



Frank Edelblut
Commissioner

Christine M. Brennan
Deputy Commissioner

STATE OF NEW HAMPSHIRE
DEPARTMENT OF EDUCATION
25 Hall Street
Concord, NH 03301

July 13, 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 amend an existing **sole source** contract with the Children's Scholarship Fund (VC#325139) Concord, NH by extending the end date from September 30, 2023, to September 30, 2024, and by changing the scope of services to adjust for legislative changes in RSA 194-F, to continue to administer Educational Freedom Accounts for eligible students, effective upon Governor and Council approval. The original contract was approved by Governor and Council on August 4, 2021 (Item #62) and amended on March 23, 2022 (Item #105). 100% Education Trust Fund.

EXPLANATION

This request is **sole source** because the original item was sole source. New Hampshire's Education Trust Funds empower families from low- and middle-income backgrounds with access to the educational options and environments that best meet their child's needs, interests, and talents. With the state funds intended for a child's education, parents can pay for the schools, educational services, courses, and programs of their choice. Funds unused each school year are rolled forward for future educational expenses until the child graduates from high school.

Per RSA 194-F, the commissioner of the New Hampshire Department of Education (NHED) is required to transfer to the scholarship organization the per student adequate education grant amount under RSA 198:40-a, plus any differentiated aid that would have been provided to a public school for that eligible student. The transfers shall be made in accordance with the distribution of adequate education grants under RSA 198:42. NHED has selected the Children's Scholarship Fund as the Scholarship Organization as the sole source recipient of this contract to implement this program. According to RSA 194-F:1, XII, "Scholarship organization" means a scholarship organization approved under RSA 77:G, that administers and implements the Educational Freedom Accounts (EFA) Act. Currently, there is only one organization in New Hampshire that meets this criteria, the Children's Scholarship Fund.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Frank Edelblut".

Frank Edelblut
Commissioner of Education

**AMENDMENT TO
PROFESSIONAL SERVICES CONTRACT**

Now come the New Hampshire Department of Education (NHED) hereinafter "the Agency," and Children's Scholarship Fund (VC#325139) Concord, NH, hereinafter "the Contractor", and pursuant to an agreement between the parties that was approved by Governor and Council on August 4, 2021 (Item #62) and amended on March 23, 2022 (Item #105), hereby agree to modify same as follows:

1. Amend Section 1.7 of form P-37 by removing September 30, 2023, and replacing it with September 30, 2024.
2. Amend Exhibit B (Scope of Services) by removing the following: "Eligible student" means a resident of this state who is eligible to enroll in the student's resident public elementary or secondary school and whose annual household income at the time the student applies for the program is less than or equal to 300 percent of the federal poverty guidelines as updated annually in the Federal Register by the United States Department of Health and Human Services under 42 U.S.C. section 9902(2). No income threshold need be met in subsequent years, provided the student otherwise qualifies. Students in the special school district within the department of corrections established in RSA 194:66 shall not be eligible students."

and replace with:

"Eligible student" means a resident of this state who is eligible to enroll in the student's resident public elementary or secondary school and whose annual household income at the time the student applies for the program is less than or equal to 350 percent of the federal poverty guidelines as updated annually in the Federal Register by the United States Department of Health and Human Services under 42 U.S.C. section 9902(2). No income threshold need be met in subsequent years, provided the student otherwise qualifies. Students in the special school district within the department of corrections established in RSA 194:60 shall not be eligible students."

3. Amend Exhibit C (Method of Payment) by removing the following: "Third Grade Proficiency Grant: An additional Grant for each third grade student enrolled in the Education Freedom Account program with a score below the proficient level on the reading component of the state assessment administered pursuant to RSA 193-C:6 or the authorized, locally-administered assessment as provided in RSA 193-C:3, IV(i), provided the student is not eligible to receive differentiated aid in other categories."
4. All other provisions of this agreement shall remain in full force and effect as originally set forth; and
5. This amendment shall commence upon Governor and Council approval through September 30, 2024.

This modification of an existing agreement is hereby incorporated by reference to the existing agreement by the parties and must be attached to the said agreement.

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

THE STATE OF NEW HAMPSHIRE
Department of Education
(Agency)

Division of Commissioner's Office

By: Frank Edelblut 8/9/2023
Frank Edelblut, Commissioner of Education Date

Contract between NH Department of Education and Children's Scholarship Fund

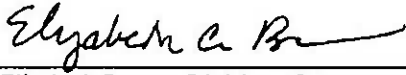
Contractor's Initials: DE
Date: 07/26/23

The Children's Scholarship Fund

Contractor

By:  07/26/2023
Darla Romfo, CEO Date

Approved as to form, substance and execution by the Attorney General this 9 day of August, 2023.


Elizabeth Brown, Division of Attorney General Office

Approved by the Governor and Council this _____ day of _____, 20____.

By: _____

State of New Hampshire

Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that THE CHILDREN'S SCHOLARSHIP FUND is a New York Nonprofit Corporation registered to transact business in New Hampshire on January 06, 2011. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 641259

Certificate Number: 0004951306



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 8th day of July A.D. 2020.

A handwritten signature in black ink, appearing to read "Wm Gardner".

William M. Gardner
Secretary of State

CERTIFICATE OF ATTESTATION

Corporation

I, Elizabeth Toomey, hereby certify that I am the duly appointed Secretary of
(Name of Clerk of Corporation)

The Children's Scholarship Fund, I hereby certify that Darla Romfo
(Corporation Name) (Name of Contract Signatory)

CEO, is duly authorized to execute contracts on behalf of
(Title of Contract Signatory)

The Children's Scholarship Fund and may bind the company thereby.
(Corporation Name)

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. This authority **remains valid for thirty (30) days**. 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 corporation. To the extent that there are any limits on the authority of any listed individual to bind the corporation in contracts with the State of New Hampshire, all such limitations are expressly stated herein.

DATED: 07/26/2023

ATTEST: 
Elizabeth Toomey (Jul 26, 2023 09:37 EDT)
(Signature of Clerk of Corporation)

Board Secretary
(Title of Clerk of Corporation)



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
07/12/2023

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 RSC Insurance Brokerage, Inc. 750 Third Ave New York, NY 10017		CONTACT NAME Madi Poindexter PHONE (A/C, No, Ext) (617) 737-3201 FAX (A/C, No) E-MAIL ADDRESS mpoindeste@risk-strategies.com													
INSURED The Children's Scholarship Fund 8 West 38th Street New York, NY 10018-6229		INSURER(S) AFFORDING COVERAGE <table border="1"><tr><td>INSURER A Philadelphia Indemnity Co</td><td>NAIC # 18058</td></tr><tr><td>INSURER B The Hartford</td><td>19682</td></tr><tr><td>INSURER C Trisura Specialty Insurance Company</td><td>16188</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></table>		INSURER A Philadelphia Indemnity Co	NAIC # 18058	INSURER B The Hartford	19682	INSURER C Trisura Specialty Insurance Company	16188	INSURER D		INSURER E		INSURER F	
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INSURER B The Hartford	19682														
INSURER C Trisura Specialty Insurance Company	16188														
INSURER D															
INSURER E															
INSURER F															

COVERAGES **CERTIFICATE NUMBER:** CL2362158963 **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 SUBR INSD Y/YD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE L MIT APPLIES PER: ☒ POLICY ☐ PROJECT ☐ LOC ☐ OTHER:			05/04/2023	05/04/2024	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 4,000,000 PRODUCTS - COM/OP AGG \$ 4,000,000 Professional Liability \$ 4,000,000
	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ OWNED AUTOS ONLY ☐ SCHEDULED AUTOS ☒ HIRED AUTOS ONLY ☒ NON-OWNED AUTOS ONLY			05/04/2023	05/04/2024	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Physical Damage \$
	☒ UMBRELLA LIAB ☒ OCCUR ☐ EXCESS LIAB ☐ CLAIMS-MADE ☐ DED ☒ RETENTION \$ 10,000			05/04/2023	05/04/2024	EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N ☐	N/A		05/04/2023	05/04/2024
C	Cyber			05/24/2023	05/04/2024	Aggregate \$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Evidence of Insurance Only.

CERTIFICATE HOLDER

CANCELLATION

The New Hampshire Department of Education
25 Hall Street

Concord, NH 03301

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

RSC Insurance Brokerage Inc.

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Mission Statement

The Children's Scholarship Fund provides children of low-income families with tuition assistance in grades K-8, and supports expanding educational opportunities for all children.

Financial Statements Together with Report of Independent Certified Public Accountants

The Children's Scholarship Fund

**For the year ended August 31, 2022
with summarized comparative financial information
for the year ended August 31, 2021**

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GRANT THORNTON LLP
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New York, NY 10017

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors of
The Children's Scholarship Fund

Opinion

We have audited the accompanying financial statements of The Children's Scholarship Fund (the "Fund"), which comprise the statement of financial position as of August 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as of August 31, 2022, and the results of its operations 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 of the financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). 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 the Fund 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 Fund's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

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 US GAAS 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 US GAAS, 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 Fund'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 Fund'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.

Report on 2021 summarized comparative information

We have previously audited the Fund's 2021 financial statements (not presented herein), and we expressed unmodified audit opinion on those audited financial statements in our report dated December 9, 2021. In our opinion, the accompanying summarized comparative information as of and for the year ended August 31, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Grant Thornton LLP

New York, New York
December 1, 2022

The Children's Scholarship Fund

STATEMENT OF FINANCIAL POSITION

As of August 31, 2022
with summarized comparative information as of August 31, 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and cash equivalents	\$ 21,425,941	\$ 24,830,075
Investments (Note C)	10,361,483	6,586,114
Contributions receivable, net (Note D)	1,763,214	37,918
Prepaid expenses and other assets	2,509,223	53,971
Deposits	23,346	39,129
Property and equipment, net (Note E)	<u>52,795</u>	<u>54,993</u>
Total assets	<u>\$ 36,136,002</u>	<u>\$ 31,602,200</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 11,531	\$ 52,354
Due to State of New Hampshire (Education Freedom Accounts)	2,764,783	-
Refundable advances	637,434	328,293
Accrued expenses and other liabilities	<u>143,610</u>	<u>86,944</u>
Total liabilities	<u>3,557,358</u>	<u>467,591</u>
Commitments		
Net assets		
Without donor restrictions	8,572,395	5,558,531
With donor restrictions (Note F)	<u>24,006,249</u>	<u>25,576,078</u>
	<u>32,578,644</u>	<u>31,134,609</u>
Total liabilities and net assets	<u>\$ 36,136,002</u>	<u>\$ 31,602,200</u>

The accompanying notes are an integral part of this financial statement.

The Children's Scholarship Fund

STATEMENT OF ACTIVITIES

For the year ended August 31, 2022
with summarized financial information for the year end August 31, 2021

	2022			
	Without Donor Restrictions	With Donor Restrictions	Total	2021 Total
Operating revenues and support				
Contributions	\$ 4,572,464	\$ 19,213,141	\$ 23,785,605	\$ 29,351,769
Fundraising events (net of costs of direct benefits to donors of \$990)	-	3,031	3,031	-
Program service revenue	860,103	-	860,103	-
Investment and other income	115,237	-	115,237	17,566
Total operating revenues and support	5,547,804	19,216,172	24,763,976	29,369,335
Net assets released from restrictions (Note F)	20,786,001	(20,786,001)	-	-
Total operating revenues, support and net assets released from restrictions	26,333,805	(1,569,829)	24,763,976	29,369,335
Operating expenses				
Program services:				
Scholarships and grants (Note G)	20,245,323	-	20,245,323	20,688,185
Program management, outreach and support	1,459,006	-	1,459,006	1,037,314
Total program services	21,704,329	-	21,704,329	21,725,499
Support services:				
Management and general	423,517	-	423,517	556,007
Fundraising	1,192,095	-	1,192,095	1,072,156
Total support services	1,615,612	-	1,615,612	1,628,163
Total operating expenses	23,319,941	-	23,319,941	23,353,662
CHANGES IN NET ASSETS	3,013,864	(1,569,829)	1,444,035	6,015,673
Net assets, beginning of year	5,558,531	25,576,078	31,134,609	25,118,936
Net assets, end of year	\$ 8,572,395	\$ 24,006,249	\$ 32,578,644	\$ 31,134,609

The accompanying notes are an integral part of this financial statement.

The Children's Scholarship Fund

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended August 31, 2022
with summarized comparative totals for the year ended August 31, 2021

	Program Services	Support Services		2022 Total Expenses	2021 Total Expenses
		Fundraising	Management and General		
Scholarships and grants	\$ 20,245,323	\$ -	\$ -	\$ 20,245,323	\$ 20,688,185
Salaries	912,920	673,250	241,653	1,827,823	1,667,159
Payroll taxes	67,107	46,052	17,125	130,284	109,275
Employee benefits	145,452	88,052	24,658	258,162	201,928
Occupancy costs	98,395	97,013	15,932	211,340	231,940
Professional fees	33,713	73,844	89,417	196,974	203,032
Donor communication costs	-	121,113	-	121,113	89,825
Event costs	-	2,197	-	2,197	5,085
Offices expenses	19,822	13,630	3,470	36,922	24,472
Information technology	124,540	16,931	1,822	143,293	46,694
Travel	21,154	24,585	13,419	59,158	5,554
Depreciation and amortization	18,573	9,807	1,610	29,990	23,719
Insurance	16,677	16,924	2,779	36,380	32,773
Miscellaneous	653	8,697	11,632	20,982	24,021
Total expenses	<u>\$ 21,704,329</u>	<u>\$ 1,192,095</u>	<u>\$ 423,517</u>	<u>\$ 23,319,941</u>	<u>\$ 23,353,662</u>

The accompanying notes are an integral part of this financial statement.

The Children's Scholarship Fund

STATEMENT OF CASH FLOWS

As of August 31, 2022

with summarized comparative information as of August 31, 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Cash received from contributors	\$ 22,372,107	\$ 29,419,899
Cash received from State of NH EFA	9,004,046	-
Investment and other income	113,280	17,566
Scholarships and grants paid	(20,245,323)	(20,688,185)
Cash paid to vendors, suppliers and employees	(2,991,326)	(2,633,418)
Cash paid to vendor to fund NH EFA accounts	(7,853,757)	-
	<u>399,027</u>	<u>6,115,862</u>
Net cash provided by operating activities		
Cash flows from investing activities		
Purchases of investments	(16,941,109)	(13,168,463)
Sales of investments	13,165,740	12,165,236
Purchases of property and equipment	(27,792)	(47,540)
	<u>(3,803,161)</u>	<u>(1,050,767)</u>
Net cash used in investing activities		
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(3,404,134)	5,065,095
Cash and cash equivalents, beginning of year	<u>24,830,075</u>	<u>19,764,980</u>
Cash and cash equivalents, end of year	<u>\$ 21,425,941</u>	<u>\$ 24,830,075</u>

The accompanying notes are an integral part of this financial statement.

The Children's Scholarship Fund
NOTES TO FINANCIAL STATEMENTS
August 31, 2022 and 2021

NOTE A - THE CHILDREN'S SCHOLARSHIP FUND

The Children's Scholarship Fund ("CSF" or the "Fund") is a not-for-profit charitable organization which was formed on April 28, 1998 for the purpose of expanding educational opportunities available to low-income families. CSF provides partial tuition assistance to families in need so children can attend the K-8 schools that best meet their needs, regardless of their ability to pay or where they live. In furtherance of its mission, CSF makes matching grants to other scholarship organizations so they may also provide partial scholarship awards to children from low-income families.

Since CSF's first scholarships were awarded in 1999, nearly 191,500 children from low-income families have received tuition assistance through CSF grants. See Note G for additional information.

The Fund is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code") and has been classified as an organization which is not a private foundation.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

The Fund's financial statements distinguish between net assets and changes in net assets without donor restrictions and those with donor restrictions as follows:

Net assets without donor restrictions - consist of all funds which are expendable at the discretion of the Fund's management and Board of Directors for carrying on daily operations. These funds have neither been restricted by donors nor set aside for any specific purpose.

Net assets with donor restrictions - net assets that have been limited by donor-imposed stipulations that either expire with the passage of time or can be fulfilled and removed by the actions of the Fund pursuant to those stipulations. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Cash and Cash Equivalents

Cash equivalents include short-term highly liquid investments with original maturities at the time of purchase of three months or less.

Investments

Investments in Treasury Bills are stated at their fair value in the statements of financial position. Net realized and unrealized gains and losses for the period are shown in the statement of activities.

The Children's Scholarship Fund
NOTES TO FINANCIAL STATEMENTS - CONTINUED
August 31, 2022 and 2021

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. The capitalization policy requires all assets greater than \$500 with a useful life of greater than one year to be capitalized. Depreciation or amortization is computed on the straight-line basis over the estimated useful lives of the related assets as follows:

Office and computer equipment and systems	Three years
Furniture and fixtures	Five years
Leasehold improvements	Useful life of the asset or the term of the lease, whichever is shorter

Contributions

The Fund recognizes revenue from contributions in accordance with guidance that requires the Fund to evaluate whether a transfer of assets is (1) an exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred or (2) a contribution. If the transfer of assets is determined to be a contribution, the Fund evaluates whether the contribution is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before the Fund is entitled to the assets transferred and promised and (2) a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. The Fund records contributions when an unconditional promise to give is received from a donor. Contributions are recorded at the fair value of the assets received and are classified as either without donor restrictions or with donor restrictions, based on donor-imposed restrictions, if any.

Unconditional promises to give with payments due in future years are reported as contributions with donor restrictions and discounted to present value using a credit adjusted rate of return. An allowance for uncollectible contributions receivable is provided based on management judgment including such factors as prior collection history and type of contribution. Contributions receivable are charged off against the allowance for uncollectible accounts when management determines that recovery is unlikely, and any amounts subsequently collected are recorded as income in the period received. Conditional contributions are recognized as revenue when the conditions on which they depend are substantially met. Conditional contributions received in advance of meeting the associated conditions are recorded as refundable advances on the statement of financial position.

Program Service Revenue

In accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers* ("ASC 606"), CSF recognizes revenue when control of the promised goods or services are transferred to the customers in an amount that reflects the consideration CSF expects to be entitled to in exchange for those goods or services. The standard outlines a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied.

ASC 606 also requires disclosures regarding revenue recognition to ensure an understanding as to the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. CSF has identified program service revenue to be subject to ASC 606. CSF recognizes revenue from contracts with customers, as goods or services are transferred or provided in accordance with ASC 606.

In connection with its agreement with the State of New Hampshire, CSF acts as an administrative agent for funds to be disbursed to qualified students for educational expenses. In return for these administrative services CSF retains no more than 10% of the funds received annually as a recovery for administrative costs incurred. This administrative fee is recognized as program service revenue ratably over time as CSF performs these administrative services, which corresponds with the fulfillment of CSF's performance

The Children's Scholarship Fund
NOTES TO FINANCIAL STATEMENTS - CONTINUED
August 31, 2022 and 2021

obligations under the contract. As the amounts and the students that will receive funding under the program are determined by the State of New Hampshire, CSF has accounted for the student funds as an agency transaction whereby revenue is recognized as the net fee earned and administrative costs incurred related to the transaction recorded in the statement of financial position. Accordingly, CSF has recognized the upfront payment to be distributed to students as a liability within Due to State of New Hampshire (Education Freedom Accounts) on the statement of financial position, which is reduced as funds are subsequently approved for qualified educational expenses or returned to the State of New Hampshire. As of August 31, 2022, the amounts held as Due to State Of New Hampshire (Education Freedom Accounts) amounted to \$2,764,783. The Fund has engaged Class Wallet to facilitate the distribution of funds to students and as such has recorded the amounts held by Class Wallet, \$2,474,597 as of August 31, 2022, within Prepaid expenses and other assets. Amounts not utilized under the program will be returned to the State of New Hampshire.

Scholarship Awards

CSF awards partial scholarships so that children from low-income families can attend the private or parochial school of their choice. These scholarships are recorded as an expense at the time they become unconditional, which is usually when the student attends their chosen school.

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis based on either financial or non-financial data, such as the number of employees or estimates of time and effort incurred by personnel.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentrations of Credit Risk

Financial instruments that potentially subject the Fund to concentrations of credit risk consist principally of cash and cash equivalents. The Fund maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. The Fund's cash accounts were placed with high credit quality financial institutions and the Fund has not experienced, nor does it anticipate, any losses in such accounts.

Fair Value of Financial Instruments

The Fund follows guidance which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The guidance provides a consistent definition of fair value, which focuses on an exit price between market participants in an orderly transaction. The guidance also prioritizes, within the measurement of fair value, the use of market-based information over entity specific information and establishes a three-level hierarchy for fair value measurements based on the transparency of information used in the valuation of an asset or liability as of the measurement date.

The Children's Scholarship Fund
NOTES TO FINANCIAL STATEMENTS - CONTINUED

August 31, 2022 and 2021

Assets and liabilities, subject to the guidance, measured and reported at fair value are classified and disclosed in one of the following categories:

- Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the measurement date.
- Level 2 - Pricing inputs, including broker quotes, are generally those other than exchange quoted prices in active markets, which are either directly or indirectly observable as of the measurement date, and fair value is determined through the use of models or other valuation methodologies.
- Level 3 - Pricing inputs are unobservable for the asset or liability and include situations where there is little, if any, market activity for the asset or liability. The inputs into the determination of fair value require significant management judgment or estimation.

Fair value estimates are made at a specific point in time, based on available market information and judgments about the financial asset, including estimates of timing, amount of expected future cash flows and the credit standing of the issuer. In some cases, the fair value estimates cannot be substantiated by comparison to independent markets.

Income Taxes

The Fund follows guidance that clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This guidance provides that the tax effects from an uncertain tax position can only be recognized in the financial statements if the position is "more-likely-than-not" to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

The fund is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Fund has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which there was nexus; and to identify and evaluate other matters that may be considered tax positions. The Fund has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

Presentation of Certain Prior Year Summarized Information

The accompanying financial statements include prior year summarized comparative information in total but not by net asset classification. Such information does not include sufficient detail to constitute a presentation in conformity with US GAAP. Accordingly, such information should be read in conjunction with the Fund's consolidated financial statements as of and for the year ended August 31, 2021, from which the summarized comparative information was derived.

NOTE C - INVESTMENTS

The composition of the Fund's investments as of August 31, 2022 and 2021 were comprised solely of U.S. Treasury Bills and were classified within Level 1 of the fair value hierarchy.

The Children's Scholarship Fund
NOTES TO FINANCIAL STATEMENTS - CONTINUED
August 31, 2022 and 2021

NOTE D - CONTRIBUTIONS RECEIVABLE, NET

Contributions receivable as of August 31, 2022 and 2021 consist of the amounts expected to be collected within one year.

At August 31, 2022 and 2021, all of the net receivables are restricted for scholarship awards.

In addition, as of August 31, 2022, CSF has received conditional promises totaling approximately \$18.6 million (\$15.6 million of which are restricted for scholarship awards). These gifts are primarily conditioned on satisfying matching fund requirements by CSF and/or its grantee scholarship organizations and accordingly have not been recognized in the accompanying financial statements.

NOTE E - PROPERTY AND EQUIPMENT, NET

Property and equipment at August 31, 2022 and 2021 consisted of the following:

	2022	2021
Office and computer equipment and systems	\$ 182,422	\$ 163,840
Furniture and fixtures	9,210	5,300
Leasehold improvements	-	11,975
	191,632	181,155
Less: Accumulated depreciation and amortization	(138,837)	(126,122)
Property and equipment, net	<u>\$ 52,795</u>	<u>\$ 54,993</u>

Depreciation and amortization expense for the years ended August 31, 2022 and 2021 was approximately \$30,000 and \$24,000, respectively.

NOTE F - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions of approximately \$24,006,000 and \$25,576,000 at August 31, 2022 and 2021, respectively, are primarily available for scholarships and grants.

Net assets were released from donor restrictions by satisfying the restricted purpose as follows:

	2022	2021
Scholarships and grants	\$ 19,503,188	\$ 20,688,185
Expended for operating costs	1,282,813	1,135,742
	<u>\$ 20,786,001</u>	<u>\$ 21,823,927</u>

The Children's Scholarship Fund
NOTES TO FINANCIAL STATEMENTS - CONTINUED
August 31, 2022 and 2021

NOTE G - SCHOLARSHIPS AND GRANTS

CSF awards partial scholarships so that children from low-income families can attend the private or parochial school of their choice. In addition, CSF makes matching grants to other scholarship organizations so they may also provide partial scholarship awards to children from low-income families. During the years ended August 31, 2022 and 2021, the total value of the scholarship payments made by CSF and other grantee scholarship organizations amounted to approximately \$48,873,000 and \$47,832,000, respectively. CSF distributed approximately \$20,245,000 of these awards during fiscal year 2022 and approximately \$20,688,000 of these awards during fiscal year 2021. The remaining \$28,628,000 in 2022 and remaining \$27,144,000 in 2021 was funded by matching contributions provided by the other scholarship organizations.

There were no unconditional scholarships and grants payable as of August 31, 2022 and 2021.

NOTE H - EMPLOYEE BENEFIT PLAN

CSF has a defined contribution retirement plan which provides for CSF to make matching contributions of up to 5% of the compensation of eligible employees. The plan allows the participants to make voluntary contributions subject to Internal Revenue Service limitations. CSF incurred approximately \$86,000 and \$75,000 in pension expense relating to this plan for the years ended August 31, 2022 and 2021, respectively.

NOTE I - COMMITMENTS

CSF leases office space in New York City and New Hampshire with lease terms that expire on July 31, 2026 and April 30, 2023, respectively. Additionally, the terms of New York City lease agreement include escalating payments over the term of the lease. Rent expense is recognized on a straight-line basis, over the respective lease terms and totaled approximately \$173,000 and \$216,000 for the fiscal years ended August 31, 2022 and 2021, respectively. Accordingly, a deferred rent liability of approximately \$16,000 existed as of August 31, 2022, representing the difference between payments made and the straight-line recognition, and is within accrued expenses and other liabilities on the accompanying statement of financial position. The minimum annual future rental payments for the Fund's noncancelable operating lease are as follows:

Year ending August 31:

2023	\$ 99,100
2024	95,700
2025	97,800
2026	<u>91,600</u>
Total	<u>\$ 384,200</u>

As of August 31, 2022, CSF has outstanding conditional grants to other scholarship organizations totaling approximately \$2.6 million for the purpose of awarding scholarships to children from low-income families that are in kindergarten through eighth grade. These grants are subject to the satisfaction of stipulated conditions, including the achievement of matching fund requirements. If these conditions are satisfied, expenditures are recognized and payments will be made during the year ending August 31, 2023.

The Children's Scholarship Fund
NOTES TO FINANCIAL STATEMENTS - CONTINUED

August 31, 2022 and 2021

NOTE J - AVAILABLE RESOURCES AND LIQUIDITY

The Fund considers contributions without donor restrictions and investment income without donor restrictions to be available to meet cash needs for general expenditures. General expenditures include management and general expenses, fundraising expenses and program management, outreach and support expenses.

In addition, the Fund receives significant contributions with donor restrictions that are used to fund scholarships and matching grants to other scholarship organizations. During fiscal year 2022, the Fund received donor restricted contributions for scholarships and matching grants of approximately \$17,901,000.

The Fund manages its financial assets to meet general expenditures, liabilities and scholarship and matching grant obligations as they come due. The Fund invests cash in excess of its near term requirements in various short-term investments including money market funds, US Treasury Bills and certificates of deposit.

The table below presents financial assets available for general expenditures within one year at August 31, 2022:

Cash and cash equivalents	\$ 21,425,941
Investments	10,361,483
Contributions receivable	<u>1,763,214</u>
Total financial assets	<u>33,550,638</u>
Less amounts not available to be used within one year:	
Donor contributions restricted for scholarships and grants	<u>(24,006,249)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 9,544,389</u>

NOTE K - SUBSEQUENT EVENTS

CSF evaluated its August 31, 2022 financial statements for subsequent events through December 1, 2022, the date the financial statements were available to be issued. CSF is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

**Children's Scholarship Fund
Board of Directors**

Mr. Matthew W. Bonanno
Co-Chair, Children's Scholarship Fund
Managing Director, General Atlantic

Ms. Margot McGinness
Co-Chair, Children's Scholarship Fund

Mr. Jeffrey S. Chang
Senior Director, Private Equity Team, Guardian Life Insurance Company of America

Mr. Stephen Fraidin
Partner, Cadwalader, Wickersham & Taft LLP

Mr. Michael Gerstner
Chairman, RS Access

Mr. Christopher P. Halpin
Chief Financial Officer, IAC

Mr. Xavier James
Chief Operating Officer, Major League Baseball Players Association

Mr. David E. Johnson
Caligan Partners

Mike McCurry
Immediate Past Chair, Children's Scholarship Fund
Distinguished Professor of Public Theology, Wesley Theological Seminary

Ms. Darla M. Romfo
President and COO, Children's Scholarship Fund

Mr. Kevin M. Short
Managing Partner and CEO, Clayton Capital Partners

Mr. Remy W. Trafelet
President and CEO, Trafelet & Company, LLC

Ms. Heather Vratton

Mr. Juan Williams
Fox News

Darla M. Romfo
dromfo@scholarshipfund.org |

Experience

Children's Scholarship Fund **July 1999-Present**
President and CEO

- Manage all aspects of a national education nonprofit whose mission is to provide educational opportunities to low-income kids by empowering their parents to send them to private schools.

Senator John Breau **November 1995-June 1999**

Legislative Director and Counsel to Chief Deputy Whip

- Managed all legislative staff and all interactions with Democratic leadership staff on behalf of the Senator in his Washington, DC office.

Senator Kent Conrad **June 1993-November 1995**

Legislative Assistant and Legislative Director

- Served as the Senator's advisor on tax matters before the Senate Finance Committee and was promoted to manage all legislative staff on behalf of the Senator.

Tri-Five Properties **April 1991-May 1993**

In-House Counsel

- In-house counsel to an affiliated group of companies representing a Toronto based investor group with commercial real estate holdings in Florida. Co-managed Florida office and all Florida personnel.

Forsyth, Swalm and Brugger **June 1987-March 1991**

Associate and Shareholder

- Practiced law in the areas of tax, estate planning, and real estate. Involved in human resource and budgeting aspects of practice management.

Ernst and Whinney **September 1984-May 1987**

Staff and Sr. Tax Consultant

- Provided transaction oriented tax planning and problem resolution services to corporate, health care and NFP clients. Wrote for in-house publications and taught at in-house education programs.

Education

George Washington University Law School **September 1981-May 1984**
Juris Doctor

University of North Dakota **August 1977-May 1981**
B.S. in Accounting and B.A. in Political Science

Qualifications and Board memberships

Legal: Member of the Florida Bar; Member of the D.C. Bar

Other: Certified Public Accountant in Virginia

Affiliations and Board Memberships: Board member of The Drexel Fund, Brilla College Prep Charter Schools, the Invest in Education Coalition, and Silvercrest Asset Management Group. Former member of the White House Commission on U.S. Presidential Scholars.

KATE BAKER DEMERS

New Hampshire Executive Director, Children's Scholarship Fund

180 Loudon Rd.

Concord, NH 03301

603-785-0174

kbaker@scholarshipfund.org

PROFESSIONAL EXPERIENCE

Children's Scholarship Fund, New Hampshire / Network for Educational Opportunity Concord, NH

Executive Director Aug. 2012 to Present

- Established and managed a New Hampshire K-12 Scholarship Organization that has raised and provided \$10 million in education scholarships to underprivileged children.
- Operationalized and managed administration of New Hampshire Education Freedom Accounts that have provided unique learning experiences for more than 3000 NH children.
- Engaged nation-wide stakeholders and community leaders state-wide, featured favorably in media and celebrated for leading innovation and operational excellence.

AssureTec Technologies Manchester, NH

Business Manager Nov. 2010 to Aug. 2012

- Partnered with Vice-President of Sales and Marketing to develop sales, marketing and public relations strategies and department reporting.
- Increased sales and customer satisfaction by conducting staff training program, implementing sales management analytic tools, CRM, and customer support system.
- Led marketing activities of the organization, including complete company rebranding; web and collateral creation, public relations, social media, marketing and marketing analytics /ROI reporting, to maximize valuation.
- Developed and managed budgets and partnered with Vice-President of Finance and Administration in the financial management of the organization.

The Scholars' Academy (now Polaris Charter School) Manchester, NH

Co-Founder, Chairman of the Board Aug. 2008 to March 2016

- Developed school model, wrote and implemented business plan, marketing plan and fundraising plan, lead growth of organization, cultivated donors, recruited Board members and volunteers.
- Collaborated with specialists in gifted education to develop and provide curricular vision, direction, and educational oversight.
- Interviewed, hired, and trained faculty and staff including mentoring school director and classroom teachers in the areas of school management, multiage grouping and curriculum.
- Created annual budgets and forecasts, school policies and procedures and financial reporting.

The Bedford Youth Performing Company Bedford, NH

Business Administrator & Instructor Jun. 2004 to Nov. 2010

- Partnered with executive director to develop and implement growth strategy, marketing plan, and development plan that resulting in growth of school from 250 to 1000 students.
- Conducted staff and faculty training, managed payroll and human resources.
- Responsible for financial management, budgets and reporting, and collections.
- Researched grant opportunities and wrote successful grant proposals, fostered relationships with partner non-profits and donors.
- Designed programs and taught classes to hundreds of students generating increase in revenue every year.

R.T. Robertson Consultants Manchester, NH

Accounting Manager/Management Consultant Jun. 2000 to Jul. 2004

- Managed clients including: property management, hotel, professional services, and biotechnology start-up.
- Developed budgets, processed accounts payable and accounts receivable, utilized general ledger, managed cash flow and implemented cost controls.

EDUCATION

University of New Hampshire, Durham
Bachelor of Science: Business Administration, Cum Laude

COMMUNITY LEADERSHIP EXPERIENCE

Council for Thriving Children – Governor Sununu Appointee
Catholic Charities New Hampshire – Trustee
Rotary Club of Concord & Rotary Club Foundation – Board Member and Membership Chair
Polaris Charter School – Chairman of the Board
Polaris Charter School Educational Foundation – Co-Founder
Academy of Science and Design Educational Foundation – Co-Founder
The Greater Manchester Alliance for the Gifted – Co-Founder and President
City of Manchester - Education Advisory Committee - Mayor Guinta Appointee
Manchester School District – Magnet Program Implementation Committee
Manchester School District – Gifted and Talented Program Advisory Committee
University of New Hampshire – Whittemore (Paul) School of Business - Economics Teaching Assistant

AWARDS

General Federation of Women's Clubs NH Unity Award 2023
NH Liberty Alliance Activist of the Year 2021
Granite State Christian Schools Association – Leadership Award 2019
NH Catholic Schools – Superintendents Award 2018
New Hampshire Union Leader and Business and Industry Association "40 under Forty" 2013
The Peace Islands Institute New Hampshire 2013 Education Award

Kathleen M. Doran, CPA
Eastchester, NY 10709

SUMMARY

Senior financial professional with more than 20 years of management experience, working with leading financial institutions, boards of directors, and external auditors. CPA/M.S. Taxation with in-depth knowledge of not-for-profit accounting. Expertise includes the streamlining of accounting processes to generate cost savings, internal control system development including computer-based platforms for closing and account tracking, and team leadership in IT initiatives and database creation. Strong leadership, analytical, problem-solving, organizational, and communication skills.

PROFESSIONAL EXPERIENCE

Chief Financial Officer	2021 - Current
The Children's Scholarship Fund	New York, NY

Consulting Services	2019 - 2021
Michael A. Rozycki, CPA, PLLC	2018 - 2020
	Pelham, NY

- Provide auditing, accounting, tax and budget services for public accounting firm specializing in Commercial Real Estate Accounting for Cooperatives and Condominiums.

Chief Financial Officer	2017 - 2019
Community Housing Innovations, Inc.	White Plains, NY

- Directed operating budget of over \$30 million for over 20 programs.
- Managed budgeting, reporting and funding from various funding agencies: Suffolk, Nassau, Westchester, Orange and Dutchess County Department of Social Services, U.S. Department of Housing and Urban Development, NYS Office of Mental Health, NYS Affordable Home Corporation, NYS Office of the Attorney General, and NYS Office of Temporary and Disability Assistance.
- Prepared consolidating financial statements in compliance with Generally Accepted Accounting Principles, and Government Auditing Standards, and Uniform Guidance (Formerly OMB Circular A-133).
- Prepared IRS Federal Form 990 and NYS CHAR500.
- Formulated policies and procedures to strengthen internal controls. This included streamlining processes by leveraging available technology to attain operational efficiencies.
- Direct supervision of 6 accounting staff and Operations Manager.
- Collaborated with Executive Director and Associate Executive Director as a strategic thought partner.
- Developed external relations with funding agencies, financial institutions and auditors.
- Managed large portfolio of properties, cash flow needs and lending institutions debt coverage covenants.

Director of Financial Operations	2013 - 2017
Archdiocese Of New York – Global Regional School System	New York, NY

- o Directed operating budget of over \$190 million for 94 elementary schools and 9 regional offices.
- o Reorganized and managed the Global Regional System back-office operation, accounting and financial services unit and human resources, comprising more than 40 employees.
- o Directed and oversaw government funding of over \$30 million for 74 Pre K for All programs.
- o Provided bi-annual training to staff regarding new processes and financial reporting.
- o Developed and implemented a formal budget creation and review process; enabling the timely release of tuition rates and fees for the following school year, and timely review of actual to budget variances.
- o Developed the financial statement reports for each of the 94 elementary schools, rolled up to 9 regional level reports and combined into one global financial statement report. This resulted in the first ever audited financial statements for the elementary schools.
- o Presented financial statements to regional boards, business managers and Archdiocese senior management.
- o Developed and drafted all accounting policies and internal control procedures regarding tuition collections and payment, cash receipts, cash disbursements, fundraising and temporarily restricted donations.
- o Streamlined the payment of invoices by implementing a school credit card and prepaid cash card petty cash system.

Chief Financial Officer/Treasurer/Secretary
The Woodlawn Cemetery

2006 - 2013
Bronx, NY

- o Directed operating budget of over \$10 million and trust funds of over \$100 million, prepared financial statements and IRS Federal Form 990.
- o Managed the administration, accounting, human resources/payroll and information technology staff, comprising of more than 15 employees.
- o Developed and implemented the cemetery's first five year forecast review process, a comprehensive document retention/destruction policy, and a month-end close process that reduced staff time by half and produced needed timely reports.
- o Created an endowment module in HMIS cemetery software that accounts for the activity of over 9,000 endowed properties.
- o Team leader on key initiatives including IT projects - website and GIS (Geographic Information System) base map database development, a Partners in Preservation program that garnered a \$150,000 grant to preserve the Belmont Mausoleum, the restoration of additional historic mausoleums, and a National Historic Landmark DVD.
- o Lead financial reporting and informational return filings in New York and other states for Woodlawn Conservancy, Inc. (formerly Friends of the Woodlawn Cemetery) a 501(C)(3) support organization.
- o Provided final financial reports for grants received, including the Department of Cultural Affairs and the New York Community Trust, as well as quarterly operating results and budget variances to the board of directors and finance committee.
- o Worked with investment advisors and reconcile investment activity on a monthly basis.

Audit Supervisor
O'Connor Davies, LLP (Public Accounting Firm)

2001 - 2006
Harrison, NY

- o Analyzed budgets, supervised and completed audits and reviews.
- o Client experience included not-for profit and health care organizations.
- o Prepared, analyzed, reviewed, and interpreted financial statements and related notes.
- o Primary liaison for client management, led audit teams on audit engagements.
- o Identified weaknesses in internal controls and prepared management letters.
- o Prepared and reviewed restricted net assets schedules and tax returns.
- o Trained junior staff members.

Staff Accountant

Speer & Fulvio, LLP (Public Accounting Firm)

2000 - 2001

New York, NY

- Performed client audits, compilations, and reviews.
- Prepared tax returns.
- Reviewed audit findings with clients.

Accountant

Lehman Brothers

1997 - 2000

New York, NY

- Handled monthly, quarterly, and yearly financial reporting/profit & loss (P/L) for broker dealer and holding companies.
- Reconciled front office P/L to subsystem general ledger (G/L), posting adjustments.
- Properly classified inventory, financings, and customer balances in the corporate G/L.
- Prepared and confirmed intercompany eliminations for inventory, fails, and financings.
- Managed multi-product trading system including client queries, trade capture, and reporting.
- Conducted annual review of financial reporting with external auditors and SEC.
- Served as international offices financial reporting liaison.
- Ensured a successful European Monetary Unit (EMU) and Y2K conversion.
- Researched and resolved intercompany breaks and erroneous balance sheet accounts.

Internal Auditor

Chase Manhattan Bank

1995 - 1997

New York, NY

- Obtained, recorded, and confirmed detailed profiles of audited business functions: Middle Market, Loan Workout, NYC Municipals, Asset Based Lending, Trust Operations, Chase Insurance.
- Evaluated internal control systems to identify control points and/or weaknesses.
- Performed substantive and compliance testing for operation areas (funds transfer, section 20 Firewall Compliance, extensions of credit, overdrafts, abeyance accounts, system access, G/L transactions, account openings, official checks, daily proof, securities processing, settlement and various reconciliations).
- Documented audit findings and presented them to auditee management.
- Participated in fraud investigations.

EDUCATION

Baruch College, The City University of New York

M.S. Taxation

Manhattan College

B.S. Accounting and Finance, Cum Laude

PROFESSIONAL LICENSE & AFFILIATIONS

Certified Public Accountant, New York 2002

American Institute of Public Accountants - Member

New York State Society of Certified Public Accountants - Member

Metropolitan Cemetery Association - Secretary/Treasurer 2013

SOFTWARE SKILLS

Fund EZ, Sage Mas90, Creative Solutions, HMIS cemetery software, Parish Soft Connect Now, Outlook, Excel, Word, PowerPoint

Marie M. Bathelmy

mb546@columbia.edu

QUALIFICATION HIGHLIGHTS:

- Over 20 years of experience in developing and managing public/private partnerships and following through to ensure success
- Highly skilled in organizing start up phases of new projects and programs
- Excellent interpersonal and communication skills
- Able to work independently and as a member of a team
- Bilingual, bicultural professional fluent in verbal and written Spanish

EXPERIENCE:

The Children's Scholarship Fund (CSF)

Brooklyn, NY

08/16-Present

Director of Scholarship Operations, executive staff

- Oversee CSF's overall scholarship granting program in New York City that serves over 6,000 students across 220 K-8 schools
- Supervise the application processing and student qualification of the Education Tax Credit & Education Freedom Account programs in the state of New Hampshire that serves over 3,300 students
- Manage the build out, implementation, and maintenance of several online scholarship and alumni management systems
- Provide operations support for CSF's IT services and phone system
- Develop and implement outreach and marketing strategies targeting prospective scholarship families and outreach to new schools interested in partnering with CSF
- Establish and sustain rapport with CSF's funding partners, including the Archdiocese of New York and the Diocese of Brooklyn, and with CSF's program vendors, including NeonOne and ClassWallet
- Provide technical assistance to CSF's nation-wide program partners in the areas of program implementation, best practices, and online systems design

Brooklyn Jesuit Prep (BJP)

Brooklyn, NY

08/14-06/16

Director, Graduate Support Program

- Developed quality supplemental and enriching programming for the 85 BJP graduates in grades 9-12 and over 80 BJP graduates in college and beyond that has resulted in increased graduate participation
- Monitored each graduate's academic progress and behavior in high school to ensure stability, accountability and motivation
- Maintained a strong rapport with the graduates through social media, email, and school visits
- Established and sustained positive communication and rapport with high school guidance counselors, deans, and principals at the high schools that the BJP graduates attended as well as the graduate's parents
- Maintained overall graduate support program budget and managed contracts and financial aid for the graduates in high school
- Designed and lead an 8-week high school prep and transition seminar for 8th grade students
- Introduced, designed, and implemented school-wide learning and cultural initiatives such as Career Day & heritage month celebrations that have become part of the school's yearly programming

Strategic Planning Consultant

Brooklyn, NY

07/13-07/16

Specializing in nonprofits and educational institutions, designed and implemented strategy plans in the areas of marketing, community outreach, operations, logistical coordination, and cultivation.

- *Legacy Project at St. John the Baptist Roman Catholic Church:*
Project Manager for the historic relocation of the 146 year-old parish; designed a campaign to increase parish giving & stewardship; and developed a clear communications plan for the relocation & fundraising efforts
- *Cristo Rey Brooklyn High School:*
Developed marketing and collateral materials, provided operational & logistical support, and trained successor during transition period

Marie M. Bathelmy

mb546@columbia.edu

Cristo Rey Brooklyn High School

Brooklyn, NY

11/08-06/13

Director of Admissions

School Administration & Management, member of the Leadership Team:

- Developed and presented admissions strategies to Board of Trustees and to funders as necessary
- Developed and maintained brand strategies with school's President and marketing firm
- Active thinking partner in the decision-making process of school policies and initiatives

Oversaw all aspects of the department and student recruitment to ensure that each entering class had qualified, talented students:

- Designed and implemented a comprehensive strategic plan of outreach initiatives and of admissions policies that increased student inquiries by approximately 20% each academic year
- Sourced, created, and maintained key partnerships at the public, private, and community levels that increased the school's market by 100% contacts since 2008
- Created and implemented multi-faceted marketing and communications campaign that include print, email, media, and social media that align with the organization's brand
- Directed the admissions process from point of inquiry through enrollment
- Worked with fellow Leadership Team members to ensure the admissions strategy and process ran smoothly
- Evaluated and followed up using data and real time input and acted on key opportunities for continuous growth and improvement

The National Urban Technology Center, Inc.

New York, NY

02/02-10/08

Contracts and Administration

Responsible for multiple high-level functions within the non-profit corporation:

Project Management, Operations & Logistics

- Primary liaison to partners, grant funders, and clients, including: the Office of the First Lady of New York State; NYCDOE school principals, teachers, and District Superintendents; Bank Street College of Education; US Department of Justice; US Department of Education; Internal Revenue Service; The New York City Housing Authority; and various corporate sponsors
- Customized agendas, scheduled delivery of services & travel, and facilitated training workshops by project, grant or client across all 50 US states, US territories and Native American Tribal Nations
- Recruited, hired, trained, and managed technical and training consultants as required by project
- Managed and maintained project and grant budgets ranging from \$1,500 to over \$1 million

Marketing, Community Outreach & Planning

- Provided strategic planning to clients for building capacity and maintaining sustainability through evaluating needs, identifying resources, creating new/reinforcing existing partnerships, designing community technology programs, and reviewing curriculum effectiveness
- Created compelling advertising copy and lay out visually appealing content for catalogs and other marketing materials such as fliers and postcards for direct mailing campaigns
- Represented organization at national conferences for the US Department of Education and US Department of Justice and at community meetings and fairs

Contracts, Administration & HR

- Recruited, interviewed, hired and trained new full time and consultant staff; facilitated new-hire orientations
- Served as Group Benefits Administrator (GBA) for health insurance, Plan Administrator for the 401(k) plan and Payroll & Fringe Manager
- Drafted Consultant Agreements and Memorandums of Understanding

The United Way of New York City

New York, NY

05/99-03/01

Program Intern, Management Assistance Program (MAP)

- Coordinated Special Projects and LINKAGES Training Sessions
- Conducted Intake/Mailing Process, Registration, and Placement Process of LINKAGES participants

Program Intern, Hunger Prevention and Nutrition Assistance Program (HPNAP)

- Evaluated prospective community groups for Food, Operations, and Capital Equipment funding

Marie M. Bathelmy

mb546@columbia.edu

- Conducted site visits and TANF Eligibility Project (TEP) Survey's at HPNAP funded agencies

EDUCATION:

Columbia University

Bachelor of Arts in History, May 2001

New York, NY

SKILLS:

Languages: Spanish and Haitian-Creole

Computer: Windows and Ubuntu systems; Microsoft Office (Word, Excel, PowerPoint), Salesforce

ACTIVITIES:

Trustee, St. John the Baptist Roman Catholic Church

Volunteer, St. Frances Cabrini Catholic Academy

Volunteer, St. Matthias Catholic Academy

The Children's Scholarship Fund

Schedule of Key Employees who work on EFA program administration

(Note key employee as defined by IRS Form 990 Instructions)

As of June 2023

Employee	Job Title	Annual Salary	% allocated to EFA program administration	% allocated to EFA program administration
Darla Romfo	President & CEO	\$ 350,000	13%	\$ 45,500
Kathleen Doran	Chief Financial Officer	\$ 245,250	17%	\$ 41,693
Kate Baker Demers	Executive Director of NH Programs	\$ 165,000	95%	\$ 156,750
Marie Bathelmy	Director of Scholarship Operations	\$ 130,000	40%	\$ 52,000



MAR04'22 PM 1:10 RCVD

Frank Edelblut
Commissioner

Christine M. Brennan
Deputy Commissioner

STATE OF NEW HAMPSHIRE
DEPARTMENT OF EDUCATION
25 Hall Street
Concord, NH 03301

March 2, 2022

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 contract amendment with the Children's Scholarship Fund, Concord, NH (vendor code 325139) by extending the end date from June 30, 2022 to September 30, 2023, with no increase to the contract price, to continue to administrate Educational Freedom Accounts (EFA) for eligible students, upon Governor and Council approval. The original contract was approved by Governor and Council on August 4, 2021 (Item # 62). 100% Education Trust Fund.

EXPLANATION

New Hampshire's EFAs empower families from low- and middle-income backgrounds with access to the educational options and environments that best meet their child's needs, interests, and talents. With the state funds intended for a child's education, parents can pay for the schools, educational services, courses, and programs of their choice. Funds unused each school year are rolled forward for future educational expenses until the child graduates high school.

Per RSA 194-F, the commissioner of the department of education is required to transfer to the scholarship organization the per student adequate education grant amount under RSA 198:40-a, plus any differentiated aid that would have been provided to a public school for that eligible student. The transfers shall be made in accordance with the distribution of adequate education grants under RSA 198:42. The Department of Education has selected the Children's Scholarship Fund as the Scholarship Organization (Scholarship Organization) as the sole source recipient of this contract to implement this program. According to RSA 194-F:1, XII, "Scholarship organization" means a scholarship organization approved under RSA 77:G, that administers and implements the EFA Act. Currently, only two organizations in New Hampshire meet these criteria, the Children's Scholarship Fund and the Giving and Going Alliance. The Giving and Going Alliance has notified the Department of Education that they are not interested in participating in this program during both this year and next year.

Respectfully submitted

Frank Edelblut
Commissioner of Education

**AMENDMENT TO
PROFESSIONAL SERVICES CONTRACT**

Now come the New Hampshire Department of Education (DOE), hereinafter "the Agency," and Children's Scholarship Fund, Concord, NH, hereinafter "the Contractor", and pursuant to an agreement between the parties that was approved by Governor and Council on August 4, 2021 (Item # 62) hereby agree to modify same as follows:

1. Replace the completion date in box 1.7 of form P-37 to read September 30, 2023
2. All other provisions of this agreement shall remain in full force and effect as originally set forth; and
3. This amendment shall commence upon Governor and Council approval and shall terminate on (September 30, 2023)

This modification of an existing agreement is hereby incorporated by reference to the existing agreement by the parties and must be attached to the said agreement.

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

THE STATE OF NEW HAMPSHIRE
Department of Education
(Agency)

By: Frank Edelblut 3/2/2022
Frank Edelblut, Commissioner of Education Date

Contractor

By: Darla Romfo March 2, 2022
Darla Romfo, President, Children's Scholarship Fund Date

STATE OF N/A COVID

County of N/A

On this the _____ day of _____, 20____ before me, N/A, the undersigned officer, personally appeared _____ known to me (or satisfactory proven) to be the person whose name is subscribed to the within instrument and acknowledged that he/she executed the same for the purposes therein contained.

In witness whereof, I hereto set my hand and official seal.

N/A
Notary Public/Justice of the Peace

N/A
Commission Expires

Approved as to form, substance and execution by the Attorney General this 2 day of March, 2022

Christopher Bond
Christopher Bond, Attorney General's Office

Approved by the Governor and Council this _____ day of _____, 20____

By: _____

State of New Hampshire

Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that THE CHILDREN'S SCHOLARSHIP FUND is a New York Nonprofit Corporation registered to transact business in New Hampshire on January 06, 2011. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 641259

Certificate Number: 0005663767



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 8th day of February A.D. 2022.

A handwritten signature in black ink, appearing to read "Wm Gardner".

William M. Gardner
Secretary of State

Certificate of Attestation

I, Elizabeth Toomey, hereby certify that I am a duly appointed representative of
(Name)

Children's Scholarship Fund. I hereby certify that Darla M. Romfo, President and COO, is duly
(Name of Business) (Name & Title of person who signed contract)

authorized to execute contracts on behalf of Children's Scholarship Fund and may bind the
(Name of Business)

organization thereby.

**I further certify that it is understood that the State of New Hampshire will rely on this
attestation as evidence that the person listed above currently occupies the position indicated and that
he/she has full authority to bind the organization.**

Dated: 2/8/22

Attest:

SA [Signature]
(Name & Title)



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
2/9/2022

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 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 Risk Strategies Company DeWitt Stern Group Inc. 750 Third Avenue, Suite 1500 New York NY 10017	CONTACT NAME: Loma Gucciardi-Potter	
	PHONE (A/C No. Ext.): 212-297-1433	FAX (A/C No.): 646-719-2977
	E-MAIL ADDRESS: LGucciardi-Potter@risk-strategies.com	
	INSURER(S) AFFORDING COVERAGE	NAIC #
	INSURER A: PHILADELPHIA INDEMNITY INSURANCE CO	18058
	INSURER B: TWIN CITY FIRE INSURANCE CO CO	29459
	INSURER C:	
	INSURER D:	
	INSURER E:	
	INSURER F:	

COVERAGES **CERTIFICATE NUMBER:** 952990167 **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 SUBR INSD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☒ POLICY ☐ PROJECT ☐ LOC ☐ OTHER:			5/4/2021	5/4/2022	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 4,000,000 PRODUCTS - COM/OP AGG \$ 4,000,000
	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ ALL OWNED AUTOS ☐ HIRED AUTOS ☐ SCHEDULED AUTOS ☐ NON-OWNED AUTOS					COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	UMBRELLA LIAB ☐ OCCUR EXCESS LIAB ☐ CLAIMS-MADE DED ☐ RETENTION \$					EACH OCCURRENCE \$ AGGREGATE \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N ☐ N/A		5/4/2021	5/4/2022	☒ PER STATUTE ☐ OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
THIS CERTIFICATE WAS ISSUED FOR EVIDENCE PURPOSES ONLY

CERTIFICATE HOLDER

The State of 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

M B Chitt



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

July 14, 2021

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

REQUESTED ACTION

Authorize the Department of Education enter into a sole source contract with the Children's Scholarship Fund, Concord, NH (vendor code 325139), to implement the Education Freedom Accounts (EFA) Act establish RSA 194-F, by administering EFA accounts for eligible students, with an amount between \$3,786.66 and \$8,457.96 per eligible participating New Hampshire student with a household income of 300% or less than the Federal poverty level. Effective upon Governor and Council approval through June 30, 2022. 100% Education Trust Fund.

Funds to support this request are available in FY 22 in the account titled Education Trust Fund as follows:

06-56-56-560040-30430000-652-500580 Education Freedom Account

EXPLANATION

The Department of Education is entering a Sole Source contract. New Hampshire's EFAs empower families from low- and middle-income backgrounds with access to the educational options and environments that best meet their child's needs, interests, and talents. It accomplishes this by allowing these eligible families to direct state education funds supporting their child's education to the educational programming of their choice. Funds unused each year are rolled forward for future educational expenses until the child graduates high school.

Per RSA 194-F, the commissioner of the department of education is required to transfer to the scholarship organization the per student adequate education grant amount under RSA 198:40-a, plus any differentiated aid that would have been provided to a public school for that eligible student. The transfers shall be made in accordance with the distribution of adequate education grants under RSA 198:42. The Department of Education has selected the Children's Scholarship Fund as the Scholarship Organization (Scholarship Organization) as the sole source recipient of this program.

According to RSA 194-F:1, XII, "Scholarship Organization" means a scholarship organization approved under RSA 77:G, that administers and implements the EFA Act. Currently, only two organizations in New Hampshire meet these criteria, the Children's Scholarship Fund and the Giving and Going Alliance. The Giving and Going Alliance has notified the Department of Education that they are not interested in participating in this program during this fiscal year.

It is the intention of the Department of Education to offer a competitive bid process to attract one or more entities, including the Children's Scholarship Fund, to provide these services in future years. Because of the short implementation timeline and lack of qualified organizations in New Hampshire, it was not possible to run a competitive bid process in this first year of implementation.

Children's Scholarship Fund New Hampshire currently provides scholarships to empower low and moderate income New Hampshire families to choose the schools that best fit their children's needs, regardless of their income or zip code. The Children's Scholarship Fund has been operating the Education Tax Credit Scholarship Program, under 77:G in New Hampshire since its inception in 2013. The program's NH Department of Revenue (NH DRA) ED-05 annual reports are detailed and public on the NH DRA website.

Children's Scholarship Fund New Hampshire is part of Children's Scholarship Fund National, a network of partner programs each providing scholarships that empower parents to choose schools they otherwise could not afford. Children's Scholarship Fund is a 501(c)(3) nonprofit charity scholarship organization. They have an annual independent audit. Their 990s, financial statements, and annual reports are public. They have a 4-star Charity Navigator rating - the highest possible rating - and also have the highest possible score that a nonprofit can attain for accountability and transparency.

Respectfully submitted,



Frank Edelblut
Commissioner of Education

FORM NUMBER P-37 (version 12/11/2019)

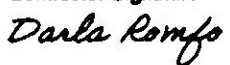
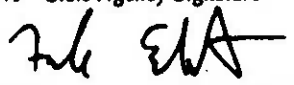
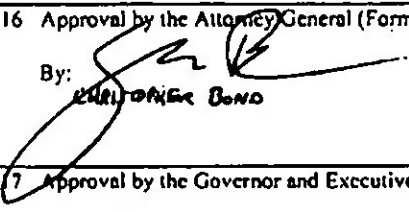
Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS

I. IDENTIFICATION.

1.1 State Agency Name Department of Education		1.2 State Agency Address 101 Pleasant Street, Concord, NH 03301	
1.3 Contractor Name The Children's Scholarship Fund (325139)		1.4 Contractor Address 89 South Street Concord, NH 03301	
1.5 Contractor Phone Number (603) 755-6751	1.6 Account Number See Exhibit C	1.7 Completion Date June 30, 2022	1.8 Price Limitation TBD
1.9 Contracting Officer for State Agency Frank Edelblut		1.10 State Agency Telephone Number 603-271-3144	
1.11 Contractor Signature  Date: 7/15/21		1.12 Name and Title of Contractor Signatory Darla Romfo, President	
1.13 State Agency Signature  Date: 7-19-21		1.14 Name and Title of State Agency Signatory Frank Edelblut, Commissioner of Education	
1.15 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.16 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By:  On: 7/19/21			
1.17 Approval by the Governor and Executive Council (if applicable) G&C Item number: _____ G&C Meeting Date: _____			

Type text

2. SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT B which is incorporated herein by reference ("Services").

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.17, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.13 ("Effective Date").

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds affected by any state or federal legislative or executive action that reduces, eliminates or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope for Services provided in EXHIBIT B, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to reduce or terminate the Services under this Agreement immediately upon giving the Contractor notice of such reduction or termination. The State shall not be required to transfer funds from any other account or source to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT C which is incorporated herein by reference.

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete

compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.

6.1 In connection with the performance of the Services, the Contractor shall comply with all applicable statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal employment opportunity laws. In addition, if this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all federal executive orders, rules, regulations and statutes, and with any rules, regulations and guidelines as the State or the United States issue to implement these regulations. The Contractor shall also comply with all applicable intellectual property laws.

6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.

6.3 The Contractor agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.

7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

8. EVENT OF DEFAULT/REMEDIES.

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):

8.1.1 failure to perform the Services satisfactorily or on schedule;

8.1.2 failure to submit any report required hereunder; and/or

8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely cured, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 give the Contractor a written notice specifying the Event of Default and set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 give the Contractor a written notice specifying the Event of Default, treat the Agreement as breached, terminate the Agreement and pursue any of its remedies at law or in equity, or both.

8.3. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

9. TERMINATION.

9.1 Notwithstanding paragraph 8, the State may, at its sole discretion, terminate the Agreement for any reason, in whole or in part, by thirty (30) days written notice to the Contractor that the State is exercising its option to terminate the Agreement.

9.2 In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall, at the State's discretion, deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT B. In addition, at the State's discretion, the Contractor shall, within 15 days of notice of early termination, develop and

submit to the State a Transition Plan for services under the Agreement.

10. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

10.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulas, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

10.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

10.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

11. CONTRACTOR'S RELATION TO THE STATE. In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.

12.1 The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice, which shall be provided to the State at least fifteen (15) days prior to the assignment, and a written consent of the State. For purposes of this paragraph, a Change of Control shall constitute assignment. "Change of Control" means (a) merger, consolidation, or a transaction or series of related transactions in which a third party, together with its affiliates, becomes the direct or indirect owner of fifty percent (50%) or more of the voting shares or similar equity interests, or combined voting power of the Contractor, or (b) the sale of all or substantially all of the assets of the Contractor.

12.2 None of the Services shall be subcontracted by the Contractor without prior written notice and consent of the State. The State is entitled to copies of all subcontracts and assignment agreements and shall not be bound by any provisions contained in a subcontract or an assignment agreement to which it is not a party.

13. INDEMNIFICATION. Unless otherwise exempted by law, the Contractor shall indemnify and hold harmless the State, its officers and employees, from and against any and all claims, liabilities and costs for any personal injury or property damages, patent or copyright infringement, or other claims asserted against the State, its officers or employees, which arise out of (or which may be claimed to arise out of) the acts or omission of the

Contractor, or subcontractors, including but not limited to the negligence, reckless or intentional conduct. The State shall not be liable for any costs incurred by the Contractor arising under this paragraph 13. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and continuously maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 commercial general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate or excess; and

14.1.2 special cause of loss coverage form covering all property subject to subparagraph 10.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than ten (10) days prior to the expiration date of each insurance policy. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("Workers' Compensation").

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. The Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. **NOTICE.** Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

17. **AMENDMENT.** This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no such approval is required under the circumstances pursuant to State law, rule or policy.

18. **CHOICE OF LAW AND FORUM.** This Agreement shall be governed, interpreted and construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party. Any actions arising out of this Agreement shall be brought and maintained in New Hampshire Superior Court which shall have exclusive jurisdiction thereof.

19. **CONFLICTING TERMS.** In the event of a conflict between the terms of this P-37 form (as modified in EXHIBIT A) and/or attachments and amendment thereof, the terms of the P-37 (as modified in EXHIBIT A) shall control.

20. **THIRD PARTIES.** The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. **HEADINGS.** The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. **SPECIAL PROVISIONS.** Additional or modifying provisions set forth in the attached EXHIBIT A are incorporated herein by reference.

23. **SEVERABILITY.** In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. **ENTIRE AGREEMENT.** This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire agreement and understanding between the parties, and supersedes all prior agreements and understandings with respect to the subject matter hereof.

EXHIBIT A

Special Provisions

Paragraph 12.2 is hereby modified to read as follows:

None of the Services shall be subcontracted by the Contractor without prior written notice and consent of the State. The State is entitled to copies of all subcontracts and assignment agreements and shall not be bound by any provisions contained in a subcontract or an assignment agreement to which it is not a party. Notwithstanding the preceding language, the State assents to the Contractor subcontracting administrative functions required under this contract to Kleo, Inc. d/b/a Class Wallet.

EXHIBIT B

Scope of Services

The Children's Scholarship Fund ("CSF") shall act as a Scholarship Organization, pursuant to RSA 194-E, that administers and implements the Education Freedom Accounts (EFA) Act.

1. CSF agrees that it is qualified to act as a Scholarship Organization and is:
 - Approved under RSA 77:G;
 - A duly formed nonprofit corporation authorized to transact business in the State of New Hampshire and shall maintain that status throughout the term of this contract;
 - Exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code, and shall maintain that status throughout the term of this contract;
 - In compliance with applicable state and federal laws and regulations, including antidiscrimination and privacy laws;
 - Registered with the director of charitable trusts; and
 - Approved by the department of Revenue Administration for the purpose of issuing scholarships, as provided in RSA 77:G.
2. For purposes of this Scope for Services, the following terms shall be defined to mean:
 - "Adequate education grant" means the grant calculated under RSA 198:41.
 - "Curriculum" means the lessons and academic content taught in a specific course, program, or grade level.
 - "Department" means the department of education.
 - "Differentiated Aid" shall mean the conditions for additional aid enumerated in RSA 198:41-a, II (b), (c), (d), (e), as adjusted by RSA 198:40-d.
 - "Education Freedom Account" or "EFA" means the account to which Grant funds are allocated by CSF to the parent or guardian of an Eligible student solely for the purpose of paying education expenses enumerated in RSA 194-F:2, II.
 - "Education service provider" means a person or organization that receives payments from Education Freedom Accounts to provide educational goods and services to EFA students.

- "Eligible student" means a resident of this state who is eligible to enroll in the student's resident public elementary or secondary school and whose annual household income at the time the student applies for the program is less than or equal to 300 percent of the federal poverty guidelines as updated annually in the Federal Register by the United States Department of Health and Human Services under 42 U.S.C. section 9902(2). No income threshold need be met in subsequent years, provided the student otherwise qualifies. Students in the special school district within the department of corrections established in RSA 194:60 shall not be eligible students.
- "EFA student" means an Eligible student who is participating in the EFA program.
- "Full-time" means more than 50 percent of instructional time.
- "Grant" shall mean the amount determined pursuant to RSA 198:40-a,II(a) plus any eligible Differentiated Aid, as adjusted by RSA 198:40-d.
- "Remote or hybrid" shall mean any public school that is not providing instruction in-person where the student or the educator are both not physically present in the traditional classroom.
- "Parent" means a biological or adoptive parent, legal guardian, custodian, or other person with legal authority to act on behalf of an EFA student.
- "Program" means the Education Freedom Account program established in this chapter.
- "Scholarship organization", means a scholarship organization approved under RSA 77:G, that administers and implements the EFA Act.

Authority and Responsibilities of CSF.

3. CSF shall have the following additional duties, obligations, and authority:

- Provide data, documentation, and reports as reasonably requested by the Department, within deadlines determined by the Department and in the format designated by the Department.
- Obtain New Hampshire SASID numbers for each participating eligible student and to the greatest extent possible ensure continuity of SASID use by prior education agencies. This may require facilitation of obtaining SASID numbers, by Parents, from prior education agencies.
- Ensure that funds in an EFA may only be used for educational purposes in accordance the below list of allowable expenses.

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- Ensure EFA funds shall not be refunded, rebated, or shared directly with a parent or EFA student in any manner. Any refund or rebate for goods or services purchased with EFA funds shall be credited directly to the student's EFA.
- Develop an application and application process for an Education Freedom Account consistent with the EFA Act and applicable Administrative Rules.
- Maintain an updated list of education service providers and ensure that the list is publicly available through various sources, including, but not limited to, the Internet.
- Provide parents with a written explanation of the allowable uses of EFA funds, the responsibilities of parents, the duties of CSF, and the role of any financial management firms that CSF may contract with to administer any aspect of the EFA program.
- Ensure that parents of students with disabilities receive notice that participation in the EFA program is a parental placement under 20 U.S.C. section 1412, Individuals with Disabilities Education Act (IDEA), along with an explanation of the rights that parentally placed students possess under IDEA and any applicable state laws.
- Implement an eligibility determination process for students entering kindergarten for the first time that may not meet the resident age requirement.
- Assist parents and students in maintaining necessary educational attainment records, including through participation in the statewide student assessment test pursuant to RSA 193-C:6, a nationally-standardized, norm-referenced achievement test or maintain a portfolio.
- Ensure that the Parent of eligible students receiving an EFA provide an annual record of educational attainment by the eligible student's:
 - Participation in the statewide student assessment test pursuant to RSA 193-C:6.

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Contractor Initials DMH
Date 7/15/21

- o Participation in a nationally-standardized, norm-referenced achievement test, or
 - o Maintenance of a portfolio including, but not limited to, a log which designates by title the reading materials used; samples of writings, worksheets, workbooks, or creative materials used or developed by the student by the end of each school year.
- If a participating Parent fails to provide an annual record of educational attainment to CSF by the required due date established by CSF, CSF shall not make any additional EFA funds available to that EFA student until educational attainment record is provided.
- Determine student eligibility and the Grant amount by application of the eligibility criteria in the EFA Act and applicable Administrative Rules, subject to any applicable state and federal laws.
- Implement a system for payment of services from EFAs to Education Service Providers by electronic or online funds transfer. CSF may contract with a private institution or organization to develop the payment system.
- Provide applicable tax documents to parents, students, and education service providers as applicable.
- Comply with all applicable federal and state regulations surrounding student data privacy and security.
- Notify the Department within 5 (five) business days of CSF becoming aware of a student's ineligibility to participate for any reason other than withdrawal from the Program.
- Comply RSA 77-G.
- CSF shall adopt a system that provides maximum flexibility to parents by facilitating direct payments to Education Service Providers. CSF may pre-approve requests for reimbursements for qualifying expenses, including expenses pursuant to RSA 194-F:2, II, but shall not disperse funds to parents without receipt of evidence that such pre-approved purchase has been made.

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- Require parents or guardians to execute annually an agreement, as a condition of participation in the Education Freedom Account program that enumerates the rights and responsibilities of the parent or guardian, including an assurance of compliance with the terms of the program.

Making Grants to Eligible Student Accounts

4. The Department shall transfer to the CSF the Grant amount for each Eligible student. The transfers shall be made in accordance with the distribution of Adequate Education Grants under RSA 198:40-a. In accordance with RSA 198:42 I, Grants will be distributed to CSF from the education trust fund in 4 payments of 20 percent on September 1, 20 percent on November 1, 30 percent on January 1, and 30 percent on April 1 of each school year, provided that CSF provides data required by the Department in the appropriate format and timeline as determined by the Department to calculate aid amounts.
5. Grant funds will be transferred to CSF for Eligible students enrolled in the program, and which have been communicated to the Department by CSF 30-days in advance of the funding date indicated in #4 above. In the first year of the program, if the Eligible student is enrolled in the program 30-days prior to the second transfer date of November 1, the Eligible student shall receive both the September 1 and November 1 payment as an accommodation for the start-up of the program.
6. CSF shall be responsible, in cooperation with the Department, for determining the per student Grant amount by application of the criteria set forth in RSA 198:40-a,II(a) plus any eligible Differentiated Aid, as adjusted by RSA 198:40-d. Grant amount definitions shall include:
 - Base Grant as determined by RSA 198:40-a,II(a), as adjusted by RSA 198:40-d.
 - Free or reduce price meal Grant as determined by RSA 198:40-a,II(b), as adjusted by RSA 198:40-d shall mean Eligible students in kindergarten through grade 12 who are eligible for the federal free or reduced-price meal program.
 - English Learner Grant as determined by RSA 198:40-a,II(c), as adjusted by RSA 198:40-d shall mean Eligible students who are a predominant language other than English or who is educationally disadvantaged by a limited English proficiency, and who participated in the annual assessment of English language proficiency required of such students by

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the Elementary and Secondary Education Act, 20 U.S.C. section 6311 (b)(7).

- Special Education Services Grant as determined by RSA 198:40-a,II(d), as adjusted by RSA 198:40-d. CSF shall rely on an Eligible student's prior IEP or on a licensed medical professional written verification of a qualifying disability in accordance with RSA 186-C:2, I, in the first year of participation in the Education Freedom Account program and, in subsequent years of an EFA student's participation, on a licensed medical professional written verification of a qualifying disability in accordance with RSA 186-C:2, I.
- Third Grade Proficiency Grant as determined by RSA 198:40-a,II(e), as adjusted by RSA 198:40-d. CSF shall rely on the NH SAS assessment attainment for this determination.

Deposits Into Student EFAs

7. CSF shall continue making Grants into an Eligible student's EFA until:

- CSF determines that the EFA student is no longer an eligible student.
- CSF determines that there was intentional misuse of the funds in the EFA.
- The parent or EFA student withdraws from the EFA program.
- The EFA student enrolls full-time in the resident district public school.
- The EFA student graduates from high school.

8. If an Education Service Provider requires partial payment of tuition or fees prior to the start of the academic year to reserve space for an EFA Eligible student admitted to the Education Service Provider, such partial payment may be paid by CSF, if funds are available, prior to the start of the school year in which the EFA is awarded and deducted in an equitable manner from subsequent quarterly EFA deposits to ensure adequate funds remain available throughout the school year; but if an Eligible student decides not to use the Education Service Provider, the partial reservation payment shall be returned to CSF by such Education Service Provider and credited to the Eligible student's EFA.

Audits and Misuse

9. CSF shall conduct random audits of EFAs on an annual basis, as well as ongoing monitoring throughout each year. CSF may contract with third parties for these services.
10. CSF may make any parent, EFA student, or Education Service Provider ineligible for the EFA program in the event of intentional misuse of EFA funds.
11. CSF must implement an appeals process for parents, Eligible students or Education Service Providers deemed ineligible for participation in the Education Freedom Account program.
12. CSF shall make the results of any audit conducted as set forth in paragraph 9 above available to the Department upon reasonable request.

Misuse by Eligible Student

13. In the case of suspected misuse by an Eligible student or the Eligible student's parent or guardian, CSF shall immediately freeze the EFA of the Eligible student in question, pending resolution of suspected intentional misuse.
 - CSF shall create procedures to ensure that a fair process exists to determine whether an intentional misuse of EFA funds has occurred.
 - If an Eligible student, or the Eligible student's parent or guardian, is free from personal misconduct as determined by CSF, CSF can reinstate the Eligible student EFA account or reinstate the Eligible student back into the Education Freedom Account program.
 - If the Eligible student has been determined to be free from personal misconduct, but not the Eligible student's parent or guardian, that student shall be eligible for an EFA in the future if placed with a new guardian or other person with the legal authority to act on behalf of the student.
 - CSF must notify the Department, the State Board of Education, and the New Hampshire Attorney General's Office within 5 days of making a determination of suspected intentional misuse of EFA. If the amount of misused funds exceeds the amount of a Class B Felony, CSF will also notify local and/or state law enforcement.
 - CSF shall make a best-effort attempt to recover misappropriated funds.

Misuse by an Education Service Provider

ratably annually. Such administrative fee may be withheld periodically throughout the program year.

18. CSF may accept gifts and grants from any source to cover administrative costs, to inform the public about the EFA program, or to fund additional amounts to existing EFAs.
19. CSF shall provide available information in the form of data, reports and written and verbal testimony as requested by Education Freedom Savings Account Legislative Oversight Committee, State Board of Education, the Department, or Parent and Education Service Provider Advisory Commission within 45 days of the request, provided that publication of the data does not violate state and federal student privacy regulations.

Application Process

20. CSF shall create a standard application form that parents can submit to establish their student's eligibility for the EFA program, and shall ensure that the application is publicly available and may be submitted through various sources, including, but not limited to, the Internet.
21. CSF shall accept and approve applications for eligible students from parents for the fall and spring semesters each year and shall establish procedures for approving applications in an expeditious manner. Such requirement would not preclude the admission of Eligible students any time during the fall and spring semesters.
22. CSF shall confirm eligibility for an EFA applicant within thirty (30) calendar days of receipt of a completed application if:
 - The parent submits an application for an EFA in accordance with application procedures and deadlines established by CSF.
 - The application must contain an attestation that states, "I certify under the pains and penalties of perjury, to the best of my knowledge and belief, that all of the information contained in this document is true, accurate and complete."
 - The student on whose behalf the parent is applying is an Eligible student.
 - The parent or guardian signs an agreement with CSF:

(a) To provide an education for the Eligible student in the core knowledge domains that include science, mathematics, language,

14. CSF may bar an Education Service Provider from accepting payments from EFAs if CSF determines that the Education Service Provider has intentionally misrepresented information, failed to refund any overpayments in a timely manner, or routinely failed to provide students with promised educational goods or services.

- If CSF bars an Education Service Provider from participation in the Education Freedom Account program, it shall provide timely notification to parents and guardians of Eligible students.
- CSF shall create procedures to determine the circumstances for barring and reinstatement of eligibility of an Education Service Provider from the Education Freedom Account program.

Policy and Procedure

15. CSF shall adopt policies or procedures that are necessary for the administration of the Education Freedom Account program. This may include policies or procedures:

- Establishing or contracting for the establishment of an online anonymous fraud reporting service.
- Establishing an anonymous telephone number for fraud reporting.
- Requiring a surety bond for education service providers receiving more than \$100,000 in EFA funds:
- Refunding payments from Education Service Providers to EFAs.
- Ensuring appropriate use and rigorous oversight of all funds expended under this program.

CSF and the Department agree that so long as CSF carries out its obligations under this Agreement and the policies and procedures adopted pursuant thereto in a commercially reasonable manner that CSF shall have no liability for the misuse of funds by an Education Service Provider or Eligible Student, except to the extent that CSF has actual knowledge or constructive knowledge of such misuse.

16. CSF shall not exclude, discriminate against, or otherwise disadvantage any Education Service Provider with respect to programs or services under this section based in whole or in part on the provider's religious character or affiliation, including religiously based or mission-based policies or practices.

17. CSF may withhold from deposits or deduct from EFAs an amount to cover the costs of administering the EFA program, up to a maximum of 10 percent

government, history, health, reading, writing, spelling, the history of the constitutions of New Hampshire and the United States, and an exposure to and appreciation of art and music

- (b) Not to enroll the Eligible student as a full-time student in their resident district public school while participating in the EFA program.
- (c) To provide an annual record of educational attainment by:

1. Having the Eligible student take a nationally-standardized, norm-referenced achievement test and to provide the results to CSF by the end of each school year. CSF shall make available to the Department Eligible student assessment results; or
2. Having the Eligible student take the statewide student assessment test pursuant to RSA 193-C:6; or
3. Maintaining a portfolio including, but not limited to, a log which designates by title the reading materials used; samples of writings, worksheets, workbooks, or creative materials used or developed by the Eligible student. The parent or guardian shall have a certified teacher or a teacher currently teaching in a nonpublic school, who is selected by the parent, evaluate the student's educational progress upon review of a portfolio and discussion with the parent or student.

- (d) To use the funds in the EFA only for qualifying expenses as noted in this contract to educate the Eligible student as established by the EFA program.

- (e) Require completion of a withdrawal form upon withdrawal from the EFA program.

- (f) The agreement must contain an attestation that states, "I certify to the best of my knowledge, belief and ability that I/we will comply with the terms of this agreement and the Education Freedom Account program policies."

Allowable Uses

23. The following are allowable uses of Grant funds:

- Tuition and fees at a nonpublic/private school
- Tuition and fees for non-public online learning programs.
- Tutoring services provided by an individual or a tutoring facility.

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- Services contracted for and provided by a district public school, chartered public school, public academy, or independent school, including, but not limited to, individual classes and curricular activities and programs. Such services may include enrollment and education at a public school that is not the resident district of the student.
- Textbooks, curriculum, or other instructional materials, including, but not limited to, any supplemental materials or associated online instruction required by either a curriculum or an education service provider.
- Computer hardware, Internet connectivity, or other technological services and devices that are primarily used to help meet an EFA student's educational needs.
- Educational software and applications.
- School uniforms.
- Fees for nationally standardized assessments, advanced placement examinations, examinations related to college or university admission or awarding of credits and tuition and/or fees for preparatory courses for such exams.
- Tuition and fees for summer education programs and specialized education programs.
- Tuition, fees, instructional materials, and examination fees at a career or technical school.
- Educational services and therapies, including, but not limited to, occupational, behavioral, physical, speech-language, and audiology therapies.
- Tuition and fees at an institution of higher education.
- Fees for transportation paid to a fee-for-service transportation provider for the student to travel to and from an Education Service Provider.
- Any other educational expense approved by CSF consistent with the EFA Act.

Reporting

24. CSF shall meet the reasonable data and performance reporting requirements of the Department. These shall include, but not be limited to:

- Provide data, documentation, and reports to the Department within deadlines determined by the Department in the format designated by the Department.

EXHIBIT C

Method of Payment

The Department shall transfer to CSF the Grant amount for Each Eligible student. The transfers shall be made in accordance with the distribution of Adequate Education Grants under RSA 198:40-a. In accordance with RSA 198:42 I, Grants will be distributed to CSF from the education trust fund in 4 payments of 20 percent on September 1, 20 percent on November 1, 30 percent on January 1, and 30 percent on April 1 of each school year, provided that CSF provides data required by the Department in the appropriate format and timeline as determined by the Department to calculate aid amounts.

Grant funds will be transferred to CSF for Eligible students enrolled in the program, and which have been communicated to the Department by CSF 30-days in advance of the funding date indicated above. In the first year of the program, if the Eligible student is enrolled in the program 30-days prior to the second transfer date of November 1, the Eligible student shall receive both the September 1 and November 1 payment as an accommodation for the start-up of the program.

Grant Amount

The Grant amount shall mean the amounts defined in Section 6 of Exhibit B above. Such amounts, for the fiscal beginning July 1, 2021, the annual amount per student enrolled in kindergarten through grade 12 in an education freedom account shall be:

- Base Grant as determined by RSA 198:40-a,II(a), as adjusted by RSA 198:40-d;
- Free or reduce price meal Grant as determined by RSA 198:40-a,II(b), as adjusted by RSA 198:40-d shall mean Eligible students in kindergarten through grade 12 who are eligible for the federal free or reduced-price meal program;
- English Learner Grant as determined by RSA 198:40-a,II(c), as adjusted by RSA 198:40-d shall mean Eligible students who are a predominant language other than English or who is educationally disadvantaged by a limited English proficiency, and who participated in the annual assessment of English language proficiency required of such students by the Elementary and Secondary Education Act, 20 U.S.C. section 6311 (b)(7);

- Special Education Services Grant as determined by RSA 198:40-a,II(d), as adjusted by RSA 198:40-d. CSF shall rely on an Eligible student's prior IEP or on a licensed medical professional written verification of a qualifying disability in accordance with RSA 186-C:2, I, in the first year of participation in the Education Freedom Account program and, in subsequent years of an EFA student's participation, on a licensed medical professional written verification of a qualifying disability in accordance with RSA 186-C:2, I;
- Third Grade Proficiency Grant: An additional Grant for each third grade student enrolled in the Education Freedom Account program with a score below the proficient level on the reading component of the state assessment administered pursuant to RSA 193-C:6 or the authorized, locally-administered assessment as provided in RSA 193-C:3, IV(i), provided the student is not eligible to receive differentiated aid in other categories.

Account Funding Terms

The Department authorizes CSF to act as an agent for the Department to facilitate the distribution of funds to or for the benefit of the Eligible students based on the eligibility criteria. By acting as a conduit between the Department and the Eligible students and Education Service Providers, CSF exercises no control over the Grant funds other than as enumerated herein.

- CSF shall provide that the funds collected from the Department be held in a segregated account, either directly or through the use of a contractor, solely for the purpose of collecting funds from the Department, and making them available to Eligible students to Education Service Providers.
- All funds in the segregated account shall be the property of the Department.
- CSF will not commingle its own funds or the funds of any other program in the segregated account.
- CSF shall not use any of the funds in the segregated account for its own benefit, except as is described in this agreement.
- CSF shall return to the Department any funds, which are no longer subject to a claim by an EFA student.
- Upon termination of this agreement, CSF shall return any remaining funds to the Department within thirty-days, including an accounting by EFA student, of the amount of the EFA accounts.

CSF may withhold from deposits or deduct from EFAs an amount to cover the costs of administering the EFA program, up to a maximum of 10 percent rotably annually. All remaining funds must be made available to Eligible students for allowable uses.

Funding Source: Funds to support this request are anticipated to be available in the account titled EDUCATION TRUST FUND as follows:

06-56-56-560040-30430000-TBD

Method of Payment: Payment is to be made on the date determined in statute on the basis that data uploads compliant with department requirements and established department deadlines.

Certificate of Attestation

I, Elizabeth Toomey, hereby certify that I am a duly appointed representative of
Children's Scholarship Fund. I hereby certify that Darla M. Romfo, President and COO, is duly
authorized to execute contracts on behalf of Children's Scholarship Fund and may bind the
organization thereby.

I further certify that it is understood that the State of New Hampshire will rely on this
attestation as evidence that the person listed above currently occupies the position indicated and that
he/she has full authority to bind the organization.

Dated: 7/13/21

Attest:

Elizabeth Toomey Secretary

State of New Hampshire

Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that THE CHILDREN'S SCHOLARSHIP FUND is a New York Nonprofit Corporation registered to transact business in New Hampshire on January 06, 2011. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 641259

Certificate Number: 0004951306



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 8th day of July A.D. 2020.

A handwritten signature in cursive script, appearing to read "Wm Gardner".

William M. Gardner
Secretary of State



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

7/13/2021

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 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 Risk Strategies Company DeWitt Stern Group Inc. 750 Third Avenue, Suite 1500 New York NY 10017	CONTACT NAME: Lorna Gucciardi-Potter PHONE: (212) 297-1433 FAX: (212) 297-1433 EMAIL: LGucciardi-Potter@risk-strategies.com ADDRESS: L.Gucciardi-Potter@risk-strategies.com
INSURED The Children's Scholarship Fund 8 West 38th Street New York, NY 10018	INSURER(S) AFFORDING COVERAGE INSURER A: PHILADELPHIA INDEMNITY INSURANCE CO INSURER B: TWIN CITY FIRE INSURANCE CO CO INSURER C: INSURER D: INSURER E: INSURER F:

COVERAGES **CERTIFICATE NUMBER:** 1605271955 **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.

INSURER	TYPE OF INSURANCE	ADDITIONAL	POLICY NUMBER	POLICY EFF	POLICY EXP	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR GEN. AGGREGATE LIMIT APPLIES PER: ☒ POLICY ☐ PRO. ☐ LOC ☐ OTHER:			5/1/2021	5/1/2022	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Per occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMPROP AGG \$ \$ \$ \$ \$ \$
	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ ALL OWNED AUTOS ☐ SCHEDULED AUTOS ☐ NON-OWNED AUTOS ☐ HIRED AUTOS					CONSUMED SINGLE LIMIT (Per occurrence) BODILY INJURY (Per person) BODILY INJURY (Per occurrence) PROPERTY DAMAGE (Per occurrence) \$ \$ \$ \$
	UMBRELLA LIAB EXCESS LIAB DED RETENTION					EACH OCCURRENCE AGGREGATE \$ \$ \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/OWNER EXCLUDED? (If mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N ☐ N/A		5/1/2021	5/1/2022	☒ PER STATUTE ☐ OTHER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT \$ 1,000,000 \$ 1,000,000 \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
THIS CERTIFICATE WAS ISSUED FOR EVIDENCE PURPOSES ONLY

CERTIFICATE HOLDER

The State of 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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