



Nicholas A. Toumpas
Commissioner

Maggie Bishop
Director

STATE OF NEW HAMPSHIRE

DEPARTMENT OF HEALTH AND HUMAN SERVICES

DIVISION FOR CHILDREN, YOUTH & FAMILIES

129 PLEASANT STREET, CONCORD, NH 03301-3857
603-271-4451 1-800-852-3345 Ext. 4451
FAX: 603-271-4729 TDD Access: 1-800-735-2964

May 2, 2013

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
State House
Concord, New Hampshire 03301

100% federal
Sole Source

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division for Children, Youth and Families to amend an existing **sole source** agreement with the Community College System of New Hampshire (Vendor #216952 B001) 26 College Drive, Concord, NH 03301 for the provision of Early Child Care Tuition Assistance by increasing the price limitation by \$86,000 from \$744,000 to \$830,000 and extending the completion date from June 30, 2013 to December 31, 2013 effective July 1, 2013, or date of Governor and Council approval. Governor and Council approved the original agreement on July 15, 2009, (Item #98) and a subsequent renewal on June 8, 2011, (Item #103).

Funds to support this request are anticipated to be available in the following account in SFY 2014 upon the availability and continued appropriation of funds in the future operating budgets, with authority to adjust amounts within the price limitation and amend the related terms of the contract without further approval from the Governor and Executive Council.

05-95-42-421110-29780000 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF,
HHS: HUMAN SERVICES, CHILD DEVELOPMENT, CHILD CARE DVLP-QUALITY ASSURE

Class/Object	Title	Activity Code	State Fiscal Year	Current Modified Budget	Increase (Decrease) Amount	Revised Modified Budget
102-500731	Contracts For Program Services	40035205	2010	\$200,000	\$0	\$200,000
102-500731	Contracts For Program Services	40035205	2011	\$200,000	\$0	\$200,000
102-500731	Contracts For Program Services	40035205	2012	\$172,000	\$0	\$172,000
102-500731	Contracts For Program Services	40035205	2013	\$172,000	\$0	\$172,000
102-500731	Contracts For Program Services	40035205	2014	\$0	\$86,000	\$86,000
Subtotal				\$744,000	\$86,000	\$830,000

EXPLANATION

The original agreement, approved by Governor and Council on July 15, 2009, (Item #98), included a provision for the renewal of this contract for up to two additional years subject to approval by Governor and Executive Council. The subsequent amendment, approved by Governor and Council on June 8, 2011, (Item #103) exercised that option. The Department is now requesting that the Governor and Executive Council approve a six-month extension to the existing **sole source** agreement. The extension is requested so that the Department can ensure tuition assistance remains available and the Department maintains compliance with federal requirements. The Department is currently working to develop and will be issuing a Request for Proposals by September 2013 for this service. Services will be competitively bid.

New Hampshire is federally required by 45 CFR 98.51 to use Federal Child Care Development Funds to increase the availability, accessibility, and quality of child care programs throughout the State. These expenditures are required to maintain federal funding for the NH Child Care Scholarship Program that provides child care subsidies to families to help them continue working or participating in a job search activity. This requested action meets the conditions of the federal mandate through the provision of tuition assistance for students studying early care and education. These courses will be made available at the college's seven regional campuses: Berlin, Claremont, Concord, Laconia, Manchester, Nashua, and Stratham; and four academic centers locations: Conway, Keene, Littleton, and Portsmouth. Traditional and on-line format courses will be offered.

New Hampshire children and their families benefit from well-educated early childhood professionals who can offer quality care to young children. The salaries of the vast majority of child care professionals in New Hampshire do not allow opportunities in higher education without financial hardship. The provision of this tuition assistance will remove a significant barrier for many early childhood professionals to become more qualified to deliver care in child care settings throughout New Hampshire. Low-income families will also benefit by the continuance of available child care subsidies provided through the NH Child Care Scholarship Program.

Should Governor and Council not authorize this Request the quality of care offered to young children and the education of the child care workforce may diminish. Additionally, federal sanctions could result in a reduction in federal funds to support the Child Care Scholarship Program resulting in financial hardship for families dependent on subsidized child care to remain employed or participating in a job search activity.

The agreement was awarded as a result of a competitive bid process. On October 1, 2008 the Division issued a Request for Proposals for Statewide College Tuition Assistance for Early Care and Education Providers for both a two-year and four-year program of study. The Request for Proposals was published on the Department's web-site and advertised in the New Hampshire Union Leader October 1-3, 2008. As of the closing date two agencies submitted proposals for the two-year program of study; the Community College System of New Hampshire, and Southern New Hampshire University. The Community College System of NH's proposal was not scored because it exceeded the price limitation for two-year program set forth in the Request for Proposals. Southern New Hampshire's proposal was not selected because they were determined not to have the necessary statewide presence to deliver the service.

Her Excellency, Governor Margaret Wood Hassan

And the Honorable Executive Council

May 2, 2013

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On January 16, 2009, the Division re-issued an Request for Proposals for a Statewide College Tuition Assistance for Early Care and Education Providers for a Two-Year Program of Study, that was published on the Department's web-site and advertised in the New Hampshire Union Leader January 16-18, 2009. The Community College System of New Hampshire was the lone agency that submitted a proposal. The evaluation committee recommended entering into an agreement due to its past and current performance, the ability to work well with the Department, its ability to provide the courses statewide, and its demonstrated program management and organizational capacity to carry out the service within the required timeframes.

The Agreement has 15 overall performance measures with negotiated goals to determine the success of the contract. These performance measures include goals for the overall percentage of student satisfaction among all unduplicated participants, and the number of students 3 months after receiving assistance who are still working in the field. Recipients of scholarships who are no longer working in the field of early care and education are required to return the assistance. Goals will be evaluated on a quarterly basis and performance that does not meet the negotiated expectations may result in financial penalties or a termination of the contract as described and authorized in the agreement.

Source of Funds: 100% Federal Department of Health and Human Services Funds.

Area Served: Statewide.

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

Respectfully submitted,

Maggie Bishop CREB

Maggie Bishop
Director

Approved by:

N. M. A. Toumpas

Nicholas A. Toumpas
Commissioner



New Hampshire Early Childhood Education Tuition Assistance Contract

State of New Hampshire
Department of Health and Human Services
Amendment #2 to the Early Childhood Education Tuition Assistance Contract

This 2nd Amendment to the Early Childhood Education Tuition Assistance contract (hereinafter referred to as "Amendment #2") dated this 30th day April of 2013, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and the Community College System of New Hampshire (hereinafter referred to as "the Contractor"), a body corporate and politic under the laws of 2007, Chapter 361 with a place of business at 26 College Drive, Concord, NH 03301.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on July 15, 2009, Item #98, and amended by an agreement (Amendment #1 to the Contract) approved on June 8, 2011, Item #103, the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract as amended and in consideration of certain sums specified; and

WHEREAS, the State and the Contractor have agreed to make changes to the scope of work, payment schedules and terms and conditions of the contract; and

WHEREAS, pursuant to the Memorandum of Agreement, Section III, Number 4.1, "This MOA may be amended at any time by written agreement of both parties, subject to required CCSNH and State approvals and, when required, Governor and Executive Council approval;

WHEREAS, the parties agree to extend the current contract by six months;

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

- Opening Paragraph, shall be amended to read, "commencing July 1, 2009 – December 31, 2013 for \$830,000...";
- Section I, Number 5, shall be amended to read, "...to a maximum of \$830,000...";
- Section III, Number 1, shall be amended to read, "\$830,000 for services provided during the program period July 1, 2009 – December 31, 2013.
- Section III, Number 2.3, shall be amended to read, "no later than March 1, 2014"

Except as specifically amended and modified by the terms and conditions of this Amendment, Amendment #1, approved by Governor and Council on 6/8/11 (Item #103), and the Agreement approved by Governor and Council on July 15, 2009, and the obligations of the parties there under, shall remain in full force and effect in accordance with the terms and conditions set forth herein.

New Hampshire Early Childhood Education Tuition Assistance Contract



This amendment shall be effective upon the date of Governor and Executive Council approval.

IN WITNESS WHEREOF, the parties have set their hands as of the date written below,

State of New Hampshire
Department of Health and Human Services

5/2/13
Date

Maggie Bishop (SES)
Maggie Bishop, Director
Division for Children, Youth and Families

Community College System of New Hampshire

5-2-13
Date

[Signature]
Signor name
Signor title

Acknowledgement:

State of NH, County of Merrimack on 5/2/13, before the undersigned officer, personally appeared the person identified above, or satisfactorily proven to be the person whose name is signed above, and acknowledged that s/he executed this document in the capacity indicated above.

Signature of Notary Public or Justice of the Peace

Kelly Morrow Chapman
Name and Title of Notary or Justice of the Peace

New Hampshire Early Childhood Education Tuition Assistance Contract



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

OFFICE OF THE ATTORNEY GENERAL

3 May 2013
Date

Jeane P. Hersch
Name: Jeane P. Hersch
Title: Attorney

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

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title:

New Hampshire Department of Health and Human Services

Community College

Bidder/Program Name: System of NH

Budget Request for: \$86,000

(Name of RFP)

Budget Period: 7/1/13-12/31/13

Line Item	Direct Incremental	Indirect Fixed	Total State Costs	Bidder Match	Total Costs	Allocation Method for Indirect/ Fixed Cost
1. Total Salary/Wages	\$7,000	0	\$7,000	0	\$7,000	
2. Employee Benefits	\$535.00	0	\$535.00	0	\$535.00	
3. Consultants	0	\$	\$	\$	\$	
4. Equipment:	0	\$	\$	\$	\$	
Rental	\$	\$	\$	\$	\$	
Repair and Maintenance	\$	\$	\$	\$	\$	
Purchase/Depreciation	\$	\$	\$	\$	\$	
5. Supplies:	0	\$	\$	\$	\$	
Educational	\$	\$	\$	\$	\$	
Office	\$	\$	\$	\$	\$	
6. Travel	0	\$	\$	\$	\$	
7. Occupancy	0	\$	\$	\$	\$	
8. Current Expenses	0	\$	\$	\$	\$	
Telephone	\$	\$	\$	\$	\$	
Postage	\$	\$	\$	\$	\$	
Subscriptions	\$	\$	\$	\$	\$	
Audit and Legal	\$	\$	\$	\$	\$	
Insurance	\$	\$	\$	\$	\$	
Board Expenses	\$	\$	\$	\$	\$	
9. Software	0	\$	\$	\$	\$	
10. Marketing/Communications	0	\$	\$	\$	\$	
11. Staff Education and Training	\$1,766.00	0	\$1,766.00	0	\$1,766.00	
12. Subcontracts/Agreements	0	\$	\$	\$	\$	
13. Other (specific details mandatory): Full Tuition Assistance	40,000	0	\$40,000	0	\$40,000	
Other: Partial Tuition Assistance	\$36,000.00	0	\$36,000	0	\$36,000	
Other: Indirect Costs	\$698.99	\$698.99	\$698.99	0	\$698.99	3 \$7.65% - Total Indirect 3.65% Direct Supervision, 2% Grants Management, 1% Space, 1% Utilities
TOTAL	\$86,000	\$ -	\$86,000	\$ -	\$86,000	

Indirect As A Percent of Direct

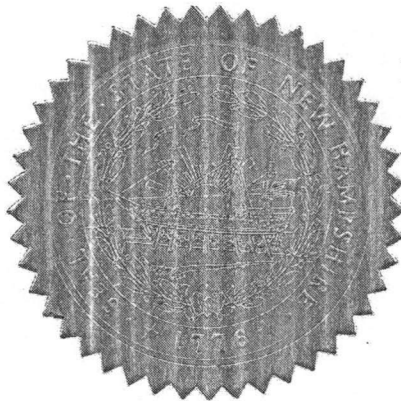
#DIV/0!

Contractor Initials: RG

Date: 5-2-13

State of New Hampshire
Department of State

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby
certify that THE COMMUNITY COLLEGE SYSTEM OF NEW HAMPSHIRE was
established, and made a body corporate and politic under the laws of 2007, Chapter 361.



In TESTIMONY WHEREOF, I hereto
set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 10th day of April, A.D. 2013

A handwritten signature in dark ink, appearing to read "Wm Gardner", is written over a horizontal line.

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE

(Corporation without Seal)

I, Marie Mills, do hereby certify that:
(Name of Clerk of the Corporation; cannot be contract signatory)

1. I am a duly elected Clerk of Community College System of NH.
(Corporation Name)
2. The following are true copies of two resolutions duly adopted at a meeting of the Board of Directors of the Corporation duly held on 12/12/11:
(Date)

RESOLVED: That this Corporation enter into a contract with the State of New Hampshire, acting through its Department of Health and Human Services, , for the provision of

ECE Tuition Assistance services.

RESOLVED: That the Dr. Ross Gittel
(Title of Contract Signatory)

is hereby authorized on behalf of this Corporation to enter into the said contract with the State and to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, as he/she may deem necessary, desirable or appropriate.

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of the 2nd day of May, 2013.
(Date Contract Signed)

4. Dr. Ross Gittel is the duly elected Chancellor
(Name of Contract Signatory) (Title of Contract Signatory)

of the Corporation.

Marie Anne Mills
(Signature of Clerk of the Corporation)

STATE OF NEW HAMPSHIRE

County of Merrimack

The forgoing instrument was acknowledged before me this 2nd day of May, 2013.

By Marie Anne Mills.
(Name of Clerk of the Corporation)

(NOTARY SEAL)

Holly Morrow Chapman
(Notary Public/Justice of the Peace)

Commission Expires: 12/31/13

Client#: 632687

COMMUCOL2

ACORD™

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

4/24/2013

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

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

PRODUCER USI Insurance Svcs of NE, Inc. PO Box 6360 Manchester, NH 03108-6360 603 625-1100	CONTACT NAME:	
	PHONE (A/C, No, Ext): 603 625-1100	FAX (A/C, No):
INSURED Community College System of NH 26 College Drive Concord, NH 03301-7407	E-MAIL ADDRESS:	
	INSURER(S) AFFORDING COVERAGE	
	INSURER A: Hanover Insurance Company	NAIC #: 22292
	INSURER B: NH Employers Insurance Company	13083
	INSURER C:	
	INSURER D:	
INSURER E:		
INSURER F:		

COVERAGES

CERTIFICATE NUMBER:

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	ADOL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	X	ZBV918860101	07/01/2012	07/01/2013	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$500,000 MED EXP (Any one person) \$15,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$3,000,000 PRODUCTS - COMP/OP AGG \$3,000,000 \$
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS		ABV918859701	07/01/2012	07/01/2013	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$0		UHV918860401	07/01/2012	07/01/2013	EACH OCCURRENCE \$15,000,000 AGGREGATE \$15,000,000 \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N N/A	ECC4000287022012	07/01/2012	07/01/2013	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E L EACH ACCIDENT \$500,000 E L DISEASE - EA EMPLOYEE \$500,000 E L DISEASE - POLICY LIMIT \$500,000

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

Supplemental Names

- Great Bay Community College
 - Lakes Region Community College
 - Manchester Community College
 - Nashua Community College
- (See Attached Descriptions)

CERTIFICATE HOLDER

CANCELLATION

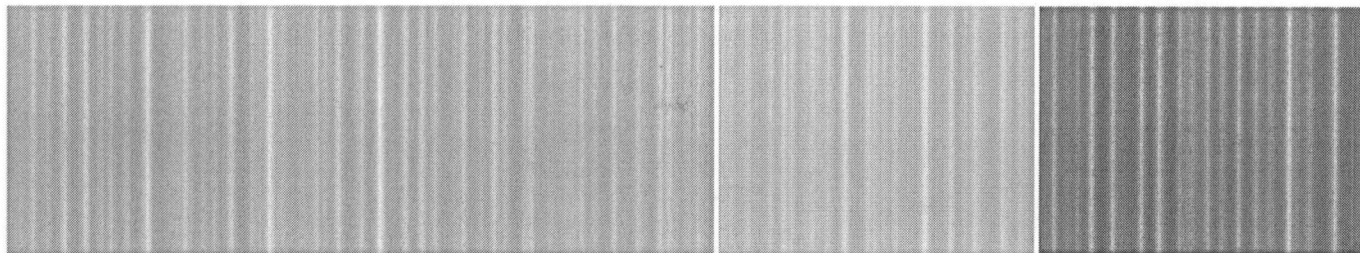
State of NH Department of Health Human Services 129 Pleasant Street Concord, NH 03301	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE <i>E. Arnold</i>

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DESCRIPTIONS (Continued from Page 1)

- NHTI-Concord Community College
- River Valley Community College
- White Mountain Community College

The State of New Hampshire is named as additional insured with respect to the General Liability.

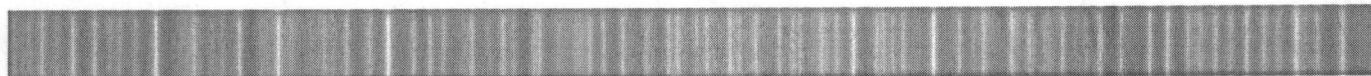


(A Component Unit of the State of New Hampshire)

FINANCIAL STATEMENTS

June 30, 2012 and 2011

With Independent Auditors' Report



**COMMUNITY COLLEGE SYSTEM OF NEW HAMPSHIRE
(A Component Unit of the State of New Hampshire)**

Reports on Audits of Financial Statements and Supplemental Information

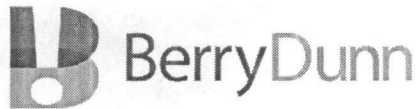
As of June 30, 2012 and 2011

and

For the Year Ended June 30, 2012

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INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Community College System of New Hampshire
(a component unit of the State of New Hampshire)

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component unit of the Community College System of New Hampshire (a component unit of the State of New Hampshire) (CCSNH) as of June 30, 2012 and 2011 and for the year ended June 30, 2012 as listed in the table of contents. These financial statements are the responsibility of CCSNH's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the aggregate discretely presented component unit. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component unit, is based on the reports of the other auditors.

We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CCSNH's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other the other auditors provide a reasonable basis for our opinion.

As described in Note 8, the accompanying statement of net position of CCSNH as of June 30, 2011 has been restated to report certain items on an accrual basis and to correct certain errors.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and the aggregate discretely presented component unit of CCSNH as of June 30, 2012 and 2011, and the respective changes in financial position and cash flows thereof for the year ended June 30, 2012, in conformity with U.S. generally accepted accounting principles.

U.S. generally accepted accounting principles require that the Management's Discussion and Analysis on pages 2 through 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Berry, Dunn, McNeil & Parker

Manchester, New Hampshire
December 21, 2012

COMMUNITY COLLEGE SYSTEM OF NEW HAMPSHIRE
(A Component Unit of the State of New Hampshire)

Management's Discussion and Analysis (Unaudited)

June 30, 2012 and 2011

INTRODUCTION

The following management's discussion and analysis (MD&A) is intended to provide an overview of the financial position and results of operations of the Community College System of New Hampshire (CCSNH) for the fiscal year ended June 30, 2012. This discussion is provided by the management of CCSNH and should be read in conjunction with the following financial statements and notes.

The New Hampshire State Legislature, through the passage of Chapter 361, Laws of 2007, established the CCSNH as a body politic and corporate for the purpose of providing a well-coordinated system of public community college education. Governance of CCSNH was placed with a single Board of Trustees which is its policy making and operational authority.

CCSNH is a statewide system of seven community colleges, two satellite campuses and an office of the Chancellor. It includes the Community Colleges of New Hampshire Foundation as a discretely presented non-major component unit.

CCSNH offers associate degrees, professional training, and transfer pathways to four-year degrees to approximately 27,000 students.

The Community Colleges of New Hampshire Foundation (the Foundation) is a separate legal entity established as a 501(c)(3) corporation. The Foundation is structured to seek and secure private funds and/or grants in order to supplement the traditional revenue sources of CCSNH. The Foundation's mission is to support CCSNH and make higher education more accessible by providing student scholarship assistance, facility and staff support programs and improved education facilities. These assets and all activity of the Foundation are included in the financial statements of CCSNH as a discretely presented component unit. The MD&A includes information only for CCSNH, not its component unit. Complete financial statements of the Foundation can be obtained from CCSNH's administrative office.

FINANCIAL STATEMENTS

CCSNH reports its activity as a business type activity using the full accrual basis of accounting. The accrual basis of accounting ensures that all amounts owed to CCSNH and all pending obligations of CCSNH are accounted for in the appropriate period.

CCSNH's financial statements include three main documents, a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position and a Statement of Cash Flows.

COMMUNITY COLLEGE SYSTEM OF NEW HAMPSHIRE
(A Component Unit of the State of New Hampshire)

Management's Discussion and Analysis (Unaudited)

June 30, 2012 and 2011

STATEMENT OF NET POSITION

The statement of net position presents the financial position of CCSNH at the end of the year and includes all assets and liabilities of CCSNH, the difference between the two being net position. The condensed statement of net position is shown below.

	June 30	
	2012	2011
Assets		
Current	\$ 19,840,613	\$ 20,185,123
Net capital	101,664,893	23,079,641
Other noncurrent assets	<u>5,398,696</u>	<u>935,464</u>
Total assets	<u>\$ 126,904,202</u>	<u>\$ 44,200,228</u>
Liabilities		
Current	\$ 9,919,398	\$ 10,586,783
Noncurrent	<u>21,531,897</u>	<u>21,701,092</u>
Total liabilities	<u>\$ 31,451,295</u>	<u>\$ 32,287,875</u>
Net position		
Invested in capital assets, net of related debt	\$ 85,128,765	\$ 5,080,422
Restricted nonexpendable	154,697	159,889
Restricted expendable	1,981,581	-
Unrestricted	<u>8,187,864</u>	<u>6,672,042</u>
Total net position	<u>\$ 95,452,907</u>	<u>\$ 11,912,353</u>

The cash position of CCSNH is stable and sufficient to meet obligations as they come due.

In FY 2012, net assets increased significantly due to the passage of Chapter 199, Laws of 2011, which transferred ownership of all the property used by CCSNH from the State of New Hampshire to CCSNH. The transfer is included in the Statement of Revenues, Expenses and Changes in Net Position for the year ended June 30, 2012 as an increase to the net position of CCSNH. The capital assets recognized in the transfer were from two separate pools, those assets meeting the State's capitalization policy with a net book value of \$71,123,625, and those capital assets with costs that are less than the State's capitalization threshold, but are considered capital assets under CCSNH's capitalization policy, with a net book value of \$5,536,628.

Accrued salary and benefits and bonds payable comprise the majority of current and noncurrent liabilities. Most of CCSNH's construction projects are paid for by the State of New Hampshire through the State's capital budget. However, certain projects, e.g., dorms, while financed by the State through the capital budget, are paid for by CCSNH. Fees collected from students are used to pay the principal and interest on the bonds used to fund these projects.

COMMUNITY COLLEGE SYSTEM OF NEW HAMPSHIRE
(A Component Unit of the State of New Hampshire)

Management's Discussion and Analysis (Unaudited)

June 30, 2012 and 2011

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The following Statement of Revenues, Expenses and Changes in Net Position presents information showing the results of operations for CCSNH for fiscal year ended June 30, 2012. The condensed Statement of Revenues, Expenses and Changes in Net Position is shown below.

Operating revenues	
Tuition and fees	\$ 71,113,729
Other revenue	<u>9,392,589</u>
Total operating revenue	80,506,318
Operating expenses	
Employee compensation and benefits	82,967,197
Other operating expenses	<u>25,706,190</u>
Total operating expenses	<u>108,673,387</u>
Operating loss	<u>(28,167,069)</u>
Nonoperating revenues (expenses) and other changes	
State appropriations - operating	31,358,244
State appropriations - capital	4,550,488
Transfer from the State of New Hampshire (the State)	71,123,625
Capital assets received below the State's capitalization policy	5,536,628
Other nonoperating revenues (expenses)	<u>(861,362)</u>
Nonoperating revenues, net	<u>111,707,623</u>
Increase in net position	83,540,554
Net position at beginning of year, as restated	<u>11,912,353</u>
Net position at end of year	<u>\$ 95,452,907</u>

The majority of operating revenue recorded by CCSNH comes from net tuition and fees which totaled \$71.1 million in FY 2012. Tuition was affected by the increase in the per credit cost which increased 7.7%, from \$195 to \$210 per credit, in FY 2012.

CCSNH is, like many institutions of higher education, labor intensive and operating expenses are mainly payments to employees for salaries and benefits. CCSNH is aware of the importance of controlling these costs, works to establish the optimal mix of full and part time employees and concentrates on minimizing yearly increases in benefit costs.

State operating appropriations are recorded as non-operating revenue but are used, and are essential, for the day to day operations of CCSNH. In FY 2012, State appropriations totaled \$31.4 million. Other changes in net position are comprised of increases from the transfer and reclassification of assets mentioned above and State capital appropriations which totaled \$4.6 million.

COMMUNITY COLLEGE SYSTEM OF NEW HAMPSHIRE
(A Component Unit of the State of New Hampshire)

Management's Discussion and Analysis (Unaudited)

June 30, 2012 and 2011

STATEMENT OF CASH FLOWS

The statement of cash flows provides pertinent information about the cash receipts and cash payments during a certain period of time. The statement provides an additional tool to assess the financial health of the institution. The condensed statement of cash flows is shown below:

Net Cash Used - Operating Activities	\$ (22,248,000)
Net Cash Provided - Noncapital Financing Activities	31,358,244
Net Cash Used - Capital and Related Financing Activities	<u>(9,013,497)</u>
 Net Increase in Cash and Cash Equivalents	 <u>96,747</u>
 Cash and cash equivalents, beginning of year	 <u>18,252,389</u>
 Cash and cash equivalents, end of year	 <u>\$ 18,349,136</u>

As stated above, cash and cash equivalents remained steady from FY 11 to FY 12. The inflows of cash matched the outflows with net increase of \$96,747 for the year.

CAPITAL ASSETS AND DEBT

The Community College System of New Hampshire has received significant funding as part of the State of New Hampshire's Capital Budget over the past several biennia. The funding has allowed for major construction and renovation at all seven campuses and has changed the look of CCSNH. The construction has allowed CCSNH to accommodate the net growth experienced over the last several years. During the year ended June 30, 2012, CCSNH paid \$6,689,044 for capital asset additions.

CCSNH did not incur any additional debt during the year ended June 30, 2012. During the year ended June 30, 2012, CCSNH paid \$1,463,091 in principal payments on bonds payable and capital lease obligations.

**COMMUNITY COLLEGE SYSTEM OF NEW HAMPSHIRE
(A Component Unit of the State of New Hampshire)**

Management's Discussion and Analysis (Unaudited)

June 30, 2012 and 2011

ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE

The economic condition of CCSNH is closely tied to the State. CCSNH's state appropriation for FY 2013 will remain fairly level compared to FY 2012. Despite the decrease in state appropriations of approximately 20% in FY2012, CCSNH's Board of Trustees decided not to increase the tuition rates for FY 2013. CCSNH took measures to lower costs and expenses to enable it to hold tuition level for the upcoming year but Trustees sounded a strong note of caution about the strain that has placed on college operations in a time of increasing demand.

One trend that CCSNH sees is growth in online courses, which offer greater flexibility of scheduling and convenience for students who often face the demands of jobs and family. Over the last five years, CCSNH has seen enrollment in online courses increase by 64 percent. The convenience and quality of online courses is a strong selling point and the community colleges offer more than 700 online courses each year. The content and richness of resources that are part of online course offerings are surprising to many who are unfamiliar with online learning, but that growth in this area is linked to increasing student demand and research showing the quality of online education.

During the year ended June 30, 2012, CCSNH was awarded \$19.9 million, the largest grant in the System's history, to develop training programs that will support NH's advanced manufacturing industry. CCSNH applied for the grant through the US Department of Labor's Trade Adjustment Act-Community College Career and Training Grant program. The funds will enable CCSNH to develop programs that prepare individuals for skilled employment to meet current and emerging workforce needs in advanced manufacturing in New Hampshire. The programs will focus on displaced workers and other job-seekers by providing training opportunities at multiple professional levels in skills linked to regional employment.

COMMUNITY COLLEGE SYSTEM OF NEW HAMPSHIRE
(A Component Unit of the State of New Hampshire)

Statements of Net Position

June 30, 2012 and 2011

	Community College System of New Hampshire		Community Colleges of New Hampshire Foundation	
	June 30		June 30	
	2012	Restated 2011	2012	2011
Assets				
Current assets				
Cash and cash equivalents	\$ 18,349,136	\$ 18,252,389	\$ 549,840	\$ 519,991
Student accounts receivable	411,018	1,076,016	-	-
Other accounts receivable	374,028	225,000	71,029	136,444
Grants and contracts receivable	706,431	631,718	-	-
Total current assets	<u>19,840,613</u>	<u>20,185,123</u>	<u>620,869</u>	<u>656,435</u>
Noncurrent assets				
Student loans receivable, net	848,208	935,464	-	-
Due from State of New Hampshire for capital appropriations	4,550,488	-	-	-
Investments	-	-	9,397,255	9,592,986
Capital assets, net	<u>101,664,893</u>	<u>23,079,641</u>	<u>-</u>	<u>-</u>
Total noncurrent assets	<u>107,063,589</u>	<u>24,015,105</u>	<u>9,397,255</u>	<u>9,592,986</u>
Total assets	<u>\$ 126,904,202</u>	<u>\$ 44,200,228</u>	<u>\$ 10,018,124</u>	<u>\$ 10,249,421</u>
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	\$ 1,156,593	\$ 1,119,182	\$ 227,867	\$ 289,348
Accrued salaries and benefits	6,353,970	5,330,502	-	-
Due to State of New Hampshire	-	1,076,580	-	-
Deferred revenue and deposits	860,664	1,597,428	-	-
Current portion of bonds payable	1,337,409	1,205,854	-	-
Current portion of capital lease obligations	<u>210,762</u>	<u>257,237</u>	<u>-</u>	<u>-</u>
Total current liabilities	<u>9,919,398</u>	<u>10,586,783</u>	<u>227,867</u>	<u>289,348</u>
Noncurrent liabilities				
Accounts payable and accrued liabilities	1,338,440	-	-	-
Accrued salaries and benefits	4,265,000	4,193,000	-	-
Refundable advances	940,500	971,964	-	-
Bonds payable	14,879,950	16,217,359	-	-
Capital lease obligations	<u>108,007</u>	<u>318,769</u>	<u>-</u>	<u>-</u>
Total noncurrent liabilities	<u>21,531,897</u>	<u>21,701,092</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>31,451,295</u>	<u>32,287,875</u>	<u>227,867</u>	<u>289,348</u>
Commitments and contingencies (Notes 5 and 6)				
Net position				
Invested in capital assets, net of related debt	85,128,765	5,080,422	-	-
Restricted nonexpendable	154,697	159,889	8,418,870	8,366,068
Restricted expendable	1,981,581	-	1,174,079	1,420,280
Unrestricted	<u>8,187,864</u>	<u>6,672,042</u>	<u>197,308</u>	<u>173,725</u>
Total net position	<u>95,452,907</u>	<u>11,912,353</u>	<u>9,790,257</u>	<u>9,960,073</u>
Total liabilities and net position	<u>\$ 126,904,202</u>	<u>\$ 44,200,228</u>	<u>\$ 10,018,124</u>	<u>\$ 10,249,421</u>

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

COMMUNITY COLLEGE SYSTEM OF NEW HAMPSHIRE
(A Component Unit of the State of New Hampshire)

Statement of Revenues, Expenses and Changes in Net Position

Year Ended June 30, 2012

	Community College System of New Hampshire	Community Colleges of New Hampshire Foundation
Operating revenues		
Tuition and fees	\$ 71,799,402	\$ -
Less scholarships	<u>(685,673)</u>	<u>-</u>
Net tuition and fees	71,113,729	-
Grants and contracts	3,472,679	-
Contributions	-	574,212
Other auxiliary enterprises	2,698,779	-
Other operating revenue	<u>3,221,131</u>	<u>-</u>
Total operating revenues	<u>80,506,318</u>	<u>574,212</u>
Operating expenses		
Employee compensation and benefits	82,967,197	-
Other operating expenses	16,913,611	616,991
Utilities	2,690,094	-
Depreciation	<u>6,102,485</u>	<u>-</u>
Total operating expenses	<u>108,673,387</u>	<u>616,991</u>
Operating loss	<u>(28,167,069)</u>	<u>(42,779)</u>
Nonoperating revenues (expenses)		
State appropriation	31,358,244	-
Contributions for long-term purposes	-	27,191
Investment loss	-	(154,228)
Interest expense on capital debt	<u>(861,362)</u>	<u>-</u>
Nonoperating revenues (expenses), net	<u>30,496,882</u>	<u>(127,037)</u>
Income (loss) before other changes in net position	<u>2,329,813</u>	<u>(169,816)</u>
Other changes in net position		
State appropriations for capital expenditures	4,550,488	-
Transfer from the State of New Hampshire (the State)	71,123,625	-
Capital assets received below the State's capitalization policy	<u>5,536,628</u>	<u>-</u>
Total other changes in net position	<u>81,210,741</u>	<u>-</u>
Increase (decrease) in net position	<u>83,540,554</u>	<u>(169,816)</u>
Net position at beginning of year, as previously stated	9,410,017	9,960,073
Prior period adjustments	<u>2,502,336</u>	<u>-</u>
Net position at beginning of year, as restated	<u>11,912,353</u>	<u>9,960,073</u>
Net position at end of year	<u>\$ 95,452,907</u>	<u>\$ 9,790,257</u>

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

COMMUNITY COLLEGE SYSTEM OF NEW HAMPSHIRE
(A Component Unit of the State of New Hampshire)

Statement of Cash Flows

Year Ended June 30, 2012

	Community College System of New Hampshire	Community Colleges of New Hampshire Foundation
Cash flows from operating activities		
Tuition and fees	\$ 71,389,439	\$ -
Grants and contracts	3,128,782	-
Auxiliary enterprises	2,698,779	-
Contributions received	-	639,627
Payments to suppliers	(19,766,095)	(678,472)
Payments to employees	(82,748,508)	-
Other cash receipts	3,049,603	-
Net cash used for operating activities	<u>(22,248,000)</u>	<u>(38,845)</u>
Cash flows from noncapital financing activities		
State appropriations	31,358,244	-
Contributions for long-term purposes	-	27,191
Net cash provided by noncapital financing activities	<u>31,358,244</u>	<u>27,191</u>
Cash flows from capital and related financing activities		
Purchase of capital assets	(6,689,044)	-
Principal on capital debt and leases	(1,463,091)	-
Interest on capital debt and leases	(861,362)	-
Net cash used for capital and related financing activities	<u>(9,013,497)</u>	<u>-</u>
Cash flows from investing activities		
Proceeds from sales and maturities of investments	-	11,243,334
Purchase of investments	-	(11,462,998)
Interest and dividends received	-	261,167
Net cash provided by investing activities	<u>-</u>	<u>41,503</u>
Net increase in cash and cash equivalents	96,747	29,849
Cash and cash equivalents, beginning of year	<u>18,252,389</u>	<u>519,991</u>
Cash and cash equivalents, end of year	<u>\$ 18,349,136</u>	<u>\$ 549,840</u>
Reconciliation of operating loss to net cash used for operating activities		
Operating loss	\$ (28,167,069)	\$ (42,779)
Adjustments to reconcile operating loss to net cash used for operating activities		
Depreciation	6,102,485	-
Changes in assets and liabilities		
Student accounts receivable	664,998	-
Other accounts receivable	(149,028)	65,415
Student loans receivable	87,256	-
Grants receivable	(74,713)	-
Accounts payable and accrued liabilities	37,411	(61,481)
Accrued salaries and benefits	1,095,468	-
Due to the State of New Hampshire	(1,076,580)	-
Deferred revenue and deposits	(736,764)	-
Refundable advances	(31,464)	-
Net cash used for operating activities	<u>\$ (22,248,000)</u>	<u>\$ (38,845)</u>
Noncash capital and related financing activities:		
Capital asset additions included in accounts payable as of June 30	<u>\$ 1,338,440</u>	<u>-</u>

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

COMMUNITY COLLEGE SYSTEM OF NEW HAMPSHIRE
(A Component Unit of the State of New Hampshire)

Notes to Financial Statements

June 30, 2012 and 2011

Nature of Business

The Community College System of New Hampshire (CCSNH) is comprised of the following colleges - New Hampshire Technical Institute (NHTI), Manchester Community College (MCC), Nashua Community College (NCC), Great Bay Community College (GBCC), Lakes Region Community College (LRCC), White Mountain Community College (WMCC), and River Valley Community College (RVCC). CCSNH's main purpose is to provide a well-coordinated system of public community college education. CCSNH is governed by a single board of trustees with 19 voting members appointed by the Governor and Executive Council. CCSNH funds its operations through tuition, room and board, fees, grants, legacies and gifts, and state appropriations.

Community Colleges of New Hampshire Foundation (the Foundation) is a separate legal entity established as a 501(c)(3) corporation. The Foundation is structured to seek and secure private funds and/or grants in order to supplement the traditional revenue sources of CCSNH. The Foundation's mission is to support CCSNH and make higher education more accessible by providing student scholarship assistance, facility and staff support programs and improved education facilities. These assets and all activity of the Foundation are included in the financial statements of CCSNH as a discretely presented component unit.

1. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared using the economic resources focus and the accrual basis of accounting in accordance with U.S. generally accepted accounting principles, as prescribed by the Governmental Accounting Standards Board (GASB). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. In accordance with GASB Statement No. 14, *The Financial Reporting Entity*, CCSNH is a component unit of the State of New Hampshire as it receives an annual appropriation.

CCSNH has determined that it functions as a Business Type Activity, as defined by GASB. The effect of interfund activity has been eliminated from these financial statements.

CCSNH's policy is to define operating activities in the statement of revenues, expenses and changes in net position as those that generally result from exchange transactions such as charges for services provided to students and for the purchase of goods and services. Certain other transactions are reported as nonoperating revenues (expenses). These nonoperating revenues (expenses) include CCSNH's operating appropriations from the State of New Hampshire (the State), net investment income (loss), gifts restricted for capital expenditures, and interest expense.

CCSNH applies all pronouncements issued by the Financial Accounting Standards Board (FASB) on or before November 30, 1989, to the extent they do not conflict with GASB pronouncements.

COMMUNITY COLLEGE SYSTEM OF NEW HAMPSHIRE
(A Component Unit of the State of New Hampshire)

Notes to Financial Statements

June 30, 2012 and 2011

Cash and Cash Equivalents

Cash and cash equivalents in the statement of cash flows include unrestricted cash which is either held in demand deposit or short-term money market accounts, and highly liquid savings deposits and investments with original maturities of three months or less when purchased.

CCSNH maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. It has not experienced any losses in such accounts. Management believes it is not exposed to any significant risk on cash and cash equivalents.

Student Accounts Receivable

CCSNH extends credit to students in the form of accounts receivable. Accounts receivable are stated at the amount management expects to collect from outstanding balances. CCSNH has adopted the direct write-off method for probable uncollectible amounts through a charge to earnings and a credit to students account receivable based on its assessment of the current status of individual accounts.

Student Loans Receivable

The Federal Perkins Student Loan Program has provisions for deferment, forbearance and cancellation of the individual loans. Principal payments, interest, and losses due to cancellation are shared by the College and the U.S. Government in proportion to their share of funds provided. Such funds may be reloaned by CCSNH after collection. Amounts advanced by the federal government under this program are ultimately refundable and are classified as federal student loan funds.

Student loans receivable are stated at their unpaid principal balances adjusted for chargeoffs and the allowance for loan losses. Interest income on student loans receivable is recorded when received. CCSNH provides for probable uncollectible amounts through a charge to expense and a credit to allowance for loan loss based on its assessment of the current status of individual accounts. Balances that are still outstanding after the College has used reasonable collection efforts are written off through a charge to the allowance for loan loss and a credit to student loans receivable. Student loans receivable at June 30, 2012 and 2011 are reported net of allowance for loan loss of \$450,000.

Collections of the student loans receivable may not be used to pay current liabilities, as the proceeds are restricted for making new loans. Accordingly, the student loans receivable are recorded in the accompanying Statements of Net Position as noncurrent assets.

Grants and Contracts and Capital Appropriations

CCSNH records a receivable and corresponding revenue for these funding sources at the point all eligibility requirements (e.g., allowable costs are incurred) are met.

COMMUNITY COLLEGE SYSTEM OF NEW HAMPSHIRE
(A Component Unit of the State of New Hampshire)

Notes to Financial Statements

June 30, 2012 and 2011

Investments

The Foundation carries investments in marketable securities at their fair value. Fair value is based on unadjusted, quoted prices in active markets for identical assets at the measurement date, which are Level 1 inputs as defined by FASB Accounting Standards Codification Topic 820, *Fair Value Measurements*. Purchased and gifted securities are recorded at fair value on the date of the acquisition or gift, net of any brokerage fees. Realized and unrealized gains and losses on securities in the investment portfolio are allocated on a specific-identification basis.

Capital Assets

Capital assets are recorded at cost when purchased or constructed and at fair value at date of donation. In accordance with CCSNH's capitalization policy, only equipment (including equipment acquired under capital leases), capital projects and internally generated intangibles with a projected cost of \$3,000 or more are capitalized. Cost for maintenance, repairs and minor renewals and replacements are expensed as incurred. The costs of library materials are expensed as incurred.

Depreciation and amortization of assets acquired are recorded on a straight-line basis over the estimated useful lives of the related assets, principally as follows:

	<u>Years</u>
Buildings	40
Building and land improvements	20
Equipment	5

When capital assets are retired or otherwise disposed of, the asset and accumulated depreciation accounts are adjusted and any resulting gain or loss is reflected in the Statement of Revenues, Expenses and Changes in Net Position.

Deferred Revenue and Deposits

Deferred revenue consists primarily of deposits and advance payments received for tuition and fees related to certain summer programs and tuition received for the following academic year. Revenue from summer programs is recognized ratably over the applicable academic periods.

Compensated Absences

Employees earn the right to be compensated during certain absences. The accompanying Statements of Net Position reflect an accrual for the amounts earned, including related benefits ultimately payable for such benefit. A portion of this liability is classified as current and represents CCSNH's estimate of vacation time that will be paid during the next fiscal year to employees.

COMMUNITY COLLEGE SYSTEM OF NEW HAMPSHIRE
(A Component Unit of the State of New Hampshire)

Notes to Financial Statements

June 30, 2012 and 2011

Refundable Advances

CCSNH participates in the Federal Perkins Loan Program, which is funded through a combination of Federal and Institutional resources. The portion of this program that has been funded with Federal funds is ultimately refundable to the U.S. Government upon the termination of CCSNH's participation in the programs. The portion that would be refundable if the programs were terminated as of June 30, 2012 and 2011 has been included in the accompanying Statements of Net Position as a noncurrent liability. The portion of this program that has been funded with Institutional funds has been classified as restricted - nonexpendable since these funds can only be used on a revolving basis for loans during the time CCSNH participates in the Federal Perkins Loan Program.

Net Assets

GASB Statement No. 34 requires that resources be classified for accounting purposes into the following four net position categories:

Invested in capital assets, net of related debt: Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, repair or improvement of those assets.

Restricted - nonexpendable: Net assets subject to externally imposed conditions that CCSNH must maintain them in perpetuity.

Restricted - expendable: Net assets whose use is subject to externally-imposed conditions that can be fulfilled by the actions of CCSNH or by the passage of time.

Unrestricted: All other categories of net position. Unrestricted net position may be designated by actions of the CCSNH's Board of Trustees.

CCSNH has adopted a policy of generally utilizing restricted – expendable resources, when available, prior to unrestricted resources.

Net Student Fees

Student tuition, dining, residence, and other fees are presented net of scholarships applied to students' accounts.

COMMUNITY COLLEGE SYSTEM OF NEW HAMPSHIRE
(A Component Unit of the State of New Hampshire)

Notes to Financial Statements

June 30, 2012 and 2011

Contributions

Contributions are recorded at their fair value at the date of gift. Promises to donate to the Foundation are recorded as receivables and revenues when the Foundation has met all applicable eligibility and time requirements. Contributions to be used for endowment purposes are categorized as restricted nonexpendable. Other gifts are categorized as currently expendable. Pledges receivable, which are included in other accounts receivable in the Statements of Net Position, are reported net of amounts deemed uncollectible, and after discounting to the present value of the expected future cash flows. Because of uncertainties with regard to their realizability and valuation, bequests and intentions to give and other conditional promises are not recognized as assets until the specified conditions are met.

Contributions of services are recorded if the services create or enhance non-financial assets or the services are performed by individuals possessing specialized skills and those services would normally need to be purchased if not donated. These services are recorded at their fair value at the time of contribution.

Transfer from the State of New Hampshire

During the year ended June 30, 2012, the State of New Hampshire, through legislative action, transferred all functions, powers, duties, books, papers, records, and property of every kind, tangible and intangible, real and personal, possessed, controlled, or used by the former department of regional community-technical colleges to CCSNH.

The transfer is included in the Statement of Revenues, Expenses and Changes in Net Position for the year ended June 30, 2012 as an increase to the net position of CCSNH. The capital assets recognized in the transfer were from two separate pools, those assets meeting the State's capitalization policy with a net book value of \$71,123,625, and those capital assets with costs that are less than the State's capitalization threshold, but are considered capital assets under CCSNH's capitalization policy, with a net book value of \$5,536,628.

Income Taxes

The Internal Revenue Service has determined that CCSNH is a wholly-owned instrumentality of the State of New Hampshire, and as such is generally exempt from federal income tax.

Use of Estimates in Financial Statement Preparation

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

COMMUNITY COLLEGE SYSTEM OF NEW HAMPSHIRE
(A Component Unit of the State of New Hampshire)

Notes to Financial Statements

June 30, 2012 and 2011

2. Cash and Cash Equivalents

Custodial credit risk is the risk that in the event of bank failure, CCSNH's deposits may not be returned. Deposits are considered uninsured and uncollateralized if they are not covered by depository insurance and are (a) uncollateralized, (b) collateralized with securities held by the pledging financial institution, or (c) collateralized with securities held by the pledging financial institution's trust department or agent but not in CCSNH's name. As of June 30, 2012 and 2011, the cash and equivalents balances had no uninsured or uncollateralized deposits.

3. Capital Assets

Capital asset activity for the year ended June 30, 2012 is summarized below:

	Beginning Balance	Additions, net of Retirements	Transfers	Transferred from State of New Hampshire	Capital assets below the State's capitalization policy	Ending Balance
Land	\$ -	\$ -	\$ -	\$ 955,729	\$ -	\$ 955,729
Construction-in-process	-	4,900,187	(4,118,554)	3,875,060	-	4,656,693
Total non-depreciable assets	-	4,900,187	(4,118,554)	4,830,789	-	5,612,422
Land improvements	-	278,703	211,918	3,577,020	-	4,067,641
Buildings and improvements	30,876,442	1,899,371	3,906,636	107,907,749	3,611,469	148,201,667
Equipment	300,000	684,799	-	6,760,152	3,510,904	11,255,855
Total depreciable assets	31,176,442	2,862,873	4,118,554	118,244,921	7,122,373	163,525,163
Accumulated depreciation	(8,096,801)	(5,838,061)	-	(51,952,085)	(1,585,745)	(67,472,692)
Capital assets, net	\$ 23,079,641	\$ 1,924,999	\$ -	\$ 71,123,625	\$ 5,536,628	\$ 101,664,893

During the year ended June 30, 2012, CCSNH retired capital assets with a cost basis of \$264,424 and a net book value of zero.

COMMUNITY COLLEGE SYSTEM OF NEW HAMPSHIRE
(A Component Unit of the State of New Hampshire)

Notes to Financial Statements

June 30, 2012 and 2011

4. Long-term Liabilities

Changes in long-term liabilities during the year ended June 30, 2012 were as follows:

	Balance at June 30, <u>2011</u>	<u>Additions</u>	<u>Reductions</u>	Balance at June 30, <u>2012</u>	<u>Current Portion</u>
Leases and bonds payable					
Capital lease obligations	\$ 576,006	\$ -	\$ (257,237)	\$ 318,769	\$ 210,762
Bonds payable	<u>17,423,213</u>	<u>-</u>	<u>(1,205,854)</u>	<u>16,217,359</u>	<u>1,337,409</u>
Total leases and bonds payable	17,999,219	-	(1,463,091)	16,536,128	1,548,171
Accounts payable and accrued liabilities	-	1,338,440	-	1,338,440	-
Accrued salaries and benefits	9,523,502	1,095,468	-	10,618,970	6,353,970
Refundable advances	<u>971,964</u>	<u>-</u>	<u>(31,464)</u>	<u>940,500</u>	<u>-</u>
Long-term liabilities	<u>\$ 28,494,685</u>	<u>\$ 2,433,908</u>	<u>\$ (1,494,555)</u>	<u>\$ 29,434,038</u>	<u>\$ 7,902,141</u>

Lease Obligations

CCSNH leases certain equipment and real estate under leases with terms exceeding one year. Future minimum lease payments under capital leases and under non-cancelable operating leases (with initial or remaining lease terms in excess of one year) as of June 30, 2012 are as follows:

	<u>Capital Leases</u>		<u>Operating Leases</u>	<u>Total</u>
<u>Year ending June 30:</u>	<u>Principal</u>	<u>Interest</u>		
2013	\$ 210,762	\$ 14,838	\$ 723,094	\$ 948,694
2014	52,717	5,271	682,190	740,178
2015	55,290	2,698	352,503	410,491
2016	-	-	184,714	184,714
2017	-	-	188,154	188,154

Total expense related to operating leases amounted to \$1,704,939 for the year ended June 30, 2012. Interest expense related to capital leases amounted to \$51,019 for the year ended June 30, 2012.

The original cost basis of leased capital assets as of June 30, 2012 and 2011 was \$1,632,235. Accumulated depreciation includes \$1,379,012 and 1,185,788 as of June 30, 2012 and 2011 for the leased capital assets.

COMMUNITY COLLEGE SYSTEM OF NEW HAMPSHIRE
(A Component Unit of the State of New Hampshire)

Notes to Financial Statements

June 30, 2012 and 2011

Bonds Payable

Bonds payable consist of the following at June 30:

	<u>2012</u>	<u>2011</u>
1994 Series A General Obligation Bonds (original principal of \$850,000) Serial bonds maturing through 2015 with annual principal payments from \$28,058 to \$33,976 and interest rates from 6.15% to 6.20%	\$ 89,860	\$ 123,835
1995 Series A General Obligation Bonds (original principal of \$250,000) Serial bonds maturing in 2016 with a principal payment of \$31,712 and an interest rate of 6.20%	31,712	31,712
2002 Series A General Obligation Bonds (original principal of \$448,448) Serial bonds matured in 2012 with a principal payment of \$1,229 and an interest rate of 5.00%	-	1,229
2005 Series A General Obligation Bonds (original principal of \$2,300,000) Serial bonds maturing through 2025 with annual principal payments from \$100,000 to \$160,000 and interest rates from 3.50% to 4.25%	1,040,000	1,140,000
2006 Series A General Obligation Bonds (original principal of \$1,703,059) Serial bonds maturing through 2021 with annual principal payments from \$17,185 to \$246,814 and interest rates from 4.00% to 4.25%	1,634,262	1,666,172
2008 Series A General Obligation Bonds (original principal of \$7,732,622) Serial bonds maturing through 2027 with annual principal payments from \$309,305 to \$463,957 and interest rates from 3.375% to 4.00%	4,948,878	5,412,836
2008 Series C General Obligation Bonds (original principal of \$2,141,678) Serial bonds maturing through 2028 with annual principal payments from \$0 to \$128,504 and interest rates from 4.00% to 5.00%	1,166,841	1,295,344
2009 Series A General Obligation Bonds (original principal of \$5,000,000) Serial bonds maturing through 2029 with annual principal payments from \$200,000 to \$300,000 and interest rates from 4.00% to 5.50%	4,400,000	4,700,000
2010 Series A General Obligation Bonds (original principal of \$1,996,995) Serial bonds maturing through 2025 with annual principal payments from \$0 to \$666,111 and coupon interest rates from 2.00% to 5.00%	1,850,716	1,996,995
2010 Series B General Obligation Bonds (original principal of \$1,055,089) Serial bonds maturing through 2020 with annual principal payments from \$115,501 to \$150,526 and interest rates from 3.00% to 4.00%	<u>1,055,090</u>	<u>1,055,090</u>
	<u>\$ 16,217,359</u>	<u>\$ 17,423,213</u>

COMMUNITY COLLEGE SYSTEM OF NEW HAMPSHIRE
(A Component Unit of the State of New Hampshire)

Notes to Financial Statements

June 30, 2012 and 2011

Principal and interest payments on bonds payable for the next five years and in subsequent five-year periods are as follows at June 30, 2012:

<u>Year ending June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 1,337,409	\$ 765,343	\$ 2,102,752
2014	1,353,205	714,625	2,067,830
2015	1,375,297	661,198	2,036,495
2016	1,397,821	593,852	1,991,673
2017	1,324,665	471,596	1,796,261
2018-2022	5,497,713	1,521,298	7,019,011
2023-2027	3,445,627	574,615	4,020,242
2028-2032	<u>485,622</u>	<u>37,281</u>	<u>522,903</u>
	<u>\$ 16,217,359</u>	<u>\$ 5,339,808</u>	<u>\$ 21,557,167</u>

Interest expense related to the bonds for the year ended June 30, 2012 was \$810,343.

5. New Hampshire Retirement System

The New Hampshire Retirement System (NHRS) is a public employee retirement system that administers one cost-sharing multiple-employer pension plan (Pension Plan) and four separate cost-sharing multiple employer postemployment medical subsidy healthcare plans (OPEB Plans). NHRS is qualified as a tax-exempt organization under Sections 401(a) and 501(a) of the Internal Revenue Code. Substantially all full-time state employees, public school teachers and administrators, permanent firefighters and permanent police officers within the State of New Hampshire are eligible and required to participate in NHRS. The provisions of the Pension Plan and OPEB Plans can be amended only by legislative action taken by the New Hampshire State Legislature pursuant to the authority granted them under the New Hampshire State Constitution. The payroll for employees covered by NHRS for the year ended June 30, 2012 was approximately \$41,774,000.

All assets of NHRS are held in a single trust and are available to each group. Funding policies, vesting requirements, contribution requirements and plan assets available to pay benefits are disclosed in NHRS's annual report available from NHRS located at 54 Regional Drive, Concord, New Hampshire 03301-8507.

Pension Plan

The NHRS pension plan and trust was established in 1967 by Revised Statutes Annotated (RSA) 100-A:2. The Pension Plan is a contributory, defined benefit plan providing service, disability, death and vested retirement benefits to members and their beneficiaries.

COMMUNITY COLLEGE SYSTEM OF NEW HAMPSHIRE
(A Component Unit of the State of New Hampshire)

Notes to Financial Statements

June 30, 2012 and 2011

Effective July 1, 2011, the required contribution rate to NHRS for eligible employees of CCSNH increased from 5% to 7% of their annual covered compensation. CCSNH makes annual contributions to NHRS Pension Plan equal to the amount required by RSA 100-A:16, which was 8.4% of covered compensation during the year ended June 30, 2012. CCSNH's contributions to NHRS Pension Plan for the year ended June 30, 2012 were \$3,730,427 which were equal to its annual required contributions. Contributions to the Pension Plan for CCSNH employees for the years ended June 30, 2011 and 2010 were paid directly by the State of New Hampshire and were not separately tracked by NHRS. As a result, the annual required contributions for the years ended June 30, 2011 and 2010 are not determinable for disclosure. The contributions paid by the State of New Hampshire for the years ended June 30, 2011 and 2010 met the annual required contributions.

Contribution requirements for the Pension Plan for the year ended June 30, 2012 were as follows:

Employees' contributions	\$ 2,926,408
CCSNH contributions	<u>3,730,427</u>
Total	<u>\$ 6,656,835</u>

OPEB Plans

Pursuant to RSA 100-A:52, RSA 100-A:52-a and RSA 100-A:52-b, NHRS administers four defined benefit postemployment medical subsidiary healthcare plans designated in statute by membership type. The four plans are Group II Police Officer and Firefighters, Group I Teachers, Group I Political Subdivision Employees and Group I State Employees. Collectively, they are referred to as the OPEB Plans.

The OPEB Plans provide a medical insurance subsidy to qualified retirement members. The medical subsidy is a payment made by NHRS toward the cost of health insurance for a qualified retiree, his/her spouse, and his/her certifiably dependent children with a disability who are living in the household and being cared for by the retiree. Under specific conditions, the qualified beneficiaries of members who die while in service may also be eligible for the medical subsidy.

Plan members are not required to contribute to the OPEB Plans. CCSNH makes annual contributions to the OPEB Plans equal to the amount required by RSA 100-A:52, which was 1.6% of covered compensation during the year ended June 30, 2012. CCSNH's contributions to NHRS for the OPEB Plans for the year ended June 30, 2012 were \$693,054, which were equal to its annual required contributions. Contributions to the OPEB Plans for CCSNH employees for the years ended June 30, 2011 and 2010 were paid directly by the State of New Hampshire and were not separately tracked by NHRS. As a result, the annual required contributions for the years ended June 30, 2011 and 2010 are not determinable for disclosure. The contributions paid by the State of New Hampshire for the years ended June 30, 2011 and 2010 met the annual required contributions.

COMMUNITY COLLEGE SYSTEM OF NEW HAMPSHIRE
(A Component Unit of the State of New Hampshire)

Notes to Financial Statements

June 30, 2012 and 2011

6. Contingencies and Commitments

Contingencies

CCSNH participates in various federally funded programs. These programs are subject to financial and compliance audits and resolution of identified questioned costs. The amount, if any, of expenditures which may be disallowed by the granting agency cannot be determined at this time.

CCSNH is involved in various claims and legal actions arising in the ordinary course of business. The ultimate disposition of these matters is indeterminable, but in the opinion of management, the amount of ultimate liability would not have a significant impact on CCSNH's financial condition.

CCSNH is also exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. CCSNH manages these risks through a combination of commercial insurance packages purchased in the name of CCSNH.

Commitments

CCSNH has entered into various construction contracts. The following commitments are ongoing projects at June 30, 2012.

	Expended through June 30, 2012	Committed Future Costs	Total Committed Costs of Project
NHTI	\$ 142,457	\$ 355,972	\$ 498,429
MCC	1,906,019	1,139,557	3,045,576
NCC	2,170,435	1,203,005	3,373,440
LRCC	313,850	186,295	500,145
WMCC	21,007	24,204	45,211
RVCC	102,925	53,117	156,042
Total	\$ 4,656,693	\$ 2,962,150	\$ 7,618,843

At June 30, 2012, invoices related to construction projects of approximately \$1,338,440 were included in accounts payable.

COMMUNITY COLLEGE SYSTEM OF NEW HAMPSHIRE
(A Component Unit of the State of New Hampshire)

Notes to Financial Statements

June 30, 2012 and 2011

7. Investments - Community Colleges of New Hampshire Foundation

The Foundation has adopted investment and spending policies for endowment assets that attempts to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 4%, while growing the funds if possible. Actual returns may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Investments are comprised of the following at June 30, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Equities		
U.S. Large Cap	\$ 2,405,789	\$ 3,873,049
U.S. Mid Cap	899,946	632,205
U.S. Small Cap	415,478	432,105
International developed	856,570	747,054
Emerging markets	646,156	542,675
Fixed income		
Investment grade taxable	2,599,615	2,246,610
International developed bonds	353,284	182,254
Global high yield taxable	358,666	375,967
Fixed income other	345,378	-
Real Estate - Public REITs	214,938	150,702
Tangible assets - commodities	<u>301,435</u>	<u>410,365</u>
Total	<u>\$ 9,397,255</u>	<u>\$ 9,592,986</u>

COMMUNITY COLLEGE SYSTEM OF NEW HAMPSHIRE
(A Component Unit of the State of New Hampshire)

Notes to Financial Statements

June 30, 2012 and 2011

The weighted average maturity of the fixed income securities is 15.1 years as of June 30, 2012. As of June 30, 2012, the Foundation's fixed income securities were rated as follows:

<u>Rating</u>	<u>Rating Organization</u>	<u>Fair Value</u>
Aaa	Moody's	\$ 1,760,508
Aa	Moody's	34,482
A	Moody's	370,997
Other	Moody's	<u>196,798</u>
		<u>\$ 2,362,785</u>

The fixed income securities rated above include cash equivalents maturing within six months and excludes preferred stocks and fixed income funds.

8. Prior Period Adjustments

The accompanying statement of net position as of June 30, 2011 has been restated to correct accounting errors as of June 30, 2011. The restatements as of June 30, 2011 were as follows:

Write-off uncollectible student accounts receivable	\$ (762,984)
Record grant receivable as of June 30, 2011	631,718
Adjust accounts payable to amounts paid subsequent to June 30, 2011 that were for services rendered prior to June 30, 2011	325,470
Adjust accrued salaries and benefits to underlying documentation	1,334,498
Adjust deferred revenue to recognize revenue associated with the summer academic term, net of adjustment to student deposits	2,702,517
Recognize deferred revenue associated with contract with vendor	(202,500)
Recognize deferred grant revenue as of June 30, 2011	(547,445)
Adjust bonds payable to actual	(1,141,794)
Other adjustments, net	<u>162,856</u>
Net prior period adjustment as of June 30, 2011	<u>\$ 2,502,336</u>

Effective April 15, 2013

BOARD OF TRUSTEES
COMMUNITY COLLEGE SYSTEM OF NEW HAMPSHIRE

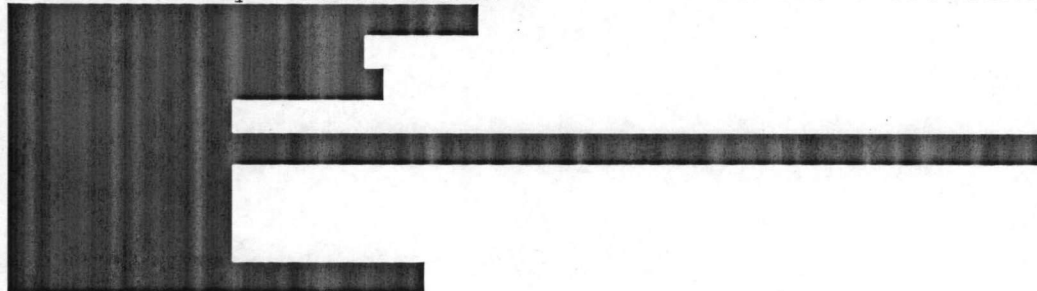
REPRESENTATION

TERM

Paul Holloway CHAIRPERSON

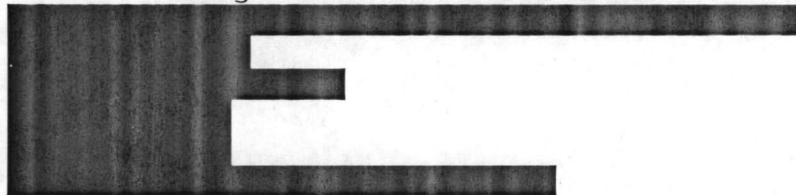
BUSINESS & INDUSTRY

6/30/2014



Katharine Bogle Shields VICE-CHAIR PUBLIC

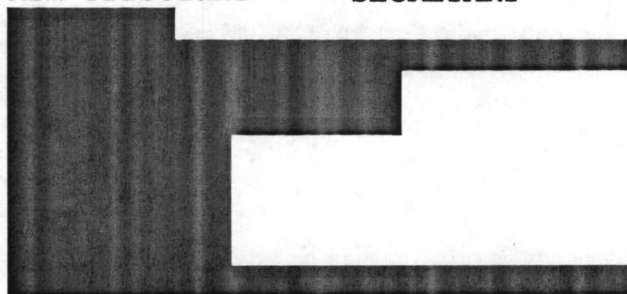
6/30/2016



Kim Trisciani SECRETARY

LABOR

6/30/2015



Ned Densmore TREASURER

PUBLIC

6/30/2016



Claudette Mahar, PAST CHAIRPERSON

HEALTH SERVICES

6/30/2013

Alison Stebbins

BUSINESS & INDUSTRY

6/30/2015

Ann M. Torr

PUBLIC

6/30/2013

Connie Roy-Czyzowski

PUBLIC

6/30/2015

David C. Paquette

LABOR

6/30/2013

Jeremy Hitchcock

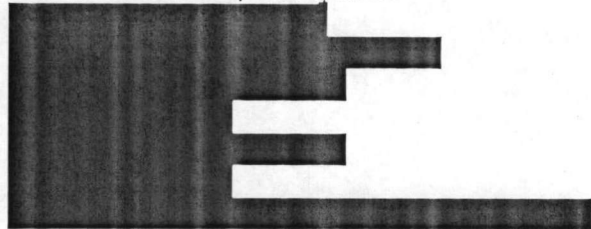
TECHNOLOGY SECTOR

6/30/2014

Tricia Lucas, Esquire

COMMUNITY SERVICE

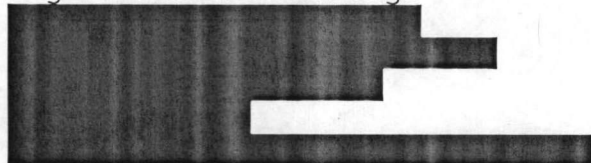
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Angela Roussel-Roberge

ALUMNI

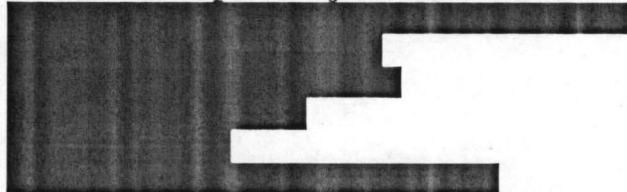
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Rafael (Ralph) Rojas, Jr.

EDUCATION

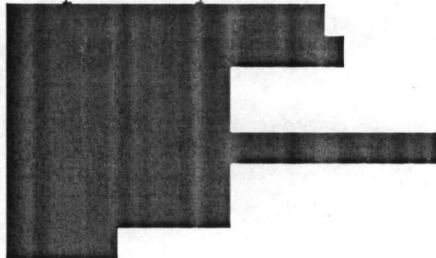
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Stephen Guyer

VOCATIONAL DIRECTOR

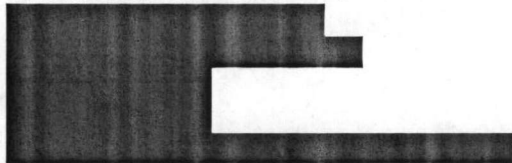
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Nicholas Halias

LAW ENFORCEMENT

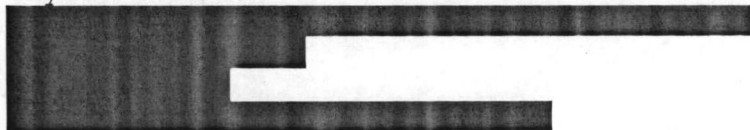
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Taylor Parent

STUDENT

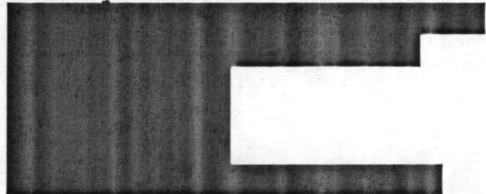
5/31/2014



Harvey Hill

BUSINESS & INDUSTRY

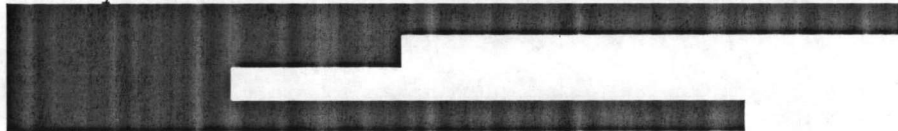
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Ashley Rennie

STUDENT

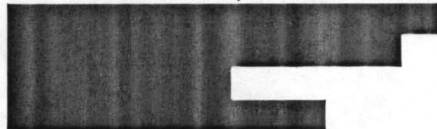
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Jack Calhoun, IV

PUBLIC

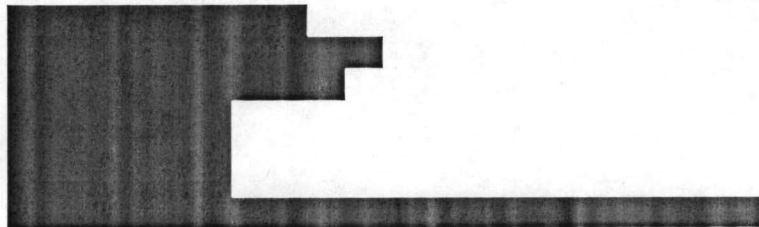
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Deane Ilukowicz

BUSINESS & INDUSTRY

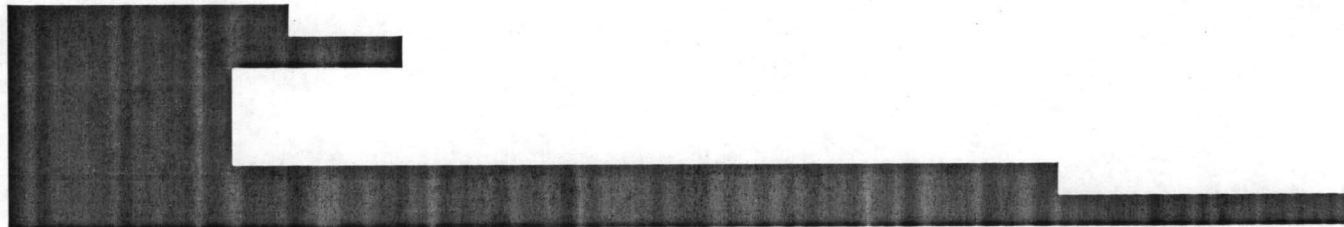
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Robert Duhaime

PUBLIC

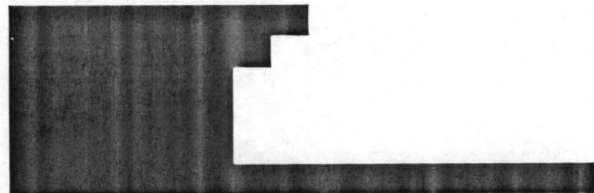
6/30/2014



Richard Heath

PUBLIC

6/30/2016



Kristie Palestino

PUBLIC

6/30/2014

Ex Officio Members:

Governor Maggie Hassan
State House
Concord, NH 03301
271-2121 (O)

Dr. Ross Gittell, Chancellor
Community College System of NH
26 College Dr.
Concord, NH 03301
230-3501 (O)
271-2725 (F)
e-mail rgittell@ccsnh.edu

Ronald Rioux, Vice-Chancellor
Community College System of NH
26 College Dr.
Concord, NH 03301
230-3502 (O)
e-mail rrioux@ccsnh.edu

Lynn Kilchenstein, President
NHTI Concord's Community College
31 College Dr.
Concord, NH 03301
230-4000 x4223(O)
e-mail lkilchenstein@ccsnh.edu

Katharine Eneguess, President
White Mountains Community College
2020 Riverside Dr.
Berlin, NH 03570
752-1113 x3004 (O)
e-mail keneguess@ccsnh.edu

Lucille Jordan, President
Nashua Community College
505 Amherst St.
Nashua, NH 03063
578-8900 x1522 (O)
e-mail ljordan@ccsnh.edu
Dr. Wildolfo Arvelo, President

Great Bay Community College
320 Corporate Drive
Portsmouth, NH 03801
427-7601 (O)
e-mail: warvelo@ccsnh.edu

Dr. Scott Kalicki, President
Lakes Region Community College
379 Belmont Rd.
Laconia, NH 03246
524-3207 x6714 (O)
e-mail skalicki@ccsnh.edu

Ronald Rioux, Interim President
River Valley Community College
1 College Dr.
Claremont, NH 03743
542-7744 x5331 (O)
e-mail rrioux@ccsnh.edu

Dr. Susan Huard, President
Manchester Community College
1066 Front St.
Manchester, NH 03102
206-8148 (O)
e-mail shuard@ccsnh.edu

Commissioner Jeffrey J. Rose
Dept. of Resources and Economic Develop.
172 Pembroke Rd. PO Box 1856
Concord, NH 03302-1856
271-2411 (O)
Assistant: Linda Corriveau 271-2341
271-2629 (F)
jeffrey.rose@dred.state.nh.us

Michael Power, Designee
Workforce Community
Development Administrator
michael.power@dred.state.nh.us
271-7275 (O) 235-6425 (C)
Sec.: Denise Lafrazia 271-7275

Commissioner Virginia Barry (or)
Dept. of Education
101 Pleasant St.
Concord, NH 03301
271-3144 (O) Assistant: Pat Butler
271-3830 (F)
e-mail virginia.barry@doe.nh.gov

Paul Leather
Deputy Commissioner

271-3801 (O)
Assistant: Shirley Hadley
271-3802 (O)
paul.leather@doe.nh.gov

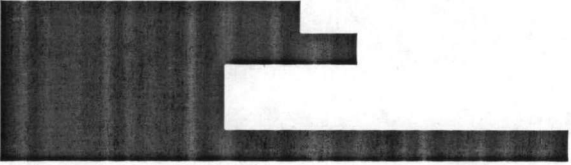
Commissioner George Copadis
Dept. of Employment Security
32 South Main St.
Concord, NH 03301
228-4000 (O) Assistant: Zandy Dezonie 228-4004
228-4010 (F)
e-mail George.N.Copadis@nhes.nh.gov

Marie-Helene Bailinson, Designee
Legal Coordinator
228-4072 (O)
(F) 228-4010
zandy.l.dezonie@nhes.nh.gov

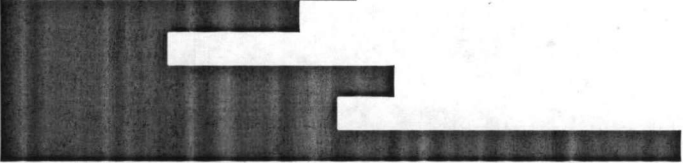
Marie-Helene.Bailinson@nhes.nh.gov

Chancellor Emeritus

Dr. Richard A. Gustafson




Chancellor Emeritus



Vice-Chancellor Emeritus

Dr. Charles Annal



4/15/13

KEY ADMINISTRATIVE PERSONNEL

NH Department of Health and Human Services
Division for Children, Youth and Families

Agency Name: Community College System of New Hampshire

Name of Bureau/Section: Early Childhood Education Tuition Assist.

BUDGET PERIOD:		7/1/13-12/31/13	
Name & Title Key Administrative Personnel	Annual Salary Of Key Administrative Personnel	Percentage of Salary Paid By Contract	Total Salary Amount Paid By Contract
Dr. Ross Gittell, Chancellor	\$244,504	0.00%	\$0.00
Mike Marr - Director of Finance	\$116,935	0.00%	\$0.00
Beth Doiron - Director of College Access Programs	\$86,495	0.00%	\$0.00
Teri LaFlamme	\$5,970	100.00%	\$5,970.00
		0.00%	\$0.00
		0.00%	\$0.00
TOTAL SALARIES (Not to exceed Total/Salary Wages, Line Item 1 of Budget request)			\$5,970.00

Key Administrative Personnel are top-level agency leadership (President, Executive Director, CEO, CFO, etc), and individuals directly involved in operating and managing the program (project director, program manager, etc.). These personnel **MUST** be listed, even if no salary is paid from the contract. Provide their name, title, annual salary and percentage of annual salary paid from agreement.

Community College System of New Hampshire

Mission / Strategic Goals

Mission

The Community College System of New Hampshire will provide comprehensive, market-driven, accessible, quality programs of higher education and services that respond to the changing needs of students, businesses and communities.

Vision

The Community College System of New Hampshire will be a key access point for the broad spectrum of New Hampshire learners providing evolving programs responsive to regional and state social and economic needs. We will be a key community resource woven into New Hampshire's quality of life, providing a seamless pathway of lifelong learning and career development.

Strategic Goals

- Increase enrollment by providing affordable and accessible learning opportunities to NH residents in all regions of the state.
- Offer rigorous, accredited programs of career and technical education that prepare NH residents with skills to thrive in the modern-day economy.
- Prepare students for successful college transfer and increase opportunities for transfer.
- Develop mutually supportive partnerships with communities, businesses and the state's public secondary school system.
- Develop in students a sense of service and a capacity for responsible citizenship.
- Implement a statewide, collaborative workforce development system and significantly reduce the number of under-prepared workers in the NH workforce.



STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION FOR CHILDREN, YOUTH & FAMILIES

129 PLEASANT STREET, CONCORD, NH 03301-3857
603-271-4451 1-800-852-3345 Ext. 4451
FAX: 603-271-4729 TDD Access: 1-800-735-2964

Nicholas A. Toumpas
Commissioner

Maggie Bishop
Director

April 29, 2011

G&C Approved

His Excellency, Governor John H. Lynch
and the Honorable Executive Council
State House
Concord, New Hampshire 03301

Date 6/8/11
Item # 103
Dms: 808591200

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division for Children, Youth and Families to exercise a renewal option (Purchase Order # 1012256) with the Community College System of New Hampshire (Vendor #216952 B001) 26 College Drive, Concord, NH 03301 by increasing the price limitation by \$344,000.00 from \$400,000.00 to \$744,000.00 and extending the completion date from June 30, 2011 to June 30, 2013 for the provision of Early Child Care Tuition Assistance effective July 1, 2011. Governor and Council approved the original agreement on July 15, 2009, Item #98. Funds to support this request are anticipated to be available in the following account in SFY 2012 and SFY 2013 upon the availability and continued appropriation of funds in the future operating budgets, with authority to adjust amounts if needed and justified between State Fiscal Years.

05-95-40-403510-56890000 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS,
HHS: CHILDREN AND YOUTH, CHILD DEVELOPMENT, CHILD CARE DVLP-QUALITY ASSURE

Class/Object	Title	Activity Code	State Fiscal Year	Current Modified Budget	Increase (Decrease) Amount	Revised Modified Budget
102-500731	Contracts For Program Services	40035205	2010	\$200,000.00	\$0.00	\$200,000.00
102-500731	Contracts For Program Services	40035205	2011	\$200,000.00	\$0.00	\$200,000.00
102-500731	Contracts For Program Services	40035205	2012	\$0.00	\$172,000.00	\$172,000.00
102-500731	Contracts For Program Services	40035205	2013	\$0.00	\$172,000.00	\$172,000.00
Subtotal				\$400,000.00	\$344,000.00	\$744,000.00

EXPLANATION

New Hampshire is federally required by 45 CFR 98.51 to use Federal Child Care Development Funds to increase the availability, accessibility, and quality of child care programs throughout the State. These expenditures are required to maintain federal funding for the NH Child Care Scholarship Program that provides child care subsidies to families to help them continue working or participating in a job search activity. This requested action meets the conditions of the federal mandate through the provision of tuition assistance for

students studying early care and education. These courses will be made available at the college's seven regional campuses: Berlin, Claremont, Concord, Laconia, Manchester, Nashua, and Stratham; and four academic centers locations: Conway, Keene, Littleton, and Portsmouth. Traditional and on-line format courses will be offered.

New Hampshire children and their families benefit from well-educated early childhood professionals who can offer quality care to young children. The salaries of the vast majority of child care professionals in New Hampshire do not allow opportunities in higher education without financial hardship. The provision of this tuition assistance will remove a significant barrier for many early childhood professionals to become more qualified to deliver care in child care settings throughout New Hampshire. Low-income families will also benefit by the continuance of available child care subsidies provided through the NH Child Care Scholarship Program.

Should Governor and Council not authorize this Request the quality of care offered to young children and the education of the child care workforce may diminish. Additionally, federal sanctions could result in a reduction in federal funds to support the Child Care Scholarship Program resulting in financial hardship for families dependent on subsidized child care to remain employed or participating in a job search activity.

The agreement was awarded as a result of a competitive bid process. On October 1, 2008 the Division issued a Request for Proposals for Statewide College Tuition Assistance for Early Care and Education Providers for both a two-year and four-year program of study. The Request for Proposals was published on the Department's web-site and advertised in the New Hampshire Union Leader October 1 - 3, 2008. On October 14, 2008 a Bidder's Conference was held to discuss the proposal and to respond to any questions or concerns of prospective bidders. Three prospective bidding agencies sent representatives to the conference. As of the closing date two agencies submitted proposals for the two-year program of study; the Community College System of New Hampshire, and Southern New Hampshire University. The Community College System of NH's proposal was not scored because it exceeded the price limitation for two-year program set forth in the Request for Proposals. Southern New Hampshire's proposal was not selected because they were determined not to have the necessary statewide presence to deliver the service.

On January 16, 2009, the Division re-issued an Request for Proposals for a Statewide College Tuition Assistance for Early Care and Education Providers for a Two-Year Program of Study, that was published on the Department's web-site and advertised in the New Hampshire Union Leader January 16-18, 2009. As of the closing date, the Community College System of New Hampshire was the lone agency that submitted a proposal. Their proposal was evaluated by a team comprised of two representatives from the Child Development Bureau and a professional working in the field of Early Childhood Education. The scoring summary is attached (Attachment A). The Community College System of NH's proposal scored 139.7 points out of 200 points. The evaluation committee recommended entering into an agreement due to its past and current performance, the ability to work well with the Department, its ability to provide the courses statewide, and its demonstrated program management and organizational capacity to carry out the service within the required timeframes.

The original Request submitted to and approved by Governor and Council July 15, 2009, Item #98 as well as the agreement itself, included a provision for the renewal of this contract for up to two additional years subject to the continued availability of funds, satisfactory performance of services and approval by Governor and Executive Council. At this time the vendor has been determined to have met the satisfactory performance of services and the Division is now requesting that the Governor and Executive Council approve a two-year extension of this contract.

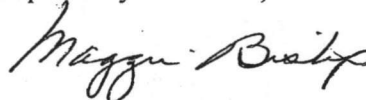
The Agreement has 15 overall performance measures with negotiated goals to determine the success of the contract. These performance measures include goals for the overall percentage of student satisfaction among all unduplicated participants, and the number of students 3 months after receiving assistance who are still working in the field. Recipients of scholarships who are no longer working in the field of early care and education are required to return the assistance. Goals will be evaluated on a quarterly basis and performance that does not meet the negotiated expectations may result in financial penalties or a termination of the contract as described and authorized in the P-37 agreement.

Source of Funds: 100% Federal Department of Health and Human Services Funds.

Area Served: Statewide.

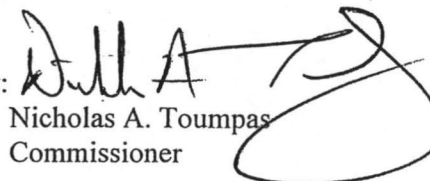
In the event that the Federal Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,



Maggie Bishop
Director

Approved by:



Nicholas A. Toumpas
Commissioner

AMENDMENT #1

This Agreement (hereinafter called the "Amendment") dated this 6th day of April 2011, by and between the State of New Hampshire, acting by and through its Division for Children, Youth and Families of the Department of Health and Human Services (herein after referred to as ("the Department")) and Community College System of New Hampshire, Concord, NH (herein after referred to as the "Provider").

WHEREAS, The Community College System of New Hampshire was established, and made a body corporate and politic under the laws of 2007, Chapter 361; WHEREAS, pursuant to a Memorandum of Agreement (hereinafter called the "Agreement") dated the 28th day of May 2009 and approved by the Governor and Executive Council on July 15, 2009 (Item #98), the Provider agreed to perform certain services upon the terms and conditions specified in the Agreement and in consideration of payment by the Department of certain sums as specified therein; and WHEREAS, the Provider and the Department have agreed to amend the Agreement in certain respects; pursuant to the provisions of Request for Proposals issued January 16, 2009 and the Governor and Executive Council letter approved May 28, 2009, the Agreement may be amended, waived or discharged only by a written instrument executed by the parties thereto; and WHEREAS, the Provider and the Department have agreed to amend the Agreement in certain respects:

1. Amendment and Modification of Agreement:

The Agreement is hereby amended as follows:

- Opening Paragraph, shall be amended to read, "commencing July 1, 2009 – June 30, 2013 for \$744,000..."
- Section I.5, shall be amended to read, "...up to a maximum of \$744,000..."
- Section II.2.1.b., shall be amended to read, "...course at CCSNH's 11 locations..."
- Section II.2.2.a., shall be amended to read, "...sufficient to fund approximately 123 awards and 235 partial awards..."
- Section II.2.2.b., shall be amended to read, "...students in all 11 CCSNH locations..."
- Section II.4.a.2., shall be amended to read, "Number of ECE courses offered 70..."
- Section II.4.a.3., shall be amended to read, "Number of sites offering courses 11..."
- Section II.4.b.1., shall be amended to read, "Number of total awards 358..."
- Section II.4.b.2., shall be amended to read, "Number of unduplicated participants 180..."
- Section II.4.c., shall be amended to read, "Number of first time students 70..."
- Section II.4.d.2., shall be amended to read, "Number of students informed about licensing 180..."
- Section II.4.e.1., shall be amended to read, "Number of students assisted to obtain initial credential 70..."
- Section II.4.e.2., shall be amended to read, "Number of students assisted to obtain advanced credential 50..."
- Section II.4.f., shall be amended to read, "Number of trainings with CCRR contractors and other educational institutions 15..."
- Section III.1, shall be amended to read, "\$744,000 (Seven hundred and forty-four thousand dollars for services provided during the program period July 1, 2009 – June 30, 2013.
- Section III.2.3, shall be amended to read, "No later than September 30, 2013..."
- Section III.4, shall be amended to read, "The State of New Hampshire and the Provider hereby mutually agree as follows:"

Contractor Initials MSJ

Date 4/14/11

- Section III.4.1, shall be amended to read, "This MOA may be amended at any time by written agreement of both parties, subject to required CCSNH and State approvals and, when required, Governor and Executive Council approval."
- Section III.4.2, shall be amended to read, "The parties agree that employees of the State, in the performance of their duties and activities under this contract, shall continue to be in the legal status of State employees and not as employees of the Community College System of New Hampshire (CCSNH); likewise, employees of CCSNH, in the performance of their duties and activities under this agreement shall continue in the legal status of CCSNH employees and not as employees of the state;"
- Section III.4.3, shall be amended to read, "All obligations of the State under this MOA are contingent upon the availability and continued appropriation of funds, and the State shall not be liable for payment in excess of available appropriated funds. In the event of a reduction or termination of the funds appropriated for this MOA, the State shall have the right to withhold payment pending the reinstatement of the appropriated funds or to terminate the MOA, in accordance with Section III. 4.6.;"
- Section III.4.4, shall be amended to read, "Unless provided for in this MOA, neither party shall enter into any subcontract with a third party to performance all or part of the approved scope of work without the written approval of the other party. If approval is granted, the party who subcontracts work hereunder shall be fully responsible for the performance of subcontractors;"
- Section III.4.5, shall be amended to read, "Neither party shall sublet, sell, transfer, assign, or otherwise dispose of its right, title or interest in any MOA, or any part thereof, without the written consent of the other party;"
- Section III.4.6, shall be amended to read, "Either party may terminate the MOA at any time upon 90 days written notice to the other party. In the event of a reduction or termination of funds appropriated for the MOA, the State shall have the right to terminate the MOA immediately upon providing CCSNH notice of such termination. Expenses incurred prior to the date of termination will be borne proportionally by each of the parties according to the budget in the MOA;"
- Section III.4.7, shall be amended to read, "The parties agree to comply with all governmental ordinances, laws and regulations as applicable to their respective organizations;"
- Section III.4.8, shall be amended to read, "As this MOA includes Federal funds, all applicable requirements, regulations, provisions, terms and conditions attending those funds shall be incorporated into the MOA and adopted in full force and the CCSNH except that wherever such requirements, regulations, provisions and terms and conditions differ for Institutions of Higher Education, the appropriate requirements will be substituted (e.g., OMB Circulars A-21 and A-110, rather than OMB Circulars A-87 and A-102). References to Contractor or Recipients in the Federal requirements, regulations, provisions, terms and conditions will be taken to mean the CCSNH and references to the Governmental or Federal Awarding Agency will be taken to mean Governmental/Federal Awarding Agency or the State or both, as appropriate;"
- Section III.4.9, shall be amended to read, "In the event of any inconsistency between the terms of this MOA and those Federal regulations incorporated herein, the Federal regulations will prevail;"
- Section III.4.10, shall be amended to read, "At the time of signing of this agreement, CCSNH is part of the State of New Hampshire risk management unit. At such time as CCSNH is no longer part of the State of New Hampshire risk management unit, CCSNH shall, at its sole expense, obtain and maintain in force comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$2,000,000 per occurrence. Such policy or policies shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N. H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire. At such time as CCSNH is no longer part of the State of New Hampshire risk management unit CCSNH shall furnish the business office for DHHS located at 129 Pleasant Street, Concord, NH 03301 with a certificate(s) of

insurance for all insurance required hereunder as well as certificate(s) of insurance for all renewal(s) of insurance required under this agreement no later than fifteen (15) days prior to the expiration date of each of the insurance policy(s). The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the liaison for CCSNH identified below no less than ten (10) days prior written notice of cancellation or modification of the policy;"

- Section III.4.11, shall be amended to read, "The policies described in Section III.4.12-13. shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire;"
- Section III.4.12, shall be amended to read, "CCSNH shall furnish to the Contracting Officer or his or her successor, prior to the commencement of this agreement a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this MOA no later than fifteen (15) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contracting Officer, or his or her successor, no less than ten (10) days prior written notice of cancellation or modification of the policy; and"
- Section III.4.13, shall be amended to read, "By signing this agreement, the CCSNH agrees, certifies and warrants that the CCSNH is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("Workers' Compensation"). To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. Contractor shall furnish the Contracting Officer proof of Workers' Compensation, prior to the commencement of this agreement in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement."
- Section IV., shall be amended to read, "...and shall continue until June 30, 2013."

2. Effective Date of Amendment:

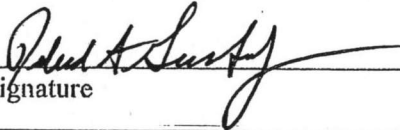
This Amendment shall be effective July 1, 2011.

3. Continuance of Agreement:

Except as specifically amended and modified by the terms and conditions of this Amendment, the Agreement, and the obligations of the parties there under, shall remain in full force and effect in accordance with the terms and conditions set forth herein.

IN WITNESS WHEREOF, the parties have here unto set their hands as of the date and year first above written.

Community College System of New Hampshire

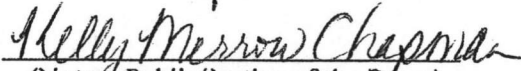
By: 
Signature

Richard Gustafson, Chancellor
Signor Name and Title

STATE OF NEW HAMPSHIRE

County of Merrimack

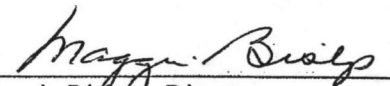
The forgoing instrument was acknowledged before me this 15th day of April, 2011.


(Notary Public/Justice of the Peace)

(NOTARY SEAL)

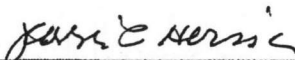
Commission Expires: 12/13/13

THE STATE OF NEW HAMPSHIRE
Division for Children, Youth and Families

By: 
Maggie Bishop, Director

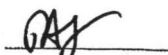
Approved by the Attorney General (Form, Substance and Execution) this

27 day of April, 2011.

By: 
Attorney General Jeanne P. Herrick

Approved by the Governor and Executive Council this

_____ day of _____, 2011.

Contractor Initials 

Date 4/15/11

CERTIFICATE OF VOTE

(Agency without Seal)

I, Marie Mills, do hereby certify that:
(Name of Clerk of the Board; cannot be contract signatory)

1. I am a duly elected Clerk of the Community College System of NH.
(Agency Name)

2. The following are true copies of a resolution duly adopted at a meeting of the Board of Trustees of

the Agency duly held on December 20, 2007 :
(Date)

RESOLVED: That the Chancellor
(Title of Contract Signatory)

is hereby authorized on behalf of this Agency to enter into the said contract with the State and to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, as he/she may deem necessary, desirable or appropriate.

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of

the 15 day of April, 2011.
(Date Contract Signed)

4. Richard A. Gustafson is the duly elected Chancellor
(Name of Contract Signatory) (Title of Contract Signatory)

of the Agency.

Marie Anne Mills
(Signature of Clerk of the Board)

STATE OF NEW HAMPSHIRE

County of Merrimack

The forgoing instrument was acknowledged before me this 15th day of April, 2011.

By Marie Anne Mills
(Name of Clerk of the Board)

Kelly Merrow Chapman
(Notary Public/Justice of the Peace)

(NOTARY SEAL)

Commission Expires: KELLY MERROW-CHAPMAN, Notary Public
My Commission Expires December 31, 2013



CDB

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION FOR CHILDREN, YOUTH & FAMILIES

Nicholas A. Toumpas
Commissioner

129 PLEASANT STREET, CONCORD, NH 03301-3857
603-271-4451 1-800-852-3345 Ext. 4451
FAX: 603-271-4729 TDD Access: 1-800-735-2964

Maggie Bishop
Director

June 8, 2009

His Excellency, Governor John H. Lynch
and the Honorable Executive Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the Department of Health and Human Services (DHHS), Division for Children, Youth and Families (DCYF) to enter into a retroactive Memorandum of Agreement with the Community College System of New Hampshire (CCSNH) (vendor code #88496) for Early Child Care Tuition Assistance in an amount not to exceed four hundred thousand dollars (\$400,000), retroactive to July 1, 2009, through June 30, 2011. Funds to support this request are anticipated to be available in the following account in SFY 2010 and SFY 2011 upon the availability and continued appropriation of funds in the future operating budgets, with authority to adjust amounts if needed and justified between State Fiscal Years:

Account Title	Account Number	Job Number	SFY 2010	SFY 2011	Totals
Federal Child Care Development Fund	010-040-5689-102-0731	40035205	\$200,000	\$200,000	\$400,000
		Totals	\$200,000	\$200,000	\$400,000

EXPLANATION

The Division for Children, Youth and Families is designated by the Department of Health and Human Services to administer Child Care Development Funds. In addition to supporting the child care scholarship payment system and preventive and protective child care services, these Federal funds are required to be used to increase the availability, accessibility and quality of child care programs throughout the State. This is accomplished through numerous activities including the provision of tuition reimbursement for early care and education child care providers. The use of these funds to support this request is appropriate and is supported in the Child Care Development Fund's Federally approved biennial plan.

The above action is requested to enter into a Memorandum of Agreement (MOA) with the CCSNH, to provide statewide tuition assistance and quality college level coursework to eligible child care providers. These courses will be made available at the college's seven regional campuses: Berlin, Claremont, Concord, Laconia,

His Excellency, Governor John D. Lynch

And the Honorable Executive Council

June 8, 2009

Page 2

Manchester, Nashua, and Stratham; and five academic centers locations: Conway, Keene, Littleton, Portsmouth, and Woodsville. Traditional and on-line format courses will be offered.

This award is the result of a competitive bid process. On October 1, 2008 DCYF issued a Request for Proposals (RFP) for Statewide College Tuition Assistance for Early Care and Education Providers for both a two-year and four-year program of study. The RFP was published on the Department's web-site and advertised in the New Hampshire Union Leader October 1 – 3, 2008.

On October 14, 2008 a Bidder's Conference was held to discuss the RFP and to respond to any questions or concerns of prospective bidders. Three prospective bidding agencies sent representatives to the conference. As of the RFP closing date two agencies submitted proposals for the two-year program of study; CCSNH, and Southern New Hampshire University (SNHU). CCSNH's proposal was not scored because it exceeded the price limitation for two-year program set forth in the RFP. SNHU's proposal was not selected because they were determined not to have the necessary statewide presence to deliver the service.

On January 16, 2009 DCYF re-issued an RFP for a Statewide College Tuition Assistance for Early Care and Education Providers for a Two-Year Program of Study. The RFP was published on the Department's web-site and advertised in the New Hampshire Union Leader January 16-18, 2009.

As of the RFP closing date, CCSNH was the lone agency that submitted a proposal. Their proposal was evaluated by a team comprised of two representatives from the Child Development Bureau and a professional working in the field of Early Childhood Education. The Team evaluated the proposal utilizing a uniform scoring tool developed according to the evaluation criteria specified in the RFP. The scoring summary is attached (Attachment A). CCSNH's proposal scored 139.7 points out of 200 points.

The evaluation committee recommended entering into an agreement with CCSNH due to its past and current performance, the ability to work well with the Department, its ability to provide the courses statewide, and its demonstrated program management and organizational capacity to carry out the service within the required timeframes.

The MOA has 15 overall performance measures to determine the success of the contract, which will be evaluated on a semester basis, and at the end of each contract year. These performance measures include the number of participants (providers and students) that will receive assistance for courses, number of towns with at least one participant, number of students assisted to obtain initial and advanced credentials, and the percentage of student satisfaction among all unduplicated participants.

Retroactive coverage under this MOA is necessary because the primary goal of this service is to increase the supply of well-trained staff in the field of early childhood education. Because the mean annual income for New Hampshire Child Care providers is \$20,110, the cost of tuition is a major barrier to continuing education. Approving these funds retroactive to July 1, 2009 will provide students the opportunity to receive assistance for the second half of the 2009 summer semester. Assistance for this semester will encourage continued progress towards a two-year degree or certificate in early childhood education, which will increase the supply of trained staff in the field. (Mean annual compensation is a 2008 figure from the Federal Bureau of Labor and Statistics).

This Request is submitted retroactively because of the delay encountered with the release a second RFP for this service and due to an employment vacancy, DCYF did not have adequate contract staff to prepare the MOA and submit a Request to Governor and Executive Council in a timelier manner.

The RFP and MOA include an option for up to a two year renewal subject to the continued availability of funds, satisfactory performance of services and approval of Governor and Executive Council.

Source of Funds: 100% Federal.

Area Served: Statewide.

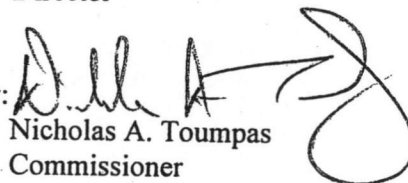
In the event that the Federal Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,



Maggie Bishop
Director

Approved by:



Nicholas A. Toumpas
Commissioner