

ISCA Case Study 6.4.25

Navigating Conflict of Interest at Brookstone Academy

Background

Brookstone Academy is a respected K–12 independent day school located in a mid-sized suburban town. With 450 students and a 100-year legacy, the school is known for its strong academic program, inclusive community, and progressive educational philosophy. The Board of Trustees is composed of 18 members, including alumni, parents of current students, local business leaders, and educators.

The Dilemma

During a recent strategic planning process, Brookstone’s Board identified the need to upgrade its aging athletic facilities. The Facilities Committee recommended a \$5 million capital improvement project to renovate the gymnasium, build new locker rooms, and add a wellness center.

One of the trustees, Mark Jefferson, is the CEO of Jefferson & Sons Construction, a highly reputable local firm that has previously done small-scale work for the school (e.g., installing playground equipment and repaving a parking lot). Mark’s company submitted a competitive bid for the full athletic renovation and was selected by the Facilities Committee for final recommendation to the full Board.

Mark recused himself from the committee's deliberations and vote but remained present during some of the discussions. The committee chair, a longtime trustee and friend of Mark’s, believed that Mark’s expertise was “invaluable” and encouraged his informal input throughout the process.

When the proposal came before the full Board, several trustees raised concerns:

- **Perceived Conflict of Interest:** Even though Mark recused himself formally, his firm stands to gain financially from the decision. Some trustees felt his informal participation may have influenced the outcome.
- **Transparency and Fairness:** Other trustees questioned whether the bidding process was truly impartial and whether other firms were given the same opportunity.
- **Community Trust:** A few trustees expressed concern that if the broader school community learned of the situation, it might erode trust in the board’s governance.

Mark emphasized that his company had offered the most competitive pricing and timeline, and that he had followed all board protocols regarding recusal. Several trustees who knew Mark personally vouched for his integrity and professionalism.

Board Chair’s Challenge

The Board Chair, Anne DeWitt, now faces a difficult decision. The school needs the project completed before the next school year. Delaying the vote to re-open the bidding process could

push the timeline back by months and increase costs. Approving the current recommendation risks reputational harm and internal division on the board.

Key Questions for Discussion

1. Did the board handle the conflict of interest appropriately? Why or why not?
2. What could have been done differently to preserve both the integrity and the efficiency of the process?
3. Should the board approve the recommendation or restart the bidding process?
4. How should the board communicate the decision to stakeholders, including faculty, families, and donors?
5. What policies or protocols should the board revisit or adopt to prevent similar dilemmas in the future?

Reflection Point

This case invites trustees to wrestle with the gray areas of governance—where relationships, reputations, and urgency intersect with fiduciary duty. It underscores the importance of not only managing actual conflicts but also *perceived* conflicts and maintaining public trust through process integrity.