

Goodall Consulting Corporation

DUE DILIGENCE REPORT

SUBMITTED TO THE NC CHARTER SCHOOL ADVISORY BOARD

Agenda

- Introduction to Consulting Firm
- Service Agreements and Fee Structure
- Lease Agreement between AAHSNC and Goodall Consulting
- Summary of Concerns

Introduction to Goodall Consulting

- This report was compiled from information received via the:
 - Apprentice Academy HS of NC Application
 - Achievement Charter Academy Application
 - Goodall Consulting Corporation Website
 - Better Business Bureau
- *Goodall Consulting Corporation provided services to the following applicants in the current year application cycle:
 - Apprentice Academy HS of NC
 - Achievement Charter Academy
 - Ballantyne Charter High School
 - Tillery Charter Academy
 - Wilmington School of the Arts
 - Clemmons STEM Academy

Introduction to Consulting Firm

- Goodall Consulting Corporation is a consulting firm located in Weddington, NC.
- In this application cycle, the firm assisted six different charter applicants.
- Achievement Charter Academy in Fuquay Varina (Harnett County) and Apprentice Academy HS of NC in Waxhaw (Union County) plan to contract services with Goodall Consulting Corporation, should they be granted approval to open.
- According to the applications, ACA will serve 192 students in K-8 in year 1 and grow to 336 students in K-8 in year 5; and AAHSNC will serve 225 students in grades 9-10 in year 1 and grow to 600 students in 9-12 in year 5.

Introduction to Consulting Firm

- According to the BBB, Goodall Consulting Corporation is a business consulting firm that has been in operation since 1992.
- According to the GC website, the firm is “in the business of charter school business” and provides services in four areas: School Finance, School Operations, New School Development, and Public Relations.

Introduction to Goodall Consulting

Goodall Consulting lists the following available financial services:

- LINQ Uniform Education Reporting System
- Payroll
- Employee and subcontractor reporting to IRS
- Budget
- Audit Facilitation
- Insurance and Benefits
- Accounts Receivable/Payable
- Preparation of Sales Tax and Fuel Tax Refunds
- Bank Account Reconciliation and Charter Accounting

Introduction to Goodall Consulting

Other Financial Services:

- Preparation of Tax Exempt Organizations Form 990
- Preparation of Application for Tax Exempt Status, Form 1023
- LEA Billing and Local Fund Verification
- Fundraising
- Development of Financial Policies
- Development of Internal Control of Resources
- Support for ACA Reporting
- State Retirement Enrolling
- Criminal Background Checks
- Risk Management

Introduction to Goodall Consulting

School Operations services available from Goodall Consulting:

- PowerSchool Consulting- Student Information Reporting
- School Information Technology
- Design and/or Administer Applications, Admissions, Lottery & Waitlist Process
- Develop Operating Policies and Procedures
- Board of Directors Support
- Substitute Chairing of Board Meetings
- Bylaws Enhancements/Board Recruitment and Service Recognition

Introduction to Goodall Consulting

School Operations services, continued

- Mission, Vision, and Goals Revisitation, Amendments, or Redesign
- Strategic Planning
- Facilities Lease/Purchase Planning, Procurement and Management
- Planning and Implementation of Support Organizations, Foundation, PTO, etc.
- Transportation Issues
- Enrollment & Growth Planning
- Review and Analysis of Capacity and Staff Resizing
- Marketing
- Meals
- Health & Safety

Introduction to Goodall Consulting

Public and Government Relations Services

- Develop and manage charter support organizations, PTOs, foundations, etc.
- Plan community outreach to generate favorable opinion and support
- Plan and implement process for gaining and maintaining:
 - Legislative delegation, county commission/municipality, LEA, DPI, SBE, and CSAB support
 - Parent Support
 - Head of School & Staff Support
- Plan and manage media campaigns; Develop positive media relations
- Assistance with issues requiring contact with any stakeholders

Introduction to Goodall Consulting

New School Development Services provided by Goodall Consulting:

- Board Design, Formation, and Development
- Demographics Analysis and Location Planning
- Mission, Vision, and Goals Collaboration
- Strategic Planning of New School Timeline, Board Time Requirements, and Cost
- Application Assistance and Submission
- Mock Interviews
- Other Pre-interview Planning and Preparation
- Interview Participation

Introduction to Goodall Consulting

New School Development Services, continued

- Post interview Consulting until State Board Vote
- Assistance with Ready to Open Planning Year
- Facilities Procurement
- Hiring Head of School & Staff
- Assistance with other Pre-Opening Issues

CONCERN: It appears that Goodall Consulting is equipped to operate much like an education service provided. If this is indeed the case, it may be more appropriate for Goodall Consulting to provide documentation required of service providers assisting applicants.

Introduction to Goodall Consulting

- It appears that the firm has previously partnered with at least two schools- Anson Charter Academy and Monroe Charter Academy. It is unclear exactly how many schools are currently contracted with Goodall Consulting.

Service Agreement- Goodall Consulting and Achievement Charter Academy

- Achievement Charter Academy's application states

“Goodall Consulting ("GC") provided guidance, advice, resources, administrative assistance, and editing for this application. The mission, purposes, goals, and ideas expressing the board's vision contained in the application are those of the board. GC will provide guidance and assistance to the board through the evaluation and interview process and CSAB approval.”

Fee Structure- ACA and Goodall Consulting

- According to the ACA charter application, Achievement Charter Academy paid Goodall Consulting \$5,000 for their assistance in writing the application.
- **CONCERN:** Related to fee structure agreement between ACA and Goodall Consulting
- Is there an contract between ACA and Goodall Consulting outlining the fee and services to be rendered?

Service Agreement- Goodall Consulting and Apprentice Academy HS of NC

- Apprentice Academy HS of NC's application contains a similar clause to that found in ACA's application, however, the following clause outlining additional responsibilities of Goodall Consulting is also included:

“On State Board of Education (SBoE) approval, Goodall Consulting will help with marketing, including helping design and implement presentations for prospective parent meetings, designing and driving social media, assisting with public relations including press releases, continuing the development of employee policies and attendance at board meetings as necessary...

...Assistance under the contract continues through the State Board of Education approval, however it is understood that support through the school opening and its first year of operation is available on an as requested basis.”

Fee Structure- AAHSNC & Goodall Consulting

- According to the AAHSNC application, “the fee for the services, \$24,000, are contingent upon the approval and successful opening of the school. Should the school not open there is no obligation by [the AAHSNC] board.”
- **Concern:** Applicant did not provide a contract outlining the agreement or fee structure, should the application be approved by the SBOE.
- **Concern:** It is unclear how the school will pay the \$24,000 fee for services, given that the services were completed a year prior and therefore cannot be paid out of state funds.

Lease Agreement- Goodall Consulting and AAHSNC

- According to the Lease Agreement signed by AAHSNC, **Goodall Consulting Corporation is also the Landlord of the building in which the school will be located.**
- **Concern:** Is Goodall Consulting the Landlord for this building? Or the broker? Applicant stated acceleration was necessary because the "building owner has other commitments that will not wait beyond the summer of 2018."

Lease Agreement- Goodall Consulting and AAHSNC

- AAHSNC will pay Goodall Consulting **\$30,000 per month** for a lease term commencing on July 1, 2018 and terminating on June 30, 2020 unless terminated sooner pursuant to provisions of the lease.
- **Concern:** Will GC receive the \$24,000 fee for assisting with the application in addition to \$30,000 per month for renting the building?

Lease Agreement- Goodall Consulting and AAHSNC

- As the Landlord, Goodall Consulting “**shall not be required to make any improvements, replacements or repairs of any kind or character to the Leased Premises during the term of this Lease.** Landlord shall not be liable to Tenant for any damage or inconvenience, and tenant shall not be entitled to any damages nor to any abatement or reduction of rent by reason of any maintenance, repairs, replacements, alterations or additions made by Landlord under this lease.”
- **Concern:** If the school is paying a monthly rent of \$30,000, is it also budgeting additional funds for any necessary repairs since the lease agreement releases the Landlord from any responsibility to make repairs or replacements?

Lease Agreement- Goodall Consulting and AAHSNC

- **“Either Landlord or Tenant shall have the right to terminate this Lease at any time and for any reason whatsoever by furnishing not less than eighteen months (18 months) prior written notice to the other party.”**
- **Concern:** Is an 18-month termination clause beneficial to the applicant? Does the board have a contingency plan in place if the building is found to be unsuitable or economically feasible?

Summary of Concerns

- Is Goodall Consulting operating as an EMO? If so, documentation required of EMOs should be submitted here.
- Existence of contracts between applicant groups and Goodall Consulting?
- Applicant's ability to pay \$24,000 fee for services provided previous year
- Contract outlining fee structure for AAHSNC
- Goodall Consulting relationship with school building (landlord or broker?)
- Fees paid to consulting firm
- Funds for additional building repairs, as landlord is not required to maintain the building
- 18-month termination clause in lease