

APPROVED



Veritas Preparatory Charter School

Minutes

Board of Trustees Meeting

Zoom Meeting

Date and Time

Thursday January 26, 2023 at 4:30 PM

Location

Join Zoom Meeting <https://vpcs-org.zoom.us/j/87944697628?pwd=RE43LzRVRWhpVC9iOTBwZEZ4YS9NZz09>

Meeting ID: 879 4469 7628

Passcode: 912934

One tap mobile [+13126266799,,87944697628#](tel:+13126266799,87944697628#)

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Meeting ID: 879 4469 7628

Find your local number: <https://vpcs-org.zoom.us/j/87944697628?pwd=RE43LzRVRWhpVC9iOTBwZEZ4YS9NZz09>

Trustees Present

A. Errichetti (remote), A. Mendelson (remote), D. Ford (remote), D. Janes (remote), M. Freeman (remote), R. Martin (remote), T. Maxey (remote), X. Delobato (remote)

Trustees Absent

D. Fuller, L. Doherty, M. Landon, R. Sela

Guests Present

N. Gauthier (remote), R. Romano (remote)

I. Opening Items

A. Record Attendance

B. Call the Meeting to Order

A. Errichetti called a meeting of the board of trustees of Veritas Preparatory Charter School to order on Thursday Jan 26, 2023 at 4:39 PM.

C. Approve minutes

D. Janes made a motion to approve the minutes from Board of Trustees Meeting on 12-22-22.

A. Mendelson seconded the motion.

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

II. Board Chair Report

A. Board Chair Updates

Ann revisits the Board's Strategic Priorities established in October 2021.

Operational:

1. Ensure viability and sustainability of the Veritas Network through;
 - a. Overseeing the school's faithfulness to its charter through the development and implementation of a rigorous Accountability Plan.
 - b. Financial strength as measured by revenues and expenses; conservative balance sheet; and, consistent investment returns;
 - 5 year projection which assumes the phasing out of federal grants related to COVID relief
 - c. Monitor progress of student growth and learning outcomes for all students with focus on disparities among racial sub-groups and special student populations (i.e.; special education and English language learners).
 - d. Community outreach and engagement including students, families and other stakeholders.

Aspirational:

2. Develop and provide the Veritas Network with growth opportunities through visionary and

equity-focused governance and leadership:

- a. Engage with strategic partners to build relationships that will provide both internal and external growth opportunities
- b. Build and maintain an outstanding and diverse Network leadership team that is forward thinking and results focused;
- c. With outside professional support, always target compensation and benefits for all leadership, faculty and staff to be at least in the mid range of comparable organizations. Strive for creative recognition;
- d. Grow the Veritas Network focused on opportunities for historically underserved families and children;
- e. Build and maintain a diverse board with a commitment to racial equity.

The Board discusses the status of the goals, progress towards meeting the goals, and next steps.

1b. Denise says it is a difficult time with opening the new high school but we are keeping a watchful eye on these things and she is confident that we will be ok.

1c. We have applied for a grant to help to support us with these specific populations. Shannon and Rachel are also working on talent recruitment and development so that we have the right talent in place to support our ELL and special education students).

Denise wonders if these staffing issues we've been facing will resolve in the future?

Rachel thinks if the economy shifts a bit and money is tighter, teachers may return to the profession. We're seeing teachers from the South move North to teach. Something also needs to shift with the message we are sending to our youth about becoming an educator.

1d. Rachel says we aren't seeing the same number of applications coming in. It is important to note that the natural break for middle school in Springfield is 6th grade and we start at 5th grade. We have a lot of applications for 6th grade. For 5th grade we have about 40 applications and we need to fill over 100 seats. We will need to keep this in mind moving forward and if we continue to see this trend, we may need to change some things.

Follow Up: We will discuss aspirational goals at the February Board meeting.

III. Executive Director Report

A. Charter School Governance and Accountability

Rachel shares about Paulo Freire Social Justice Charter School in Chicopee and their current struggles. They have had a lot of turnover in leadership and they have struggled with academic issues since their inception. Two years ago, the teachers decided to unionize and created a lot of distraction for the leadership. DESE recently flagged their enrollment data as irreconcilable and attempts to reconcile this data proved futile.

Rachel acknowledges this because it is an important way to reiterate the important role the Board of Trustees plays. DESE had reached out to Paulo Freire's Board of Trustees and they failed to take the action that was necessary to resolve the situation. As a result DESE made a case to the Board of Education for them to surrender their charter. The Board finally agreed to surrender the charter. The point is that it is ultimately the Board's responsibility to uphold accountability at all costs. It is good that our Board works with several senior leaders from Veritas through committees, etc. that gives us layers of accountability and the Board isn't just hearing from one person all the time.

Denise would like to continue to have senior leaders join and update Board members at monthly meetings.

Board members discuss accountability policies and procedures that are currently in place at Veritas in terms of reports received from DESE, legal issues, personnel issues, etc. and what role does the Board play within these situations.

B. High School Updates

Rachel shares our Early College slide deck with the Board. Two weeks ago, our very first round of early college classes began. We met our goal of 51% of students enrolling in college classes this year. They will take Spanish with a Worcester State professor and a technology class with a STCC professor.

We also submitted the second part of the early college designation application which makes our program legitimate in the eyes of the state.

Highlights of our Early College program:

- We are a wall-to-wall (for everyone) early college program and we also seek to expose students to work opportunities that increases their access to potential career pathways.
- We want college coursework to be aligned with their career pathways: healthcare, life sciences, advanced manufacturing, education, business and finance & law and criminal justice. (supported through STCC's general studies associate's degree).
- 3 levels of early college to pursue for our students: 1. 60+ credits/associate's degree. (goal: 20% of our students) 2. 1 year or more of college classes by graduation. (goal:30% of our students) 3. a semester's worth of college credits (12) by graduation. (goal:50% of our students)

*These credits are transferrable to all MA state schools through the MassTransfer agreement.

The Board discusses expanding college partnerships.

Follow Up: Potentially continue this conversation at the February meeting.

IV. Academic Achievement Committee

A. Academic Achievement Committee Report

Follow up: Rebecca, the committee chair, was absent so we will skip this section and update the Board re: academic data at the February meeting.

V. Finance Committee

A. Finance Committee Report

Revenue Highlights and Changes: Enrollment is 490 students, as expected when discussed last month that we would experience a few more students unenrolling between October and February. Grants are being monitored closely and trending as expected with the majority of those allowable expenses being related to staffing costs.

Denise adds that we will use approximately \$150,000 of ESSER III to cover two staff positions.

Expense Highlights and Changes: We will consider a budget revision in February to account for known increased costs. See notes on the bottom of the Statement of Revenue, Expenses and Change in Net Position for more details regarding expenses. Released \$214,939 of Contingency to account for student attrition. The \$214,939 amount comes from the expected tuition if we were at full enrollment at the DESE projected per pupil rate minus projected tuition revenue based on current enrollment numbers;
 $\$8,513,290 - \$8,298,351 = \$214,939$

Change in Net Position: With cash averaging below \$1million we are currently experiencing a 30 window of available cash which is 60 days short of ideally where it would be, so there is strong need for future surpluses to build the available cash back up to a healthy level. There have been recent investments in fixed assets and long term purchases that have been paid for out of cash. The majority of those purchases have been planned (\$675k) and some unplanned (\$86k) which is what reduced our available cash by about 25 days, just to share a different perspective.

The Board discusses what it will take to get us to 90 days of cash reserves.

Denise also updates the committee about the status of the HS real estate tax issue. We had budgeted for \$150,000 in taxes on the HS property and the new tax bill has an annual tax of \$344,000. We will file and abatement.

B. Fiscal Policies and Procedures Update and Vote

A. Mendelson made a motion to accept the amendments presented to the Board related to Veritas' Fiscal Policies and Procedures manual.

A. Errichetti seconded the motion.

Revisions to be voted on are as follows:

On page 6 and page 37, we refer to Appendix A. We have adopted a uniform grant guidance that superseding our previously included grant guidance that will apply when grant funds are being used.

On page 20, we adopted the investment policy as an appendix to this document. It was previously a stand alone policy.

On pages 34-36, there were some small adjustments with payroll - not paper anymore, all electronic.

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

C. Investment Subcommittee Update

OVERVIEW: As we take the temperature from colleagues, clients, and peers just a few weeks into the new year, we get the feeling that most are hopeful that the worst is behind us. Investors are ready to draw a line and move on from the rare dual bear market in stocks and bonds. It's little surprise, given how many areas of the capital markets felt the pain of skyrocketing prices, slowing growth, and lofty valuations. We would like to join those looking for smoother sailing; however, we continue to preach patience given our expectation for tightening monetary conditions and a continued deceleration in growth. We would love to celebrate the peak in inflation and the potential for a friendlier Federal Reserve, but we think investors may be caught offside by slower-than-expected growth and tightening financial conditions.

- We are likely in the midst of the steepest point of deceleration in growth for the cycle.
- Valuations do reflect slowing growth, but we fear estimates may have further to fall.
- The "orderly" market decline could give way to sharper, choppier conditions if credit conditions begin to deteriorate.
- The bond market appears hopeful that the Fed will soon "pivot." We would not be so sure.
- Copper and gasoline have begun rising, while wages remain stubbornly high.

- IF the Federal Reserve pauses while inflation falls towards more normal levels, it would still create significantly tighter financial conditions.
- Put another way, the cycle remains a risk as does a policy mistake

It seems like the Fed may be doing one more rate hike. Seeley Howard's person view is that the Fed will be airing on the side of leaving rates higher for longer.

Remember the mantra: It's time in the market, not market timing.

VI. Governance Committee

A. Governance Committee Report

Rachel updates that the committee discussed onboarding new trustees and created a folder on Board on Track that holds important documentation to be reviewed by new trustees.

VII. 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 6:05 PM.

Respectfully Submitted,
A. Errichetti

Documents used during the meeting

- Board of Trustees 5 Year Strategic Priorities Plan 2021.docx
- Early College Presentation 22-23.pptx
- VPCS Weekly Focus January Meeting.pdf
- Financial Reports to the Board January.pdf
- Veritas Fiscal Policies & Procedures - January 2023 revision summary.pdf
- Veritas Fiscal Policies and Procedures - January 2023.pdf
- Appendix A - Uniform Grant Guidance January 2023.pdf
- 4Q22-Veritas Annual Performance Report January 2023.pdf
- 0422-VERITAS Update January 2023.pdf