

APPROVED



Pioneer Valley Performing Arts Charter Public School

Minutes

Finance Committee

Date and Time

Tuesday January 8, 2019 at 8:30 AM

Location

Room 304, 15 Mulligan Dr., South Hadley, MA 01705

Committee Members Present

Bob Hann, Deborah Jacobson, Elmo Wright, Keith Black, Marc Kenen, Marcy Conner, Stephanie Burbine

Committee Members Absent

Owen Sordillo

Committee Members Arrived Late

Stephanie Burbine

I. Opening Items

A. Record Attendance and Guests

B. Call the Meeting to Order

Marcy Conner called a meeting of the Finance committee of Pioneer Valley Performing Arts Charter Public School to order on Tuesday Jan 8, 2019 @ 8:43 AM at Room 304, 15 Mulligan Dr., South Hadley, MA 01705.

C. Approve Minutes

Stephanie Burbine arrived late.
Deborah Jacobson made a motion to approve minutes from the Finance Committee on 12-04-18.

Bob Hann seconded the motion.
The committee **VOTED** to approve the motion.
Three voted for and one abstention from Keith Black.

II. New Business

A. Tuition & Enrollment

The FY19 Tuition Estimate as of 12-21-18 was reviewed. The October vs December projections demonstrates how the tuition rates fluctuate by sending district and how the student population effects the total tuition received. The October 29th figures are based on enrollment numbers that are projected in the spring and the December 21st projection is based on actual enrollment numbers submitted to DESE on October 1st. While both projections show enrollment at 400 students, there is a -\$15,845 difference in the tuition total. This is a direct result of the number of students on the wait-list that turned down the opportunity to attend PVPA in September. The next enrollment report will be on March 15, 2019.

The many factors that contribute to PVPA's overall tuition rate makes it difficult to fully quantify the tuition rate per student. Based on the December 21st tuition totals and 400 students the average tuition per student is \$14,744. Historically enrollment has been constant between 400-402 students however, enrollment is currently down to 394 students. To increase enrollment to 400 students, additional students from the wait list would be invited to enroll. At this point it will not be possible to increase enrollment by more than two or three students as there are space and faculty limitations in 7th and 8th grade and no wait-list left for 10th and 11th grades. This means an additional decrease to tuition of approximately -\$88,462.

The overall change in tuition will be approximately -\$100,000. The conservative budgeting approach to tuition has been helpful however, there will be no surplus funds and a budget deficit for FY19.

B. Financial Report thru 12/31/18

The FY19 Budget vs Projected report ending December 2018 was reviewed. Adjustments in the projected column have been made to reflect:

1. Tuition projected at \$5,809,003
2. Education Expense-Salaries decrease by \$20,000 for Speech position not filled
3. Education Other-Academic Support increased by \$30,000 for Speech consultant
4. Production-Salaries decreased by \$2,000 box office is being done by volunteers
5. Administrative-Salaries decreased \$10,101.51 for time period of vacancy in the Accounting & HR Assistant position
6. Administrative-Business Office Expense increased \$21,000 for temp service for vacant Accounting & HR Assistant position
7. Administrative-Board of Trustees Expense increased by \$25,000 for legal fees associated with Union Bargaining
8. Development Expenses increased \$15,000 for marketing firm contract
9. Facilities Expense decrease of \$3,429 for time that After Hours Security position was vacant

The net result is an increase in the deficit budget from -\$89,310 to a projected -\$158,825.

The discussion that followed centered around what are the contributing factors to the increased expenses and what can be done that will have an impact on the projected deficit. The struggles of the past two years is now having a direct effect on PVPA's reputation and the numbers on the wait-list. This is the first time in PVPA history that the wait-list has been this low and students are declining to accept invitations to attend in large numbers. Another significant factor that is putting pressure on the budget is the number of Academic Support students that are being accepted. PVPA currently has the highest percentage of special education population than any of our surrounding school districts. Over the last five years several new positions have been added to support this student population and there is no additional funding from the state for special education expenses.

Looking to June 30th, the Committee discussed what, if anything could be done to cut expenses. The Administration will review any discretionary items where cut backs can be made. At this point in the school year, not a significant amount a savings would be realized by doing a reduction in staff. The reserves from FY18 show an approximate \$600,000 available balance that will need to be used to cover the deficit. With the tuition projections realizing no additional funds for the reserves and a possible reduction to cover the deficit there is a concern over the balance that will remain and what the future will hold.

C. FY20 Budget - Tuition

The next few months will be spent building the budget for FY20. As the Committee approaches this work and given the financial constraints that have been discussed during this meeting, the Committee wanted to sent a unified statement to the Board of Trustees.

Deborah Jacobson made a motion to recommend to the Board of Trustees that the Finance Committee feels that it is not feasible to attempt to close the FY19 deficit. The Committee is committed to fulfilling the June 2018 Board of Trustees mandate to present a FY20 balanced budget, containing conservative tuition projections.

Keith Black seconded the motion.

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

III. Other Business

A. Lighting Issue with Neighbor

Lighting repairs have been completed in the main entrance parking lot. Nothing further to report on neighbor complaint.

B. Audit for FY19

The Massachusetts Charter Public School Association is recommending that the bid process for hiring an auditing firm be conducted by all charter schools that have a current relationship with The M&P Group and have not gone out to bid in the past couple of years. There was recently some negative press surrounding the audit of the Davis Leadership Charter School. PVPA will be requesting bids for services in February.

C. Budget Conversations and Staff Representation

The Committee asked Marcy and Marc to discuss with PVPA's legal team how the Committee is to proceed with the delicate budget conversations surrounding staffing that will be taking place during the FY20 budget work given that the staff representative on the Finance Committee is also on the Union bargaining team.

IV. Closing Items

A. Adjourn Meeting

Deborah Jacobson made a motion to adjourn the meeting (9:45am).

Stephanie Burbine seconded the motion.

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

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 10:00 AM.

Respectfully Submitted,
Marcy Conner