school’s leadership, academic vision, and long-term viability.

The distribution of applications across grades also reflects MBLI’s intentional approach to enrollment stabilization, with capacity reserved in Grades 7 and 8 to support re-entry, mid-year mobility, and future growth. As outreach and recruitment continue, MBLI anticipates additional applications for upper grades, consistent with enrollment patterns observed in newly established public charter schools.

Taken together, the application data provides clear, documented evidence of school choice, sustained community demand, and MBLI’s capacity to attract families even under adverse conditions, reinforcing MBLI’s role as a valued public option within the local education landscape.

Clarification Regarding MCPS Mischaracterization of MBLI’s Application Cycle

During the January 8, 2026 presentation to the Board of Education, MCPS Administration characterized MBLI’s admissions activity in a manner that suggested the application process was irregular, untimely, or misaligned with district procedures. The documented record does not support this characterization. MBLI has remained fully aligned with MCPS admissions timelines and expectations throughout the 2026–2027 application cycle, including coordination with the Department of Consortia, Choice, and Application Programs (DCAPS).

On November 6, 2025, DCAPS staff contacted MBLI to request confirmation and updating of MBLI’s admissions deadline. MBLI responded promptly and in writing, and MCPS staff acknowledged this confirmation. No concerns regarding MBLI’s admissions window, deadline, or alignment were raised at that time. Contrary to the implication made during the January 8 presentation, MBLI’s application window has remained open and transparent, consistent with MCPS practice for school choice programs that continue to accept applications based on seat availability, waitlists, and subsequent invitation rounds.

At the same time, the record reflects that district coordination with MBLI occurred later than would be expected for an MCPS-authorized school of choice. MBLI’s 2026–2027 admissions cycle opened in October 2025; however, the first documented DCAPS outreach did not occur until November 6, 2025, and more substantive coordination regarding timeline alignment and data exchange did not occur until mid-January 2026. For an authorized MCPS choice program,



this delayed engagement is inconsistent with the proactive coordination typically associated with district-run choice programs and contributed to avoidable uncertainty that should not be attributed to procedural irregularity by MBLI.

Further, MCPS correspondence received after the January 8 Board meeting confirms the district's awareness of MBLI's active admissions cycle and its request for applicant, invited, and accepted student data in alignment with district staffing and enrollment planning timelines extending through January 26, 2026 and into March 2026 for second-round offers. This subsequent outreach underscores that MBLI's admissions activity has been neither anomalous nor noncompliant and that MCPS continues to treat MBLI as an active participant in the district's coordinated choice and enrollment processes. Accordingly, any suggestion that MBLI's application numbers are the result of an improper, late, or misaligned admissions process is not supported by the record. The documented communications demonstrate that MBLI has acted consistently, transparently, and in coordination with MCPS at all stages of the admissions cycle, and that the application data presented reflects legitimate, sustained family demand, rather than procedural irregularity.

Exclusion from School Choice Communications

MBLI was not afforded the same opportunity as in the prior year to be included in districtwide school choice communication blasts for the SY 2026–27 enrollment window. As an authorized MCPS public charter school participating in the choice process, MBLI should be included as a matter of course, and MCPS should proactively coordinate with MBLI on accurate, neutral message language. Instead, MBLI had to initiate the request after learning it had been omitted, and the subsequent communication was framed in a manner that was unnecessary and distasteful—emphasizing discretionary “*good faith*” rather than simply correcting the omission.

This omission was not merely procedural; it had measurable practical effects. MCPS did not issue the corrective districtwide communication until December 19, 2025. Prior to that date, MBLI received questions and expressed concern from families about whether MBLI was meaningfully included in the district's school choice process, given the absence of district-level outreach and visibility. Following the December 19 communication, MBLI experienced a marked increase in application activity, with applications arriving steadily shortly thereafter reinforcing that the earlier omission suppressed awareness and undermined MBLI's legitimacy as a school choice option.

Accordingly, the late corrective outreach particularly when paired with its discretionary “*gesture of good faith*” framing diminished MBLI's visibility and legitimacy and contributed to a broader pattern of district communications and actions that undermine MBLI's ability to compete on equal footing and succeed as a lawful public school option.

A DOCUMENTED RECORD OF IMPLEMENTATION AND RESPONSES TO ALLEGATIONS ASSERTED BY MCPS ADMINISTRATION (*Including the communication referenced during the January 8, 2026 presentation, as updated January 7, 2026*)



a. Allegation Regarding Implementation of IEP Services

MCPS did not conduct its official in-person IEP file review at MBLI until November 21, 2025. Nevertheless, MCPS issued a November 7, 2025 memorandum asserting potential procedural and substantive IDEA concerns before the in-person review occurred and before any formal findings could procedurally be issued. That sequence is procedurally out of order: allegations were advanced before MCPS completed its review and before MBLI received itemized, evidence-based findings supported by underlying data identifying discrete, correctable issues and the district's expectations and timelines for correction within an established corrective cycle. MBLI formally disputed the November 7 assertions in their entirety in writing on November 14, 2025, following an internal review of service logs, provider schedules, and IEP documentation, and requested that its clarifications be incorporated into the record. MCPS did not acknowledge, respond to, or otherwise follow up on MBLI's November 14 submission to clarify the record.

MBLI did not receive written notice of MCPS's audit findings or expectations until December 1, 2025, when MCPS transmitted the IEP Audit Summary and related directives. Accordingly, any assertion that MBLI failed to implement IEPs "*as written*" prior to December 1 is premature and unsupported by the audit record, as it predates both the in-person review and the issuance of formal findings. Upon receipt of the December 1 memorandum, MBLI promptly reviewed the students identified by MCPS to verify service alignment and documentation and undertook district-directed alignment steps within the specified timelines. MBLI also documented that the majority of IEPs reviewed were legacy records authored at students' prior MCPS schools, not by MBLI, and requested written guidance regarding expectations for correcting or annotating inherited records. MCPS did not respond to MBLI's December 2 nor December 9, 2025, written request.

b. Allegation Regarding Failure to Provide Services in a Timely Manner

Following receipt of the December 1 memorandum, MBLI reviewed service initiation timelines and delivery schedules. MBLI's review did not identify missed or delayed services. Nevertheless, MBLI requested student-specific evidence from MCPS to verify the alleged timing concerns and to assess whether compensatory services were warranted. MBLI further documented that special education and Section 504 services at MBLI are delivered by staff at MBLI who are employed by MCPS, operate under MCPS systems, and repeatedly requested written guidance, exemplars, and documentation standards to support consistent service delivery for said staff. These requests, made beginning in September 2025 and reiterated through December 2025, were not met.

c. Allegation Regarding Denial of FAPE

MBLI documented that special education and related services continued throughout the school year and that no intentional reduction or denial of services occurred. Where documentation or process questions were raised, MBLI worked collaboratively with district personnel to review



delivery and discuss compensatory services if warranted. MBLI also proposed ongoing joint quality-assurance measures, including regular compliance check-ins with MCPS Office of Special Education staff, to prevent future misunderstandings and ensure continued provision of FAPE. These proposals were not acted upon.

d. Allegation Regarding Noncompliance with IDEA, Section 504, and COMAR

Following receipt of MCPS's December 1 findings, MBLI reviewed its practices against applicable legal requirements and reinforced documentation practices within the scope of its authority. MBLI also requested MCPS-provided training, procedural guidance, and documentation standards for MCPS-assigned personnel responsible for service delivery. MBLI documented repeated requests for clarification, student-level matrices, exemplars, and funding/service alignment on September 8, October 3, December 2, and December 9, 2025. These requests were not substantively addressed.

e. Allegation Regarding December 2 Disclosure of Student Records

Upon learning of the December 2, 2025 incident, MBLI immediately reviewed the matter, confirmed the limited nature of the disclosure, and promptly notified MCPS. MCPS acknowledged receipt and advised that the district would manage next steps. No student harm was identified. MBLI reinforced confidentiality expectations internally. The only subsequent action was a duplicative notification issued by MCPS to MBLI families. Although the communication concerned fewer than 20 impacted families, MCPS distributed the message schoolwide to all MBLI families. MCPS then reissued the same message a second time, again schoolwide, adding the following disclaimer: *“UPDATE: This letter is being resent to only the families of impacted students. If your child is not impacted, you will not receive the update.”* Notwithstanding that disclaimer, the message again went to the full school community, causing unnecessary stress and confusion for families whose students were not impacted. MBLI further notes that this is not consistent with the district's typical practice for handling similarly limited, student-specific matters across MCPS.

f. Allegation Regarding FERPA and State Privacy Compliance

The December 2 incident was single and isolated. MBLI reviewed and reinforced FERPA and COMAR 13A.08.02 confidentiality practices and staff expectations. No additional incidents have occurred.

Summary of the Record

The documented record demonstrates that MBLI responded promptly to MCPS communications, disputed unsupported assertions, and repeatedly sought the guidance and data necessary to align with district expectations. Throughout SY 2025–2026, MBLI has coordinated and documented services delivered by MCPS employees using MCPS systems; MBLI's on-site Special Populations staff know how to serve students, and the missing element has been timely, clear



written direction from MCPS on its specific expectations—including required procedures and documentation/formatting standards. In contrast, MCPS frequently did not respond to written submissions, did not acknowledge corrections to the record, and escalated allegations without resolving factual disputes or providing requested procedural direction.

This record reflects good-faith implementation and alignment efforts by MBLI, rather than substantiated legal violations.

DOCUMENTS ESTABLISHING MBLI'S FINANCIAL PLAN FOR THE REMAINDER OF THE 2025-2026 SCHOOL YEAR *(January–June 2026)*

1. Financial Planning Framework and Operating Assumptions

The MECCA Business Learning Institute Public Charter School (MBLI) has established a disciplined and comprehensive financial plan for the remainder of the 2025–2026 school year that reflects prudent fiscal management, conservative enrollment and revenue assumptions, and coordinated support from key external partners. This plan is designed to stabilize operations during the second half of the school year while maintaining uninterrupted instruction and meeting all core operational obligations. For the January–June 2026 period, MBLI projects total revenues of \$4,021,560, primarily driven by per-pupil allocations associated with the state-recognized September 30 enrollment of 186 students in grades 6 and 7, net of the required 2.0% district administrative fee. Facility costs for the permanent Goldenrod Lane campus are reflected through a \$320,000 facility payment to Civic Builders, consistent with existing occupancy and lease arrangements. Projected total expenses for the same period are \$3,959,753, resulting in a positive projected balance at year-end of \$61,807.

2. Expense Controls and Budget Alignment

Personnel costs remain the largest expense category at \$3,097,253, reflecting staffing levels necessary to support instruction, special education services, student supports, and school operations. Non-personnel costs—including instructional materials, student health services, facilities operations, security, and administrative services—have been conservatively budgeted and aligned with executed contracts and verified operational needs. As documented in prior correspondence with MCPS, MBLI implemented staffing reductions, position eliminations, and expense controls beginning in October 2025 as part of its fiscal stabilization strategy, while maintaining continuity of instruction and required student services.

3. External Partner Support and Liquidity Stabilization

A central component of MBLI's stabilization plan is its continued collaboration with its facility development and financing partners. Civic Builders, in coordination with Eagle Bank, is actively working to refinance the school's facility financing to extend repayment terms and defer near-term debt service obligations. This effort is intended to improve short-term cash flow while longer-term financing structures are finalized. In addition, Civic Builders has committed to



addressing outstanding facility-related vendor obligations, significantly reducing immediate pressure on MBLI's operating budget. In parallel, MBLI is negotiating structured payment deferrals and payment plans with select vendors to smooth cash flow during the remainder of the school year while preserving payroll, instructional, and operational continuity.

4. Outstanding Per-Pupil Funding and Delayed District Reconciliation Data

Based on MBLI's approved enrollment, applicable per-pupil allocation rates, and the school's operational start date, MBLI believes that in excess of \$400,000 in additional per-pupil funding remains outstanding. MBLI has consistently engaged MCPS in good faith to reconcile this funding and has identified material inconsistencies in district budget projections and assumptions, including misalignment between projected and actual enrollment and timing assumptions that do not reflect MBLI's operational status.

While MCPS has raised concerns regarding MBLI's financial position, MCPS also simultaneously delayed the provision of the very monthly financial reports and payroll detail necessary to complete accurate reconciliations. As reflected in the attached correspondence dated September 25, 2025 through November 2025, MBLI repeatedly requested detailed payroll, benefit, time, and allocation data to reconcile projected versus actual expenditures and to inform staffing and cash-flow decisions. In particular, MCPS advised on November 10, 2025 that it did not yet have a finalized report reflecting employer benefit costs by employee and by pay period and was working with a developer to generate that report—data that is foundational to accurate monthly reconciliation. It is therefore inappropriate to present conclusions about MBLI's financial soundness as settled or reliable during that period, when the district's own reporting systems were not yet capable of producing the underlying documentation needed to verify the projections and disbursement calculations being applied to MBLI.

When MCPS ultimately provided reconciliation files on December 23, 2025—including the Fringe Report by Employee, Time Record History, Encumbrance Report, and Position Staffing, Salaries & Benefits Summary—MBLI conducted a detailed review. That review identified multiple material errors in the district's projection model, reinforcing MBLI's position that additional funding remains owed. Specifically, MBLI identified: (i) benefit projections that materially exceeded supportable employer-paid costs, including instances where projected benefit rates exceeded 50% and, in one case, 100%; (ii) salary projections that exceeded actual paid and/or encumbered obligations; (iii) continued inclusion of employees no longer employed by MBLI; and (iv) substantial overstatement of salary and benefit costs for reduced-FTE positions. These errors resulted in inflated staffing cost projections not reconciled to actual payroll, fringe, time, or encumbrance data, thereby improperly reducing MBLI's per-pupil funding.

The delay in receiving district-controlled financial reports—and the subsequent identification of material projection errors—materially constrained MBLI's ability to finalize reconciliation earlier, notwithstanding the school's implementation of contingency measures, staffing



reductions, and expense controls. Notably, the same unreconciled and flawed projection data were subsequently relied upon by MCPS in its January 8, 2026 informational presentation to the Board, amplifying concerns regarding MBLI's financial position without reflecting corrected or verified data. Accordingly, assertions regarding MBLI's financial condition must be evaluated in light of delayed reporting and demonstrably inaccurate projection assumptions, rather than as evidence of mismanagement or lack of fiscal controls.

MBLI has formally requested that MCPS immediately recalculate per-pupil revenue using actual salary, employer-paid fringe, time, and encumbrance data through the most recent reporting period and convene a working session to reconcile the data and facilitate prompt release of the outstanding funds owed. Resolution of this reconciliation is expected to materially improve MBLI's short-term liquidity position and further strengthen the school's ability to meet all financial and operational obligations through the end of the 2025–2026 school year.

DOCUMENTS ESTABLISHING MBLI'S LEASEHOLD AND/OR OWNERSHIP INTEREST IN THE GOLDENROD LANE FACILITY.

MBLI occupies and operates from the Goldenrod Lane facility pursuant to a leasehold arrangement structured through a third-party facility development, Civic Builders, and financing model, Eagle Bank. Under this arrangement, MBLI has lawful possession and operational control of the site. The facility arrangement provides MBLI with the right to occupy and operate the school at the Goldenrod Lane site for the duration of the school term and supports continuity of instruction for enrolled students. The facility has been improved and configured to meet MBLI's programmatic and operational needs, and MBLI is authorized to conduct daily instructional activities at the site consistent with its charter agreement. As part of the broader facility structure, MBLI holds contractual rights that provide an opportunity to purchase the Goldenrod Lane facility under defined conditions and participates as a partner in the property financing structure. These provisions are intended to support long-term stability and optional future ownership, while preserving operational flexibility during the current leasehold period. Exercise of any purchase rights is not required for MBLI's continued occupancy or operation of the school. This structure reflects a common charter school facility model in which a third-party entity manages property ownership and financing, while the charter school maintains sufficient possessory and control rights to ensure uninterrupted operations and long-term programmatic continuity.

DOCUMENTS ESTABLISHING MBLI'S CURRENT PAYMENT SCHEDULE FOR THE GOLDENROD LANE FACILITY.

Civic Builders serves as MBLI's facility development and financing partner for the permanent facility located at 20261 Goldenrod Lane. In a written statement, Civic Builders confirms its continued support of MBLI's long-term success and describes a supportive facility payment arrangement for the 2025–2026 school year. To address MBLI's short-term needs during its inaugural year of operation, and subject to final approvals, Civic Builders is working with its



financing partners to provide immediate supportive action, including a planned deferral of facility payments for the remainder of the current school year through June 30, 2026. If implemented as planned, MBLI would not be required to make facility payments during this period, with Civic Builders and its financing partners covering those costs during SY 2025–2026.