



Pioneer Valley Performing Arts Charter Public School

Finance Committee

Date and Time

Tuesday February 5, 2019 at 8:30 AM EST

Location

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

Agenda

	Purpose	Presenter	Time
I. Opening Items			8:30 AM
A. Record Attendance and Guests		Marcy Conner	
B. Call the Meeting to Order		Marcy Conner	
C. Approve Minutes	Approve Minutes	Marcy Conner	
Approve minutes for Finance Committee on January 8, 2019			
II. Finance			8:30 AM
A. Request for Proposal - Auditing Services	Discuss	Marcy Conner	5 m
B. FY20 Budget - Tuition	Vote	Marcy Conner	15 m
III. Other Business			
IV. Closing Items			8:50 AM
A. Adjourn Meeting	Vote		

Cover Sheet

Approve Minutes

Section: I. Opening Items
Item: C. Approve Minutes
Purpose: Approve Minutes
Submitted by:
Related Material: Minutes for Finance Committee on January 8, 2019

DRAFT



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

Cover Sheet

Request for Proposal - Auditing Services

Section: II. Finance
Item: A. Request for Proposal - Auditing Services
Purpose: Discuss
Submitted by:
Related Material: RFP - Auditing service 2019.pdf

January 30, 2019

Name

Firm

Address

City, MA ZIP

Dear Vendor:

The Board of Trustees of Pioneer Valley Performing Arts Charter Public School (PVPA) in South Hadley, MA, is seeking to contract with a qualified certified public accounting firm to conduct the annual audit of the school's financial statements. This contract will cover the annual audits for the fiscal years ending June 30, 2019, 2020 and 2021.

PVPA was founded in 1996 and is a regional public charter school that serves 400 students in grades 7-12. Our students travel from 60 different towns throughout Western Massachusetts. The annual revenue is approximately \$6,100,000. The audit will include the Friends of PVPA as a Component Unit of the school.

The proposal submitted should provide responses to the following:

1. Please describe how your firm meets the requirements outlined in the Massachusetts Charter School Audit Guide (Rev 2019 – See Attached). Please include qualifications, plan of service and timeline.
2. Describe how your firm assigns field personnel; how likely is it that staff will change?
3. PVPA currently uses QuickBooks for accounting software. Please list the qualifications for the staff being assigned to this contact and include their knowledge and experience with QuickBooks and charter schools.
4. Identify charter schools for which your firm provides auditing services, either now or in the past. If you are no longer providing services for a charter school, please describe the circumstances around your separation.
5. State the annual fee for auditing services, including the component unit. Also list any fees for additional services for ongoing support.
6. Include three references, two of which must be from Massachusetts charter schools.
7. A sample charter school financial statement produced by your firm (all sensitive and identifying information redacted).
8. Describe how and why your firm is different from others being considered, and why choosing your firm will benefit PVPA.

The evaluation criteria for evaluating the proposals will be: general experience (including charter school experience), specific experience of the accountant in-charge and the team, timeline, plan of services, references and cost.

Your proposal should be submitted electronically to Marleen Conner, Chief Financial Officer at mconner@pvpa.org by Friday, March 15, 2019. PVPA reserves the right to reject any and all proposals submitted in response to this request for proposal.

Sincerely,

Melinda Winder
President, PVPA Board of Trustees

Deborah Jacobsen, Secretary
Treasurer, PVPA Board of Trustees

Cover Sheet

FY20 Budget - Tuition

Section: II. Finance
Item: B. FY20 Budget - Tuition
Purpose: Vote
Submitted by:
Related Material: DECE Tution History 12-21-18.pdf
FY20 Tution Options.pdf

Massachusetts Department of Elementary and Secondary Education

OFFICE OF DISTRICT AND SCHOOL FINANCE

Summary of Historical Charter School FTE and Tuition, FY96 to present*

Select a charter school using the drop down menu:

0479 PIONEER VALLEY PERFO ▼	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	(Info added to original report from DESE)	
											FY19 Projected	FY20 Projected
FTE	404.98	406.39	400.67	405.72	403.23	403.25	402.60	401.89	401.35	400.00	PVPA Projected	DESE 12-21-18
											394.00	400.00
Tuition	4,207,254	4,260,674	4,177,501	4,455,490	4,576,336	4,712,229	4,992,980	5,125,366	5,297,815	5,540,265		5,802,534
Transportation	0	0	0	0	0	0	0	0	0	0		0
Facilities	357,188	357,220	357,794	357,041	357,252	357,276	357,110	357,269	357,200	357,200		375,054
Hold Harmless	0	0	0	0	0	0	0	0	0	0		0
Total Payment to School	4,564,442	4,617,894	4,535,295	4,812,531	4,933,588	5,069,505	5,350,090	5,482,635	5,655,015	5,897,465	5,809,003	6,177,588

* To view all fiscal years unhide columns D through Q. Current Fiscal years is sourced from December 2018.

Year to Year Increase \$		53,452	-82,599	277,236	121,057	135,917	280,585	132,545	172,380	242,450	153,988	280,123
Year to Year % Increase		1%	-2%	6%	2%	3%	5%	2%	3%	4%	3%	5%

Tuition Budgeting History and FY20 Options

<u>FY17 - FY19 Budgeting History</u>						
	FY17 Budgeted	FY17 Actual	FY18 Budgeted	FY18 Actual	FY19 Budgeted	FY19 Projected
Base Tuition	5,343,247		5,466,430		5,652,623	
Enrollment	400	400	400	400	400	394
% of tuition budgeted	0.05%		1.5%		2.00%	
Tuition Income	5,369,963	5,482,635	5,548,426	5,655,015	5,765,675	5,809,003
Realized Increase		112,672		106,589		43,328

<u>FY20 Tuition Options</u>					
	Status Quo + 1.5%	Status Quo + 2%	DESE 12-21-18 FY19 Projection +1.5%	DESE 12-21-18 FY19 Projection +2.0%	DESE 12-21-18 FY20 Projection
Base Tuition	5,809,003	5,809,003	5,897,465	5,897,465	6,177,588
Enrollment	394	394	400	400	400
% of tuition budgeted	1.50%	2.00%	1.50%	2.00%	0.00%
Tuition Income	5,896,138	5,925,183	5,985,927	6,015,414	6,177,588
Realized Increase	87,135	116,180	176,924	206,411	368,585

	FY19 Projected
Income	
Per Pupil Tuition	5,809,003
Fundraising	103,000
Non-Tuition/Fundraising Income	368,961
Total Income	<u>6,280,964</u>
Expenditures	
Education Salary Expense	2,887,948
Education Taxes & Benefits	<u>607,063</u>
	3,495,011
Production Salaries	51,884
Production Taxes & Benefits	<u>7,539</u>
	59,423
Administrative Salaries	872,392
Administrative Taxes & Benefits	<u>167,928</u>
	1,040,320
Facilities Salaries	76,521
Facilities Taxes & Benefits	<u>35,000</u>
	111,521
Non Salary/Benefits Expenditures	1,733,514
Total Expenditures	<u>6,439,789</u>
Net Income(Loss)	(158,825)