

APPROVED



Pioneer Valley Performing Arts Charter Public School

Minutes

Finance Committee Meeting

Date and Time

Tuesday December 3, 2024 at 6:00 PM

Location

Google Meeting ID

meet.google.com/zkg-vctu-ikb

Phone Numbers

(US) +1 240-532-3788

PIN: 783 984 031#

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Phone Numbers

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

PIN: 783 984 031#

Committee Members Present

Keith Black (remote), Mindi Winter (remote), Neil Hede (remote), Sasha Viands (remote)

Committee Members Absent

James Montemayor

Guests Present

Brent Nielsen (remote), Marcy Conner (remote)

I. Opening Items

A. Record Attendance

B. Call the Meeting to Order

Sasha Viands called a meeting of the Finance Committee of Pioneer Valley Performing Arts Charter Public School to order on Tuesday Dec 3, 2024 at 6:02 PM.

C. Approve Minutes

Keith Black made a motion to approve the minutes from Finance Committee Meeting on 11-05-24.

Sasha Viands seconded the motion.

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

Roll Call

Keith Black	Aye
Sasha Viands	Aye
Mindi Winter	Aye
James Montemayor	Absent
Neil Hede	Aye

II. Finance

A. Charter Amendment & Busing

Reviewed Brent Nielsen's letter to the community concerning PVPA's pending charter amendment and the scope of the potential changes should the amendment be approved by the Board of Elementary and Secondary Education.

This amendment would allow PVPA to make significant changes to the transportation programming for students by offering transportation to all students:

1. Transportation would change from 3 regional buses and one van servicing South Hadley to approximately 12 routes.
2. The goal is to have students on the bus under one hour each way.
3. Improve PVPA's overall carbon footprint - even though the number of buses would increase, the overall traffic to PVPA would decrease as the number of cars transporting students would be less.
4. By providing transportation to all students, PVPA is removing the barriers for some families in being able to choose PVPA for their student.

There is a significant financial impact to this shift as well:

1. The Commonwealth reimburses regional transportation, which we have not qualified for previously as we did not meet the criteria. In each of the last four years the rate of reimbursement has been: FY22 90.2%, FY23 90.2%, FY24 86.9% and FY25 89%. The funding is approved each year during the state budgeting process.
2. Historically PVPA does not collect enough from bus contracts to fully support the expenditure. A review of FY24 shows that a net amount of \$172,061 was spent on regular school transportation.
3. Our current contract with Five Star Transportation ends June 2025 but has an option for a two year extension that would take it through June 2027. The contract also has a provision that would allow additional buses at the cost of \$76,500 per bus. It would also be possible for PVPA to go out to bid for a new contract.
4. Schools are not eligible for reimbursement during their first year of being approved as part of the reimbursement program. This would mean the approximately \$690,000 would need to be funded by PVPA in FY26. This would require PVPA to tap into their reserves - there was approximately \$1.4 million available on June 20, 2024.
5. In FY27 PVPA would be eligible for whatever % is passed by the Legislature. Projecting out the cost and setting the reimbursement rate at a conservative 80% would mean that PVPA would go from a FY24 net expense of \$172,061 to approximately \$186,018 in FY27, which is only a \$14,000 increase - for 12 buses!

B. Finance Committee Timeline

Timeline reviewed - budget process to start in February and wrap up in May for the Board of Trustees approval at their June meeting.

C. Charter School End of Year Annual Financial Report

The Charter School End of Year Annual Financial Report (CSEYAFR) was submitted in November just before the Thanksgiving break. This report provides DESE with a detailed breakdown of the audited financial statements to show where funds come from and how they are spent. One provision in the Charter law, which PVPA watches closely, is the surplus tuition calculation - this is a cumulative figure and when a Charter exceeds their allowable surplus the funds must be returned to DESE.

DESE will release the Excess Surplus Report annually and one page of the report was provided to the Committee for review - to date, no charter school has had to return funds.

The actual form where the surplus was calculated for FY24 in the CSEYAFR was reviewed. An explanation was provided in the right hand column as way of an explanation:

1. Previous years balance + the year ending profit/loss = the starting surplus for the reporting year
2. We then subtract any funds held in reserve, unrestricted donations, capital expenditures, principal debt payments and investment income.
3. The next step is to add in any depreciation, private development expenses and non-operating activities.
4. The result is your total surplus for the year ending.

Lines 13, 14 and 15 of the report is how the allowable surplus is calculated; 25% of current year actual tuition + 20% of following year projected tuition + 20% budgeted capital from the Annual Report = the allowable carry over.

The allowable carry over is then compared to the total surplus - as long as the allowable carryover has not been exceeded, no funds are due to DESE. For FY24 this means that the allowable carry over was \$3,587,334, which we did not exceed with a calculated surplus of \$1,195,976. The calculated surplus then becomes the starting point for FY25.

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 6:46 PM.

Respectfully Submitted,
Marcy Conner

Documents used during the meeting

- Transportation Analysis 11-26-24.pdf
- Nielsen Email to Community 11-24-24.pdf
- FY25 Annual Timeline.pdf
- FY23 Excess Surplus Report.pdf

- FY24CSEYFR Surplus Calculation 11-27-24.pdf