



March 1, 2019

Byron Arthur
The Delores Taylor Arthur School for Young
Men
Lyceum Schools, Inc.
2109 N. Turnbull Drive
Metairie, LA 70001

Mr. Arthur,

4th Sector Solutions is pleased to submit this introduction to the financial management, human resources and operations support services to Lyceum Schools, Inc.

We are strong believers in the power of school choice to improve the lives of children that might not otherwise have a high quality educational option. We understand that first and foremost, school choice is about raising student achievement. By providing efficient and effective support services to our clients, we allow them to achieve their strategic, operational, financial and organizational goals and produce better student achievement outcomes for children.

Thank you for the opportunity to submit this proposal!

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Joe Keeney', is written over a white rectangular background.

Joe Keeney
Founder

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Company Profile

4th Sector Solutions (4SS) is highly to provide charter school support services to Lyceum Schools, Inc.. 4SS's unique qualifications include its breadth and depth of experience, leadership, and flexibility with an emphasis on capacity building.

Experience

- 4th Sector Solutions' founder Joe Keeney has 20 years of experience working in the non-profit and charter school communities. Prior to founding 4SS, Joe was president of a national network of public charter schools, where he helped open and operate over 50 schools serving 30,000 students in 14 states. Joe has attended over 1,000 non-profit board meetings.
- Through its Baton Rouge and New Orleans offices, which opened in 2008 and 2013, respectively, 4SS provides back office support services including financial management and reporting, human resource, operations management, and other administrative services to over 25 clients. 4SS's reputation throughout the charter school community in Louisiana is one of financial and operational excellence, providing an outstanding financial performance compliance record for its client schools. Its Louisiana-based team of 20 staff includes experts in each functional area – finance and accounting, operations, and human resources.
- Joe Keeney has led the real estate development of over 40 charter school projects comprising 3.0 million square feet and \$350 million of project costs, including four recent projects in Louisiana.
- 4th Sector Solutions serves several education non-profit organizations, including Character Lab, a leader in K-12 character development research, The One World Network of Schools, and The Future Project. These client boards include Dave Levin (the co-founder of KIPP), Wendy Kopp (founder of Teach for America), and Norman Atkins (founder of Uncommon Schools).

Leadership

- 4SS has presented on charter school finance and operations excellence at many state and national conferences. Joe Keeney's presentations at National Charter Schools Conferences have included:
 - What's Going on in Charter School Financing?
 - Real Estate Finance for Dummies.
 - Outsourced Business Management Services: When, Where & How?
 - The Critical Role of the Non-Profit Board Treasurer and Finance Committee, and the Top Ten Financial Management Mistakes to Avoid.

- The Biggest Decisions You Will Ever Make.
- Rural Charter Schools: Unique Challenges, Unique Opportunities.
- Joe Keeney wrote a two-part article on How to Achieve a High-Performing Back Office published in the online magazine *Charter Schools Insider*. Joe has also written several articles for the American Enterprise Institute, including "Venture Capital: Looking Outside the Education Sector," in a series published by Harvard University Press.
- In 2010 Joe Keeney was selected by the U.S. Department of Education as a peer reviewer for the \$4.35 billion Race to the Top competition because of his charter school knowledge and experience. Joe was also selected as a member of the initial cohort of mentors in the Leadership for Educational Entrepreneurs program at Arizona State University.

Flexibility

- 4th Sector Solutions was founded on the principles of flexibility - tailoring its services to the unique needs of its clients - and capacity building - building its clients' capacity to self-perform the services it provides as they evolve.

Overview of Services

4th Sector Solutions provides a range of services that gives school leadership the confidence that financial, HR, and operations best practices will be implemented at their schools, providing them the opportunity to focus on their core mission rather than administrative and compliance tasks.

The following chart illustrates the range of 4SS services. The specific scope of services offered as a proposal to Lyceum Schools, Inc. is included in the detailed proposal in the fourth section of this proposal.



Selected Bios

The following team members serve 4SS clients in Louisiana and surrounding areas. One of our staffing principles is to build in redundancy so that knowledge of any particular client's finances cannot walk out the door with one person. This team approach ensures that Lyceum Schools, Inc. will have stability with the added benefit of staff who are constantly improving on industry best practices by serving multiple clients.

Joe Keeney

Joe Keeney is the Founder and Chairman of 4th Sector Solutions. He is also Founder of School Food Solutions L3C, which helps charter schools comply with the National School Lunch Program, and of Charter School Tools, a leading online resource for charter school operators. Joe has 20+ years of education industry experience. From 1997-2005 Joe was president of a national network of public charter school, where he built the nation's largest and highest achieving network of public charter schools -- serving approximately 30,000 students in 14 states and DC. Joe's responsibilities included school operations, client development, finance, and real estate design and construction. Joe had previously been a divisional president and chief operating officer of a Fortune 1000 global manufacturer, and a corporate strategy consultant at LEK Consulting Inc. Joe has a BA in economics from Columbia College and an MBA with high distinction from Harvard Business School, where he was elected a Baker Scholar and received the Macy Scholarship and the Uhlmann Award. Joe also earned an EdM in education leadership from Teachers College, Columbia University, and served as a mentor in the Leadership for Educational Entrepreneurship program at Arizona State University. He is the author of several articles and book chapters for American Enterprise Institute publications, as well as several articles for Charter School Insider magazine on facility financing and on building a high performing back office. In 2010, Joe was selected by the U.S. Department of Education to serve as a peer reviewer in the \$4.35 billion Race to the Top grant competition.

Joseph Neary

Joe is the Chief Operating Officer of 4th Sector Solutions providing human resources, operational, and compliance support to 4th Sector's clients. He has twenty years of charter school experience. He was previously the Chief Operating Officer of FirstLine Schools, the oldest Charter Management Organization in New Orleans. At FirstLine Schools, Joe managed a team of five directors leading finance, operations, HR, talent management, student data, technology, and compliance for the organization. Prior to FirstLine he was Chief Operating Officer for Advance Baton Rouge from 2008 to 2012 the first CMO authorized to manage charter schools for the Recovery School District outside of New Orleans. From 1999-2007 Joe was general manager for a national network of public charter schools, managing schools in New York and Pennsylvania along with supporting client development nationally.

Kevin Cox

Kevin is a Finance Director at 4th Sector Solutions. He graduated from the University of Louisiana at Lafayette in 1996 with a Bachelor of Science degree in economics. Kevin later completed his studies in accounting at the University of New Orleans to become licensed as a Certified Public Accountant. He is a member of the American Institute of Certified Public Accountants, Society of Louisiana Certified Public Accountants as well as a certified QuickBooks ProAdvisor. He brings over eight years of public accounting experience to 4th Sector with a background in financial accounting, tax accounting and payroll services.

Megan Rhodes

Megan is a Finance Director at 4th Sector. She graduated from Southeastern Louisiana University in 2008 with a Bachelor of Science degree in Accounting and a minor in Management. Megan worked in a public accounting firm after graduation and became a Certified Public Accountant in 2013. She is currently a member of the American Institute of Certified Public Accountants, Louisiana Society of CPAs, East St Tammany Parish Emerging Young Professionals, and Junior Auxiliary of Slidell. She brings over 9 years of various public accounting and industry accounting experience to our team with a solid background of financial reporting, payroll and taxes.

Jennifer Grimes

Jennifer Grimes is Director of Operations for 4th Sector Solutions. She has built a career and reputation assisting school leaders with business operational tasks. She joined the 4th Sector Solutions team in April 2014 as an Operations Manager, where she managed the start-up planning and executions of Baton Rouge University Preparatory Elementary. Previously she served as the State of Louisiana Recovery School District Director of Operations, overseeing 10 schools that were direct-run through the RSD within East Baton Rouge, Pointe Coupee, St. Helena and Caddo Parish. Along with other duties, she is responsible for working with start-up school, vendor management, contracts, data/state reporting, recruitment and technology.

Brandy Whitfield

Brandy Whitfield is also a Director of Human Resources at 4th Sector Solutions. Prior to joining 4th Sector in early 2014, Brandy worked with the Recovery School District of Louisiana (RSD), where she managed on-boarding, off-boarding, training and development, payroll, benefits, and certifications. In her current role at 4th Sector Solutions Brandy provides similar services to charter schools. She works closely with school staff to ensure all staff are equipped with the tools needed outside of the classroom to perform inside of the classroom. A native of Baton Rouge, Brandy attended Northwestern State University where she received a BS in Biology. She is currently working toward her MBA with a concentration in Human Resource Management.

Tess Bradford

Tess Bradford is the Chief Executive Officer of School Food Solutions L3C (a 4th Sector subsidiary) and provides human resources, operational, and compliance support to 4th Sector's New Orleans clients. She has ten years of Louisiana charter school experience. She was previously the Chief Operating Officer of the Algiers Charter Schools Association, the oldest and largest Charter Management Organization in New Orleans. At Algiers Charter School Association, Tess managed a team of 15 directors leading finance, operations, HR and talent management, student data, technology, exceptional student services and compliance for the organization. Prior to Algiers she was Executive Director of the Recovery School District of Louisiana, where she oversaw the restructuring of the RSD's shared services for charter schools in New Orleans and went on to manage day-to-day operations for the ten direct run campuses across four Louisiana Parish.

Scope of Services

I. Charter application support

The following application support services, except for the listed exclusions, are provided by 4SS:

- Create budget model based on the existing 4SS Louisiana financial model, adapted for applicants' unique enrollment, staffing, and other operating assumptions.
- Research on key assumptions.
- Completion of authorizer specific tabs, including start-up, assumptions, first year cash flow and multi-year budget tabs.
- Drafting of Financial Readiness Assessment.
- Review of entire application narrative, including any budget narrative, as agreed with the applicant.
- Support and participation in meetings with applicant board members and school leader.
- Regular check in calls during application process.
- Assistance in drafting and editing responses to draft evaluator recommendations.
- Participation in evaluator interviews upon request.
- Exclusions:
 - Legal review or related legal services.
 - Competitive grant applications or school improvement plans.
 - Postage, delivery, and copying.

II. Start Up Support through June 30, 2020

Financial Management & Reporting

- Create and revise application and operating budget model based on scenario modeling.
- Recommend chart of accounts and monthly reporting formats.
- Set up and maintain accounting software.
- Build linkage from accounting system to start-required reports. Establish crosswalks from desired management reports to state-required templates.
- Recommend procedures and assist with monthly financial forecasts with school leader.
- Payroll processing on an as-needed basis.
- Design and implementation of financial policies and procedures.
- Assist with grants budgeting and reporting on an as-needed basis.
- Monitor and report on start-up budget spending.

Human Resources Admin Services

- Development of employee manual for board approval.
- Offer letter and new hire package preparation, collection and filing.
- Coordination of employee background checks.

- Presentations at employee orientations and summer training.
- Employee benefits negotiation assistance.

Operations Support

- Assist in procurement of insurance package.
- Initial training of front office and operations staff.
- Solicit and negotiate shared service agreements and third-party service providers, including custodial services, maintenance, transportation, security, technology and other contractors as needed (e.g. nursing, social work, etc.).

Facility Financing

- Charter school facility development and financing is a challenge because architects, contractors, developers, and lenders do this for a living every day, and your charter school is probably only doing it once. So they can easily take advantage of the charter school and structure the arrangement to suit their needs more than yours. We have 20+ years of experience, 50+ projects, and \$300+ million of experience helping charter schools design, develop and finance high-quality, cost-effective facilities without getting taken advantage of.

Start-Up Support

- Create and monitor online start-up plan including authorizer and state compliance requirements.
- Lead start-up calls using Asana project management platform.
- Review of contract terms from business perspective (i.e., not legal advice).

III. Ongoing Support Commencing July 1, 2020

Financial Management & Reporting

- Monthly accruals, bank reconciliations, account reconciliations and accounting close.
- Reporting of school financial results in compliance with state and local requirements.
- Administration of payroll for approval, including payout calculations, termination calculations, problem resolution, deduction adjustments, staff training.
- Ongoing journal entries, tracking for grants.
- Processing of payments on behalf of Lyceum Schools, Inc., obtain check approvals, vendor issue resolution.
 - Note: in no event shall 4SS have any signatory authority over any school bank accounts.
- Completion of budgets for categorical funding grant applications (excluding school improvement plans). Federal draw downs, finance piece of document submission, receivables tracking.
- Liaise with state and/or local regarding grants to extent Lyceum Schools, Inc. is not its own LEA. Grant management reporting (finance piece only).
- Year-end close including July payouts, and completion and submission of Annual Financial Reports as required by authorizer and Mississippi Dept. of Education.
- Complete independent financial audit preparation protocol and support independent financial audit for fiscal year end, including preparation of documentation for on-site testing by auditors, preparation of all requested accounting-related audit schedules, accounting-related assurance schedules, communication with auditors, review and recommend edits to audit draft response to management letter, and attend presentation with Finance Committee and Board.
- Monthly budget meetings with school leader, monthly conference call or meeting with board treasurer or financial committee to review financial report, and presentations at monthly board meetings.
- On-going development and management of school budgets

Human Resources

ADA Accommodations:

- Receive requests for employee accommodations (equipment and other), review documentation, make determinations, and keep managers apprised.

Benefits:

- For all benefits (e.g., dental, disability, FSA, life insurance, medical, vision; 401k):
 - Coordinate vendor selection process in collaboration with broker for selection by Lyceum Schools, Inc.; manage contracts, administer benefits, ensure payroll deductions for elected benefits, assist employees with claims issues, billing/invoicing.
- Employee Assistance Program: Communicate to employees' periodic seminars, billing/invoicing.
- Benefits Guide: Prepare & distribute benefits guide(s) and other educational materials for employees.
- COBRA Administration: Work with COBRA service provider to send eligible employees and dependents a COBRA notice. Yearly open enrollment for COBRA participants.
- Creditable Coverage Filing: File yearly Medicare Part D Creditable Coverage Disclosure.
- Leave of Absence/FMLA: Review requests for LOA/FMLA, review documentation, make determinations, track time on leave and FMLA balances, coordinate communications with managers.
- Mandatory Notices: Distribute all mandated notices related to medical.
- OSHA Reporting: Track and report onsite work-related injuries.
- Other PTO: Administer tracking and approval mechanism for bereavement, PSIL and jury duty.
- SPDs and SMMs: Prepare and distribute Summaries of Material Modifications that are not included in the existing Summary Plan Descriptions.
- Tuition Assistance: Manage tuition reimbursement program (if any),
- ACA Reporting (as required)

Compensation:

- Employee statements, incl. paystub explanation
- Bonus administration
- Merit Increases

Compliance:

- Audit requests
- Background check processing
- Credential management
- EEO reporting
- Employee handbook
- Employee policy review
- Support performance evaluation and resources
- Records retention and compliance

Employee Relations:

- Performance improvement planning, development and documentation

- Progressive discipline
- Employee complaints and grievances
- Exit interview management
- Equipment returns
- Final pay processing
- Intent to Return coordination
- Investigations
- Help desk & employee support
- Employment verification

Talent Acquisition:

- Coordinate advertisement and posting
- Application tracking
- Candidate screening (resume review)
- Candidate sourcing
- Job descriptions
- Offer letters
- New hire documentation
- Pre-employment screening

Fees

Application fee: \$6,000

Start-up fee from October 1, 2019 through June 30, 2020: \$45,000. If no source of start-up funding is available, the start-up fee may be amortized over 12-24 months and paid in equal installments over the Term of this Agreement, unless the Agreement is terminated earlier in which case the unpaid portion of the start-up fees and shall be payable upon termination.

Ongoing Support from July 1, 2020 through June 30, 2021: \$80,000 (\$6,667 per month)

Ongoing Support from July 1, 2021 through June 30, 2022: \$97,375 (\$8,115 per month)

Fees are payable monthly. Payments shall be due monthly within thirty (30) days of receipt of state funding by Lyceum Schools, Inc.. If Lyceum Schools, Inc. does not remit to 4SS the payments set forth herein within fifteen (30) days of their due date, such unpaid amounts shall accrue interest at the rate of six percent (6%) per annum, compounded monthly, until such funds, together with any accrued interest, are remitted to 4SS. If Lyceum Schools, Inc. does not remit to 4SS the full amount of such funds within twenty (20) days of their scheduled due date, Lyceum Schools, Inc. shall be in default of this Agreement and shall have ten (10) days to cure such monetary default. If Lyceum Schools, Inc. fails to cure such default, 4SS shall have the right to terminate this Amendment and cease performance without any further liability or penalty to Lyceum Schools, Inc., except such delinquent amounts due 4SS which shall remain due and owing and subject to collection until such time as they are satisfactorily paid.

References

| Name | Title, Organization & Contact Info | Relationship |
|---|---|--|
| Caroline Roemer Shirley | Executive Director Louisiana Association of Public Charter Schools T 504-274-3651 E croemer@lacharterschools.org | 4SS is a preferred vendor endorsed by the Louisiana Association of Public Charter Schools. |
| Donald L. Hense (National Charter Schools Hall of Fame) | Founder & Chairman Friendship Public Charter School T (202) 281-1700 E dhense@friendshipschools.org | 4SS assisted in opening of 6 charter schools serving 4,000 students, led new campus development and financing, led implementation of strategic plan created with McKinsey, managed 10 transition task forces, participated on strategic planning steering committee, leading performance management dashboard project funded by \$2MM in grants. |
| Patricia A. Brantley | Chief Executive Officer Friendship Public Charter School T (202) 281-1700 E pbrantley@friendshipschools.org | |
| Deborah Kenny | Founder & CEO Harlem Village Academies T (646) 812-9501 E dkenny@harlemvillage.org | Client since 2006, operates network of 5 schools serving 2,000 students in grades K-12 and also operates a graduate school of education. |
| John Spain | Executive Vice President Baton Rouge Area Foundation T (225) 387-6126 E jspain@braf.org | Officer of major foundation; former client Board Treasurer. |
| Rebekah Cain | Executive Director Operations FirstLine Schools T 504-952-1331 E rcain@firstlineschools.org | Client operating 6 schools in New Orleans. |
| Jim Fairchild | Auditor Daigrepont & Brian CPAs T 225-231-8627 E jimfairchild@dnbcpas.com | Independent financial auditor for dozens of Louisiana charter schools. |
| Gus Saliba | Partner PKF O'Connor Davies, LLP T (914) 341-7022 E gsaliba@pkfod.com | Independent financial auditor for Harlem Village Academies and other New York charter schools. |
| Bryan Jones | Gulf Coast District Manager HNTB Corporation T (225) 368-2800 E brjones@HNTB.com | Former Board President of 4SS client. |

References from current clients and/or the following industry leaders can be arranged upon request:

- Beth Scioneaux, Deputy Superintendent for Finance, Louisiana Department of Education.
- Deborah McGriff, Board Chair, National Alliance for Public Charter Schools and Partner, New School Venture Fund.
- Jim Shelton, Executive Director of Chan Zuckerberg Initiative; former Assistant Deputy Secretary for Innovation and Improvement, US Department of Education.
- Richard Barth, CEO, KIPP Foundation.
- Jeanne Allen, Founder and President Emeritus, Center for Education Reform.
- Ken Campbell, former President, Black Alliance for Educational Options.
- Rick Hess, Director of Education Policy Studies, American Enterprise Institute.