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Frank Edelblut
Commissioner

Christine M. Brennan
Deputy Commissioner

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

December 19, 2023

The Honorable Ken Weyler, Chairman
Fiscal Committee of the General Court

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

REQUESTED ACTION

Pursuant to RSA 14:30-a, VI, authorize the New Hampshire Department of Education (NHED) to amend a current item by reallocating funds in and among classes within an accounting unit in the amount of \$150,000 to increase support for grant projects, effective upon Fiscal Committee and Governor and Council approval through June 30, 2025. The original item was approved by Fiscal Committee on June 23, 2023, late item FIS 23-204 and by Governor and Council on June 28, 2023, item #207. 100% Federal Funds.

Funds to be budgeted as shown below:

FY 2024
Crotched Mountain Sch-ARPA SFRF
06-56-56-567010-2845000

Class-Account	Description	FY24 Current Budget	Requested Action	FY24 Revised Budget
000-400374-16	Federal Funds	\$7,000,000	\$0	\$7,000,000
	Total Revenue	\$7,000,000	\$0	\$7,000,000
041-500801	Audit Fund Set Aside	\$6,930	\$0	\$6,930
050-500109	Persona Serv Temp	\$100,000	\$(100,000)	\$0
060-500601	Benefits	\$50,000	\$(50,000)	\$0
072-500574	Grants Federal	\$6,843,070	\$150,000	\$6,993,070
	Total Expenses	\$7,000,000	\$0	\$7,000,000

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EXPLANATION

NHED was awarded ARPA SFRF funds on June 28, 2023 by Governor's Office For Emergency Relief & Recovery (GOFERR) to grant funding to Seven Hills NH for capital improvement projects associated with needed Crotched Mountain School campus renovations. The ARPA SFRF award NHED received from GOFERR included \$150,000 in appropriation for administrative costs to oversee the grant. NHED subsequently determined that such administrative expenses will not be required. As such, NHED is requesting this appropriation be transferred so that it may be used as additional grant funding to Seven Hills NH to address needed capital improvement projects instead.

Seven Hills NH assumed operations of the Crotched Mountain School on November 19, 2022. It has reported that almost \$15 million is needed for campus infrastructure investments and renovations due to years of deferred maintenance caused by the COVID-19 pandemic and prior ownership challenges. NHED received approval to grant \$6,843,070 to Seven Hills NH to partially fund this capital improvement project by Fiscal Committee on June 23, 2023 (Item #FIS23-204) and Governor and Council on June 28, 2023 (Item #207). The requested appropriation transfer of \$150,000 would be used as additional grant funds to address the capital improvement projects identified in the grant agreement between Seven Hills NH and NHED.

The following is a summary of the appropriation authorities being requested:

Class	Class Description	Explanation
050	Persona Serv Temp	Appropriation to cover cost allocation of salary. Appropriation is being reduced.
060	Benefits	Appropriation to cover Health, Dental, Life, Medicare, FICA, and Retirement Contributions for full time and cost allocated positions. Appropriation is being reduced.
072	Grants Federal	Appropriation for the distribution of funds to grant sub-recipients. Appropriation is being increased.

Respectfully Submitted,



Frank Edelblut
 Commissioner of Education

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Commissioner

Christine M. Brennan
Deputy Commissioner

FIS 23 204
Late Item

STATE OF NEW HAMPSHIRE
DEPARTMENT OF EDUCATION
25 Hall Street
Concord, NH 03301
TEL. (603) 271-3495

G&C item # 207

June 15, 2023

The Honorable Ken Weyler, Chairman
Fiscal Committee of the General Court
and
His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Pursuant to the provisions of RSA 14:30-a, VI, authorize the Department of Education, to accept and expend federal funds from the American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) in the amount of \$7,000,000 to offset costs associated with capital improvements of the Crotched Mountain School campus buildings and facilities, effective upon Fiscal Committee and Governor and Executive Council approval through June 30, 2025, in accordance with the Fiscal Committee's April 21, 2023, amendment 2a) to Fiscal Committee Rules and Procedures, as adopted January 27, 2023, and further authorize the allocation of these funds in the account below. This funding has been approved by the governor's legislative advisory committee on the use of ARPA funds and is an allowable use of ARPA SFRF funds under Section 602 (c)(1)(C) for provision of government services to the extent of the reduction in revenue. 100% Federal Funds.

Funds to be budgeted as follows:

Crotched Mountain Sch-ARPA SFRF
06-56-56-567010-XXXX0000¹

¹ All direct program costs will be accounted for using activity 00FRF602GS5602A and all administrative and indirect costs will be accounted for using activity 00FRF602GS5602Z. Accounting classifications may be subject to technical changes at the discretion of the Department of Administrative Services' Division of Accounting Services.

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CLASS/OBJ	CLASS DESCRIPTION	FY23
<u>Income</u>		
000-400374-16	Federal Funds	\$ (7,000,000)
<u>Expenditures</u>		
041-500801	Audit Fund Set Aside	\$ 6,930
050-500109	Personal Services Temp	\$ 100,000
060-500601	Benefits	\$ 50,000
072-500577	Grants - Federal	\$ 6,843,070
	Total	\$ 7,000,000

EXPLANATION

The purpose of this request is to provide up to \$6,843,070 to Seven Hills New Hampshire, an affiliate of Seven Hills Foundation, to support capital improvement costs associated with needed Crotched Mountain School campus renovations. Crotched Mountain School plays a vital role in supporting NH communities by working with school districts to improve educational outcomes for children with complex disabilities. The priorities of the program include: Inclusive Education, Family Engagement, Professional Development for Educators, Student Achievement, Transition Planning and Job Skills.

Seven Hills New Hampshire has reported that almost \$15 million is needed for campus infrastructure investments and renovations due to years of deferred maintenance caused by the COVID-19 pandemic and prior ownership challenges. The funds would be used to address needed upkeep of administrative buildings, roads, parking lots, staff housing, heating, water treatment systems, fire pumps, and many other campus needs resulting from a lack of maintenance in part caused by the negative economic impact of COVID-19.

On November 19, 2022, Seven Hills New Hampshire, assumed operations of Crotched Mountain School in Greenfield, New Hampshire. The COVID-19 pandemic deeply impacted the former owner's ability to operate and maintain the facility due to a sharp decline in staffing and student census numbers, which ultimately lead to the program being shut down. The facility experienced a halt in admissions and other service delivery challenges. Ultimately, during the Fiscal Years 2020 through 2023, net losses were approximately \$7.13 million. In addition to the staffing and programmatic challenges at the Crotched Mountain School during the pandemic, the school's campus and facilities fell into disrepair. The 125-acre campus, containing 31 buildings, was neglected. The result is now well over \$15 million in deferred maintenance needing to be addressed in a variety of areas, such as heating and cooling, roofs, roads and parking lots, staff buildings, therapy pools, and academic classrooms.

To ensure sustainability of operations in the long-run, Seven Hills New Hampshire must overcome the limitations on student census caused by the substandard infrastructure. To do so, an investment in the campus and facilities is needed to accommodate the needs of New Hampshire students. At current census levels, Seven Hills New Hampshire is projecting a loss of \$1.73 million from November 19, 2022, through the end of the fiscal year on June 30, 2023.

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If approved, the funding will be provided to Seven Hills New Hampshire to renovate the Crotched Mountain campus to return to the pre-pandemic condition and prominence of this once nationally renowned center of care for vulnerable children and adults. Once the infrastructure needs are stabilized, Seven Hills New Hampshire reports they are confident that they will be able to expand the supports they offer at Crotched Mountain significantly.

The following appropriation authorities are being requested:

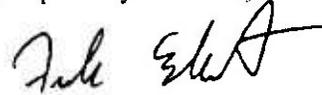
Class 041	Audit Fund Set Aside	Appropriation to pay for audit fund set aside per State requirement.
Class 050	Personal Services Temp	Appropriation to pay for salary cost allocations.
Class 060	Benefits	Appropriation to pay for benefit cost allocations.
Class 072	Grants - Federal	Appropriation to provide a grant to Crotched Mountain School.

Area served: Statewide

Source of Funds: These funds are 100% Federal.

In the event that these Federal Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,



Frank Edelblut
Commissioner