APPROVED

Springfield Prep
CHARTER SCHOOL

Springfield Prep

Minutes

Finance Committee Meeting

Date and Time
Monday February 24, 2025 at 7:30 AM

Location
This meeting is remote and will take place over Zoom.

Committee Members Present
A. Piela (remote), M. Frodema (remote), R. Molina-Brantley

Committee Members Absent
None

Committee Members who arrived after the meeting opened
R. Molina-Brantley

Guests Present
B. Spirer (remote), J. Callan (remote), M. Velazquez (remote), M. Wagner (remote)

I. Opening Items

A. Record Attendance

B. Call the Meeting to Order

A. Piela called a meeting of the Finance Committee of Springfield Prep to order on Monday Feb 24, 2025 at 7:32 AM.

C. Approve November Finance Committee Minutes

M. Frodema made a motion to approve the minutes from Finance Committee Meeting on 11-25-24.
A. Piela seconded the motion.
Amy noted an error in the notice section, which said the meeting was posted on 9/25/23. The school will correct this.
The committee **VOTED** unanimously to approve the motion.

Roll Call

M. Frodema	Aye
R. Molina-Brantley	Absent
A. Piela	Aye

R. Molina-Brantley arrived at 7:38 AM.

D. Charter Renewal - 5-year unconditional renewal recommended

Bill shared positive news about the charter renewal, which was officially approved without any conditions. He emphasized the importance of the Finance Committee's work in the renewal process. Amy agreed with this and shared appreciation for the committee's work.
Amy asked about federal policy updates and potential impacts to the school's finances. Bill discussed the impact of federal policies on state funding, particularly in Massachusetts. He noted that while the federal government is signaling potential withholding of funds if states do not comply with policy directives, the state is signaling its intention to continue its current course. Bill and Meghan agreed that while the risk of significant funding changes seems low at this point, they need to stay aware of potential impacts. They also mentioned an increase in legal fees due to the need to rewrite policies and make adjustments in their administration. He said they planned to discuss this more during the budget agenda item.

II. Finance

A. Amended Charter School End-of-Year Financial Report (CSEOYFR)

Meghan explained the auditors' decision to simplify the financial presentation by presenting a negative liability on the school side, which did not align with what the state wanted to see. The state requested a different presentation, recording the asset on the school side and the liability on the friends and realty side. Meghan clarified that the financial picture remains the same, but the presentation now complies with the state's requirements. Amy agreed that this seemed like a change in "geography", versus a change to the underlying financial data. The Finance Committee was informed of this adjustment and noted that we should ensure that it is incorporated into future processes.

B. Q2 Financial Report

Meghan reported on the Q2 financials. At a high level, there are no major changes from what we've been looking at. She highlighted a few things:

- We are trending high on government grants and funding, so we anticipate an increase in revenue. We need to be mindful of this in terms of our excess surplus at the end of the year.
- We have decreased our target for private support funding, in part due to these increases. We are still fundraising for the launch of the alumni program.
- Amy asked about our change in net position, given our attention to excess surplus. Meghan said that we are keeping an eye on this. Bill noted that we are considering repaving a section of our parking lot, which is a big expense and needs to be done at some point soon.
- Ron asked about the decrease in participation in our nutrition program, and why that is. Meghan explained that part of this is that we are no longer allowed to be reimbursed for snack. We also see a decrease in participation in middle school.
- Ron also asked about filling the open seat. Meghan noted that we have an open seat in 1st and 7th grade. Ron asked if this seat continued to 8th grade and Meghan explained that it would. Bill noted that the school is working on an amended enrollment policy to address some of the challenges related to enrolling students in 8th grade

C. FY26 Budget Planning

Meghan outlined the budget process and an early overview for FY26. She mentioned that we have started a draft budget and will be sharing it with the leadership team and other stakeholder groups (e.g., Team Chair Council, Parent Action Committee) in March for further input. Amy appreciated the visual representation of the state process and the key budget inputs.

Meghan explained that despite a decrease in government grants from last year, the school will overcome the deficit by FY26 due to increased per-pupil revenue through the Student Opportunity Act. The main budget decision point is determining the cost of living increase for the salary scale, which needs to balance market competitiveness with long-term sustainability. Bill noted that we do not expect major budget changes this year because staffing levels are healthy.

He gave an overview of an effort to change the education funding formula at the state level. He explained that while we have been insulated from inflation to some degree because of the Student Opportunity Act, many other Massachusetts districts are struggling, leading to a potential review of the state funding formula.

Amy asked if we should have a standing agenda item at this committee and/or the board to discuss state & federal updates and regulatory developments, given how much activity there seems to be. Bill agreed this would be a good idea.

D. CD Laddering Strategy

Meghan shared the CD laddering proposal. She noted that these CDs can still be held in insured cash sweep accounts. We would still have access to these funds if needed, although we don't anticipate having to access these funds. We see this as a low risk way to access a higher interest rate. Mary Kate shared that her main concern was the FDIC insurance, but Meghan answered that question. She said that seeing a projected $52,000 with relatively low risk seems to have no downside. Ron was supportive of the strategy. Amy noted that this feels like a management decision, versus a board approval. Meghan agreed and said that we wanted the board to be aware of this strategy, but she doesn't believe there is a requirement for a board vote. Bill agreed and asked if we should bring this to the board at the 3/6 meeting before moving ahead. Amy noted that we have been very transparent with decisions like this and suggested we continue to do this and bring this to the board before moving forward.

III. Closing Items

A. Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 8:25 AM.

Respectfully Submitted,
A. Piela

B. Next Finance Committee Meeting

Documents used during the meeting

- 0. SP FY25 December Financial Dashboard.pdf
- 1. SPCS FY25 December Details.pdf
- 2. SPCS FY25 December Summary.pdf
- 3.FY25 December Friends.pdf
- 4. SP Realty FY25 December Summary.pdf
- 5. SP FY25 December SNP.pdf
- 6. SPCS FY25 December Cash Flow.pdf
- 7. SPCS FY25 December Grants.pdf
- MEMO. FY26 Budget Timeline - Google Docs.pdf
- MEMO. CD Laddering Strategy.pdf