

To: SFAI's Board of Trustees

From: Co-chairs of the Reimagine Committee – Karen Topakian and Tom Loughlin

Re: Near-term governance changes – supplement to the executive summary

Date: December 31, 2020

SFAI is facing an existential crisis that cannot be solved by any individual acting alone. If we are to find a path forward, we will need to be highly coordinated as a team. We are offering the board this addendum to our executive summary because we believe SFAI is in peril that can be significantly mitigated with a few easily implemented governance changes.

Please understand that our observations about SFAI's current governance structure is rooted in respect for all board members, a love for the school, and a belief that we can and must perform more effectively as a team.

It is our belief that for SFAI to move forward, it is in need of a change of leadership on the board. We respect the dedication shown by our current board chair and we thank her for inviting us to reimagine what SFAI can be. That said, we believe the school is currently on a dead-end path through dangerous territory. Without an immediate change in leadership and a revised approach to tackling these challenges, we could all lose everything we've been working for here.

In this memorandum, we will describe the governance challenges that we see and propose a solution to them. In summation, we will ask that the board chair step down and explain that we and the Reimagine Committee wish to collaborate with the board following a change in the board's leadership.

SFAI's financial challenges have been known to the board for many years and predate the current board

SFAI's current financial crisis was many years in the making and unfolded in full view of the board. It has resulted from declining enrollment, flat fundraising, and not enough cost cutting to make up for the shortfalls in revenue.

When the enrollment decline began in 2015, SFAI had a \$1 million cash reserve that it had saved from its operating budgets. Those funds were quickly depleted, at which point the board began spending unrestricted endowment funds and redesignating restricted funds so they could be spent too.

Every year, the board hoped to make up for revenue shortfalls with increased fundraising. That strategy has not been successful, with the possible exception of the spring of 2018, when a multi-term board member and longtime SFAI supporter gave a \$250,000

challenge grant which allowed the school to avoid a cash shortfall that would otherwise have occurred within weeks. Despite that generous gift, the school ended the year poorer than the year before. This trend of deficit spending has been unbroken since 2015.

We have heard the current board chair say the board was not given an accurate picture of the school's finances and was caught off-guard by cash shortfalls in the spring of 2020. This is at odds with numerous financial reports and email conversations dating back at least to the spring of 2018. For example, in a March 29, 2018 email before becoming board chair, Pam wrote to the board's executive committee:

"I just spent a good chunk of this morning on the phone with Gordon, discussing with him our concerns at great length, which I would summarize in very broad strokes as follows:

1. We are facing a cash flow crisis that our remaining lines of credit will not cover, and no clearly defined plan has been presented to the board to close the gap.

2. Fundraising has stalled, in part because we have a development team comprised of one senior person who is focused on strategy instead of making asks. Again, there was no clearly defined plan presented to bring us out of the stall and either (a) close the cash flow gap or (b) complete the capital campaign.

3. Enrollment and retention are up dramatically, but that doesn't compensate for the departure of this year's large graduating class (something Mark warned us about), which means our overall enrollment will be even lower next year.

4. The combination of these issues is likely to alarm/alienate existing board members – and make it difficult to recruit new board members."¹

In other words, these problems were evident to the board even before our current chair took on her role as leader.

The board chair has previously convened a task force to address SFAI's financial problems

SFAI's downward financial trajectory continued between March 2018 and May 2019. Ambitious fundraising goals were not met and enrollment did not improve. The cash shortfalls were covered by spending down unrestricted endowment funds and borrowing against a \$3 million line of credit with Boston Private Bank. In January 2019, the board finance committee

¹ In this March 2018 email, Pam calls for a number of other perfectly sensible measures, such as "a qualified CFO will be hired ASAP" and the school should focus on growing enrollment and fundraising. Enrollment and fundraising did not improve after Pam became board chair and to our knowledge, a qualified CFO was never hired.

reported that the line of credit was nearly maxed out and there was no plan in place for how to repay it.

By May 2019, just over \$1 million in unrestricted funds remained in the endowment. At that point, members of the board finance committee let the board chair know that they believed the school's business model had failed and needed to be restructured right away.

The task force's mandate was too limited to solve SFAI's structural challenges

In response to the finance committee's memorandum, the board chair convened a task force that was charged with spending the summer of 2019 looking at SFAI's financial challenges. The task force was nominally composed of 6 trustees, cabinet-level administrators, Gordon Knox, and Mark Kushner (although fewer than half of these members attended most meetings). The board chair gave the task force the following assignment:

"Purpose:

1. Accelerate the identification, assessment, recommendation, and implementation of strategic initiatives and revenue-generating activities (contributed and earned) to enable SFAI's urgent transformation to a solvent, financially sustainable organization.
2. Develop a risk-management strategy and timeline in accordance with the Board of Trustees' fiduciary responsibilities and SFAI's obligations to students, employees, accreditors, and lenders."

We note that the task force was not asked to evaluate SFAI's cost structure, pedagogy, mission statement, strategic plan, or other matters that might have supported a strategic restructuring. The task force was not asked to examine SFAI's debt or to make recommendations for avoiding default and foreclosure or for how to proceed in the event of insolvency. There was no request that the task force engage in financial forecasting to help assess the viability of the current operating model.

The task force reported its recommendations to the board in August 2019. The report began with an observation that even if the school hit its fundraising goals and drew down all available endowment funds, SFAI was likely to be unable to make payroll starting in March 2020.

In addition to its observations about SFAI's financial conditions, the report made a number of recommendations for growing revenue. Although the task force hadn't been asked to do so, it sketched out a "doomsday" teach out plan to guide the board in the event it became evident that the school had to close.

Sensible recommendations were not pursued

Some of the task force recommendations seem quite sensible but were apparently never implemented. For example, it was recommended that SFAI should work to forge a deeper relationship with SFMoMA, beginning with an effort to be included in the museum's upcoming

retrospective of Diego Rivera's work. The board chair had personally endorsed this idea during the summer of 2019, saying in a July 8 email:

"I am in agreement with Jeremy that using the Diego Rivera as a calling card with SFMOMA should be at the very top of our list of game-changers. This project is extremely time sensitive, as there is a Diego show on the not too distant horizon with very long lead times, so I'm hoping the Task Force can help Gordon move it forward quickly. I think there are many possible ways to cut this cake -- but our goals would be to:

- (1) raise significant \$ quickly - either in cash for the endowment or as ongoing revenue
- (2) rebuild our relationship with SFMOMA and the cultural powers-that-be
- (3) Leverage the Diego and SFMOMA's marketing muscle to raise awareness of SFAI and its role in the cultural landscape, in the past and today."

The email, which is attached to this memo, goes on to speculate about ways the mural could be sold or endowed in place as a result of this initiative.

It appears that this plan was never implemented, although it is unclear why not. From the text of the above email, it seems possible that the board chair was been expecting someone else to take the lead on the project. ("I'm hoping the Task Force can help Gordon move it forward quickly.") We note that SFMoMA has begun circulating promotional materials for its Diego Rivera show, and we see no mention of SFAI anywhere.

A teach out financial model was formulated but was ignored

Under its own initiative and not at the direction of the board chair, the task force sketched out a rough "doomsday budget" to provide for a three-semester teach out in the event SFAI needed to close. That budget estimated that the net cost of teaching out 300 students beginning in the fall of 2019 would be around \$3.5 million. The doomsday budget was presented to the board in September 2019.

By comparison with the task force's 2019 teach out budget, SFAI is currently on pace to spend \$4.8 million teaching out a couple dozen students. In other words, the school is teaching fewer students out and spending more money to do it than it would have under the "doomsday" scenario. This is because most students were transferred out in spring 2020, so the bulk of the revenue was lost.

Recommendations that were pursued have not worked and in some cases were already being pursued before the task force met

The August 2019 task force report also recommended some measures such as fundraising and board development that were already being pursued without meaningful success. The task force also noted that Jeremy Stone was working on an art auction for fall of 2020.

Additional recommendations made by the task force had already been considered by the board but had not yet been pursued in a serious way, such as renting out surplus space at Ft. Mason and/or Chestnut Street. Efforts to rent that space have been ongoing since August 2019, with limited success.

The task force's work predicted SFAI's March 2020 insolvency but did not prevent it

As noted above, the task force's report begins by noting that even if the board decided to spend the last unrestricted funds in the endowment, it would be unable to make payroll in March 2020. As we are all aware, that prediction was accurate. If it had not been for the unexpected infusion of \$2.25 million in Covid-related government funding, SFAI's crisis last spring would have been substantially worse, with students stranded a few weeks short of graduation, and possible WARN Act liability for trustees.

The board's current approach does not seem to improve on the failed efforts of the past

While the Reimagine co-chairs are not privy to the board's internal communications, we get weekly briefings from the board chair, COO and CAO, we meet bi-weekly with three designated board representatives, and we have kept open lines of communication with individual board members and senior staff members. We see board members working hard, but it appears to us that the strategic approach has not changed.

Once again, the board has adopted a budget with a multi-million-dollar shortfall that can only be filled with fundraising. Despite considerable efforts to raise funds, SFAI is behind its development targets for the year. The development team appears to be relying on initiatives which have proven to be unsuccessful, such as the Access 50 plan that dates back to 2017 or 2018. It is our understanding that expectations for the art auction have been revised downward more than 50% from their original goal and the auction has been postponed until March 2021.

The plan to cover these shortfalls remains what it has always been: spend down SFAI's assets and/or borrow against them. We have seen no evidence that the board is engaged in any kind of multi-year financial forecasting or exploring additional cost saving measures aside from cutting payroll.

Please let us reiterate what we said in our introduction to this document. When we describe how the board is functioning, we are not intending to lay blame on individual board members. We are personally fond of all members of the board, and we know them to be dedicated, intelligent, and hard-working. In our experience, when a highly capable group of people is achieving disappointing results, it is due to shortcomings in strategy.

The Reimagine team has had to take a leadership role

From the outset, the Reimagine team has been intent on providing an innovative and actionable plan to the board. Mindful of the challenges of the past, we have focused considerable effort on looking at the financial structure of the school and contemplating modifications that could make SFAI more financially viable.

We have faced significant challenges in trying to assemble an accurate picture of SFAI's financial future. Even before our Reimagine team was fully assembled, we were working with outside consultants to try to identify opportunities to run SFAI more efficiently and inviting Mark Kushner to collaborate with us.² Since July, we have assembled a finance subcommittee with greater expertise than we have ever seen assembled on an SFAI finance committee of any kind. We have two C-suite financial executives, one of whom holds an SFAI MFA alongside his impressive financial qualifications, and we have current and former staff members who are intimately familiar with the budgeting process on the academic and operations sides of SFAI. Despite our efforts, we have had to defend our financial models against attack by the board chair although in several years as board chair we don't believe she has devised any models of her own.

We now have a series of detailed, flexible financial modeling tools that can readily be modified to test out different scenarios. We would very much like to share these with the board.

The most acute time in this crisis is right now

From our perspective, the next three weeks will be the most acute time in SFAI's current crisis. The financial picture appears even more dire than it was a year ago. The operations team is facing the very real possibility that it will have to lay off SFAI employees who were previously assured that the school would remain solvent through this fiscal year. It is our understanding that students were enticed to enroll with the promise of historically low student/faculty ratios, which might be taken away through layoffs. Even steps predicate to layoffs, such as declaring financial exigency, could trigger angry responses throughout the SFAI community.

We feel that actions taken by the board chair have contributed to the volatility we see today. We believe that the board chair misjudged community feeling about the Diego Rivera mural. Both Reimagine co-chairs exhorted the board chair this summer to be transparent about plans concerning the mural and to convene a steering committee to advise SFAI on its stewardship. It appears that the board chair vastly overestimated the amount of community buy-in to a sale or encumbrance of the mural, was caught off-guard by the vote taken by Faculty Senate, and is currently without a plan to engage in meaningful community dialog on

² The Reimagine finance subcommittee submitted numerous specific requests for financial data to aid in our analysis. Despite our entreaties to the COO and to the board chair, it took several months for us to receive critical information that we had requested. Along the way, we were asked to pay to have the documents assembled because (we were told) our Reimagine efforts were not covered by the operations budget adopted by the board. Please bear in mind that the Reimagine team has been operating cost-free to the school. A handful of Reimagine team members received modest stipends which were funded by donations earmarked by the donors for the Reimagine effort. Payment of most stipends was delayed by over a month due to errors on the part of the operations team. These delays were the last straw for our co-chair Christopher Williams, who resigned in early December. To be clear – we acknowledge that our COO has worked tirelessly to execute the plan assigned to him by the board. It is understandable that some important things might slip through the cracks in an institution as short staffed as SFAI is today.

the topic before the board will be asked to vote to take out a loan against the mural to avoid massive layoffs.

We have heard from enough members of the SFAI community that we believe it is accurate to say that the December 17 board meeting further eroded trust for the board chair. Reimagine team members have asked us why they were invited by the board chair to present our financial findings to the board of trustees and then uninvited at the last minute, followed by an “elephant in the room” standoff during the meeting about whether the board chair would allow us to present. We ourselves don’t know what the reasons might be.

Furthermore, community consensus seems to be that the board chair appeared uninterested in conversation with Faculty Senate or the Reimagine Committee about how to deal with the mural, and many people have noted that the board seemed more concerned with its own legal liability than with community opinion about proper stewardship.³ While we understand the board’s belief that confidentiality is essential concerning the identity of a possible buyer, the board’s move to executive session seems to have heightened the sense that it is acting without regard for the desires of the community which it represents.

We must voice our concern that the board could easily see this situation spiral out of control. While we believe we have the trust of the members of the Reimagine team, some other member of the SFAI community could easily bring media attention to the proposed sale of the mural. It is our understanding that the prospective buyer is sensitive to negative publicity, which suggests that SFAI could very quickly lose any control it has over any proposed sale and could suffer great harm to its reputation. SFAI will surely be making significant changes in coming months and will want buy-in from the SFAI community and beyond. Let’s take care so that we aren’t making those changes in an environment that’s even more hostile than the one we’re in now.

This summer we were asked to assemble a team out of a deeply suspicious community and to persuade them that it would be worth their while to spend hundreds of hours working to build a better future for SFAI. We have done that work, and we have a galvanized team with a clear consensus about what the future might hold for SFAI. As of now, the team stands ready to work alongside the board. That said, this is a team of volunteers who may respect their co-chairs but they don’t answer to us. We are deeply concerned that if the Reimage team signals that it has lost faith in SFAI’s board, it will be hard to keep the larger community aligned with the board. And vice versa – if we lose the larger community, we will likely lose the Reimagine team too.

³ Of course, we want the board to have access to legal counsel in charting its course and we understand the board’s concern in the context of that December 17 meeting. It is unfortunate that the meeting began with unanswered questions about the legality of the board’s actions. It is not clear to us that all relevant legal questions have been answered, such as the prudence of making consequential financial decisions where the board not only seems to have lacked a treasurer for more than a year but indeed had a new treasurer resign the day after being elected and then leave the board shortly thereafter.

Hallmarks of the current crisis

While this is a situation of great complexity, we believe we can summarize some of the recurring issues that impair SFAI's ability to solve its own problems.

Repeating failed tactics

First, there is an ongoing focus on tactics that have not worked in the past and seem unlikely to work now. For example, the board's development and marketing teams are working very hard to raise funds and to convey positive messages about SFAI. Nevertheless, donors are not stepping up and enrollment funnel numbers are well behind the goals the operations team has set out for itself. Marketing and development are worthwhile activities in a functioning school, but they have not yet been sufficient to solve SFAI's crisis or to lift it away from insolvency. We don't believe that is going to change any time soon, and we believe the board's laser focus on those activities has been misplaced.

Resisting information sharing

Second, there seems to be an ongoing resistance to sharing information within the SFAI community. For example, in the fall of 2019, board members were selectively asked to sign non-disclosure agreements concerning a proposed merger with USF. It appears that as late as December 2019, not all board members were aware that merger talks were underway. Some board members who signed NDAs and wished to assist in the process were turned away. As a result, the board chair played what we view as a disproportionately powerful role in the process, and in our experience, leaders that don't hear meaningful input from multiple voices are more likely to make errors (such as failing to prepare to implement the "doomsday" plan to teach out existing students when merger talks fell through).

We see a similar failure to share information in the possible sale of the mural. Once again, board members have been asked to sign NDAs and other stakeholders in the community feel they have been excluded from meaningful dialog. It is our impression that the board chair has played a disproportionate role in any talks with prospective buyers, and it does not appear that she has a back-up plan for SFAI's finances in the event a sale doesn't happen or if the SFAI community were to agree that preserving the mural is its highest goal.

As noted above, we are similarly dismayed about the board chair's reluctance to let the board take a serious look at financial models put together by the Reimagine team. We assembled the models as soon as we received the financial information we had requested and spent a week cross-checking them to ensure that they were in fact telling us what they seemed to be saying, and then shared them with Mark Kushner and the board chair. In the weeks that have elapsed since then, neither the board chair nor her COO/CFO have been able to find fault with the models.⁴ Under the circumstances, we are unable to understand why our work has been dismissed by the board chair, not embraced as a useful tool.

⁴ The only objections we have heard is that our expectations for income from fundraising and real estate rental are insufficiently optimistic. For the reasons noted above, we are reluctant to bet the school on revenue projections

Overestimating capacity

Finally, it is our experience that people in leadership roles sometimes find themselves unable to recognize the limits of their abilities and/or unable to ask for assistance when they need it. SFAI's current crisis is complex and challenging, and it is perfectly understandable that one person alone cannot be good at all of the things this situation requires.

While we have tried to remain focused on planning for future years, on multiple occasions this year, we have felt compelled to intervene in initiatives proposed by the board chair. For example, in June the board chair was trying to galvanize support for a plan that would have given SFAI two years to come up with \$30 million or lose Chestnut Street to UC. Without our intervention, we believe SFAI would have significantly less time to make decisions concerning Chestnut Street and would likely have surrendered its custodianship of the Diego Rivera mural.

Later in the fall, the board chair was proposing to put two people of color into leadership positions in the SFAI administration, with one of those positions being interim president. The board chair explained that it would result in a big PR "splash" for the school because it would show SFAI's commitment to being an anti-racist institution. We felt it was necessary to share our views with the board chair that this approach to changes in administrative leadership, which would have involved demoting a highly-qualified woman, sounded more like tokenism of people of color than empowerment. We proposed that the board transition its own leadership structure to empower these people of color – both of whom have served on the board – but the board chair declined.

In a third example, the board chair asked the board to ratify a 20% tuition cut with no study of the financial or cultural effects the cut might have on the school, saying it was a "moral issue." Despite significant concerns by board members, the board chair held a vote and announced that the measure had passed despite a significant number of abstentions. The measure was only given further consideration due to a next-day objection by board members who felt they wanted to hear further financial analysis of the measure's impact on the school.

The Reimagine finance subcommittee conducted an analysis of the tuition cut measure, and put together a model showing that as proposed it would result in a discount for students with the highest ability to pay, and could undermine SFAI's ability to give financial aid to students with a lower ability to pay. A cut of this nature would likely have a detrimental impact on our efforts to promote diversity and access at the school, and we are thankful that the board decided to table the measure.

These are not the only three examples where we felt it necessary to intervene. We offer them as examples of the kinds of errors we continue to see the board chair making. The

that we don't believe are reliable. Since December 17, we have prepared a detailed rental income model that illustrates what we believe are more realistic projections.

motivations behind them are laudable – save the campus, get favorable publicity, cut tuition – but good intentions alone don't make for good leadership. What is often missing is dispassionate analysis of the best way to carry out a good intention. Frequently people are asked to decide on a measure in the absence of sound analysis, even when there has been ample time to study the issue and prepare for a difficult decision, as in the case of the Diego Rivera mural, layoffs, and spending down the endowment. In our experience, requests for clarification or further study are treated as resistance, and the debate is often framed, subtly or otherwise, as a moral decision.

We have also seen facts misrepresented in service of an agenda. Throughout the summer, the SFAI community was repeatedly assured that the board would be able to meet its fundraising targets this year because of the outpouring of fundraising that supposedly occurred following the transferring out of students in the spring. The board chair explained at different times that SFAI had raised between \$4.5 and \$6 million in a few months. It is our understanding that the actual amount of funds raised was less than \$500,000.

Please remember that we don't mean this as an attack on the board chair's character. None of us are perfect, and we on the Reimagine team very much rely on each other to help us see when we are heading in the wrong direction. Our complaint is not that our board chair has imperfections – indeed, our vulnerabilities make us more human. And we have no doubt that the board chair's intentions are to do good work in service of SFAI. Our belief is that like many leaders, our board chair doesn't recognize these limitations, and the current configuration in SFAI's governance structure is enabling her to exercise power in a way that is contrary to the school's interests.

SFAI's flawed leadership culture continues

Just as SFAI's financial challenges existed before our current board chair assumed a leadership role, SFAI's flawed governance culture also predates her tenure. In our experience, no one is ever the first person to fall into a particular destructive pattern, and there are certain kinds of mistakes that any of us could make. Our aim is not to vilify any individual person, but we feel we must speak up about the pattern SFAI finds itself in.

Our current board chair described SFAI's dysfunctional governance phenomenon in an April 29, 2016 email to members of the board. SFAI's enrollment downturn had just begun, and the board was being asked to spend down the remainder of the school's "rainy day" fund in order to support current operations. After asking how the board intended to deal with the financial crisis that was just beginning, Pam expressed her concern that the school's ability to solve its own problems was rooted in governance problems. She wrote:

"My concern about this request extends beyond this one incident, as it is typical of a pattern of management by crisis and a lack of transparency in communications from board leadership, a pattern that must change if we are to grow and prosper moving forward. I believe that the way we choose our board leadership is at the heart of this predicament, and one of our least transparent processes. I've served

on other boards where there was a nominating committee and very clear guidelines for selection (and removal) of the board chair and other officers in the by-laws, but that is not the case at SFAI. Here the current board chair puts together a slate of candidates and then presents that slate to the board for a vote at the annual meeting (which is scheduled for May 26 this year), which is effectively just a rubber stamp. There is no open call for nominations in advance and there are no alternative choices presented. Candidates are not required to present platforms or qualifications. And all that has resulted in a board leadership that is highly inbred and insular, with the same names appearing on the roster year after year.”

This critique is as helpful today as it was in 2016. In our view, our current failures of leadership are the perfectly understandable result of imperfect people operating in an imperfect system during a time of crisis. There is no need to demonize anyone, but it is essential that SFAI break out of its current mode.

Under the current board bylaws, there is no mechanism for non-board members to formally seek improvements or corrections in the board chair’s leadership style. For that reason, we are appealing to the board to collaborate with us on an approach to dealing with the emergency we find ourselves in.

It bears mention that we have been told that our board chair intends to step down at the end of this fiscal year but feels there isn’t a viable succession plan at this time. We share our board chair’s concern about how SFAI will face its challenges after her tenure ends. We feel that we have a workable plan and we would like to share it with you.

Proposed solution

We ask that our current board chair resign from the board and not participate in consideration of proposals to restructure SFAI. It gives us no pleasure to make this request, but we believe that the above-listed concerns could be fatal to the process of restructuring the school.

We ask that the board refrain from appointing a new board chair immediately. Just as SFAI’s leadership challenges predate the current board chair, they could easily survive the current board chair. We invite the board to proceed in a different way for the good of the school and work collaboratively with the Reimagine team and others to revise our governance model so that it works better going forward. Please hold off on appointing a new board chair while we work together to find a workable long-term plan.

We invite the board to form a joint committee that consists of board members, Reimagine team members, and other SFAI stakeholders such as Faculty Senate. We believe this will be the most effective way for us all to look at our challenges together and work towards solutions that will have community buy-in.

We ask that SFAI provide meaningful stipends for Reimagine team members who need them. We have benefitted from thousands of hours of uncompensated labor, in many cases by people who were fired by the school. The Reimagine team functions better as a whole than it does as component parts, and it will be important that any team members who wish to help out are able to do so without doubling down on the sacrifices they have already made.

The board is, of course, free to disregard our proposal and continue on its current course. If that is where we find ourselves, we wish you the best of luck in tackling these challenges, but we and the Reimagine Committee find ourselves unable to participate. We are in consensus that it would be contrary to SFAI's best interests for us to share our work with the board as it is currently constituted.

As always, we are open to dialog with the board on this or any other topic.

We ask that you let us know your intentions by the close of business on January 4. As you know, we will be presenting our report to the board on January 7. We would like to know a few days in advance whether we need to present on this topic.

Postscript

On December 29, one of the Reimagine co-chairs received an email from union representatives at SFAI (who this co-chair had never met before) explaining that the union representatives intended to go to the media with their concerns about the SFAI board and asking if the Reimagine co-chair wanted to go on the record or offer information on background. The Reimagine co-chair reached out to the other Reimagine co-chair, and the two engaged in a 60-minute Zoom meeting with the union representatives, during which the Reimagine co-chairs were able to get the union representatives to agree not to collaborate with the media. As we have noted above, the situation is volatile.

On December 30, we met privately with the board chair to express our concerns and to propose the solution that is laid out in this memo. Our aim was to initiate a productive transition that would benefit SFAI and result in minimal discomfort for the board chair. We feel that the board chair's response further illustrates some of the concerns we have described. The board was called into an emergency meeting and apparently told that the board chair had been personally betrayed. We were summoned into the meeting an hour later, where we were threatened with litigation if we shared this memorandum to explain our point of view.

We feel this approach is divisive and counterproductive and inconsistent with careful deliberation of serious challenges. As we have noted above, our views are rooted in concerns for SFAI's best interests and are not personal. We ask that board members consider this memorandum as they make decisions about the next steps to take. SFAI is in grave danger, and we must all put the interests of the school above pride and personal alliances.