APPROVED

Veritas Preparatory Charter School

Minutes

Finance Committee Meeting

Date and Time
Thursday November 20, 2025 at 4:00 PM

Location
Veritas Prep Charter School 1st Floor Conference Room or Dial-In Number: 866-848-2216, Conference Code: 7783935205, Leader Code: 2356

Join Zoom Meeting
ID: 82384629673
Passcode: 966439

(US) +1 929-205-6099
Passcode: 966439

Committee Members Present
D. Ford (remote), D. Fuller (remote), M. Landon (remote), R. Martin (remote)

Committee Members Absent
A. Martínez

Guests Present
L. Goncalves (remote), N. Gauthier (remote), R. Romano (remote)

I. Opening Items

A.

Record Attendance

B. Call the Meeting to Order

N. Gauthier called a meeting of the Finance Committee of Veritas Preparatory Charter School to order on Thursday Nov 20, 2025 at 4:04 PM.

C. Approve Minutes

D. Fuller made a motion to approve the minutes from Finance Committee Meeting on 10-21-25.
M. Landon seconded the motion.
The committee **VOTED** unanimously to approve the motion.

II. Finance

A. Teacher Compensation Update

Teacher Compensation Revision Overview
Rachel presented the first draft of a comprehensive revision to the teacher compensation system, outlining a plan designed to make Veritas salaries more competitive with Springfield Public Schools and neighboring districts. The proposal increases the starting salary from $50,000 to $56,500, with an upper starting-salary cap of $95,000 depending on experience. Rachel emphasized that the current compensation structure creates significant challenges when recruiting experienced educators from other districts, and the revised model aims to strengthen both entry-level competitiveness and long-term earning potential to support retention.

Compensation Structure and Experience Recognition
The updated structure would recognize all prior teaching experience—regardless of district—to better attract mid-career teachers. Salary steps would generally align with years of experience, with the possibility of adjustments based on leadership roles or meeting highly qualified status requirements. The proposed compensation also includes annual increases of $5,000 for teachers with master’s degrees and $2,500 for those with doctorates or comparable advanced credentials. Highly qualified status would become mandatory for progression on the salary scale; teachers who do not meet this requirement could face salary freezes or, in some cases, termination.

Financial Impact Analysis
Rachel reviewed the projected financial impacts of the plan, noting that FY27 projections show potential deficits ranging from $16,000 to $520,000 depending on staff retention and hiring patterns. The lower deficit assumes roughly 20% turnover with incoming teachers hired at entry-level salaries, whereas the higher projection assumes full staff retention with all teachers advancing on the salary schedule—an outcome that leadership believes to be unlikely given natural turnover. Importantly, no position eliminations are currently built into the projections, which contributes to the upper-range deficit estimate.

Revenue assumptions include a 1.5% annual tuition increase beginning after next year to help offset the cost of the revised compensation model.

Position Reduction Strategy
To support long-term sustainability, Steve and TJ were asked to eliminate at least two positions each over the next two years, with the flexibility to stagger these reductions between FY27 and FY28. Steve has already identified three to five positions that could be eliminated and expressed confidence in meeting the directive. Leadership expects that at least four positions will be cut in FY27, significantly reducing overall costs. These reductions will focus primarily on support roles, rather than classroom teaching positions, to safeguard instructional quality.

Performance-Based Compensation Discussion
Board members discussed options for introducing performance-based bonuses tied to student growth percentiles (SGPs) on MCAS. A proposed incentive structure included bonuses of $2,500 for SGP above 50, $5,000 for SGP above 65, and $7,500 for SGP above 70 in tested subjects. Members noted challenges related to the timing of MCAS results and potential impacts on teacher cohesion. Rachel recommended framing performance-based pay as a board-driven pilot initiative intended to accelerate academic recovery, while being thoughtful about staff engagement and buy-in.

Long-Term Sustainability Planning
Leadership also discussed long-term organizational planning to ensure compensation system sustainability beyond the next several years. Potential structural changes include transitions in senior leadership roles—such as Lynne's eventual shift to part-time or consulting work as systems stabilize, and planning for Jonathan's anticipated retirement—which may create opportunities to reduce administrative costs. The team noted that some future leadership hires may require higher compensation levels, making careful organizational chart planning essential. Natural attrition and strategic role evolution over the next five years are expected to support a financially balanced and sustainable staffing model.

B. Updated Financial Documents from AAFCPAs – Ratios & Management Letter

Audit Status and Federal Grants Issues
Lynne provided an update on the audit and highlighted several issues related to federal grants. The management letter noted that some final federal grant reports were not completed on time for a variety of reasons; however, strong record keeping throughout the year protected the school from receiving any findings, unlike other institutions facing similar challenges. She explained that the federal uniform guidelines are still in draft form due to delays caused by the government shutdown. The auditors from AAF recommended temporarily removing the uniform guidance section from the final audit submission to ensure the school meets the statutory December 31 reporting deadline to

the Secretary of State. Once federal guidelines are officially approved, the school can incorporate the required language back into the documentation.

Bank Covenant Requirements

Lynne also shared positive news regarding bank compliance. AAF obtained permission to release the draft audit statements to PeoplesBank, which eliminates the need for the school to request a covenant waiver. Bank representatives confirmed that receiving the draft audit is sufficient for their review process. Lynne noted that the final audit is unlikely to change in any meaningful way, with only minor paperwork adjustments anticipated rather than substantive revisions.

C. Federal Entitlement Grants Memo

Lynne provided an update on the status of federal entitlement grants, noting that current financial projections assume a 25% reduction as a worst-case scenario given the uncertainty in ongoing federal budget negotiations. She explained that the House and Senate proposals differ substantially, leaving the final outcome dependent on reconciliation, which could lead to a more favorable result if the final agreement aligns more closely with the Senate’s recommendations. Lynne shared that she is actively participating in both state and federal grant meetings to stay informed and will continue updating projections as new information becomes available. She also clarified that legal requirements tied to these grants prevent cuts deeper than 25%, providing a protective funding floor for the organization.

D. Monthly Financial Reports

Due to limited time, the committee conducted an abbreviated review of the monthly financial statements. Denise shared that she had examined the reports in detail prior to the meeting and noted that the financials continue to look strong and well-managed. She expressed confidence in the school's current financial position and commended the finance team for clear reporting and consistent alignment with budget expectations. A more detailed discussion will be conducted at the December meeting.

E. Fiscal Policies and Procedures Update

Denise reported that she has completed her review of the updated policies and procedures documents, noting several improvements as well as a number of areas that would benefit from additional clarification. A meeting has been scheduled between Denise, Lynne, and Rachel to walk through her specific markup comments and recommendations in detail. While most of the issues she identified are not critical, they do warrant discussion to ensure clarity, consistency, and overall alignment across the documents. The current implementation timeline provides adequate space for continued revision and refinement before the policies come forward for final approval.

F. CEO Annual Goals Review and Feedback

The committee did not have time to review the CEO goals during the meeting, so Nikki will follow up separately by sending an email that will outline the steps committee members can take prior to the December meeting to ensure they are prepared to discuss and provide feedback on the CEO goals.

III. Other Business

A. Next Steps

Next Steps

- Leadership will refine FY27 budget projections by incorporating planned position cuts and realistic staff retention assumptions
- Teacher-by-teacher analysis will determine individual placement on new compensation scale and identify staff eligible for increases
- Board listening sessions with teachers will be conducted to gather feedback on performance-based compensation proposals before implementation
- December board meeting will include more detailed financial projections and potential approval of compensation revision pending final budget reconciliation
- Denise to scan and send her handwritten policy and procedures markups to Lynne
- Lynne, Denise and Rachel to meet offline to discuss policy and procedures questions and markups that Denise has prepared
- Nikki to follow up with Finance Committee members via email regarding CEO goal review preparation for the December meeting

IV. 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 4:58 PM.

Respectfully Submitted,
M. Landon

Documents used during the meeting

- Veritas - Updated Ratios.pdf
- Veritas Preparatory Charter School Management Letter Draft 10.31.2025.pdf
- Federal Entitlement Grants update Nov 2025.pdf
- Financial Reports to Finance Committee November.pdf
- Veritas Fiscal Policies & Procedures Nov 2025 Meeting.pdf
- Appendix B - Position Key to FP&P Oct 2025.docx

- Appendix M - Chart of Accounts November.pdf
- Appendix X - Credit Card Accounts and Authorized Users November.pdf
- FY26 CEO Goals_summary.docx