

To: Board of Directors
From: Jason Holland

April 3rd, 2017

RE: My requested apology

Saturday, March 18th, 2 days after the regular board meeting, I received an email from Donna, the chair of the board, notifying me that after the meeting on March 16th, each and every one of the board members communicated with her immediately after the meeting, demanding that I apologize for my "behavior." Each complaint stated that, in their own opinion, I had personally attacked Karen and Melissa with statements that I, believe they were untrustworthy and incompetent, and that the board felt intimidated and threatened by my actions. Since that conversation, several public notices were sent out with this information, without explanation or stating what was actually said.

My offense? Voicing my concern and asking questions of the board related to the budget and our finances.

First, let me thank the board for requesting that I come to apologize for my "behavior" with questions regarding the budget and financials at the previous board meeting. This gives me a good opportunity to publicly and formally express my thoughts on this situation. Let me say that order to move forward, I apologize to anybody took my questions regarding the budget, financial concerns of mine, or the perceived lack of board interest in the budget process as a personal attack. At several points during the discussion, Karen indicated these were attacks against Melissa, and I at several times during the discussion, affirmed these were not attacks against Karen or Melissa – but rather an observation that when presented with worse than expected deficits, the board had no expressed concerns or input. I believe there was some discussion with Donna by other board members without my presence, about a perceived lack of trust with Melissa – I, at no time, even mentioned the word "trust" during the meeting. Only after the meeting was adjourned, in my absence, was this discussed by the board that it must have been my *intent* that I do not trust Melissa... literally putting words in my mouth.

These issues of my behavior, not immediately suggesting fixes to problems that I point out, attacking board members, these "*issues*" were distilled *after* the board meeting, and not when I was present. The fact that all of this discussion, was done without any involvement from me, allowing me to give my side of the story – is very one-sided and likely was orchestrated. Somehow this went from my asking questions if we're doing anything about the financial sustainability of MITCH as a board and why this isn't causing more of a concern by the board, to somehow escalating in 24 hours to me thinking the "*...board is derelict in its duties, incompetent, and that Melissa is incompetent in her job and should not be renewed to be the executive director...*" is ridiculous. If I thought or said those things, I would have said those things. How did this escalation happen, and by whom? With many issues facing the board, I am not sure why so much focus and time is being spent on this issue. After the April work session, which I was not in attendance, each board member, except myself, were assigned certain policy updates. About half of the board was missing from that meeting, yet everybody, except for me, was included on those assignments. One might think that since my term is up in June, why assign me any? Donna, who's term also ends in June, is assigned 3. This clearly is a *targeted* message to myself meant to be seen by everybody. These accusations towards me seem political, and are both targeted and repeated. Several public notices have been sent, along with a work session agenda item regarding my behavior with NO explanation of my side – hopefully this letter will put an end to the harassment.

With that, let me address the 4 points the board has made to Donna, that were given to me during a phone call after the meeting, explaining why I was out of line during the financial/budget discussion, that warrant a public apology to Karen and Melissa.

1. We have been talking about the need to dip into reserves in the past; these problems have been known for some time.

What spurred this discussion was the *budget*, which was scheduled for a vote, and which we only saw first at prior meeting, numbers only, with no assumptions. Historically the board has been involved with the budget process, not kept from it. In the past, we've reviewed budget assumptions, including salary information, and specific line item expenses. We were only showed the larger buckets of expenditure items (e.g. K-5 and MS) which gives absolutely no detail on the decisions made for the budget numbers. We also saw, for the fourth time this year, a metric of \$482 income/student and \$580 expense/student. To me, this is an alarming number and financially is not sustainable.

2. We have been talking about fundraisers in the past.

It seems like we endlessly *talk* about fundraisers. I have participated in every one, including 2 years with the MITCH100 and selling a large number of the poinsettias at the back to school night. Even this past board fundraiser, my contribution along with my employer was \$1500. In the past 4 years, my employer has paid close to \$8000 for my volunteering to be on the board. These are all top-line items for our finances. What we *haven't* been talking about is the *bottom line*. To be successful, we need to at least entertain the discussion of cutting expenses... not just trying to fill the holes with exhaustive fundraising.

3. There was no input given on how to fix the issues.

I purposefully left a pause in my discussion, in hope that somebody else to take part and to see if other board members had input. Clearly the pause was hard to understand, and interpreted as my ranting about problems with no talk about solutions. Moments later, I asked about the Social Media specialist's job description and pay, which was quickly hijacked off-topic, and the response was that I apparently don't "trust" Melissa. After that, there was no point in suggesting other fixes about revisiting the copier lease, reducing annual textbook or materials expenditures – the discussion had been injected with too many emotional outbursts. We can't rely on large buckets to classify expenditures... we need more detail than "K-5" or "Middle school." If you want ideas, we need to see the granular details. Nobody seemed to have any idea when asked what to change, because we are being discouraged from seeing the details.

4. This appeared to be a personal attack on Karen and Melissa.

To avoid repeating myself, I will just remind the board that several times, I said this was not about them, but rather about the entire board. The only ones participating in the discussion were Karen, Melissa and myself. There was very little input by anybody else at this time. Again, my questions were focused on the board's duties with understanding the details of the budget, including salary information, which is public information.

Going forward, I believe this is a good opportunity to discuss *my* points of concern.

The board has a fiduciary duty, legally, to review the budget details... not just the summary. We should not be involved in day-to-day financial *management* – rather, the board needs to provide financial *leadership*... active leadership, and not just accepting at face-value, a summary. A smart President, once said: *"Trust, but verify."* To fully understand the budget, we need some information about where the numbers were derived from. We need to make data-driven decisions - this is in the director agreement that we all signed.

In past years, the board has been involved with the budget process – including the specifics. In the past, it was Janet and Traci and Melissa/Debi working on the budget, but with constant review and input from the board. The board is being asked to vote on this document – it's not about making the numbers add up to zero. It's about our short and long-term fiscal ability to sustain operations... Just because we have money to spend, doesn't mean we should spend it.... that's the true danger of a zero-sum budget, which is what was presented to us in February. We should budget for surplus when we can, because of the amount of variable income that we depend on, and lack of visibility into our non-variable income with the SSF. Also, using last year's actuals or budget items for the coming year's budget may not be the most appropriate – it's a good way to start, but one must realize this does not provide for a good way to find and reduce cost overruns and opportunities for savings. *"Because we spent that much last year,"* is not justification for continuing to spend the same amount or more in future years. Have we accounted for the requirement this year to dip into reserves because of the deficit, for next year's budget? We should try to budget a replacement of \$56,000 back into our savings. The budget process and the budget itself, are one of the most powerful tools the board has available to steer the school in the direction it needs to go, and to address the items of the strategic plan. Have we planned any CapEx expenditures for the coming year to address issues we have facing the school? Transportation. Building Maintenance. I can think of a few things we can budget for, that might even tap into our reserves. Keep in mind that dipping into our cash reserves is an acceptable path, if we have information on how the impact will affect our long-term plans. At the time I write this, there has been no involvement with the entire board about which problems to budget for, that we want to fix or improve. No mention in the budget about the Frontier Garden space, which we constantly talk about. No mention about transportation fixes, which I've brought up the idea to buy a bus, but again – no progress by the board to either advance or stop that idea. We have an issue with the transformer in the middle school classroom that may impact student learning due to the noise. These are all issues the board can and must address, and effective boards solve these problems using the budget process, and a long-term financial plan.

What was mentioned by a director during the discussion is that *"we have gone over the numbers before and said we would need to dip into the reserves, this should be no surprise..."* Success criteria cannot be defined by simply talking about numbers. We should not be satisfied by simply stating certain facts, without a plan to fix the issues. It was also mentioned that *"... Melissa has fixed the enrollment problem and we'll be at full enrollment next year..."* Which too, is great news, but great news for next year – this means we should plan to catch up from this year's budget deficit. We cannot have a zero-sum budget on a future year, without trying to make up for a prior year's budget deficit – that is not good financial planning. My fear is that the board members present will be satisfied with only hearing the impact without hearing the plan to fix. Budgets were meant to be adjusted throughout the year. For the past 2 years, I do not recall any adjustments being voted on. When enrollment falls, or un-forecasted expenses arise, the board must adjust and approve changes to the budget throughout the year – again, something the board has failed to do for the past 2 years.

I believe I have asked for a long-term financial plan or projections at just about every board meeting we've had this year (and also in years past.) Without this information, the board, including myself, are

somewhat blind to knowing our financial sustainability. It's hard to convince somebody that everything is valid and good, when not all the information is freely given. We need to be more transparent with all of the data. Obscuring the data, or disguising it doesn't help. There have been lots of examples recently about government lacking in transparency... we need to avoid that perception with our school.

We don't need 2 social media people at MITCH – 1 is good enough. We also don't know how much this is costing us, or if the board can provide direction on a different path. Is this media job benefited? How much are we paying her for 2.5 tweets/week, with 33 followers, and minor Facebook account? Is this worth a PERS pension, or even \$20,000 a year? Can this work be offloaded to other employees or volunteers? The board has a right and a duty to ask those questions. No, we don't need to cover all the details about every single penny, but we need some data before being asked to vote, legally and binding, for approval of the budget document. *This includes staffing.* The board doesn't care about who the position is filled by, but the board should care about the role and *need* for that position, and should, on occasion review and think about the need for non-teaching employees. At one point this year, we had an extremely high admin-to-teaching ratio, something which many local school boards are having difficulty justifying. (Director of Ag, Director of curriculum, Principal, Asst. Principal, Assistants, Social Media director, etc.) In your own mind, how would you be able to justify these positions if asked by a parent or member of the press? Would it be easy? I'm not attacking any individual staff member at MITCH, but the board does need to think about justifying these non-teaching roles... at some point, we need to realize that we operate for the benefit of the children, not of the positions at the school. These questions of staffing are still unresolved, and yet are a large portion of the budget we are voting on.

The biggest danger on the board isn't hurt feelings or misinterpreted points during discussion, or taking things too personally – the biggest danger is not doing our jobs on the board. When we don't read documents, don't understand budgets, don't care about policy, don't follow up on things, and don't get involved as a board, we become a 'rubber stamp' – that's the most dangerous part and that's where the potential for liability lies. In our phone conversation, and many times in the past, Donna has stated that participation by this board is very low.

Looking and asking questions on the numbers is not a personal attack at the competence of somebody doing their job. If you attack the person and not the subject, whether it is initiating or responding to discussion, that's the problem. You should try to avoid responding emotionally, or make arguments emotionally to avoid the fundamental topic. Disagreements can be had without emotion if looking at the data itself. Try to find balance between emotions and logic. We've dealt with this in the past... it's hard to remove emotion when dealing with passion for the school, but the parties involved need to focus and act more on logic. This is a business. We need to be able to accept negative feedback, and suggestions without emotional outbursts. The board and director need to understand we are set up this way to ensure proper checks and balances.

To avoid miscommunication, I encourage all of you to explore more appropriate communication channels when disagreements are present. Again, focus more on logic and the data. One would think that a more appropriate way to handle this issue, is to have talked to me personally, instead of participating in a vindictive, coordinated effort with the board chair, and making this topic an agenda item for several meetings. An unfortunate byproduct (or perhaps goal) of this entire process has a "chilling" effect on transparency and participation of current and future board members.

In the end, I remind the board about our goal at MITCH. We are here to provide one of the best education opportunities possible. We are small and agile, and able to provide personalized service to

our families, working with parents closely to do what's best for the student. We need to provide what normal public schools in TTSD cannot. For this, we sacrifice our own time, skills, resources and energy to run our affairs accordingly at the direction of our board; not TTSD. I have a dog in the fight. Not only for my child, but for every child who attends MITCH, both now and in the future. I took on the role of board member 4 years ago at the request of many parents, who, at the time were concerned about the direction MITCH was going under the previous director and how the board became a rubber stamp. In a short time, the board will change again, and I hope those that remain will take the required steps necessary to ensure MITCH's students will continue to thrive and grow, by properly getting involved with the budget and finances. There are two clear and present items that can take this all away – our financial situation, and the upcoming charter renewal while facing a hostile district board in the coming years. It's going to take a strong and engaged board to keep us going. I will be honest here – my faith in the board to do the job has been changed by this affair. Despite this, I do continue to be engaged in MITCH's affairs, to do my part in making this a successful charter school.

With apologies.

A handwritten signature in black ink, appearing to read "Jason Holland". The signature is fluid and cursive, with a large loop at the end.

Jason Holland
Vice Secretary, MITCH Board of Directors