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MLE



Frank Edelblut
Commissioner

Christine M. Brennan
Deputy Commissioner

STATE OF NEW HAMPSHIRE
DEPARTMENT OF EDUCATION
101 Pleasant Street
Concord, NH 03301
TEL. (603) 271-3495
FAX (603) 271-1953

June 6, 2023

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the Department of Education, to exercise the first of three renewals to an existing **sole source** contract with WestEd (VC #177860) San Francisco, CA to update training materials, provide Technical Assistance and oversee the administration of the Desired Results Developmental Profile (DRDP) Online data system to ensure the fidelity of administration of the DRDP assessment tool and the DRDP Online data system, by increasing the price limitation by \$389,000 from \$389,500 to \$778,500 and extending the completion date from June 30, 2023 to June 30, 2025 effective upon Governor and Council approval. The original contract was approved by Governor and Council on November 10, 2021, Item #46. *100% Federal Funds*

Funds are anticipated to be available in FY24 and FY25, in the accounts titled IDEA-Special Education-Preschool and IDEA-Special Education upon the availability and continued appropriation of funds in the future operating budget, with the authority to adjust encumbrances between fiscal years within the price limitation through the Budget Office, without further Governor and Council approval, if needed and justified.

FY	Account 06-56-56-562010 Contracts for Program Services	Current Authorized Amount	Requested Action	Amount
22	25040000-102-500731	\$236,500	-	\$236,500
22	25050000-102-500731	\$60,000	-	\$60,000
22	30650000-102-500731	\$58,000	-	\$58,000
23	25040000-102-500731	\$23,000	-	\$23,000
23	30650000-102-500731	\$12,000	-	\$12,000
24	25050000-102-500731	-	\$228,000	\$228,000
25	25050000-102-500731	-	\$27,000	\$27,000
25	25040000-102-500731	-	\$134,000	\$134,000
Total		\$389,500	\$389,000	\$778,500

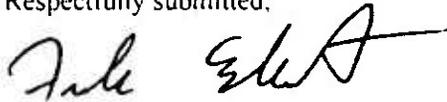
EXPLANATION

This request is **sole source** because the DRDP System, including the DRDP assessment and DRDP Online data system, was developed by California Department of Education, Early Learning and Care Division (CDE/ELCD) and is proprietary to that department and its selected contractor, WestEd. WestEd is also the sole contractor for the CDE/ELCD authorized to offer training and technical assistance on the Desired Results system. WestEd's trainers have worked with the DRDP System since its inception and are recognized as experts by the state, often providing information and resources to other state-sponsored projects..

The New Hampshire Department of Education wishes to continue the contract with WestEd because the DRDP Online data system and reporting tool have been customized for New Hampshire and are working well above acceptable standards.

The services under this amendment will create online training modules, coach teachers and staff, create guidance documents and reporting. The services will also support fidelity administration of the DRDP assessment tool and related data system to ensure accurate and timely data collection, analysis and reporting as required for state and federal reporting. WestEd will oversee the data system, monitoring and rectifying any system issues; collaborate with the Department of Education on any upgrades or updates needed to align with NH laws, administrative rules, and reporting requirements; and provide ongoing support for NH-based DRDP trainers.

Respectfully submitted,



Frank Edelblut
Commissioner of Education



STATE OF NEW HAMPSHIRE
DEPARTMENT OF INFORMATION TECHNOLOGY
27 Hazen Dr., Concord, NH 03301
Fax: 603-271-1516 TDD Access: 1-800-735-2964
www.nh.gov/doit

Denis Goulet
Commissioner

June 2, 2023

Frank Edelblut, Commissioner
Department of Education
State of New Hampshire
101 Pleasant Street
Concord, NH 03301

Dear Commissioner Edelblut:

This letter represents formal notification that the Department of Information Technology (DoIT) has approved your agency's request to enter into a contract amendment with WestEd, as described below and referenced as DoIT No. 2022-011A.

The purpose of this request is to continue administration and coordination of the DRDP online data system, create online training modules, coach teachers and staff, and create guidance documents and reporting.

The Total Price Limitation will increase by \$389,000 for a New Total Price Limitation of \$778,500, effective upon Governor and Council approval through June 30, 2025.

A copy of this letter must accompany the Department of Education's submission to the Governor and Executive Council for approval.

Sincerely,

Denis Goulet

DG/jd
DoIT #2022-011A

cc: Tim DePalo, IT Manager



STATE OF NEW HAMPSHIRE

Department of Education:

DRDP Training & Customization 2022-011

AMENDMENT A (1)

INFORMATION TECHNOLOGY

INTRODUCTION

WHEREAS, pursuant to an Agreement approved by Governor and Council, on 11/10/21, Item #46 (herein after referred to as the "Agreement"), WestEd (hereinafter referred to as "Contractor") agreed to supply certain services upon the terms and conditions specified in the Agreement and in consideration of payment by the Department of Education (hereinafter referred to as the "Department"), certain sums as specified therein;

WHEREAS, pursuant to the Agreement Section 17: Amendment and the provisions of the Agreement, the Agreement may be modified or amended only by a written instrument executed by the parties thereto and approved by the Governor and Executive Council.

WHEREAS, the Vendor and the Department have agreed to amend the Agreement in certain respects;

WHEREAS, the Department and the Vendor wish to increase the Contract price by \$389,000 from \$389,500 to \$778,500 upon Governor and Council approval and extending the end date from June 30, 2023 to June 30, 2025.

WHEREAS, the Department and the Vendor seek to clarify the Agreement.

NOW THEREFORE, in consideration of the foregoing, and the covenants and conditions contained in the Agreement and set forth herein, the parties agree as follows:

The Agreement is hereby amended as follows:

1. Amend Section 1.6 of the State of New Hampshire P-37 General Provisions by removing account 30650000-102-500731.
2. Amend Section 1.7 of the State of New Hampshire P-37 General Provisions by changing the end date to June 30, 2025.
3. Amend Section 1.8 of the State of New Hampshire P-37 General Provisions by increasing the Price Limitation by \$389,000 from \$389,500 to \$778,500.
4. The Agreement is further amended as described in Table 1:

TABLE 1: AMENDMENT DETAILS	
Exhibit B Statement of Work Business/ Technical	AMENDED TEXT

Requirements	
Section 7	<p>7.2.1 Replace State Contract Manager with:</p> <p style="padding-left: 40px;">Bureau of Special Education Support, Office of Training and Monitoring Administrator Janelle Lavin, Administrator (603) 271- 3741 Janelle.C.Lavin@doe.nh.gov</p> <p>7.2.2 Replace State Project Manager with:</p> <p style="padding-left: 40px;">Bureau of Special Education Support, Office of Training and Monitoring Preschool 619 Coordinator (TBD) (603) 271-3741</p>
Section Number 8	<p>Add:</p> <p>Task 9: State Level Collaboration (July 1, 2023 – June 30, 2025)</p> <ul style="list-style-type: none"> • Collaborate with Department of Education regarding any upgrades or updates or OSEP reporting needs • WestEd will maintain a regular meeting schedule and follow the established lines of communication. • Oversee the DRDP Online data system and collaborate with agencies • Support New Hampshire DRDP certified trainers with quarterly update meetings and an online conference center to maintain current training materials <p>Task 10: Branded DRDP Online tutorials</p> <ul style="list-style-type: none"> • Screen cast tutorial including accessibility elements • FY24 10 tutorials that cover NH specific aspects of DRDP Online • FY 25 6 tutorials that cover NH specific aspects of DRDP Online <p>Task 11: Certified Trainer (July 1, 2023 – June 30, 2024)</p> <ul style="list-style-type: none"> • NH staff earns certification to provide DRDP training (1 participant at \$6,500) <ul style="list-style-type: none"> ○ After fulfilling prerequisites, participants must complete an eight-session virtual training program which includes presentation skills training, co-training with institute faculty, and a final certification process. Certified trainers receive access to the DRDP online conference center and may provide unlimited training as part of their job duties within their agency. Maintaining certification includes attendance at quarterly update webinars.

	<p>Task 12: Coaching (July 1, 2023 – June 30, 2024)</p> <ul style="list-style-type: none"> • 6 months of bi-monthly coaching sessions for a cohort of 30 teachers and NHED staff. <ul style="list-style-type: none"> ○ Participants will receive: <ul style="list-style-type: none"> ▪ DRDP Focused coaching around observation and assessment ▪ A copy of the book, The Power of Observation ▪ Online coaching resources ○ Pre and post coaching session meetings with NHED staff to prepare to facilitate coaching session in future years. <p>Task 13 Online Training Module (July 1, 2023 – June 30, 2025)</p> <ul style="list-style-type: none"> • An Asynchronous interactive online training module (approximately 1 hour of learning) to be hosting on an existing Canvas platform • A Synchronous module based on the Asynchronous module with a facilitator guide and individual activities replaced with group activities • A downloadable version of the Synchronous module • Facilitator training (including 2-4 live webinars) • Part 1 Plan and Develop the online module content <ul style="list-style-type: none"> ○ Two online training modules with options for Synchronous and Asynchronous learning • Part 2 Load and Publish modules to Canvas <ul style="list-style-type: none"> ○ Two online training modules with options for Synchronous and Asynchronous learning <p>Task 14 OSEP Reporting (July 1, 2023 – June 30, 2025)</p> <ul style="list-style-type: none"> • Analyze and align psychometric functionality for OSEP reporting for data base, API, and reports. <p>Task 15 Guidance Documents (July 1, 2023 – June 30, 2024)</p> <ul style="list-style-type: none"> • Create NH specific DRDP guidance documents including: <ul style="list-style-type: none"> ○ Alignment documents between the New Hampshire standards and the DRDP ○ Teacher guidance documents ○ Family guidance documents • Administration guidance documents
<p>Exhibit C</p>	<p>AMENDED TEXT</p>

Price and Payment Schedule					
Section 10.1	ADD				
	ACTIVITY / DELIVERABLES / MILESTONES				
		ACTIVITY, DELIVERABLE, OR MILESTONE	DELIVERABLE TYPE	PROJECTED DELIVERY DATE	Milestone Payment upon Acceptance
	9	State Level Collaboration and Administration Ongoing meetings, communications with New Hampshire, oversight of work, and training supports (July 1, 2023 – June 30, 2024)	Non-Software	Quarterly Payments	\$35,000
	10	State Level Collaboration and Administration Ongoing meetings, communications with New Hampshire, oversight of work, and training supports (July 1, 2024 – June 30, 2025)	Non-Software	Quarterly Payments	\$35,000
11	Branded DRDP Online tutorials: 10 tutorials that cover NH specific aspects of DRDP Online (July 1, 2023 – June 30, 2024)		Ongoing	\$50,000	

State of NH Contract Amendment with WestEd

Date: Jun 5, 2023

Contractor's Initials LW

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	12	Branded DRDP Online tutorials: 6 tutorials that cover NH specific aspects of DRDP Online (July 1, 2024 – June 30, 2025)			\$30,000
	13	Certified Trainer (July 1, 2023 – June 30, 2024)	Non-Software	Ongoing	\$6,500
	14	Coaching: 6 months of bi- monthly coaching sessions for a cohort of 30 teachers and NHDOE staff (July 1, 2023 – June 30, 2024)	Non-Software	Ongoing	\$20,000
	15	Online Training Module Part 1: Two online training modules with options for Synchronous and Asynchronous learning (July 1, 2023 – June 30, 2024)	Non-Software	ONGOING	\$80,000
	16	Online Training Module Part 2: Two online training modules with options for Synchronous and Asynchronous learning (July 1, 2024 – June 30, 2025)		ONGOING	\$80,000
	17	OSEP Reporting (July 1, 2023 – June 30, 2024)	Non-Software	ONGOING	\$16,500

State of NH Contract Amendment with WestEd

Date: Jun 5, 2023

Contractor's Initials LW

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	18	OSEP Reporting (July 1, 2024 – June 30, 2025)	Non-Software	ONGOING	\$16,000
	19	Guidance Documents: Create NH specific DRDP guidance documents (July 1, 2023 – June 30, 2024)	Non-Software	ONGOING	\$20,000

Add:

TABLE 2: CONTRACT HISTORY				
CONTRACT AND AMENDMENT NUMBER	AMENDMENT TYPE	G&C APPROVAL DATE	END DATE	CONTRACT AMOUNT
Contract 2022-011	Original Contract	11/10/2, Item 46	June 30, 2023	\$389,500
Contract 2021-011	1 st Amendment	TBD, Item #TBD	June 30, 2025	\$389,000
CONTRACT TOTAL				\$778,500

State of NH Contract Amendment with WestEd

Date: Jun 5, 2023

Contractor's Initials LW

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CONTRACTOR

Except as provided herein, all provisions of the Agreement shall remain in full force and effect. This modification shall take effect upon approval from the Governor and the Executive Council for the period of July 1, 2023 to June 30, 2025.

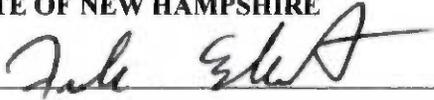
IN WITNESS WHEREOF, the parties have hereunto set their hands as of the day and year first above written.



Date: Jun 5, 2023

Lauren Wrotniak, Director of Contracts and Grants
WestEd

STATE OF NEW HAMPSHIRE



Date: 06/09/2023

Frank Edelblut, Commissioner of Education

State of New Hampshire

Department of Education

The preceding Amendment, having been reviewed by this office, is approved as to form, substance, and execution.

Approved by the Attorney General



Date: 6/9/23

State of New Hampshire, Department of Justice

I hereby certify that the foregoing amendment was approved by the Governor and Executive Council of the State of New Hampshire at the Meeting on: _____ (date of meeting)

Office of the Secretary of State

_____ Date: _____

State of New Hampshire, Department of Administration

State of NH Contract Amendment with WestEd

Date: _____

Contractor's Initials LW

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ATTN: Penny Duffy
New Hampshire Department of Education
25 Hall Street Concord, NH 03301-3860

June 6, 2023

To Whom It May Concern:

I hereby certify that said authority has not been amended or repealed and remains in full force and effect as of the date of the contract to which this certificate is attached. I further certify that it is understood that the State of New Hampshire will rely on this certificate as evidence that the person(s) listed above currently occupy the position(s) indicated and that they have full authority to bind the organization.

Signed: _____

000001 01 100001 01-000000

Michael J. Neuenfeldt, Chief Financial Officer

WestEd

Date: Jun 6, 2023



excellence in research, development, and service

TO: Lauren Wrotniak, Director of Contracts & Grants
FROM: Michael J. Neuenfeldt, Chief Financial Officer
DATE: June 25, 2022
Re: Delegation of Signature Authority

Whereas, policies adopted by the WestEd Board of Directors provide that its Chief Executive Officer, Dr. Glen H. Harvey, has all signature authorization required to enable the Agency to operate efficiently.

Whereas these authorizations were effective as of the date of her employment, July 1, 1997, these authorizations remain in effect at the present time, and it is the Board's intention that they will remain in effect for the duration of Dr. Harvey's services as WestEd's Chief Executive Officer. Whereas on January 24, 2012 Dr. Glen H. Harvey delegated to Michael J. Neuenfeldt, Chief Financial Officer, the authority to sign agreements which may legally bind WestEd.

Therefore based on the indications set forth herein, Michael J. Neuenfeldt delegates the following signature authority to Lauren Wrotniak in order to perform services as the Director of Contracts & Grants of WestEd:

- Authority to sign any funding Agreement, subcontract, publishing agreement, hotel agreement or proposal document of any amount with any entity providing monetary funding or services to WestEd for program related work.
Authority to sign any memorandum of understanding, teaming agreement, nondisclosure agreement, or any other type of agreement related to program services or joint program service related work.
Upon approval by the Chief Financial Officer, or any of the Chiefs or General Counsel, authority to sign space or facilities rentals of any amount, vendor agreements, or any other binding agreements related to WestEd's ongoing business.

This delegation shall be effective June 25, 2022 and shall remain in effect until the last date of employment of Lauren Wrotniak. This delegation is intended to override any prior delegation provided by any authorized signatory of WestEd.

Herein this delegation, there is no right to delegate authority to any other person.

ACKNOWLEDGED AND ACCEPTED

Michael Neuenfeldt (handwritten signature)
Michael Neuenfeldt, Jul 6, 2022 08:59 PDT

Jul 6, 2022

Michael J. Neuenfeldt
Chief Financial Officer
WestEd

Date

Lauren Wrotniak (handwritten signature)

Jul 5, 2022

Lauren Wrotniak
Director of Contracts & Grants
WestEd

Date

LAW OFFICES
WEINSTEIN, BOLDT, RACINE, HALFHIDE & CAMEL
PROFESSIONAL CORPORATION

1801 CENTURY PARK EAST, SUITE 2200
LOS ANGELES, CALIFORNIA 90067-2336

TELEPHONE
(310) 203-9466
FAX (310) 552-7036

DAVID A. WEINSTEIN

DIRECT DIAL 310.712.2114

May 6, 1997

BY TELECOPIER AND U.S. MAIL

John Cannon, C.P.A.
10850 Wilshire Boulevard
Suite 1200
Los Angeles, CA 90024

Re: WestEd

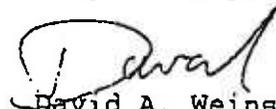
Dear John:

I have enclosed a copy of a favorable private letter ruling which was faxed to me this morning in connection with WestEd's I.R.C. §115 exemption request. I was pleased that we were able to obtain a favorable result after all the agonizing!

Please call me with any questions you, Gary or Robert may have with respect to the ruling.

Best regards.

Very truly yours,



David A. Weinstein
of WEINSTEIN, BOLDT, RACINE,
HALFHIDE & CAMEL, P.C.

DAW:bd

Enclosure

cc: Mr. Gary Barnes (w/enclosure)
Mr. Robert Christensen (w/enclosure)

MAY-06-1997 08:41

IRS/CORP:T:C

202 622 6342 P.02/13

Internal Revenue Service

Department of the Treasury

Washington, DC 20224

Index Number: 0115.00-00

Mr. Gary Barnes, Chief Financial Officer
WestEd
4665 Lampson Avenue
Los Alamitos, CA 90720-5199

Person to Contact:

Adrian Michur
Telephone Number:
(202) 622-3089

Refer Reply to:

CC:DOM:FI&P:2 PLR-253942-96

Date: MAY 1 1997

- X = WestEd
EIN: 94-3233542
- Y = Far West Laboratory for Educational Research and Development
EIN: 94-1625540
- Z = Southwest Regional Laboratory for Educational Research and Development
EIN: 94-2428178
- Pact = Joint Powers Agreement
- Law 1 = Section 6500, Title 1, Division 7, Chapter 5, Article 1, California Government Code
- Law 2 = Section 6502, Title 1, Division 7, Chapter 5, Article 1, California Government Code
- Law 3 = Section 6507, Title 1, Division 7, Chapter 5, Article 1, California Government Code
- Law 4 = Section 6508, Title 1, Division 7, Chapter 5, Article 1, California Government Code
- Letter 1 = Determination letter dated August 16, 1966
- Letter 2 = Letter dated October 18, 1966
- District 1 = San Francisco District
- District 2 = Los Angeles District
- State 1 = California
- State 2 = Arizona
- State 3 = Nevada
- State 4 = Utah

MAY-26-1997 09:41

IRS/CORP:TC

202 222 2222 0.0013

2

PLR-253942-96

Dear Mr. Barnes:

This is in reply to a letter dated November 25, 1996, and subsequent correspondence, requesting a ruling that the income of X is excludable under section 115 of the Internal Revenue Code. The information submitted for consideration is summarized below.

X, Y and Z are public agencies under Law 1 of State 1. The members of X are Y and Z. The members of Y and Z are agencies of State 1, State 2, State 3 and State 4.

Under Law 2 of State 1, public agencies may agree to jointly exercise any power common to the agencies, even though one or more of the contracting agencies may be located outside State 1. Such agreements are known as "Pacts" and establish an entity that is itself a public agency for purposes of Law 1.

Under Law 3 of State 1, a Pact is a public entity separate from the parties forming it.

Under Law 4 of State 1, a Pact that has the power to hire employees, make contracts, or to hold, receive, or dispose of property can sue or be sued in its own name. X, Y, and Z each have these powers.

In Letter 1, the District Director of District 1 informed Y that it was not subject to federal income tax. The letter states that it is a determination letter, and cites section 115(1) of the Code.

In Letter 2, the District Director of District 2 informed Z that it was not subject to federal income tax, stating that Z was an instrumentality of a state.

Y and Z formed X to combine or merge the educational research and related educational activities previously conducted separately by Y and Z. X's goal, as stated in the documents relating to its formation as a Pact, is to develop fundamental improvements in education and to conduct educational research to benefit the public and private schools, colleges, and universities of States 1, 2, 3, and 4 ("Schools"). X's activities include:

1. Participating in school reform by converging educational research into practical applications, providing knowledge and assistance to Schools.
2. Distributing educational knowledge to Schools through publications, conferences, seminars, and electronic networks.

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3. Helping to plan and execute long-term educational reform programs.
4. Implementing new curricula within school districts.
5. Conducting applied educational research on practical questions, such as how students learn and what is needed to implement schoolwide changes.
6. Providing strategic policy analysis, evaluating efforts to change, and developing educational products such as training modules, instructional videos, planning guides and casebooks.

The goals and activities of X are virtually identical to those of Y and Z.

X is funded by federal, state, and local government, as well as private foundations, which provide grants and research contracts. X conducts its activities throughout the United States, but concentrates them in States 1, 2, 3, and 4. X's activities are conducted exclusively by its own employees, who are hired and paid directly by X. X is controlled by a board of directors composed of all of the directors of Y and Z. The directors of Y and Z are appointed by the governing bodies or executive officer, as the case may be, of the public agencies that are the membership of Y and Z.

Section 115(1) of the Code provides that gross income does not include income derived from any public utility or the exercise of any essential governmental function and accruing to a state or any political subdivision of a state.

Rev. Rul. 71-589, 1971-2 C.B. 94, provides that the income from property held in trust by a city that was to be used by the city for certain charitable purposes is not subject to federal income tax. Although Rev. Rul. 71-589 does not explicitly so state, the holding in the revenue ruling means that a determination was made that the income in question was derived from the exercise of an essential governmental function and accrued to a political subdivision within the meaning of section 115(1) of the Code. Rev. Rul. 71-589 specifically mentions several types of functions that the trust might perform, such as support of a hospital, schools, maintenance of a park, or other purposes ordinarily recognized as municipal functions.

Rev. Rul. 90-74, 1990-2 C.B. 14, concerns an organization that is formed, operated and funded by political subdivisions to pool their casualty risks, or other risks arising from their obligations concerning public liability, workers' compensation, or employees' health. Rev. Rul. 90-74 states that the income of

MAY-06-1997 08:42

IRS/CLERK

222 622 6002 P.25/13

PLR-253942-96

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the organization is excluded from gross income under section 115(1) of the Code if private interests do not participate in the organization or benefit more than incidentally from the organization. In Rev. Rul. 90-74 the benefit to the employees of the political subdivisions was excepted as incidental.

Under Rev. Rul. 77-261, 1977-2 C.B. 45, the income from a fund, established under a written declaration of trust by a state for the temporary investment of cash balances of the state and its political subdivisions, which purchase units of participation and have an unrestricted right of withdrawal, is excludible from gross income. The fund, however, is classified as a corporation and must file a federal income tax return.

Providing the Schools of States 1, 2, 3, and 4 with X's services is an essential governmental function because it is of direct benefit to the agencies comprising the memberships of Y and Z. These agencies are engaged in providing educational services, independently of the activities of X, Y, and Z. The fact that the work-product of X may be shared with private schools within States 1, 2, 3, and 4 or the rest of the United States, or to nonprivate schools within the rest of the United States, is merely an incidental private benefit. There are no facts indicating that the work-product of X is not the proprietary material of X, Y, or Z.

Accordingly, the income of X is excludable from gross income under section 115 of the Code.

This ruling is directed only to the taxpayer that requested it. Section 6110(j)(3) of the Code provides that it may not be used or cited as precedent.

Except as specifically provided otherwise, no opinion is expressed on the federal income tax consequences of the transaction described above.

PLR-253942-96

In accordance with the terms of a power of attorney on file in this office, a copy of this letter is being sent to your authorized representative.

Sincerely yours,

Acting Assistant Chief Counsel
(Financial Institutions & Products)

By: William E. Coppersmith
William E. Coppersmith
Chief, Branch 2

MAY-08-1997 08:40

IRS/CORP/TIC

202 522 5002 P. 07/13

Internal Revenue Service

Department of the Treasury

Washington, DC 20224

Index Number: 0115.00-00

Person to Contact:

Telephone Number:

Refer Reply to:

CC:DOH:FI&P:2 - PIR-253942-96

Date: MAY 1 1997

X =

X =

2 =

Pact =

Law 1 =

Law 2 =

Law 3 =

Law 4 =

Letter 1 =

Letter 2 =

District 1 =

District 2 =

State 1 =

State 2 =

state 3 =

State 4 =

This document may not be used or cited as precedent.
Section 6110 (i) (3) of the Internal Revenue Code.

WestEd

JOINT POWERS AGREEMENT

December 1, 1995

JOINT POWERS AGREEMENT

Establishing Joint Powers Agency

WestEd

THIS AGREEMENT is entered into pursuant to the provisions of Title 1, Division 7, Chapter 5, Article I of the California Government Code (the Joint Powers Act) and provides for the joint exercise of powers between Far West Laboratory for Educational Research and Development ("FWL") and Southwest Regional Laboratory for Educational Research and Development ("SWRL"):

WITNESSETH:

WHEREAS, the parties hereto, FWL and SWRL, find and determine that it is to the mutual benefit of the parties and in the best public interest that said parties, both defined as public entities under the Joint Powers Act, join together to establish a Joint Powers Act Agency to accomplish the purposes hereinafter set forth; and

WHEREAS,, the parties hereto, FWL and SWRL, find and determine that more effective services can be provided while improving efficiencies in operations and eliminating duplication of effort by joining together to conduct operations under the auspices of a new Agency; and

WHEREAS, the parties hereto, FWL and SWRL, find and determine that each party holds title to certain real property that is subject to grant conditions running to the respective party and it is desirable for each party to retain title to such property but to cooperate in the management of such real property; and

WHEREAS, the parties hereto, FWL and SWRL, find and determine that there remains a need to develop fundamental, significant improvements in education and to conduct educational research in order to solve the problems and to serve the needs of the public and private schools, colleges and universities of Arizona, California, Nevada and Utah; and

WHEREAS, the parties hereto, FWL and SWRL, have found that significant, fundamental improvements in education in Arizona, California, Nevada and Utah require thorough and complete planning and concentrated effort by the total community, including parents, local school board members, and the scientific, cultural, industrial sectors, as well as by the professional educators in schools, colleges, and universities; and

WHEREAS, the coordinating and cooperative efforts required of the public and private educational and research agencies are of such a magnitude that it is necessary for the parties to join together to establish an agency to be known as WestEd in order to accomplish the purposes set forth herein;

NOW, THEREFORE, the parties mutually agree as follows:

ARTICLE 1. TERMS OF AGREEMENT.

This Agreement shall be effective December 1, 1995 upon the execution hereof by FWL and SWRL, as attested by the signatures of execution on the final page hereof, and shall continue in effect until terminated as provided herein.

ARTICLE 2. NAME OF AGENCY.

FWL and SWRL hereby agree that a public agency, wholly separate and apart from FWL and SWRL, be and is hereby created under the aforesaid provisions of law, and shall hereafter be designated as "WestEd" and hereinafter referred to as "Agency,"

ARTICLE 3. CONTROL OF AGENCY.

The Agency shall be under the control of a Board of Directors, hereinafter referred to as the "Board,," who shall be the designated board members of FWL and SWRL and such additional members as may be appointed by the Board.

ARTICLE 4. NOTICES.

The Board, by resolution, shall designate a specific location at which it will receive notices, correspondence and other communications, and shall designate an officer for the purpose of receiving service on behalf of the Agency,

ARTICLE 5. MEETINGS.

The Board may hold special meetings as it may determine and shall hold regular meetings at least once every three months; The date, hour and place for each such regular meeting shall be fixed annually by resolution of said Board, which resolution shall be publicly posted for two weeks on the bulletin board regularly used for official notices by the Agency. The secretary to the Board shall cause to be kept minutes of its meetings, both regular and special,

ARTICLE 6. VOTING.

The presence of a majority of the directors then appointed shall be required in order to constitute a quorum necessary for the transaction of the business of the Board. No action of the Board shall be valid unless a majority of such quorum of directors then appointed concur therein by their votes.

ARTICLE 7. AFFIRMATIVE ACTION.

Selections of persons for appointment to the Board, and employment of persons in positions within the Agency will be conducted in a manner which ensures that there is no discrimination against any Board member or employee, or candidates for these positions, because of age, sex, race, color, religion, national origin, or handicap. Positive action will be taken to further and enhance the representation of women, members of minority groups, and handicapped persons on the Board and staff of the Agency.

ARTICLE 8. OFFICERS AND EMPLOYEES.

The Board shall annually elect a chairperson from its members,

The Board shall appoint, and fix and cause to be paid, the compensation of the Chief Executive Officer, who shall act as Chief Administrative Officer of the Agency, and who shall perform such other and further duties as may be determined by the Board.

The members of the Board, other than the Chief Executive Officer serving ex officio, shall serve without compensation but may be reimbursed for necessary expenses incurred in connection with attendance at meetings of the Board or for necessary expenses incurred in performing services on behalf of and at the prior and express request of the Board,

The appointees and employees of said Agency shall not be deemed by operation of this Agreement to be the employees of either FWL or SWRL. No member of the Board nor any officer, appointee, or employee of the Agency shall be entitled to any compensation or fringe benefits, including but not limited to sick leave, retirement, pension, or vacation, from FWL or SWRL by virtue of his or her office or employment by the Agency. Provided that nothing shall prohibit the Agency from contracting for the services of employees of FWL or SWRL, or of other institutions or organizations, and reimbursing them for the costs, including salaries and fringe benefits, involved in providing such services. Further provided that nothing herein shall prohibit the Agency and FWL or the Agency and SWRL from agreeing that employees of FWL or SWRL, respectively, may also be employees of the Agency,

ARTICLE 9. SCOPE OF POWERS.

(a) The Agency shall be an administrative, initiating, advisory, coordinating, and evaluating entity. The Agency shall have the power and authority to exercise any power common to the parties hereto, FWL and SWRL, and to exercise any power set forth in the California Government Code, Section 6508, provided that the same are for furtherance of the objectives of this Agreement as contained herein and in the recitals set forth above, and may to

the extent permissible thereunder, enter into contracts in its own name with persons and with public or private agencies, boards, and other entities all subject to the terms and conditions of this Agreement.

(b) Neither the Agency nor the Board shall have any power or authority to bind FWL, SWRL or the signatory parties to the Joint Powers Agreement creating FWL or SWRL to the debts, liabilities and obligations of the Agency and no debt, liability or obligation of the Agency shall be the debt, liability or obligation of FWL, SWRL or the signatory parties to the Joint Powers Agreement creating FWL or SWRL,

(c) Pursuant to Section 6509 of the California Government Code, the exercise of the powers of the Agency shall be in accordance with the manner of exercising such powers by FWL and SWRL, which is in accordance with the procedures followed by the Regents of the University of California.

(d) The Board shall adopt appropriate rules not inconsistent herewith for the orderly transaction of its business,

(e) The Agency shall have no power or authority to incur any obligations for itself or on behalf of FWL or SWRL in excess of the amount appropriated to its use by a funding source. Provided, however, the Agency is authorized to obtain funds for a short period of time to meet operational expenses from advances of funds from FWL or SWRL or from private lending sources.

(f) The Agency shall, without limitation, have the specific power to establish or contract with research centers and laboratories, to carry out or suggest experimental educational projects, to develop pilot educational programs, to conduct or authorize educational research and development including the development of all varieties of educational materials, teaching aids, and other educational components, to collect and disseminate educational information, to coordinate educational research programs, to develop educational prototypes, to evaluate educational programs and activities, and to engage in other similar, related activities.

ARTICLE 10. ADVISORY COUNCIL.

The Agency may from time to time establish and abolish one or more advisory councils to perform such functions as the Agency may determine.

ARTICLE II. INSURANCE.

The Agency shall insure itself, FWL, SWRL and the members of the Board from loss, liability, and claims arising out of or in any way connected with the performance of this Agreement.

ARTICLE 12. FUNDS AND EXPENDITURES.

(a) The Agency shall have the power and authority to receive, accept, and expend or disburse, funds by contract or otherwise, for purposes consistent with the provisions hereof, which funds may be provided by the United States Government, any State, or any subdivision of a State, and from any other person, agency or organization, whether public or private, for the purposes specified herein, and shall have the duty to maintain at all times a complete and accurate system of accounting for said funds.

(b) The Agency shall have the power and authority to receive, accept, and utilize the services of personnel offered by FWL or SWRL, or their representatives or agents; to receive, accept, and utilize property, real or personal, from FWL or SWRL, or their agents or representatives; and to receive, accept, and expend or disburse funds, by contract or otherwise, for purposes consistent with the provisions hereof, which funds may be provided by FWL or SWRL, or their agents or representatives, The Agency is authorized to enter into interagency agreements with state agencies pursuant to Section 6514.5 of the California Government Code.

(c) Each and every expenditure of funds shall be authorized or approved by the Board pursuant to a budget process as described in subsection (f) hereof, or by other appropriate procedures approved by the Board, and shall be audited by a firm of certified public accountants to be selected by the Board and paid by the Agency,

(d) The Agency shall have no power or authority to assess FWL or SWRL, the signatory parties to the Joint Powers Agreement creating FWL or SWRL or the members of the Board for dues or contributions of any kind whatsoever.

(e) The Board shall establish procedures for the investment or deposit of its funds.

(f) The Board shall adopt appropriate budgetary procedures, The Agency shall file annually with the designated representatives of FWL and SWRL a statement of the actual income and expenditures made during the prior fiscal year.

(g) The "fiscal year" of the Agency shall be December 1 to and including the following November 30, or such other annual period as may be prescribed from time to time by resolution of the Board,

ARTICLE 13. WITHDRAWAL OF PARTIES AND TERMINATION.

The powers and authority of the Agency shall continue until termination of this Agreement, The Agreement may be terminated at any time upon mutual written agreement of FWL and SWRL, Upon two (2) year's prior written notice, FWL or SWRL may withdraw from its status as a party to this Agreement, provided that at such time it has either discharged, or has arranged to the satisfaction of the remaining party for the discharge of, any pending obligations it expressly may have assumed hereunder, and that written notice of intention to so withdraw has been served. upon the effective date of withdrawal, the Joint Powers Agreement will terminate. Upon the termination date all contracts held by the Agency shall be assigned, to the extent permitted under the contract, to the party with primary duties under the contract or according to terms mutually agreed upon by FWL and SWRL.

ARTICLE 14. DISPOSITION OF PROPERTY AND FUNDS.

In the event of the final termination of this Agreement, any property interest remaining in the Agency following discharge of all obligations due by the Agency shall be disposed of by sale or other disposition according to law, and the proceeds, in cash or by their fair market value in kind at the time of final termination, distributed to FWL or SWRL in proportion to its respective contributions to the Agency.

ARTICLE 15. DISPUTE RESOLUTION.

Any dispute arising from disposition of assets of the Agency, assignment of contracts or any other matter related to this Agreement shall be resolved by alternative dispute resolution procedures, culminating in binding arbitration with a single neutral arbitrator in San Francisco, California, Neither party shall have the right to bring an action in court against the other party for any dispute arising from or related to this Agreement.

ARTICLE 16. AMENDMENTS.

This Agreement may be amended at any time by mutual agreement of FWL and SWRL according to the procedures of said parties, provided said amendment is to further carry out the purposes hereinabove expressed. Any such amendment shall be effective upon the date of final execution thereof by FWL and SWRL.

ARTICLE 17. SEVERABILITY.

Should any portion, term, condition, or provision of this Agreement be decided by a court of competent jurisdiction to be illegal or in conflict with any law of the State of California, or be otherwise rendered unenforceable or ineffectual, the validity of the remaining portions, terms, conditions, and provisions shall not be affected thereby.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their authorized officers thereunto duly authorized as set forth herein below.

FAR WEST LABORATORY
FOR EDUCATIONAL RESEARCH
AND DEVELOPMENT

BY:



Fay B. Haisley
Chair of Board

BY:



Dean Nafziger
Executive Director

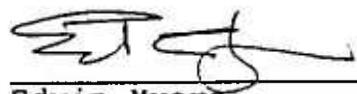
SOUTHWEST REGIONAL LABORATORY
FOR EDUCATIONAL RESEARCH
AND DEVELOPMENT

BY:



Robert S. McCord
Chair of Board

BY:



Edwin Myers
Executive Director



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
12/23/2022

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Arthur J. Gallagher & Co. Insurance Brokers of CA., Inc. 595 Market Street, Suite 2100 San Francisco CA 94105 License#: 0726293 WESTED0-01	CONTACT NAME Angie Bray PHONE (A/C, No., Ext.) 415-546-9300 FAX (A/C, No.) 415-536-8499 E-MAIL ADDRESS Angie_Bray@ajg.com													
	<table border="1"> <thead> <tr> <th>INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> </thead> <tbody> <tr> <td>INSURER A ACE American Insurance Company</td> <td>22667</td> </tr> <tr> <td>INSURER B Travelers Casualty and Surety Co of America</td> <td>31194</td> </tr> <tr> <td>INSURER C Travelers Property Casualty Insurance Co</td> <td>36161</td> </tr> <tr> <td>INSURER D</td> <td></td> </tr> <tr> <td>INSURER E</td> <td></td> </tr> <tr> <td>INSURER F</td> <td></td> </tr> </tbody> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A ACE American Insurance Company	22667	INSURER B Travelers Casualty and Surety Co of America	31194	INSURER C Travelers Property Casualty Insurance Co	36161	INSURER D		INSURER E		INSURER F
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INSURER F														

INSURED
 WestEd
 730 Harrison Street, Suite 500
 San Francisco CA 94107

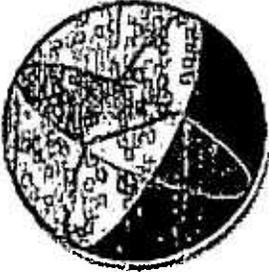
COVERAGES **CERTIFICATE NUMBER:** 1695706016 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
B	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE L MIT APPL ES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	Y		[REDACTED]	11/30/2022	11/30/2023	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COM/PROP AGG \$ 2,000,000 \$
B	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY <input type="checkbox"/> OTHER:			[REDACTED]	11/30/2022	11/30/2023	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED: RETENTION \$			[REDACTED]	11/30/2022	11/30/2023	EACH OCCURRENCE \$ 15,000,000 AGGREGATE \$ 15,000,000 \$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCR PTION OF OPERATIONS below	Y/N	N/A	[REDACTED]	11/30/2022	11/30/2023	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACC DENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
A	Cyber/Professional Liability Retrodate: 5/7/2014			[REDACTED]	11/30/2022	11/30/2023	Each Claim/ Aggregate Retention \$5M/\$5M \$50,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
 New Hampshire Department of Education is included as additional insured with respect to General Liability per attached endorsement where required by written contract.

CERTIFICATE HOLDER New Hampshire Department of Education 101 Pleasant Street Concord NH 03301	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
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WestEd.org

Our Mission

WestEd, a nonpartisan research, development, and service agency, works with education and other communities to promote excellence, achieve equity, and improve learning for children, youth, and adults.

**WESTED
(A JOINT POWERS AGENCY)**

**AUDITED FINANCIAL STATEMENTS
WITH SUPPLEMENTARY
COMPLIANCE INFORMATION**

November 30, 2022

WESTED
(A JOINT POWERS AGENCY)

AUDITED FINANCIAL STATEMENTS
WITH SUPPLEMENTARY COMPLIANCE INFORMATION
November 30, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
WestEd
San Francisco, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of WestEd, as of and for the year ended November 30, 2022, and the related notes to the financial statements, which collectively comprise the WestEd's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of WestEd, as of November 30, 2022, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of WestEd, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the WestEd's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the WestEd's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the WestEd's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on page 3 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

(Continued)

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise WestEd's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2023 on our consideration of WestEd's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of WestEd's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering WestEd's internal control over financial reporting and compliance.



Crowe LLP

Costa Mesa, California
March 24, 2023

WESTED
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED NOVEMBER 30, 2022
(UNAUDITED)

The following discussion and analysis provides an overview of the financial position and activities of WestEd for the year ended November 30, 2022. It also includes historical data and highlights various financial measures that can be used to assess WestEd's financial condition. This discussion has been prepared by management and should be read in conjunction with the financial statements contained in the following section.

BACKGROUND

WestEd was established as a California Joint Powers Agency (JPA) by Far West Laboratory for Educational Research and Development (FWL) and Southwest Regional Laboratory for Educational Research and Development (SWRL) in 1995. JPAs are public entities formed pursuant to the California Government Code (and consistent with similar statutes in Arizona, Nevada, and Utah), by two or more other public entities.

Both FWL and SWRL were among the original regional educational laboratories established by Congress in 1966. WestEd, like its founding agencies, continues to serve the states of Arizona, California, Nevada, and Utah as the U.S. Department of Education's designated Regional Educational Laboratory - West. The agency's work, administered within three divisions, now extends throughout the United States and abroad. WestEd currently employs 972 regular staff in thirteen offices nationwide.

Sources of Operating Revenue

The agency's contract and grant funding is currently derived from the funding sources listed below.

SOURCES OF OPERATING REVENUE

(\$ in thousands)

	FY 2022	Percent	FY 2021	Percent
Federal Agencies	\$64,898	31%	\$51,047	30%
State Agencies	62,485	29%	40,883	24%
Local Educational Agencies	31,000	15%	30,818	18%
Foundations	12,126	6%	15,402	9%
Other	41,169	19%	33,113	19%
Total	\$211,678	100%	\$171,263	100%

WestEd's funding is obtained primarily through competitive contracts and grants, sole source contracts and grants, and the provision of products and services to clients. WestEd receives contract and grant funding from a variety of organizations and entities, including governmental agencies (federal, state, and local), private foundations, for-profit companies, and other educational organizations (primarily through subcontracts). WestEd does not have an endowment or guaranteed source of financial support. Since its grants and contracts are both short term and multiyear, a certain percentage of the agency's revenue must be replaced each year.

(Continued)

WESTED
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED NOVEMBER 30, 2022
(UNAUDITED)

BACKGROUND (continued)

Grants vs. Fee Contracts

The mix between contracts and grants received at WestEd is an important factor in the agency's ability to raise working capital to support operations. Grants permit the recovery of actual costs incurred only up to the amount of the award. The best financial outcome from income received by grants is break-even (unlike contracts, which may be fee bearing or fixed price and include a target fee). Contracts that are fee bearing have fees budgeted in a range of three to five percent in most cases.

Nonoperating Revenue

WestEd also generates nonoperating revenue from leasing excess building space, sale of publications, investments, and royalties. Revenue generated from the remaining nonoperating income sources does not have any restriction.

Principal Cost Areas

Agency expenditures include direct costs and indirect costs.

Direct costs, representing 86.6% of revenue for the year ended November 30, 2022, are those directly associated with project work. Direct costs include standard direct costs, and service center costs. Standard direct costs include salaries, benefits, travel, consultants, subcontracts, and facilities. Service center costs, related to activities directly supporting project work, include information technology, human resources, general administration, and program services. These costs are considered "direct" for cost accounting purposes and are part of the base used for allocating indirect costs.

Indirect costs include those related to supporting the Board of Directors, the CEO's office, communications, resource development, contracts, legal, accounting, and finance activities. WestEd's approved provisional indirect rate for fiscal year 2022 was 14.20%. This rate is negotiated every year with the US. Department of Education and accepted by all other Federal Agencies. Actual indirect rate at year-end was 14.31%. The indirect rate is applied to modified direct costs. Modified direct costs are total direct costs less items of equipment, alterations and renovations, stipends, and the portion of each competitive bid sub-award in excess of \$25,000 per year.

The information presented in the following section should be read in the context of WestEd's cost structure, as described above.

(Continued)

WESTED
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED NOVEMBER 30, 2022
(UNAUDITED)

FINANCIAL HIGHLIGHTS

- Total Operating Revenues through the fiscal year ended November 30, 2022, were \$211.7 million compared to \$171.3 million in FY 2021, an increase of \$40.4 million (23.6%). Expenses were managed and WestEd ended the year profitably with a positive operating income margin of 2.5%.
- Change in net position for the fiscal year ended November 30, 2022 was \$1.6 million compared with \$5.8 million in FY 2021, a decrease of \$4.2 million (72.4%).
- WestEd's financial position at November 30, 2022, included total assets of \$158.0 million, liabilities of \$53.3 million and deferred inflow of resources of \$0.7 million. Net position, which represents the residual interest in WestEd's assets after liabilities are deducted, totaled \$104.0 million. The capital assets component of the net position total was \$11.0 million, restricted net position was \$1.4 million and the unrestricted net position component was \$91.6 million as of November 30, 2022. WestEd's net position on November 30, 2021, was \$102.5 million.
- WestEd implemented GASB Statement No. 87, *Leases* (GASB 87), effective December 1, 2021. This statement requires leases to be recognized and measured using facts and circumstances that existed at the beginning of the period of implementation. The implementation had no impact to beginning net position, therefore fiscal year 2021 balances have not been restated. Assets and Liabilities for the current fiscal year have increased by \$8.2 million and \$8.6 million respectively. Prior fiscal year balances presented in the MD&A were not adjusted to reflect the impacts of GASB 87.

STATEMENTS OF NET POSITION

The statements of net position present the financial position of the organization at the end of an accounting period and include all assets, liabilities, and deferred inflow of resources of WestEd. The difference between total assets, total liabilities and deferred inflow of resources is net position. This is one indicator of the current financial condition of WestEd. While the change in net position is an indicator of whether the overall financial condition has improved or worsened during the reporting period, it is not the only indicator. This should be looked at within the context of other financial measures.

Assets and liabilities are generally measured using current values. This does not include capitalized items that are measured by their historical cost, less accumulated depreciation.

(Continued)

WESTED
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED NOVEMBER 30, 2022
(UNAUDITED)

STATEMENTS OF NET POSITION (continued)

A comparison of WestEd's assets, liabilities, deferred inflow of resources and net position at November 30, 2022, and 2021, is as follows:

STATEMENTS OF NET POSITION

(\$ in thousands)

	FY 2022	FY 2021
Current assets	\$ 86,069	\$66,250
Long-term investments	60,362	69,383
Capital assets, net	11,052	3,826
Long-term lease receivable	479	-
Total assets	157,962	139,459
Current liabilities	46,093	36,020
Long-term accrued vacation	877	987
Long-term lease liabilities	6,237	-
Total liabilities	53,207	37,007
Deferred inflow of resources related to leases	738	-
Total deferred inflow of resources	738	-
Net position	\$ 104,017	\$102,452

Current Assets

Current assets consist primarily of cash, trade accounts receivable, lease receivable, short-term investments, publications inventory, prepaid expenses and other assets. These accounts totaled \$86.0 million at November 30, 2022 and \$66.3 million at November 30, 2021. Receivables increased year over year, driven largely by California State Agencies. Additionally, \$8 million of Short-Term Investments and \$3 million of Long-Term Investments were converted to cash during FY 2022 to fund increased working capital needs.

Long-Term Investments

Long-term investments are securities that have a maturity date of more than one year that totaled \$60.4 million at November 30, 2022 and \$69.4 million at November 30, 2021. The decrease in fiscal year 2022 was due to a net decrease in the purchases of longer-term securities and a portion was converted to cash to fund working capital as noted above.

Capital Assets- Property and Equipment

Property and equipment consist of building and leasehold improvements, equipment, and furniture. Property and equipment totaled \$3.6 million at November 30, 2022 and \$3.8 million at November 30, 2021. The decrease in fiscal year 2022 was primarily due to routine depreciation.

(Continued)

WESTED
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED NOVEMBER 30, 2022
(UNAUDITED)

STATEMENTS OF NET POSITION (continued)

Capital Assets – Lease Right-to-Use

Effective December 1, 2021, WestEd has implemented Governmental Accounting Standards Board Statement 87 (GASB 87) that changes how WestEd records many of its operating leases. The foundational principle behind the change is that these leases are not just regular monthly expenses but rather are a type of long-term financing and, therefore, both an asset and a liability need to be recorded. In the case where WestEd is leasing office space from others, WestEd will now record a non-current asset representing the right to use that office space for the period of the lease. This is now a line item under Capital Assets called "Lease Right-to-Use" with a balance as of November 30, 2022, of \$7.4 million.

Long-Term Lease Receivable

Lease receivable represents the present value of lease payments expected to be received during the lease term over one year. Total long term lease receivable amounted to \$0.5 million.

Current Liabilities

Current liabilities consist of accounts payable and accrued liabilities, accrued compensation and benefits, accrued vacation, contract advances and lease liabilities. These accounts totaled \$46.1 million at November 30, 2022, and \$36.0 million at November 30, 2021. The increase of \$10.1 million (28.0%) in FY 2022 was due to increases in accounts payable, contract advances, lease liabilities, accrued compensation and benefits.

Long-Term Accrued Vacation

Long-term accrued vacation consists of total accrued vacation less current portion. Long term accrued vacation totaled \$0.9 million at November 30, 2022, and \$0.9 million at November 30, 2021.

Long-Term Lease Liabilities

Long-term lease liabilities represent the present value of future lease payments over one year. This is now a line item on WestEd's Statements of Consolidated Net Position called "Lease-Liability" with a balance as of November 30, 2022, of \$6.2 million. Over the period of the lease, WestEd will book amortization of the Lease-Right to Use asset and will also reduce the Lease-Liability by actual lease payments when made and recognize derived interest expense. WestEd is both a lessee and a lessor.

Deferred Inflow of Resources

Deferred inflow of resources represents an acquisition of net position that is applicable to a future reporting period. Total deferred inflow of resources amounted to \$0.7 million.

Net Position

The net position balance represents the residual interest in WestEd's assets after liabilities and deferred inflow of resources are deducted. WestEd's net position at November 30, 2022 and 2021 is summarized below.

(Continued)

WESTED
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED NOVEMBER 30, 2022
(UNAUDITED)

STATEMENTS OF NET POSITION (continued)

NET POSITION
(\$ in thousands)

	FY 2022	FY 2021
Net Investment In capital assets	\$11,053	\$3,826
Restricted	1,387	1,132
Unrestricted	91,577	97,494
Total net position	\$104,017	\$102,452

Net investment in capital assets consists of capital assets net of accumulated depreciation and amortization.

Restricted net position represents royalties from the California Department of Education that are restricted in their use.

Unrestricted net position represents funds that have no restrictions concerning their use. They can be used to fund any WestEd activity. The decrease of \$5.9 million in unrestricted was due to the recording of lease right-to-use capital assets in the amount of \$7.4 million, and positive operating income and non-operating revenues (expenses) of \$1.5 million .

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The statements of revenues, expenses, and changes in net position present WestEd's results of operations during the current year ended November 30, 2022, and 2021.

CHANGES IN NET POSITION
(\$ in thousands)

	FY 2022	FY 2021
Operating revenues		
Federal Agencies	\$64,898	\$51,047
State Agencies	62,485	40,883
Local Educational Agencies	31,000	30,818
Foundations	12,126	15,402
Other	41,169	33,113
Total operating revenues	211,678	171,263
Operating expenses	206,300	164,807
Total operating income	5,378	6,456
Non-operating revenues (net of Non-operating expenses)	(3,813)	(617)
Changes in net position	\$1,565	\$5,839

(Continued)

WESTED
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED NOVEMBER 30, 2022
(UNAUDITED)

WestEd's operating revenues increased by 23.6% in fiscal year 2022 compared to fiscal year 2021. The increase was due to the year-over-year increase in Federal, State, and Other funding source categories.

Operating income in the fiscal year ended November 30, 2022, was \$5.4 million, a decrease of \$1.1 million compared to 2021.

Non-operating revenues (net of non-operating expenses) decreased by \$3.2 million in fiscal year 2022 primarily due to an increase in net unrealized investment losses.

Request for Information

We hope that the preceding information has provided you with a general overview of WestEd's overall financial status. For questions or comments concerning information contained in this report, please contact the Office of the Controller, 3020 Old Ranch Parkway, Suite 220, Seal Beach, CA 90740.

FINANCIAL STATEMENTS

WESTED
STATEMENT OF NET POSITION
November 30, 2022

	<u>2022</u>
ASSETS	
Current assets	
Cash and cash equivalents	\$ 22,636,270
Short-term investments	5,840,929
Receivables	54,033,394
Inventory	218,572
Prepaid expenses and other assets	3,073,827
Lease receivable	<u>265,841</u>
Total current assets	86,068,833
Long-term investments	60,362,326
Capital assets, net	11,052,641
Long-term lease receivable	<u>478,446</u>
Total assets	<u>\$ 157,962,246</u>
LIABILITIES	
Current liabilities	
Accounts payable and accrued liabilities	\$ 9,281,985
Accrued compensation and benefits	14,013,780
Accrued vacation	5,867,182
Advances	15,049,704
Lease liabilities	<u>1,880,208</u>
Total current liabilities	46,092,859
Long-term accrued vacation	877,390
Long-term lease liabilities	<u>6,236,522</u>
Total liabilities	<u>53,206,771</u>
DEFERRED INFLOW OF RESOURCES	
Deferred inflow of resources related to leases	<u>738,070</u>
Total deferred inflow of resources	<u>738,070</u>
NET POSITION	
Net position	
Net investment in capital assets	11,052,641
Restricted	1,387,567
Unrestricted	<u>91,577,197</u>
Total net position	<u>104,017,405</u>
Total liabilities, deferred inflow of resources, and net position	<u>\$ 157,962,246</u>

The accompanying notes are an integral part of the financial statements.

WESTED
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the year ended November 30, 2022

	<u>2022</u>
Operating revenues:	
Federal Agencies	\$ 64,897,986
State Agencies	62,484,947
Local Education Agencies	31,000,415
Foundations	12,126,489
Other	<u>41,168,587</u>
Total operating revenues	<u>211,678,424</u>
Operating expenses:	
Direct expenses	
Employee compensation and benefits	110,883,026
Subawards, subcontracts, outside services, travel, and other direct costs	<u>72,356,335</u>
Total direct expenses	183,239,361
Indirect expenses	<u>23,061,450</u>
Total operating expenses	<u>206,300,811</u>
Operating income	5,377,613
Non-operating revenues (expenses):	
Rental and parking, net	403,373
Publication sales, net	84,795
Investment income (loss), net	(3,704,160)
Other revenues	31,094
Other expenses	<u>(628,196)</u>
Total non-operating revenues (expenses)	<u>(3,813,094)</u>
Changes in net position	1,564,519
Net position, beginning of year	<u>102,452,886</u>
Net position, end of year	<u>\$ 104,017,405</u>

The accompanying notes are an integral part of the financial statements.

WESTED
STATEMENT OF CASH FLOWS
For the year ended November 30, 2022

	<u>2022</u>
Cash flows from operating activities	
Federal agencies	\$ 62,111,393
State agencies	49,363,120
Local education agencies	32,423,261
Foundations	12,282,638
Other	44,234,169
Other (payments) receipts	(202,376)
Cash payments to employees for direct expense services	(108,477,821)
Cash payments for subawards, subcontracts, outside services, travel, and other direct costs	(65,844,038)
Cash payments for indirect costs	<u>(23,539,087)</u>
Net cash provided by operating activities	2,351,259
Cash flows from capital and related financing activities	
Purchases of fixed assets	(642,691)
Principal and interest received on leases	99,761
Principal and interest paid on leases	<u>(1,882,297)</u>
Net cash used in financing activities	(2,425,227)
Cash flows from investing activities	
Purchase of investments	(17,186,370)
Proceeds from sales and maturities of investments	26,694,320
Interest received	<u>1,203,569</u>
Net cash provided by investing activities	<u>10,711,519</u>
Net increase in cash and cash equivalents	10,637,551
Cash and cash equivalents at beginning of year	<u>11,998,719</u>
Cash and cash equivalents at end of year	<u>\$ 22,636,270</u>
Reconciliation of operating income to net cash provided by (used in) operating activities	
Operating Income	\$ 5,377,613
Depreciation and amortization	2,677,109
Loss on disposal of fixed assets	3,191
Other revenue	(169,866)
Increase in receivables	(13,832,258)
Decrease in inventory	23,624
Increase in lease liabilities	690,068
Increase in prepaid expenses and other assets	(501,261)
Increase in accounts payable and accrued liabilities	3,109,419
Increase in accrued compensation and benefits	1,906,489
Increase in accrued vacation	498,717
Increase in advances	<u>2,568,414</u>
Net cash provided by operating activities	<u>\$ 2,351,259</u>

The accompanying notes are an integral part of the financial statements.

WESTED
NOTES TO FINANCIAL STATEMENTS
November 30, 2022

NOTE 1 – ORGANIZATION

WestEd is a Joint Powers Agency and was established on December 1, 1995, pursuant to the provisions of Title 1, Division 7, Chapter 5, Article I of the California Government Code. WestEd was established as a public agency for the joint exercise of powers between Far West Regional Laboratory for Educational Research and Development ("FWL") and Southwest Regional Laboratory for Educational Research and Development ("SWRL"). WestEd operations are involved in education research, development and service dedicated to improving education and other opportunities for children, youth and adults. In addition to its work across the nation, WestEd serves as the regional education laboratory for Arizona, California, Nevada and Utah.

WestEd is governed by a Board of Directors (the "Board"), the members of which includes designated board members of FWL and SWRL, and additional members as appointed by the Board.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of WestEd conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). The significant accounting policies are herein described to enhance the usefulness of the accompanying financial statements to the reader.

Fund Accounting: The accounts of WestEd are organized on the basis of an enterprise fund, the operations of which are accounted for with a set of self-balancing accounts that comprise its assets, liabilities, net position, revenues and expenses.

Basis of Accounting: The accompanying financial statements have been prepared on the accrual basis in accordance with generally accepted accounting principles. Under the accrual basis, revenue is recorded when earned and expenses are recorded when incurred, without regard to the timing of cash receipt or payment.

Use of Estimates: The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Actual results could differ from the estimates.

Funding Sources: WestEd's operations are principally funded through contracts and grants awarded by the federal government, state agencies, local governments, and other private entities.

Revenue Recognition for Grants and Contracts: Revenue is deemed to be earned and reported when all eligibility requirements imposed by the provider have been met. In addition, for income derived from royalty and tuition type contracts, WestEd will recognize revenues when earned as defined per contract agreement. Losses on contracts are recognized when identified.

Cost Allocation: Expenses identified with specific projects are charged directly to the appropriate grant or contract. Occupancy costs are allocated on the basis of labor hours. Fringe benefits are allocated at a target rate of 63.0% (43.5% for fringe and 19.5% for leave) of employees' direct labor costs for 2022. Indirect expenses are allocated to all grants, contracts and other non-operating expenses based on direct costs. The actual indirect rate was 14.31% for 2022. Indirect costs on sub-award costs are only charged to the first \$25,000 of costs of each sub-award per year.

In accordance with policies adopted by the U.S. Department of Education, WestEd uses cost principles set forth in OMB Uniform Grant Guidance.

(Continued)

WESTED
NOTES TO FINANCIAL STATEMENTS
November 30, 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents: WestEd considers all short-term investments purchased with a maturity of three months or less to be cash equivalents. Investments that have characteristics of demand deposits allowing WestEd to deposit or withdraw funds at any time without prior notice or penalty are included in cash equivalents.

Receivables: Receivables include amounts owed to WestEd from private individuals or organizations for services rendered. Included in receivables are unbilled amounts for which the services have been rendered but not yet billed.

Allowance for Uncollectible Receivables: A portion of receivables are estimated not to be collectible. The balance in this account is reported as a deduction from receivables to indicate a net receivables amount.

Lessee: WestEd is a lessee for noncancellable leases of office space and equipment. WestEd recognizes a lease liability and a right-to-use lease asset (lease asset) in the government-wide financial statements. WestEd recognizes lease liabilities with an initial, individual value of \$5,000 or more. At the commencement of a lease, WestEd initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how WestEd determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- WestEd uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, WestEd generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that WestEd is reasonably certain to exercise.

WestEd monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets, lease liabilities and deferred inflow of resources on the statement of net position.

Lessor: WestEd is a lessor for a noncancellable lease of an office space. WestEd recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, WestEd initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

(Continued)

WESTED
NOTES TO FINANCIAL STATEMENTS
November 30, 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Key estimates and judgments include how WestEd determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- WestEd uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

WestEd monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Investments: WestEd records investments at fair value on the Statement of Net Position. The fair value of investments, primarily debt securities, is based on quoted market values. Unrealized gains and losses on investments are included in nonoperating revenues as net investment income or loss. Short-term investments are securities that have a maturity date of one year or less, net of cash equivalents. Long-term investments are securities that have a maturity date of more than one year.

Inventory: Inventory consists of publications and supplies and are stated at the lower of cost or market value using the first in, first out cost allocation method.

Capital Assets- Property and Equipment: Acquisitions of property and equipment costing \$5,000 or more are capitalized. Property and equipment are carried at historical cost. Maintenance, repairs and renewals, which neither materially add to the value of the property nor appreciably prolong its life, are charged to expense as incurred. Gains or losses on dispositions of property and equipment are included in other non-operating revenues.

Depreciation and amortization of property and equipment are provided on the straight-line method over the following useful lives:

Building Improvements	3 - 30 years
Leasehold Improvements	3 - 10 years
Office Furniture and Equipment	5 - 10 years
Computer Equipment and Software	3 - 5 years
Right-to-use leased office space	3 - 15 years
Right-to-use leased equipment	5 - 10 years

Leasehold improvements and leases are amortized over the lesser of the useful life of the asset or term of the lease.

Accrued Vacation: It is WestEd's policy to permit employees to accumulate earned but unused vacation leave benefits. Such benefit is accrued as earned by employees. The estimated accrued vacation due within one year is included as current liability and the balance is included as a long-term liability.

Advances: Advances consist of amounts received on contracts, grants and agreements in excess of costs incurred. The amounts received in excess of costs will be recognized as revenue in the future as services are rendered and costs are incurred.

(Continued)

WESTED
NOTES TO FINANCIAL STATEMENTS
November 30, 2022

NOTE 3 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents at November 30, 2022, consist of:

	<u>2022</u>
Checking accounts	\$ 22,319,722
Money market funds	<u>316,548</u>
Total	<u>\$ 22,636,270</u>

The *California Government Code* requires California banks and savings and loan associations to secure WestEd's deposits by pledging government securities as collateral. The market value of pledged securities must equal 110% of an agency's deposits. California law also allows financial institutions to secure an agency's deposits by pledging first trust deed mortgage notes having a value of 150% of an agency's total deposits and collateral is considered to be held in the name of WestEd. As of November 30, 2022, WestEd had no bank balances exposed to custodial credit risk.

NOTE 4 – INVESTMENTS

WestEd's investment policies comply with California Government Code, which permits investments in U.S. Treasury obligations; U.S. agency obligations; Money market instruments including Bankers Acceptances, Certificates of Deposit and Commercial Paper; certain Medium Term Notes; Mortgage Pass-Through and Asset-Backed Securities; Supranational Securities; and certain Money Market Funds.

Investments include both short-term and long-term investments. WestEd held the following investments at November 30, 2022.

<u>Description</u>	<u>Moody's Rating</u>	<u>Fair Value</u>	<u>Weighted Average Yield</u>	<u>Weighted Average Maturity</u>	<u>Percentage of Portfolio</u>
<u>November 30, 2022</u>					
U.S. Treasury notes	Aaa	\$18,204,392	1.74%	3.04 years	27.50%
Federal Agencies	Aaa	15,795,510	1.56%	2.20 years	23.86%
Supranational	Aaa	5,282,132	0.67%	2.69 years	7.98%
U.S. corporate	A1	18,156,621	2.07%	2.65 years	27.42%
Asset-backed securities	Aaa	7,863,480	2.10%	3.38 years	11.88%
CMO	NR	<u>901,120</u>	4.41%	6.82 years	<u>1.36%</u>
Total investments		<u>\$ 66,203,255</u>			<u>100.00%</u>

Interest Rate Risk: Interest rate risk refers to the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that WestEd manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing as necessary to provide cash flow and liquidity needed for operations.

(Continued)

WESTED
NOTES TO FINANCIAL STATEMENTS
November 30, 2022

NOTE 4 – INVESTMENTS (Continued)

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, WestEd will not be able to recover the value of its investments that are in the possession of an outside party. At year-end, WestEd's total investment balance is not exposed to custodial credit risk and there was no securities lending.

Credit Risk: WestEd's investment policy is controlled by Section 53601 of the California Government Code. Per Section 53601.7, investments in long-term debt shall be rated at least "A" without regard to modifiers by Standard & Poor's Corporation, Moody's Investors Service, or Fitch Ratings. As of November 30, 2022, WestEd is in compliance with its investment policies regarding credit risk.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The table below indicates the investments held with any one issuer representing more than 5% of total investments.

At November 30, 2022, the credit ratings of investments by investment type were as follows:

Investments	Moody's Rating	% of Portfolio
Fed Home Loan Bank	Aaa	9%
Fed National Mortgage Association	Aaa	7%
U. S. Treasury notes	Aaa	<u>27%</u>
		43%
Other issuers (in aggregate)	Aaa – NR	<u>57%</u>
		<u>100%</u>

Investment and management fees aggregating \$64,811 were paid for the year ended November 30, 2022. WestEd had a net unrealized loss totaling \$4,742,755 in 2022. For the years ended November 30, 2022, WestEd recognized a net realized loss of \$164,974. Net realized gains and losses were recorded net of related investment and management fees. Realized gains and losses on investments that had been held in more than one fiscal year and sold in the current year may have been recognized as an increase or decrease in the fair value of investments reported in the prior year.

Fair Value of Investments: WestEd measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. The fair value hierarchy is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value on a recurring basis as of November 30, 2022:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets.

Level 2 - Significant other observable inputs such as quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable or can be corroborated by observable market data.

Level 3 – Unobservable inputs should be developed using the best information available under the circumstances, which might include WestEd's own data. WestEd should adjust that data if reasonable available information indicates that other market participants would use different data or certain circumstances specific to WestEd are not available to other market participants.

WestEd's investments as of November 30, 2022, were all calculated using Level 2 inputs.

(Continued)

WESTED
NOTES TO FINANCIAL STATEMENTS
November 30, 2022

NOTE 5 – RECEIVABLES

Receivables at November 30, 2022, consist of the following:

	<u>2022</u>
Due from Federal Agencies	\$ 9,249,984
Due from State Agencies	32,471,348
Due from Local Education Agencies	4,727,656
Due from Foundations	524,621
Due from Other	<u>7,329,788</u>
	54,303,397
Less allowance for doubtful accounts	<u>(270,003)</u>
Total	<u>\$ 54,033,394</u>

NOTE 6 – LEASE RECEIVABLE AND DEFERRED INFLOW OF RESOURCES

During the current fiscal year, WestEd renewed leasing one of its floors of its building to a third party. The lease is for thirty-six months and WestEd will receive variable monthly payments of \$22,045 - \$24,810 per month. WestEd recognized \$86,041 in lease revenue and \$7,502 in interest revenue during the current fiscal year related to this lease. As of November 30, 2022, WestEd's receivable for lease payments was \$744,287. Also, WestEd has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of November 30, 2022, the balance of the deferred inflow of resources was \$738,070.

NOTE 7 – CAPITAL ASSETS

Changes in property and equipment for the year ended November 30, 2022, are shown below:

	Balance December 1, <u>2021</u>	<u>Additions</u>	<u>Deductions</u>	Balance November 30, <u>2022</u>
Building improvements and leasehold improvements	\$ 16,645,865	\$ 235,125	\$ 104,729	\$ 16,776,261
Furniture	2,838,119	225,247	328,000	2,735,366
Equipment	<u>2,227,563</u>	<u>180,869</u>	<u>198,146</u>	<u>2,210,286</u>
Total property and equipment	<u>21,711,547</u>	<u>641,241</u>	<u>630,875</u>	<u>21,721,913</u>
Less accumulated depreciation:				
Building improvements and leasehold improvements	13,268,395	614,821	104,729	13,778,487
Furniture	2,601,484	121,310	326,359	2,396,435
Equipment	<u>2,015,332</u>	<u>97,509</u>	<u>198,046</u>	<u>1,914,795</u>
Accumulated depreciation	<u>17,885,211</u>	<u>833,640</u>	<u>629,134</u>	<u>18,089,717</u>
Property and equipment, net	<u>\$ 3,826,336</u>	<u>\$ (192,399)</u>	<u>\$ 1,741</u>	<u>\$ 3,632,196</u>

(Continued)

WESTED
NOTES TO FINANCIAL STATEMENTS
November 30, 2022

NOTE 7 – CAPITAL ASSETS (Continued)

Changes in lease right-to-use for the year ended November 30, 2022, are shown below:

	Balance December 1, <u>2021</u>	<u>Additions</u>	<u>Deductions</u>	Balance November 30, <u>2022</u>
Right-to-use-leased office space	\$ 9,149,738	\$ -	\$ 2,055	\$ 9,147,683
Right-to-use leased equipment	116,255	-	24	116,231
Total Right-to-use leases	<u>9,265,993</u>	<u>-</u>	<u>2,079</u>	<u>9,263,914</u>
Less accumulated amortization:				
Right-to-use leased office space	-	1,812,474	-	1,812,474
Right-to-use leased equipment	-	30,995	-	30,995
Accumulated amortization	<u>-</u>	<u>1,843,469</u>	<u>-</u>	<u>1,843,469</u>
Right-to-use leases, net	<u>\$ 9,265,993</u>	<u>\$ (1,843,469)</u>	<u>\$ 2,079</u>	<u>\$ 7,420,445</u>
Property, equipment and Right-to-use, net	<u>\$ 13,092,329</u>	<u>\$ (2,035,868)</u>	<u>\$ 3,820</u>	<u>\$ 11,052,641</u>

The depreciation expense for the year ended November 30, 2022 was \$833,640 and amortization expense was \$1,843,469. The Los Alamitos building and San Francisco land and building in which WestEd maintains operations, are recorded in the accounting records of SWRL and FWL, respectively.

NOTE 8 – ADVANCES

Advances at November 30, 2022, consist of the following:

	<u>2022</u>
Contract advances	\$ 15,018,798
Tenant advances	<u>30,906</u>
Total	<u>\$ 15,049,704</u>

These advances will be realized in the future as services are rendered and costs are incurred.

NOTE 9 – ACCRUED VACATION

Accrued vacation for the year ended November 30, 2022, are as follows:

	<u>2022</u>
Beginning balance, December 1	\$ 6,245,855
Additions	7,653,219
Reductions	<u>(7,154,502)</u>
Ending balance, November 30, 2022	6,744,572
Current portion-due within one year	<u>5,867,182</u>
Long-term portion	<u>\$ 877,390</u>

(Continued)

WESTED
NOTES TO FINANCIAL STATEMENTS
November 30, 2022

NOTE 10 – LEASE LIABILITY

WestEd entered into six office leases and one equipment lease. The leases have interest rate of 0.25%, and a remaining estimated life of between 2 – 6 years. WestEd made \$1,859,477 in principal payments and \$22,820 of interest payments related to these leases for the fiscal year ended November 30, 2022.

Principal and interest payments thereafter:

Year ending November 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,880,208	\$ 18,173	\$ 1,898,381
2024	1,796,710	13,396	1,810,106
2025	1,366,978	9,524	1,376,502
2026	1,374,442	6,119	1,380,561
2027	1,039,016	2,909	1,041,925
2028	<u>659,376</u>	<u>692</u>	<u>660,068</u>
Total lease liability	<u>\$ 8,116,730</u>	<u>\$ 50,813</u>	<u>\$ 8,167,543</u>

NOTE 11 – RETIREMENT AND FLEXIBLE BENEFIT PLANS

WestEd provides a defined contribution annuity purchase retirement plan for all regular and fixed-term, full-time and eligible part-time employees. Contributions are equal to 15% of the participants' salary subject to Internal Revenue Service (IRS) limits, are funded as incurred, and were \$14,818,580 for the year ended November 30, 2022.

In addition, eligible employees may make additional contributions to a Supplemental Retirement/Tax Deferred Annuity (SRA). The amount the employee may contribute pre-tax is based on an Internal Revenue Service (IRS) formula.

Employees also have the option of participating in a contributory Flexible Benefit Plan. Employees make voluntary contributions of pre-tax wages. Based on the contributions, the plan reimburses employees for qualified expenses which amounted to \$948,035 for the year ended November 30, 2022.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

Federal Contracts: Federal contracts and grants are subject to government review within three to five years of the contract's expiration. In the opinion of management, any disallowed expenditures resulting from government review would not have a material adverse effect on the overall financial statements at November 30, 2022.

NOTE 13 – RELATED PARTIES

WestEd is provided office space to conduct its operations in Los Alamitos, California and San Francisco, California. These office spaces are owned by FWL and SWRL and are provided to WestEd free of charge.

SUPPLEMENTARY INFORMATION

WESTED
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the year ended November 30, 2022

<u>Federal Granting Agency/Program Name</u>	<u>Pass-Thru ID Number</u>	<u>Assistance Listing Number</u>	<u>Provided to Sub-Recipients</u>	<u>Program Expenditures</u>
RESEARCH AND DEVELOPMENT CLUSTER:				
U.S. Department of Education – Direct:				
Comprehensive Regional Assistance Centers	N/A	84.283B	\$ -	\$ 6,504,168
Comprehensive Regional Assistance Centers	N/A	84.283B	443,295	2,549,122
Comprehensive Regional Assistance Centers	N/A	84.283B	<u>20,152</u>	<u>1,597,220</u>
Comprehensive Centers		84.283B	463,807	10,650,510
Sub-baccalaureate Career and Technical Education:				
A Study of Institutional Practices, Labor Market Demand, and Student Outcomes in Florida	N/A	84.305	-	287,828
Improving Children’s Understanding of Mathematical Equivalence: An Efficacy Study	N/A	84.305A	-	1,234
Word Learning Strategies: A Program for Upper-Elementary Readers	N/A	84.305A	-	125
Investigating the Use of Virtual Labs to Promote Chemical Reasoning and Practice Skills	N/A	84.305A	-	112,757
Exploring the Spatial Alignment Hypothesis in STEM Learning Environments	N/A	84.305A	-	205,313
Efficacy of ASSISTment Online Homework Support for Middle School Mathematics Learning: A Replication Study	N/A	84.305A	-	284,464
Efficacy Study of Adventures Aboard the S.S.GRIN: Social, Emotional, and Academic Skills	N/A	84.305A	36,187	652,296
Efficacy Study of an Integrated Science and Literacy Curriculum for Young Learners	N/A	84.305A	-	699,863
An Efficacy Study of the Math Spring Personalized Learning System That Responds to Student Affect	N/A	84.305A	156,552	585,723
Does School-Level Fiscal Flexibility Reduce Inequality in Student Achievement? New Evidence from Title I	N/A	84.305A	-	285,636
Improving Outcomes and Accelerating Completion with Corequisite Remediation in Mathematics: An Efficacy Study	N/A	84.305A	-	669,389
Exploring Trends and Heterogeneity in the Timing and Effects of English Learner Reclassification: A Systematic Review and Meta-Analysis	N/A	84.305A	64,526	174,955
Evaluating the Efficacy of Math by Example	N/A	84.305A	238,189	693,922
Formative Assessment Bundling Literacy and Elementary Science in the NGSS	N/A	84.305A	274,813	585,209
Leveraging Technology to Improve Children’s Understanding of Mathematical Equivalence	N/A	84.305A	111,828	408,265
Elevating Engineering with English Learners	N/A	84.305A	-	161,248
Improving Children’s Math Skills through a Personalized Early Learning Technology Solution: An Efficacy Study	N/A	84.305A	-	74,295

(Continued)

WESTED
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended November 30, 2022

<u>Federal Granting Agency/Program Name</u>	<u>Pass-Thru ID Number</u>	<u>Assistance Listing Number</u>	<u>Provided to Sub-Recipients</u>	<u>Program Expenditures</u>
U.S. Department of Education – Direct (Continued):				
National Research and Development Center to Improve Education for Secondary English Learners	N/A	84.305C	\$ 527,802	\$ 1,738,222
Continuous Improvement of a What Works Clearinghouse Rated Early Mathematics Intervention	N/A	84.305H	-	345
Adult Numeracy in the Digital Era: Adaptive Technology for Quantitative and Digital Literacy	N/A	84.305N	12,523	492,853
A Systematic Replication Study of Interleaved Mathematics Practice	N/A	84.305R	-	149,452
National Replication Study of the Effects of Self-Affirmation on Black and Latinx Students' Academic, Disciplinary and Socio-emotional Outcomes in Different School Settings	N/A	84.305R	-	<u>186,483</u>
Education Research, Development and Dissemination		84.305	1,422,420	8,449,877
Collective Impact for Part C Child Find	N/A	84.326M	-	344,398
Special Education: Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	N/A	84.326R	-	<u>7,198,468</u>
Special Education, Technical Assistance and Dissemination		84.326	-	7,543,406
The Early Math Initiative: Scaling an Innovative Intervention to Prepare Children from Elementary School Mathematics	N/A	84.411A	-	3,281,388
Accelerating Literacy through Self-Regulation, Collaboration and Persistence: Reading Apprenticeship in North Carolina	N/A	84.411B	-	676,242
Citizen Math: Using Math Class to Create Informed, Thoughtful, and Productive Citizens	N/A	84.411B	-	<u>1,044,175</u>
i3 Investing in Innovation Fund		84.411	-	5,001,805
EAC Region IV--Western Educational Equity Assistance Center	N/A	84.004D	-	80,135
Systematic Replication of Pre-K Mathematics Tutorial: The Effect of Variation in the Intervention Delivery Model on Mathematics Achievement of At-Risk Preschool Children	N/A	84.324R	21,184	792,820
Special Education: Technical Assistance on State Data Collection – IDEA Fiscal Data Center	N/A	84.373F	-	10

(Continued)

WESTED
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended November 30, 2022

<u>Federal Granting Agency/Program Name</u>	<u>Pass-Thru ID Number</u>	<u>Assistance Listing Number</u>	<u>Provided to Sub-Recipients</u>	<u>Program Expenditures</u>
U.S. Department of Education – Direct (Continued):				
Center for IDEA Fiscal Reporting	N/A	84.373F	\$ -	\$ 3,942,119
Supporting Effective Teaching with Disciplinary Inquiry	N/A	84.423A	11,400	4,229,434
The Bridge Project: Statewide Supports for Future Illinois Principals of Color	N/A	84.423A	-	10,846
The Center to Improve Social and Emotional Learning and School Safety	N/A	84.424B	239,529	1,245,801
U.S. Department of Education – Passed-Through Others:				
<u>Passed through Maryland State Department of Education:</u>				
WestEd Service Plan for MSDE: Title I Four Domains Framework	C-00018211	84.010	-	5,972
<u>Passed through Westat, Inc.:</u>				
Region 14 Comprehensive Center	6730-S-002	84.283B	-	741,650
<u>Passed through North Carolina State University:</u>				
Improving Conceptual Knowledge in Upper Elementary Science with Scaffolded Sketch-Based Modeling	R305A210358	84.305A	-	90,273
<u>Passed through American Institutes for Research:</u>				
Evaluating the Effectiveness of ASSISTments for Improving Math Achievement	0440300002	84.305A	-	53,663
Building and Sustaining the Capacity of Local Math Coaches to Support College-and-Career-Ready Mathematics Instructions	0482000002	84.305A	-	18,643
Evaluation of PACT: Replication in a Train-the-Trainers Context ("Project")	0501100003	84.305R	-	26,764
<u>Passed through Arizona Department of Education:</u>				
State Personnel Development Grant	agreement 16-03-EDSG	84.323A	-	20
<u>Passed through Regents of the University of Minnesota:</u>				
National Technical Assistance Center	63235	84.326G	-	189,869
Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities and Technical Assistance on State Data Collection--National Assessment Center	A009735903	84.326G	-	209,102

(Continued)

WESTED
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended November 30, 2022

<u>Federal Granting Agency/Program Name</u>	<u>Pass-Thru ID Number</u>	<u>Assistance Listing Number</u>	<u>Provided to Sub-Recipients</u>	<u>Program Expenditures</u>
U.S. Department of Education – Passed-Through Others (Continued):				
<u>Passed through ASSISTments Foundation Inc.:</u>				
Recovering from COVID-Learning-Loss with a Platform to Support Human Tutoring	22-001	84.411B	\$	\$ 99,197
<u>Passed through Worcester Polytechnic Institute:</u>				
Scaling Teachers' Professional Development for ASSISTments	10756-GR	84.411B		279,626
<u>Passed through Sonoma State University:</u>				
Education Innovation and Research Program Early Phase	118065	84.411C	-	<u>114,166</u>
Total U.S. Department of Education			<u>1,715,045</u>	<u>43,775,798</u>
U.S. Department of Health and Human Services - Direct				
Predictive validity of ECERS-3 rating thresholds used in Quality Rating and Improvement Systems	N/A	93.575		2,942
U.S. Department of Health and Human Services – Passed-Through Others:				
<u>Passed through Urban Strategies LLC:</u>				
Teen Pregnancy Prevention Tier 2, Phase II Rigorous Evaluation of Promising Intervention	TP2AH000078	93.297		225,320
<u>Passed through Prisms of Reality, Inc.:</u>				
NIH Phase I SBIR Grant	1R43GM142301-01	93.859		84,000
<u>Passed through Killer Snails, LLC:</u>				
Venom Squad: Building Skills and Interest in Stem with Collaborative Augmented Reality	C-00019414	93.859		6,771
<u>Passed through Lighthouse, Inc.:</u>				
Interactive Digital Media STEM Resources for Pre-College and Informal Science Education Audiences (SBIR) (R43/44 Clinical Trial Not Allowed)	C-00016772	93.859		168,518

(Continued)

WESTED
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended November 30, 2022

<u>Federal Granting Agency/Program Name</u>	<u>Pass-Thru ID Number</u>	<u>Assistance Listing Number</u>	<u>Provided to Sub-Recipients</u>	<u>Program Expenditures</u>
U.S. Department of Health and Human Services – Passed-Through Others				
(Continued):				
<u>Passed through d'Vinci Interactive Inc.:</u>				
"Blueprint of Life" Genomic Literacy Tool: An interactive to enhance genetic and genomic understanding with middle/high school students and their teachers through personal genetics and human disease	2R44GM133222-02	93.859	\$ -	\$ 73,639
Total U.S. Department of Health and Human Services			\$ -	\$ 561,190
National Science Foundation – Direct:				
Modest Supports for Sustaining Professional Development Outcomes over the Long-Term	N/A	47.076	-	536
Professional Resources & Inquiry in Mathematics Education for K-8 Teacher Education	N/A	47.076	25,210	49,754
Video in the Middle: Flexible Digital Experiences for Mathematics Teacher Education	N/A	47.076	-	541,736
Scaling Up through Networked Improvement (SUNI): Testing a practical theory about improving math outcomes for developmental students at scale	N/A	47.076	63,404	595,628
An Efficacy Study of a Comprehensive, Middle School Science Curriculum that Integrates Disciplinary Core Ideas, Science and Engineering Practices, and Crosscutting Concepts	N/A	47.076	34,092	442,026
Teacher Professional Learning to Support Student Motivational Competencies During Science Instruction	N/A	47.076	-	89,251
Collaborative Research: Building a Computational Thinking Foundation in Upper Elementary Science with Narrative-Centered Maker Environments	N/A	47.076	-	107,360
NSF INCLUDES: Supporting Emerging Aquatic Scientists (SEAS) Islands Alliance	N/A	47.076	-	138,789
Supporting Instructional Decision Making: The Potential of Automatically Scored Three-dimensional Assessment System	N/A	47.076	-	152,686
Boosting Data Science Teaching and Learning in STEM	N/A	47.076	96,086	818,419
Examining the Role of Racial Identity and Personal Experiences in Equity-focused Computer Science Learning	N/A	47.076	-	123,412
Computer Science Connections: Using Data Science to Broaden Participation in Middle School	N/A	47.076	50,820	140,417
Examining Transfer Between Programming Languages in Computer Science	N/A	47.076	-	41,709

(Continued)

WESTED
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the year ended November 30, 2022

<u>Federal Granting Agency/Program Name</u>	<u>Pass-Thru ID Number</u>	<u>Assistance Listing Number</u>	<u>Provided to Sub-Recipients</u>	<u>Program Expenditures</u>
National Science Foundation – Direct (Continued):				
Empowering Changemakers: Urban Biodiversity Initiative for Teachers and Youth	N/A	47.076	\$ -	\$ 64,400
Collaborative Research: Analogy Training to Promote Science Learning	N/A	47.076	-	601
Education and Human Resources - Direct	N/A	47.076	269,612	3,306,724
GP-IN: GLOBE Youth Geoscientists Program	N/A	47.050	86,909	148,871
Understanding Teacher Enactment of New Science Standards and Needs for Implementation Support	N/A	47.RD	-	374
National Science Foundation - Passed-Through Others:				
<u>Passed through NOT SUSPICIOUS, LLC:</u>				
SBIR Phase II: A Virtual-Reality Next-Generation Introductory STEM Platform	C-00018483	47.041	-	57,569
<u>Passed through Prisms of Reality, Inc.:</u>				
SBIR Phase II: Adaptive Experiential Learning Platform to Close Learning Gaps in Secondary Algebra	C-00018739	47.041 89,666	-	-
<u>Passed through Computer Science Teachers Association:</u>				
Matching Experienced and Novice Teachers for Ongoing Rigorous Support in Computer Science (MENTORS in CS)	C-00018739	47.070	-	40,952
<u>Passed through American Physical Society:</u>				
A National Network for Access and Inclusion in Physics Graduate Education	INCA-002-2018	47.076	-	152,849
<u>Passed through Educational Development Center, inc.:</u>				
Community for Advancing Discovery Research in Education(CADRE): Expanding the Reach and Impact of Innovations in STEM Education	2100823	47.076	-	47,214

(Continued)

WESTED
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the year ended November 30, 2022

<u>Federal Granting Agency/Program Name</u>	<u>Pass-Thru ID Number</u>	<u>Assistance Listing Number</u>	<u>Provided to Sub-Recipients</u>	<u>Program Expenditures</u>
National Science Foundation - Passed-Through Others (Continued):				
<u>Passed through Florida International University:</u>				
Building Capacity: Catalyzing Change in Calculus (C3)	800009860-01UG	47.076	\$ -	\$ 23,620
Collaborative Research: Developing Engineering Instructional Faculty as Leaders of Educational Change at Hispanic-Serving Institutions	800012048/000121	47.076	-	23,528
<u>Passed through Johns Hopkins University:</u>				
A Quantitative Synthesis of Research on Elementary Science Programs	2004787136	47.076	-	29,436
<u>Passed through North Carolina State University:</u>				
Multimodal Visitor Analytics: Investigating Naturalistic Engagement with Interactive Tabletop Science Exhibits	2017-1405-01	47.076	-	77,589
Collaborative Research: Primary AI: Integrating Artificial Intelligence into Upper Elementary Science with Immersive Problem-Based Learning	2019-2717-01	47.076	-	15,374
Engaging Rural Students in Artificial Intelligence to Develop Pathways for Innovative Computing Careers	2022-0605-01	47.076	-	3,416
<u>Passed through Public Policy Institute of California:</u>				
RAPID: A Researcher-Practitioner-Partnership to Assess the Impact of COVID-19 Recession on NGSS Implementation	2128789	47.076	-	39,005
<u>Passed through San Francisco State University:</u>				
RIP-TIDES: Research Intensive Pedagogical Training of Interdisciplinary Estuarine Scientists	S16-0019	47.076	-	31,127
<u>Passed through Southern Methodist University:</u>				
Seeing the World through a Mathematical Lens: A Place-Based Mobile App for Creating Math Walks	2115393	47.076	-	22,137
<u>Passed through Texas Tech University:</u>				
Collaborative Research: Fostering Virtual Learning of Data Science Foundations with Mathematical Logic for Rural High School Students	21P725-03	47.076	-	330

(Continued)

WESTED
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the year ended November 30, 2022

<u>Federal Granting Agency/Program Name</u>	<u>Pass-Thru ID Number</u>	<u>Assistance Listing Number</u>	<u>Provided to Sub-Recipients</u>	<u>Program Expenditures</u>
National Science Foundation - Passed-Through Others (Continued):				
<u>Passed through The Board of Regents of the University of Illinois:</u>				
Development of the Electronic Test of Early Numeracy (e-TEN)	084079-16190	47.076	\$ -	\$ 329,443
<u>Passed through University of California Riverside:</u>				
Louis Stokes STEM Pathways and Research Alliance: California Louis Stokes Alliance for Minority Participation	1826900	47.076	-	28,379
<u>Passed through University of Maryland:</u>				
Collaborative Research: Parents, Teachers, and Multilingual Children Collaborating on Mathematics Together	DRL2010417	47.076	-	20,126
Collaborative Research: Harmonizing Scratch Encore: Empowering Educators to Create Customized Culturally-Responsive Computing Materials	115761-Z3945201	47.076	-	4,780
<u>Passed through West Virginia University Research Corporation:</u>				
Mountaineer Mathematics Master Teachers (M3T): Supporting Teacher Leadership and Networked Improvement of Mathematics Education in West Virginia	20-122-WE	47.076	-	21,265
<u>Passed through University of San Diego:</u>				
Collaborative Research: Fostering Elementary School Students' Visuospatial Skills and mathematical Competencies through an Origami-based Program	A20-0022-S01	47.076	-	22,124
Total National Science Foundation			356,521	1,079,938
National Aeronautics and Space Administration – Direct				
Broadening Data Fluency Through the Integration of NASA Assets and Place-Based Learning to Advance Connections, Education, and Stewardship (NASA PLACES)	80NSSC22M0005	43.001	-	635,924

(Continued)

WESTED
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended November 30, 2022

<u>Federal Granting Agency/Program Name</u>	<u>Pass-Thru ID Number</u>	<u>Assistance Listing Number</u>	<u>Provided to Sub-Recipients</u>	<u>Program Expenditures</u>
National Aeronautics and Space Administration – Passed-Through Others:				
<u>Passed through University of Toledo:</u>				
Mission Earth. Fusing GLOBE with NASA Assets to Build Systemic Innovation in STEM Education	N-125107-0	43.001	\$ -	\$ 512,742
<u>Passed through Sonoma State University:</u>				
NASA's Neurodiversity Network (N3): Creating Inclusive Informal Learning Opportunities across the Spectrum	80NSSC21M0004	43.001	-	100,233
<u>Passed through Northern Arizona University:</u>				
PLANETS (Planetary Learning that Advances the Nexus of Engineering, Technology, and Science)	1002936-02	43.001	-	143,139
<u>Passed through SETI Institute:</u>				
The NASA Community College Network	C-00018113	43.001	-	99,863
Total National Aeronautics and Space Administration			-	1,491,901
U.S. Department of Justice – Passed-Through Others:				
<u>Passed through National Institute of Justice:</u>				
A National Evaluation of Internet Crimes Against Children Task Force Training	2018-MC-FX-K007	16.543	11,557	185,132
A Randomized Impact Evaluation of Capturing Kids Hearts	2015-CK-BX-0014	16.560	-	40
Comprehensive School Safety in Atlanta Public Schools	2015-CK-BX-K001	16.560	136,587	157,673
A Developmental Study of the Keeping Kids in School Initiative	2017-CK-BX-0018	16.560	-	16,160
Research and Evaluation on School Safety: An Evaluation of State School Safety Centers	2020-CK-BX-0002	16.560	-	326,171
An Evaluation of a Statewide Approach to the Prevention and Intervention of Violence using School Threat Assessment Teams	2020-MU-MU-0011	16.560	74,690	318,126
<u>Passed through Texas State University:</u>				
A Randomized Controlled Trial of a Comprehensive, Research-Based Framework for Implementing School-Based Law Enforcement	20010-82739-1	16.560	-	9,344

(Continued)

WESTED
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended November 30, 2022

<u>Federal Granting Agency/Program Name</u>	<u>Pass-Thru ID Number</u>	<u>Assistance Listing Number</u>	<u>Provided to Sub-Recipients</u>	<u>Program Expenditures</u>
U.S. Department of Justice – Passed-Through Others (Continued):				
<u>Passed through American Institutes for Research</u>				
Second Chance Act Reentry Initiative - Corrections and Community Engagement Technical Assistance Center (CCETAC)	0504300008	16.812	\$ -	\$ 186,640
<u>Passed through Maine Department of Education:</u>				
Bureau of Justice Assistance (BJA) funded STOP grant project	20220324*2197	16.RD	-	<u>43,895</u>
Total U.S. Department of Justice			<u>222,384</u>	<u>1,243,181</u>
Bureau of Indian Education – Direct:				
Secondary Transition Program Planning: Individuals with Disabilities Education Act (IDEA) of 2004	N/A	15.130	-	408,035
WestED	N/A	15.130	-	418,693
Indian Education Assistance to Schools	N/A	15.130	-	<u>1,128,923</u>
Total Bureau of Indian Education			<u>-</u>	<u>1,955,651</u>
Total Expenditures of Federal Awards (Research and Development Cluster)			<u>\$ 2,737,695</u>	<u>\$ 53,563,538</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards.

WESTED
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
November 30, 2022

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of WestEd under programs of the federal government for the year ended November 30, 2022. The information in this schedule is presented in accordance with the requirements of the Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of WestEd, it is not intended to and does not present the financial position, change in net position or cash flows of WestEd.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. Under the accrual basis, revenue is recorded when earned and expenses are recorded when incurred, without regard to the time of cash receipt or payment. Revenues for Federal programs are received as reimbursement for specific projects and are recognized based on eligible expenses incurred. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. WestEd has not elected to use the 10% de minimis indirect cost rate.

Program income: There was no program income earned by the Federal Programs included in the SEFA during the current fiscal year.

WESTED
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 November 30, 2022

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes X No

Significant deficiencies identified not considered to be material weaknesses? Yes X None Reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal Control over major programs:

Material weakness(es) identified? Yes X No

Significant deficiencies identified not considered to be material weaknesses? Yes X None Reported

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes X No

Identification of major programs:

<u>Name of Federal Program or Cluster Expenditures</u>	<u>Assistance Listing Numbers</u>
Research and Development Cluster	Various* \$ 53,563,538

* All programs reported in the Schedule of Expenditure of Federal Awards are included within the Research and Development Cluster.

Dollar threshold used to distinguish between Type A and Type B programs: \$ 1,606,906

Auditee qualified as low-risk auditee? X Yes No

(Continued)

WESTED
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
November 30, 2022

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters were reported.

(Continued)

WESTED
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
November 30, 2022

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
WestEd
San Francisco, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the of WestEd as of and for the year ended November 30, 2022, and the related notes to the financial statements, which collectively comprise WestEd's basic financial statements, and have issued our report thereon dated March 24, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered WestEd's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of WestEd's internal control. Accordingly, we do not express an opinion on the effectiveness of WestEd's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether WestEd's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Crowe LLP

Costa Mesa, California
March 24, 2023



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE

To the Board of Directors
WestEd
San Francisco, California

Report on Compliance for Major Federal Program

Opinion on Major Federal Program

We have audited WestEd's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on WestEd's major federal program for the year ended November 30, 2022. WestEd's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, WestEd complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended November 30, 2022.

Basis for Opinion on Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of WestEd and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of WestEd's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to WestEd's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on WestEd's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about WestEd's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding WestEd's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of WestEd's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of WestEd's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

(Continued)

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Crowe LLP

Costa Mesa, California
March 24, 2023

Board of Directors

WestEd's Board of Directors comprises leaders from public and private education, business, and human services communities. Our Board takes an active role in agency leadership and strategic planning.



Tacy C. Ashby

Senior Vice President,
Strategic Educational
Alliances,
Grand Canyon University
Phoenix, AZ



Monica Barajas

Superintendent,
Quartzsite Elementary
School District
Ehrenberg, AZ



Mary C. Barlow

Kern County Superintendent
of Schools
Bakersfield, CA



Kelli Bernard

Managing Partner,
Lighthouse Public Affairs
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School Boards Association
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Marin County
Superintendent of Schools
Marin, CA



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Washington, District of
Columbia



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Director, University of
Nevada – Community
Behavioral Health
Collaborative
Professor, Counselor
Education Program
Reno, NV



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University of California, Irvine
Irvine, CA



Daniel Corr
President, Arizona Western
College
Yuma, AZ



Lexi Cunningham
Utah School Superintendents
Association, Executive
Director, Utah School Board
Association, Associate
Executive Director
Sandy, UT



Sydnee Dickson
State Superintendent of
Public Instruction, Utah State
Board of Education
Salt Lake City, UT



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Director, The Lawrence Hall
of Science, University of
California, Berkeley
Berkeley, CA



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Professor, Gevirtz Graduate
School of Education,
University of California,
Santa Barbara
Santa Barbara, CA



Fred DuVal

Regent, Arizona Board of Regents

Phoenix, AZ



Donald Easton-Brooks

Dean, College of Education and Human Development, University of Nevada, Reno

Reno, NV



Jhone Ebert

Superintendent of Public Instruction, Nevada Department of Education

Carson City, NV



Francisco Escobedo

Executive Director, National Center for Urban School Transformation (NCUST), San Diego State University

San Diego, CA



Enikia Ford Morthel

Superintendent of Berkeley Public Schools

San Francisco, CA



María E. Fránquiz

Professor of Curriculum and Instruction, College of Education, The University of Texas at Austin

Austin, TX



Ruth Glass

Head of School (Retired), Lake Tahoe School

Tucson, AZ



Marquita Grenot-Scheyer

Assistant Vice Chancellor (Retired), The California State University, Office of the Chancellor

Long Beach, CA



Joseph Guzman
Associate Superintendent,
Accountability, Research &
Evaluation, Arizona
Department of Education
Phoenix, AZ



Terry Hansen
Government Programs
Consultant, Strategic
Partnerships, LLC
Alexandria, VA



Glen H Harvey
Chief Executive Officer
San Francisco, CA



Guilbert C. Hentschke
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School of Education,
University of Southern
California
Los Angeles, CA



Tonia Holmes-Sutton
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Teach Plus Nevada
Las Vegas, NV



Tom Horne
State Superintendent of
Public Instruction, Arizona
Department of Education
Phoenix, AZ



Paul D. Houston
President, Center for
Empowered Leadership
Tucson, AZ



Gail Hudson
Grade 5 Teacher, Title I
Coordinator, John R.
Hummel Elementary
Las Vegas, NV



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Director of Academic
Alliances (Retired), Grand
Canyon University
Phoenix, AZ



Robbie Koerperich
Superintendent, Holbrook
Unified School District #3
Holbrook, AZ



Harold Levine

Founding Dean and Professor Emeritus, School of Education University of California, Davis

Davis, CA



Anand Marri

Dean, Teachers College, Ball State University

Muncie, IN



Jonathan P. Moore

Deputy Superintendent of Student Achievement, Nevada Department of Education

Carson City, NV



Jacob Moore

Associate Vice President, Tribal Relations, Arizona State University, Office of Government & Community Engagement

Tempe, AZ



Mary Nicely

Chief Deputy Superintendent of Public Instruction, California Department of Education

Sacramento, CA



Pedro Noguera

Dean, Rossier School of Education, University of Southern California

Los Angeles, CA



Ann O'Brien

Councilwoman, City of Phoenix

Phoenix, AZ



Felicia Ortiz

President, Nevada State Board of Education

Las Vegas, NV



Stefanie Phillips
CEO, Chamberlin Education
Foundation
Richmond, CA



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Dean,
School of Education, Nevada
State College
Henderson, NV



Annette Reichman
Superintendent, Arizona
State Schools for the Deaf
and Blind (ASDB)
Tucson, AZ



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Associate Dean, College of
Education, University of Utah
Salt Lake City, UT



William Speer
Director, Mathematics
Learning Center, University
of Nevada Las Vegas
Las Vegas, NV



Bernice Stafford
Member of Board of
Directors and Consultant,
Inflexion
Long Beach, CA



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Assistant Vice Chancellor,
Institutional Research and
Analyses California State
University Office of the
Chancellor
Long Beach, CA



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Retired Judge, Utah Court of
Appeals
Salt Lake City, UT



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Superintendent, Santa Cruz
Valley Unified School District
No. 35
Rio Rico, AZ



**Kimberly A. White-
Smith**
Dean, School of Leadership
and Education Sciences,
University of San Diego
San Diego, CA



Michelle Young
Dean, School of Education,
Loyola Marymount University
Los Angeles, CA



Brian Zeiszler
Department Chair,
Teacher Education Program,
Great Basin College
Elko, NV

ALSO OF INTEREST:

PROFESSIONAL DEVELOPMENT

TECHNICAL ASSISTANCE

RESEARCH & EVALUATION STUDIES ON TEACHING, LEARNING

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Melinda Brookshire

SUMMARY OF RELATED EXPERIENCE

Melinda Brookshire is a Project Director for multiple projects at WestEd's Center for Child and Family Studies. Projects include the Desired Results Training and Technical Assistance Project, California Preschool Online, and the California Preschool Instructional Network Project for the California Department of Education, Missouri, New Hampshire, and Minnesota.

Brookshire has worked in the field of early childhood education her entire career. During the last decade, Ms. Brookshire currently leads projects that develop and provide training in assessment, standards, and curriculum for teachers and administrators serving children and families 0-11. This work addresses all children's needs, including multilingual learners and children with disabilities. Her projects are responsible for developing online courses, online and face-to-face training materials, interactive websites, and assessment applications. Ms. Brookshire also developed dual language modules.

Before joining WestEd, Brookshire worked at the U.S. Department of Defense Education Activity (DoDEA), culminating her years as the early childhood coordinator for all DoD schools worldwide preschool through third-grade programs. During that time, NAEYC accredited all the preschool programs. DoDEA implemented standards for P-3, an observational authentic assessment system for P-3, all-day kindergarten, and reduced class size for grades 1-3. DoDEA provided professional development to all sites and appropriate materials to ensure that all classrooms and playgrounds P-3 were appropriate and instructional strategies were implemented to fully realize the benefits of the initiatives. Brookshire worked closely with school principals, district early childhood coordinators, and regional personnel to implement the early childhood program. Brookshire designed and delivered training to more than 3,000 early childhood educators. She led the effort to create curriculum guides for preschool through third grade, including guidance for all children and a preschool to third-grade teaching credential.

EDUCATION

- | | |
|------------|---|
| 1989--1999 | 60 units postgraduate in Early Childhood Literacy, Math, Assessment, Professional Development, and Educational Leadership |
| 1988 | Master of Science in Education, Early Childhood Special Education
Emphasis, Boston University |
| 1975 | Bachelor of Science in Education, Early Childhood Emphasis, Arizona
State University |

PROFESSIONAL EXPERIENCE

2003–Present *Director of Projects*, Center for Child & Family Studies
WestEd, Sausalito, CA

Desired Results Training for Children and Families, Training and Technical Assistance Project, California Early Childhood Online; the California Preschool Instructional Network (CPIN), Illinois Kindergarten Individual Development Survey, Tennessee Kindergarten Entrance Inventory, CalProNet, DRDP Training, and Technical Assistance Missouri and Minnesota.

Directs and provides oversight of all aspects of the projects. Responsible for review and production of all materials, recommendations for translation, and development of supplementary materials and resources for the field; extensive online modules development and site; development of training plans and execution of all training for statewide implementation; implementation of the Desired Results System in coordination with state boards of education; and supervision of the Camarillo office operations.

2001–2002 *Educational Consultant*
Los Angeles Unified School District, Los Angeles, CA

1997–2000 *Instructional System Specialist*
Department of Defense Education Activity (DoDEA), Arlington, VA

Responsibilities included supervising and managing the preschool through third-grade programs in DoDEA. DoDEA consists of the Department of Defense Dependents Schools (DoDDS), which is the public school system for the children of American military members stationed in 12 countries, Guam and Puerto Rico, and the Department of Defense Domestic Elementary and Secondary Schools (DDESS), which administered schools located on military bases in seven states.

1994–1997 *Early Childhood (PK-3) and Social Studies (PK-12) District Coordinator*
United Kingdom District, Department of Defense Education Activity (DoDEA), Arlington, VA

1993–1994 *Scholar-in-Residence. Early Childhood Education*
United Kingdom District, Department of Defense Education Activity (DoDEA), Arlington, VA

SUMMARY OF RELATED EXPERIENCE

Tamarra Osborne is a master trainer for the Desired Results Training and Technical Assistance Project, established by California Department of Education. The aim of this project is to improve program quality in early care and education programs across the state of California. This role includes the development of a variety of professional learning modalities and providing training and technical assistance in Tennessee, Illinois, Missouri, and Minnesota.

EDUCATION

- 2011 M.S., Teacher Education, emphasis in ECE, California State University East Bay
1999 B.A., Early Childhood Education, California State University Sacramento

PROFESSIONAL EXPERIENCE

- 2012– *Early Childhood Content Expert*, WestEd, Center for Child and Family Studies Project
Present Oakland, CA

Develop professional learning materials (including online modules) for early childhood teachers and administrators to support statewide implementation of the Desired Results system

Conducting online training modules for statewide implementation of the Desired Results project in five states California, Illinois, Minnesota, Missouri, Tennessee)

Provide face to face teacher trainings and technical assistance in regards to developmental assessment for early education in five states (California, Illinois, Minnesota, Missouri, Tennessee)

Provide presentations at both the local and national level for early childhood education on several topics, 4-5 times per year (NAEYC, NHSA, First 5 CA, CCDA)

Provide coaching and certification for the Certified Trainers Institute in California and Illinois

Provide direct coaching to early childhood cohorts regarding observational assessment

Support more than 100 *California Department of Education Desired Results* certified trainers on a quarterly basis to maintain statewide consistency of training information

2002--
2012 *Center Director, Kidango, Fremont CA*

Ensure that center meets Title 22 and Title 5 regulations. Conduct extensive trainings for staff on developmentally appropriate curriculum, DRDP-R assessments, developmental milestones for children. Hold monthly staff meetings and quarterly parent meetings on developmental topics. Experience in all aspects of staff management. Communicate with agency and city wide partners.

2001 *Kindergarten Teacher, Kindercare Alameda CA*

Responsible for daily large and small group activities, and helping maintain an orderly classroom environment. Supervised children's daily activities. Implemented lesson plans on a daily basis. Interacted with families from diverse cultures and backgrounds

1997--
2000 *Assistant Teacher, Christopher Robin Childcare Center Sacramento CA*

Assisted teachers with day-to-day operations of small child care center. Helped to create developmentally appropriate activities for young children.

SELECTED PRESENTATIONS

- National Association for the Education of Young Children (2012, 2013, 2014, 2015, 2016)
 - Creative Coaching
 - Developmental Assessment in 3 states
 - DRDP 2015 (dual language model)
 - Family Partnerships
- California Association for the Education of Young Children (2013, 2014, 2015, 2016)
 - DRDP 2015
 - DRDPTECH
 - California Early Childhood Online
 - Professional Development at your Fingertips

- Assessing Dual Language Learners
- California Child Development Administrators Association (2013, 2014, 2015, 2016)
 - DRDP 2015
 - DRDPTECH
 - California Early Childhood Online
 - Professional Development at your Fingertips
- California Head Start Association (2013, 2014, 2015, 2016)
 - DRDP 2015
 - Creative Coaching
 - Importance of Physical Development in the Early Childhood Classroom
- National Head Start Association (2013, 2014, 2015, 2016)
 - Assessing Dual Language Learners
 - Using Data to Inform Classroom Practice
 - Family Engagement
 - California Online Learning Resources
- First 5 California (2016)
 - Linking Collaborative Assessment to Collaborative Instruction Using DRDP (2015) Reports: How All Children Benefit
- Inclusion Conference (2015, 2016)
 - Linking Collaborative Assessment to Collaborative Instruction Using DRDP (2015) Reports: How All Children Benefit

SELECTED PROFESSIONAL ACTIVITIES

- Professional Growth Advisor (Child Development Training Consortium)

PROFESSIONAL AFFILIATIONS

- National Association for the Education of Young Children

- Learning Forward
- California Association for the Education of Young Children



Frank Edelblut
Commissioner

Christine M. Brennan
Deputy Commissioner

STATE OF NEW HAMPSHIRE
DEPARTMENT OF EDUCATION
101 Pleasant Street
Concord, NH 03301
TEL. (603) 271-3495
FAX (603) 271-1953

October 13, 2021

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the Department of Education, to enter into a sole source contract with WestEd (vendor code 177860), San Francisco, California, in the amount not to exceed \$389,500, to update training materials, provide Technical Assistance, and oversee the administration of the Desired Results Developmental Profile (DRDP) Online data system, effective upon Governor & Council approval through June 30, 2023, with an option to renew for an additional three (3), two (2) year terms based on identified ongoing need. 100% Federal Funds.

Funds to support this request are available in FY22 and FY23 in the accounts titled IDEA Special Education Ed-Elm/Sec., Preschool Development Grant, and IDEA Special Ed Preschool, and with the ability to adjust encumbrances between Fiscal Years through the Budget Office without further Governor and Council approval, if needed and justified.

		<u>FY'22</u>	<u>FY'23</u>
06-56-56-562010-25040000-102-500731	Contracts for Program Services	\$236,500	\$23,000
06-56-56-562010-25050000-102-500731	Contracts for Program Services	\$60,000	\$0
06-56-56-562010-30650000-102-500731	Contracts for Program Services	\$58,000	\$12,000

EXPLANATION

The New Hampshire Department of Education wishes to enter into a sole source contract with WestEd because the DRDP Online data system was created to support collection, management, and reporting of assessment data gathered through the implementation of the Desired Results Developmental Profile (DRDP) assessment tool. This is a proprietary software and WestEd is the only vendor with access to the intellectual software.

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
Page 2

The DRDP System, including the DRDP assessment and DRDP Online data system, was developed by California Department of Education, Early Learning and Care Division (CDE/ELCD) and is proprietary to that department and its selected contractor, WestEd. WestEd is also the sole contractor for the CDE/ELCD authorized to offer training and technical assistance on the Desired Results system. WestEd's trainers have worked with the DRDP System since its inception and are recognized as experts by the state, often providing information and resources to other state-sponsored projects.

The services under this contract will modify the existing system to accommodate NH specific data elements and program structures, link data with other systems, as well as build system capacity to manage the complex statistical calculations and analysis required for federal reporting to the Office of Special Education Programs at the US Department of Education. The services will also support fidelity administration of the DRDP assessment tool and related data system to ensure accurate and timely data collection, analysis and reporting as required for state and federal reporting. WestEd will oversee the data system, monitoring and rectifying any system issues; collaborate with the Department of Education on any upgrades or updates needed to align with NH laws, administrative rules, and reporting requirements; and provide ongoing support for NH-based DRDP trainers.

In the event Federal Funds are no longer available, General Funds will not be requested to support this request.

Respectfully submitted,



Frank Edelblut
Commissioner of Education



STATE OF NEW HAMPSHIRE
DEPARTMENT OF INFORMATION TECHNOLOGY
27 Hazen Dr., Concord, NH 03301
Fax: 603-271-1516 TDD Access: 1-800-735-2964
www.nh.gov/doit

Denis Goulet
Commissioner

October 10, 2021

Frank Edelblut, Commissioner
Department of Education
State of New Hampshire
101 Pleasant Street
Concord, NH 03301

Dear Commissioner Edelblut:

This letter represents formal notification that the Department of Information Technology (DoIT) has approved your agency's request to enter into a sole source contract with WestEd, of San Francisco, CA, as described below and referenced as DoIT No. 2022-011.

The purpose of this contract with WestEd is to modify the DRDP Online data system, update training materials, provide Technical Assistance, and oversee the administration of the DRDP Online data system in collaboration with representatives of the NH DOE to ensure fidelity administration of the Desired Results Developmental Profile (DRDP) assessment tool and the DRDP Online data system. The DRDP Online data system was created to support collection, management, and reporting of assessment data gathered through the implementation of the Desired Results Developmental Profile (DRDP) assessment tool. This is a proprietary software and no other vendor has access to the intellectual software

The price limitation is not to exceed \$389,500 and shall be effective upon Governor and Council approval through June 30, 2023.

A copy of this letter should accompany your Agency's submission to Governor and Executive Council for approval.

Sincerely,

A handwritten signature in black ink, appearing to read "Denis Goulet".

Denis Goulet

DG/ik
DoIT #2022-011

cc: Doug Schelb, IT Lead