

---

## SPARK response to last several emails

---

Matt Kirk [REDACTED]

Fri, Oct 20, 2023 at 11:42 AM

To: Jaime Heaps [REDACTED] &gt;

Cc: [REDACTED] John Carroll

&lt;jcarroll@marinschools.org&gt;, Jon Weinberg [REDACTED]

[REDACTED], Kristina Neal [REDACTED], Sara

Ryba <sryba@sparkschools.org>, Stephen Marotto [REDACTED]  
[REDACTED]  
[REDACTED]

Hi Jaime,

Thanks for the thoughts. A couple points and questions from me:

- Did Ms. Ryba state that I had rejected an offer for a Spark audit to any Spark board members? For the avoidance of doubt, I think that an audit is a great idea and did not reject such an offer. I am also concerned and want to understand the origins of the misquote as Ms. Ryba did not attend the meeting where this supposedly took place. Dr. Geithman, did you tell her this?

- I don't believe I am an interested party as I am not a Spark insider (director or employee). I am interested as a parent and donor, though I think that is a feature, not a bug. I contemplated doing this for free alongside other non-insider community members that Spark could select. This structure would ensure impartiality in the process. My offer remains on the table, and addresses Spark and Dr Geithman's prior objections to my request for an audit (too expensive).

- Why do you think that the percentage of a dollar donated that goes to the kids is irrelevant for Spark? You have also said my math was "baseless" in the IJ article. I would remind you that is of course untrue and rather the math is based on Spark's very own tax filings.

I struggle to think of a better metric to measure Spark's performance. Why? I believe donors will give more (I certainly will) if more of the money donated goes to the kids AND the kids will receive way more money (higher % of higher gross dollars). That is the whole point of Spark. What alternative quantitative metric do you believe is better?

- I wish to correct the below statement. It is wrong.

*"So the only reasonable interpretation of your offer is that you are saying that you will donate only if we fire Sara Ryba."*

It appears you mistakenly replied to my offer but cut off its text in the below and are misinterpreting it.

First, I offered a sliding scale of donation levels with an audit AND various efficiency ratios. I specifically call this out and highlight it is not binary, as you have misclassified it in your response. The terms are demonstrably not "be at 95%+ or no donation." I don't have a reasonable interpretation for why you read it this way. I stated explicitly I would donate even if Spark only does an audit, it isn't even clean and no efficiency goal is met.

Second, this 95% efficiency level would be a great outcome. It would mean more money for the kids. It would not mean Ms. Ryba must be fired. I don't know what math you have done to reach that conclusion. Here's mine: If we assume \$1.5m in revenue and cash balance is held flat, that implies \$1.5m of Spark expenses as well for that year. 95% efficiency would require grants to LCMSD be \$1.425m. That leaves \$75k in Spark operating expenses for the year. Certainly a large portion of that could be allocated to her salary. And if she were to succeed at raising more money the next year, I think it would make a lot of sense to reward her for that with a salary bump or discretionary bonus.

My math does imply reaching that 95% goal would mean that Spark either needs to raise more money or reduce expenses from these record expense levels. What am I missing?

Full text of my offer from my prior email pasted again below for all to reference:

On the topic of good news, I will indicate that Spark can expect this audit to have an immediate benefit to fundraising. My family will commit to donating at a certain level if the audit is allowed to happen and I (or Mr. Marotto) am one of the volunteers, and we will grow our giving if it is clean. Additionally, we will again seek to commit to grow our giving if the audit is clean AND Spark hits various efficiency thresholds. To assist with sizing the potential contribution levels, I will offer If Spark can deliver a clean volunteer audit and a 95%+ efficiency level, inline with '09-'13 levels, my family will seek to give at a higher level than we ever have historically. This won't be binary. With a clean audit and a 90%+ efficiency level we would still commit to give at a substantial level, etc.

This can be a great outcome. I will happily advertise that I am giving which should also help to reinstall trust and confidence in other families that are considering making a donation.

- What numerical analysis did the board do to conclude its investment in paid staff is accretive to fundraising? Revenue growth has not improved at all from before these investments were made (same revenue CAGRs pre-Ryba and since she arrived, which marked the beginning of paid staff investments; I have provided math in June 1 letter). I would interpret that as these investments having had no discernible return to Spark's fundraising efforts, though I am sure there is some nuance. Can you share why the above is wrong for my own edification?

- Lastly, I am still trying to make sense of why the Ryba 2020 compensation figure was misreported as zero in a federal tax filing, then refused to be corrected despite the law requiring it for 114 days, then Spark's lawyer lied to me about it, and then the board chose to cease communications instead of confirm or correct the figure after I figured out he had lied to me. Finally a figure was reported as pressure mounted from Superintendent Carroll and a coming news article after 135 days had passed.

My questions:

Why do you think this fact pattern is consistent with no need for a Spark audit, when considered in combination with Spark's need to also do a significant multi-year financial statement after both Dr. Geithman and Spark's board had found my concerns to be meritless (implying these assessments were wrong and shouldn't further be relied upon in making forward decisions)?

Do you believe the broader community supports your view that a free audit with a donation incentive still isn't worth doing after all this?

If the community voices a differing view, would you change your mind?

Best,  
Matt

On Thu, Oct 19, 2023 at 1:01 PM Jaime Heaps [REDACTED] wrote:  
Matt,

While Ellie Strasser is a SPARK board member, she was not authorized to either negotiate or act as a liaison for the SPARK board or the organization, and therefore could not have been speaking on SPARK's behalf. Therefore, this must have been simply a conversation between friends.

To be clear, at no time has the SPARK Board offered, or considered to offer, for you or anyone associated with you to audit SPARK. Given that you are an "interested party," an audit by you would not be appropriate. Your offer for a "volunteer audit" is therefore declined. SPARK already has community reviews of its financials done by volunteers -- our volunteer treasurers and other representatives who are elected SPARK board members and community parents who are well respected by their peers and have well-established finance backgrounds.

As far as your donation offer, SPARK does not accept contingent donations.

Furthermore, you are no doubt aware that your demand for a 95.8% ratio (as you define it, despite its irrelevance as a metric for SPARK) as a requirement for any donation from you is not achievable unless we fire the Executive Director, and other part-time employees as well. As you have been informed of the Executive Director's compensation, and can do math, you know that's the case. So the only reasonable interpretation of your offer is that you are saying that you will donate only if we fire Sara Ryba. This is an objectionable offer, and is declined.

The SPARK board has determined that its investment in paid staff, including its Executive Director, is accretive to its fundraising efforts, and therefore terminating the Executive Director in order to meet your demand would be damaging

to SPARK and the community it serves.

We are disappointed that based on your email you appear to intend not to donate to SPARK and support its mission to enable a better education experience for all the kids in the district, including yours. If you are looking for a way to support SPARK outside of a monetary donation, perhaps you would be willing to donate your time instead? There are specific areas where SPARK has determined that we need a hand, including outreach for SparkBiz and Auction solicitation support.

Failing that, this concludes our communication with you.

Jaime Heaps  
on behalf of the SPARK Board