

## **“Charting the Course” Task Force**

Synergy has arrived at an interesting juncture in its institutional development.

We have successfully completed a growth phase in which the school has relocated into a new building. We have expanded our program to include a middle school, and our student body has nearly doubled in size, from 100 to 180+ students. Our teaching and administrative teams have grown commensurately, as has our board. The school's commitment to diversity is reflected in our community. Our tuition, while still the lowest of San Francisco independent schools, has increased substantially.

Yet it has also become clear to the Finance and Development Committees that we have reached a point at which Synergy's board needs to make clear choices regarding long term financial policies and our “positioning” among our peer schools. Every year in our budget process we revisit the same difficult tradeoffs again and again as if they are decisions that can be made in the moment, just for that year. Yet these tradeoff decisions are not specific to any year and in fact, they express and determine what our school is becoming.

The tradeoffs are familiar to us all: the more we raise our financial aid, salary and program budgets, the more we must raise tuition. The more we raise tuition, the more we must raise financial aid. There are also other tradeoffs revolving around uses of development funds, endowment growth, and school size that we have barely begun to grapple with, but these too will loom larger in the coming years.

The cumulative effect of our decisions on these tradeoffs can have a dramatic effect on Synergy – for example, if we continue the trend of recent years we may well soon find ourselves a “barbell” school with very high tuition rates and no “middle class” families, ending more than 30 years of affordability and economic diversity at Synergy.

We propose that the board take a big step back and take the long view ahead and make sure we are charting and following a conscious course that takes us to a desired outcome. Where are we now, how do we compare to our peer schools, and where do we want to end up? To put it simply, if we don't step back and chart our course, we will not control our evolution or even worse, we may end up in a place we never intended.

Charting the course is an appropriate metaphor because we have a very strong compass at Synergy – widely held core values. The board has done much good work on these and they serve as an excellent touchstone in making our tradeoff decisions.

We propose a task force be formed to lead the Board in an offsite titled “Charting the Course”. The desired outcome of the offsite will be a clear statement of our “positioning” amongst peer schools and clear decisions on a 5 year financial plan.

The offsite will not revisit our core values or mission – these seem clear and are a strong foundation for our process. Nor will the offsite attempt to produce a full “5 year plan” - that is a different endeavor; but our offsite's “positioning” and 5 year financial plan will provide key parts of a larger 5 year plan.

Budgets force choices. Good budget processes express thoughtful long term planning that ensures that our incremental choices follow an intentional course. The offsite will be our tool for thoughtful long term planning.

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**Task Force Mission:** develop and implement a structure for engaging the Synergy board to produce:

- a) a clear statement of our current and desired positioning amongst peer schools
- b) a 5 year financial plan providing clear policy guidelines for the next 5-10 years for our major financial "levers": growth rates for major expense categories of financial aid, staff compensation, staff growth, and program; and growth rates for major revenue sources of tuition, development and endowment interest.

**Proposed Tasks / Timeline:**

- get board approval in June 2005 of task force composition tasks & timeline
- prepare an outline and materials for a offsite workshop (half-day or full-day as required) that will include an in-depth "situation appraisal" (where are we today) as well as engage the board in a forward-looking exercise (where do we want to go). Because our decisions involve complex variations of multiple variables, we will develop several forward-looking scenarios for the workshop. We will work with the task force to dry run the outline, materials and scenarios to ensure an efficient offsite.
- gather data that provides the workshop situation appraisal (e.g., perhaps some survey data on parents, statistics on admissions, historical trend data, etc.)
- conduct the workshop (tentatively targeted for October or November 2005). We may opt to engage a facilitator to conduct the workshop.
- after the workshop, develop recommendations based on the workshop results and discussions, and then present these recommendations to the board and gain the board's approval (our goal is to complete the process with the board by November 2005)

**Proposed Task Force Members:**

We propose a small task force of 6 or 7 people--but no more than that-- be assembled. We suggest a mix of people representative of Synergy's community. The task force should include the following constituencies, with the understanding that one person may fit more than one category:

- Board members
- Steering Committee
- Founders
- Staff / Teachers
- Parents
- Alumni

It is important to us that a representative of the finance and development committees serve on this task force. We also think it is prudent for Heather Cunningham, our development director, to have active involvement in this task force.