

KALAMAZOO PUBLIC SCHOOLS
Office of the Superintendent

TO: Board of Trustees

FROM: Cindy Green, Interim Superintendent

DATE: December 28, 2022

SUBJECT: Administrative Termination Recommendation

RECOMMENDATION:

It is recommended that the Board terminate the employment of Mr. James English, Assistant Superintendent of Business and Operations, based upon the findings in the report below.

REPORT:

Upon being appointed Interim Superintendent on December 13, 2022, more than one Board member shared concerns about the operation of the District's Business Department. Accordingly, I made inquiries into the operations of the Business Department, including meeting with Jim English, Assistant Superintendent of Business and Finance. I found that there were District contracts in effect that had apparently not been approved by the Board of Education. I also found that the District's new Director of Finance was not an employee of the District, but rather an outside contractor, and that this person was also simultaneously working in another school district, and often not reporting to work at the District.

I decided that these matters required a more in-depth investigation. I placed Jim English on paid administrative leave on December 16, 2022. I requested the assistance of the District's legal counsel, Clark Hill, in conducting the investigation. Upon being advised of the business operations that needed investigation, Clark Hill retained the services of Mike Dixon of Dixon Public Consulting, LLC, an experienced retired school business official who has worked with over two dozen school districts in the state, to also assist with the investigation.

On Tuesday, December 20, 2022, I, along with John Gierak of Clark Hill and Mike Dixon of Dixon Public Consulting, met with Mr. English and his friend, Greg Warsen, for approximately two hours, and reviewed approximately 10 areas of concern. The following is not an exhaustive account of our findings, but addresses the major areas of concern.

- 1. Mr. English acted to provide major financial support for the Kalamazoo Public Schools Foundation, an independent entity not connected to the Kalamazoo Public Schools, and not approved by the Board of Education, in violation of Board Policy, established Board practices, and likely the law, at least in some instances.**

The Administration reportedly told individual Board members and Cabinet members that the Administration was working on establishing a foundation to support the District, but that this foundation would be entirely independent of the District, and that the District would not be providing any financial support to this foundation at all. The Administration never requested the Board of Education to authorize the foundation or to in any way support the foundation. Indeed, it appears that some Board

members were completely unaware of the foundation, which was incorporated as an independent charitable organization in June 2022.

However, we have found that the District has paid \$91,125.59 to individuals and organizations to support the foundation, again without Board knowledge or approval. These payments are as follows:

- a. To Dr. John Mosser, agent of the Kalamazoo Public Schools Foundation and reportedly its President, a total of \$76,000 for the period from August 2022 through December 2022, for “philanthropy consulting services,” with some pending additional bills not yet paid. See Attachment A.
- b. To James Pollerana, a total of \$2,875, for the period August 2022 to December 2022, for “consulting services.” See Attachment B.
- c. To Sarah Bacon, a total of \$216 for work done in August 2022, for “contract philanthropic services.” See Attachment C.
- d. To CDW Government, Inc., a total of \$3,367.92 for three laptop computers and related computer equipment ordered in September 2022. See Attachment D.
- e. To Sleek Consulting LLC, a total of \$8,666.67 for a “QSS Package 1st Down Payment” for a database implementation service. See Attachment E.

These payments are problematic in several respects.

First, they were never approved by the Board of Education.

Second, our attorneys have advised that such payments may not be authorized under the law, because the payments are to an outside organization completely independent of the District, and the District has no legally cognizant agreement with the foundation that the District will receive any benefit from the payments that it has made.

Third, based upon the invoices provided by Dr. John Mosser, it appears that Dr. Mosser was acting in an administrative capacity on behalf of the District. This is also reinforced by the substantial compensation paid to Dr. Mosser for his activities, which are more than comparable, and indeed greater, than the compensation paid to District administrators. As such, this arrangement with Dr. Mosser was in violation of Board Policy 8.2, entitled “Hiring,” as that Policy makes it clear that all administrative candidates must be approved by the Board. Dr. Mosser was never approved by the Board to act on behalf of the District in any way for the compensation that he was paid by the District.

Fourth, several of the activities engaged in by Dr. Mosser for which he was compensated, such as Dr. Mosser’s attendance at the “Discover Kalamazoo Golf Outing” on October 3, 2022, appear to be expressly prohibited from public school district financial support under Section 1814 of the Revised School Code, MCL 380.1814.

Mr. English was aware of these payments, as he himself identified the District’s account code for payment to these individuals and vendors. The fact that the Superintendent approved the payments was

only a first step, and did not change Mr. English's obligation to have the Board approve such payments, nor affect his responsibility as the District's chief business official to ensure that payments were made in accordance with Board Policy and the law.

2. Mr. English retained an outside contractor to work in the capacity of a District Administrator without Board approval, in violation of Board Policy and established Board practices.

When the District's Director of Finance retired, Mr. English worked with the District's Human Resources Department to have the administrative position posted. See Attachment F. Three persons were interviewed for the position, including Michael McDonald, who was the Executive Director of Business Services at Grand Haven Area Public Schools. Over the repeated objections of the District's Assistant Superintendent for Human Resources, Mr. English retained Mr. McDonald's services as the District's Director of Finance as an outside contractor, signing himself personally a contract with Styra Financial LLC on November 4, 2022, to have Mr. McDonald work at the hourly rate of \$101.50. See Attachment G. In the meeting with Mr. English on December 20, 2022, Mr. English said that the invoice for Mr. McDonald's services has not yet been provided to the District. While Mr. McDonald was retained to act as Director of Finance for the District, Mr. McDonald continued to work full-time at the Grand Haven Area Public Schools. Mr. English acknowledged that he did not seek nor obtain the approval of the Board of Education to retain Mr. McDonald's services.

Mr. English's actions above are in violation of Board Policy 8.2, entitled "Hiring," as that Policy makes it clear that all administrative candidates must be approved by the Board. Mr. McDonald, who was acting as the District's Director of Finance, the highest level position in the District's Business Office after Mr. English himself, was admittedly never approved by the Board.

Apart from the fact that Mr. English's actions were in violation of Board Policy, his course of conduct in this situation raises grave doubts as to his judgment in the oversight of the District's business and finance operations.

3. Mr. English retained an outside contractor to do the work of account conversions in the District's Business Office without the approval of the Board of Education, without a written contract, and without establishing the hourly rate for such work.

In the meeting with Mr. English on December 20, 2022, Mr. English explained that he had entered into two contracts with Styra Financial LLC, one to retain the services of Mr. McDonald, and one to do the work of account conversion, as the District's Business Office was going to be operating under a different accounting program system as of the next school year. Mr. English said that Styra had been doing this work remotely, and that he understood that more than one person was doing the work. However, Mr. English acknowledged that he did not know the names of the persons doing the work, did not know how much the District was paying per hour for the work, and did not have a written contract with Styra for the work that was being done, apart from the fact that it had not been approved by the Board of Education.

Mr. English's failure to have the Board of Education approve this work, as well as the vendor, is in violation of the Board's established practices. Moreover, his course of conduct in this situation – entering into a contract for services with an outside contractor without a written contract, and without

establishing the hourly rate for such work – is akin to gross negligence in the operation of the District’s Business Office, and raises grave doubts as to his judgment in the oversight of the District’s business and finance operations.

4. Mr. English personally engaged in practices that were inconsistent with established District business office practices, particularly in ensuring an effective system of checks and balances, which is not appropriate for the District’s chief financial officer, who is expected to model the kind of behavior sought by the District.

The investigation into the District’s business office operations revealed that Mr. English has himself engaged in practices that are concerning, in that they are inconsistent with good business practices, along with the established District business practices that Mr. English inherited from the District’s previous Deputy Superintendent, and were not appropriate modeling for the kinds of behavior that the District expects of its employees. These practices include the following:

- a. Routinely working from his home on Fridays, without allowing others in his Business Office to have the same opportunity absent special circumstances;
- b. Directing some staff members not to share information about the District’s budget with others;
- c. Refusing to provide the District’s Human Resources Department with copies of District contracts relating to outside personnel performing services for the District, or information about such contracts, even though requested;
- d. Directing his assistant that she is not to enter his paid time off into the system; and
- e. Routinely submitted meeting/meal/auto expenses for reimbursement without identifying the District purpose of the event.

When these practices are considered collectively together, they present a pattern of behavior that is not appropriate for the District’s chief financial officer, as again, they are inconsistent with good business practices, the District’s established business practices, and fail to appropriately model the behavior that the District seeks from its employees.

As previously noted, Mr. English’s position as the District’s chief financial officer imposed upon him a duty to comply with Board Policy, the law, and good business practices, independent of the Superintendent and/or other administrators. Each of the four sections set forth above standing alone would constitute good reason for Mr. English’s termination. When each of the four sections are considered collectively, there is more than good reason for Mr. English’s termination from employment.

For the reasons set forth above, I respectfully request the Board to immediately terminate the employment of Jim English as the District’s Assistant Superintendent for Business and Operations.