

# By invitation only: Meet Louisville's power brokers

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By Caitlin Bowling, Boris Ladwig and Joe Sonka

## Part 1: How an elite group of influencers aims to solve the city's most vexing issues, including JCPS

At invitation-only meetings during the last seven months, prominent Louisville power brokers from businesses, nonprofits and religious organizations have discussed issues including public safety, air service and — with recent urgency — the state's potential intervention in or takeover of

## Jefferson County Public Schools.

The group of about 70 members — modeled after a similar organization in Nashville — has been operating largely under the radar until recently when multiple sources alerted Insider Louisville to its existence. In interviews with dozens of people over several weeks, Insider has learned more about the members, agenda and structure of this influential group.

Its very existence sheds light on how a determined coalition of private citizens can hone in on key issues hoping to expedite outcomes beyond the sphere of government, elected boards or traditional business groups.

In interviews with Insider, founders and members of the group — **called the Steering Committee for Action on Louisville's Agenda (SCALA)** — described it as an effective way for “thought leaders” to come together to tackle some of the city’s major problems.

However, SCALA critics who recently learned of the group have blasted it as a covert and “nefarious” attempt by wealthy elites to undermine public education and the democratically elected local school board. Even though public education is a top three priority for SCALA members, the group has not extended an invitation to any current JCPS or public higher education executives.

SCALA is a nonprofit entity that was registered with the state in July by Humana founder David Jones Sr., who is listed on its board of directors along with Chuck Denny, the regional president for PNC Bank in Kentucky and Tennessee, and Sandra Frazier, chief executive of Tandem Public Relations.

In an interview, Jones Sr. said SCALA “probably will grow,” though he declined to provide a list of its current membership.

“What we have in common, each of us has a position of some influence in the community,” he said.

“We have the archbishop, we have a rabbi, we have ministers, we have educators, we have company executives. It’s a broad-based group of people who care about the community and hope to make it better in some way.”



David Jones Sr. | Courtesy of UofL

SCALA members have had discussions with officials at the highest levels, including

Kentucky Education Commissioner Stephen Pruitt and Gov. Matt Bevin. Louisville Mayor Greg Fischer is a member of the group.

SCALA’s subcommittee on education has identified the struggles of JCPS as a keystone problem, citing poor student performance, as well as [scrutiny from federal](#) and state agencies. In a pending state management audit of the district, Pruitt is expected to [recommend a “hands-on intervention,”](#) which could include the appointment of a manager to take over of duties now controlled by the Jefferson County Board of Education.

SCALA’s leadership has indicated privately and to Insider that the city should at least keep an open mind about this potential state intervention, if not openly welcome it as a new source of hope for the struggling school district.

Critics told Insider that they suspect SCALA’s purpose is to lobby for strong state intervention in JCPS that would strip power away from the elected local school board.

Jefferson County Teachers Association President Brent McKim said he found

it “troubling” that influential leaders were meeting in secret with advocates for private and religious schools — without any JCPS leadership or constituency groups — to discuss the future of the public school system and “potentially diminishing the community’s democratic oversight of it.”

Insider has confirmed that SCALA’s membership includes Richard Lechleiter, the president of the Catholic Education Foundation, and Louisville Archbishop Joseph Kurtz.

McKim said: “I think it’s great when stakeholders in the community take an interest in improving our public schools, but that needs to be done in a transparent way and not in secret. And that really should be broad-based, and not just high-wealth individuals and groups and just organizational leaders.”

Jones Sr. provided Insider with a copy of a resolution passed by the SCALA board on Jan. 19 that stated the group’s mission would be best served if it “declines to take formal or official positions on matters of community debate, but instead focuses on preparing its membership for action on Louisville’s agenda in their individual capacities through education, group discussion and exposure to third-party perspectives.”

The resolution passed just days before he was interviewed by Insider but six months after the group’s founding.

Jones Sr. said the board passed that resolution because “we were basically hearing that there were people talking in the community about it being a secret, or somehow an organization that was taking over this or that function.”

Later, Jones Sr. said he was not sure if anything will come out of the group, “but I think a knowledgeable group of thought leaders can’t be a bad thing.”

## **Part 2: JCPS a ‘miserable failure’**

The topic of education quickly emerged as a key issue for SCALA, the

group's leaders said.

"Our school system is a miserable failure," said Jones Sr., who argued that it did not teach enough kids to read and write and calculate.

The comment echoed criticisms previously levied at the district by Bevin, who has called it an "unmitigated disaster." Bevin did not respond to a request for comment regarding meetings with SCALA members.

David Jones Jr., a member of the organization and chair of its subcommittee on education, said that testing outcomes at JCPS have improved little in the last 25 years.

"I mean, we're still getting less than half of the kids to proficiency," he said. "And that correlates much more with where you live and the education level of your parents and the income level of your family and your race than ... in anybody's good conscience should."



David Jones Jr.

Jones Jr., a venture capitalist who chaired the JCPS school board until he was defeated in the November 2016 election, said SCALA members are concerned about education especially from a workforce perspective.

"Some people are really focused on the inability to hire people for jobs that they have here that they can't fill," he said. "Other people are more focused on the long-term question of, Can their business thrive here if it's headquartered here and the education level is low?"

Given the unknowns about the impact of potential state intervention, Jones Jr. said that SCALA members paid for a report by national consultant [Bellwether](#)

## Education Partners.

Jones Jr., who is also the chair of Insider's nonprofit board, said the Bellwether report examined what happened when other states intervened to either take over or restructure their large urban school districts and whether there are best practices or examples from which Louisville or the state can learn.

"The high-level summary would be: When you've seen one state intervention, you've seen one state intervention," he said. "Some of them have been extremely effective, and some of them have been extremely ineffective."

When asked for a copy of the Bellwether report, Jones Jr. referred Insider to SCALA leadership. Jones Sr. told Insider that he had never seen the report and didn't have a copy, and Jones Jr. did not reply to a subsequent email requesting it again.

According to the liberal watchdog group Media Matters, Bellwether is one of the groups "increasingly funded by a handful of conservative billionaires and for-profit education companies — often without proper disclosure ...(that) push state-level education legislation that makes way for greater private profiteering — while leaving traditional public schools further behind."

Jones Jr. said the group is awaiting the state's audit report and he doesn't expect it will take a position, but critics of SCALA believe the group will try to lobby for strong state intervention.

Chris Brady, the board's District 7 representative who succeeded Jones Jr. as chair, said: "I think it is disturbing that you have a group of individuals that consider themselves Louisville's elite trying to bypass the will of the people who have democratically elected the school board to educate our children."

Jones Jr. said that he believes JCPS cannot be reformed locally.



“The root causes of the difficulty in JCPS changing itself, modernizing itself, restructuring its spending or any other things, lie in state law and regulation,” he said. “Unless and until the state changes some of that stuff, we’re just going to keep spinning our wheels locally.”



Chris Brady

He criticized state requirements that force the board to review hundreds of pages of documents every two weeks and approve expenditures of as little as \$5,000. That may be appropriate for a school district with two high schools, he said, but it bogs down decision making for a district with 155 schools.

“I’m a zealot about the importance of corporate governance and the importance of board members paying attention and doing their job,” he said. “The problem is that the job is at the wrong level. The job is get down in the weeds.”

State law, Jones Jr. said, essentially mandates the school board to micromanage the district

Jones Jr. made many of the same arguments in an email to undisclosed recipients on Jan. 9. In the email, obtained by Insider, he wrote that Louisville should “greet strong state intervention positively so we can engage the entire community in being part of the effort to improve” the public school system, instead of viewing the state’s efforts as an intrusion that is part of what some local politicians have called the “war on Louisville.”

Jones Jr. told Insider that he distributed the message to a group of friends and colleagues who are interested in his views on education and that it reflected his open-mindedness toward the state’s pending actions, not his support of a state takeover.

In the email, Jones Jr. also described JCPS as “a state subsidiary, not a local organization.”

“It’s a factual observation,” he told Insider. “Under the Kentucky Constitution, the state has the obligation to provide a system of common schools ... So under the legal structure of the state, boards of education are how the state delegates its duty.”

Brady, in a school board meeting on Jan. 23, took exception to “some that are pushing the narrative that JCPS is a state subsidiary,” saying that JCPS is an “independent governing (body).”

Asked for his legal opinion by Brady, school board attorney Frank Mellen agreed that JCPS is “an independent legal entity, technically a municipality which makes it very much like a city.”

Jones Jr.’s email concluded that if state intervention comes, it should be welcomed “as a new source of hope for today’s students and tomorrow’s Louisville.”

Jones Jr. told Insider he would be shocked if Kentucky Education Commissioner Pruitt did “something crazy,” such as appointing a superintendent from a small Kentucky school district to manage JCPS or shifting duties of JCPS senior administrators to already overworked Kentucky Department of Education staffers.

“Those are extreme, not realistic, examples,” he said. “Things that call upon the state ... to exercise competencies that it doesn’t have would be very worrisome to me.”

Instead, Jones Jr. said, he would like to see state intervention that empowers the superintendent to focus on personalizing education, cutting administrative salaries and funneling more money to classrooms and students. The criticism echoed concerns that were raised in a 2014 [management performance review](#)



by then-Kentucky Auditor Adam Edelen, who found that JCPS, compared to its peers, was spending less than average in classrooms and more than average on administration.

While Jones Jr. declined to reveal the members of SCALA's education subcommittee, he said that it did not include any JCPS employees or school board members.

His father, Jones Sr., said he thought former JCPS Superintendent Donna Hargens was invited to become a SCALA member, though she did not join, as she was forced out of her post by the new board on July 1. Jones Jr. was known as a supporter of Hargens when he was the board chairman.

JCPS Acting Superintendent Marty Pollio was not invited to join SCALA, Jones Sr. said, because he is merely the interim head of an organization, which makes him ineligible to join. He added that the topic of including current JCPS leadership in the group "never came up.

Jones Jr. said not inviting Pollio was "not by design" but "a reflection of the diagnosis" of the district's challenges.

"The diagnosis of the problem is — it's not a local problem," Jones Jr. said. "It's not that there are good people or bad people in JCPS. It's that the state structure has constricted the ability to lead within that system, and therefore the overarching question is: What is the state going to do?"

University of Louisville interim President Greg Postel, Jefferson Community and Technical College President Ty Handy and Jefferson County Public Education Foundation Executive Director Sam Corbett told Insider that they have not been invited to SCALA or its education subcommittee.

Jones Jr. said that he and unnamed SCALA members met recently with Pruitt and Bevin to discuss issues concerning JCPS. He added that Bevin indicated he understood the concerns regarding red tape that JCPS superintendents must

face from the school board, making it “literally ungovernable.”

An emailed statement from Pruitt’s office acknowledged that the commissioner met with Jones Jr. multiple times, adding that Pruitt has an “open door policy.”

“He has met with several business groups and discussed a wide range of issues from accountability to (his) vision for Kentucky education to explaining the process for the audit,” the state education department said.

“None of those discussions have involved discussing what is in our audit or the direction we are headed.”



Stephen Pruitt

While the KDE said that Pruitt does not specifically recall meeting with SCALA, “he knows that some people who are members of that group have been in attendance at some of the meetings he had had with various business (groups).”

“He also has talked to David Jones Jr. in the past, both while he was on the JCPS board and since. He also has met with the mayor on occasion to discuss education topics,” the KDE said.

Bevin, as governor, appoints members of the Kentucky Board of Education, which is responsible for firing and hiring the state’s education commissioner. Pruitt will recommend a course of action for JCPS, but the state board, which is scheduled to meet Feb. 7, will have final say.

That board’s chair is Mary Gwen Wheeler, executive director of 55,000 Degrees and wife of Jones Jr. Wheeler did not respond to a request for comment.

Jones Jr. said he just wants JCPS to improve.

“I’m not as interested in the optics as I am in the effectiveness of the leadership and the governance there,” he said. “And if the state could clear away some of the roadblocks, I will support it and encourage people to make it as good as it can be.

## **Part 3: Critics call SCALA ‘secret’ and ‘nefarious’**

Brady strongly rejected the characterization of SCALA from its leaders, questioning its methods and motives.

“Having a secret organization that is funding private studies, that is not releasing its membership, whose goal is to bypass the will of a democratically elected board, meets my definition of nefarious,” Brady said.

Both Brady and McKim, the JCTA president, noted that Jones Sr. and public relations maven Sandra Frazier, who co-founded SCALA, are also the top two contributors to the Bluegrass Fund PAC.

Though the leadership and donors of the Bluegrass PAC have remained vague about its policy goals and candidate criteria since 2012, it has served as a political counterbalance to candidates endorsed and financially supported by the JCTA, which has long accused the PAC of backing conservative causes like charter schools, vouchers and ending busing.

The Bluegrass Fund spent \$351,000 in 2016 opposing Brady in his District 7 race for re-election against challenger Fritz Hollenbach. During that race, Brady, who was endorsed by the JCTA, called the Bluegrass Fund a shadowy group of “five to seven multi-millionaires” who were trying to buy the school board so that it could push charter schools and privatize education.

Brady won that race by a wide margin, replacing Jones Jr. as board chairman, who lost his re-election bid to challenger Christopher Kolb. Brady stepped

down as chairman this month but remains a member of the board.

The Bluegrass Fund also spent more than \$200,000 in unsuccessful attempts to defeat current school board members Linda Duncan in 2014 and Steph Horne in 2016.

Jones Sr. has been the most prominent donor to the Bluegrass Fund PAC, writing one \$200,000 check in late 2014 and donating another \$75,000 on Oct. 24, 2016. Frazier and her mother have contributed a combined \$275,000 to the PAC, and each wrote a \$75,000 check on the same day in October 2016 as Jones Sr.

Jones Sr. told Insider that the Bluegrass Fund has nothing to do with SCALA but shows merely that he and Frazier want to improve the quality of education at JCPS.

“I think that we both feel, and I still feel, that a board whose passion is to educate children, rather than maintain the status quo, is a critical issue that needs to be dealt with,” Jones Sr. said. “And therefore I’m proud and happy that we tried to succeed, even though we failed to succeed ...I don’t win all the fights I’m in, do you?”



JCPS Acting Superintendent Marty Pollio, left, and JCPS Board chair Chris Brady just before the start of Tuesday's meeting. | Photo by Boris Ladwig

Brady said Bluegrass PAC and SCALA leaders are using their influence to try to achieve what the voters of Louisville have already rejected in school board elections.

“The leadership of this organization have actively campaigned and spent hundreds of thousands of dollars to elect their own candidates to the school board,” said Brady. “The public has spoken time and time again in regards to their candidates, and now they’re seeking to actively undermine the public’s decision on their democratically elected school board.”

McKim told Insider that SCALA’s methods are “consistent with what seems to be a notion that the wealthy should be able to determine what happens in the public school system, as opposed to all the stakeholders in the community, or at least that they should have a disproportionate impact.”



Brent Mckim

Likewise, McKim said the private discussions Jones Jr. and unnamed SCALA members had with Bevin and Pruitt convey that “those with privilege in positions of power (are) engaging in ways that regular citizens aren’t able to.”

Brady found that level of access “astonishing,” stating that he hopes state leaders allow Pruitt to make recommendations for JCPS in the audit report that are free from political influence.

Pruitt told Insider previously that the audit “is in no way tied to politics or personal agendas.

“My decision was and continues to be based purely on ensuring quality education for all students,” Pruitt said in December. “The KDE’s comprehensive top-to-bottom audit of JCPS has one focus only — doing what is right for children.”

Brady, though, wonders what SCALA members would do if they disagree with Pruitt’s findings.

“If the recommendation of the commissioner doesn’t go far enough, as far they’re concerned, will they try to spin a narrative to be able to apply pressure for there to be some type of further action that really isn’t warranted?” questioned Brady.

McKim noted that while the audit will surely find major problems with JCPS, he believes these were made worse by the previous administration of Hargens — whom Jones Jr. supported — and that the new leadership will be able to right the ship. JCPS intends to name a new superintendent by March 1.

The dispute between Jones Jr. and Brady/McKim continues a spat that arose around election time in 2016, which saw Jones Jr. ousted by Kolb. After the election, Jones Jr., McKim and Kolb wrote op-eds in the Courier Journal, with



Jones Jr. conveying lessons he learned on the board, and Kolb responding that those lessons were a “fantasy.”

## Part 4: SCALA a ‘very progressive group’

Frazier said the organization provides a place to have difficult conversations about what is happening in the community.

“What I’ve learned in my time working on various projects is the best way to get things done is to bring people to the table, and No. 1, discuss the issues and then figure out a way to move forward,” Frazier said. “I just think that we need a vehicle here where people can go and have these conversations and feel safe that their opinions will be respected and that there will be some action or that others will learn a perspective that they hadn’t had before.”



Sandra Frazier

Frazier declined to comment further, except to say that her involvement at SCALA has focused wholly on air service and that the group is open only to lead decision makers because it’s modeled after a similar executive-only group in Nashville.

Chuck Denny, the third co-founder, declined to be interviewed because he is “no longer a co-chair” of SCALA, according to an email sent by a PNC Bank spokesman.

Jones Sr. said SCALA members include Mayor Fischer and Archbishop Kurtz, but he declined to give Insider a full list.

Fischer declined to grant an interview or answer questions about his SCALA

membership, with his office providing only a statement that the mayor frequently meets with business leaders and that he views the state audit of JCPS “with a businessman’s view — as an opportunity to learn, grow and implement changes necessary for improvement.”

A spokeswoman for Kurtz said his schedule has not allowed him to attend many SCALA meetings and that he is not on a subcommittee. She added that “his understanding is that its mission is to gather individuals from a variety of areas of expertise to consider issues related to the common good of the Louisville community.”

Through interviews with dozens of people over several weeks, Insider confirmed that SCALA’s members also include:

- Ed Glasscock, chairman emeritus of Frost Brown Todd
- Richard Lechleiter, president of the Catholic Education Foundation
- Theresa Reno-Weber, president and CEO of Metro United Way
- Phoebe Wood, principal at CompaniesWood
- Christina Lee Brown, investor and philanthropist

Glasscock told Insider that other SCALA members include Alice Houston, CEO of Houston Johnson; Jim Lancaster, CEO of Lantech; and Koleman Karleski, chairman of Cork Communications and former managing partner of Chrysalis Ventures, which Jones Jr. co-founded. None of the three could be reached.



Ed Glasscock

Glasscock said SCALA represented a carryover from groups of local influencers who had used their expertise to bring about positive change in the community, from the merger of local and county government to construction of the KFC Yum! Center and the Ohio River Bridges Project.

“This is a continuation of some of those coalitions,” he said. “It’s a very progressive group trying to do important things.”

Lechleiter, who runs the nonprofit that provides grants supporting Catholic education in Louisville, told Insider that SCALA has “no hidden agenda,” only wanting to improve a “fundamentally flawed” education system and “to make Louisville great.”

A former Kindred Healthcare CFO, Lechleiter said the group members will await the results and recommendations of the audit before they “go public and let our views be known.”

Reno-Weber of Metro United Way declined to be interviewed about SCALA, but said via email that she is not a member of the education subgroup and that her board has not given her approval to take sides regarding the potential state takeover.

Reno-Weber added that Metro United Way’s priority concern is the success of the district’s 100,000-plus students, “regardless of who is ultimately in control at JCPS.”

Despite the lack of any public or online presence and refusals to share a full list of SCALA members or the Bellwether education report they commissioned, Jones Sr. said, “there’s absolutely nothing secretive about it.”

“If it makes you feel good to think that the organization that I’ve described to you is a secret organization, so be it,” said Jones Sr. “You know what, that wouldn’t keep me awake at night.”

*Disclosure: David Jones Jr. and Mary Gwen Wheeler are major donors to the nonprofit Insider Media Group. Frazier and Glasscock were investors of the for-profit predecessor.*

*Correction: This post has been updated to reflect that the Jefferson County*

*school board must approve expenditures of as little as \$5,000. A previous version misstated the amount.*

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