

APPROVED



Pioneer Valley Performing Arts Charter Public School

Minutes

Finance Committee Meeting

Date and Time

Tuesday November 8, 2022 at 5:00 PM

Location

15 Mulligan Drive
South Hadley, MA 01075

Google Meeting ID

meet.google.com/zkg-vctu-ikb

Phone Numbers

(US) [+1 240-532-3788](tel:+12405323788)

PIN: 783 984 031#

Committee Members Present

Keith Black (remote), Michael Davey (remote), Neil Hede

Committee Members Absent

Elmo Wright, Janice Pamphile

Committee Members who arrived after the meeting opened

Neil Hede

Guests Present

Brent Nielsen, Marcy Conner

I. Opening Items

A. Record Attendance

B. Call the Meeting to Order

Keith Black called a meeting of the Finance Committee of Pioneer Valley Performing Arts Charter Public School to order on Tuesday Nov 8, 2022 at 5:06 PM.

Neil Hede arrived at 5:10 PM.

C. Approve Minutes

Michael Davey made a motion to approve the minutes with gramatical changes and a review of section III A from Finance Committee Meeting on 10-04-22.

Neil Hede seconded the motion.

Updated:

Section IIA - Remove Savings from Florence Savings Bank

Section IIB - correct spelling of complimented in second sentence and spelling of courteous in the third bullet point. Discussion on the 8th bullet point. Mike Davies to provide numbers and re-wording to Marcy to research further.

Section IIIA - correct spelling in header to "Acoustical Curtain For"

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

Roll Call

Michael Davey Aye

Neil Hede Aye

Janice Pamphile Absent

Elmo Wright Absent

Keith Black Abstain

II. Finance

A. Timeline Review

Review of the Finance Committee Annual Timeline was discussed. Much of the work is based on when tuition numbers are released by DESE, quarterly budget vs actuals and the budget process. Budget discussions generally start in January. New this year - Infrastructure Committee will be providing information on the Capital needs. Capital needs come from reserve funding but is a part of the overall budget in terms of approval from the Board of Trustees.

B. FY22 1st Quarter Budget vs Actual

The Profit and Loss Budget Overview for the quarter ending September 30, 2022 was reviewed:

- In terms of performance, one thing to look for is the % of budget. For the first quarter this should be around 25% and if it is not the questions should be why. Some things are easily explained in terms of when they take place during the year - a good example is salaries. Educational salaries are showing 11.1% vs administrative salaries of 20.2%. Salaries for teachers began in late August whereas administrative salaries started in July - this variance seems reasonable. Another example would be General Administrative Expenses shows 44.1% of budget spent. This is due to program subscriptions and memberships being paid for the entire year during the first quarter - again this seems reasonable.
- Auxiliary revenue and expenses include school lunch and transportation services.
- Grant revenue and expenses - the combination of the two should be net zero. Grants are made on a reimbursement guarantee where the funds are spent first then reimbursed by the state. Since the budget was set in early spring prior to the release of entitlement grant allocations, these numbers may be not be correct at this point in time.
- Current areas of concern include Board of Trustees Expense and Auxiliary Expenses. The Board of Trustees budget of \$42,250 includes \$30,000 for legal expenses and \$12,000 for a membership that was paid in July and is showing 77.8% of budget spent. Auxiliary expenses only show 4.9% of budget spent but will increase due to special transportation requirements at the start of school.

As we progress through the year, more areas will be pointed out where there is the potential to be over budget - some of this can already be predicted due to the increase in costs realized with several bids that were awarded (custodial services, landscaping and snow removal).

C. Annual Tuition Timeline & FY22 Projected Tuition (initial)

Annual Tuition Timeline:

An info graphic from the MA Charter Public School Association outlining the changes in tuition throughout a year was reviewed. To put this in terms of the current year, the fiscal year on the bottom blocks should be changed to reflect FY22 for the first three and FY23 for the last three. This is a good tool to show what the basis is for foundation rates and above foundation rates and when changes are made through the year. The other determining factor is enrollment and when those numbers are captured for tuition calculations. Currently we are in the period between July to December where we are still working with projected numbers based on FY22 enrollment and above foundation rates based on FY22 net school spending. Our first reporting period for enrollment is on October 1st and preliminary tuition numbers will start to become available based on actual enrollment and current year above foundation net school spending. Quarters three and four will continue to see shifts in tuition as sending district change their current year above foundation rates. The final adjustment for enrollment will be made in the fourth quarter and is based on enrollment reported as of February 1st.

This fluidity in the tuition is in part why PVPA has traditionally budgeted tuition so conservatively. All but two of our sending districts have significant above foundation rates and big fluctuations could cause an issue to the budge.

FY22 Projected Tuition

DESE released projected tuition for the first quarter of FY23 on October 25, 2022. Based on the info graphic, we can see that the 1st quarter projections are based on FY22 above foundation net school spending of our 32 sending districts and our per-enrollment from the spring of 2022.

Each of our sending districts have a different tuition rate that is driven by several factors; MA General Law Chapter 70 dictates the foundation budget for each community, the above foundation rate which is a communities commitment to fund education above what is required by Chapter 70 and the facilities rate which is also set per student by law.

Some of our sending districts have above foundation rates that are almost equal to or more than their foundation rates while others are a fraction of their foundation rates and Springfield and Holyoke are sitting at zero.

Currently DESE's current tuition projection for PVPA \$7,157,019. The statistical review, at this time, shows:

1st Quarter Projection

FY22 Actual Tuition	\$6,512,379	\$6,512,379
FY22 3rd QTR Projection (DESE) 4/2022	\$6,614,483	\$6,457,683 PVPA Projection
Diff(Projected vs Actual)**	-\$102,104	\$54,696

FY23 DESE Projection 8-10-22	\$7,157,019
FY23 Budgeted Tuition***	\$6,715,990
Diff (Projected vs Budgeted)	\$441,029

CBA Salary Scenario:

FY22 Actual Tuition	\$6,512,379
2% Increase	\$130,248
Required for Salary Increases	\$6,642,627

** Due to partial year enrollments accounted for with February reporting and final above foundation rate changes.

*** FY23 tuition budget based on 4% increase of FY22 3rd Qtr (\$6,457,683) with 392 students.

DESE's projection is based on 400 student. The FY23 budget is based on 392 students and the October 1st enrollment was 391. We are currently doing all that we can to

increase enrollment - in fact, we have has two supplemental lotteries (a first for PVPA) and plan to do a third in January 2023 as no new students can be accepted after February 15th. Currently the 8th and 9th grade wait lists have been exhausted and we are struggling with grades 7, 10 & 11. Counting all of the current offers we have extended, enrollment should be a 396 by next week.

So far the application for FY24 are looking good. The application window opened on November 1st. So far we have received 82 application which is up from the 75 application at time last year and in 2021. All schools in MA are facing decreasing enrollment number since COVID, especially charter schools. For comparison, prior to COVID in 2019 there were 263 applications at this time.

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 5:54 PM.

Respectfully Submitted,
Marcy Conner

Documents used during the meeting

- PVPA Finance Committee Annual Timeline 10-24-22.pdf
- PVPA P&L Budget Overview - FY23 1st QTE 9-30-22.pdf
- DESE Tuition Projection - 1st Qtr.pdf
- MCPSA Annual Tuion Timeline.pdf