

APPROVED



Pioneer Valley Performing Arts Charter Public School

Minutes

Finance Committee

Date and Time

Tuesday March 5, 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, Owen Sordillo, Stephanie Burbine

Committee Members Absent

None

Guests Present

Laura Davis

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 Mar 5, 2019 @ 8:37 AM at Room 304, 15 Mulligan Dr., South Hadley, MA 01705.

C. Approve Minutes

Keith Black made a motion to approve minutes from the Finance Committee on 02-05-19.

Bob Hann seconded the motion.

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

II. Finance

A. Family and Medical Leave Law, M.G.L. c.175M

The Committee reviewed the Family and Medical Leave Law, M.G.L. C.175M that will go into effect on July 1, 2019 and establishes a system for paid family leave of up to 12 weeks to care for a family member, and up to 20 weeks for your own illness. This new law has combined features from several other laws/policies - the Federal Family Medical Leave Act (FMLA), Mass State Unemployment Insurance (SUI), Social Security and a Short Term Disability Policy.

Payroll contributions will begin on July 1, 2019 with the total contributions being .63% of gross payroll. These total contributions are broken into two categories: Medical Leave and Family Leave. Employers are not responsible for contributing to the Family Leave portion however employees will see a .11% payroll deduction. The Medical Leave portion is .52% of gross payroll that is split between the employee and the employer with 40% and 60% respectively. This means that PVPA will be responsible for .0312% of gross salaries or approximately \$13,000 based on the FY20 status quo salary budget numbers.

The new law acts like the federal FMLA leave as you must apply and have a doctors certification for a personal illness or that of an immediate family member. The tax withholding will begin on July 1, 2019 however employees will not be able to draw from the fund until 2021. The taxes will be withheld similar to how Social Security taxes are currently withheld and paid quarterly similar to how Massachusetts unemployment taxes are paid. Contributions will be paid to an employee after a seven day waiting period based on their average weekly pay similar to how many short term disability policies work. The rate for the law will be established annually in October.

B. FY20 Proposed Budget

The FY19 Projected w/FY20 Proposals dated February 28, 2019 was reviewed. Each of the four columns represent different stages of the budget: FY19 Budget, FY19 Projected, FY20 Proposed Budget and FY20 With Cuts.

The FY19 Budget column represents the Fy19 approved budget with a deficit of -\$89,309.67.

The FY19 Projected represents projected expenditures through the end of the year as of December 31, 2018 and showed a deficit of -\$158,824.59.

The FY20 Proposed Budget column was updated after the Finance Committee packet was sent based on the resignation of an employee and was adjusted to allow for a replacement. This adjustment decreased the deficit for -\$132,665.46 to -\$110,500. The starting point for this proposal was the FY19 Projection of December 31, 2018. The adjustments that were made were based on items that are already known to either increase or decrease based on contractual agreements.

Increases:

1. Tuition increased \$176,924 based on the Finance Committee vote on February 5, 2019 = 1.5% of FY19 projected tuition based on 400 students of \$5,897,465.
2. Late hires in FY19 increased to full year salaries for FY20
3. Health insurance increase estimated at 10%
4. Dental insurance increase estimated at 5%
5. Family and Medical Leave Law increase of \$13,000

Decreases:

1. Academic Support salary decreased .20 FTE as student is graduating
2. Business Office consultant line of \$21,000 eliminated as there is no need to a temp to hire service
3. Recruitment expense of \$15,000 for marketing firm associated with grant received

Status Quo:

1. No administration or staff pay raised or step increases for teachers
2. all other categories as same level as the December 2018 projection.

The FY20 Proposed Budget with Cuts incorporated all of the items in the FY20 Proposed Budget as well as areas identified by the Administration as possible areas where savings might be realized. The resignation of an employee also adjusted this overall deficit from -\$56,193.66 to -\$34,000:

1. The elimination of the soccer program. This program has seen declining interest from the students and has become increasingly more costly. This will result in a -\$1,800 reduction in revenue and a \$4,500 savings in expenses.
2. Department expenses. This directly effects the supplies and materials available for educational purposes. A 10% cut is a savings of \$5,280.
3. Reduction in Speech and Language services. FY19 budget is \$50,000. This item can be reduced by \$20,000 through a search for alternative models and service providers.
4. Savings of \$3,500 with the elimination of the Anytown Membership.
5. Elimination of Paideia field trips of \$7,000.
6. A 10% reduction in the Production budget = \$8,300.
7. Reduction in legal fees in the Board of Trustees budget of \$10,000. The Board is hopeful that legal issues and the need to have legal representation will decline with the ratification of a Union contract.
8. Shift in transportation expenses - the elimination of \$25,000 in special needs transportation that is in FY19 plus a \$1,900 increase in the regular day transportation contract for FY20 (total \$124,500).

The committee moved on to discuss needs and other items that are in question that should be reviewed:

1. Administrative Assistant for the Director of Arts and Academics 1.0 FTE with an approximate salary and benefits of \$50,000.
2. ESL Teacher .60 FTE salary and benefits of \$45,000
3. Adjustment Counselor increase of .50 FTE of \$23,000
4. Fundraising - was a focal point of the budgeting process in FY19. Does the Finance Committee want to revisit the current budget numbers?

5. The Friends support of the Alumni & Outreach Coordinator. For FY19 the Friends supported this position by supplementing the PVPA budget with \$75,000. The Friends are considering the continued support for this position.

C. Staffing Analysis

Laura Davis, Director of Arts and Academics is present at the meeting to review data from an analysis of staffing vs enrollment from 2016-2019 by department.

D. Budget Next Steps

The Committee held a discussion on the proposed items. It was suggested that the Paideia field trips not be eliminated all together but rather seek to add the cost of transportation to the fees charged for those Paideia's that require transportation. Further the recommendation was made that the budget line be restored to \$3,000 to ensure that an equity issue is avoided and equal access is given to those students on free and reduced lunch. It was agreed the an ESL position at .40 FTE should be added based on DESE requirements and recommendations with a total salary and benefits of \$36,000.

The deficit presented after the Administrative recommendations was -\$34,000. Adding in \$3,000 for Paideia transportation and \$36,000 for a .40 ESL position then decreasing the restricted fundraising budget by \$53,000 and the unrestricted fundraising by \$20,000 leaves a total deficit of -\$146,000.

The Committee recognized that any reductions in staff must be negotiated with the UAW Union Local 2322.

Deborah Jacobson made a motion to remove restricted donations from the FY20 fundraising budget totaling \$53,000.

Bob Hann seconded the motion.

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

Deborah Jacobson made a motion to reduce the total FY20 unrestricted fundraising budget to a total of \$30,000.

Keith Black seconded the motion.

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

Unrestricted donations reduced as there is no current staff devoted to development activities. Donations collected and efforts have been flat since the capital campaign to build the theater. This will become the responsibility of the Alumni & Outreach Coordinator, however it will take several years to build an alumni base for this work to move forward.

Deborah Jacobson made a motion to recommend to the Board of Trustees that they bargain with the UAW Local 2322 to close the \$146,000 budget deficit.

Bob Hann seconded the motion.

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

This proposal contains no salary increases - this is not acceptable. If we are unable to provide raises this has negative consequences in recruitment and retention of quality teachers, staff and Administrators. The current path is the only way to pass a balanced budget at this point in time.

There is talk in the legislature about a significant increase in tuition funding for FY20. The landscape for this still needs to play out in the legislature and there will not be any definite information until possibly June and no real numbers coming from DESE until August. At that time the Board could opt to reinstate any

staffing cuts or give pay raises to staff. All of which is subject to bargaining with the UAW Union Local 2322.

III. Closing Items

A. Adjourn Meeting

Bob Hann made a motion to adjourn the meeting.

Stephanie Burbine seconded the motion.

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

Adjourned at 9:43am.

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