58 - 9/2/26

Caitlin D. Davis
Commissioner

Richard K. Sala
Deputy Commissioner

STATE OF NEW HAMPSHIRE
Department of Education
25 Hall Street
Concord, NH 03301
TEL. (603) 271-3495

August 3, 2026

Her Excellency, Governor Kelly A. Ayotte
And the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the Department of Education, Division of Learner Support, Bureau of Career Development to enter into a grant agreement with Second Start (VC# 177224), Concord, New Hampshire in an amount not to exceed $722,858.01 to provide adult education and literacy programs as defined under the Workforce Innovation and Opportunity Act of 2014, effective upon Governor and Council approval through June 30, 2029. **41% Federal Funds, 59% General Funds.**

Funds to support this request are available in FY 2027 and are anticipated to be available in FY2028-2029 upon the availability and continued appropriation of funds in the future operating budget, with the ability to adjust encumbrances between Fiscal Years within the price limitation through the Budget Office, if needed and justified.

6-56-56-562010-40370000-Adult Education-Federal

Fiscal Year	Class / Account	Class Title	Amount
2027	072-500575	Grants Federal	$99,300.18
2028	072-500575	Grants Federal	$99,300.18
2029	072-500575	Grants Federal	$99,300.18
		Total	$297,900.54

06-56-56-562010-40390000-Adult Education-State

Fiscal Year	Class / Account	Class Title	Amount
2027	601-500931	State Fund Match	$141,652.49
2028	601-500931	State Fund Match	$141,652.49
2029	601-500931	State Fund Match	$141,652.49
		Total	$424,957.47

Budget Summary				
Fiscal Year	2027	2028	2029	Total
Amount	$240,952.67	$240,952.67	$240,952.67	$722,858.01

Her Excellency, Governor Kelly A. Ayotte
And the Honorable Council

EXPLANATION

A Request for Applications (RFA) was released on April 15, 2026, on the NH Department of Education's (the Department) website and distributed through the Department's communication system. All Adult Education and Literacy (AEL) grants are multi-year agreements awarded through a competitive application process that is open to all eligible providers as defined by the Workforce Innovation and Opportunity Act (WIOA) Section 203(5), which includes local education agencies and nonprofit agencies. Fifteen applications were received and reviewed using the criteria and scoring rubric in the RFA for evaluating the applications (See Attachment A). A total of fourteen grants will be awarded: five to nonprofit agencies and nine to local education agencies whose applications met the criteria for funding and surpassed the minimum score on the application rubric. The price limitation in the contract represents the allocation for all three years of the grant cycle, whereas the proposed price in Attachment A was requested funding for one year. Based upon funds available, Second Start was awarded $240,952.67 per year.

The goal of New Hampshire's AEL programming is to assist adults through academic instruction below the postsecondary level that strengthens reading, writing, English language proficiency, mathematics, and other skills necessary for earning a high school credential; obtaining workforce credentials; transitioning to postsecondary education and training; and obtaining employment. New Hampshire's AEL programs have consistently exceeded federal performance targets, and the impact continues to grow. In the 2024–2025 program year, New Hampshire programs achieved a 35.51% Measurable Skill Gain rate, exceeding the federally negotiated target by 5%, while serving more than 3,000 learners and providing over 200,000 hours of instruction statewide.

These outcomes reflect an adult education system that continues to deliver educational, employment, earnings, and credentialing results for learners. The state's sustained performance across program years underscores the effectiveness of its adult education investments and supports the need for AEL funding to expand access and maintain this trajectory of success. Approval of this grant agreement will allow the Department to sustain high performing adult education services in New Hampshire and ensure continuity of programming that directly advances statewide workforce, education, and integration goals.

Respectfully submitted,

Caitlin D. Davis

Caitlin D. Davis
Commissioner of Education

Attachment A

Bid Scoring Summary Sheet

Adult Education and Literacy Activities Request for Applications (RFA)

Criteria for Evaluation and Scoring	Potential Points	Exeter Adult Education	Second Start	International Institute of New England	Nashua Adult Learning Center	Southern NH Services	Lebanon Adult Education	Littleton Above the Notch
Proposed Price		$201,666.03	$512,045.01	$812,306.82	$586,074.12	$202,292.99	$225,715.84	$234,094.80
Absolute Priority 1(a): Demonstrates effectiveness and data capacity Absolute Priority 1(b): Addresses participant needs through quality instruction Absolute Priority 1(c): Ensures curriculum alignment, intensity, and quality	90	74	80	77	75	78	63	44
Absolute Priority 2: Alignment with the New Hampshire WIOA Combined State Plan	30	30	25	25	28	30	28	18
Absolute Priority 3: Cooperative Agreements and Partnerships	30	26	28	25	27	27	24	24
Absolute Priority 4: Demonstration of Financial Stability	15	18	12	13	8	10	15	14
Competitive Priority 1: Consortium Model	25	22	22	21	0	3	7	22
Competitive Priority 2: Educator Effectiveness and Evaluation	25	22	18	17	15	22	15	15
Competitive Priority 3: Integrated Education and Training	25	24	22	22	17	0	15	15
Total Points Awarded:	**240**	**215**	**207**	**201**	**170**	**170**	**162**	**153**

Criteria for Evaluation and Scoring	Potential Points	Keene Community Education	Carroll County Adult Education	Dover Adult Learning Center	Laconia Adult Education	Pemi-Baker Literacy (Plymouth)	Salem Adult Education	The Upper Room	Rochester School District
Proposed Price		$190,000.00	$195,703.21	$343,297.04	$120,802.00	$53,431.18	$92,290.65	$20,000.00	$223,668.00
Absolute Priority 1(a): Demonstrates effectiveness and data capacity Absolute Priority 1(b): Addresses participant needs through quality instruction Absolute Priority 1(c): Ensures curriculum alignment, intensity, and quality	90	48	53	52	56	41	46	30	N/A
Absolute Priority 2: Alignment with the New Hampshire WIOA Combined State Plan	30	24	23	20	14	13	10	15	N/A
Absolute Priority 3: Cooperative Agreements and Partnerships	30	22	18	20	24	18	12	8	N/A
Absolute Priority 4: Demonstration of Financial Stability	15	10	10	10	10	8	10	2	N/A
Competitive Priority 1: Consortium Model	25	13	2	13	11	11	8	5	N/A
Competitive Priority 2: Educator Effectiveness and Evaluation	25	15	17	13	11	8	0	12	N/A
Competitive Priority 3: Integrated Education and Training	25	10	18	11	4	5	2	3	N/A
Total Points Awarded:	**240**	**142**	**142**	**140**	**130**	**104**	**88**	**75**	N/A

Name of Reviewers	Department/Organization
Jeffry Beard	State CTE Director - Department of Education, Office of Career and Technical Education
Manuela Bitter-Shuey	Training Coordinator - Department of Education, Bureau of Vocational Rehabilitation
Joseph Doiron	Director of Workforce Development - Department of Business and Economic Affairs
Stephanie Gray-Lemay	Education Consultant - Department of Education, Office of Career and Technical Education
Chantel Hagan	Policy and Training Administrator - Department of Education, Bureau of Vocational Rehabilitation
Stefanie King	Department of Education, Bureau of Instructional Support
Nicole Levesque	Work-Based Learning Coordinator - Department of Education, Office of Career and Technical Education
Diane Lewis	Education Consultant - Department of Education, Office of Career and Technical Education
Kathryn Maffei	CTE Program Specialist - Department of Education, Office of Career and Technical Education
Nicholas Masi	Workforce Development Administrator - Department of Business and Economic Affairs
Nickole Milo	Academic Advisor and Accessibility Coordinator - Community College System of New Hampshire
Melissa Salmon	WIOA Program Specialist - Department of Business and Economic Affairs
Anne Wallace	Mathematics/STEM Specialist - Department of Education, Bureau of Instructional Support
Shawna Young	Director of Secondary Education Partnerships - Community College System of New Hampshire

Review Process

Scoring review occurred from Monday June 1, 2026, through Friday, June 12, 2026. Applications were reviewed and scored individually by reviewers. The final score for each vendor was awarded based on an average of individual reviewer scores. There were 15 applications received and 14 applications were awarded grants based on meeting the RFA criteria and the minimum cut score of 69 points. The remaining application was not scored due to not meeting the requirements of Absolute Priority One of the RFA.

FORM NUMBER G-1 (version 11/2021)

GRANT AGREEMENT

The State of New Hampshire and the Grantee hereby
Mutually agree as follows:
GENERAL PROVISIONS

1. Identification and Definitions.

1.1. State Agency Name New Hampshire Department of Education		**1.2. State Agency Address** 25 Hall Street Concord, NH 03301	
1.3. Grantee Name Second Start		**1.4. Grantee Address** 17 Knight St Concord NH	
1.5 Grantee Phone # 603-228-1341	**1.6. Account Number** See Exhibit C	**1.7. Completion Date** 06/30/2029	**1.8. Grant Limitation** $ 722,858.01
1.9. Grant Officer for State Agency Chrissy Vander Hook		**1.10. State Agency Telephone Number** 1-603-271-2065	
If Grantee is a municipality or village district: **"By signing this form we certify that we have complied with any public meeting requirement for acceptance of this grant, including if applicable RSA 31:95-b."**			
1.11. Grantee Signature 1		**1.12. Name & Title of Grantee Signor 1** William Mealey Chief Executive Officer	
Grantee Signature 2		**Name & Title of Grantee Signor 2**	
Grantee Signature 3		**Name & Title of Grantee Signor 3**	
1.13. State Agency Signature(s) 8/11/26		**1.14. Name & Title of State Agency Signor(s)** Caitlin D. Davis, Commissioner of Education	
1.15. Approval by Attorney General (Form, Substance and Execution) (if G & C approval required) Elizabeth C. Brown **By:** Elizabeth Brown, Attorney		**Assistant Attorney General, On:** 8/11/26	
1.16. Approval by Governor and Council (if applicable) **By:**		**On:** / /	

2. SCOPE OF WORK: In exchange for grant funds provided by the State of New Hampshire, acting through the Agency identified in block 1.1 (hereinafter referred to as "the State"), the Grantee identified in block 1.3 (hereinafter referred to as "the Grantee"), shall perform that work identified and more particularly described in the scope of work attached hereto as EXHIBIT B (the scope of work being hereinafter referred to as "the Project").

Initials WM
Date 7/31/26

3. AREA COVERED. Except as otherwise specifically provided for herein, the Grantee shall perform the Project in, and with respect to, the State of New Hampshire.

4. EFFECTIVE DATE: COMPLETION OF PROJECT.

4.1. This Agreement, and all obligations of the parties hereunder, shall become effective on the date on the date of approval of this Agreement by the Governor and Council of the State of New Hampshire if required (block 1.16), or upon signature by the State Agency as shown in block 1.14 ("the Effective Date").

4.2. Except as otherwise specifically provided herein, the Project, including all reports required by this Agreement, shall be completed in ITS entirety prior to the date in block 1.7 (hereinafter referred to as "the Completion Date").

5. GRANT AMOUNT: LIMITATION ON AMOUNT: VOUCHERS: PAYMENT.

5.1. The Grant Amount is identified and more particularly described in EXHIBIT C, attached hereto.

5.2. The manner of, and schedule of payment shall be as set forth in EXHIBIT C.

5.3. In accordance with the provisions set forth in EXHIBIT C, and in consideration of the satisfactory performance of the Project, as determined by the State, and as limited by subparagraph 5.5 of these general provisions, the State shall pay the Grantee the Grant Amount. The State shall withhold from the amount otherwise payable to the Grantee under this subparagraph 5.3 those sums required, or permitted, to be withheld pursuant to N.H. RSA 80:7 through 7-c.

5.4. The payment by the State of the Grant amount shall be the only, and the complete payment to the Grantee for all expenses, of whatever nature, incurred by the Grantee in the performance hereof, and shall be the only, and the complete, compensation to the Grantee for the Project. The State shall have no liabilities to the Grantee other than the Grant Amount.

5.5. Notwithstanding anything 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 Grant limitation set forth in block 1.8 of these general provisions.

6. COMPLIANCE BY GRANTEE WITH LAWS AND REGULATIONS. In connection with the performance of the Project, the Grantee shall comply with all statutes, laws regulations, and orders of federal, state, county, or municipal authorities which shall impose any obligations or duty upon the Grantee, including the acquisition of any and all necessary permits and RSA 31-95-b.

7. RECORDS and ACCOUNTS.

7.1. Between the Effective Date and the date seven (7) years after the Completion Date, unless otherwise required by the grant terms or the Agency, the Grantee shall keep detailed accounts of all expenses incurred in connection with the Project, including, but not limited to, costs of administration, transportation, insurance, telephone calls, and clerical materials and services. Such accounts shall be supported by receipts, invoices, bills and other similar documents.

7.2. Between the Effective Date and the date seven (7) years after the Completion Date, unless otherwise required by the grant terms or the Agency pursuant to subparagraph 7.1, at any time during the Grantee's normal business hours, and as often as the State shall demand, the Grantee shall make available to the State all records pertaining to matters covered by this Agreement. The Grantee shall permit the State to audit, examine, and reproduce such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, data (as that term is hereinafter defined), and other information relating to all matters covered by this Agreement. As used in this paragraph, "Grantee" includes all persons, natural or fictional, affiliated with, controlled by, or under common ownership with, the entity identified as the Grantee in block 1.3 of these provisions

8. PERSONNEL.

8.1. The Grantee shall, at its own expense, provide all personnel necessary to perform the Project. The Grantee warrants that all personnel engaged in the Project shall be qualified to perform such Project, and shall be properly licensed and authorized to perform such Project under all applicable laws.

8.2. The Grantee shall not hire, and it shall not permit any subcontractor, subgrantee, or other person, firm or corporation with whom it is engaged in a combined effort to perform the Project, to hire any person who has a contractual relationship with the State, or who is a State officer or employee, elected or appointed.

8.3. The Grant Officer shall be the representative of the State hereunder. In the event of any dispute hereunder, the interpretation of this Agreement by the Grant Officer, and his/her decision on any dispute, shall be final.

9. DATA; RETENTION OF DATA; ACCESS.

9.1. As used in this Agreement, the word "data" shall mean all information and things computer programs, computer printouts, notes, letters, memoranda, paper, and documents, all whether finished or unfinished.

9.2. Between the Effective Date and the Completion Date the Grantee shall grant to the State, or any person designated by it, unrestricted access to all data for examination, duplication, publication, translation, sale, disposal, or for any other purpose whatsoever.

9.3. No data shall be subject to copyright in the United States or any other country by anyone other than the State.

9.4. On and after the Effective Date 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, whichever shall first occur.

9.5. The State, and anyone it shall designate, shall have unrestricted authority to publish, disclose, distribute and otherwise use, in whole or in part, all data.

10. CONDITIONAL NATURE OR AGREEMENT. Notwithstanding anything in this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability or continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available or appropriated funds. In the event of a reduction or termination of those funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Grantee notice of such termination.

11. EVENT OF DEFAULT: REMEDIES.

11.1. Any one or more of the following acts or omissions of the Grantee shall constitute an event of default hereunder (hereinafter referred to as "Events of Default"):

11.1.1 Failure to perform the Project satisfactorily or on schedule; or

11.1.2 Failure to submit any report required hereunder; or

11.1.3 Failure to maintain, or permit access to, the records required hereunder; or

11.1.4 Failure to perform any of the other covenants and conditions of this Agreement.

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

11.2.1 Give the Grantee 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 remedied, terminate this Agreement, effective two (2) days after giving the Grantee notice of termination; and

11.2.2 Give the Grantee 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 Grant Amount which would otherwise accrue to the Grantee during the period from the date of such notice until such time as the State determines that the Grantee has cured the Event of Default shall never be paid to the Grantee; and

11.2.3 Set off against any other obligation the State may owe to the Grantee any damages the State suffers by reason of any Event of Default; and

11.2.4 Treat the agreement as breached and pursue any of its remedies at law or in equity, or both.

12. TERMINATION.

12.1. In the event of any early termination of this Agreement for any reason other than the completion of the Project, the Grantee shall deliver to the Grant Officer, not later than fifteen (15) days after the date of termination, a report (hereinafter referred to as the "Termination Report") describing in detail all Project Work performed, and the Grant Amount earned, to and including the date of termination.

12.2. In the event of Termination under paragraphs 10 or 12.4 of these general provisions, the approval of such a Termination Report by the State shall entitle the Grantee to receive that portion of the Grant amount earned to and including the date of termination.

12.3. In the event of Termination under paragraphs 10 or 12.4 of these general provisions, the approval of such a Termination Report by the State shall in no event relieve the Grantee from any and all liability for damages sustained or incurred by the State as a result of the Grantee's breach of its obligations hereunder.

12.4. Notwithstanding anything in this Agreement to the contrary, either the State or, except where notice default has been given to the Grantee hereunder, the Grantee, may terminate this Agreement without cause upon thirty (30) days written notice.

13. CONFLICT OF INTEREST. No officer, member of employee of the Grantee, and no representative, officer or employee of the State of New Hampshire or of

Initials [illegible]
Date 7/31/26

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, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations,

the governing body of the locality or localities in which the Project is to be performed, who exercises any functions or responsibilities in the review or

approval of the undertaking or carrying out of such Project, shall participate in any decision relating to this Agreement which affects his or her personal interest or the interest of any corporation, partnership, or association in which he or she is directly or indirectly interested, nor shall he or she have any personal or pecuniary interest, direct or indirect, in this Agreement or the proceeds thereof.

14. GRANTEE'S RELATION TO THE STATE. In the performance of this Agreement the Grantee, its employees, and any subcontractor or subgrantee of the Grantee are in all respects independent contractors, and are neither agents nor employees of the State. Neither the Grantee nor any of its officers, employees, agents, members, subcontractors or subgrantees, shall have authority to bind the State nor are they entitled to any of the benefits, workmen's compensation or emoluments provided by the State to its employees.

15. ASSIGNMENT AND SUBCONTRACTS. The Grantee shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the State. None of the Project Work shall be subcontracted or subgranted by the Grantee other than as set forth in Exhibit B without the prior written consent of the State.

16. INDEMNIFICATION. The Grantee shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based on, resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Grantee or subcontractor, or subgrantee or other agent of the Grantee. 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 shall survive the termination of this agreement.

17. INSURANCE.

17.1 The Grantee shall, at its own expense, obtain and maintain in force, or shall require any subcontractor, subgrantee or assignee performing Project work to obtain and maintain in force, both for the benefit of the State, the following insurance:

17.1.1 Statutory workers' compensation and employees liability insurance for all employees engaged in the performance of the Project, and

17.1.2 General liability insurance against all claims of bodily injuries, death or property damage, in amounts not less than $1,000,000 per occurrence and $2,000,000 aggregate for bodily injury or death any one incident, and $500,000 for property damage in any one incident; and

17.2. The policies described in subparagraph 17.1 of this paragraph shall be the standard form employed in the State of New Hampshire, issued by underwriters acceptable to the State, and authorized to do business in the State of New Hampshire. Grantee shall furnish to the State, certificates 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.

18. WAIVER OF BREACH. 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, or any subsequent Event. No express waiver of any Event of Default shall be deemed a waiver of any provisions hereof. No such failure of waiver 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 default on the part of the Grantee.

19. 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 first above given.

20. 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 Council of the State of New Hampshire, if required or by the signing State Agency.

21. CONSTRUCTION OF AGREEMENT AND TERMS. This Agreement shall be construed in accordance with the law of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assignees. The captions and contents of the "subject" blank are used only as a matter of convenience, and are not to be considered a part of this Agreement or to be used in determining the intend of the parties hereto.

22. 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.

23. 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 relating hereto.

24. SPECIAL PROVISIONS. The additional or modifying provisions set forth in Exhibit A hereto are incorporated as part of this agreement.

Initials WM
Date 7/3/26

EXHIBIT A

Special Provisions

1. The Exhibits and appendices referred to in and attached to the Grant are incorporated by reference as if fully included in the text of the Grant.

    - Exhibit D: Grant Award Notification
    - Appendix 1: 2026-2027 Program Assurances
    - Appendix 2: 2026-2027 General Assurances

2. The Grantee must sign the General Assurances from the NH Department of Education, Bureau of Federal Compliance and the Program Assurances annually.

Initials WMn
Date 7/31/26

EXHIBIT B

Scope of Services

Second Start in Concord, NH will:

(1) assist adults to become literate and obtain the knowledge and skills necessary for employment and economic self-sufficiency;

(2) assist adults who are parents or family members to obtain the education and skills that:

(A) are necessary to becoming full partners in the educational development of their children; and

(B) lead to sustainable improvements in the economic opportunities for their family;

(3) assist adults in attaining a secondary school diploma and in the transition to post-secondary education and training, including through career pathways; and

(4) assist immigrants and other individuals who are English language learners in:

(A) improving their;

i. reading, writing, speaking, and comprehension skills in English; and

ii. mathematics skills; and

(B) acquiring an understanding of the American system of Government, individual freedom, and the responsibilities of citizenship. (AEFLA Section 202)

Initials WM
Date 1/31/26

EXHIBIT C

Method of Payment

Budget	Total
Grant Funding	$722,858.01

Limitations on Price: The grant Agreement will not exceed $722,858.01.

Source of Funding: Funds to support this request are available in FY 2027 and are anticipated to be available in FY 2028 and FY 2029 upon the availability and continued appropriation of funds in the future operating budget, with the authority to adjust encumbrances between fiscal years within the price limitation through the Budget Office, if needed and justified.

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06-56-56-562010-40390000-Adult Education-State

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Budget Summary				
Fiscal Year	2027	2028	2029	Total
Amount	$240,952.67	$240,952.67	$240,952.67	$722,858.01

Method of Payment: Grantee shall submit monthly reports in the Grants Management System (GMS) for expenses incurred for each month. Reports shall be submitted within 15 days of the following month submitted through GMS. Supporting documents for expenditures reported each month shall be clearly identified and uploaded as attachments in GMS. Reports lacking supporting documentation will be returned to the grantee with request for additional documentation.

The Grantee will be responsible for submitting required documentation, including signed Program Assurances, Budget Worksheet, and Certificate of Insurance, at the start of each new State fiscal year to receive the annual grant allocation.

Initials WM
Date 7/31/26

Caitlin D. Davis
Commissioner

Richard K. Sala
Deputy Commissioner

STATE OF NEW HAMPSHIRE
DEPARTMENT OF EDUCATION
25 Hall Street
Concord, N.H. 03301
TEL. (603) 271-3495
FAX (603) 271-1953

Exhibit D - GRANT SUBAWARD NOTIFICATION

1	**Primary Award to/by** Grant Program Name: CFDA Number: Amount of Federal Award: FAIN and Initial Date:	NH Department of Education by US Department of Labor **Adult Education & Literacy Activities - Federal** 84.002 $1,765,424.00 26E55EE000134 on 07/01/2026
	SUBAWARD	
2	Recipient Name, LEA/RA ID, SAU, District and UEI:	Second Start UEI: NC2NG89GGC43
3	Initial Award Date: Action Number & Type: Date of this Action:	Award to Commence upon Governor and Council Approval 1 Preliminary Award Date Assigned Upon Governor and Council Approval
4	Subaward Type: Project Description:	Formula Grant 84.002 Adult Education - State Grant Program
5	Award Period:	Federal period to complete activities and expend Program Year 2026-2027 (PY26) WIOA Title II (AEFLA) funds: July 1, 2026 - September 30, 2028 (See Block 11) Local period for Local Educational Agencies (LEAs) to complete activities and obligate/expend funds for this WIOA Title II (AEFLA) grant: July 1, 2026 - September 30, 2027. Local period for each non-profit subrecipient (Reporting Authority [RA]) to complete activities and obligate/expend funds for this WIOA Title II (AEFLA) grant will begin upon approval by Governor and Council of the RA's Grant Agreement through September 30, 2027. Period to request reimbursement of expended WIOA Title II Adult Education (AEFLA) grant 2026-2027 Program Year grant funds: July 1, 2026 - November 15, 2027.
6	Contacts:	Subrecipient: LEA Superintendent/RA Executive Director and Project Director NHED Program Administrator: Chrissy Vander Hook 603-931-0535 Chrissy.S.VanderHook@doe.nh.gov Grants Management System Contact: Courtney Frederick 603-271-6698 Courtney.L.Frederick@doe.nh.gov
7	Subaward Amount:	Previous Award Amount: 0.00 Net Change of Award Amount: $99,300.18 Updated Award Amount: $99,300.18
8	Laws, Regulations and Requirements:	EDGAR AS APPLICABLE 2 CFR AS APPLICABLE Title II of the Workforce Innovation and Opportunity Act (Adult Education and Family Literacy Act)
9	Maximum Allowed Indirect Cost Rate:	Indirect Cost Rate: 8% Max Rate: 5% Indirect Cost subject to Administrative Limitation of 5% (34 CFR 75.564(a)) https://www.education.nh.gov/sites/g/files/ehbemt326/files/inline-documents/sonh/id-rates-for-web-fy27.pdf
10	Additional Federal Conditions:	Executive Order 13513 - Prohibition of Text Messaging While Driving **This grant is not intended for research and development.**

Initials WM
Date 7/31/26

GRANT SUBAWARD NOTIFICATION (Continued)

11	Additional NHED Conditions:	Subrecipients shall be reimbursed for allowable and documented costs when they are incurred. No advance payments will be made. NHED may impose additional conditions (2 CFR 200.332(i), 2 CFR 200.208(b)(2) and (c)(3)) or take enforcement actions (2 CFR 200.339) which may delay and/or reduce reimbursement amounts. Reimbursement is not guaranteed unless NHED has approved the activity. The subrecipient shall submit a complete and accurate Certificate of Federal Expenditure worksheet no later than December 31st of each year to the NHED which will include any expenditures under this grant incurred in the prior fiscal year. A copy of the worksheet will be provided to each subrecipient by the NHED in September of each fiscal year. This award is subject to the contents of both the FY27 version of NHED's General Assurances, Requirements and Definitions for Participation in Federal Programs document and the FY27 Federal Program Assurances as executed by the party that may legally bind the grantee listed in Block 2 above. Acceptance of this award and its related terms and conditions, is acknowledged by the grantee when reimbursement of funds is requested through the NHED Grants Management System by the grantee.
12	Access to Records and Monitoring Requirements:	The federal awarding agency, Inspectors General, the Comptroller General of the United States, and the NHED shall have the right of access to any documents, papers, or other records of the subrecipient which are pertinent to this subaward, in order to make audits, examinations, excerpts, and transcripts. The right also includes timely and reasonable access to the subrecipient's personnel for the purpose of interview and discussion related to such documents. In addition to reviews of audits conducted in accordance with 2 CFR 200, Subpart F, monitoring procedures may include, but not be limited to, on-site visits by NHED staff, limited scope audits, and/or other procedures. Subrecipient agrees to comply and cooperate with any monitoring procedures/processes deemed appropriate by the NHED. In the event the NHED determines that a limited scope audit of the subrecipient is appropriate, the subrecipient agrees to comply with any additional instructions provided by NHED staff to the subrecipient regarding such audit.
13	Project Closeout Requirements:	The subrecipient shall permit the NHED access to records and financial statements as necessary for audits and monitoring during the records retention period for three years after the completion of the subaward in accordance with 2 CFR 200.334.
14	Attachments	GOVERNMENT-WIDE ADMINISTRATIVE STATUTORY AND NATIONAL POLICY REQUIREMENTS FOR U.S. DEPARTMENT OF EDUCATION AWARDS Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) Notification to Perkins and AEFLA Grantees and Subgrantees of Updated PRWORA Interpretation of Federal Public Benefits USED Clarification of Federal Public Benefits Under the PRWORA USED Dear Colleague Letter: Reminder Regarding Prohibited Use of Federal Grants Funds for Lobbying and Allowable Membership Costs.

Caitlin D Davis

Signature of Authorizing Official
Caitlin D. Davis
New Hampshire Commissioner of Education

Dependent upon Governor and Council Approval
Date

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EXPLANATION OF BLOCKS ON THIS SUBAWARD GRANT AWARD NOTIFICATION (GAN)

1. The Primary Award block identifies: the federal agency making the primary award; the Catalog of Federal Domestic Assistance (CFDA) subprogram title and associated subprogram number, the Federal Award Identification Number (FAIN), which typically changes each year; and the signature date on the initial grant primary award to NH Department of Education (NHED). As a pass-through agency, NHED is authorized to make and manage sub-awards.

2. Subaward Recipient: Legal name, physical address and UEI of the subrecipient. For large entities, the organizational unit with primary responsibility for funded activity may be identified. For subawards to multiple New Hampshire local education agencies (LEAs), an attachment showing LEA name, unique entity identifier (UEI), and subaward amount may be used. UEI shown have been provided by the subrecipient. NHED is not responsible for the correctness of UEI information.

3. Action Number: The cumulative number of steps (including this action) taken by NHED to-date to establish or modify this sub-award. Action number "01" indicates an Initial (i.e. new) Award.
   Action Type: The nature of the action (e.g. New Award, Continuation, Amount Modification, Performance Period Change, etc).
   Date of this Action: Effective date of action.

4. Subaward Type: Most subawards are categorical formula grants. Other types include project grants (generally a one-time grant for a specific purpose), block grants (which allow greater spending discretion), and research and development (R&D) grants.
   Project Description: Very brief description of the grant program.

5. Award Period: Date ranges for expending grant funds and requesting reimbursement. Included are any other time-sensitive conditions such as carry-over options and award periods for multi-year grants (3+ years).

6. Contacts: The subrecipient contact (identified by name or position) responsible for the grant administration. At least one NHED program contact is identified.

7. Subaward Amount: A subaward may have subsequent modifications that increase or decrease the amount of an award. "Award of this Action" indicates the amount of this action. A dollar amount indicates an increase. "Decrease of $xxx" or " ($xxx) " indicates a reduction in the award. "None" indicates no change in the amount. Previous Cumulative and Current Cumulative amounts are used to reconcile any change. If awards for a list of LEAs are being modified, this block will show the total net increase/decrease and an attachment will show individual subrecipient changes.

8. Laws, Regulations and Requirements: 2 CFR Part 200 applies to all federal awards. 34 CFR 76 applies to all USDE awards, although certain programs may be exempt from some sections. Program specific requirements or 34 CFR 76 exemptions are listed. Web link to laws, regulations or guidance may be included. Non-program specific regulations are at:
   http://www2.ed.gov/policy/fund/reg/edgarReg/edgar.html

9. Maximum Allowed Indirect Cost Rate: Identifies rate type - restricted, unrestricted, temporary, or de minimus; and cognizant authority (usually a federal agency) that approved the rate. When the program prohibits supplanting of non-federal funds, a restricted indirect cost rate with a cap of 8% must be used. (See 34 CRF 76.560-580.) For restricted rate programs, the 10% de minimus rate option does not apply to state and local governments or their sub-recipients. LEAs and SAUs rates may be included as an attachment.

10. Additional Federal Conditions: Federal requirements of the award that are binding upon the sub-recipient.

11. Additional NHED Conditions: Requirements imposed on the award by the NHED as the pass-through entity that are binding upon the sub-recipient.

12. Access to Records and Monitoring Requirements: This requirement allows the NHED, as the pass-through entity, and auditors to have access to the sub-recipient's records and financial statements as necessary to meet the NHED's responsibilities under 2 CFR 200.332.

13. Project Closeout Requirements: Activities that are required by either the terms of the award or as required by the NHED and are binding upon the sub-recipient.

14. Attachments: Provide the sub-recipient with any attachments required by either the federal agency making the primary award or NHED.

Signature of Authorizing Official – This sub-award is binding only when signed and dated by a State of New Hampshire official authorized to award funds for this federal program.

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GOVERNMENT-WIDE ADMINISTRATIVE STATUTORY AND NATIONAL POLICY REQUIREMENTS FOR U.S. DEPARTMENT OF EDUCATION AWARDS

OVERVIEW

This portion of the Notice of Award (NOA) Attachment describes Federal government-wide sources of laws and policies that apply to grantees and subgrantees of Federal awards issued by the U.S. Department of Education (ED).[1] The sources of Federal government-wide laws and policy include the U.S. Constitution, statutes, regulations, executive orders, and statements of policy.

This Attachment compiles many of the laws and policies that apply to awards; however, it is not intended to be an exhaustive list or to reproduce the full text. Some laws and policies are only applicable to awards with certain types of activities or to certain types of recipients. Additionally, ED award terms and conditions may incorporate statutes, regulations, or policies specific to an award.

Please note that some sources use different terms for grantee such as recipient. Per 34 CFR Part 77–Definitions that Apply to Department Regulations, ED uses grantee to mean the legal entity to which a grant is awarded and is accountable to the Federal Government for the use of the funds provided. Subgrantee means the government or other legal entity to which a subgrant is awarded and that is accountable to the grantee for the use of the funds provided.

APPLICABILITY OF LAWS AND POLICIES

The legal order of precedence determines the order in which laws and policies may apply to Federal awards. The following list includes examples of the types of laws and policies, and is not an exhaustive list:

- U.S. Constitution
- Program-Specific Authorizations and Appropriations
- Single Audit Amendments Act of 1996
- Federal Funding Accountability and Transparency Act of 2006 (FFATA)
- Digital Accountability and Transparency Act of 2014 (DATA Act)
- Grant Reporting Efficiency and Agreements Transparency Act of 2019 (GREAT Act)
- Uniform Administrative Requirements, Cost Principles, and Audit Requirements: 2 CFR Part 200 as adopted as regulations of ED in 2 CFR 3474.
- Education Department General Administrative Regulations: 34 CFR Parts 75, 76, 77, 79, etc. (ED-specific)
    - 34 CFR Part 75–Direct Grant Programs
    - 34 CFR Part 76–State-Administered Formula Grant Programs
    - 34 CFR Part 77–Definitions that Apply to Department Regulations

[1] The content in this portion of the NOA Attachment consolidates information previously included in separate Grant Award Notification/NOA Attachments and Enclosures.

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   - 34 CFR Part 79–Intergovernmental Review of Department of Education Programs and Activities
- Executive Orders
- Office of Management and Budget Memoranda (OMB Memos)
- ED and Program-specific guidance such as grant notices, Frequently Asked Questions, and other program announcements

The following general condition is applicable to all grantees:

Grantees must not use federal funds under this project in any manner that violates the United States Constitution, Title VI or Title VII of the Civil Rights Act of 1964 (42 U.S.C. 2000d *et seq.* or 42 U.S.C. 2000e *et seq.*), Title IX of the Education Amendments of 1972 (20 U.S.C. 1681 *et seq.*), section 504 of the Rehabilitation Act (29 U.S.C. 794), the Age Discrimination Act of 1975 (42 U.S.C. 6101 *et seq.*), Title II of the Americans with Disabilities Act of 1990 (42 U.S.C. 12131 *et seq.*), the Boy Scouts of America Equal Access Act of 2001 (20 U.S.C. 7905), section 117 of the Higher Education Act of 1965, as amended (20 U.S.C. 1011f), or other applicable federal law.

Please note the provisions of Executive Orders 14151, 14168, 14173, and 14190 as well as the U.S. Department of Justice's July 29, 2025, non-regulatory "Guidance for Recipients of Federal Funding Regarding Unlawful Discrimination," which clarifies the application of federal antidiscrimination laws to programs or initiatives that may involve discriminatory practices, including those labeled as Diversity, Equity, and Inclusion ("DEI") programs.

Such activities may risk violating federal civil rights laws and may jeopardize federal funding. This includes any discriminatory equity ideology in violation of a Federal anti-discrimination law. A definition of "discriminatory equity ideology" is contained in Section 2(b) of Executive Order 14190.

Additionally, grantees must comply with all "Financial Assistance General Certifications and Representations" annual registration requirements made in SAM.gov, including any provisions in the annual registration that address civil rights, DEI programs or activities, and support of illegal aliens.

To the extent that a grantee uses grant funds for such unallowable activities, ED may take appropriate enforcement action including the potential recovery of funds, or may pursue termination or withholding. The Grant Award Notification document accompanying your award may contain further terms and conditions, as necessary, to ensure grantee compliance with applicable laws, regulations, and administrative priorities.

Financial Assistance General Certifications and Representations

All applicants, grantees, and subgrantees of Federal financial assistance are required to register in the System for Award Management (SAM.gov) and obtain a Unique Entity Identifier (UEI) before receiving an award per 2 CFR Part 25, Unique Entity Identifier and System for Award Management.

An entity must be registered in SAM.gov before submitting applications, include their UEI in

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each application, maintain current and active registration in SAM.gov at all times during which it has an active Federal award, and review and update its information annually as a recipient or an application under consideration by a Federal agency. The applicant or recipient must review and update its information in SAM.gov annually from the date of initial registration or subsequent updates to ensure it is current and accurate.

Grantee authorized organization representatives agree to the Financial Assistance General Certifications and Representations that are binding on every award as part of registration and annual certification in SAM.gov. However, grantees may be exempted by Federal statute or the exceptions listed in 2 CFR 25.110. Exemptions to this part.

When applicants register or annually recertify in SAM.gov, their authorized organization representative agrees to the Financial Assistance General Certifications and Representations (Certifications). These Certifications are binding on every award. Laws and policies identified in these Certifications are identified in this document with the statement, "See Certifications." The Certifications in SAM.gov can be found in Appendix I of the SAM.gov Entity Registration Checklist and are incorporated by reference herein.

Laws and Policies

This section outlines various laws and policies that may apply to ED awards (including grantees and subgrantees). It is not intended to be an exhaustive list.

Requirement	Description	Source
Cash Management	Grantees are required to manage Federal grant funds in compliance with the requirements in the Payment Integrity Information Act of 2019 (PIIA), Cash Management Improvement Act of 1990 (CMIA), and as further clarified in ED and government-wide regulations.	• Payment Integrity Information Act of 2019 (PIIA) • Cash Management Improvement Act of 1990 (CMIA)
Conflict of Interest	Federal agencies must establish conflict of interest policies for Federal awards and grantees, and subgrantees must disclose in writing any potential conflict of interest to the Federal agency or pass-through entity in accordance with established Federal agency policies.	• 2 CFR Part 200.112. Conflict of interest • See Certifications
Debt Collection	After providing reasonable notice, Federal agencies or pass-through entities may withhold payments to grantee or subgrantees for financial obligations incurred after a	• OMB Circular A-129. Policies for Federal Credit Programs and Non-Tax Receivables • See Certifications

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Requirement	Description	Source
	specific date until conditions are corrected or the debt is repaid to the Federal Government.	
Drug-Free Workplace	Related to maintaining a drug-free workplace and notifying the awarding agency if an employee is convicted of violating a criminal drug law. Failure to follow these requirements may be cause for debarment.	• Drug-Free Workplace Act (41 USC 8101-8106) • 2 CFR Part 182, Government-Wide Requirements for Drug-Free Workplace (Financial Assistance) • See Certifications
Executive Compensation Reporting	Related to requirements to report certain information on compensation for executives.	• Federal Funding Accountability and Transparency Act of 2006 (FFATA) • 2 CFR Part 170, Reporting Subaward and Executive Compensation Information • See Certifications
Environmental Protections – Assess and Mitigate Environmental Impact	The National Environmental Protection Act includes policies to conduct reviews to assess and mitigate environmental impact. Applies to construction or major renovation activities. Does not apply to subcontractors.	• National Environmental Policy Act of 1969, as amended (42 USC 4321 *et seq*) • See Certifications
Fair Housing Practices	Related to protecting people from discrimination in housing under federally funded programs.	• Title VIII of the Civil Rights Act of 1968 (42 USC 3601 *et seq*) • See Certifications
Faith-Based Organizations	Related to protections for faith-based organizations to apply and receive Federal funds without discrimination or interference with their mission. Describes limitations on the use of Federal funds.	• Religious Freedom Restoration Act of 1993 (42 USC 2000bb et seq) • Executive Order 13279, Equal Protection of the Laws for Faith-Based and Community Organizations • Executive Order 13559, Fundamental Principles and Policymaking Criteria for Partnerships with Faith-Based and Other Neighborhood Organizations • Executive Order 13831,

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Requirement	Description	Source
		Establishment of a White House Faith and Opportunity Initiative • 28 CFR Part 38, Partnerships with Faith-Based and Other Neighborhood Organizations
Lobbying Disclosures	Related to requirements to disclose lobbying activities.	• Lobbying Disclosure Act of 1995 (2 USC 1601 *et seq*, Disclosure of Lobbying Activity) • See Certifications
Procurement – American-Manufactured Goods	Related to required preferences for certain products and materials made in the US. Waivers may be possible.	• Buy American Act (41 USC 8301 *et seq*) • Build America, Buy America Act • 2 CFR 200.322, Domestic preferences for procurements
Procurement – Fly America Act	Related to requirements for travelers to use certified U.S. airlines for award-funded air travel.	• 49 USC 40118 • 41 CFR 301-10.132 - 142, Use of United States Flag Air Carriers
Procurement – Prohibition on certain telecommunications and video surveillance services or equipment	Related to restrictions on using Federal funds for telecommunications equipment produced by certain companies.	• 41 USC 3901 *et seq* • 2 CFR 200.216, Prohibition on certain telecommunications and video surveillance equipment or services
Protections Against Discrimination	Related to protecting people from discrimination based on different criteria under Federal grants and programs.	• Age Discrimination Act of 1975 (42 USC 6101 *et seq*) • Section 504 of the Rehabilitation Act (29 USC 794) • Title VI of the Civil Rights Act (42 USC 2000d) • Church Amendments (42 USC 300a-7) • Coates-Snowe Amendment (42 USC 238n) • Title IX of the Education Amendments of 1972, as amended (20 USC 1681 *et seq*) • See Certifications
Public Announcements	Disclosure of Federal funding sources in public announcements when issuing statements, press releases, requests for proposals, bid solicitations, and other documents describing projects	• Division H, Title V, Section 505 of Public Law 116260, Consolidated Appropriations Act, 2021 (pages 441-442)

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Requirement	Description	Source
	or programs funded in whole or in part with Federal money.	
Subaward Reporting	Related to requirements to report certain information on subawards.	• Federal Funding Accountability and Transparency Act of 2006 (FFATA) • 2 CFR Part 170, Reporting Subaward and Executive Compensation Information • See Certifications
Suspension and Debarment	Related to restrictions on issuing Federal awards, subawards, and contracts to certain parties that are debarred, suspended, or otherwise excluded from receiving or participating in Federal awards.	• 2 CFR Part 180, OMB Guidelines to Agencies on Government-Wide Debarment and Suspension (Nonprocurement) • 2 CFR 200.214, Suspension and debarment • Executive Orders 12549 and 12689, Debarment and suspension • See Certifications
Trafficking Victims Protection	Related to bans on providing funds to organizations involved in human trafficking.	• Trafficking Victims Protection Act (TVPA) of 2000, as amended, (22 USC 7104(g)) • 2 CFR Part 175, Award Term for Trafficking in Persons • See Certifications
Violations of Federal Criminal Law and Civil Actions	Related to requirements to disclose certain violations of Federal criminal law.	• False Claims Act (31 USC 3729-3733, False claims and 31 USC 3730, Civil actions for false claims) • Program Fraud and Civil Remedies Act (31 USC 3801 *et seq*) • 2 CFR 200.113, Mandatory disclosures • See Certifications
Wage Protections – Copeland Anti-Kickback Act	Related to protections that require contractors to follow construction, alteration, and renovation and weekly compliance statements on the wages paid to each employee in support of Federal awards.	• Copeland Anti-Kickback Act (18 USC 874 and 40 USC 3145) • 48 CFR 22.403, Copeland Act

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Requirement	Description	Source
Wage Protections – Davis-Bacon Act	Related to protections that require using contractors that pay prevailing wages and benefits under awards that fund construction, alterations, or repairs.	• The Davis-Bacon Act (40 USC 3141 *et seq*)
Whistleblower Protections	Related to protecting employees from reprisal for disclosing information about violations.	• Protection from Reprisal of Disclosure of Certain Information (41 USC 4712) • See Certifications

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SPECIFIC GRANT TERMS FOR U.S. DEPARTMENT OF EDUCATION AWARDS

ED TERMS AND CONDITIONS

I. Enforcement Provisions
II. Grant Terms and Conditions for Financial and Performance Reports
III. Participation of Faith-Based Organizations
IV. Written Notice of Beneficiary Protections

I. ENFORCEMENT PROVISIONS

Termination:

Per the Secretary's authority in 2 CFR 200.340, the Federal award may be terminated in part or its entirety at any point during the award's period of performance. The award may be terminated as follows:

1. By ED, if the recipient fails to comply with the terms and conditions of the award, including all conditions in this document;
2. By ED with the consent of the recipient, in which case the two parties must agree upon the termination conditions, including the effective date and, in the case of partial termination, the portion to be terminated;
3. By the recipient upon sending to the ED program contact written notification setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if ED determines in the case of partial termination that the reduced or modified portion of the award will not accomplish the purposes for which the award was made, ED may terminate the award in its entirety; or
4. By ED, to the extent authorized by law, if the award no longer effectuates the program goals or agency priorities.

When an award is terminated in part or its entirety, the recipient remains responsible for compliance with the closeout and post-closeout requirements in 2 CFR 200.344 and 2 CFR 200.345. ED will provide the necessary closeout instructions and instructions regarding an appeal of the termination consistent with applicable requirements.

For more information, see the Department Grant Discontinuation and Termination Processes page of the ED website.

II. GRANT TERMS AND CONDITIONS FOR FORMULA GRANT FINANCIAL AND PERFORMANCE REPORTS

Financial and performance reports required for grants awarded by ED, and described in this term and condition, can be accessed on the Grant Application and Other Forms page of the ED website. Government-wide reports can be accessed on the Post-Award Reporting Forms page of the Grants.gov website.

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PERFORMANCE REPORTS

FINAL REPORTS – ALL RECIPIENTS

ALL RECIPIENTS are required to submit a final performance report within 120 days after the expiration or termination of grant support in accordance with submission instructions provided in the Notice of Award (NOA), or through another notification provided by ED (2 CFR 200.329(c)).

ANNUAL, QUARTERLY, OR SEMIANNUAL REPORTS

Your ED program contact will provide you with information about your performance report submissions, including the due date, as a grant term or condition on the NOA, or through another notification provided by ED. The grant term or condition on the NOA, or another notification, may reflect any of the following:

1. That an annual performance report is required, and it shall provide the most current performance and financial expenditure information that is sufficient to meet the reporting requirements in the government-wide requirements located in 2 CFR Part 200. The terms reflected in this document are also consistent with:
   - 2 CFR 200.328, Financial reporting;
   - 2 CFR 200.329, Monitoring and reporting program performance;
   - 2 CFR 200.332, Requirements for pass-through entities; and
   - Applicable reporting requirements stipulated in program statutes or regulations.

2. That an interim performance report is required because of the nature of the award or because of statutory or regulatory provisions governing the program under which this award is made, and that the report is due more frequently than annually as indicated. For example, more frequent reports may be due quarterly and submitted within 30 days after the end of each quarter, or due semiannually and submitted within 30 days after the end of each 6-month period (2 CFR 200.329(c)(1)).

3. That other reports are required. For example, program-specific reports may be required in a program's statute, regulation, or specific conditions of the Federal award (2 CFR 200.208).

FINANCIAL REPORTS – SOME RECIPIENTS

If a financial report is required, your ED program contact will provide you with information about your financial report submission, including the due date, as a grant term or condition on the NOA, or through another notification.

ED uses the government-wide Standard Form (SF) 425, also known as the Federal Financial Report (FFR), for final reporting. Government-wide reports can be accessed on the Post-Award Reporting Forms page of the Grants.gov website.

FINANCIAL REPORT OVERVIEW

A SF 425 FFR is required if:

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1. A grant involves cost sharing, and the ED 524B, which collects cost sharing information, is not submitted or a program-specific report approved by OMB does not collect cost sharing information;
2. Program income was earned;
3. Indirect cost information is to be reported, and the ED 524B was not used or a program-specific report approved by OMB does not collect indirect cost information;
4. Program regulations or statute require the submission of the FFR; or
5. Specific Award Conditions, or specific grant or subgrant conditions for designation of "high risk," were imposed in accordance with 2 CFR 200.208 and 2 CFR 3474.10 and required the submission of the FFR.

Submission Timelines

If the FFR is required, the notification may indicate one of the following reporting frequencies and timelines:

1. Quarterly - due within 30 days after each reporting period.
2. Semi-annual - due within 30 days after each reporting period.
3. Annual - due within 30 days after the reporting period.
4. Final - In coordination with the submission of a final performance reports, grantees must submit FFRs no later than 120 calendar days after the conclusion of the period of performance. A subgrantee must submit a final financial report to a pass-through entity no later than 90 calendar days after the conclusion of the period of performance (2 CFR 200.328).

Submission Guidance

When completing an FFR for submission in accordance with the above referenced selection, the following must be noted:

1. *Multiple Grant Reporting Using SF 425A Not Required:*
   - While the FFR is a government-wide form that is designed for single grant and multiple grant award reporting, ED's policy is that multiple grant award reporting is not permitted for ED grants.
   - Grantees are instructed to not use the FFR attachment (SF 425A), which is available for reporting multiple grants, for reporting on ED grants.
2. *Completing an SF 425 for Each Grant*
   - ED grantees are required to submit an FFR in accordance with any of the above referenced selections.
   - Grantees must complete and submit one FFR for each of its grants.
   - FFR Form, Field 2: Grantees are instructed to disregard the note about using the SF 425A to report multiple grants.
   - FFR Instructions, Report Submissions: With regard to item 1 of the note found in the FFR Instructions, a grantee must complete items 10(a) through 10(o) for each of its grants. The multiple grants and FFR attachment references found in item 2 of the Line Item Instructions for the FFR are not applicable to ED grants.

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3. *Program Income*
   - Unless disallowed by statute or regulation, a grantee will complete item 10(m) or 10(n) in accordance with the options or combination of options as provided in 2 CFR 200.307.
   - A grantee is permitted, in accordance with 2 CFR 200.307, to add program income to its Federal share to further eligible project or program objectives, use program income to finance the non-Federal share of the project or program; and deduct program income from the Federal share of the total project costs.

4. *Indirect Costs*
   - A grantee will complete item 11(a) by listing the indirect cost rate type identified on its indirect cost rate agreement, as approved by its cognizant agency for indirect costs.
   - An ED grantee that does not have an indirect cost rate agreement approved by its cognizant agency for indirect costs, and that is using ED approved (beyond the 90-day temporary period) temporary indirect cost rate of 10% of budgeted direct salaries and wages, or the de minimis rate of 15% of modified total direct cost (MTDC) must list its indirect cost rate in 11(a) as an ED Temporary Rate or De Minimis Rate.
     - The de minimis rate of 15% of MTDC consists of: All direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and subawards and contracts up to the first $50,000 of each subaward.
     - MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of $50,000.
     - Other items, including contract costs in excess of $50,000, may be excluded when necessary to avoid a serious inequity in the distribution of indirect costs (2 CFR 200.1, Modified Total Direct Cost (MTDC)).
   - A restricted program grantee must list its rate as a Restricted Indirect Cost Rate in 11(a).
     - A restricted program (i.e., programs with statutory supplement-not-supplant requirements) grantee must utilize a restricted indirect cost rate negotiated with its cognizant agency for indirect costs, or may elect to utilize a restricted indirect cost rate of 8% MTDC if their negotiated restricted indirect cost rate calculated under 2 CFR 76.564 - 76.569 is not less than 8% MTDC.
     - A State or local government[3] that is a restricted program grantee may not elect to utilize the 8% MTDC rate.
     - Additionally, restricted program grantees may not utilize the de minimis rate but may utilize the temporary rate until a restricted indirect cost rate is

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[3] Note that a State-funded institution of higher education is not considered a "State government" for these purposes; and a Tribal college or university funded by a federally-recognized Tribe is not considered a Tribe for these purposes. [4] Note that a State-funded institution of higher education is not considered a "State government" for these purposes.

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negotiated.
  - If a restricted program grantee elects to utilize the temporary rate, it must list its rate as an ED Temporary Rate in 11(a).
- Grantees with indirect cost rates prescribed in program statute or regulation must list their rate as a Rate Required in Program Statute or Regulation in 11(a).
- Grantees are required to follow program-specific statutory or regulatory requirements that mandate either indirect cost rate type or maximum administrative costs recovery.
- For detailed information including restrictions related to temporary, de minimis, training, restricted, and program prescribed indirect cost rates see the training, restricted, and program prescribed indirect cost rates see the Indirect Cost Division webpage on the ED website.

5. *Supplemental Pages*
   - If grantees need additional space to report financial information, beyond what is available within the FFR, they should provide supplemental pages.
   - Additional pages must indicate the following information at the top of each page:
     - Federal Identifying Number (FAIN),
     - Recipient organization,
     - UEI,
     - Employer Identification Number (EIN), and
     - Period covered by the report.

IV. PARTICIPATION OF FAITH-BASED ORGANIZATIONS

1. A faith-based organization that participates in this program retains its independence from the Government and may continue to carry out its mission consistent with religious freedom and conscience protections in Federal law.

2. A faith-based organization may not use direct Federal financial assistance from ED to support or engage in any explicitly religious activities except when consistent with the Establishment Clause of the First Amendment and any other applicable requirements. Such an organization also may not, in providing services funded by ED, or in outreach activities related to such services, discriminate against a program beneficiary or prospective program beneficiary on the basis of religion, a religious belief, a refusal to hold a religious belief, or a refusal to attend or participate in a religious practice.

3. If a grantee under a State-Administered Formula Grant program of ED has the authority under the grant or subgrant to select a private organization to provide services supported by direct Federal financial assistance under the program by subgrant, contract, or other agreement, the grantee must ensure compliance with applicable Federal requirements governing contracts, grants, and other agreements with faith-based organizations, including, as applicable, 34 CFR 76.52, 34 CFR 76.532, and 2 CFR 3474.15 (see 34 CFR 76.714).

V. WRITTEN NOTICE OF BENFICIARY PROTECTIONS

In accordance with 34 CFR 76.712, all grantees and subgrantees providing social services

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under an ED program supported by direct Federal financial assistance (e.g., programs that provide employment, independent living, education, or related services to individuals or groups of individuals) must give written notice to a beneficiary or prospective beneficiary of certain protections.

The written notice that an organization uses to notify beneficiaries or prospective beneficiaries of certain religious non-discrimination protections must include language substantially similar to that in Appendix C to 34 CFR Part 75 (See 34 CFR 76.712(d)). Grantees and subgrantees have discretion regarding how to provide the notice, which may include providing the notice directly to each beneficiary, posting it on the grantee's website, or other means. A grantee or subgrantee that participates in multiple ED programs may provide a single notice covering all applicable programs. Additionally, grantees must ensure that the notice is accessible to individuals with disabilities and limited English proficient individuals as required by law. Unless notified by the applicable program office, a grantee or subgrantee is not required to include in the notice the information in paragraph (5) of Appendix C to 34 CFR Part 75 (i.e., the opportunity of a beneficiary to receive information about other similar providers).

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UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF CAREER, TECHNICAL, AND ADULT EDUCATION

July 10, 2025

Notification to Perkins and AEFLA Grantees and Subgrantees of Updated PRWORA Interpretation of Federal Public Benefits

Dear Perkins V and Adult Education and Family Literacy Act (AEFLA) Grantees and Subgrantees:

The U.S. Department of Education (Department) values the important role that its grantees and subgrantees play in promoting career, technical, and adult education so that students receive the skills necessary to succeed in postsecondary education. On February 19, 2025, the President issued Executive Order 14218, "Ending Taxpayer Subsidization of Open Borders," which is designed to promote the rule of law, ensure that Federal public benefit programs are only provided to U.S. citizens, residents, and certain eligible nonresidents, and prevent spending of American taxpayer dollars on Federal assistance for illegal aliens. The President's Executive Order reinforces the importance of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA, P.L. 104-193), which prohibits illegal aliens and other non-qualified aliens from receiving certain Federal public benefits, including "any... *postsecondary education*... or *any similar benefit* for which payments or assistance are provided to an individual, household, or family eligibility unit..." (emphasis added).

Tomorrow, the Department will publish a Notice of Interpretation regarding PRWORA. The interpretive rule discusses how the Department interprets PRWORA with respect to career and technical education (CTE) programs authorized under the Carl D. Perkins Career and Technical Education Act of 2006 (Perkins V), as amended, and adult education programs authorized under Title II (AEFLA) of the Workforce Innovation and Opportunity Act (WIOA) of 2014. While the interpretive rule is not binding on grantees, subgrantees, or the Department, it represents the Department's current interpretation of the law and may be used when taking enforcement actions.

The Department of Education's Interpretation of Postsecondary Education and Other Similar Benefits as Subject to PRWORA

The Department has taken several recent actions to ensure that its interpretation of Federal postsecondary education programs, or those that provide a similar benefit to the

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enumerated Federal public benefits under 8 U.S.C. § 1611(c)(1), are compliant and aligned with the purpose of PRWORA. On July 11, 2025, the Department will issue a Notice of Interpretation rescinding portions of a 1997 Dear Colleague Letter that incorrectly classified certain programs as outside the scope of PRWORA. The Notice of Interpretation clarifies that Federal programs administered by the Department that provide postsecondary education and other similar benefits to an "individual, household, or family eligibility unit," including the vast majority of postsecondary education programs authorized under the Higher Education Act of 1965, as amended; CTE programs under Perkins V; and adult education programs authorized under AEFLA are Federal public benefits subject to the citizenship verification requirements of PRWORA.

Adult Education and CTE Grantee and Subgrantee Responsibilities under PRWORA, Including Citizenship Verification

As grantees and subgrantees engaged in administering Federal public benefits through CTE programs authorized under Perkins V or the adult education programs authorized under AEFLA, your organization may be responsible for ensuring that such programs are in compliance with the citizenship verification requirements of PRWORA. Under PRWORA, states and local government agencies are required to ensure that noneligible illegal aliens do not receive assistance or payments from federally funded programs.

As described within the Department's Notice of Interpretation, this explicit prohibition includes funding to any postsecondary education or other similar benefits funded wholly or in-part, or directly or indirectly conferred by your program(s), including coursework or postsecondary or workforce credentials. If your organization is a grantee, your organization has an obligation to effectively monitor the activities of subgrantees to ensure that funds distributed to said subgrantees are in compliance with current law and that such services and programs are only provided to U.S. citizens and eligible nonresidents, as defined under PRWORA. 8 U.S.C. § 1641(b).

The Department notes that there are existing legal exemptions from verification requirements for nonprofit charitable organizations administering Federal public benefits. Nonprofit charitable organizations that administer Federal public benefits are not required to conduct eligibility verification under 8 U.S.C. § 1642(d). The exemption is narrowly crafted to nonprofit charitable organizations and does not include other entities administering Federal public benefits, including the compliance requirements of states and other grantees that may provide disbursements or subgrants to nonprofit charitable organizations.

The interpretive rule represents the Department's current position on the issue and may be referenced when enforcing or monitoring grantee and subgrantee compliance with PRWORA. The Department may exercise its enforcement discretion to seek to ensure that this citizenship verification is in use across all postsecondary education and other similar

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benefit programs covered under PRWORA, including programs funded under Perkins V and AEFLA. In general, the Department does not have any plans to take enforcement actions against any grantee or subgrantee under PRWORA prior to August 9, 2025.

Next Steps

Moving forward, the Department will work with state and local grantees, as well as subgrantees, to ensure that Federal public benefit usage is limited to U.S. citizens, residents, and certain eligible nonresidents.

While the Department is not requiring grantees to engage in specific verification processes or procedures under this non-binding interpretive rule, grantees that may have existing legal obligations under PRWORA may seek to verify citizenship eligibility using, among other things: (1) the Department of Homeland Security (DHS) Systematic Alien Verification for Entitlements (SAVE) program; (2) review of U.S. birth certificates; (3) review of REAL ID compliant identification cards (ineligible aliens are not able to obtain such IDs); (4) DHS-issued documentation verifying immigration status; or (5) other methods to verify eligibility. Grantees are reminded to inform subgrantees of existing legal obligations under PRWORA.

In the future, the Department may conduct a review of grant opportunities, grantees and subgrantees, and other relevant parties to ensure compliance with the citizenship and eligibility verifications of PRWORA and that limited Federal funding is not being improperly distributed to noneligible individuals or used to support programs and services that serve illegal aliens.

The Department notes that, unless it is required by Departmental regulations, grantees have no affirmative obligation to report on verification to the Department. As an interpretive rule, this guidance is not binding nor does it have an effective date; rather, it informs the public, in addition to relevant stakeholders, of the Department's interpretation of the law. The Department may, but is not required to, exercise its enforcement discretion to refrain from taking actions against grantees in certain circumstances.

The Department looks forward to working with all grantees, subgrantees, and stakeholders in implementing and ensuring compliance with PRWORA, the corresponding provisions of the Notice of Interpretation, and this letter. This effort is necessary to ensure that taxpayer funds are reserved for individuals who have entered our country through legal means and

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uphold the rule of law. Perkins V and AEFLA grantees and subgrantees may submit questions related to the Notice of Interpretation to PRWORA@ed.gov. Thank you for your cooperation in this important matter.

Sincerely,

NICHOLAS MOORE

Digitally signed by NICHOLAS MOORE
Date: 2025.07.10 09:39:33 -04'00'

Nicholas J. Moore
Acting Assistant Secretary for Career,
Technical, and Adult Education

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the quality, utility, and clarity of the information to be collected; and (5) how might the Department minimize the burden of this collection on the respondents, including through the use of information technology. Please note that written comments received in response to this notice will be considered public records.

Title of Collection: Streamlined Clearance Process for Discretionary Grants.

OMB Control Number: 1894–0001.

Type of Review: Extension without change of a currently approved ICR.

Respondents/Affected Public: State, Local, and Tribal Governments.

Total Estimated Number of Annual Responses: 1.

Total Estimated Number of Annual Burden Hours: 3.

Abstract: Section 3505(a)(2) of the PRA of 1995 provides the OMB Director authority to approve the streamlined clearance process proposed in this information collection request. This information collection request was originally approved by OMB in January of 1997. This information collection streamlines the clearance process for all discretionary grant information collections which do not fit the generic application process. The streamlined clearance process continues to reduce the clearance time for the U.S. Department of Education's (ED's) discretionary grant information collections by two months or 60 days. This is desirable for two major reasons: it would allow ED to provide better customer service to grant applicants and help meet ED's goal for timely awards of discretionary grants. § 3474.20(d) adds the requirement for grantees to develop a dissemination plan for copyrighted work under open licensing. Information contained in the narrative of an application will be captured in the Evidence of Effectiveness Form.

Ross Santy,

Chief Data Officer, Office of Planning, Evaluation and Policy Development.

[FR Doc. 2025–13011 Filed 7–10–25; 8:45 am]

BILLING CODE 4000–01–P

DEPARTMENT OF EDUCATION

Clarification of Federal Public Benefits Under the Personal Responsibility and Work Opportunity Reconciliation Act

AGENCY: Office of the Secretary, Department of Education.

ACTION: Interpretive rule.

SUMMARY: The U.S. Department of Education (Department) issues this interpretation to revise and clarify its position on the classification of certain Department programs providing "Federal public benefits," as defined in Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), Public Law 104–193. The Department concludes that the postsecondary education programs and "other similar benefit" programs described within this interpretive rule, including adult education programs authorized under Title II of the Workforce Innovation and Opportunity Act of 2014, postsecondary career and technical education programs under the Carl D. Perkins Career and Technical Education Act of 2006, and other programs when used to fund postsecondary learning opportunities, provide federally funded forms of assistance that constitute "Federal public benefits" subject to PRWORA's citizenship verification requirements. The interpretation also revokes and supersedes certain aspects of the Department's previously issued Dear Colleague Letter (DCL) of November 19, 1997, which mischaracterized these programs as not affected by PRWORA, for the reasons described further within this notice.

DATES: July 11, 2025.

FOR FURTHER INFORMATION CONTACT: Office of Career, Technical, and Adult Education, U.S. Department of Education, 400 Maryland Avenue SW, Washington, DC 20202. Adam Flynn-Tabloff. Email: *adam.flynn-tabloff@ed.gov.*

If you use a telecommunications device for the deaf (TDD) or a text telephone (TTY), call the Federal Relay Service (FRS), toll free, at 1–800–877–8339.

SUPPLEMENTARY INFORMATION:

Full Text of Announcement

On February 19, 2025, President Trump issued Executive Order 14218 (Ending Taxpayer Subsidization of Open Borders), directing agencies, among other actions, to ensure that federally funded programs are operating in compliance with PRWORA. For the reasons described herein, the Department has concluded that Federal programs administered by the Department that provide postsecondary education and other similar benefits, including adult education and career and technical education programs, are "Federal public benefits" subject to the citizenship and immigration verification requirements of PRWORA, so long as such benefits are not protected under *Plyler* v. *Doe*, 457 U.S. 202 (1982) *Plyler* as part of a basic public education.

I. Background

Title IV of PRWORA, as enacted into law as Public Law 104–193 on August 22, 1996, and amended by the Balanced Budget Act of 1997 (Pub. L. 105–33), generally limits eligibility for "Federal public benefits" to U.S. citizens, U.S. non-citizen nationals, and certain categories of "qualified aliens." For programs that provide "Federal public benefit[s]," providers are required to verify eligibility in order to comply with PRWORA. PRWORA defines "qualified alien" to mean "an alien who, at the time the alien applies for, receives, or attempts to receive a Federal public benefit, is—

(1) an alien who is lawfully admitted for permanent residence under the Immigration and Nationality Act [8 U.S.C. 1101 *et seq.*];

(2) an alien who is granted asylum under section 208 of such Act [8 U.S.C. 1158];

(3) a refugee who is admitted to the United States under section 207 of such Act [8 U.S.C. 1157];

(4) an alien who is paroled into the United States under section 212(d)(5) of such Act [8 U.S.C. 1182(d)(5)] for a period of at least 1 year;

(5) an alien whose deportation is being withheld under section 243(h) of such Act [8 U.S.C. 1253];

(6) an alien who is granted conditional entry pursuant to section 203(a)(7) of such Act [8 U.S.C. 1153(a)(7)] as in effect prior to April 1, 1980;

(7) an alien who is a Cuban and Haitian entrant (as defined in section 501(e) of the Refugee Education Assistance Act of 1980); or

(8) an individual who lawfully resides in the United States in accordance with a Compact of Free Association." 8 U.S.C. 1641(b).

In other words, "qualified alien" status generally refers to those non-citizens that have a lawful immigration status allowing them to reside in the U.S. indefinitely, as well as immigrants holding specific humanitarian statuses identified by Congress. Under PRWORA, an alien who is not a "qualified alien" is ineligible for payment or assistance of any "Federal public benefit." 8 U.S.C. 1611. Federal public benefits, as defined in 8 U.S.C. 1611(c)(1)(A), include "any grant, contract, loan, professional license, or commercial license provided by an agency of the United States or by appropriated funds of the United States." PRWORA further defines Federal public benefits to include "any retirement, welfare, health, disability, public or assisted housing,

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postsecondary education, food assistance, unemployment benefit, *or any other similar benefit* for which payments or assistance are provided to an individual, household, or family eligibility unit by an agency of the United States or by appropriated funds of the United States" (emphasis added). 8 U.S.C. 1611(c)(1)(B).

II. Applicability of PRWORA to Department Programs That Provide "Postsecondary Education" and "Other Similar Benefit[s]"

The Department's programs are funded by appropriated funds of the United States and are subject to the restrictions of PRWORA, where such program provides "Federal public benefits" based on the applicable criteria of PRWORA. Specifically, PRWORA applies to "postsecondary education" benefits or "any other similar benefit" under Department programs "for which payments or assistance are provided to an individual, household, or family eligibility unit." Such benefits are "Federal public benefits" within the meaning of PRWORA, unless an exception applies.

On November 19, 1997, the Department issued a DCL interpreting PRWORA to, among other things, not cover benefits under Departmental programs provided at the preschool, elementary, and secondary education level. U.S. Dept. of Edu., PRWORA DCL, (Nov. 19, 1997). In general, the Department's interpretation in the DCL enabled all aliens, regardless of immigration status and including adults, to be eligible to receive educational benefits and assistance provided by the Department so long as such benefits were not provided at the "postsecondary education" level. The Department's 1997 DCL also reasoned that educational programs provided at the preschool, elementary, and secondary level are not "similar" to the programs that Congress enumerated in PRWORA, including "any retirement, welfare, health, disability, public or assisted housing, *postsecondary education,* food assistance, unemployment benefit[.]" (emphasis added). The Department specifically claimed that these programs are dissimilar from "postsecondary education" because those programs "are at a completely different level of education." The Department also asserted that these programs provide "a different form of assistance" than postsecondary education.

The Department finds that the reasoning in the 1997 DCL is flawed because it failed to fully analyze the context and full statutory text of PRWORA, and therefore ultimately misconstrued its meaning. In crafting PRWORA, Congress created an operative definition for "Federal public benefit" under 8 U.S.C. 1611(c), five substantive exceptions under 8 U.S.C. 1611(b)(1)(A)–(E), three rules of non-applicability under 8 U.S.C. 1611(c)(2)(A)–(C), and three rules of statutory construction under 8 U.S.C. 1643 (a)–(c). Each part of this statutory enactment contains interrelated parts, which may provide context when construing one of its parts that may otherwise appear to be ambiguous. *See* A. Scalia & B. Garner, Reading Law, 167 (2012)("Context is the primary determinant of meaning. A legal instrument typically contains interrelated parts that make up the whole. The entirety of the document thus provides the context for each of its parts."); *see also United Savings Ass'n v. Timbers of Inwood Forest Associates,* 484 U.S. 365, 371 (1988) (a statutory "provision that may seem ambiguous in isolation is often clarified by the remainder of the statutory scheme—because the same terminology is used elsewhere in a context that makes its meaning clear, or because only one of the permissible meanings produces a substantive effect that is compatible with the rest of the law.")

In the first instance, the Department looks at the operative definition for "Federal public benefit" under 8 U.S.C. 1611(c). In defining the phrase, Congress included enumerated categories of benefits, including "any retirement, welfare, health, disability, public or assisted housing, *postsecondary education,* food assistance, [or] unemployment benefit," (emphasis added) followed by a broader unenumerated category of benefits that encompasses any "similar benefit[s] for which payments or assistance are provided to an individual, household, or family eligibility unit." To ascertain the meaning of the phrase: "similar benefit for which payments or assistance are provided to an individual, household, or family eligibility unit," and whether an unenumerated benefit would fall under that definition, we must analyze the similarity of other benefits to the enumerated list of benefits already included within the definition of a "Federal public benefit."

Here, Congress included a broad and disparate group of benefits within the enumerated list of "Federal public benefits." For example, "food assistance" is a near-term benefit for human subsistence, while retirement benefits are quite different in that they provide for long-term financial stability in old age. The disparate nature of these benefits suggest that Congress intended to capture an expansive array of Federal benefits, within the statutory limit that such benefits be provided through Federal funds, and to "an individual, household, or family eligibility unit."

In contrast, the Department's analysis in the 1997 DCL did not mention any of the enumerated examples in the statute, except "postsecondary education" when construing whether the benefits discussed in that DCL were "similar." In doing so, the Department ignored important statutory clues regarding the proper reading of the statute. Instead, the Department's previous analysis inappropriately manipulated the level of generality of the inquiry to focus on the narrow question of whether "postsecondary education" is similar to education at the "preschool, elementary, and secondary level." This flawed framing led to a flawed result. The conclusion of the 1997 DCL that preschool, elementary, and secondary education are dissimilar from postsecondary education because those programs "are at a completely different level of education" ignores the context of the statute that makes it clear that Congress intended to cover a broader array of other Federal benefits. Indeed, preschool, elementary, and secondary education are similar to postsecondary education in that these benefits provide educational assistance to individuals.

The 1997 DCL also discusses the form in which the benefits are distributed. Specifically, the DCL states that "elementary and secondary 'benefits' are typically made available to public educational agencies through grants that help them supplement their educational programs . . . [while] [p]ostsecondary benefits typically involve financial assistance to individual students." Even if assumed to be true, it would be irrelevant.

The statute discusses the method of delivery required in order to be a "Federal public benefit" and provides that only those benefits "for which payments or assistance are provided to an individual, household, or family eligibility unit" may be construed as a "Federal public benefit." The statute provides for distinct methods of delivery of benefits to include a "payment" *or* "assistance." The word "payment" is derivative of the word "pay," which means "the act of paying or state of being paid." *See Payment,* Webster's II: New Riverside University Dictionary (1994); *Pay,* Webster's II: New Riverside University Dictionary (1994). In other words, for something to be a "payment," money must be exchanged.

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The term "assistance" is defined as "the act of assisting", which is derivative of the word "assist" which means "to aid" or "to give aid or support" to someone or something. *See Assistance,* Webster's II: New Riverside University Dictionary (1994) and *Assist,* Webster's II: New Riverside University Dictionary (1994). The word "assistance" is indeed broader than "payment" and includes at least some actions that do not involve the direct exchange of money.

To further understand the meaning of the word "assistance" within the context of the statute, it is appropriate to consult other parts of the statutory framework. *K Mart Corp.* v. *Cartier, Inc.,* 486 U.S. 281, 291 (1988) ("In ascertaining the plain meaning of the statute, the court must look to the particular statutory language at issue, as well as the language and design of the statute as a whole."). In the list of five substantive exceptions under 8 U.S.C. 1611(b)(1)(A)–(E), we find clues in deciphering any ambiguities in the term "assistance" as applied in this context. In 8 U.S.C. 1611(b)(1)(B) & (D), Congress provided that the prohibition against providing non-qualified aliens with any federal public benefit "shall not apply with respect to the following Federal public benefits:"

"(B)*Short-term, non-cash, in-kind emergency disaster relief* [. . .]

"(D) Programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short-term shelter) specified by the Attorney General, in the Attorney General's sole and unreviewable discretion after consultation with appropriate Federal agencies and departments, which (i) *deliver in-kind services at the community level, including through public or private nonprofit agencies;* (ii) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and (iii) are necessary for the protection of life or safety."

As the excepted benefits that are enumerated within sub-clause (A) though (E) are specified as otherwise being "Federal public benefits", it is clear that Congress believed these benefits all would have otherwise met that definition. Therefore, in interpreting whether a program provides "other similar benefit(s)", it is instructive to look not just to the enumerated benefits within 8 U.S.C. 1611(c)(1), but also to the exempted Federal public benefits under 8 U.S.C. 1611(b)(1). Here, Congress specified under sub-clause (B) and (D) that there are exemptions from the general alien restrictions of 8 U.S.C. 1611 on certain types of non-cash or in-kind benefits.[1] The exception under sub-clause (D) applies more specifically to in-kind benefits that are delivered "at the community level, including through public or private nonprofit agencies." It would not make sense for Congress to exclude these limited non-cash or in-kind benefits explicitly in 8 U.S.C. 1611(b)(1)(B) & (D) if at least some of those benefits were not *already captured* under the operative definition of "Federal public benefit" under 8 U.S.C. 1611(c). Congress would have no need to carve something out that would not otherwise be covered in the first instance under the "Federal public benefit" definition. As such, the general definition of "Federal public benefit" is best understood to include "assistance" similar to the "deliver[y] [of] in-kind services at the community level, including through public or private nonprofit agencies" where such benefits have not been specifically excluded by 8 U.S.C. 1611(b)(1).

The DCL essentially ignored Congress's decision to include Federal public benefits delivered through "assistance," narrowing its analysis not only to Federal public benefits as "payment," but even further still to whether that assistance was similar to "postsecondary [. . .] financial assistance to individual students." The rule against surplusage requires us "to avoid rendering superfluous any statutory language." *Hibbs* v. *Winn,* 542 U.S. 88, 101 (2004). Here, the DCL did not give independent meaning to the word "assistance," improperly rendering it superfluous. Instead, as demonstrated above, Congress clearly contemplated that Federal public benefits could cover assistance provided from entities to "individual[s], household, or family eligibility unit," even when that assistance is provided through an "in-kind" non-money benefit "at the community level, including through public or private nonprofit agencies."

Next, we consider one of the three rules of statutory construction that Congress included under 8 U.S.C. 1643(a)(2) which provides that nothing within [Title IV of the Act] may be construed as "addressing alien eligibility for a basic public education as determined by the Supreme Court of the United States under *Plyler* v. *Doe* (457 U.S. 202) (1982)." In effect, this provision codifies the holding of that case into the statute. Therefore, when construing PRWORA, the Department's interpretation may not otherwise contravene *Plyler.*

Plyler's holding was expressly grounded in the Fourteenth Amendment, as applied to States, and the ability of States to impose unique restrictions on alien eligibility absent "some articulable federal policy[.]" There is nothing in *Plyler's* holding that addresses the ability of the Federal government to deny benefits (be they educational or other) based on alienage, and expressly noted that "[i]n light of our disposition of the Fourteenth Amendment issue, we have no occasion to reach this claim [of pre-emption by federal law and policy]." The inclusion of 8 U.S.C. 1643(a)(2)'s limitation that PRWORA was not intended to "addres[s] alien eligibility for a basic public education" is thus best understood as instructive toward the other provisions of PRWORA that speak to "State authority to make determinations concerning the eligibility of qualified aliens for public benefits", 8 U.S.C. 1601(7), and the provision of "State or local public benefits" 8 U.S.C. 1621–1625.

A harmonious reading of *Plyler,* 8 U.S.C. 1643(a)(2), and the ability of Congress to regulate the provision of "Federal public benefits" is thus readily apparent. Scalia & Garner, *supra,* at 180 ("The imperative of harmony among provisions is more categorical than most other canons of construction because it is invariably true that intelligent drafters do not contradict themselves.") Indeed, such a harmonious reading is necessary as the text itself of *Plyler,* incorporating its antecedents, specifically noted that "it is the business of the political branches of the Federal Government, rather than that of either the States or the Federal Judiciary, to regulate the conditions of entry and residence of aliens." *Mathews* v. *Diaz,* 426 U.S. 67, 84 (1976).

Furthermore, *Plyler* focused on the unique position of children who have "little control" over their immigration status. In *Plyler,* the Court noted that "it is thus difficult to conceive of a rational justification for penalizing these children for their presence within the United States." The Court's rationale for protecting the ability of minors to attend school stands in contrast to adults who do have the ability to control their actions and movement. Indeed, the Court noted that the "undocumented status" of adults is not "an absolutely immutable characteristic since it is the product of conscious, indeed unlawful, action." As such, the Department does

[1] In-kind is defined as "in the same manner or with something equivalent" Webster's II: New Riverside University Dictionary (1994). In the context of the statute, "in-kind" means some sort of non-cash benefit that provides goods or services directly, rather than providing cash to procure those goods or services.

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not interpret the holding in *Plyler* as conferring any rights to adults. Nor does the holding in *Plyler* reach the question as to whether a minor has the right to postsecondary education (such as a 17-year-old individual who may wish to enroll in postsecondary programs, like dual enrollment) or adult training programs that are not included within a "basic public education".

Therefore, the Department interprets and finds that "Federal public benefits" under 8 U.S.C. 1611(c)(1) includes all educational benefits that are provided to individuals, households, or family eligibility units, regardless of age, and including when benefits are provided as in-kind services at the community level, such as through public or private nonprofit agencies, except those benefits that are basic public education benefits under *Plyler*. In codifying the exceptions under *Plyler*, Congress made clear the term "Federal public benefits" does not cover basic public education benefits that are received by children. At the same time, "Federal education benefits" does include postsecondary education benefits provided regardless of age, as *Plyler* did not address postsecondary benefits and PRWORA explicitly calls for such benefits to be included. 8 U.S.C. 1611(c)(1)(B).

In other words, non-qualified alien adults are not permitted to receive education benefits (postsecondary education benefits or otherwise) and non-qualified alien children are not eligible to receive postsecondary education benefits and certain other education benefits, so long as such benefits are not basic public education benefits. Postsecondary education benefits include dual enrollment and other similar early college programs that provide opportunities to earn college level credits while participating in a secondary education program, because those programs provide individualized payments or assistance beyond that of a basic public education. This interpretation does not apply to specific later in time statutory exceptions, including under 20 U.S.C. 1070e. In sum, this reading of the statute respects the statutory command to adhere to the holding in *Plyler*, while appropriately capturing the statutory directive to include "other similar benefits" within the meaning of a "Federal public benefit" under PRWORA.

Of note, the 1997 DCL cited the Congressional conference report to PRWORA. The DCL claimed that with respect to section 401 of PRWORA, the conference report said that "the intent of the conferees is that Title I, part A of the Elementary and Secondary Education Act would not be affected by section 401 because the benefit is not provided to an individual household or family eligibility unit."[2] Use of legislative committee reports like this is disfavored because these reports do not go undergo the ordinary legislative process of bicameralism and presentment. In other words, Congress did not vote on the conference report, nor should we assume Members of Congress actually read the report. *See, e.g., Blanchard* v. *Bergeron*, 489 U.S. 87, 98–99 (1989) (Scalia, J., concurring) ("As anyone familiar with modern-day drafting of congressional committee reports is well aware, the references to the cases [in the committee report] were inserted, at best by a committee staff member on his or her own initiative, and at worst by a committee staff member at the suggestion of a lawyer-lobbyist . . . What a heady feeling it must be for a young staffer, to know that his or her citation of obscure district court cases can transform them into the law of the land . . ."). As such, the Department declines to consider the non-authoritative conference report from PRWORA when interpreting the statute, as it is unreliable in ascertaining the meaning of the text.

III. Applicability of PRWORA to Specific Department Programs

As it relates to additional programs under the Department's administration, we interpret PRWORA to apply to benefits provided to individuals under programs authorized under Title II of the Workforce Innovation and Opportunity Act of 2014 (WIOA) and career and technical education (CTE) programs authorized under the Carl D. Perkins Career and Technical Education Act of 2006, as amended (Perkins V), as well as benefits provided through postsecondary education programs.

First, it is clear that these programs are all provided through "appropriated funds of the United States" because the Department receives these funds under appropriations laws passed by Congress. *See e.g.*, FY 2025 Full-Year Continuing Appropriations and Extensions Act, Public Law 119–4, § 1101(a)(8) 139 Stat. 9, 11. Second, whether as an enumerated benefit or "other similar benefit," these programs provide "payments or assistance" to "an individual, household, or family eligibility unit[.]"

Under WIOA, the Department administers Title II Adult Education and Literacy Activities, which provides grants to States to support adult education and literacy activities. 29 U.S.C. 3291, 3303. State agencies, in turn, may award grants or enter into contracts with eligible providers who provide adult education and literacy services to eligible individuals. An "eligible individual" is an individual who

(A) who has attained 16 years of age;

(B) who is not enrolled or required to be enrolled in secondary school under State law; and

(C) who—

(i) is basic skills deficient;

(ii) does not have a secondary school diploma or its recognized equivalent, and has not achieved an equivalent level of education; or

(iii) is an English language learner.

The Department interprets Title II WIOA programs to provide "Federal public benefits" because these educational programs: (1) are "similar benefits," within the meaning of 8 U.S.C. 1611(c)(1)(B), because the programs provide educational services to adults and children who lack certain skills or abilities (as discussed in further detail above); (2) are provided on a non-cash and in-kind basis to individuals, and therefore are a form of "assistance [. . .] to an individual" eligibility unit as defined under 8 U.S.C. 1611(c)(1)(B); and (3) are not specifically exempted under PRWORA. As discussed above, the Department interprets PRWORA to apply to adults receiving any form of educational benefits and children receiving educational benefits other than a "basic public education."

The Department interprets Title II WIOA benefits to be distinct from the provision of a "basic public education" by State and local governments under *Plyler* because, among other distinctions, these benefits are provided to individuals in addition to the basic public education already provided by States to minors of compulsory attendance age. Under Title II of WIOA, any minor who had aged out of compulsory secondary school attendance would further have to drop out of the basic public education offered by their State in order to be eligible for Title II WIOA benefits. *Plyler*, in addition to highlighting the compulsory nature of basic public education, did not confer illegal immigrant children aging out of basic public education with the right to drop out of secondary school in favor of alternative educational programs, such as those designed for

[2] The Department does not have specific concerns about how the Congressional conference report is referencing Title I of the Elementary and Secondary Education Act, as such programs generally provide support for states in delivering a basic public education, as protected under *Plyler*. Rather, the Department declines to consider the conference report because it is unreliable in general, and specifically here in how it interprets PRWORA as it relates to the phrase "payments or assistance" under 8 U.S.C. 1611(c)(1)(B).

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adults under WIOA. As such, the Title II WIOA programs provide "Federal public benefits" that are distinct from and are not included within a basic public education under *Plyler.*

Under Perkins V, the Department administers the Basic Grants to States program which is a formula grant for career and technical education to States to support the development and implementation of programs for individuals who are in need of such career and technical education. Congress provided that the purpose of Perkins V, among other things, is to "to develop more fully the academic knowledge and technical and employability skills of secondary education students and postsecondary education students who elect to enroll in career and technical education programs and programs of study." 20 U.S.C. 2301. Although Perkins V does not explicitly create a test for eligibility, it is clear the educational benefits that flow from these programs are designed to benefit students who are *individuals.* Indeed, the very definition of "career and technical education" under Perkins V highlights that CTE is always an *individual* good as it is provided through "a sequence of courses," "competency-based, work-based, or other applied learning" or "career exploration" that can only be received or experienced by an individual for their personal development. 20 U.S.C. 2302(5). Perkins V benefits flow from the Federal government to states, and then to local recipients, who provide educational assistance to individual students in a non-cash in-kind manner.

Perkins V funds programs for individuals both at the secondary and postsecondary levels. 20 U.S.C. 2301. Students may receive Perkins V benefits while enrolled in secondary school. In contrast to Title II WIOA benefits, Perkins V benefits do not require students to drop out or have aged out of secondary school compulsory attendance in order to receive such benefits and are thus provided as part of a "basic public education" in those limited circumstances. As such, these benefits, when provided to minors in the secondary school setting, are basic public education benefits that are protected under *Plyler.*

Therefore, the Department interprets Perkins V programs to provide "Federal public benefits" because these educational programs: (1) are "similar benefits," within the meaning of 8 U.S.C. 1611(c)(1)(B), because the programs provide career and technical educational services to adults and children who lack certain skills or abilities; (2) are provided on a non-cash and in-kind basis to individuals, and therefore are a form of "assistance" as defined under 8 U.S.C. 1611(c)(1)(B); and (3) are not specifically exempted under PRWORA, except that Perkins V programs that support minors in the secondary school setting are basic public education benefits and are not "Federal public benefits." 8 U.S.C. 1643.[3]

IV. Verification

Grantees that may have existing legal obligations under PRWORA may seek to verify eligibility using, among other things: (1) the Department of Homeland Security (DHS) Systematic Alien Verification for Entitlements (SAVE) program;[4] (2) review of U.S. birth certificates; (3) review of REAL ID compliant identification cards (ineligible aliens are not able to obtain such IDs); (4) DHS issued documentation verifying immigration status; or (5) other methods to verify eligibility.

In addition, the Department notes that there are existing legal exemptions from verification requirements for nonprofit charitable organizations administering "Federal public benefits". Nonprofit charitable organizations that administer "Federal public benefits" are not required to conduct eligibility verification under 8 U.S.C. 1642(d). The exemption in 8 U.S.C. 1642(d) is narrowly crafted and does not include other entities administering "Federal public benefits". Accordingly, the Department does not interpret 8 U.S.C. 1642(d) to relieve states or other governmental entities involved in the administration of "Federal public benefits" from the requirements to ensure that all relevant programs are in compliance with PRWORA (even when some or all educational services are ultimately provided by a nonprofit charitable organization). Grantees may, consistent with 2 CFR 200.413(b)–(c) and 2 CFR 200.405(d), charge direct administrative costs associated with verification as an allocable benefit that can be reasonably documented toward each grant award.

Unless required by Departmental regulations, grantees have no affirmative obligation to report on verification to the Department. Because this interpretative rule is not legislative, the Department lacks the ability to require affirmative reporting.

Interpretive rules cannot have effective dates. Rather, this interpretive rule informs the public of the Department's interpretation of the law. See *Guedes* v. *Bureau of Alcohol, Tobacco, Firearms & Explosives,* 920 F.3d 1, 20 (D.C. Cir. 2019) (holding that an interpretive rule cannot have an effective date and is instead an interpretation of how the law should be interpreted, past and present). The Department may, but is not required to, exercise its enforcement discretion to refrain from taking actions against grantees in certain circumstances.

V. Conclusion

This interpretive rule finds that Federal programs administered by the Department that provide postsecondary education and other similar benefits, including adult education and CTE programs, are "Federal public benefits" subject to the citizenship and immigration verification requirements of PRWORA, so long as such benefits are not protected under *Plyler* as part of a basic public education. This interpretation of adult education and covered CTE programs as providing "Federal public benefits" also includes programs that provide dual enrollment and other similar early college programs that go beyond providing a basic public education to prepare students for credit accumulation, degree attainment, or to enter the workforce. Therefore, entities administrating these programs may consider this interpretation when taking action to comply with PRWORA. This interpretation represents the Department's current position on the issue and may be referenced when enforcing or monitoring grantee and subgrantee compliance with PRWORA.

Accessible Format: On request to the program contact listed under FOR FURTHER INFORMATION CONTACT, individuals with disabilities can obtain this document in an accessible format. The Department will provide the requestor with an accessible format that may include Rich Text Format (RTF) or text format (txt), a thumb drive, an MP3 file, braille, large print, audiotape, or compact disc, or other accessible format.

Electronic Access to This Document: The official version of this document is the document published in the **Federal Register.** You may access the official

[3] In this interpretive rule, the Department announces how it interprets PRWORA with respect to certain Department programs; however, just because a program is not specifically mentioned herein does not mean the program does not have obligations under PRWORA. The Department may, but is not required to, exercise its enforcement discretion to refrain from taking actions against grantees in certain circumstances, such as for programs not mentioned in this interpretive rule.

[4] Effective April 1, 2025, the Department of Homeland Security has eliminated the transaction charge for using SAVE for all state, local, tribal, and territorial government agencies. See U.S. Dep't of Homeland Sec., Save Transaction Charges (last accessed June 25, 2025), *https://www.uscis.gov/save/about-save/transaction-charges.*

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edition of the **Federal Register** and the Code of Federal Regulations at *www.govinfo.gov*. At this site you can view this document, as well as all other documents of this Department published in the **Federal Register**, in text or Portable Document Format (PDF). To use PDF, you must have Adobe Acrobat Reader, which is available free at the site.

You may also access documents of the Department published in the **Federal Register** by using the article search feature at *www.federalregister.gov*. Specifically, through the advanced search feature at this site, you can limit your search to documents published by the Department.

Signing Authority

This document of the U.S. Department of Education was signed on July 8, 2025, by Linda E. McMahon, Secretary of Education. That document with the original signature and date is maintained by the U.S. Department of Education. For administrative purposes only, and in compliance with requirements of the Office of the Federal Register, the undersigned has been authorized to sign the document in electronic format for publication, as an official document of the U.S. Department of Education. This administrative process in no way alters the legal effect of this document upon publication in the **Federal Register**.

Sharon Cooke,

Associate Director, Office of the Executive Secretariat, Office of the Secretary, U.S. Department of Education.

[FR Doc. 2025–12925 Filed 7–10–25; 8:45 am]

BILLING CODE 4000–01–P

DEPARTMENT OF ENERGY

[GDO Docket No. EA–524]

Application for Authorization To Export Electric Energy; DRW Energy Trading LLC

AGENCY: Grid Deployment Office, U.S. Department of Energy.

ACTION: Notice of application.

SUMMARY: DRW Energy Trading LLC (the Applicant or DRW Energy) has applied for authorization to transmit electric energy from the United States to Canada pursuant to the Federal Power Act.

DATES: Comments, protests, or motions to intervene must be submitted on or before August 11, 2025.

ADDRESSES: Comments, protests, motions to intervene, or requests for more information should be addressed by electronic mail to *Electricity.Exports@hq.doe.gov*.

FOR FURTHER INFORMATION CONTACT: Janessa Zucchetto, (240) 474–8226, *Electricity.Exports@hq.doe.gov*.

SUPPLEMENTARY INFORMATION: The United States Department of Energy (DOE) regulates electricity exports from the United States to foreign countries in accordance with section 202(e) of the Federal Power Act (FPA) (16 U.S.C. 824a(e)) and regulations thereunder (10 CFR 205.300 *et seq.*). Sections 301(b) and 402(f) of the DOE Organization Act (42 U.S.C. 7151(b) and 7172(f)) transferred this regulatory authority, previously exercised by the now-defunct Federal Power Commission, to DOE.

Section 202(e) of the FPA provides that an entity which seeks to export electricity must obtain an order from DOE authorizing that export (16 U.S.C. 824a(e)). On April 10, 2023, the authority to issue such orders was delegated to the DOE's Grid Deployment Office (GDO) under Redelegation Order No. S3–DEL–GD1–2023.

On May 6, 2025, DRW Energy filed an application (Application or App.) for authorization to transmit electric energy from the United States to Canada for a term of ten years. App. at 1.

According to the Application, DRW Energy is a power marketer with its principal place of business in Houston, Texas. *Id.* at 1. The Applicant states that it is "the wholly owned subsidiary of DRW Holdings, LLC." *Id.* DRW Energy represents that "The Federal Energy Regulatory Commission (FERC) has granted [it] authority to sell wholesale power at market-based rates under a market-based rate tariff." *Id.* at 1–2 & Exhibit G.

DRW Energy represents that it will purchase "power to be exported from a variety of sources, including but not limited to, power marketers, independent power producers, or U.S. electric utilities and federal power marketing entities." App. at 2. The Applicant thus asserts that because this power is surplus to the system of the generator, its proposed exports "will not impair the sufficiency of the electric power supply within the United States." *Id.*

DRW Energy further asserts that its proposed exports will not impair or tend to impede the sufficiency of electric supplies in the U.S. or the regional coordination of electric utility planning or operations. App. at 3. The Applicant states that it "will make all necessary commercial arrangements and will obtain any other required regulatory approvals to schedule and deliver its power exports." *Id.* The Applicant states that the electricity it plans to export "will be transmitted under arrangements with utilities that own and operate existing transmission facilities, consistent with the export limitations and other terms and conditions contained in existing Presidential Permits and electricity export authorizations associated with these transmission facilities." *Id.* The Applicant further states it will schedule transactions in compliance with reliability standards and guidelines established by the North American Reliability Corporation. *Id.*

The existing international transmission facilities to be utilized by the Applicant have been previously authorized by Presidential permits issued pursuant to Executive Order 10485, as amended, and are appropriate for open access transmission by third parties. *See* App. at Exhibit C.

Procedural Matters: Any person desiring to be heard in this proceeding should file a comment or protest to the Application at *Electricity.Exports@hq.doe.gov*. Protests should be filed in accordance with Rule 211 of FERC's Rules of Practice and Procedure (18 CFR 385.211). Any person desiring to become a party to this proceeding should file a motion to intervene at *Electricity.Exports@hq.doe.gov* in accordance with FERC Rule 214 (18 CFR 385.214).

Comments and other filings concerning DRW Energy's Application should be clearly marked with GDO Docket No. EA–524. Additional copies are to be provided directly to Michael J. Lowell, Esq., Reed Smith LLP, 1301 K Street, NW, Suite 1000—East Tower, Washington, DC 20005, *mlowell@reedsmith.com;* Jon Hoff, DRW Energy Trading LLC, 1500 Post Oak Blvd., Suite 1625, Houston, TX 77056, *jhoff@drwholdings.com*.

A final decision will be made on the requested authorization after the environmental impacts have been evaluated pursuant to DOE's National Environmental Policy Act Implementing Procedures (10 CFR part 1021) and after DOE evaluates whether the proposed action will have an adverse impact on the sufficiency of supply or reliability of the United States electric power supply system.

Copies of this Application will be made available, upon request, by accessing the program website at *https://www.energy.gov/gdo/pending-applications-0* or by emailing *Electricity.Exports@hq.doe.gov*.

Initials WM
Date 7/31/26

UNITED STATES DEPARTMENT OF EDUCATION

THE UNDER SECRETARY

September 29, 2025

SUBJECT: Reminder Regarding Prohibited Use of Federal Grants Funds for Lobbying and Allowable Membership Costs.

SUMMARY: This document provides guidance clarifying the longstanding statutory and regulatory prohibitions on the use of federal grant funds for lobbying, including membership dues that support lobbying activity, and reminds grantees of their responsibilities under applicable law and regulations.

Dear Colleague:

We are writing to remind you of the legal restrictions on using federal grant funds for lobbying activities. Although grantees may belong to professional or trade organizations, including national associations that support students and institutions participating in federal grant programs, the use of federal grant dollars to engage in or subsidize lobbying remains strictly prohibited.

Statutory and Regulatory Background

Section 1352 of Title 31 of the United States Code prohibits recipients of federal grants, loans, or cooperative agreements from using federally appropriated funds to pay any person for influencing or attempting to influence any officer or employee of an agency, a Member of Congress, or congressional staff in connection with the awarding, extension, continuation, renewal, amendment, or modification of a federal grant. This prohibition applies to both direct lobbying by the recipient and indirect support through payments to third parties.

In addition, under the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (commonly referred to as the Uniform Guidance), lobbying costs are unallowable charges to a federal award. Specifically, 2 C.F.R. § 200.450 prohibits the use of grant funds for lobbying activities, including influencing activities associated with obtaining grants or attempting to influence, either directly or indirectly, an employee or officer of the executive branch of the Federal Government to give consideration or to act regarding a Federal award or a regulatory matter.

Further, 2 C.F.R. § 200.450(c) applies additional restrictions to nonprofit organizations and institutions of higher education (IHEs). Those additional restrictions include prohibiting any costs associated with attempting to influence federal or state legislation, establishing, administering, contributing to any organization to influence the outcomes of elections in the United States, or engaging in legislative liaison activities.

400 MARYLAND AVE. SW, WASHINGTON,
DC 20202
www.ed.gov

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Although 2 C.F.R. § 200.454(a) allows the use of federal funds for membership in business, technical, and professional organizations, that allowance does not extend to organizations whose primary purpose is lobbying (*see* § 200.454(e)). Nor does it allow payment of dues to any organization that fails to segregate lobbying from non-lobbying costs. It is the responsibility of the grantee to ensure that any membership fee funds are not used for lobbying, even when the membership organization's primary purpose is not lobbying. As with all costs, including membership costs in business, technical, and professional organizations, those costs must be reasonable and necessary to the performance of the grant (*see* the cost principles in 2 C.F.R. Part 200 Subpart E).

Grantee Responsibilities

As grantees, you are responsible for ensuring that your use of federal funds complies with applicable federal statutes and regulations. This includes:

- Ensuring no federal grant dollars are used directly or indirectly to pay for lobbying efforts;
- A presumption that membership fee amounts tied to a percentage of a federal grant are unallowable;
- Maintaining adequate documentation to demonstrate compliance to ensure that membership fees are not used on lobbying and are reasonable and necessary; and
- Avoiding payment of dues to organizations that cannot or do not report the proportion of their activities that are dedicated to lobbying.

Although membership in certain organizations may be allowable in limited circumstances, federal grant funds may not be used to subsidize any portion of dues that support legislative advocacy or lobbying. Grantees are responsible for requesting appropriate breakdowns of dues and ensuring compliance with 31 U.S.C. § 1352, 2 C.F.R. §§ 200.454 and 200.450, and all other applicable law related to lobbying.

Consequences for Noncompliance

Failure to comply with these provisions may result in disallowed costs, audit findings, program reviews, and additional oversight or enforcement actions by the Department up to the termination of your grant. Additionally, violations may lead to civil penalties, including fines and the potential suspension or debarment of grantees or individuals. Grantees should consult with their legal and compliance teams to review current expenditures and ensure they align with these existing federal requirements.

Disclaimer

As with any "Dear Colleague" letter and guidance document, the contents of this document do not have the force and effect of law and are not meant to bind the public or the Department. This document is intended only to provide clarity to the public regarding existing requirements under the law and regulations.

Initials WMn
Date 7/31/26

Sincerely,

Nicholas Kent

Nicholas Kent
Under Secretary

Initials WMc
Date 7/31/26

Caitlin D. Davis
Commissioner

Richard K. Sala
Deputy Commissioner

STATE OF NEW HAMPSHIRE
DEPARTMENT OF EDUCATION
25 Hall Street
Concord, N.H. 03301
TEL. (603) 271-3495
FAX (603) 271-1953

GRANT SUBAWARD NOTIFICATION

1	**Primary Award to/by** Grant Program Name: Amount of State Award:	NH Department of Education by State of New Hampshire **Adult Education & Literacy Activities - State** $2,480,400.00
	SUBAWARD	
2	Recipient Name, LEA ID, SAU, District and UEI:	Second Start UEI: NC2NG89GGC43
3	Initial Award Date: Action Number & Type: Date of this Action:	Award to Commence upon Governor and Council Approval 1. Preliminary Award Date Assigned Upon Governor and Council Approval
4	Subaward Type: Project Description:	Competitive Grant Adult Education and Literacy
5	Award Period:	Period to complete activities & expend funds: 7/1/2026 - 6/30/2027 (See Block 11) Local period for Local Educational Agencies (LEAs) to complete activities and obligate/expend funds for this Adult Education and Literacy state grant: July 1, 2026 - June 30, 2027. Local period for each non-profit subrecipient (Reporting Authority [RA]) to complete activities and obligate/expend funds for this Adult Education and Literacy state grant will begin upon approval by Governor and Council of the RA's Grant Agreement through June 30, 2027. Period to request reimbursement of expended funds: 7/1/2026 - 8/15/2027.
6	Contacts:	Sub-Recipient: **LEA Superintendent/RA Executive Director and Project Director** NHED Program Administrator: Chrissy Vander Hook 603-931-0535 Chrissy.S.Vanderhook@doe.nh.gov Grants Management System Contact Courtney Frederick 603-271-6698 Courtney.L.Frederick@doe.nh.gov
7	Subaward Amount:	Grant Type: Formula Grant Previous Award Amount: 0.00 Net Change of Award Amount: $141,652.49 Updated Award Amount: $141,652.49
8	Laws, Regulations and Requirements:	RSA 186:62 Establishment of Other Adult Education Programs RSA 186:63 Funding of Educational Programs Ed 703 Adult Basic Education Program
9	Maximum Allowed Indirect Cost Rate:	NA
10	Additional State Conditions:	Funds provided by the State of New Hampshire under this grant award must provide Adult Education and Literacy services to eligible individuals as defined under Title II of the Workforce Innovation and Opportunity Act (WIOA) also known as the Adult Education and Family Literacy Act (AEFLA). These funds are provided as part of the State's Maintenance of Effort to support AEFLA programs alongside federal AEFLA grant funds.

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GRANT SUBAWARD NOTIFICATION (Continued)

11	Additional NHED Conditions:	Subrecipients shall be reimbursed for allowable and documented costs when they are incurred. No advance payments will be made. Reimbursement is not guaranteed unless NHED has approved the activity. Acceptance of this award and its related terms and conditions, is acknowledged by the grantee when reimbursement of funds is requested through the NHED Grants Management System by the grantee.
12	Access to Records and Monitoring Requirements:	NHED shall have the right of access to any documents, papers, or other records of the subrecipient which are pertinent to this subaward, in order to make audits, examinations, excerpts, and transcripts. The right also includes timely and reasonable access to the subrecipient's personnel for the purpose of interview and discussion related to such documents. In addition to reviews of audits, subrecipient agrees to on-site visits by NHED staff, limited scope audits, and/or other procedures. Subrecipient agrees to comply and cooperate with any monitoring procedures/processes deemed appropriate by the NHED. In the event the NHED determines that a limited scope audit of the subrecipient is appropriate, the subrecipient agrees to comply with any additional instructions provided by NHED staff to the subrecipient regarding such audit.
13	Project Closeout Requirements:	The subrecipient shall permit the NHED access to records and financial statements as necessary for audits and monitoring during the records retention period for three years after the completion of the subaward in accordance with 2 CFR 200.334.
14	Attachments	

Caitlin D Davis

Signature of Authorizing Official
Caitlin D. Davis
New Hampshire Commissioner of Education

Dependent upon Governor and Council Approval
Date

Initials WM
Date 7/31/26

EXPLANATION OF BLOCKS ON THIS SUBAWARD GRANT AWARD NOTIFICATION (GAN)

1. The Primary Award block identifies: the agency making the primary award and the signature date on the initial grant primary award to NH Department of Education (NHED). As a pass-through agency, NHED is authorized to make and manage sub-awards.

2. Subaward Recipient: Legal name, physical address and UEI of the subrecipient. For large entities, the organizational unit with primary responsibility for funded activity may be identified. For subawards to multiple New Hampshire local education agencies (LEAs), an attachment showing LEA name, unique entity identifier (UEI), and subaward amount may be used. UEI shown have been provided by the subrecipient. NHED is not responsible for the correctness of UEI information.

3. Action Number: The cumulative number of steps (including this action) taken by NHED to-date to establish or modify this sub-award. Action number "01" indicates an Initial (i.e. new) Award.
   Action Type: The nature of the action (e.g. New Award, Continuation, Amount Modification, Performance Period Change, etc).
   Date of this Action: Effective date of action.

4. Subaward Type: Most subawards are categorical formula grants. Other types include project grants (generally a one-time grant for a specific purpose), block grants (which allow greater spending discretion), and research and development (R&D) grants.
   Project Description: Very brief description of the grant program.

5. Award Period: Date ranges for expending grant funds and requesting reimbursement. Included are any other time-sensitive conditions such as carry-over options and award periods for multi-year grants (3+ years).

6. Contacts: The subrecipient contact (identified by name or position) responsible for the grant administration. At least one NHED program contact is identified.

7. Subaward Amount: A subaward may have subsequent modifications that increase or decrease the amount of an award. "Award of this Action" indicates the amount of this action. A dollar amount indicates an increase. "Decrease of $xxx" or " ($xxx) " indicates a reduction in the award. "None" indicates no change in the amount. Previous Cumulative and Current Cumulative amounts are used to reconcile any change. If awards for a list of LEAs are being modified, this block will show the total net increase/decrease and an attachment will show individual subrecipient changes.

8. Laws, Regulations and Requirements: 2 CFR Part 200 applies to all federal awards. 34 CFR 76 applies to all USDE awards, although certain programs may be exempt from some sections. State of New Hampshire Statutes and Administrative Rules pertinent to state grant awards are specifically noted. Program specific requirements or 34 CFR 76 exemptions are listed. Web link to laws, regulations or guidance may be included. Non-program http://www2.ed.gov/policy/fund/reg/edgarReg/edgar.html

9. Maximum Allowed Indirect Cost Rate: Identifies rate type - restricted, unrestricted, temporary, or de minimus; and cognizant authority (usually a federal agency) that approved the rate. When the program prohibits supplanting of non-federal funds, a restricted indirect cost rate with a cap of 8% must be used. (See 34 CRF 76.560-580.) For restricted rate programs, the 10% de minimus rate option does not apply to state and local governments or their sub-recipients. LEAs and SAUs rates may be included as an attachment.

   Indirect cost rate is a federal construct that does not apply to state-funded grant awards.

10. Additional Federal Conditions: Federal requirements of the award that are binding upon the sub-recipient.

11. Additional NHED Conditions: Requirements imposed on the award by the NHED as the pass-through entity that are binding upon the sub-recipient.

12. Access to Records and Monitoring Requirements: This requirement allows the NHED, as the pass-through entity, and auditors to have access to the sub-recipient's records and financial statements as necessary to meet the NHED's responsibilities.

13. Project Closeout Requirements: Activities that are required by either the terms of the award or as required by the NHED and are binding upon the sub-recipient.

14. Attachments: Provide the sub-recipient with any attachments required by either the federal agency making the primary award or NHED.

Signature of Authorizing Official – This sub-award is binding only when signed and dated by a State of New Hampshire official authorized to award funds for this federal program.

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Date 7/31/26

New Hampshire
Department of Education

New Hampshire Department of Education School Year 2026-2027

GRANT PROGRAM ASSURANCES DOCUMENT

The following are the 2026-2027 school year (SY) New Hampshire Department of Education (NHED) **Program Assurances** for the following federal formula/competition grants:

- Title II of WIOA (AEFLA), Adult Education and Literacy Programs
- Title II of WIOA (AEFLA), Integrated English Language and Civics Education Programs

Subrecipients must submit a signed copy of the Program Assurances to the NHED prior to receiving federal funds for grants awarded under Title II Workforce Innovation and Opportunity Act (the Adult Education and Family Literacy Act, AEFLA). By signing the Program Assurances, the subrecipient assures that it will accept and administer the funds in accordance with all applicable Federal and State statutes and regulations. Program Assurances shall be provided as part of the 2026-2027 AEFLA Applications within the Grants Management System (GMS) by <u>uploading this fully executed document to the LEA Homepage in GMS</u>. Failure to upload a fully executed copy of this document will result in the withholding of funds until such time as the executed document is uploaded and verified. Incomplete documents will be returned for revision but must be received **no later than September 1, 2026,** for a subrecipient to receive a subaward.

Attached is **Appendix A** which outlines the items removed from prior years "Grant Program Assurances Document." Please note that while these items were removed because they do not require the subrecipient to provide assurance, they are still required per legislation to which the subrecipient must adhere.

Lastly, the language within this document has been updated to reflect a broad array of subrecipients. Eligible subrecipients of AEFLA are defined by statute as one of the following: a local educational agency; a community-based organization or faith-based organization; a volunteer literacy organization; an institution of higher education; a public or private nonprofit agency; a library; a public housing authority; a nonprofit institution that is not described in any of the preceding list and has the ability to provide adult education and literacy activities to eligible individuals; a consortium or coalition of the agencies, organizations, institutions, libraries, or authorities described in the preceding list; and a partnership between an employer and an entity described in the preceding list. The subrecipient's authorized official is the top executive in the organization that makes decisions on spending, staffing, and policies.

Superintendent/Executive Officer Contact Information:

Subrecipient Name:	William P. Mealey
Subrecipient Authorized Official Name:	William P. Mealey
Subrecipient Authorized Official Title:	Chief Executive Officer
Subrecipient Authorized Official Phone:	603-228-1341
Subrecipient Authorized Official Email:	bmealey@second-start.org

The Subrecipient's Authorized Official must review and sign each section. Once the document is fully executed it needs to be uploaded to the GMS LEA Homepage as part of the AEFLA Grant Process no later than September 1, 2026. The NHED will review and subsequently approve/return these assurances if not fully executed. **Subawards will not be awarded until the subrecipient has a fully executed and approved Program Assurances and General Assurances document on file with NHED (inclusive of these Assurances).**

At the end of this document, are the General Education Provisions Act (GEPA) Section 427 which requires each subrecipient applying for federal funds to include a description of the steps the subrecipient proposes to ensure equitable access to and participation in its federally assisted programs for students, teachers, and other program beneficiaries with special needs. The statute highlights six types of barriers that can impede equitable access or participation: gender, race, national origin, color, disability, or age. Determine needs based on whether these or other barriers may prevent students, teachers, or other staff from such access to, or participation in, the federally funded projects or activities.

Each subrecipient accepting federal grants must provide a description of how it will ensure equitable access for students and teachers to participate in federally assisted programs. Please provide a clear and succinct description of how the subrecipient plans to address the barriers that are applicable to the subrecipients needs.

Program Assurances are reviewed and signed by the Subrecipient Authorized Official, indicating agreement with the laws and regulations specific to a grant type. The assurances below are not all-inclusive as to the entire scope of requirements for the subrecipient. Subrecipient Authorized Officials are responsible for understanding all requirements of the grants.

Process

Each subrecipient must fully execute these assurances by;

1. The Subrecipient Authorized Official reviews the assurances for each federal program in which the subrecipient is participating and consults with the School Board/Board of Trustees/Directors about the assurances.
2. The Subrecipient Authorized Official signs and dates the bottom of the Program Assurance document.
3. **All** Subrecipient Authorized Official's must complete the GEPA section.
4. **Local Educational Agency (LEA) subrecipients**: upload the document in its entirety to the LEA 2026-2027 homepage in the Grants Management System (GMS).
5. **Reporting Authority (RA) subrecipients**: if in GMS, upload the document in its entirety to the RA 2026-2027 homepage in GMS.
6. **Other subrecipients (not in GMS)**: return this document to the appropriate Federal Program Manager via email. AEFLA subrecipients not in GMS shall submit documentation to adulteducation@doe.nh.gov.

Section A: Assurances for Title II of WIOA (AEFLA), All Adult Education and Literacy Programs

All Sections cited are from the Workforce Innovation and Opportunity Act (WIOA), unless otherwise noted. Title II of WIOA is entitled the Adult Education and Family Literacy Act (AEFLA), which further defines the requirements of grants funded under WIOA by the New Hampshire Department of Education's Bureau of Career Development.

The subrecipient hereby assures the New Hampshire Department of Education (NHED) that pursuant to the requirements in WIOA and AEFLA the subrecipient will:

A-1 PROGRAM RESPONSIVENESS TO REGIONAL NEED

The subrecipient must be responsive to regional needs as identified in the State Workforce and Innovation Board's (SWIB) combined state plan and serve individuals in the community who are identified in the SWIB combined state plan as most in need of adult education and literacy activities, including individuals—

Who have low levels of literacy skills; or
Who are English language learners (Sec. 231(e)(1)).

A-2 SERVING THE MOST IN NEED

The subrecipient is responsible for serving eligible individuals with disabilities, including eligible individuals with learning disabilities (Sec. 231(e)(2)).

The subrecipient must demonstrate effectiveness in improving the literacy of eligible individuals, to meet State-adjusted levels of performance for the primary indicators of performance described in the WIOA Performance Accountability System, especially with respect to eligible individuals who have low levels of literacy (Sec. 231(e)(3)).

The subrecipient must identify whether the region has a demonstrated need for additional English language acquisition and civics education programs (Sec. 231 (e)(13)).

The subrecipient must promote concurrent enrollment in programs and activities under the Partner Programs of the Workforce Innovation and Opportunity Act Combined State Plan (Sec. 232(3)).

The subrecipient is responsible for serving the needs of *eligible individuals* including those with barriers to employment including displaced homemakers, low-income individuals, ex-offenders, and others (Sec. 232(6)).

Eligible Individual is defined as an individual who (A) has attained 16 years of age; (B) is not enrolled or required to be enrolled in secondary school under State law; and (C) is (i) is basic skills deficient, (ii) does not have a secondary school diploma or its recognized equivalent, and has not achieved an equivalent level of education; or (iii) is an English language learner (Sec. 203(4)).

A-3 SERVICE DELIVERY FORMAT AND SCHEDULES

Subrecipients must use technology, services, and delivery systems, including distance education in a manner sufficient to increase the amount and quality of learning and demonstrate how such technology, services, and systems lead to improved performance (Sec. 231(e)(7)).

The subrecipient must offer flexible schedules and coordination with Federal, State, and local support services (such as childcare, transportation, mental health services, and career planning) that are necessary to enable individuals, including individuals with disabilities or other special needs, to attend and complete programs (Sec. 231(e)(11)).

The subrecipient must participate in cooperative arrangements with other agencies, institutions, or organizations for the delivery of adult education and literacy activities (Sec. 232(2)).

A-4 INSTRUCTION

Program must be of sufficient intensity and quality, and based on the most rigorous research available, so that participants achieve substantial learning gains; and use instructional practices that include the essential components of reading instruction (Sec. 231(e)(5)).

Reading, writing, speaking, mathematics, and English language acquisition instruction delivered by the eligible provider, are to be based on the best practices derived from the most rigorous research available and appropriate, including scientifically valid research and effective educational practice (Sec. 231(e)(6)).

The subrecipient must provide contextualized instruction that includes the use of occupationally relevant materials, so that an individual acquires the skills needed to transition to and complete postsecondary education and training programs, obtain and advance in employment leading to economic self-sufficiency, and to exercise the rights and responsibilities of citizenship (Sec. 231(e)(8)).

Program activities must be delivered by well-trained instructors, counselors, and administrators who meet any minimum qualifications established by the State, where applicable, and who have access to high quality professional development, including through electronic means (Sec. 231(e)(9)).

Program activities must coordinate with other available education, training, and social service resources in the community, such as by establishing strong links with elementary schools and secondary schools, postsecondary educational institutions, institutions of higher education, local workforce investment boards, one-stop centers, job training programs, and social service agencies, business, industry, labor organizations, community-based organizations, nonprofit organizations, and intermediaries, for the development of career pathways (Sec. 231(e)(10)).

A-5 ALIGNMENT WITH STATE WORKFORCE PLAN

The subrecipient is required to align its program and activities with the strategy and goals of the NH Works Combined State Workforce Plan and contribute to the strategies outlined in the Plan including the use of data to inform program decisions and improve program performance (Sec. 231(e)(4)).

The subrecipient must work to meet the State-adjusted levels of performance described in the NH Works Combined State Plan, and will collect data to report on such performance indicators (Sec. 232(4)).

The subrecipient is required to coordinate with other local NH Works partners including participation or representation in partner meetings; establishing referral procedures; ensuring direct access to adult education services; and contributing to the development of career pathways (Sec. 232(5)).

A-6 INTEGRATED EDUCATION AND TRAINING

Subrecipients that choose to provide Integrated Education and Training activities must provide adult education and literacy activities concurrently and contextually with *workforce preparation activities* and workforce training for a specific occupation or occupational cluster for the purpose of educational and career advancement (Sec. 203 (11)).

> *Workforce Preparation Activities* are activities, programs, or services designed to help an individual acquire a combination of basic academic skills, critical thinking skills, digital literacy skills, and self-management skills, including competencies in utilizing resources, using information, working with others, understanding systems, and obtaining skills necessary for successful transition into and completion of postsecondary education or training, or employment (Sec. 203 (17)).

A-7 INFORMATION MANAGEMENT

Subrecipient must maintain a high-quality information management system that has the capacity to report measurable participant outcomes (consistent with the Performance Accountability System described in section 116 of WIOA) and to monitor program performance (Sec. 231(e)(12)).

> Subrecipients must request social security numbers, in accordance with 5 U.S.C. § 552a, for all participants over the age of 18, and will aid students, who do not possess a social security number, in applying for a social security number. Students who fail to provide a social security number will be indicated in the data system in order to assist with National Reporting System (NRS) for Adult Education requirements such as student outcome follow and data matching purposes for federal Workforce Innovation and Opportunity Act employment measures (New Hampshire's WIOA Combined State Plan).

Per Sec. 116(b)(2)(A), the Primary Indicators of Performance for AEFLA subrecipients consist of:

1. the percentage of program participants who are in unsubsidized employment during the second quarter after exit from the program;
2. the percentage of program participants who are in unsubsidized employment during the fourth quarter after exit from the program;
3. the median earnings of program participants who are in unsubsidized employment during the second quarter after exit from the program;
4. the percentage of program participants who obtain a recognized postsecondary credential, or a secondary school diploma or its recognized equivalent (subject to clause (iii of WIOA Sec. 116)), during participation in or within 1 year after exit from the program;
5. the percentage of program participants who, during a program year, are in an education or training program that leads to a recognized postsecondary credential or employment and who are achieving measurable skill gains toward such a credential or employment; and
6. the indicators of effectiveness in serving employers established pursuant to clause (iv).

Subrecipients must follow the National Reporting System (NRS)-approved state assessment and data collection policy.

A-8 FUNDING USES

Subrecipients must use AEFLA grant funds to establish or operate programs that provide adult education and literacy activities, including programs that provide such activities concurrently (Sec. 231(b)).

> *Adult Education and Literacy Activities* means programs, activities, and services that include adult education, literacy, workplace adult education and literacy activities, family literacy activities, English language acquisition activities, integrated English literacy and civics education, workforce preparation activities, or integrated education and training (Sec. 203(2)).

Funds provided under AEFLA must be spent consistent with the requirements within AEFLA (Sec. 232 (1)).

A-9 LOCAL ADMINISTRATIVE COST LIMITATIONS (Sec. 233)

(1) Not less than 95 percent shall be expended for carrying out adult education and literacy activities; and

(2) The remaining amount, not to exceed 5 percent, shall be used for planning, administration (including carrying out the requirements of the performance accountability system - LACES), Professional development, and the activities described in paragraphs (3) and (5) of section 232.

> SPECIAL RULE. ln cases where the cost limits described in subsection (a) are too restrictive to allow for the activities described in subsection (a)(2), the eligible provider shall negotiate with the eligible agency in order to determine an adequate level of funds to be used for noninstructional purposes.

A-10 SUPPLEMENT, NOT SUPPLANT

Funds made available for adult education and literacy activities under this title shall supplement and not supplant other State or local public funds expended for adult education and literacy activities (Se. 241(a)).

Subrecipients are expected to provide a local match to grant funds in an amount that is not less than 25 percent of the total amount of grant funds expended for adult education and literacy activities, in keeping with the State's requirement to do the same (Sec. 222(b)(1)(B)).

Section B: Assurances for Title II of WIOA (AEFLA), Additional Assurances by Integrated English Literacy and Civics Education Programs

All Sections cited are from the Workforce Innovation and Opportunity Act (WIOA), unless otherwise noted. Title II of WIOA is entitled the Adult Education and Family Literacy Act (AEFLA), which further defines the requirements of grants funded under WIOA by the New Hampshire Department of Education's Bureau of Career Development.

The subrecipient hereby assures the New Hampshire Department of Education (NHED) that pursuant to the requirements in AEFLA, Section 243:

B-1 GOALS OF INTEGRATED ENGLISH LITERACY AND CIVICS EDUCATION SERVICES

Each program that receives funding under this section shall:

1. Prepare adults who are English language learners for, and place such adults in, unsubsidized employment in in-demand industries and occupations that lead to economic self-sufficiency (Sec. 243(c)(1)); and
2. Integrate with the local workforce development system and its functions to carry out the activities of the program(Sec. 243(c)(2).

B-2 INTEGRATED EDUCATION AND TRAINING

Each Integrated English Literacy and Civics Education (IELCE) program that receives funding under this section shall support the goals of IELCE programs (B-1) in combination with *Integrated Education and Training* activities (Sec. 243 (a)).

Integrated Education and Training is a service approach that provides adult education and literacy activities concurrently and contextually with workforce preparation activities and workforce training for a specific occupation or occupational cluster for the purpose of educational and career advancement (Sec. 203 (11)).

Workforce Preparation Activities are activities, programs or services designed to help an individual acquire a combination of basic academic skills, critical thinking skills, digital literacy skills, and self-management skills, including competencies in utilizing resources, using information, working with others, understanding systems, and obtaining skills necessary for successful transition into and completion of postsecondary education or training, or employment (Sec. 203(17)).

General Education Provisions Act (GEPA) Section 427 Requirements

Please summarize your answers carefully and completely. Use additional pages as needed.

Contact information for the person responsible for fulfilling the GEPA requirement below:

Name and Title: Zanna Blaney

Phone Number: 603-228-1341

Email Address: zblaney@second-start.org

GEPA 427 General Educational Provisions Act Requirement

Section 427 of the General Education Provisions Act (GEPA) (20 U.S.C. 1228a) applies to applicants for grant awards under the formula programs within these Program Assurances. All applicants must include answers to the following four (4) sections.

1. Describe how your entity's existing mission, policies, or commitments ensure equitable access to, and equitable participation in, the proposed project or activity.

   Second Start's mission is rooted in creating equitable opportunities for all individuals, regardless of their background or circumstances. Our mission is to help people become more productive workers, family members, and community citizens by providing supportive, affordable, and effective educational programs. This commitment to equity is reflected in the services we provide, including adult basic education, job training and career counseling, education and training for at-risk youth, and child care services. These programs are intentionally designed to reduce barriers that often prevent individuals from accessing education, workforce development, and supportive resources. Our organization is committed to ensuring that all participants have equitable access to our programs through affordable services, individualized support, and an inclusive environment that welcomes people with diverse educational, economic, and personal needs. By addressing the unique challenges faced by each participant, we strive to provide meaningful opportunities for success through fully accessible participation. This aligns directly with our mission and longstanding commitment to equity by expanding access to educational and workforce opportunities, promoting inclusion, and empowering individuals to achieve greater economic stability and become active, engaged members of their communities.

2. Based on your proposed project or activity, what barriers may impede equitable access and participation of students, educators, or other beneficiaries?

   For our Literacy and English Language Acquisition program, several barriers may impede equitable access and participation for students and other beneficiaries. These barriers include:Language barriers: Individuals with limited English proficiency may have difficulty accessing educational opportunities, understanding program information, or communicating effectively with instructors and support staff. Transportation challenges: Many participants lack reliable transportation, making it difficult to attend classes consistently, particularly in rural or underserved communities. Work and family responsibilities: Adult learners often balance full-time employment, multiple jobs, and family or childcare obligations, limiting their availability to participate in educational programming. Financial constraints: While our programs are free, participants may still face costs related to transportation, childcare, technology, or lost wages when attending classes. Technology access and digital literacy: Some learners have limited access to computers, reliable internet service, or the digital skills needed to fully participate in online or hybrid instruction. Educational and cultural barriers: Participants may have interrupted formal education, limited literacy in their native language, or may be unfamiliar with the U.S. educational system, creating additional challenges to successful participation. Personal and social challenges: Many learners face housing instability, health concerns, or other life circumstances that can interrupt attendance and progress.

3. Based on the barriers identified, what steps will you take to address such barriers to equitable access and participation in the proposed project or activity?

Recognizing these barriers allows us to design our Literacy and English Language Acquisition program to be flexible, supportive, and responsive to the diverse needs of adult learners. By addressing these challenges through individualized instruction, supportive services, flexible scheduling, and community partnerships, we strive to ensure all participants have equitable opportunities to improve their literacy, English language proficiency, and overall economic and educational well-being. Strategies such as fully on-line, high-flex and hybrid class options, in addition to in-person classes in the evening as well as during the daytime hours, are all utilized to best meet the needs of our students. Carpooling (and sometimes busing) is not only encouraged, but facilitated. Courses are provided free of charge.

4. What is your timeline, including targeted milestones, for addressing these identified barriers?

Our approach to addressing barriers to equitable access and participation is ongoing and responsive, rather than based on fixed milestones. Because the needs of adult learners and English language learners continually evolve, we regularly review participant feedback, attendance, outcomes, and communication with students, instructors, and community partners to identify and address emerging barriers. Even with 54 years of historical excellence in the field, Second Start continues to monitor student and other constituent feedback for possible areas of improvement, growth or evolution.

SIGNATURE PAGE

By signing this document, I attest I have read and understand the obligations of all the assurance statements above (Section A through B) and will ensure that the subrecipient complies with the assurances for the federal program(s) in which the subrecipient is accepting federal funds for the 2026-2027 School Year. I further attest that I have provided a copy of all the assurances for the program(s) in which the subrecipient will participate to the School Board/Board of Trustees/Directors and have consulted with them, including explaining the obligations of the subrecipient under these assurances. I will ensure that the subrecipient will upload this signed document to the LEA Homepage in GMS or provide a copy to the appropriate Program Manager and a copy will be kept on file at the subrecipients location.

Furthermore, I have completed GEPA section 427 to the best of my abilities and assure the necessary steps will be taken to ensure equitable access of federal funding and programming for all students, families, teachers, etc.

William P Mealey Digitally signed by William P Mealey
Date: 2026.07.21 15:11:07 -04'00'

07/21/2026

Subrecipient Authorized Official Signature | Date

Caitlin D. Davis
Commissioner

Richard K. Sala
Deputy Commissioner

STATE OF NEW HAMPSHIRE
DEPARTMENT OF EDUCATION
25 Hall Street
Concord, N.H. 03301
TEL. (603) 271-3495
FAX (603) 271-1953

March 27, 2026

TO: Federal Subrecipients

FROM: Jessica Lescarbeau, Bureau Administrator
Bureau of Instructional Support

SUBJECT: 2026-2027 General Assurances

The New Hampshire Department of Education (NHED) has developed the attached "General Assurances, Requirements and Definitions for Participation in Federal Programs" document that must be signed by all subrecipients of federal funds passed through the NHED. The federally funded programs require each applicant to file certain assurances. Some of these assurances apply to all programs and are therefore considered "general assurances."

The submission of general assurances is required in part by:

- Federal regulation 34 CFR §76.301 of the Education Department General Administrative Regulations (EDGAR), which requires a general application for subgrantees/subawardees for participation in federal programs funded by the U.S. Department of Education that meets the requirements of Section 442 of the General Education Provisions Act (GEPA).
- Applicable federal statutes.
- Applicable regulations of other federal agencies.

The NHED has consolidated the general assurances into one document which includes requirements and definitions in an effort to provide guidance relative to implementation of the underlying assurances.

Each subrecipient must fully execute these assurances by;

1. Initialing **each page** in the space provided (no initials required for the signature pages)
2. Execute the proper certification for your subrecipient type on the certification page. Your subrecipient type may require further certification by the local board.
3. **Local Educational Agency (LEA) subrecipients:** upload the document in its entirety to the LEA 2026-2027 homepage in the Grants Management System (GMS).
4. **Reporting Authority (RA) subrecipients:** If in GMS, upload the document in its entirety to the RA 2026-2027 homepage in GMS.
5. **Other subrecipients (not in GMS):** return this document to the appropriate Federal Program Manager.

Please note, other program specific assurances will still be requested by individual NHED programs.

Compliance with these general assurances will be subject to review by NHED staff during federal compliance monitoring. Annual audits by CPAs in accordance with the Single Audit Act may also include compliance checks.

These assurances must be uploaded or returned (as described above) no later than **July 1, 2026**, in conjunction with federal program application deadlines. These general assurances are a requirement of all federal program applications.

Additionally, local educational agency subrecipients, please note that the practice of the School Board authorizing the Senior Educational Official to sign on behalf of the School Board Chair is not acceptable to the NHED in this case and will be considered non-responsive.

General assurances must be uploaded and/or submitted for each subrecipient applying for federal funds.

If you have any questions regarding these general assurances, please contact Jessica Lescarbeau, Bureau Administrator, Bureau of Instructional Support at Jessica.L.Lescarbeau@doe.nh.gov.

Thank you,

Jessica Lescarbeau

Jessica Lescarbeau
Bureau Administrator

New Hampshire Department of Education

2026-2027

GENERAL ASSURANCES, REQUIREMENTS AND DEFINITIONS FOR PARTICIPATION IN FEDERAL PROGRAMS

A. Definitions (2 CFR 200.1)

1) **Audit finding** – Deficiencies which the auditor is required by 2 CFR 200.516 (a) to report in the schedule of findings and questioned costs.

2) **Community based organization** – The term "community-based organization" means a public or private nonprofit organization of demonstrated effectiveness that— (A) is representative of a community or significant segments of a community; and (B) provides educational or related services to individuals in the community.

3) **Local educational agency** – A public board of education or other public authority legally constituted within a State for either administrative control or direction of, or to perform a service function for, public elementary schools or secondary schools in a city, county, township, school district, or other political subdivision of a State, or for a combination of school districts or counties as are recognized in a State as an administrative agency for its public elementary schools or secondary schools.

4) **Management decision** – The Federal awarding agency's or pass-through entity's written determination, provided to the auditee, of the adequacy of the auditee's proposed corrective actions to address the findings, based on its evaluation of the audit findings and proposed corrective actions.

5) **Pass-through entity** – A recipient or subrecipient that provides a subaward to a subrecipient (including lower tier subrecipients) to carry out of a Federal program. The authority of the pass-through entity under this part flows through the subaward agreement between the pass-through entity and subrecipient.

6) **Period of performance** – The total estimate time interval between the start of an initial Federal award and the planned end date, which may include one or more funded portions, or budget periods. Identification of the Period of Performance in the Federal award per 2 CFR 200.211(b)(5) does not commit the awarding agency to fund the award beyond the currently approved budget period.

Initials of Senior Official: WM
Initials of Board Chair: AD

7) **Reporting authority** – An eligible entity for a subaward that does not meet the definition of local educational agency. Such as; public academies, non-public schools, child care centers, adult education centers, etc.

8) **Subaward** – An award provided by a pass-through entity to a subrecipient for the subrecipient to contribute to the goals and objectives of the project by carrying out part of a Federal award received by the pass-through entity. It does not include payments to a contractor, beneficiary, or participant. A subaward may be provided through any form of legal agreement consistent with criteria in with 2 CFR 200.331, including an agreement the pass-through entity considers a contract.

9) **Subrecipient** – An entity that receives a subaward from a pass-through entity to carry out part of a federal award.

10) **Senior Official** – The top executive in an organization who makes the key decisions on spending, staffing, and other education policies.

B. General Assurances

Assurance is hereby given by the subrecipient that; to the extent applicable:

1) The subrecipient has the legal authority to apply for the federal assistance, and the institutional, managerial, and financial capability (including funds sufficient to pay non-federal share of project costs, as applicable) to ensure proper planning, management, and completion of the project described in all applications submitted.

2) The subrecipient will give the awarding agency, the NHED, the Comptroller General of the United States and, if appropriate, other State Agencies, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.

3) The subrecipient will comply with the requirements regarding construction and real property within 34 CFR Part 75.600-75.684. The non-Federal entity is required to comply with any reporting requirements on the status of real property in which the Federal Government retains an interest pursuant to 2 CFR 200.330.

4) The subrecipient will establish safeguards to prohibit employees from using their positions for purposes that constitute or appear to present a personal or organizational conflict of interest, or for personal gain.

Initials of Senior Official: UM
Initials of Board Chair: JA

5) The subrecipient will initiate and complete the work within the applicable time frame after receiving approval from the awarding agency.

6) The subrecipient will comply with all Federal statutes, administrative rules and executive orders including provisions protecting free speech, religious liberty, public welfare, the environment, and those prohibiting discrimination. These include, but are not limited to:
   a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin;
   b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C.§§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex.
   c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps;
   d) The Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age;
   e) The Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse;
   f) The Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism;
   g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records;
   h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing;
   i) Any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made;
   j) The Family Educational Rights and Privacy Act (FERPA) (20 U.S.C. § 1232g; 34 CFR Part 99) and the Protection of Pupil Rights Amendment (PPRA) (20 U.S.C. § 1232h; 34 CFR Part 98); and
   k) The requirements of any other statute(s), administrative rule, executive order, dear colleague letter, or non-regulatory guidance which may apply to the application.

7) The subrecipient will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of federal or federally assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of federal participation in purchases.

8) The subrecipient will comply, as applicable, with provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with federal funds. The subrecipient further assures that no federally appropriated funds have been paid or will be paid by or on behalf of the subrecipient to any person for influencing or attempting to influence an officer or employee

Initials of Senior Official: WM
Initials of Board Chair: NA

of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making of any federal grant; the entering into of any cooperative agreement; and the extension, continuation, renewal, amendment, or modification of any federal grant or cooperative agreement.

9) The subrecipient will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported in whole or in part with federal funds.

10) The subrecipient will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §§2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported in whole or in part with federal funds.

11) The subrecipient will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.

12) The subrecipient will comply with all applicable requirements of all other federal laws, executive orders, regulations, dear colleague letter, non-regulatory guidance and policies governing all program(s).

13) The subrecipient will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and 2 CFR 200.501, Subpart F, "Audit Requirements," as applicable.

14) The subrecipient will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. 7104) which prohibits grant award recipients or a sub-recipient from (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Procuring a commercial sex act during the period of time that the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.

15) The control of funds provided to a subrecipient that is a local educational agency, under each program, and title to property acquired with those funds, will be in a public agency, and a public agency will administer those funds and property.

16) Personnel funded by federal grants and their subcontractors will adhere to the prohibition from text messaging while driving an organization-owned vehicle, or while driving their own privately owned vehicle during official Grant business, or from using organization-supplied electronic equipment to text message or email while driving. Subrecipients must comply with these conditions under Executive Order 13513, "Federal Leadership on Reducing Text Messaging While Driving," October 1, 2009 (pursuant to provisions attached to federal grants funded by the

US Department of Education).

17) The subrecipient assures that it will adhere to the Pro-Children Act of 2001, which states that no person shall permit smoking within any indoor facility owned or leased or contracted and utilized for the provision of routine or regular kindergarten, elementary, or secondary education or library services to children (P.L. 107-110, section 4303(a)). In addition, no person shall permit smoking within any indoor facility (or portion of such a facility) owned or leased or contracted and utilized for the provision of regular or routine health care or day care or early childhood development (Head Start) services (P.L. 107-110, Section 4303(b)(1). Any failure to comply with a prohibition in this Act shall be considered to be a violation of this Act and any person subject to such prohibition who commits such violation may be liable to the United States for a civil penalty, as determined by the Secretary of Education (P.L. 107-110, section 4303(e)(1).

18) The subrecipient will comply with the Stevens Amendment.

19) The subrecipient will comply with the Buy America Preference for Infrastructure Projects as required by 2 CFR Part 184.

20) The subrecipient will submit such reports to the NHED and to U.S. governmental agencies as may reasonably be required to enable the NHED and U.S. governmental agencies to perform their duties. The subrecipient will maintain such fiscal and programmatic records, including those required under 20 U.S.C. 1234(f), and will provide access to those records, as necessary, for those Departments/agencies to perform their duties.

21) The subrecipient will ensure compliance with 2 CFR 200.415(a) and (b).

22) If an LEA, the subrecipient will provide reasonable opportunities for systematic consultation with and participation of teachers, parents, and other interested agencies, organizations, and individuals, including education-related community groups and non-profit organizations, in the planning for and operation of each program.

23) If an LEA, the subrecipient shall assure that any application, evaluation, periodic program plan, or report relating to each program will be made readily available to parents and other members of the general public upon request.

24) If an LEA, the subrecipient has adopted effective procedures for acquiring and disseminating to teachers and administrators participating in each program, significant information from educational research, demonstrations, and similar projects, and for adopting, where appropriate, promising educational practices developed through such projects. Such procedures shall ensure compliance with applicable federal laws and requirements.

25) The subrecipient will comply with the requirements of the Gun-Free Schools Act of 1994.

26) The subrecipient will submit a fully executed and accurate FY26 <u>Single-Audit Certification</u>

Initials of Senior Official: MM
Initials of Board Chair: AA

(required) and the Federal Expenditures Worksheet (if applicable) to the NHED no later than December 31, 2026. The worksheet will be provided to each subrecipient by the NHED via email and is posted on the NHED website.

27) The subrecipient will comply with the requirements in 2 CFR Part 180, Government-wide Debarment and Suspension (non-procurement).

28) The subrecipient certifies that it will maintain a drug-free workplace and will comply with the requirements of the Drug-Free Workplace Act of 1988 and 34 CFR 84.200.

29) The subrecipient will adhere to the requirements of Title 20 USC 7197 relative to the Transfer of Disciplinary Records.

30) The subrecipient will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).

31) The subrecipient will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally assisted construction sub-agreements.

32) The subrecipient will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is $10,000 or more.

33) The subrecipient will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).

34) The subrecipient will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.

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35) The subrecipient will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).

36) As appropriate and to the extent consistent with law, the subrecipient should, to the greatest extent practicable under a Federal award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this section must be included in all subawards including all contracts and purchase orders for work or products under this award (2 CFR 200.322).

37) The subrecipient will comply with the Prohibition on Certain Telecommunications and Video Surveillance Equipment requirement per 2 CFR 200.216.

38) The subrecipient will comply with the Protection for Whistleblowers (41 U.S.C. §4712).

C. Explanation of Grants Management Requirements

The following section elaborates on certain requirements included in legislation or regulations referred to in section *B. General Assurances*. This section also explains the broad requirements that apply to federal program funds.

1. Financial Management Systems

Financial management systems, including records documenting compliance with federal statutes, regulations, and the terms and conditions of the federal award, must be sufficient to permit the preparation of reports required by general and program-specific terms and conditions, and to trace funds to establish that such funds have been used in accordance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Specifically, the financial management system must be able to:

a) Identify, in its accounts, all federal awards received and expended and the federal programs under which they were received. Federal program and federal award identification must include, as applicable, the CFDA title and number, federal award identification number and year, name of the federal agency, and name of the pass-through entity, if any.
b) Provide accurate, current, and complete disclosure of the financial results of each federal award or program.
c) Produce records that identify adequately the source and application of funds for federally funded activities.
d) Maintain effective control over, and accountability for, all funds, property, and other assets.

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The subrecipient must adequately safeguard all assets and assure that they are used solely for authorized purposes.

e) Generate comparisons of expenditures with budget amounts for each federal award.

2. Written Policies and Procedures

The subrecipient must have written policies and procedures for (this list is not all inclusive):

Policy/Procedure Name	In Accordance With	Policy	Procedure
Drug-Free Workplace Policy	34 CFR 84.200 and the Drug-Free Workplace Act of 1988	☑	N/A
Procurement Policy & Procedure	2 CFR 200.317-327	☑	☑
Conflict of Interest/Standard of Conduct Policy	2 CFR 318(c)(1)	☑	N/A
Inventory Management Policy & Procedure	2 CFR 200.313(d)	☑	☑
Travel Policy	2 CFR 200.475(b)	☑	N/A
Subrecipient Monitoring Policy & Procedure (if applicable)	2 CFR 200.332(d)	☑	☑
Time and Effort Policy & Procedure	2 CFR 200.430	☑	☑
Records Retention Policy & Procedure	2 CFR 200.334	☑	☑
Prohibiting the Aiding and Abetting of Sexual Abuse Policy	ESEA Section 8546	☑	N/A
Allowable Cost Determination Policy	2 CFR 200.302(b)(7)	☑	N/A
Gun Free School Act	Gun Free School Act of 1994	☑	N/A
Cash Management	2 CFR 200.302(b)(6) and 200.305	☑	☑
Nonsmoking Policy for Children's Services	ESEA Section 8573	☑	N/A

3. Internal Controls

The subrecipient must:

a) Establish, maintain, and document effective internal controls over the federal award that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award. These internal controls should comply with the guidance outlined in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework" issued by the Committee of

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Sponsoring Organizations of the Treadway Commission (COSO).

b) Comply with the U.S. Constitution, federal statutes, regulations, applicable executive order, and non-regulatory guidance, as applicable, and the terms and conditions of the federal awards.
c) Take prompt action when instances of noncompliance are identified, including noncompliance identified in audit findings.
d) Take reasonable cybersecurity and other measures to safeguard information including protected personally identifiable information (PII) and other types of information. This also includes information the Federal agency or pass-through entity designates as sensitive or other information the recipient or subrecipient considers sensitive and is consistent with applicable Federal, State, local and tribal laws regarding privacy and responsibility over confidentiality.
e) Retain all Federal award records and other supporting documentation in accordance with 2 CFR 200.334.

4. Allowable Costs

In accounting for and expending project/grant funds, the subrecipient may only charge expenditures to the project award if they are:

a) in payment of obligations incurred during the approved project period;
b) in conformance with the approved project;
c) in compliance with all applicable statutes and regulatory provisions;
d) costs that are allocable to a particular cost objective;
e) spent only for reasonable and necessary costs of the program; and
f) not used for general expenses required to carry out other responsibilities of the subrecipient.

5. Audits

This part is applicable for all non-federal entities as defined in 2 CFR 200, Subpart F.

a) In the event that the subrecipient expends $1,000,000 or more in federal awards in its fiscal year, the subrecipient must have a single or program-specific audit conducted in accordance with the provisions of 2 CFR 200, Subpart F. In determining the federal awards expended in its fiscal year, the subrecipient shall consider all sources of federal awards, including federal resources received from the NHED. The determination of amounts of federal awards expended should be in accordance with the guidelines established by 2 CFR 200, Subpart F.
b) In connection with the audit requirements, the subrecipient shall also fulfill the requirements relative to auditee responsibilities as provided in 2 CFR 200.508.
c) If the subrecipient expends less than $1,000,000 in federal awards in its fiscal year, an audit conducted in accordance with the provisions of 2 CFR 200, Subpart F, is not required. In the

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event that the subrecipient expends less than $1,000,000 in federal awards in its fiscal year and elects to have an audit conducted in accordance with the provisions of 2 CFR 200, Subpart F, the cost of the audit must be paid from non-federal resources (i.e., the cost of such an audit must be paid from subrecipient resources obtained from non-federal entities).

The subrecipient assures it will implement the following audit responsibilities:

a) Procure or otherwise arrange for the audit required by this part in accordance with auditor selection regulations (2 CFR 200.509) and ensure it is properly performed and submitted no later than nine months after the close of the fiscal year in accordance with report submission regulations (2 CFR 200.512).
b) Provide the auditor access to personnel, accounts, books, records, supporting documentation, and other information as needed so that the auditor may perform the audit required by this part.
c) Prepare appropriate financial statements, including the schedule of expenditures of federal awards, in accordance with financial statements regulations (2 CFR 200.510).
d) Promptly follow up and take corrective action on audit findings, including preparation of a summary schedule of prior audit findings and a corrective action plan, in accordance with audit findings follow-up regulations (2 CFR 200.511(b-c)).
e) If an audit reveals the basis for a finding related to a federally funded program, upon request of the NHED, promptly submit a corrective action plan using the NHED template provided for audit findings related to the federally funded programs.
f) For repeat findings not resolved or only partially resolved, the subrecipient must provide an explanation for findings not resolved or only partially resolved to NHED for findings related to all federally funded programs. NHED will review the subrecipient's submission and issue an appropriate management decision adhering to the same framework as set forth in 2 CFR 200.521.

6. Reports to be Submitted

Audits/Management Decisions

Copies of reporting packages for audits conducted in accordance with 2 CFR 200, Subpart F shall be submitted, by or on behalf of the recipient directly to the following:

a) The Federal Audit Clearinghouse (FAC) in 2 CFR 200, Subpart F requires the auditee to electronically submit the data collection form described in 200.512(b) and the reporting package described in 200.512(c) to FAC at: The Federal Audit Clearinghouse

Copies of other reports or management decision letter(s) shall be submitted by or on behalf of the subrecipient directly to:

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a) **New Hampshire Department of Education**
Bureau of Federal Compliance
25 Hall Street
Concord, NH 03301 Or via email to: federalcompliance@doe.nh.gov

b) In response to requests by a federal agency, auditees must submit a copy of any management letters issued by the auditor, 2 CFR 200.512(e).

Any other reports, management decision letters, or other information required to be submitted to the NHED pursuant to this agreement shall be submitted in a timely manner.

Single Audit Certifications and Federal Expenditures Worksheet

A fully executed and accurate FY26 Single-Audit Certification (required) and Federal Expenditures Worksheet (if applicable) shall be submitted to the NHED no later than **December 31, 2026.** A copy of the forms will be provided to each subrecipient by the NHED via email.

7. Debarment, Suspension, and Other Responsibility Matters

As required by Executive Orders (E.O.) 12549 and 12689, Debarment and Suspension, and implemented at 2 CFR Part 180, for prospective participants in primary covered transactions, as defined in 2 CFR 180.120, 180.125 and 180.200, no contract shall be made to parties identified on the General Services Administration's *Excluded Parties List System* as excluded from Federal Procurement or Non-procurement Programs in accordance with E.O.s 12549 and 12689, "Debarment and Suspension." This list contains the names of parties debarred, suspended, or otherwise excluded by agencies, and contractors declared ineligible under statutory or regulatory authority other than E.O. 12549. Contractors with awards that exceed the small purchase threshold shall provide the required certification regarding their exclusion status and that of their principal employees.

The federal government imposes this requirement in order to protect the public interest, and to ensure that only responsible organizations and individuals do business with the government and receive and spend government grant funds. Failure to adhere to these requirements may have serious consequences – for example, disallowance of cost, termination of project, or debarment.

To assure that this requirement is met, there are four options for obtaining satisfaction that subrecipients and contractors are not suspended, debarred, or disqualified.

The subrecipient certifies that it and its principals:

a) Are not presently debarred, suspended, proposed for debarment, and declared ineligible or voluntarily excluded from covered transactions by any federal Department or agency.
b) Have not within a three-year period preceding this application been convicted of or had a

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civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes; commission of embezzlement; theft, forgery, bribery, falsification, or destruction of records; making false statements; or receiving stolen property.

c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in this certification.

d) Have not within a three-year period preceding this application had one or more public transactions (federal, state, or local) terminated for cause or default.

Where the subrecipient is unable to certify to any of the statements in this certification, they shall attach an explanation to this document.

8. Drug-Free Workplace (Grantees Other Than Individual)

As required by the Drug-Free Workplace Act of 1988 and implemented in 34 CFR 84.200 the subrecipient certifies that it will continue to provide a drug-free workplace by:

a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance (34 CFR 84.610) is prohibited in the subrecipient's workplace and specifying the actions that will be taken against employees for violation of such prohibition.

b) Establishing, as required by 34 CFR 84.215, an ongoing drug-free awareness program to inform employees about:

- The dangers of drug abuse in the workplace;
- The recipient's policy of maintaining a drug-free workplace;
- Any available drug counseling, rehabilitation, and employee assistance programs; and
- The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.

c) Requiring that each employee engaged in the performance of the project is given a copy of this statement.

d) Notifying the employee in the statement that, as a condition of employment under the project, the employee will:

- Abide by the terms of the statement; and
- Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction.

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e) Notifying the agency in writing within 5 calendar days after receiving notice of an employee's conviction of a violation of a criminal drug statute in the workplace, as required by 34 CFR 84.205(c)(2), from an employee or otherwise receiving actual notice of employee's conviction. Employers of convicted employees must provide notice, including position title to:

Director, Grants and Contracts Service
U.S. Department of Education
400 Maryland Avenue, S.W. [Room 3124, GSA – Regional Office Building No. 3]
Washington, D.C. 20202-4571

(Notice shall include the identification number[s] of each affected grant).

f) Taking one of the following actions, as stated in 34 CFR 84.225(b), within 30 calendar days of receiving the required notice with respect to any employee who is convicted of a violation of a criminal drug statute in the workplace.

- Taking appropriate personnel action against such an employee, up to and including termination consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
- Requiring such employee to participate satisfactorily in drug abuse assistance or rehabilitation program approved for such purposes by a federal, state, or local health, law enforcement, or other appropriate agency.

g) Making a good-faith effort to maintain a drug-free workplace through implementation of the requirements stated above.

9. Gun Possession

As required by Title XIV, Part F, and Section 14601 (Gun-Free Schools Act of 1994) of the Improving America's Schools Act:

The subrecipient assures that it shall comply with the provisions of RSA 193:13, IV.

> Any pupil who brings or possesses a firearm as defined in section 921 of Title 18 of the United States Code in a safe school zone as defined in RSA 193-D:1 without written authorization from the superintendent or designee shall be expelled from school by the local school board for a period of not less than 12 months. Nothing in this section shall be construed to prevent the local school district or chartered public school that expelled the student from providing educational services to such student in an alternative setting.

The subrecipient assures that it shall timely file the report required by Ed 317.07.

The subrecipient assures that it has established policies on school discipline as required by RSA 193:13, XI and XII and Ed 317.03.

10. Lobbying

As required by Section 1352, Title 31, of the U.S. Code, and implemented in 34 CFR Part 82, for persons entering into a grant or cooperative agreement over $100,000, as defined in 34 CFR 82.105 and 82.110, the applicant certifies that:

a) No federally appropriated funds have been paid or will be paid by or on behalf of the subrecipient to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making of any federal grant; the entering into of any cooperative agreement; and the extension, continuation, renewal, amendment, or modification of any federal grant or cooperative agreement.

b) If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with federal grants or cooperative agreements, the subrecipient shall complete and submit Standard Form - LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

c) The subrecipient shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, contracts under federal awards, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

11. Subrecipient Monitoring

In addition to reviews of audits conducted in accordance with 2 CFR 200, Subpart F, subrecipient monitoring procedures may include, but not be limited to, on-site or remote visits by NHED staff, limited scope audits, and/or other procedures. By signing this document, the subrecipient agrees to comply and cooperate with any monitoring procedures/processes deemed appropriate by the NHED. In the event the NHED determines that a limited scope audit of the project recipient is appropriate, the subrecipient agrees to comply with any additional instructions provided by NHED staff to the subrecipient regarding such audit.

12. More Restrictive Conditions

Subrecipients found to be in noncompliance with program and/or fund source requirements or determined to be "high risk" shall be subject to the imposition of more restrictive conditions as determined by the NHED.

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13. Obligations by Subrecipients

Obligations will be considered to have been incurred by subrecipients on the basis of documentary evidence of binding commitments for the acquisition of goods or property or for the performance of work, except that funds for personal services, services performed by public utilities, travel, or the rental of facilities shall be considered to have been obligated at the time such services were rendered, such travel occurred, and/or when facilities were used (see 34 CFR 76.707).

14. Personnel Costs – Time Distribution

Charges to federal projects for personnel costs, whether treated as direct or indirect costs, are allowable to the extent that they satisfy the specific requirements of 2 CFR 200.430 and will be based on payrolls documented in accordance with generally accepted practices of the subrecipient and approved by a responsible official(s) of the subrecipient.

When employees work solely on a single federal award or cost objective, charges for their salaries and wages must be supported by personnel activity reports (PARs), which are periodic certifications (at least semi-annually) that the employees worked solely on that program for the period covered by the certification. These certifications must be signed by the employee or a supervisory official having firsthand knowledge of the work performed by the employee.

When employees work on multiple activities or cost objectives (e.g., more than one federal project, a federal project and a non-federal project, an indirect cost activity and a direct cost activity, two or more indirect activities which are allocated using different allocation bases, or an unallowable activity and a direct or indirect cost activity), the distribution of their salaries or wages will be supported by personnel activity reports or equivalent documents that meet the following standards:

a) Reflect an after-the-fact distribution of the actual activity of each employee;
b) Account for the total activity for which each employee is compensated;
c) Prepared at least monthly and must coincide with one or more pay period; and
d) Signed and dated by the employee.

15. Protected Prayer in Public Elementary and Secondary Schools

The subrecipient certifies that the LEA has no policy that prevents or otherwise denies participation in constitutionally protected prayer in public elementary and secondary schools. (Section 8524(a) of the Elementary and Secondary Education Act of 1965 (ESEA), as amended by the Every Student Succeeds Act and codified at 20 U.S.C. § 7904).

16. Purchasing/Procurement

The non-Federal entity must have and use documented procurement procedures, consistent with

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Initials of Board Chair: AJ

the standards of this section and 2 CFR 200.317 - 2 CFR 200.327 for any of the following methods of procurement used for the acquisition of property or services required under a Federal award or sub-award.

1. Informal procurement methods
    a. Micro-purchases
    b. Simplified Acquisition
2. Formal procurement methods
    a. Sealed bids
    b. Proposals
3. Noncompetitive procurement

17. Retention and Access to Records

The subrecipient certifies that it will comply with all federal regulations, including but not limited to, 2 CFR 200.334 – 2 CRF 200.338.

18. The Stevens Amendment

All federally funded projects must comply with the Stevens Amendment of the Department of Defense Appropriation Act, found in Section 8136, which provides:

> *When issuing statements, press releases, requests for proposals, bid solicitations, and other documents describing projects or programs funded in whole or in part with federal money, all grantees receiving federal funds, including but not limited to state and local governments, shall clearly state (1) the percentage of the total cost of the program or project which will be financed with federal money, (2) the dollar amount of federal funds for the project or program, and (3) the percentage and dollar amount of the total costs of the project or program that will be funded by non-governmental sources.*

19. Transfer of Disciplinary Records

Title 20 USC 7197 requires that the State have a procedure (RSA 193-D:8) to assure that a student's disciplinary records, with respect to suspensions and expulsions, are transferred by the project recipient to any public or private elementary or secondary school where the student is required or chooses to enroll.

The relevant portions of the federal and state law appear below.

a) **Disciplinary Records** - In accordance with the Family Educational Rights and Privacy Act of 1974 (20 U.S.C. 1232g), not later than 2 years after the date of enactment of this part, each State receiving Federal funds under this Act shall provide an assurance to the Secretary that the State has a procedure in place to facilitate the transfer of disciplinary records, with respect to a suspension or expulsion, by local educational agencies to any private or public

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elementary school or secondary school for any student who is enrolled or seeks, intends, or is instructed to enroll, on a full- or part-time basis, in the school.

b) **193-D:8 Transfer Records; Notice** – All elementary and secondary educational institutions, including academies, private schools, and public schools, shall upon request of the parent, pupil, or former pupil, furnish a complete school record for the pupil transferring into a new school system. Such record shall include, but not be limited to, records relating to any incidents involving suspension or expulsion, or delinquent or criminal acts, or any incident reports in which the pupil was charged with any act of theft, destruction, or violence in a safe school zone.

20. Compliance with FERPA and PPRA

The subrecipient certifies that it complies with Family Educational Rights and Privacy Act (FERPA) (20 U.S.C.§ 1232g; 34 CFR Part 99) and the Protection of Pupil Rights Amendment (PPRA) (20 U.S.C. § 1232h; 34 CFR Part 98) by ensuring the following:

a) The subrecipient has established and implemented effective internal processes to ensure that student's complete education records are maintained;
b) The subrecipient has established and implemented effective internal processes to ensure that parents are provided with the opportunity to review their student's education records;
c) The subrecipient has established policies and procedures that permit disclosure of personally identifiable information from a student's education records in order to address safety issues in a manner that complies with FERPA;
d) The subrecipient provides parents and eligible students annual notification of their rights under FERPA consistent with 34 CFR § 99.7; and
e) The subrecipient, if applicable, has established procedures to provide military recruiters the same access to secondary students as provided to postsecondary institutions or to prospective employers and require that schools provide student information to military recruiters, when requested, unless the parent has opted out of providing such information (schools are required to provide to military recruiters include student names, addresses, electronic mailing addresses, and telephone listings. *See* Section 8528 of the ESEA, as amended, 20 U.S.C. § 7908 and 10 U.S.C. § 503(c)).

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Initials of Board Chair: CA

CERTIFICATION

Instructions: The Senior Official **must** consult with the Board (School Board, Board of Trustees, Board of Directors, etc.) of the subrecipient by informing said Board about the subrecipients participation in Federal Programs and the terms and conditions of the General Assurances, Requirements and Definitions for Participation in Federal Programs. The Senior Official and the Chair/President of the Board **must** sign this certification page (and initial all other pages) as described below and return it to the NHED. **No subawards will be made by the NHED without a fully executed copy of this General Assurances, Requirements and Definitions for Participation in Federal Programs on file.**

Senior Official Certification:

We the undersigned acknowledge that a person is guilty of a violation of R.S.A. § 641:3 if: (a) He or she makes a written or electronic false statement which he or she does not believe to be true, on or pursuant to a form bearing a notification authorized by law to the effect that false statements made therein are punishable; or (b) With a purpose to deceive a public servant in the performance of his or her official function, he or she: (1) Makes any written or electronic false statement which he or she does not believe to be true; or (2) Knowingly creates a false impression in a written application for any pecuniary or other benefit by omitting information necessary to prevent statements therein from being misleading; or (3) Submits or invites reliance on any writing which he or she knows to be lacking in authenticity; or (4) Submits or invites reliance on any sample, specimen, map, boundary mark, or other object which he or she knows to be false.

Accordingly, I, the undersigned official legally authorized to bind the named subrecipient hereby apply for participation in federally funded education programs on behalf of the subrecipient named below. I certify, to the best of my knowledge, that the below subrecipient will adhere to and comply with these General Assurances, Requirements and Definitions for Participation in Federal Programs (pages 1 through 19 inclusive). I further certify, as is evidenced by the Minutes of the Board Meeting held on June 29, 2026 that I have informed the members of the Board of the federal funds the subrecipient will be receiving and of these General Assurances, Requirements and Definitions for the Participation in Federal Programs for the subrecipients participation in said programs.

Subrecipient Name (must match applicant name): Second Start

William P. Mealey
Typed Name of Senior Official

[signature] 7/20/26
Signature Date

Initials of Senior Official: WPM
Initials of Board Chair: [initials]

Board Certification:

I, the undersigned official representing the Board, acknowledge that the Senior Official, as identified above, has consulted with all members of the Board, in furtherance of the Board's obligations (including those enumerated in RSA 189:1-a for local educational agencies), and pursuant to the Board's oversight of federal funds the subrecipient will be receiving and of the General Assurances, Requirements and Definitions for Participation in Federal Programs in said programs.

JOSEPH G. SHOEMAKER		7/22/26
Typed Name of Board Chair/ President (on behalf of the Board)	Signature	Date

Initials of Senior Official: ______
Initials of Board Chair: ______

Certificate of Authority

I, Joe Shoemaker, hereby certify that I am a duly appointed representative of Second Start. I hereby certify that William Mealey, Chief Executive Officer, is authorized to executive contracts on behalf of Second Start and may bind the organization thereby.

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: 7/31/26

Attest: ______________________
Joe Shoemaker, Chairman of the Board of Directors

State of New Hampshire
Department of State

CERTIFICATE

I, David M. Scanlan, Secretary of State of the State of New Hampshire, do hereby certify that SECOND START is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on September 03, 1971. 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: **65173**
Certificate Number: **0007892189**

IN TESTIMONY WHEREOF,
I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 1st day of April A.D. 2026.

David M. Scanlan
Secretary of State

ACORD®

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 03/30/2026

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
E & S Insurance Services LLC
21 Meadowbrook Lane
P O Box 7425
Gilford NH 03247-7425

CONTACT NAME: Eleanor Spinazzola
PHONE (A/C, No, Ext): (603) 293-2791 FAX (A/C, No): (603) 293-7188
E-MAIL ADDRESS: Eleanor@esinsurance.net

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : AmTrust Financial Services, Inc.	
INSURER B : Wesco Insurance Co	25011
INSURER C : Granite State HealthCare and Human Services	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED
Second Start
17 Knight Street
Concord NH 03301

COVERAGES CERTIFICATE NUMBER: 25-26 REVISION NUMBER:

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY; CLAIMS-MADE; X OCCUR; GEN'L AGGREGATE LIMIT APPLIES PER: POLICY; PRO-JECT; LOC; OTHER:			WPP2031323-01	12/31/2025	12/31/2026	EACH OCCURRENCE	$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 1,000,000
							MED EXP (Any one person)	$ 20,000
							PERSONAL & ADV INJURY	$ 1,000,000
							GENERAL AGGREGATE	$ 3,000,000
							PRODUCTS - COMP/OP AGG	$ 3,000,000
								$
B	AUTOMOBILE LIABILITY; X ANY AUTO; OWNED AUTOS ONLY; SCHEDULED AUTOS; HIRED AUTOS ONLY; NON-OWNED AUTOS ONLY			WPP2096482 00	12/31/2025	12/31/2026	COMBINED SINGLE LIMIT (Ea accident)	$ 1,000,000
							BODILY INJURY (Per person)	$
							BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
							Medical payments	$ 5,000
A	X UMBRELLA LIAB; X OCCUR; EXCESS LIAB; CLAIMS-MADE; DED; X RETENTION $ 10,000			TUM1761742900	12/31/2025	12/31/2026	EACH OCCURRENCE	$ 2,000,000
							AGGREGATE	$ 2,000,000
								$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY; Y/N; ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) N; If yes, describe under DESCRIPTION OF OPERATIONS below	N/A		P02344HCHS2026	01/01/2026	01/01/2027	X 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)

CERTIFICATE HOLDER
NH Department of Education
25 Hall 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
Fairley Kennedy

NONPROFIT COVER SHEET

A. Entity Name: **Second Start**

B. Entity's Contact Information for Records Requests (e.g., resumes of key personnel; audited financial statements):

Laura Scarcello, Accounts Clerk lscarcello@second-start.org 603-228-1341
William P. Mealey, Chief Executive Officer bmealey@second-start.org 603-228-1341

C. List Board of Directors and Affiliations

Name (Identify any additional role(s) in Parentheses) E.g., John Doe (President)	Affiliations
Joseph Shoemaker (Chair)	Shaheen & Gordon, P.A.
Ashley Aniskovich (Treasurer)	Nathan Wechsler & Company
Emily Kowall (Secretary)	Bizzell US
Hector Iweka	NHTI
Frank Lemay	Milestone Engineering & Construction, Inc.
Dodd Griffith	Gallagher, Callahan, & Gartrell
Graeme Crowther	Concord High School

D. List Key Personnel (Resumes must be available upon request to the person(s) listed in section B or may be attached):

Name	Role	Annual Salary	Amount Paid From This Contract
Zanna Blaney	Program Director Data Entry Specialist Program Administrator	$93201.00	$56201.66
Vigdis Dunn	Career Counselor Intake & Assessment Specialist Program Administrator	$71505.00	$67937.00
Patricia Bedford	Volunteer Coordinator Distance Learning Facilitator Program Administrator	$53458.00	$53458.00

DISCLOSURE OF LEGAL ACTIVITIES INVOLVING THE STATE OF NEW HAMPSHIRE OR ANOTHER GOVERNMENT ENTITY

E. Check one of the following:

[X] The entity is **not currently or has not been** party to any legal proceeding involving the State of New Hampshire (or any agency or subdivision thereof) or any other state/federal government entity before any adjudicative body in any jurisdiction **OR**

[ ] The entity is or has been party to one or more legal proceedings as set forth above. Identify the jurisdiction, court or other adjudicative body, case number, and briefly describe the nature of the proceeding (Attached extra sheet if necessary).

____

____

____

CHARITABLE TRUSTS UNIT COMPLIANCE CERTIFICATION

F. Check one of the following:

[X] is registered and in good standing with the New Hampshire Department of Justice Charitable Trusts Unit (** see note below) **or** has submitted a complete application for registration to the Charitable Trusts Unit and is awaiting a registration determination **OR**

[ ] is not required to register with the Charitable Trusts Unit because it is neither tax-exempt under section 501(c)(3) of the Internal Revenue Code nor engages in charitable solicitations in the State of New Hampshire **OR**

[ ] is exempt from registration with the Charitable Trusts Unit because it is a federal or state government, agency, or subdivision or is a religious organization, an integrated auxiliary of a religious organization, or is a convention or association of churches.

** Note: Attached screen shot from the DOJ Registered Charities List found at:

https://mm.nh.gov/files/uploads/doj/remote-docs/registered-charities.pdf

FINANCIAL DISCLOSURES

G. Check one the following:

[X] The organization hired an outside firm to audit its financial statements or to prepare GAAP-compliant financial statements for its most recently completed fiscal year. If so, please ensure that the financial statements and audit results are available to be requested from the contact listed on Page 1 (audited financials may be attached) **OR**

[ ] The above does not apply, but the organization filed an IRS Form 990 or Form 990-EZ for its most recently completed fiscal year. Please attach that IRS Form 990 or Form 990-EZ to the submission. (Form 990 Schedule B is not required) **OR**

[ ] ***If neither of the above apply***, complete the Income Statement and Balance Sheet below with the following basic financial information from the organization's most recently completed fiscal year:

1. INCOME STATEMENT

Revenue		Expenses	
Grants	$	*Compensation of officers, directors, and key personnel*	$
Donations	$		
Program Services Revenue	$	*Other salaries & wages*	$
Interest & Dividends	$	*Payroll taxes & employee benefits*	$
All other Revenue	$	*Occupancy, rent, utilities, and insurance*	$
Total Revenue	$	*Printing, publications, postage, office supplies, and IT*	$
		All other expenses	$
		Total Expenses	$

2. BALANCE SHEET

Assets	
Cash & Equivalents	$
Investments	$
Real Estate (less any depreciation)	$
Other Property & Equipment (less any depreciation)	$
Pledges, grants, accounts receivable	$
All other assets	$
Total Assets	$

Liabilities	
Accounts Payable	$
Loans Payable	$
All other liabilities	$
Total Liabilities	$

Mission Statement

Our mission is to help people become more productive workers, family members and community citizens. We provide supportive, affordable and effective educational programs, including: adult basic education, job training and career counseling, education and training for at-risk youth and child care services.

SECOND START

AUDITED FINANCIAL STATEMENTS

FOR THE YEARS ENDED
JUNE 30, 2025 AND 2024

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Expenses and Changes in Net Assets 2025 25

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Second Start

Opinion
We have audited the accompanying financial statements of Second Start (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Second Start as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Second Start and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibility 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 Second Start's ability to continue as a going concern within one year after the date that 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, 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 generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Second Start'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 Second Start'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 Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of support and revenues, expenses and changes in net assets are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Emphasis of Matter

As discussed in Note U to the financial statements, the financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Very truly yours,

Mason + Rich, P.A.

MASON + RICH PROFESSIONAL ASSOCIATION
Certified Public Accountants
Concord, New Hampshire
December 15, 2025

SECOND START

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

ASSETS

	2025	2024
CURRENT ASSETS		
Cash and Cash Equivalents	$ 718,951	$ 610,422
Accounts Receivable, Net of Allowance	146,120	145,002
Grants Receivable	187,204	179,217
Prepaid Expenses	79,957	74,000
Certificates of Deposit - Short-Term	200,094	199,936
Investments	549,617	507,130
Total Current Assets	1,881,943	1,715,707
PROPERTY AND EQUIPMENT		
Property and Equipment	3,419,502	3,353,835
Less Accumulated Depreciation	(2,228,407)	(2,098,805)
Net Property and Equipment	1,191,095	1,255,030
OTHER ASSETS		
Certificates of Deposit - Long-Term	199,666	199,088
Total Other Assets	199,666	199,088
TOTAL ASSETS	$ 3,272,704	$ 3,169,825

LIABILITIES AND NET ASSETS

	2025	2024
CURRENT LIABILITIES		
Current Portion of Long-Term Debt	$ 13,274	$ 11,255
Accounts Payable	37,482	65,063
Accrued Payroll and Payroll Taxes	226,171	223,906
Accrued Retirement	75,000	-
Accrued Vacation	22,195	36,741
Deferred Revenue	55,300	59,843
Total Current Liabilities	429,422	396,808
LONG-TERM LIABILITIES		
Long-Term Debt, Net of Current Portion	-	13,297
Total Long-Term Liabilities	-	13,297
TOTAL LIABILITIES	429,422	410,105
NET ASSETS		
Net Assets Without Donor Restrictions	2,843,282	2,759,720
TOTAL NET ASSETS	2,843,282	2,759,720
TOTAL LIABILITIES AND NET ASSETS	$ 3,272,704	$ 3,169,825

The Accompanying Notes are an Integral Part of These Financial Statements

SECOND START

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS SUPPORT AND REVENUE		
Grants from Governmental Agencies	$ 1,287,363	$ 1,226,542
Private Fees	1,202,457	1,108,546
Fees from Governmental Agencies	2,140,253	1,686,301
Miscellaneous Income	43,141	13,291
Private Grants	-	40,000
Contributions of Cash and Other Financial Assets	48,553	23,884
Contributions of Nonfinancial Assets	18,900	18,900
United Way	16,234	21,829
Fundraising Income	10,776	35,726
Investment Income, Net of Fees	74,054	39,897
Total Support and Revenue	4,841,731	4,214,916
TOTAL SUPPORT, REVENUE, AND OTHER NET ASSETS WITHOUT DONOR RESTRICTIONS	4,841,731	4,214,916
FUNCTIONAL EXPENSES AND LOSSES		
Functional Expenses		
Program Services	4,270,786	3,666,429
Management and General	467,365	419,318
Fundraising	20,018	74,035
Total Functional Expenses	4,758,169	4,159,782
INCREASE (DECREASE) IN TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS	83,562	55,134
NET ASSETS, BEGINNING OF YEAR	2,759,720	2,704,586
NET ASSETS, END OF YEAR	$ 2,843,282	$ 2,759,720

The Accompanying Notes are an Integral Part of These Financial Statements

SECOND START
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025

	Program Services	Management and General	Fundraising	Total
Advertising	$ 472	$ 510	$ -	$ 982
Bad Debt	33,710	-	-	33,710
Conference and Meetings	72,346	-	-	72,346
Depreciation	79,476	50,125	-	129,601
Dues and Membership	46,523	6,298	-	52,821
Employee Benefits	273,009	19,085	-	292,094
Fundraising	-	-	100	100
Information Technology	21,055	2,306	-	23,361
Instructional Materials	2,520	-	-	2,520
Insurance	60,129	6,766	-	66,895
Interest	180	-	-	180
Miscellaneous	5,383	1,997	-	7,380
Occupancy	173,763	37,537	-	211,300
Office	23,403	6,351	-	29,754
Payroll Taxes	210,524	13,675	1,309	225,508
Professional Fees	150,086	115,803	-	265,889
Retirement	69,135	4,365	1,500	75,000
Salaries and Wages	2,833,902	196,030	17,109	3,047,041
Staff Development	21,279	1,687	-	22,966
Stipends and Discounts	20,803	-	-	20,803
Supplies	149,496	4,650	-	154,146
Travel	23,592	180	-	23,772
Total Functional Expenses	$ 4,270,786	$ 467,365	$ 20,018	$ 4,758,169

SECOND START
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	Program Services	Management and General	Fundraising	Total
Advertising	$ 1,771	$ 75	$ -	$ 1,846
Bad Debt	1,430	-	-	1,430
Conference and Meetings	35,941	-	-	35,941
Depreciation	87,034	37,593	-	124,627
Dues and Membership	9,979	7,367	-	17,346
Employee Benefits	194,280	29,374	-	223,654
Fundraising	-	-	58,234	58,234
Information Technology	13,457	10,956	-	24,413
Instructional Materials	6,224	-	-	6,224
Insurance	54,808	6,591	-	61,399
Interest	306	-	-	306
Miscellaneous	4,895	445	-	5,340
Occupancy	155,525	42,569	-	198,094
Office	10,427	17,031	-	27,458
Payroll Taxes	182,172	16,538	1,133	199,843
Professional Fees	256,088	22,995	-	279,083
Salaries and Wages	2,455,826	222,404	14,668	2,692,898
Staff Development	9,653	294	-	9,947
Stipends and Discounts	12,428	-	-	12,428
Supplies	153,808	5,086	-	158,894
Travel	20,377	-	-	20,377
Total Functional Expenses	$ 3,666,429	$ 419,318	$ 74,035	$ 4,159,782

The Accompanying Notes are an Integral Part of These Financial Statements

SECOND START

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets	$ 83,562	$ 55,134
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	129,601	124,627
Provision for Bad Debt	33,710	1,430
Changes in Investments	(33,748)	(6,154)
(Increase) Decrease in Operating Assets:		
Accounts Receivable, Net of Allowance	(34,828)	63,377
Grants Receivable	(7,987)	(55,148)
Prepaid Expenses	(5,957)	(19,465)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	(27,581)	19,933
Accrued Payroll and Payroll Taxes	2,265	12,878
Accrued Retirement	75,000	-
Accrued Vacation	(14,546)	3,509
Deferred Revenue	(4,543)	(15,512)
Total Adjustments	111,386	129,475
Net Cash Provided by (Used in) Operating Activities	194,948	184,609
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(65,666)	(46,269)
Proceeds From Redemption of Certificate of Deposits	200,000	600,000
Purchases of Certificate of Deposits	(200,000)	(1,000,000)
Purchases of Investments	(9,475)	(500,000)
Net Cash Provided by (Used in) Investing Activities	(75,141)	(946,269)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of Long-Term Debt	(11,278)	(11,144)
Net Cash Provided by (Used in) Financing Activities	(11,278)	(11,144)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	108,529	(772,804)
Cash and Cash Equivalents, Beginning of Year	610,422	1,383,226
Cash and Cash Equivalents, End of Year	$ 718,951	$ 610,422

Supplemental Disclosure of Cash Flow Information:

	2025	2024
Cash Paid During the Year For:		
Interest	$ 180	$ 306

The Accompanying Notes are an Integral Part of These Financial Statements

A | NATURE OF ACTIVITIES

Second Start (the "Organization") is a private nonprofit education corporation which has been in existence since 1970. Second Start is committed to improving the economic and educational wellbeing of New Hampshire residents. Its goal is to help people become more productive workers, family members, and community citizens. Within these opportunities, the Organization offers a variety of programs, each serving participants in ways that meet their needs.

The programs available at Second Start are as follows:

Special Education (SPED) – The Special Education Program was established in 1979 and accounts for the proceeds of an education program that serves coded special needs students ages 14-21 from local school districts in the greater Concord area.

Transitional Employment Training Program (TET) – The TET Program was established in 1984 and accounts for proceeds and expenses used to provide a vocationally oriented program designed to develop personal and social responsibility, workforce readiness, and provide experiential training and coursework for adolescents.

Alternative High School (AHS) – The Alternative High School Program was established in 1976 and accounts for the proceeds and expenses of an alternative academic program for adolescents previously unsuccessful in public high school programs. Students are not coded for special education services.

Student Assistance Program (SAP) – The Student Assistance Program is a drug education, prevention, and early identification program designed for public school students. The Student Assistance Program was started in 1984 and accounts for the proceeds and expenses associated with the student assistance services for the local school districts as well as programs for the Second Start Alternative High School and special education students.

Adult Education and Literacy (AEL) – The Adult Education and Literacy Program includes both Adult Basic Education (ABE) and Adult Learner Services (ALS). The ABE Program was established in 1971 and accounts for the proceeds and expenses for providing remedial academic programs for adults from the most basic levels through preparation for the High School Equivalency Exam (HiSET) as well as English as a second language classes. The program also includes academic and vocational counseling for students. The program includes fees and expenses for providing HiSET Testing services and administering staff development for ABE/ESL teachers statewide. The ALS Program was established in 1983 and accounts for proceeds and expenses used to help adults increase their reading and math skills through the aid of volunteer tutors. This program also includes services to foreign-speaking and refugee students to increase their English skills. Under this program, the Organization also must comply with the regulations outlined in the Workforce Innovation and Opportunity Act.

Day Care Program – The Day Care Program was established in 1973 and accounts for proceeds and expenses used to care for children (ages 6 weeks to 12 years) of the general community while their parents are in classes, training programs, or working during the day. This program also includes services to protective custody referrals from the New Hampshire Department of Health and Human Services.

(Continued on next page)

Welcoming Concord – The Welcoming Concord program was established in 2015 and accounts for proceeds and expenses used to increase social inclusion and integration of immigrants and refugees in targeted New Hampshire communities.

B | SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Organization is presented to assist in understanding these financial statements. The financial statements and notes are the representations of the Organization's management who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles (GAAP) in the United States of America and have been consistently applied in the preparation of the financial statements.

Basis of Accounting
The Organization uses the accrual basis of accounting in its financial statements. Under this basis, revenue is recognized when earned rather than when payment is received, and expenses and purchases of assets are recognized when the obligation is incurred rather than when the cash is disbursed.

Cash and Cash Equivalents
For purposes of the statements of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. Cash and cash equivalents includes cash on hand, demand deposits, and investments in money market funds. The Organization had cash equivalents of $156,574 and $126,871 for the years ended June 30, 2025 and 2024, respectively.

Contract Assets and Liabilities
Accounts Receivable
Accounts receivable consists of private fees due from the daycare program and revenue from school districts for various programs. Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management estimates the allowance for expected credit losses under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 326, *Financial Instruments – Credit Losses*, using relevant information from internal and external sources, historical experience, the age of the accounts receivable balance, current economic conditions, and reasonable and supportable forecasts. Management has provided an allowance for credit losses of $27,999 at June 30, 2025; there is no allowance for the year ended June 30, 2024. Credit losses amounted to $33,710 and $1,430 for the years ended June 30, 2025 and 2024, respectively. The Organization does not charge interest on accounts receivable.

Deferred Revenue
Deferred revenue represents payments received from customers prior to the satisfaction of the corresponding performance obligations. Revenue is recognized once the corresponding performance obligations are satisfied based on the contract with the customer.

(Continued on next page)

Grants Receivable
Grants receivable are amounts due for reimbursement from grant agencies. No allowance is recorded because all amounts are expected to be fully reimbursed by the federal and state governments. Interest is not permissible on any past due grant receivable balances.

Contributions and Promises to Give
Contributions are recognized under FASB Accounting Standards Update (ASU) 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Under FASB ASU 2018-08, contributions are not recognized as revenue if there are donor-imposed conditions and barriers that must be overcome before the Organization is entitled to the assets transferred. Conditional contributions can exist if the Organization has limited discretion over how the resources are spent and the contributor retains a right of return to the resources provided if the conditions are not met. If contributions are received prior to the satisfaction of the donor-imposed conditions and barriers, the advanced receipt of funds would be recorded as deferred revenue on the statement of financial position. Once conditions have been substantially met, the contributions are recognized as revenue and classified as net assets with or without donor restrictions depending on remaining donor restrictions.

Investments
The Organization carries investments in marketable securities at their fair value on the statement of financial position. Purchases and gifted securities are recorded at fair-market value on the date of the acquisition or gift, net of any brokerage fees. Investment income is considered a change in net assets without donor restrictions, unless restricted by a donor's explicit stipulation or law. Realized and unrealized gains and losses on securities in the investment portfolio are allocated to net assets on a specific-identification basis and are included as a component of the changes in net assets without donor restrictions or net assets with donor restrictions depending on donor specifications.

Property and Equipment
The Organization's property and equipment policy is to capitalize individual purchases, renewals and betterments in excess of $5,000. Maintenance, repairs and minor renewals are charged to expense as incurred. Periodically, management evaluates property and equipment for impairment when events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. When items of property and equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in the statement of activities and changes in net assets. These items are depreciated using the straight-line method over their estimated useful lives as follows:

Building and Improvements	40 years
Furniture and Equipment	5 years
Leasehold Improvements	5 - 30 years

(Continued on next page)

Net Assets
The Organization reports its net assets as required by FASB ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Under FASB ASU 2016-14, the Organization is required to report information regarding its financial position and activities to the following classes: net assets without donor restrictions and net assets with donor restrictions. Descriptions of the net asset categories included in the Organization's financial statements are as follows:

> Net assets without donor restrictions include revenues and expenses and contributions which are not subject to any donor-imposed restrictions. Net assets without donor restrictions can be designated by the Board of Directors for special projects and expenditures.
>
> Net assets with donor restrictions include contributions for which time restrictions or donor-imposed restrictions have not yet been met. When a restriction expires, 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 restriction. Net assets with donor restrictions also include gifts which require, by donor restriction, that the corpus be invested in perpetuity and only the income or portion therefore (excluding gains restricted by state statute) be made available for program operations in accordance with donor restrictions.

Revenue Recognition
The Organization recognizes revenue under FASB ASC 606, *Revenue from Contracts with Customers,* from its daycare services, adolescent services, adult education services, Student Assistance Network (SAN) services, and the New American Driving School.

The First Start Children's Center provides daycare services for early education, preschool, and elementary age students from the greater Concord area in a full-service childcare center. Revenue generated from daycare services is primarily comprised of direct weekly tuition payments from parents and fees subsidized by the State of New Hampshire. Revenue from daycare services are considered a single performance obligation although services provided to the students may include a variety of academic and extracurricular activities that cater to the needs of the students.

Daycare revenue is recognized over time as long as the student is enrolled in the program. Tuition is billed on a weekly basis and the Organization has an enforceable right to payment until the time the student provides notice of cancellation even if the child is absent due to personal time or sickness. The input method is used based on the number of students enrolled. Daycare services can be cancelled at any time; however, the customer is responsible for the tuition and/or expenses incurred by the Organization prior to cancellation. Refundable deposits are collected prior to enrollment in order to hold a child's place in the program and are included in deferred revenue on the statement of financial position.

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Revenue is recognized from deposits if the child has an outstanding balance upon leaving the program or if the family does not notify the Organization of cancellation of enrollment within two weeks from the scheduled start date. Overall, there is no significant impact from deposits to the financial statements. Sibling discounts of 10% of the lower tuition is offered to families; however, the discount cannot be applied to any additional fees such as late fees. In addition, employees can receive an additional 15% discount, adjusted after any sibling discount has been applied. There is no significant impact from discounts to the financial statements as they are recognized weekly and are not dependent on past or future services.

The Organization provides educational programs to adolescent students through their Alternative High School (AHS), including its Middle School Alternative Program (MAP), Special Education (SPED), and Transitional Employment and Training (TET) programs. Services for the AHS, MAP, SPED, and TET programs are offered to students through the Organization's on-site classrooms. The Department of Education sets a fixed fee rate for SPED programs. Revenue from adolescent programs are considered a single performance obligation although services provided to the students may include a variety of academic, extracurricular, and counseling activities that cater to the needs of the students. The Organization has a contract with a local school district to provide on-site AHS, MAP, SPED, and TET services to a fixed number of students each academic year. The fees to provide these services are established prior to the academic year and are paid to the Organization bi-annually. The Organization can also provide these services under separate contracts with other local school districts whereby tuition is based on the number of students enrolled. The input method is used based on the number of students enrolled.

Additionally, the Organization has contracts with local school districts to provide off-site Student Assistance Program (SAP) services administered at the local school districts during the academic year. The fees to provide these services are established prior to the school year and are paid to the Organization on a monthly basis as services are provided. The input method is used based on the number of hours worked by the SAP counselors. Revenue for these contracts are fully recognized by year end because all of the benefits have been transferred by the end of the year and there are no open contracts.

The Organization provides educational programs to adult students through their High School Equivalency Test (HiSET) preparation, Adult Diploma programs, English as a Second Language classes, and Adult Learner Services that provide tutoring and one-on-one assistance to New Hampshire residents. These programs are offered to students through the Organization's on-site or virtual classrooms. Revenue from adult programs is considered a single performance obligation although services provided to the students may include a variety of academic and instructional activities that cater to the needs of the students. Revenue is recognized over time for these services over the course of the program. The input method is used based on the number of students enrolled.

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The Organization is also a test administration center for students to test for their HiSET administered by the Educational Testing Service (ETS). Tests are scheduled over the course of two days and appointments and exam fees are administered by ETS. HiSET testing is considered a single obligation as the Organization is only responsible for administering the test to participants. Revenue from HiSET testing is recognized at the point in time and is received once the participant has completed the test. The input method is used based on the number of students enrolled.

The Organization provides technical assistance and training to SAP counselors and school administrators who are qualified to participate in the Student Assistance Network (SAN) program in New Hampshire. Revenue is billed under a time and materials contract by a third-party administrator at a set rate per day plus out-of-pocket expenses. Services are provided based on the needs of each SAP counselor over the course of the academic year, therefore, the revenue is incurred over time as the services are provided. SAN revenue is considered a single obligation as the Organization's services are customized to each SAP program. Revenue for these contracts are fully recognized by year end because all of the benefits have been transferred by the end of the year and there are no open contracts. The input method is used based on the number of hours worked by the SAP counselors.

The Organization provides driver education classes to New American adults through an eight-week course that includes classroom instruction and in-car driving lessons through its Welcoming Concord program. The cost of the course can be paid in full at the time of registration or in three equal installments over the course of the instruction. Services provided through the New American Driving School is considered a single obligation because both the classroom instruction and in-car driving lessons are required in order to obtain a driver's license in the State of New Hampshire. Revenue is recognized over time for these services over the course of the program. The input method is used based on the number of students enrolled.

All of the Organization's contracts are one year or less in length. As a result, costs associated to obtain a contract is recognized as expense in the period incurred. The quoted transaction price for adolescent services, adult education services, SAN services, and the New American Driving School does not include variable considerations and there are no discounts or non-cash considerations. The Organization does not have any significant financing components to its contracts.

Functional Allocation of Expenses
The costs of providing the Organization's program and other activities have been summarized on the functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Salaries and related expenses are allocated to the various program and supporting services based on actual or estimated time employees spend on each function. The remaining expenses are specifically allocated whenever practical, and depreciation is allocated based on space utilization. General administrative expenses are allocated to each program based on the direct expenses incurred for each program or estimated usage based on time spent on each function of the staff.

Donated Materials and Services
Contributed goods and services are reported at their fair value if such goods or services create or enhance nonfinancial assets, or would have been purchased if not provided by contribution.

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A number of unpaid volunteers have made significant contributions of their time and talent to the Organization's programs. However, these services do not meet the criteria for recognition as contributed services and, therefore, are not reflected in the financial statements. See Note N for additional information regarding donated facilities and services.

Contributed property and equipment is recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulation, contributions of property and equipment are recorded as unrestricted support. The Organization received no contributed property for the years ended June 30, 2025 and 2024.

Advertising
The Organization conducts non-direct response advertising. These costs are expensed as incurred. Advertising costs were $982 and $1,846 for the years ended June 30, 2025 and 2024, respectively.

Income Taxes
Management evaluates its tax position in accordance with FASB ASC 740-10, *Accounting for Uncertain Tax Positions,* which prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return and also provides guidance on various related matters such as de-recognition, interest, penalties, and disclosures required. The Organization's policy is to recognize interest and penalties related to unrecognized tax benefits as tax expense.

Fair Value Measurements
The topic of FASB ASC 820-10, *Fair Value Measurement*, defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. FASB ASC 820-10 is effective for financial statements issued for fiscal years beginning after November 15, 2007 for all financial assets and liabilities and any other assets and liabilities that are recognized or disclosed at fair value on a recurring basis.

In addition to defining fair value, FASB ASC 820-10 expands the disclosure requirements around fair value and establishes a fair value hierarchy for valuation inputs. The hierarchy prioritizes the inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market. Each fair value measurement is reported in one of the three levels which are determined by the lowest level input that is significant to the fair value measurement in its entirety. These levels are:

Level one – inputs are based upon unadjusted quoted prices for identical instruments traded in active markets. All of the Organization's investments are level 1 inputs at June 30, 2025 and 2024; see Note G.

Level two – inputs are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities. The Organization did not have level 2 inputs at June 30, 2025 and 2024.

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Level three – inputs are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques that include option-pricing models, discounted cash flow models, and similar techniques. The Organization did not have level 3 inputs at June 30, 2025 and 2024.

Use of Estimates

The preparation of financial statements and related disclosures in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain amounts reported in the financial statements and accompanying notes. Actual results experienced by the Organization may differ from management's estimates.

C | ADOPTION OF NEW ACCOUNTING STANDARD

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which provided new guidance on the measurement of current expected credit losses (CECL) on financial instruments. The new standard has replaced the incurred loss methodology of recognizing credit losses on financial instruments with a methodology that estimates the expected credit loss on financial instruments and reflects the net amount expected to be collected on the financial instrument. FASB ASU 2016-13 requires certain financial assets to be measured at amortized cost net of an allowance for estimated credit losses, such that the net receivable represents the present value of expected cash collection. The new guidance also requires that certain financial assets be measured at amortized cost reflecting an allowance for estimated credit losses that are expected to occur over the life of the assets. This estimate must be based on all relevant information, such as historical information, current conditions, and reasonable and supportable forecasts that could impact the collectability of the amounts. The Organization adopted the new standard effective July 1, 2023, using the modified retrospective method.

Management has assessed the impact of FASB ASC 326 and has determined that FASB ASC 326 would have no material impact on beginning of year net assets as a result of implementing this new guidance. As a result, there are no material effects on the Organization's financial statements in the year of implementation.

D | ACCOUNTS RECEIVABLE, CONTRACT ASSETS AND LIABILITIES

Years Ended June 30,	Accounts Receivable	Deferred Revenue
2025	$ 146,120	$ 55,300
2024	145,002	59,843
Change	$ 1,118	$ (4,543)
2024	$ 145,002	$ 59,843
2023	209,809	75,355
Change	$ (64,807)	$ (15,512)

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Accounts receivable increased by $1,118 for the year ended June 30, 2025 due to timing and deferred revenue decreased by $4,543 due to timing.

Accounts receivable decreased by $64,807 for the year ended June 30, 2024 due to timing and deferred revenue decreased by $15,512 due to timing.

E | PROPERTY AND EQUIPMENT

Property and equipment consists of the following at June 30:

	2025	2024
Building and Improvements	$ 1,794,895	$ 1,771,643
Furniture and Equipment	349,597	348,282
Land	210,000	210,000
Leasehold Improvements	1,065,010	1,023,910
Total Property and Equipment	3,419,502	3,353,835
Less Accumulated Depreciation	(2,228,407)	(2,098,805)
Net Property and Equipment	$ 1,191,095	$ 1,255,030

Depreciation expense was $129,601 and $124,627 for the years ended June 30, 2025 and 2024, respectively.

F | INVESTMENTS

The Organization carries investments at their fair value in the accompanying statements of financial position.

Investments are held in custody by a financial institution and consists of the following:

June 30, 2025	Cost	Changes in Investment	Fair Value
Cash and Money Market Funds	$ 157,191	$ -	$ 157,191
Certificates of Deposit	400,000	(240)	399,760
Exchanged Traded & Closed End and Mutual Funds	521,752	27,865	549,617
Total Investments	$ 1,078,943	$ 27,625	$ 1,106,568

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June 30, 2024	Cost	Changes in Investment	Fair Value
Cash and Money Market Funds	$ 128,522	$ -	$ 128,522
Certificates of Deposit	400,000	(976)	399,024
Exchanged Traded & Closed End and Mutual Funds	500,847	6,283	507,130
Total Investments	$ 1,029,369	$ 5,307	$ 1,034,676

Investment proceeds and related changes in investments for the years ended June 30 are as follows:

	2025	2024
Interest and Dividends	$ 61,012	$ 35,040
Realized and Unrealized Gain (Loss)	18,637	5,307
Less Investment Fees	(5,595)	(450)
Total Changes in Investments	$ 74,054	$ 39,897

The Organization has invested cash in certificates of deposit which are classified as short-term and long-term. Short-term certificate of deposits were purchased with original maturities greater than three months and are set to mature at various dates within one year. Long-term certificate of deposits were purchased with maturities greater than one year.

G | FAIR VALUE MEASUREMENTS

Financial assets carried at fair value on a recurring basis consists of the following:

June 30, 2025	Level 1	Level 2	Level 3
Cash and Money Market Funds	$ 157,191	$ -	$ -
Certificate of Deposits	399,760	-	-
Fixed Income	-	-	-
Equities	-	-	-
Exchange Traded Funds	25,350	-	-
Mutual Funds	524,267	-	-
Total	$ 1,106,568	$ -	$ -

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June 30, 2024	Level 1	Level 2	Level 3
Cash and Money Market Funds	$ 128,522	$ -	$ -
Certificate of Deposits	399,024		
Fixed Income	-	-	-
Equities	-	-	-
Exchange Traded Funds	15,890	-	-
Mutual Funds	491,240	-	-
Total	$ 1,034,676	$ -	$ -

H | LINE OF CREDIT

The Organization maintains a revolving line of credit agreement with a local bank, which provides that it may borrow up to $600,000 at June 30, 2025 and 2024. The interest rate formula is based at 0.50% over the Wall Street Journal prime rate, which was 8.00% and 9.00% at June 30, 2025 and 2024, respectively. The agreement is collateralized by all business assets of the Organization. The Organization had no outstanding balance as of June 30, 2025 and 2024.

I | LONG-TERM DEBT

The Organization's long-term debt consists of the following at June 30:

	2025	2024
Installment note payable to NH Health and Education Facilities Authority, payable in monthly principal and interest installments of $954, with interest at a rate of 1.00% per annum. Secured by the vehicle.	$ 13,274	$ 24,552
Total Long-Term Debt	13,274	24,552
Less Current Portion of Long-Term Debt	(13,274)	(11,255)
Long-Term Debt, Net of Current Portion	$ -	$ 13,297

Maturities of Long-Term Debt are as follows:

For the Years Ending June 30,	Amount
2026	$ 13,274
Total	$ 13,274

J | CORPORATE ORGANIZATION

The Organization is a voluntary organization under Chapter 292 of the New Hampshire Revised Statutes Annotated and therefore has no capital stock.

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K | NET ASSETS

There was no net assets with donor restrictions for the year ended June 30, 2025 and 2024. Additionally, there was $105,369 and $216 of Board Designated Funds set aside for capital and other repairs and maintenance projects at June 30, 2025 and 2024, respectively.

L | DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

The following table disaggregates the Organization's revenue based on service line and timing of satisfaction of performance obligations for the years ended June 30:

	2025	**2024**
Services Transferred at a Point in Time		
High School Equivalent Test (HiSET) - Fees	$ -	$ 9,972
Services Transferred Over Time		
Daycare	1,169,057	1,098,061
Special Education (SPED)	116,431	116,989
Student Assistance Program (SAP & SAN)	882,312	604,955
Alternative High School (AHS & MAP)	553,646	504,749
Transitional Employment & Training (TET)	301,237	196,987
Adult Education & Literacy (AEL)	241,627	252,649
Welcoming Concord	33,400	10,485
Total Services Transferred Over Time	$ 3,342,710	$ 2,784,875
Total Revenue from Contracts with Customers	$ 3,342,710	$ 2,794,847

Various economic factors affect revenues and cash flows. There is no third-party financing and revenue and cash flows are generally concurrent. Services occur and transfer to the customer over various periods of time, depending on the program. Revenues and cash flows occur upon completion of the services.

M | LEASE AGREEMENTS

The Organization has entered into a long-term lease agreement for a building located at 450 North State Street, which is used to operate the Alternative High School program. Under the terms of the agreement, the Organization is responsible for maintaining the building but it not required to pay rent. Rent expense in recorded as an in-kind contribution as detailed in Note N.

In prior years, improvements were made to the property for the Organization's operational needs. These improvements were capitalized and are being depreciated over their estimated useful lives, ranging from five to thirty years. Depreciation expense was $15,561 and $12,070 for the years ended June 30, 2025 and 2024, respectively.

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N | CONTRIBUTED NONFINANCIAL ASSETS

Contributed nonfinancial assets consists of the following:

For the Years Ended June 30,	2025	2024
Rent	$ 18,900	$ 18,900

The Organization recognized in-kind contributions from donated rent as contributions of nonfinancial assets within the statements of activities. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Donated rent consists of the fair market value (FMV) of leased space from the City of Concord based on a quoted triple net price per square foot basis, excluding real estate taxes that was used for its Alternative High School program. The Organization has an agreement with the City of Concord to use this building space until 2028.

The Organization receives in-kind services from volunteers who provides tutoring services to students. The volunteer services received are not specialized services, therefore, they are not reflected in these financial statements as support and expenses. The Organization received 1,280 and 911 of volunteer hours, with an estimated value of $38,400 and $27,330 for the years ended June 30, 2025 and 2024, respectively.

O | INCOME TAXES

The Organization is exempt from federal income tax under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3). The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions.

For the years ended June 30, 2025 and 2024, management has evaluated its tax position in accordance with FASB ASC 740-10 and does not believe they have taken uncertain tax positions, therefore, a liability for income taxes associated with uncertain tax positions has not been recognized. Additionally, the Organization did not recognize interest or penalties resulting from tax liabilities associated with recognizing uncertain tax positions for the years ended June 30, 2025 and 2024.

The Organization is a non-profit organization; as a result, it files a federal Form 990, *Return of Organization Exempt from Income Tax*, and a New Hampshire Annual Report. In the normal course of business, the Organization is subject to examination by taxing authorities. With limited exceptions, the Organization is no longer subject to federal or State of New Hampshire examinations for their federal Form 990 or New Hampshire Annual Report for the years before 2022.

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P | RETIREMENT PLAN

During the year ended June 30, 2025, the Organization established a retirement plan under the Internal Revenue Code Section 403(b) through a third party for all employees who meet the eligibility requirements of the plan. Participants are permitted to make elective deferrals of their compensation up to the maximum statutory amount. The Organization made contributions of $75,000 to the plan for the year ended June 30, 2025.

The Organization also has an existing plan that was not active but is required to remain open until the existing account balances are withdrawn from the plan. There were no contributions to this plan for the years ended June 30, 2025 and 2024.

Q | LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization's financial assets available within one year from the statements of financial position date for general operating expenses are as follows:

	2025	2024
Cash and Cash Equivalents	$ 718,951	$ 610,422
Accounts Receivable	146,120	145,002
Grants Receivable	187,204	179,217
Prepaid Expenses	79,957	74,000
Certificate of Deposits – Short-Term	200,094	199,936
Investments	549,617	507,130
Financial assets, at year end	1,881,943	1,715,707
Less those unavailable for general expenditures within one year due to:		
Donor-imposed restrictions	-	-
Board designated funds	(105,369)	(216)
Financial assets available to meet cash needs for general expenditures within one year	$ 1,776,574	$ 1,715,491

The Organization had financial assets on hand equal to approximately 4 months of operating expenses, which totaled $4,758,169 for the year ended June 30, 2025. The Organization had financial assets on hand equal to approximately 5 months of operating expenses, which totaled $4,159,782 for the year ended June 30, 2024. At times, the Board of Directors may designate a portion of any operating surplus to its liquidity reserve for future expenditures. At June 30, 2025 and 2024, there was $105,369 and $216 of Board Designated Funds set aside for capital and other repairs and maintenance projects, respectively. A significant portion of the Organization's funding is derived from cost reimbursement grants from federal and state agencies; therefore, the Organization believes its liquid financial assets

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are sufficient to fund unanticipated liquidity needs that may arise. Additionally, the Organization has a line of credit which allows for borrowings up to $600,000.

R | COMMITMENTS AND CONTINGENCIES

Energy Efficiency Initiative
In fiscal year 2010, the Organization began an initiative to improve the energy efficiency of the 450 North State Street and 17 Knight Street building in Concord, New Hampshire. The initiative includes energy improvements, including insulation, new windows, new daycare ceilings, ventilation and lighting, boiler replacement, conversion to electronic thermostats, and appliance replacement at an estimated total cost of $681,265.

Financial support for the energy efficiency initiative included a Community Development Finance Authority (CDFA) grant of $343,000. Additional funding was obtained from a Community Development Block Grant (CDBG) in the amount of $313,265 through the City of Concord, New Hampshire and $15,000 in cash donations. These grants were completed in 2011. Both grants are restricted to the Organization's energy efficiency initiative. Additionally, in the event the Organization ceases to use the buildings in providing services to low to moderate income populations, both grants will require repayment of a portion of the proceeds. This contingency continues through 2020 and 2030 for the CDFA and CDBG grants, respectively.

Grant Compliance
The Organization received funds under various grants. Under the terms of the grants, the Organization is required to use the funds within a certain period and for purposes specified by governing laws and regulations. If expenditures were found not to have been made in compliance with laws and regulations, the Organization might be required to repay the funds.

Contingencies
In fiscal year 2016, the County of Merrimack awarded the Organization a CBDG grant in the amount of $300,000 to be used for building improvements at the Garrison facility. The improvements include roof replacement, exterior façade mortar repairs, exterior painting, solar panels, and additional insulation at its 17 Knight Street, Concord, New Hampshire facility. The grant requires that at least 77% of the persons served by the project be low and moderate income. In the event of default, the grant may require repayment of the funds already distributed. This contingency continues through the year 2036.

S | RELATED PARTY TRANSACTIONS

Beginning in January 2024, the Board of Directors elected a Board Member that is employed by an entity that provides investment advisory services to the Organization. The Board member also serves as an Officer for the Board of Directors. Fees paid to this service provider was $5,595 and $450 for the years ended June 30, 2025 and 2024, respectively

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T | CONCENTRATIONS

Cash

The Organization maintains cash and cash equivalents in bank deposit and investment accounts. Cash balances held in bank deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. Money market funds held in investment accounts and are not insured or guaranteed by the FDIC or any other government agency. The Organization's money market funds are held with reputable financial institutions and are invested in US government securities. Management monitors the credit quality of these institutions and funds and believes that the Organization is not exposed to any significant credit risk on these balances. At June 30, 2025 and 2024, the Organization had uninsured balances of $524,280 and $404,178, respectively.

Accounts Receivable

Financial instruments that potentially subject the Organization to concentrations of credit risk consist primarily of accounts receivable. The Organization performs ongoing credit evaluations of its customers, and does not require collateral. Historically, credit losses have not been significant. At June 30, 2025, the Organization's accounts receivable consists of approximately 93% from three customers. At June 30, 2024, the Organization's accounts receivable consists of approximately from 82% from four customers.

Grants Receivable

At June 30, 2025 and 2024, the Organization's grants receivable consists of 94% and 100% from one grantor, respectively.

Major Source of Funding

The major source of funds for the Organization's operations is made available by federal and state government grants. The State of New Hampshire Department of Education (DOE) provides 17% and 22% of the total support and revenue received for the years ended June 30, 2025 and 2024, respectively. The availability of funding is contingent upon federal or state authorization for program activity and appropriation of funds.

Major Customers

Tuition and fee revenue from Concord School District, one of Second Start's major customers, represented 25% and 23% of the Organization's total support and revenue for the years ended June 30, 2025 and 2024, respectively.

U | PRIOR PERIOD ADJUSTMENT

The Organization restated its previously issued financial statements for the year ended June 30, 2024 to reflect a correction of an error related to expenses that should have been recorded as prepaid expenses in the year ended June 30, 2021. The effect of the restatement to the year ended June 30, 2024 was to increase prepaid expenses and deferred revenue by $46,915 on the statement of financial position.

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The effect of the restatement on results of the Organization's financial position as of and for the year ended June 30, 2024 are as follows:

	As Previously Reported	As Restated	Change
Prepaid Expenses	$ 27,085	$ 74,000	$ 46,915
Total Assets	3,122,910	3,169,825	46,915
Deferred Revenue	12,928	59,843	46,915
Total Liabilities	363,190	410,105	46,915
Total Liabilities and Net Assets	$ 3,122,910	$ 3,169,825	$ 46,915

V | RECLASSIFICATIONS

Certain amounts in the 2024 financial statements have been reclassified to the 2025 presentation. These reclassifications had no effect on the reported results of the previously reported net assets.

W | SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 15, 2025, the date which the financial statements were available to be issued, and has not evaluated subsequent events after that date. The Organization did not identify any subsequent events that would require disclosure in the financial statements.

SUPPLEMENTAL SCHEDULES

SECOND START

SCHEDULE OF SUPPORT AND REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2025

	Fundraising	*General & Building*	*Special Education*	*TET Program*	*Alternative High School*	*Student Assistance*	*Adult Education & Literacy*	*Welcoming Concord*	*Daycare*	*Total*
SUPPORT AND REVENUES										
Grants from Governmental Agencies	$ -	$ -	$ -	$ -	$ -	$ -	$ 820,811	$ -	$ 466,552	$ 1,287,363
Private Fees	-	-	-	-	-	-	-	33,400	1,169,057	1,202,457
Fees from Governmental Agencies	-	-	161,431	301,237	553,646	882,312	241,627	-	-	2,140,253
Miscellaneous Income	-	23,672	16	-	12,400	-	200	-	6,853	43,141
Contributions of Cash and Other Financial Assets	-	27,219	-	-	100	-	-	21,222	12	48,553
Contributions of Nonfinancial Assets	-	-	-	-	18,900	-	-	-	-	18,900
United Way	-	-	-	-	-	-	11,234	5,000	-	16,234
Fundraising Income	10,776	-	-	-	-	-	-	-	-	10,776
Investment Income, Net of Fees	-	74,054	-	-	-	-	-	-	-	74,054
Total Support and Revenues	10,776	124,945	161,447	301,237	585,046	882,312	1,073,872	59,622	1,642,474	4,841,731
TOTAL SUPPORT, REVENUE, AND OTHER NET ASSETS WITHOUT DONOR RESTRICTIONS	10,776	124,945	161,447	301,237	585,046	882,312	1,073,872	59,622	1,642,474	4,841,731
EXPENSES										
Program Services										
Instruction and Student Activities	-	7,810	344,459	70,026	314,867	732,426	686,668	29,287	1,218,127	3,403,670
Staff Development and Professional Fees	-	-	8,015	2,008	3,946	10,869	235,015	-	4,914	264,767
Other Program Costs	-	5,433	21,870	22,054	32,854	11,508	63,038	10,356	192,433	359,546
Occupancy	-	-	12,237	6,298	32,107	-	28,878	-	83,613	163,133
Interest	-	-	107	19	19	-	49	-	-	194
Direct Depreciation	-	-	11,538	3,655	9,353	31	15,590	-	39,309	79,476
Total Program Services	-	13,243	398,226	104,060	393,146	754,834	1,029,238	39,643	1,538,396	4,270,786
Support Services										
General Administrative	-	-	53,619	10,585	31,073	67,979	122,877	3,800	177,432	467,365
Total Support Services	-	-	53,619	10,585	31,073	67,979	122,877	3,800	177,432	467,365
Fundraising										
Fundraising	20,018	-	-	-	-	-	-	-	-	20,018
Total Fundraising	20,018	-	-	-	-	-	-	-	-	20,018
Total Expenses	20,018	13,243	451,845	114,645	424,219	822,813	1,152,115	43,443	1,715,828	4,758,169
Excess (Deficiency) of Support and Revenues Over Expenses	(9,242)	111,702	(290,398)	186,592	160,827	59,499	(78,243)	16,179	(73,354)	83,562
Net Assets, Beginning of Year	(38,309)	1,394,800	(1,574,572)	811,029	1,406,057	142,260	121,967	12,164	484,324	2,759,720
Net Assets, End of Year	$ (47,551)	$ 1,506,502	$ (1,864,970)	$ 997,621	$ 1,566,884	$ 201,759	$ 43,724	$ 28,343	$ 410,970	$ 2,843,282

See Independent Auditor's Report

SECOND START

SCHEDULE OF SUPPORT AND REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2024

	Fundraising	*General & Building*	*Special Education*	*TET Program*	*Alternative High School*	*Student Assistance*	*Adult Education & Literacy*	*Welcoming Concord*	*Daycare*	*Total*
SUPPORT AND REVENUES										
Grants from Governmental Agencies	$ -	$ -	$ -	$ -	$ -	$ -	$ 924,430	$ -	$ 302,112	$ 1,226,542
Private Fees	-	-	-	-	-	-	-	10,485	1,098,061	1,108,546
Fees from Governmental Agencies	-	-	116,989	196,987	504,749	604,955	262,621	-	-	1,686,301
Miscellaneous Income	-	3,056	-	5,900	-	364	205	-	3,766	13,291
Private Grants	-	-	-	-	-	-	30,000	10,000	-	40,000
Contributions of Cash and Other Financial Assets	-	22,549	-	-	950	-	385	-	-	23,884
Contributions of Nonfinancial Assets	-	-	-	-	18,900	-	-	-	-	18,900
United Way	-	-	-	-	-	60	21,769	-	-	21,829
Fundrasining Income	35,726	-	-	-	-	-	-	-	-	35,726
Investment Income, Net of Fees	-	39,897	-	-	-	-	-	-	-	39,897
Total Support and Revenues	35,726	65,502	116,989	202,887	524,599	605,379	1,239,410	20,485	1,403,939	4,214,916
TOTAL SUPPORT, REVENUE, AND OTHER NET ASSETS WITHOUT DONOR RESTRICTIONS	35,726	65,502	116,989	202,887	524,599	605,379	1,239,410	20,485	1,403,939	4,214,916
EXPENSES										
Program Services										
Instruction and Student Activities	-	7,347	325,591	60,136	163,001	523,045	625,598	16,513	1,122,987	2,844,218
Staff Development and Professional Fees	-	-	3,202	1,349	2,680	4,763	297,117	-	6,026	315,137
Other Program Costs	-	6,324	21,970	18,071	22,955	5,900	42,278	4,022	151,332	272,852
Occupancy	-	-	9,482	4,975	27,483	-	25,309	-	79,634	146,883
Interest	-	-	155	31	35	-	85	-	-	306
Direct Depreciation	-	-	11,082	3,588	6,059	-	26,973	173	39,158	87,033
Total Program Services	-	13,671	371,482	88,150	222,213	533,708	1,017,360	20,708	1,399,137	3,666,429
Support Services										
General Administrative	-	-	49,128	8,188	24,564	49,128	110,539	4,094	173,677	419,318
Total Support Services	-	-	49,128	8,188	24,564	49,128	110,539	4,094	173,677	419,318
Fundrairing										
Fundrairing	74,035	-	-	-	-	-	-	-	-	74,035
Total Fundraosing	74,035									74,035
Total Expenses	74,035	13,671	420,610	96,338	246,777	582,836	1,127,899	24,802	1,572,814	4,159,782
Excess (Deficiency) of Support and Revenues Over Expenses	(38,309)	51,831	(303,621)	106,549	277,822	22,543	111,511	(4,317)	(168,875)	55,134
Net Assets, Beginning of Year	-	1,342,969	(1,270,951)	704,480	1,128,235	119,717	10,456	16,481	653,199	2,704,586
Net Assets, End of Year	$ (38,309)	$ 1,394,800	$ (1,574,572)	$ 811,029	$ 1,406,057	$ 142,260	$ 121,967	$ 12,164	$ 484,324	$ 2,759,720

See Independent Auditor's Report

Zanna C. Blaney

[redacted]

EXPERIENCE

Second Start, Concord NH- *Adult Diploma Director*
September 2019-present

Coordinating an adult ed. diploma program for the Concord School District. Building enrollment, recruiting teaching staff and securing resources for several classes starting in February.

Bedford High School, Bedford, NH — *Dean of Student Services*
2008 - July 2019

After five years as a School Counselor I was promoted to Dean where I managed a staff of eleven individuals and a student body of 1,500. My duties included coordinating standardized testing, scheduling, Program of Studies, staff evaluations, counseling curriculum, school-wide programming, 504 Plan coordination, NCAA Clearinghouse, etc.

The Center for College Planning at NHHEAF, Concord, NH *Senior College Counselor*
2004-2008

Supported students, families and schools (public & independent, K-12) across NH in regard to college counseling and financial aid education.

Colby-Sawyer College, New London, NH — *Asst. Director of Admissions*
2001-2004

Traveled extensively for recruitment in New Hampshire, Cape Cod and Ohio. Collaborated with staff and faculty on various projects and events such as athletic recruitment, open houses, and overnight visits.

EDUCATION

Plymouth State University, Plymouth, NH — *M. Ed. in School Counseling*
Graduated May 2008

Internships at KRES at Bradford, Merrimack Valley Middle School & BHS

Colby-Sawyer College, New London, NH — *Bachelor of Science in Psychology, minor in Child Development*
Graduated May 2000

Internship at Kearsarge Regional High School

INITIATIVES

B.A.S.E. Camp! *Co-founded a week-long summer program for rising freshman in Bedford*

Student trips *Coordinated multiple trips around the country from Habitat for Humanity to surfing Maine*

DCYF Initiative *Developed a program with DHHS to benefit the needs of college-bound students in foster care*

"Team Edies" *one of four team members who represented BHS when recognized NH School of Excellence 2013*

CAREER HIGHLIGHTS

Grant recipient *Awarded three different grants for new programming efforts*

Coaching BHS *Varsity Alpine and BHS Equestrian Teams*

Nominated *ASCA School Counselor of the Year 2012*

Presenter *College Board National Forum NY, NY*

Presenter *NCAN National Conference, Orlando, FL*

Vigdis Dunn

Professional Experience:

July 2022- present	Second Start - Concord, NH HiSET Chief Examiner
2001- June 2022	Second Start - Concord, NH Adult Education Student Advisor
1999- 2001	Bancroft Employment Services - Concord, NH Staffing Coordinator, Out of Site Training Coordinator, Projects with Industry Program Coordinator/Instructor, Project Entry Program
1997-1998	New Hampshire Job Training Council, Jobs for NH Graduates Program - Laconia, NH Youth Specialist
1997	Seminole Point Hospital - Sunapee, NH Case Manager
1996-1997	Seaborne Hospital - Dover, NH Primary Therapist Counselor 1

Education:

Northeastern University
Boston, MA
Bachelor of Science (1992), Psychology

Quinnipiac College
Hamden, CT
Bachelor of Arts, Psychology (3 years completed)

Patricia Bedford

Experience

November 2022 to Current <u>**ADULT LEARNER SERVICES COORDINATOR**</u>

Second Start, Concord, NH

2020 to 2022 <u>**PARAPROFESSIONAL**</u>

Bow Elementary School

2010-2020 <u>**ACADEMIC ADVISOR/TUTOR COORDINATOR**</u>

Manchester Community College, Manchester, NH

2000-2010 <u>**TRIO/SSS DIRECTOR**</u>

Regional Director for Great Bay Community College and Manchester Community College, Stratham and Manchester, NH

1998-2000 <u>**TUTOR COORDINATOR**</u>

Great Bay Community College, Stratham, NH

1991-1998 <u>**DIRECTOR COUNSELING AND HEALTH SERVICES**</u>

NHTI, Concord Community College, Concord, NH

Education

Bachelor of Arts University of Santa Cruz

Master of Arts, Antioch/New England

Counseling Psychology with a concentration in Individual Psychotherapy and Organizational Management

References

Furnished upon request.

Reg. No.	Charity Name	Address	City	State	Zip	Status	Report Due
17428	Second Chance Animal Rescue	PO Box 686	Wiilton	NH	03086	G	5/15/2026
18837	Second Chance Animal Rescue, Inc.	1517 Meadow Street	Littleton	NH	03561-3617	G	5/15/2026
31691	Second Chance Ranch Rescue, Inc.	449 Joe English Road	New Boston	NH	03070	G	5/15/2026
32488	Second Chances	PO Box 54	Seabrook	NH	03874	X	5/15/2021
31636	Second Chances for Blind Dogs Foundation, Inc.	4335 Van Nuys Boulevard, Suite 190	Sherman Oaks	CA	91403	G	5/15/2026
12112	Second Growth	PO Box 206	Hanover	NH	03755-0206	G	11/15/2026
30365	Second Harvest Heartland	7101 Winnetka Ave. North	Brooklyn Park	MN	55428	G	8/15/2026
15132	Second Harvest of Silicon Valley	750 Curtner AvenueSan Jose, CA 95125	San Jose	CA	95125	G	11/15/2026
31282	Second Service Foundation, Inc.	5071 Main Street #21Stephens City, VA 22655	Stephens City	VA	22655	G	5/15/2026
10220	Second Start	17 Knight Street	Concord	NH	03301	G	11/14/2026
15090	Second Wind Foundation, Inc.	200 Olcott Drive	White River Juncti	VT	05001	X	11/15/2024
31631	Secondhand Costume Annual Redistribution Effort	1 Cheshire Street	Nashua	NH	03063	G	5/15/2026
15249	Secret Sock Society	170 Beechwood Lane	Franconia	NH	03580	G	5/15/2026
34559	Secure Community Network	540 North Dearborn Street PO Box 10303	Chicago	IL	60610	G	5/15/2026
11539	SecureAmericaNow.Org	1800 M Street NW, Ste 450N	Washington	DC	20036	G	5/15/2026
19257	SEE Science Center, Inc.	200 Bedford Street	Manchester	NH	03101	G	5/15/2026
33682	Seed Savers Exchange, Inc.	C/O 1395 Piccard Drive Suite 180	Rockville	MD	20850	X	9/15/2025
34758	Seed Your Future	1001 North Fairfax Street, Suite 201	Alexandria	VA	22314	G	5/15/2026
32781	Seeding Labs	25 Dorchester Avenue #51914	Boston	MA	02205	G	5/15/2026
19029	Seeds of Faith, Inc.	21 Grand StSomersworth, NH 03878	Somersworth	NH	03878	G	5/15/2026
17589	Seeds of Peace, Inc.	370 Lexington Ave Suite 201New York, NY 10017	New York	NY	10017	G	11/15/2025
6097	Seeing Eye, Inc.	1 Seeing Eye WayMorristown, NJ 07960	Morristown	NJ	07960	G	2/14/2027
33277	SeeJesus.net, Inc.	267 Morwood RdTelford, PA 18969	Telford	PA	18969	G	5/15/2026
32822	Seismological Society of America	400 Evelyn Avenue, Suite 201Albany, CA 94706	Albany	CA	94706	G	6/15/2026
15827	Selective Mutism Association, Inc.	13750 W. Colonial Dr. Suite 350 #213	Winter Garden	FL	34787-4204	G	11/15/2026
11209	Seminary Ridge Historic Preservation Foundation	61 Seminary RdGettysburg, PA 17325	Gettysburg	PA	17325	G	11/14/2025
13231	Semper Fi & America's Fund	715 Broadway StreetQUANTICO, VA 22134	QUANTICO	VA	22134	G	11/14/2026
10097	Sempervirens Fund	800 W El Camino Real Ste 180Mountain View, CA 9404	Mountain View	CA	94040	G	5/15/2026
12060	Send International	PO Box 513	Farmington	MI	48332-0513	X	2/15/2024
30579	Senior Citizens Housing Development Corporation of Sullivan County	PO Box 603	Keene	NH	03431	G	5/15/2027