**From:**Seth Henry <shenry@smartshifttech.com>

**Subject: Re: FOI Request-District Financial Information**

**Date:**December 1, 2017 at 12:48:03 PM EST

**To:**csullivan@gmavt.net, gabriel.gilman@gmail.com, KJE - Laptop <jkellis@wcvt.com>, awarg@madriver.com

Dear Board Chair Sullivan, Vice Chair Gilman,

CC, Jill Ellis, Lorraine Wargo, Fayston Representatives

I am writing to ask the board to take action on my FOI request and subsequent follow up communication.  I have heard absolutely nothing from the board since my initial request 2 weeks ago.

First I would like you to understand why I made the request.  I have received a great deal of troubling information from disgruntled members of the community about what is perceived to be wasteful spending directed by the Superintendent.   I would like to understand if these allegations are true, and if they are what we can do to avoid continuing wasteful spending going forward.   ***To summarize, it is my belief that we cannot effectively manage the future if we do not understand the past.***

I asked for the legal expenses and settlement figures because it has come to my attention that there have been multiple occasions where the Superintendent has been involved in conflicts with staff have resulted in legal action that is costly to the district both in legal fees and judgments against the district.   This is alleged to be a cost to the district well in the 6 figure range and possibly higher.   We need to understand what these costs are, why we incurred them, how we pay for them and how they are reviewed and approved.  In my experience as an executive and board member, these are largely avoidable expenses that are generally incurred only by a small portion of executives that lack the proper management skills and demeanor.  It certainly appears that our Superintendent is one of the small portion of executives with her pattern of creating unnecessary and expensive legal conflicts for our district.   There is good reason that every board I have worked with has a standard checklist for every board meeting that includes ‘pending litigation’.  ***Does this board want to allow an another entirely avoidable and unnecessary conflict to spiral into a major unplanned expense that could result in layoffs or tax increases?***

I have asked for the software and consulting fees because it appears that the Superintendent has a pattern of pursuing expensive ‘headline’ projects within the district without accountability for generating actual results.  Examples include PBL Grading where we have spent money on multiple software packages (have we received refunds for the failed software?) and expensive STEM curriculum (while we eliminate math tracking), and very ironically, expensive accounting software (which apparently isn’t being used properly).  I, and many community members, believe that the Superintendent is more interested in padding her curriculum vitae at taxpayer expense rather than actually generating results.  We deserve to understand how much money is spent on these programs before any more such expenditures are made.  Based on the results we have seen so far from Superintedent Nease’s ‘experiments’, it would seem questionable to allow any more discretionary spend without first assuring that previous investments have been well-managed and generated a return.  ***Does this board want to subject the community to the next PBL Grading fiasco without careful and thoughtful review and approval?***

I have asked for the overall Central Office expenditures because there appears to be a pattern of increasing administrative staff and expenditures without proper justification or oversight.    It also appears that since Act 46 consolidation there has been no replacement for Executive Committee review and approval of Central Office expenditures.   This is troubling, especially in light of the response to my FOI request, which indicates there could be serious dis-function in the most basic administrative function, bookkeeping.   If we are spending more money on administration, we should see operational excellence.  Paying $38.50 an hour to search through boxes for invoices is not an indictor of operational excellence.  Nor is using a partner in a very expensive legal firm to respond to a community FOI request.   To avoid continued ineffective and wasteful spending on administration going forward the board must understand patterns and trends in administrative expenditure and results.  ***Does this board want to preside over (continuing) increasing administrative and overall expense while simultaneously cutting classroom teaching resources, especially against a backdrop of dramatically declining performance?***

Hopefully I have somewhat effectively summarized why I think it is important to review these particular categories of spending ***before***creating and reviewing next year’s (likely controversial) budget.  I also believe it is critical that the board act independently, without influence from Superintendent Nease, and aggressively follow through on receiving and reviewing the information I have requested.  I am basing this on my experience as an executive who has reported to professional boards as well as a board member who has supervised executive for many years in other ventures.  In the executive capacity, I cannot imagine responding to any request for information the way Superintendent Nease has chosen.  This type of response would virtually guarantee immediate and thorough scrutiny.   As a board member my view of Nease’s response indicates that there is something being covered up, either significant misuse of resources, massive administrative incompetence or both.   From either perspective, I see no viable alternative for the board other than following through to obtain factual information at this point, both about the expenditures in question as well as the purported challenges in obtaining basic financial information.  ***Not doing so leaves the door wide open to negligence claims going forward with respect to expenditures, and sets a precedent that district financial information is de-facto off-limits to all concerned parties.  In my opinion, the Superintendent’s response to my FOI virtually obligates board to provide immediate attention and action to avoid this outcome.***

Beyond what I believe to be the right protocol for independent board governance, and setting aside the fundamental public right of access to the requested information, I believe the board’s very credibility and reputation is at stake.  The board recently published a statement on its mission of furthering accountability and transparency at this critical time.  It is also abundantly clear that the majority of this board’s members are very fond of the Superintendent and much less so of me as a constituent, as evidenced by the public record.   While people may have bias, justifiable or otherwise, the concepts of transparency and accountability cannot.  ***There is no such thing as ‘situational’ transparency and accountability.  It is essential to your credibility as a body that the board square their treatment of my request with their public statements on transparency and accountability.***

Thank you for your consideration and I look forward to a response followed by meaningful board action.  ***From my point of view, and I believe the general public interest, the best outcome here would be for the board leadership to take up my  FOI request as their own and publically prosecute it as such.***

Kind Regards

Seth Henry

Fayston Vermont

508 344 4969

On Nov 27, 2017, at 7:14 AM, Seth Henry <shenry@smartshifttech.com> wrote:

Dear Superintendent Nease, Board Chair Sullivan, Vice Chair Gilman, Fayston Representatives

I received the attached response from district legal counsel to my Freedom of Information request submitted November 17th.  It was not what I expected.

I am taken aback by the massive estimate of labor required to retrieve itemized financial transactions.  In my professional capacity I manage a business similar in scale to the WWSU district that spans three continents.  A request for financial information for a few accounts/expense categories can be met within a day or two (maximum) with very little labor.  I was under the impression that WWSU runs modern accounting software and undergoes routine financial audits, therefore I assumed that this process would be as simple as running simple financial reports and isolating the transactions in question.   The letter I received does not specifically indicate ***why*** meeting this request would be so time intensive for the district other than alluding to the fact that the files required are in storage and must be manually retrieved.  I am happy to amend my FOI request to seek the level and type of information that is more readily available, but to do this effectively I would need to better understand the limitations of the accounting systems and controls the district utilizes.   Specifically:

      Does the district have an accurate electronic chart of accounts to look up expenses by category or vendor?

      For what time period and district entities are electronic records kept and electronically accessible?

      Is the limiting factor access to detailed invoices, meaning expense records (absent invoices) would be easily accessible?

      What financial controls and records are readily available and used by the auditors in sampling and testing the district’s financial controls and systems?  In other words, what are the in-situ documents one could use to gain a better understanding of spending patterns by account/category?

I was also surprised to see that the first response to my request was a formal legal letter (actually 2 versions) from outside legal counsel. My interest here is around understanding spending patterns in our school district, as such I certainly did not intend to incur additional expense for the taxpayers.  My inquiry into these spending categories is driven by concerns raised by community members around what is perceived to be extraordinary or growing trends in district-wide spending in these specific areas.  Considering that the superintendent has already warned that there will be significant cuts this budget season, that the board has decided to dramatically overhaul budgeting process and controls, that the board has restricted pubic comment/access and that current student attrition trends will likely further reduce district resources, it is in our community interest to achieve transparency into these matters.   Getting the facts on the table is in the best interest of all parties.  With this in mind, I would prefer finding the most efficient path to obtaining the information that the public is entitled to rather than creating more work and expense for the district.  I believe that this is a matter that deserves attention from the board, not only in that the board should be interested in why basic financial information is so difficult to obtain, but also why FOI requests are met with immediate and expensive involvement from outside counsel.

I hope this communication sheds further light on what information I am seeking and why I am seeking it, and that we can find a more efficient way to honor the spirit of that request, which is entirely in keeping with the boards recently stated mission of furthering transparency and accountability.  Asking a private citizen, through outside legal counsel, to pay over $6000 to receive basic financial information implies that either this information is being deliberately withheld or that there are significant problems with the administrative function of the district.   Either deserves immediate attention from the board.  Thank you for your attention to this matter and I look forward to your reply.

Regards

Seth Henry

[402 Fiddlehead Rd](https://maps.google.com/?q=402+Fiddlehead+Rd+Fayston,+VT+05673&entry=gmail&source=g)

[Fayston, VT 05673](https://maps.google.com/?q=402+Fiddlehead+Rd+Fayston,+VT+05673&entry=gmail&source=g)