The Finance Committee Meeting was called to order at 8:05 am by Dan Hayes

In attendance were:

- Finance Committee members (a quorum was achieved)
  - From the Board: Dan Hayes and Jennifer Mallette
  - From Superintendent: There is currently only one superintendent on the committee, and she was unable to join.
- From CES: Barbara Siegel, Bill Diehl, Karen Reuter, Kelly Hernandez

FY20 Financial Update:

- The final figure is falling within the expected deficit of $425-$450K
- It seems to be closer to the $450K figure due to expenditures from COVID-19 expenses
- This figure is the NET cash position
- Does not factor in potential loan forgiveness from the Payroll Protection Plan (PPP)

PPP Loan Forgiveness Status:

- Barbara has submitted her initial documents for review by our audit firm and is working on the requested edits.
- It was recommended that CES submit an 8-week window
  - The July payroll numbers were significantly reduced due to typical decrease in summer programs and services
  - This will provide forgiveness on all funds but 70K
- Timeline:
  - Application will be submitted to People’s Bank
  - People’s Bank has 60 days to provide a response (expected to have a quick turnaround)
  - Application is then forwarded to SBA
  - SBA has 90 days to provide a response (expected to potentially take longer)
  - Response should be received in February/March
- In the meantime:
The expectation is unknown and is in limbo until the spring.
Pending info from the auditor on how the funds could be recognized over a period of time.
Currently, on the books as a liability/loan.
If forgiveness is granted, it will be for 5.82M
If deemed ineligible, we will need to pay it back or turn it into a loan with 1% interest.

FEMA Program Opportunity:

- FEMA is offering a program to cover some of the costs of PPE (Personal Protective Equipment).
- CES (and other collaboratives) plan to apply as a regional district that is independent from municipalities.
- Barbara is initiating the work on preparing this application.
- Suggestion was made to ensure documentation is clear when something is COVID-19 related. FEMA will not accept vague documentation.
- It was also suggested to document the exact time that is allocated towards FEMA related expenses as this may be back-paid if approved.
- Request that additional details about the FEMA program be obtained.

FY21 Financial Update:

- A better idea of the status can be provided in the late fall regarding if we are on track with programs.
- Currently, there is a need to continue to be cautious with expenditures.
- Increase in indirect funds of just under 10K has been applied to the goal of 25K
  - Hope was expressed that CES will exceed the 25K goal for indirect funds.
  - New grant of $130K for SSOS has been received and applied to this adjustment.
  - Remaining adjustments are from actual awards obtained.
- Positive trends with enrollments in PD and Licensure
  - PD is offering a wide variety of dates and attendance signups can be the last minute.
  - PD programs that have started are doing well
  - PD is no longer geographically bound and are working to expand services area
  - Licensure has a normal trajectory with its regular semester timeframes
  - More firm numbers will be provided at the board meeting
- After school programs
  - West Springfield has signed up for services 5 days a week on a fee-for-service basis.
  - Northampton has provided interest in a similar program.
  - These services are also being offered to other districts
  - This fee-for-service has an 11.2% indirect rate
• HEC Academy
  ■ Had a lower summer school enrollment than in past years.
  ■ Did better than expected reducing expenses
• Overall, financials for the start of this FY are not finalized. Current figures reflect
  ■ Many operational expenses are front-loaded
  ■ Expenses are lower than in years past
  ■ Currently, the cash flow has more going out than in
  ■ This is an ordinary expectation and is common for this time of year

A reminder was provided that there is not typically a fiscal report in September due to a lack of available reporting numbers. The goal is to provide a verbal communication to the Board to provide transparency, but not a written report.

TAdditional Discussions/Comments

• The Finance Committee discussed the need for cross-training in key fiscal responsibilities, as well as articulation of who can take over positions if needed. The intention is that Rebecca Lincoln could be this person, but additional focus will be made to ensure the proper backup is available.
• The suggestion was also made to begin the transition of interim Executive Director leadership, including having Karen provide more of a role during Board meetings. Bill shared some of the transition work already in place.
• These topics will be discussed at the September Board meeting.

Dan Hayes adjourned the Finance Committee meeting at 8:36 AM.