



Your advocate for better schools.

**General Governance Training
Case Study Review #1
GCSA Conference – Tuesday, March 6, 2018**

Self-Dealing

- The governing board of Promise Academy of Science & Technology is comprised of 11 voting members - 6 parents, 4 community members, and the local mayor. The principal is an ex-officio member of the board. Expertise available includes finance, facilities, higher education, sole proprietor business, grant writing, and food service industry.
- PAST has been in operation for 2 years. In the first year, the school had an average CCRPI score of 58.5%. The school has a staff retention rate of 68% and an average student attrition rate of 28%.
- The board chair and founder of the school won a grant proposal on behalf of the school and wrote her fee (\$5K) into the budget, which was \$300K. The board chair and founder did not disclose to the rest of the board that she would collect a fee for earning the grant.
- The matter was uncovered when an independent consultant was brought in to conduct a school-wide assessment. A deep dive into the school's financials revealed the impropriety. A report was made to the grantor and the board chair was required to pay back the fee. A written analysis was provided to the board to make them aware of the status of the school's finances, operations, governance, and implementation of the academic program.
- At the following board meeting, one of the community board members raised the issue (not on the agenda) and asked the board to take action and remove the board chair and founder. The board chair tables the issue since it is not on the agenda. The issue is not raised again.

Analysis Questions –

1. What is the most important issue in this case study?
2. In addition to the primary issue, what other issues need to be addressed?
3. What are the steps that you would take to resolve these issues?
4. What behavior(s) will your board change after reviewing this case study?