

2. c. Question 3 - What can MTSBA do about this issue given its strategic position and internal capacity (expertise, financial resources)?

Summary

Key facts:

1. MTSBA pays \$68,666 in dues to NSBA.
2. MTSBA is budgeted to spend the following additional amounts related to engagement in NSBA:
 1. NSBA E.D. Institute, August, \$7,000 (Debra and Lance did not attend)
 2. NSBA Western Region, September, \$25,000 (we had a contingent present but are coming in under budget)
 3. NSBA Advocacy Institute, January, \$21,000 (the officers have decided to cancel participation)
 4. NSBA Annual Meeting, March/April, \$35,000 (TBA based on board discussion)
 5. NSBA Western Region, Including Planning, May, \$2,000 (TBA based on board discussion)
3. In addition to the items above, MTSBA staff professional development is typically incurred through our participation in NSBA professional development, either at the annual conference or at work-alike group meetings. Total staff professional development is \$28,000 and an estimated \$21,000 of that is incurred at NSBA events. We have not yet registered for participation in any NSBA professional development.
4. Total investment in NSBA, including expenses of engagement, \$179,666.
5. In addition to the above, and because the MTSBA Board had become disenchanted with the efficacy of NSBA in setting up their Capitol "day on the hill", the MTSBA Board started budgeting for the full MTSBA Board's annual visit to our congressional delegation in DC during the summer months at an annual cost of \$50,000.
6. Total of all the amounts above is \$229,666.

Issues to be Discussed:

1. What are the benefits of being an NSBA member and what are the services that NSBA provides to MTSBA?
 1. NSBA has long provided the forum through which local leaders from throughout the nation gather, network, learn from one another and coordinate advocacy. The biggest strength of NSBA is in its ability to gather leaders from around the nation that we like, respect and regularly work with.
 2. The reputation of an organization that has been around for 80 years (though that may have all been undone recently).
 3. NSBA provides highly effective representation before the federal judiciary through the council of school law attorneys (COSA). Although we do not always win, our voices have largely been effectively and visibly represented in litigation on appeal in the federal courts.
 4. NSBA provides an annual conference which, because of its reach, is able to afford keynote speakers in the \$200,000-\$300,000 range, as well as a wide and diverse offerings to assist school boards and school leaders in learning and providing high quality education in their districts.

2. What services do NSBA provide to MTSBA that MTSBA could go without?
 1. Their federal advocacy before the executive and legislative branches is ineffective. We are unsure whether they even employ any registered lobbyists. We conducted a search of the lobbyist directory for the U.S. House and Senate and NSBA does not come up as a client or lobbyist. They do not open any doors for us. To the contrary, we open doors for them with our congressional delegation. NSBA rolls out the same legislative agenda, which is appreciably the same as the legislative agendas of AASA, NEA, and other national public education advocacy groups.
3. What services do NSBA provide that could not be met by a collaboration among state school boards associations? (in other words, how might any necessary services be replaced?)
 1. All of the above have alternative coverage available. with an investment available on par with what we are currently spending on engagement in NSBA, we could viably recreate these services through another mechanism in collaboration with others.
 2. If we were using the MacMillan Matrix to assess this as a program as we do with our own internal programs, given all that has transpired and is still underway, we would categorize NSBA membership as high strategic alignment, weak competitive position and high alternative coverage. The generic strategy in such a case would be "orderly divestment."

Cell III: Orderly Divestment

Characteristics: High Program Attractiveness, Weak Competitive Position and High Alternative Coverage

Strategy: Generally, this is a transition strategy. As program attractiveness is high, and the organization is in a weak position to provide such programs, the key theme is responsible orderly concession, not abandonment. Identify the exit barriers and build a plan to address those barriers and exit the program.

One possible silver lining in the significance of NSBA's misstep is that they may finally be brought to see the absolute necessity of change as a matter of survival. We could possibly parlay that into the fundamental, necessary changes that we have long sought and to which NSBA has remained persistently resistant for a time period that we now measure in decades.

Since MTSBA has already paid dues for membership ending June 30, 2022, we have some flexibility in how to approach this issue. We have essentially paid for membership in the current year, which gives us a right to remain and seek reform as a dues paying member through the end of next June.

A handful of options (not necessarily exhaustive of all available options):

1. Quit now and request a refund.
2. Quit now and do not request a refund. A refund is unlikely to be willingly granted. Others who have quit and decided against asking for a refund have noted the potential negative impact on existing staff of the organization.
3. Remain now and seek reform for the remainder of the fiscal year.
4. Remain now and "coast", determining later if, when and how to engage as this matter further develops.
5. Remain now but commit to terminating membership regardless of what transpires at the end of this

fiscal year.

6. Remain now and commit to terminating membership if NSBA does not make significant, transformative change in the way they govern the organization.
7. Remain now and commit to continued membership, with or without conditions attached.

It should be noted that any or all of the above options could be run side by side with a strategy to collaborate with other state associations who either have or are contemplating leaving NSBA. We could accomplish this as part of a clean break from NSBA or a dual strategy for the time being.

In response to an inquiry from an MTSBA Director, Lance Melton previously identified the following pro's and con's of continued membership in NSBA:

Pros:

1. The need for a strong national voice in favor of excellence and equity in public education through school board leadership.
2. The quality of professional development offered through NSBA for volunteer trustees from around the nation.
3. NSBA's role in convening people from around the nation so that we can network and learn from one another. The opportunity to visit with people doing similar work, who may have solved issues that are challenging us. NSBA plays an important role in setting the table at which local leaders gather from around the nation.
4. MTSBA just recently played a pivotal and positive role in amending NSBA's Constitution to refocus NSBA on working exclusively in a full partnership with each state association to achieve the mission of each state association, providing customized services that are requested by and tailored to the specific and unique needs of each state association and their member school boards. Staying and seeing these words become a reality could benefit our members significantly.
5. If no group like NSBA at the national level, there will be no unbiased, nonpartisan national unified voice for people who serve without compensation.
6. NSBA's legal advocacy before the federal courts is effective.

Cons:

1. NSBA has shown a significant resistance to making the changes they need to make in order to survive and thrive. They keep focusing on hot button issues that tend to invite a partisan response and/or characterization of our efforts.
2. NSBA has been unable over several years to implement the changes called for by its members. Their organizational culture may be such that they simply cannot change.
3. Lost credibility with the most recent misstep, both internally and externally. They have fundamentally betrayed the changes in their Constitution that were overwhelmingly supported in August. It will also take considerable time and effort for NSBA to overcome the deficit they have created in terms of credibility on a bipartisan basis in Congress. Even under the best of circumstances, NSBA may have self-inflicted a wound from which they cannot recover.

2. d. Question 4 - What are the ethical implications of our choices?

Summary

Key Issues/Questions to Discuss and Resolve:

1. If MTSBA remains with NSBA while anywhere from 12-20 state associations depart over the recent incident, how will that affect internal and external perceptions of NSBA? How will it affect the collective perspective of those state associations that remain? Can we maintain a nonpartisan approach in an organization that has inserted itself into the partisan divide in such a visible way? Can we do so if the only state associations that remain are fine with a partisan approach? If we remain, will we lose our credibility as a nonpartisan advocate for excellence in public education through high performing school boards? Will our reputation be tarnished by virtue of our continued association with NSBA?
2. There is a strong partisan divide that NSBA has created through the way it has approached this issue and the controversy over this incident is likely to continue. If we choose to remain, that decision could negatively affect:
 1. Legislative proposals attacking MTSBA and/or NSBA in the 2023 Session (and the corresponding impact on our ability to effectively advocate for our members' interests).
 2. Our relationship with republican members of our congressional delegation.
 1. Senator Daines' office has contacted us expressing concern with NSBA.
 3. Our relationship with Superintendent Arntzen's office.
 1. Superintendent Arntzen has challenged MTSBA and its members to disclaim NSBA and avoid any payment of taxpayer funds for membership in NSBA.
 2. Superintendent Arntzen has also recently led a national protest outside of NSBA headquarters. She appears highly motivated to keep this issue front and center in public policy discussions. Regardless of what we think of her behavior, it is a factor with which we must contend.
 4. Our relationships with conservative solutions caucus members of the Montana Legislature.
 1. Friends of ours in the Legislature have expressed disappointment in NSBA and a hope that MTSBA will visibly distance itself from NSBA.
 5. Focused attacks on individual leaders at MTSBA. Recall Governor Schweitzer and Villa personal attacks on Lance Melton in the 2011 Session for defending/following a member adopted resolution opposing taking funds from one district and giving to another. We opposed Governor Schweitzer's attempted appropriation of oil and gas revenues to replace a \$38 million cut in general fund support for the quality educator payment. The pressure from the Governor was personal, hostile and intense over the course of several months. The Schweitzer/Villa team also wrote an amendatory veto to another bill that would have, if accepted, prevented members from joining MTSBA. Senator Manzella has already made inquiries regarding MTSBA's sources of funding and the compensation and benefits of its leaders, suggesting a consideration of the same type of focused attack in the 2023 session.
 6. Division within our own membership, a preview of which can be found in the discussion board back and forth on MTSBA's response to NSBA's letter. People are having an ever-more difficult time expressing themselves courteously and seem fed by personal anger and

animosity. This could feed that anger among some regardless of which way(s) we handle it.

3. If MTSBA leaves NSBA, can we adequately collaborate with others to provide the key national voice in support of excellence and equity in public education through school board leadership? Put another way, can we scale and deliver on the amended Core Purpose that we successfully passed, only through a separate organization? How soon? And how will we avoid another unproductive, insensitive governance structure in this new organization while still remaining efficient and fast in deployment?
4. We have three national connection members, Browning, Columbia Falls and Hellgate Elementary, who have paid National Connection dues to NSBA. If we quit, national connection services to those school districts will immediately cease. We will need to decide how to address that reduction in service, either through our own payment of a refund of their dues if NSBA won't provide it, or through some alternative means of providing those services through a new collaboration.
5. If NSBA ceases to exist, or exists at a fraction of its former level of funding, the defined benefit retirement plan that is already in trouble (\$15 million in negative balance on NSBA's books and periodically requiring infusions of between \$1-3 million every couple of years) will likely be dissolved. Correlated to this issue, which will affect several retired and some currently active NSBA staff, the impact of NSBA's failure on staff who have families, children, bills to pay, etc., could be profound. We have raised this as a key issue for NSBA to consider to a greater degree than they have shown to date. Some of the harm to existing staff could be potentially mitigated or even overcome if a successor organization quickly mobilizes and actively recruits core members of NSBA's staff to provide the work for the new organization. Can the states, potentially including MTSBA, pull this off to the satisfaction of the MTSBA Board and our members? NOTE: NSBA has estimated that current departures will reduce their funding by over \$2 million. If additional states decide to depart, particularly large states such as Illinois and Florida, the resulting cut in funding for NSBA could easily grow to \$4-5 million annually. We believe NSBA is significantly underestimating how much funding they will lose and the subsequent losses they will further suffer as a result of their loss of credibility.