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Frank Edelblut
Commissioner

Christine M. Brennan
Deputy Commissioner

STATE OF NEW HAMPSHIRE
DEPARTMENT OF EDUCATION
101 Pleasant Street
Concord, NH 03301
TEL. (603) 271-3495
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August 27, 2019

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

REQUESTED ACTION

Authorize the Department of Education to enter into a contract with The Maine Educational Center for the Deaf and Hard of Hearing, Falmouth, Maine (vendor code 306021) in an amount not to exceed \$400,000.00 to provide targeted technical assistance regarding the National Association of State Directors of Special Education (NASDSE) revised *Meeting the Needs of Students who are Deaf and Hard of Hearing: Educational Service Guidelines*, effective upon Governor & Council approval through June 30, 2021, with an option to renew for an additional two years based on performance and identified ongoing need. 100% Federal Funds.

Funds to support this request are anticipated to be available in the account titled IDEA-Special Ed-Elem/Sec for FY2020 and FY2021, upon the availability and continued appropriation of funds in future operating budget, with the ability to adjust encumbrances between Fiscal Years through the Budget Office without further Governor and Council approval, if needed and justified:

06-56-56-562010-25040000-102-500731	<u>FY'20</u>	<u>FY'21</u>
Contracts for Program Services	\$200,000.00	\$200,000.00

EXPLANATION

The New Hampshire Department of Education is responsible for meeting legislative mandates to provide technical assistance under RSA 186-C III and CFR 34 §300.704 (4)(i) State level activities to provide professional development and training. The Maine Educational Center for the Deaf and Hard of Hearing will create a statewide model using training, coaching, and/or mentoring methodologies to build and sustain evidence-based practices supports, services, and provisions within The Deaf Education Guidelines to assess and develop capacity to sustain a model for implementing research based practices to support students who are deaf and hard of hearing.

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
August 27, 2019
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A Request for Proposals (RFP) was advertised in the Manchester Union Leader for the period January 13th, January 14th and January 15th, 2019 and posted on the Department of Education's website. The Department received one (1) proposal from the issuance of the Request for Proposals "Optimizing Outcomes for Students who are Deaf and Hard of Hearing, Educational Guidelines, Technical Assistance Trainings in New Hampshire."

A review committee consisting of Heidi Clyborne, Education Consultant, Bureau of Student Support and Joanne DeBello, Education Consultant, Bureau of Student Support reviewed the proposal received by the deadline. Maine Educational Center for the Deaf and Hard of Hearing's proposal met the criteria of the Request for Proposals (Attachment A).

The Department of Education would like to contract with the Maine Educational Center for the Deaf and Hard of Hearing as their combined deaf education experiences include all levels of educational services from early intervention to adulthood, administration of school programs for the deaf and hard of hearing students, state agency leadership, university teach preparation, family engagement and national deaf education leadership. The Maine Educational Center for the Deaf and Hard of Hearing has vast experience creating and managing statewide programming for deaf and hard of hearing children.

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

Respectfully Submitted,



Frank Edelblut
Commissioner of Education

Attachment A

National Association of State Directors of Special Education

Optimizing Outcomes for Students who are Deaf and Hard of Hearing
Educational Service Guidelines
Technical Assistance Trainings in New Hampshire

Proposal Criteria in the RFP

Significance of Proposal	10 points
Quality of Service	15 points
Content Knowledge	10 points
Technical Skills	10 points
Management Plan	10 points
Personnel and Partners	10 points
Adequacy of Resources	25 points
Evaluation Plan	<u>10 points</u>
Total Possible Points	100 points

Two (2) proposals were received and scored

Name of bidder

1. *Northeast Deaf and Hard of Hearing Services, Inc.*

<u>Heidi Clyborne</u>	<u>Joanne DeBello</u>	<u>Peer Review</u>
91	71	81

2. *The Maine Education Center for Deaf and Hard of Hearing*

<u>Heidi Clyborne</u>	<u>Joanne DeBello</u>	<u>Peer Review</u>
87	77	82

The RFP review occurred on Friday March 29, 2019 with interviews on Tuesday May 14, 2019 with Northeast Deaf and Hard of Hearing Services and Friday May 24, 2019 with The Maine Education Center for the Deaf and Hard of Hearing. The RFP review panel consisted of the following employees from the Department of Education, Bureau of Student Support:

Joanne DeBello, Education Consultant

Joanne has 20 years of teaching background, 18 years of which were in special education working with children, along with their parents teachers, paraprofessionals, related service providers, outside services providers, who had mild, moderate, and significant needs ranging in all categorical disabilities in both public and private schools for grades ranging from 1-12. As an employee of the New Hampshire Department of Education, Joanne has experience monitoring school districts for compliance with IDEA and the New Hampshire Standards for the Education of Children with Disabilities and conducted training to school administrators, teachers, and related services providers. Additionally, Joanne has responsibilities of managing and monitoring contracts from Request for Proposals, including provisions for training sign language interpreters.

Heidi Clyborne, Education Consultant

Heidi was a special education teacher for 15 years in Anne Arundel County, Maryland. She has worked with students at all age levels with varying degrees of disabilities. For the first 8 years of her career as a special educator, Heidi worked in the elementary (to include a preschool special education program) and middle school level. For the past 7 years, Heidi was an IEP Facilitator that included a special education center for over 165 students, serving ages 3-21 with profound special education and medical needs. Heidi's work at the Department of Education includes training and monitoring for Secondary Transition and Title 1 Part D grant processes.

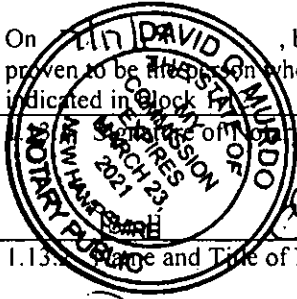
Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name NH State Department of Education Bureau of Student Support		1.2 State Agency Address 101 Pleasant Street Concord, New Hampshire 03301	
1.3 Contractor Name Maine Educational Center for the Deaf and Hard of Hearing		1.4 Contractor Address One Mackworth Island Falmouth, Maine 04105	
1.5 Contractor Phone Number 207-781-6355	1.6 Account Number See Exhibit B	1.7 Completion Date June 30, 2021	1.8 Price Limitation \$400,000.00
1.9 Contracting Officer for State Agency Santina Thibedeau Administrator, Bureau of Student Support		1.10 State Agency Telephone Number 603-271-3791	
1.11 Contractor Signature <i>Karen Hopkins</i>		1.12 Name and Title of Contractor Signatory Karen Hopkins Director of statewide Education	
1.13 Acknowledgement: State of <u>ME</u> , County of <u>Merrimack and Family Services MECDHH</u> On <u>11/23/2019</u> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
Signature of Notary Public or Justice of the Peace  <i>David C. Murdo</i>			
1.13.1 Name and Title of Notary or Justice of the Peace David C. Murdo Notary			
1.14 State Agency Signature <i>Frank E. Ely</i>		1.15 Name and Title of State Agency Signatory Frank E. Ely Commissioner	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: <i>Karen Arundis</i> Director, On: <i>October 21, 2019</i>			
1.17 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By: <i>[Signature]</i> On: <i>10/21/2019</i>			
1.18 Approval by the Governor and Executive Council (if applicable) By: _____ On: _____			

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

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.18, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.14 ("Effective Date").

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

4. CONDITIONAL NATURE OF AGREEMENT.

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.

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

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

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

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

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

6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. This may include the requirement to utilize auxiliary aids and services to ensure that persons with communication disabilities, including vision, hearing and speech, can communicate with, receive information from, and convey information to the Contractor. In addition, the Contractor shall comply with all applicable copyright laws.

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

6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

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

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

Agreement. This provision shall survive termination of this Agreement.

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

8. EVENT OF DEFAULT/REMEDIES.

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

8.1.1 failure to perform the Services satisfactorily or on schedule;

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

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

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

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

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

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

8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

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

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

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

10. **TERMINATION.** In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed; and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

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

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.

The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice and consent of the State. None of the Services shall be subcontracted by the Contractor without the prior written notice and consent of the State.

13. **INDEMNIFICATION.** The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.

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

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

14.1.2 special cause of loss coverage form covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

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

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than thirty (30) 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 provide the Contracting Officer identified in block 1.9, or his or her successor, no less than thirty (30) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.

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

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

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

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

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no

such approval is required under the circumstances pursuant to State law, rule or policy.

19. CONSTRUCTION OF AGREEMENT AND TERMS.

This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

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

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

22. SPECIAL PROVISIONS. Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

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

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.

Exhibit A

SCOPE OF SERVICES

The Maine Educational Center for the Deaf and Hard of Hearing will provide the following services to the New Hampshire Department of Education.

**National Association of State Directors of Special Education
Optimizing Outcomes for Students who are Deaf and Hard of Hearing
Educational Service Guidelines
Technical Assistance Trainings in New Hampshire**

Create a statewide model using training, coaching, and/or mentoring methodologies to build and sustain evidence-based practices supports, services, and provisions within The Deaf Education Guidelines.

- Through support, technical assistance, professional development, and coaching/mentoring, assist participating districts/private providers to assess and to develop their capacity to sustain a model for implementing research based practices to support students who are deaf and hard of hearing.
 - Develop a statewide awareness model that builds the capacity to disseminate and implement The Deaf Education Guidelines.
 - Design and coordinate Technical Assistance/Professional Development opportunities that incorporate researched based practices and resources in conjunction with participating providers to be able to train other interested providers and families around the State in implementing current, researched based practices in the field of deaf education. The statewide model will include trainings and a coaching/mentoring opportunity to providers and families through technical assistance (TA) and professional development (PD) designed to assist districts/private providers with a self-assessment tool to evaluate current services and identify needed program and services improvements in order to support statewide sustainability.
 - Conduct an annual evaluation of the statewide coaching/mentoring, technical assistance and professional development opportunities, and make necessary improvements to the project for each year of implementation.
- Coordinate the distribution of resources and information to schools, families, students and other stakeholders regarding Deaf Education Services Guidelines processes, supports, services, and provisions. The resources and information must support the Deaf Education Services Guidelines.
- Assist in coordinated training strategies for personnel preparation, professional development, and system development of certified personnel regarding The Deaf Education Guidelines.
- Design a marketing plan that includes online modules, video shorts and social media that inform the public about specific practices and examples that highlight publicly the application of the deaf education guidelines and how they improve outcomes for students who are deaf and hard of hearing and their families.
- Attend other assigned meetings that support the Bureau of Student Support projects, as appropriate.
- Conduct evaluations of each level of technical assistance/professional development to assess the impact on local systems and changes in practice resulting in improved outcomes and compliance as well as building sustainability and capacity. An evaluation report, including a mid-year and annual report will be submitted to the Department.

Contractor's Initials KH
Date 7/17/19

Exhibit B

Budget

Budget

Description	FY'20	FY'21
Personnel:		
Director of Statewide Education and Family Services	\$10,000.00	\$10,000.00
Information Technology Specialist	\$3,000.00	\$3,000.00
NH ATN Project Management Team:		
Cheryl DeConde Johnson	\$20,000.00	\$20,000.00
Anna Paulsen	\$20,000.00	\$20,000.00
Karen Hopkins	\$10,000.00	\$10,000.00
Two New Hampshire <i>All Together Now</i> Leads \$25.00 an hour x 20 hours per month	\$12,000.00	\$12,000.00
Four New Hampshire <i>All Together Now</i> Leads \$25.00 an hour x 10 hours per month		\$12,000.00
Communications/Social Media Specialist	\$10,000.00	\$8,000.00
Supplies, Resources and Training Materials	\$6,000.00	\$5,500.00
Stipend for Child Care for Family Engagement in Deaf Education Summit	\$1,000.00	\$1,000.00
Travel	\$30,000.00	\$24,000.00
In-State travel costs, mileage, Deaf Education Summit Participants	\$4,000.00	\$4,000.00
Interpreting and CART Access	\$23,000.00	\$20,000.00
Deaf Education Summit	\$5,000.00	\$5,000.00
Support for Collaborative Goals (professional development, etc.)	\$30,000.00	\$29,500.00
Indirect Cost 8%	\$16,000.00	\$16,000.00
Total	\$200,000.00	\$200,000.00

Limitations on Price: This contract will not exceed \$400,000.00

Source of Funding: Funding for this contract is 100% Federal Funds from the account titled Special Education-Elem/Sec. as follows:

Account: 06-56-56-562010-25040000-102-500731
Contracts for Program Services

FY'20
\$200,000.00

FY'21
\$200,000.00

Contractor's Initials KH
Date 7/17/19

Exhibit B

Budget (Cont'd)

Method of Payment:

Payment will be made upon the submittal of an invoice that is received by the 10th of the following month which is supported by a summary of activities that have taken place in accordance with the terms of the contract.

Invoices to be submitted to:

Mary Lane, Project Director
Optimizing Outcomes for Students who are Deaf and Hard of Hearing
Educational Service Guidelines, Technical Assistance Trainings in New Hampshire
NH Department of Education
Bureau of Student Support
101 Pleasant Street
Concord, New Hampshire 03301

Contractor's Initials

KH

Date

7/17/19

**EXHIBIT C
SPECIAL PROVISIONS**

The department will exercise the option to renew for two additional fiscal years, if services are determined to be satisfactory and funds are available, with Governor and Council approval.

Contractor Initials BH
Date 7/17/19

EXHIBIT D**Contractor Obligations**

Contracts in excess of the simplified acquisition threshold (currently set at \$250,000) must address **administrative, contractual, or legal remedies** in instances where the contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate. Reference: 2 C.F.R. § 200.326 and 2 C.F.R. 200, Appendix II, required contract clauses.

The contractor acknowledges that 31 U.S.C. Chap. 38 (Administrative Remedies for False Claims and Statements) applies to the contractor's actions pertaining to this contract.

The Contractor, certifies and affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Contractor understands and agrees that the provisions of 31 U.S.C. § 3801 et seq., apply to this certification and disclosure, if any.

Breach

A breach of the contract clauses above may be grounds for termination of the contract, and for debarment as a contractor and subcontractor as provided in 29 C.F.R. § 5.12.

Fraud and False Statements

The Contractor understands that, if the project which is the subject of this Contract is financed in whole or in part by federal funds, that if the undersigned, the company that the Contractor represents, or any employee or agent thereof, knowingly makes any false statement, representation, report or claim as to the character, quality, quantity, or cost of material used or to be used, or quantity or quality work performed or to be performed, or makes any false statement or representation of a material fact in any statement, certificate, or report, the Contractor and any company that the Contractor represents may be subject to prosecution under the provision of 18 USC §1001 and §1020.

Environmental Protection

(This clause is applicable if this Contract exceeds \$150,000. It applies to Federal-aid contracts only.)

The Contractor is required to comply with all applicable standards, orders or requirements issued under Section 306 of the Clean Air Act (42 U.S.C. 1857 (h)), Section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency (EPA) regulations (40 CFR Part 15) which prohibit the use under non-exempt Federal contracts, grants or loans of facilities included on the EPA List of Violating Facilities. Violations shall be reported to the FHWA and to the U.S. EPA Assistant Administrator for Enforcement.

Procurement of Recovered Materials

In accordance with Section 6002 of the Solid Waste Disposal Act (42 U.S.C. § 6962), State agencies and agencies of a political subdivision of a state that are using appropriated Federal funds for procurement must procure items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired in the preceding fiscal year exceeded \$10,000; must procure solid waste management services in a manner that maximizes energy and resource recovery; and must have established an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

Contractor Initials
Date

KH
7/11/19

Exhibit E

Federal Debarment and Suspension

- a. By signature on this Contract, the Contractor certifies its compliance, and the compliance of its Sub-Contractors, present or future, by stating that any person associated therewith in the capacity of owner, partner, director, officer, principal investor, project director, manager, auditor, or any position of authority involving federal funds:
1. Is not currently under suspension, debarment, voluntary exclusion, or determination of ineligibility by any Federal Agency;
 2. Does not have a proposed debarment pending;
 3. Has not been suspended, debarred, voluntarily excluded or determined ineligible by any Federal Agency within the past three (3) years; and
 4. Has not been indicted, convicted, or had a civil judgment rendered against the firm by a court of competent jurisdiction in any matter involving fraud or official misconduct within the past three (3) years.
- b. Where the Contractor or its Sub-Contractor is unable to certify to the statement in Section a.1. above, the Contractor or its Sub-Contractor shall be declared ineligible to enter into Contract or participate in the project.
- c. Where the Contractor or Sub-Contractor is unable to certify to any of the statements as listed in Sections a.2., a.3., or a.4., above, the Contractor or its Sub-Contractor shall submit a written explanation to the DOE. The certification or explanation shall be considered in connection with the DOE's determination whether to enter into Contract.
- d. The Contractor shall provide immediate written notice to the DOE if, at any time, the Contractor or its Sub-Contractor, learn that its Debarment and Suspension certification has become erroneous by reason of changed circumstances.

Contractor Initials _____
Date _____

KH
3/11/19

Exhibit F

Anti-Lobbying

The Contractor agrees to comply with the provisions of Section 319 of Public Law 101-121, Government wide Guidance for New Restrictions on Lobbying, and 31 U.S.C. 1352, and further agrees to have the Contractor's representative, execute the following Certification:

The Contractor certifies, by signing and submitting this contract, to the best of his/her knowledge and belief, that:

- a. No federal appropriated funds have been paid or shall be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence any officer or employee of any State or Federal Agency, a Member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any Federal contract, the making of any federal grant, the making of any federal loan, the entering into any cooperative agreement, and the extension, continuation, renewal amendment, or modification of any Federal contract grant, loan, or cooperative agreement.
- b. If any funds other than federally appropriated funds have been paid or shall be paid to any person for influencing or attempting to influence an officer or employee of any Federal Agency, a Member of Congress, and officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit the "Disclosure of Lobbying Activities" form in accordance with its instructions (<http://www.whitehouse.gov/omb/grants/sfllin.pdf>).
- c. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making and entering into this transaction imposed by Section 1352, Title 31 and U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.
- d. The Contractor also agrees, by signing this contract that it shall require that the language of this certification be included in subcontracts with all Sub-Contractor(s) and lower-tier Sub-Contractors which exceed \$100,000 and that all such Sub-Contractors and lower-tier Sub-Contractors shall certify and disclose accordingly.
- e. The DOE shall keep the firm's certification on file as part of its original contract. The Contractor shall keep individual certifications from all Sub-Contractors and lower-tier Sub-Contractors on file. Certification shall be retained for three (3) years following completion and acceptance of any given project.

Contractor Initials KH
Date 7/17/19

Exhibit G

Rights to Inventions Made Under a Contract, Copy Rights and Confidentiality

Rights to Inventions Made Under a Contract or Agreement

Contracts or agreements for the performance of experimental, developmental, or research work shall provide for the rights of the Federal Government and the recipient in any resulting invention in accordance with 37 CFR part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the DOE.

Any discovery or invention that arises during the course of the contract shall be reported to the DOE. The Contractor is required to disclose inventions promptly to the contracting officer (within 2 months) after the inventor discloses it in writing to contractor personnel responsible for patent matters. The awarding agency shall determine how rights in the invention/discovery shall be allocated consistent with "Government Patent Policy" and Title 37 C.F.R. § 401.

Confidentiality

All Written and oral information and materials disclosed or provided by the DOE under this agreement constitutes Confidential Information, regardless of whether such information was provided before or after the date on this agreement or how it was provided.

The Contractor and representatives thereof, acknowledge that by making use of, acquiring or adding to information about matters and data related to this agreement, which are confidential to the DOE and its partners, must remain the exclusive property of the DOE.

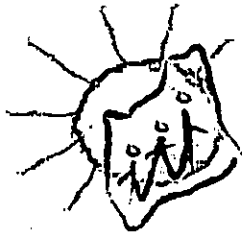
Confidential information means all data and information related to the business and operation of the DOE, including but not limited to all school and student data contained in NH Title XV, Education, Chapters 186-200.

Confidential information includes but is not limited to, student and school district data, revenue and cost information, the source code for computer software and hardware products owned in part or in whole by the DOE, financial information, partner information (including the identity of DOE partners), Contractor and supplier information, (including the identity of DOE Contractors and suppliers), and any information that has been marked "confidential" or "proprietary", or with the like designation. During the term of this contract the Contractor agrees to abide by such rules as may be adopted from time to time by the DOE to maintain the security of all confidential information. The Contractor further agrees that it will always regard and preserve as confidential information/data received during the performance of this contract. The Contractor will not use, copy, make notes, or use excerpts of any confidential information, nor will it give, disclose, provide access to, or otherwise make available any confidential information to any person not employed or contracted by the DOE or subcontracted with the Contractor.

Ownership of Intellectual Property

The DOE shall retain ownership of all source data and other intellectual property of the DOE provided to the Contractor in order to complete the services of this agreement. As well the DOE will retain copyright ownership for any and all materials, patents and intellectual property produced, including, but not limited to, brochures, resource directories, protocols, guidelines, posters, or reports. The Contractor shall not reproduce any materials for purposes other than use for the terms under the contract without prior written approval from the DOE.

Contractor Initials RH
Date 2/10/19



**Maine Educational Center for the Deaf and Hard of Hearing
Governor Baxter School for the Deaf
School Board Meeting, Falmouth, Maine
October 3, 2019**

Board Present: Amber Oakes, Lisette Belanger, Robin Foster, Michael Pulsifer, Terry Morrell, Michelle Ames, Roxanne Baker, Marena Thompson (student rep)

Board Excused: Anna Perna

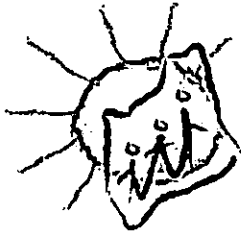
Administration: OJ Logue, Rebecca Falbo, Cathy Murphy, Karen Hopkins,

Staff: Kevin Bohlin

Guests: Tommy Minch

Interpreters: Marisa Zastrow, Julia Schafer

- 4:30pm **Policy Committee meeting**
- 5:00pm **Dinner**
- 5:31pm I. **Call to Order**
- 5:35pm II. **Announcements**
- Marena Thompson, student representative, senior at Portland High School, President of Jr. NAD
 - Board member Lisette Belanger received the Jinny Hughes award at the annual Maine Deaf Tea
 - Guest Tommy Minch of Disability Rights Maine
- 5:39pm III. **Adjustments to the Agenda**
- Proposal to move item V., approval of minutes, after the Audit report (item IV.)
Motion to approve moving approval of minutes
 - OJ motioned. Roxanne seconded.
 - 7 In favor. 0 Opposed. 0 Abstained.
- 5:41pm IV. **Public Comments, none**
- 5:50pm V. **Approval of Minutes – September 5, 2019**
Motion to approve. Lisette. Second robin. Discussion, no. favor 7
- 5:41 pm VI. **Audit Report ended 6:20.**
- 6:24pm VII. **Reminder for Committee Reports from Chairs**
- 6:27pm VIII. **Policies, 2nd Reading see marked up**
JFLA Child Sexual Abuse Prevention and Response
JLFA-E Suspected Child Abuse/Neglect Report Form
Motion mike. Second robin. See CART notes.
- 6:32pm IX. **Approval of Professional and Support Contracts**
- 6:50pm X. **Approval of Maine Medical Center Physician's MOU**



**Maine Educational Center for the Deaf and Hard of Hearing
Governor Baxter School for the Deaf
School Board Meeting, Falmouth, Maine
October 3, 2019**

6:52pm XI. **Approval of New Hampshire training grant**

"I motion that the board approves to enter into a contract with the State of New Hampshire, *Optimizing Outcomes for Students who are Deaf and Hard of Hearing, Educational Service Guidelines Technical Assistance Trainings in New Hampshire*, and gives the Executive Director and/or his appoints authority to enter into this contract as of July 1, 2019."

Motioned: Robin Foster, Seconded; Michelle Ames 7 In favor. 0 Opposed. 0 Abstained.

7:07pm XI. **Executive Director's Report**

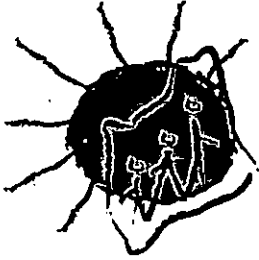
- Brewer update
- Amended staff contract

7:20pm XII. **Adjournment Roxanne motion. Second michelle.**

DRAFT

THE MAINE EDUCATIONAL CENTER FOR THE DEAF AND HARD OF HEARING
THE GOVERNOR BAXTER SCHOOL FOR THE DEAF

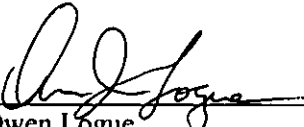
One Mackworth Island, Falmouth, ME 04105
(207) 781-3165
(207) 781-6246 Fax
www.mecdhh.org



LETTER OF AUTHORIZATION

I, Owen Logue, Executive Director of Maine Educational Center for the Deaf and Hard of Hearing (MECDHH) do certify that Karen Hopkins, Director of Instruction is an employee of Maine Educational Center for the Deaf and Hard of Hearing and is authorized to sign, execute, any documents required in regards to the application, execution, or any business related to the contract with the New Hampshire Department of Education for *Optimizing Outcomes for Students who are Deaf and Hard of Hearing, Educational Service Guidelines Technical Assistance Trainings in New Hampshire.*

This authorization was effective July 1 of 2019 and is in effect until completion of the above mentioned contract. If at any time during this contract the authorized person is no longer an employee of MECDHH we will notify you in writing.


Owen Logue
Executive Director

NOTARY INFORMATION

State of Maine

County of Cumberland

The officer above, whose name is Owen Logue, personally appeared before me and is known by me on this 10th day of September, 2019.

(Affix Seal)

Notary Public:



My commission expires:

10/19/2024

Title 20-A: EDUCATION

Chapter 304: MAINE EDUCATIONAL CENTER FOR THE DEAF AND HARD OF HEARING AND THE GOVERNOR BAXTER SCHOOL FOR THE DEAF

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MRS Title 20-A, Chapter 304: MAINE EDUCATIONAL CENTER FOR THE DEAF AND
HARD OF HEARING AND THE GOVERNOR BAXTER SCHOOL FOR THE DEAF

Text current through November 1, 2018, see disclaimer at end of document.

Maine Revised Statutes
Title 20-A: EDUCATION

**Chapter 304: MAINE EDUCATIONAL CENTER FOR THE DEAF AND HARD
OF HEARING AND THE GOVERNOR BAXTER SCHOOL FOR THE DEAF**

§7401. SCHOOL ESTABLISHED

The Maine Educational Center for the Deaf and Hard of Hearing and the Governor Baxter School for the Deaf is established as a public school pursuant to this chapter for the purpose of educating deaf and hard-of-hearing students. The school is a body politic and corporate and is an instrumentality and agency of the State. The exercise by the school of the powers conferred by this chapter is the performance of an essential public function by and on behalf of the State. [2005, c. 279, §6 (AMD) .]

SECTION HISTORY

1995, c. 676, §5 (NEW). 1995, c. 676, §13 (AFF). 1999, c. 775, §1 (AMD). 2005, c. 279, §6 (AMD) .

§7402. DEFINITIONS

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings. [1995, c. 676, §5 (NEW); 1995, c. 676, §13 (AFF) .]

1. School. "School" means the Maine Educational Center for the Deaf and Hard of Hearing and the Governor Baxter School for the Deaf established under this chapter, including the center school located at Mackworth Island known as the Governor Baxter School for the Deaf, the center preschool and any satellite school within the State that may be operated under a contracted services agreement.

[2011, c. 683, §1 (AMD) .]

2. School board. "School board" means the School Board of the Maine Educational Center for the Deaf and Hard of Hearing and the Governor Baxter School for the Deaf.

[2005, c. 279, §7 (AMD) .]

3. Sending school. "Sending school" means any school administrative unit that has a student in attendance at the center school or at a satellite school.

[2005, c. 279, §7 (AMD) .]

4. Executive director. "Executive director" means the Executive Director of the Maine Educational Center for the Deaf and Hard of Hearing and the Governor Baxter School for the Deaf.

[2011, c. 683, §1 (AMD) .]

5. Center school. "Center school" means the kindergarten to grade 12 programs established and operated by the Maine Educational Center for the Deaf and Hard of Hearing and the Governor Baxter School for the Deaf at the Governor Baxter School for the Deaf located at Mackworth Island or at a location determined by the school board in accordance with section 7407, subsection 17.

[2011, c. 683, §1 (AMD) .]

6. Satellite school. "Satellite school" means the programs, including a residential program, day school programs, early childhood programs and outreach programs, that are located near the population centers of deaf and hard-of-hearing students within the State established by the School Board of the Maine Educational Center for the Deaf and Hard of Hearing and the Governor Baxter School for the Deaf.

[2005, c. 279, §7 (AMD) .]

7. Statewide educational services or outreach. "Statewide educational services" or "outreach" means consultation services provided to families of children from birth to 5 years of age who are deaf or hard-of-hearing students and consulting services to school administrative units that serve school-age deaf or hard-of-hearing children.

[2011, c. 683, §1 (AMD) .]

8. Statewide resource center. "Statewide resource center" means the information and referral services provided by the library at the center school and the distance education program and the community education program offered at the center school.

[2005, c. 279, §7 (NEW) .]

9. Center preschool. "Center preschool" means the preschool program established and operated by the Maine Educational Center for the Deaf and Hard of Hearing and the Governor Baxter School for the Deaf at the Governor Baxter School for the Deaf.

[2011, c. 683, §1 (NEW) .]

SECTION HISTORY

1995, c. 676, §5 (NEW). 1995, c. 676, §13 (AFF). 1999, c. 775, §§2,3 (AMD). 1999, c. 775, §3 (AMD). 2005, c. 279, §7 (AMD). 2011, c. 683, §1 (AMD) .

§7403. RESPONSIBILITY; LOCATION; GEOGRAPHIC ACCESS

The center school programs are operated by the Maine Educational Center for the Deaf and Hard of Hearing and the Governor Baxter School for the Deaf located on Mackworth Island or at a location determined by the school board in accordance with section 7407, subsection 17. Satellite school programs, including a residential program in accordance with section 7407, subsection 17, may be located near the population centers of deaf and hard-of-hearing students within the State. [2013, c. 552, §1 (AMD) .]

I. Responsibility; repeal.

[2013, c. 552, §1 (NEW); T. 20-A, §7403, sub-§1 (RP) .]

SECTION HISTORY

1995, c. 676, §5 (NEW). 1995, c. 676, §13 (AFF). 1999, c. 775, §4 (AMD). 2011, c. 683, §2 (AMD). 2013, c. 552, §1 (AMD) .

§7404. FUNDING; TUITION

The following provisions apply to funding for and tuition to the school. [1995, c. 676, §5 (NEW); 1995, c. 676, §13 (AFF) .]

1. Funding. Students from this State may attend the center school free of tuition and room and board expense. Funding for these students is provided by legislative appropriation based on the services necessary, including room and board, to satisfy the individualized education programs of the students enrolled in the center school. Funding must support maintenance of the center school and that portion of the island used by the center school, security, outreach services, adult education, access to the education network of Maine and operations of the center school, including the residential program, parent-infant program, preschool program and communication garden program. Funding must also support maintenance and operations of any satellite school.

[2011, c. 683, §3 (AMD) .]

2. Out-of-state tuition. Students from other states and countries may attend the school on a space-available basis by paying the cost of tuition, fees and room and board as established by the school board.

[1995, c. 676, §5 (NEW); 1995, c. 676, §13 (AFF) .]

SECTION HISTORY

1995, c. 676, §5 (NEW). 1995, c. 676, §13 (AFF). 1999, c. 775, §5 (AMD). 2007, c. 111, §2 (AMD). 2011, c. 683, §3 (AMD).

§7405. ENROLLMENT; STATE AND FEDERAL EDUCATIONAL SERVICES REQUIREMENTS; TECHNICAL ASSISTANCE
(REPEALED)

The following provisions apply to student enrollment, state and federal educational services requirements and technical assistance. [1995, c. 676, §5 (NEW); 1995, c. 676, §13 (AFF) .]

SECTION HISTORY

1995, c. 676, §5 (NEW). 1995, c. 676, §13 (AFF). 1999, c. 775, §6 (AMD). 2003, c. 533, §7 (AMD). 2011, c. 683, §§4, 5 (AMD). 2013, c. 552, §2 (AMD). MRSA T. 20-A, §7405, sub-§4 (RP).

§7405-A. PLACEMENT; STATE AND FEDERAL EDUCATIONAL SERVICES REQUIREMENTS; TECHNICAL ASSISTANCE

Beginning July 1, 2015, the following provisions apply to student placement, state and federal educational services requirements and technical assistance. [2013, c. 552, §3 (NEW) .]

1. Placement. The school administrative unit in which a deaf or hard-of-hearing student resides is responsible for providing a free, appropriate public education pursuant to chapter 301 for a student placed in the center school or in one of the satellite school programs. An individualized education program team for a school administrative unit in which a deaf or hard-of-hearing student resides is responsible for the placement decision of that student and, when the center school or one of the satellite school programs is being considered as a placement for the student, shall invite a representative of the center school or the satellite school to attend the individualized education program team meeting at which this placement is being considered. The Maine Educational Center for the Deaf and Hard of Hearing is responsible for the sums necessary to ensure that the services required to meet the individualized education program for each student placed in the center school or in one of the satellite school programs are provided, including:

A. The cost of tuition; and [2013, c. 552, §3 (NEW) .]

B. The costs of transportation and other related services as defined by section 7001, subsection 4-B, including the following related services:

(1) Speech-language therapy;

- (2) Audiology in conjunction with the student's primary audiologist;
- (3) Occupational therapy;
- (4) Transportation;
- (5) Interpreting services;
- (6) Extended school year services;
- (7) Frequency modulation systems;
- (8) Evaluation for the following services:
 - (a) Occupational therapy;
 - (b) Speech-language therapy;
 - (c) American Sign Language;
 - (d) Psychoeducational assessment for placement; and
 - (e) Academic achievement; and
- (9) Behavioral supports and planning.

Beginning July 1, 2015, the costs of related services not listed in this paragraph are the responsibility of the school administrative unit in which a deaf or hard-of-hearing student resides for those students attending the center school or in one of the satellite school programs operated by the Maine Educational Center for the Deaf and Hard of Hearing and the Governor Baxter School for the Deaf beginning in the 2015-2016 school year. [2013, c. 552, §3 (NEW) .]

The school board shall pay the room and board costs for each student placed in a residential program in the center school or in one of the satellite school programs through funds appropriated by the State.

[2013, c. 552, §3 (NEW) .]

2. State and federal educational services requirements. The center school, center preschool and any satellite school shall comply with all standards for state public schools and shall comply with all federal and state laws and department rules for the provision of educational services to children with disabilities.

[2013, c. 552, §3 (NEW) .]

3. Technical assistance. A school administrative unit may request technical assistance from the school in matters relating to the education of deaf and hard-of-hearing students.

[2013, c. 552, §3 (NEW) .]

SECTION HISTORY

2013, c. 552, §3 (NEW) .

§7406. SCHOOL BOARD

The School Board of the Maine Educational Center for the Deaf and Hard of Hearing and the Governor Baxter School for the Deaf is established as the policy-making authority and the governing body of the school. [2005, c. 279, §8 (AMD) .]

1. Membership. In appointing members to the school board, the Governor shall give proper consideration to achieving statewide geographical representation, cultural equity and gender equity. In appointing voting members to the school board, the Governor shall select nominees with experience or special knowledge in one or more of the following areas: law, finance, organizational issues, management, education, human resources and collective bargaining. The school board and interested parties may submit a list of recommended candidates to the Governor to aid in making appointments of voting and nonvoting

members. The appointments of voting members made by the Governor are subject to review by the joint standing committee of the Legislature having jurisdiction over education matters and subject to confirmation by the Legislature. The appointments of nonvoting members made by the Governor are not subject to review by the joint standing committee of the Legislature having jurisdiction over education matters or subject to confirmation by the Legislature. The Governor shall appoint the school board consisting of 15 voting members and 2 nonvoting members as follows:

A. Four parents of students who are deaf or hard-of-hearing, including a minimum of one parent with a child enrolled in the residential program and one parent with a child receiving service from the school's outreach program; [1999, c. 775, §7 (AMD) .]

B. Three deaf representatives of the State's deaf community; [1995, c. 676, §5 (NEW) .]

C. Eight members of the general public, at least 2 of whom must have expertise in deaf education; and [1999, c. 775, §7 (AMD) .]

D. [1999, c. 775, §7 (RP) .]

E. [1999, c. 775, §7 (RP) .]

F. Two students, one who attends the school and one who receives outreach services, both of whom are nonvoting members and who may not participate as board members in executive sessions or receive materials as board members from executive sessions. [1999, c. 775, §7 (AMD) .]

[2003, c. 115, §1 (AMD) .]

2. Chair. The school board shall choose annually one of its members to serve as chair.

[1995, c. 676, §5 (NEW) .]

3. Meetings. The school board shall meet at regular intervals.

[1995, c. 676, §5 (NEW) .]

4. Quorum. Each voting member of the school board is entitled to one vote. A majority of voting members of the school board constitutes a quorum for the transaction of any official business.

[1999, c. 775, §7 (AMD) .]

5. Terms of voting members. The terms of the voting members of the school board are for 3 years, unless otherwise designated, and are staggered with 1/3 of the voting members appointed each year. Members may be appointed for consecutive terms.

[1999, c. 775, §7 (AMD) .]

6. Terms of nonvoting members. The terms of the nonvoting student members, pursuant to subsection 1, paragraph F, must be determined by the school board.

[1999, c. 775, §7 (AMD) .]

7. Expenses. Voting members of the school board must be compensated according to the provisions of Title 5, chapter 379.

[1995, c. 676, §5 (NEW) .]

8. Appointments.

[1999, c. 775, §7 (RP) .]

SECTION HISTORY

1995, c. 676, §5 (NEW). 1999, c. 775, §7 (AMD). 2003, c. 115, §1 (AMD).
2005, c. 279, §8 (AMD).

§7407. POWERS AND DUTIES OF SCHOOL BOARD

The powers and duties of the school board include the following. [1995, c. 676, §5 (NEW);
1995, c. 676, §13 (AFF) .]

1. Policies. The school board shall develop and adopt policies and rules necessary for the operation of the school.

[1995, c. 676, §5 (NEW); 1995, c. 676, §13 (AFF) .]

2. Selection of executive director. The school board shall hire an executive director.

[2011, c. 683, §6 (AMD) .]

3. Administration. The school board shall oversee the administration of the center school and any satellite school, including the hiring of academic, residential, outreach and support staff of the center school.

[1999, c. 775, §8 (AMD) .]

3-A. Employee retirement plan. Employees of the school are state employees for purposes of Title 5, chapters 421 and 423, unless a decision is made pursuant to a collective bargaining agreement or is otherwise made consistent with applicable law other than Title 5, section 18201 to provide for retirement coverage in some way other than as state employees in the Maine Public Employees Retirement System regular retirement plan. The school board shall consult with the Executive Director of the Maine Public Employees Retirement System in proposing any change to the Maine Public Employees Retirement System retirement status of school employees. The school board shall provide certification to the Maine Public Employees Retirement System of any decision to provide retirement coverage in some way other than as state employees at least 60 days prior to any change in retirement coverage. Any decision that removes school employees from the definition of "state employee" as provided in Title 5, section 17001, subsection 40 is irrevocable unless changed by law.

[2001, c. 239, §3 (NEW); 2001, c. 239, §5 (AFF); 2007, c. 58, §3 (REV)
.]

4. Budget development.

[1999, c. 775, §16 (AFF); 1999, c. 775, §9 (RP) .]

4-A. Budget development. The school board shall, with the aid of the executive director and staff, prepare an annual budget for the operation of the school and exercise budgetary responsibility. The school board shall allocate for expenditure by the school and programs under its jurisdiction all the resources available for the operation of the school and its programs.

[2011, c. 683, §7 (AMD) .]

4-B. Budget presentation. Annually, not later than January 1st, in addition to complying with the provisions of Title 5, sections 1665 and 1666, the school board shall present the budget for the Maine Educational Center for the Deaf and Hard of Hearing and the Governor Baxter School for the Deaf to the Governor and the Legislature for review by the commissioner and the joint standing committee of the Legislature having jurisdiction over education matters. Beginning for fiscal year 2013-14, the budget must be presented in a cost center summary budget format pursuant to section 1485, subsection 1, paragraph A and must include specific budget information, including revenues and expenditures, for the center school, the center preschool and statewide educational services or outreach. Revenue sources must include revenue received through state appropriation pursuant to section 7404, as well as fees and other revenues collected from school administrative units. The school board shall provide a detailed accounting of the fees and other revenue collected from each school administrative unit and the services provided to each unit. A liability or obligation may not be incurred under this chapter beyond the amount approved in the administrative operating budget. The school board may make expenditures only in accordance with allocations approved by the Legislature. Any balance of an allocation or subdivision of an allocation made by the Legislature for the school that at the time is not required for the purpose named in the allocation or subdivision may be transferred prior to the closing of the books for the fiscal year to any other allocation or subdivision of any allocation made by the Legislature for the use of the school for the same fiscal year. The transfer is subject to review by the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs. Financial statements describing the transfer must be submitted by the school board to the Office of Fiscal and Program Review 30 days before the transfer is implemented. In case of extraordinary emergency transfers, the 30-day prior submission requirement may be waived by vote of the committee. These financial statements must include information specifying the accounts that are affected, the amounts to be transferred, a description of the transfer and a detailed explanation of the reason the transfer is needed.

[2011, c. 683, §8 (NEW) .]

5. Financial management. The school board may accept donations, bequests or other forms of financial assistance for any educational purpose from a public or private source and shall comply with rules and regulations governing grants from the Federal Government or from any other source.

[1995, c. 676, §5 (NEW); 1995, c. 676, §13 (AFF) .]

6. Collection of fees. The school board may charge service and rental fees for use of facilities of the school. Except as provided in subsections 12-A and 12-B, any funds received for service and rental fees must be retained by the school.

[2017, c. 413, §1 (AMD) .]

7. Indemnification. The school board shall indemnify the employees and other agents of the school and purchase and maintain insurance to indemnify those persons to the extent provided in Title 13-B, section 714. The school board may indemnify members of the school board.

[1995, c. 676, §5 (NEW); 1995, c. 676, §13 (AFF) .]

8. Bonds. The school board shall require security for the faithful performance of duties by employees and other agents of the school who are entrusted with the custody of the school securities or authorized to disburse the funds of the school. The security must consist of a bond, either a blanket bond or individual bond with a surety bond, or bonds having a minimum limitation of \$100,000 coverage for each insured person. The expense of a bond is assumed by the school.

[1995, c. 676, §5 (NEW); 1995, c. 676, §13 (AFF) .]

9. Property management. The school board may acquire by purchase any property, lands, buildings, structures, facilities or equipment and make improvements to facilities necessary to fulfill the purposes of this chapter. The State retains ownership of Mackworth Island and the school facilities. Notwithstanding section 7403, the school board may make alternative plans regarding the location of the school:

[1995, c. 676, §5 (NEW); 1995, c. 676, §13 (AFF) .]

10. Island access. The school board shall consult annually with the Department of Agriculture, Conservation and Forestry, Bureau of Parks and Lands on public access and management of that portion of Mackworth Island under the jurisdiction of that bureau.

[1999, c. 775, §11 (AMD); 2011, c. 657, Pt. W, §§5, 7 (REV); 2013, c. 405, Pt. A, §24 (REV) .]

11. Certificates and diplomas. The school board shall offer courses of study and grant diplomas and certificates on completion of courses of study. This granting of diplomas and certificates may be done in cooperation with the sending school.

[1995, c. 676, §5 (NEW); 1995, c. 676, §13 (AFF) .]

~~**12. Contracts and agreements.** The school board may enter into any contracts and agreements, to the extent that funds are available, in the execution of its powers under this chapter.~~

[1995, c. 676, §5 (NEW); 1995, c. 676, §13 (AFF) .]

12-A. Lease of school property. The Department of Administrative and Financial Services may enter into lease agreements consistent with the deed of gift from Governor Percival Baxter and in accordance with state law and policy on the lease of state-owned facilities, including but not limited to the provisions of Title 5, chapter 154. Any funds received pursuant to this subsection must first be applied in accordance with Title 5, section 1784. Any excess revenue above the requirements of Title 5, section 1784 may be retained by the Maine Educational Center for the Deaf and Hard of Hearing and the Governor Baxter School for the Deaf to be applied to statutorily authorized programs.

[2005, c. 600, §2 (NEW) .]

12-B. Lease of school property to State's protection and advocacy agency. The Department of Administrative and Financial Services may enter into lease agreements in accordance with state law and policy on the lease of state-owned facilities, including but not limited to the provisions of Title 5, chapter 154, to lease school property to the protection and advocacy agency for persons with disabilities designated pursuant to Title 5, section 19502. Any funds received pursuant to this subsection must first be applied in accordance with Title 5, section 1784. Any excess revenue above the requirements of Title 5, section 1784 may be retained by the school to be applied to statutorily authorized programs.

[2017, c. 413, §2 (NEW) .]

~~**13. Delegation.** The school board may delegate duties and responsibilities as necessary for the efficient operation of this chapter.~~

[1995, c. 676, §5 (NEW); 1995, c. 676, §13 (AFF) .]

14. Criteria for enrollment. The school board shall establish and disseminate to school administrative units the criteria to be used in determining eligibility of applicants for enrollment in the center school.

[2011, c. 683, §9 (AMD) .]

15. Student conduct. The school board shall prepare and adopt procedures and rules to ensure the smooth operation of student conduct standards.

[1995, c. 676, §5 (NEW); 1995, c. 676, §13 (AFF) .]

16. Individualized education programs, standards and measurements. The school board shall ensure that services required to meet the individualized education program for each student are provided by the school. The school board shall establish standards and methods of measuring progress in the levels of academic achievement for students who participate in the school in accordance with the statewide system of learning results established under section 6209. The school board shall also establish standards and methods of measuring progress in the professional development of teachers who participate in school programs. The school board shall assess students and teachers according to those standards and measurements.

[1999, c. 775, §11 (AMD) .]

17. School programs. The school board may create, maintain and expand center school programs and programs for children and families that may be served by the school at any satellite school, through statewide educational services and through the statewide resource center. For the 2000-01 and 2001-02 school years only, the residential program at the Governor Baxter School for the Deaf located on Mackworth Island is limited to enrolling up to 20 students who are deaf or hard-of-hearing. The superintendent may request that the commissioner approve a waiver of the residential enrollment limit and establish additional placements for students in the residential program at the Governor Baxter School for the Deaf located on Mackworth Island; the commissioner may approve those placements on a case-by-case basis and only if the individual education plan of the prospective student who is deaf or hard-of-hearing requires placement in a residential program. Beginning with the 2002-03 school year, the school board shall establish a satellite school program that offers an array of educational programs that provide students who are deaf or hard-of-hearing with geographically convenient access to placement options that may be required by their individualized education program.

[2005, c. 279, §10 (AMD) .]

18. Fees and charges. The school board shall establish and collect necessary fees and set policies relating to other appropriate charges for students. The school board shall annually submit a schedule of fees to be charged to school administrative units for each service provided by the Maine Educational Center for the Deaf and Hard of Hearing and the Governor Baxter School for the Deaf to the Governor. A detailed accounting of fees collected from each unit and the services provided, including statewide educational services or outreach, must be included in the presentation of the budget pursuant to subsection 4-B.

[2011, c. 683, §9 (AMD) .]

19. Report. The school board shall report annually to the Governor, the joint standing committee of the Legislature having jurisdiction over education matters and the commissioner on the general status of the finances and operations of the school, including the center school programs and any satellite school programs, the status of the professional qualifications of the school board members and the results of the assessments required by subsection 16 and the general status of the school and shall provide an annual financial audit conducted by an independent auditor.

[2009, c. 213, Pt. ZZ, §1 (AMD) .]

SECTION HISTORY

1995, c. 676, §5 (NEW). 1995, c. 676, §13 (AFF). 1999, c. 775, §§8-11 (AMD). 1999, c. 775, §16 (AFF). 1999, c. 790, §L1 (AMD). 1999, c. 790, §L2 (AFF). 2001, c. 239, §3 (AMD). 2001, c. 239, §5 (AFF). 2005, c. 279, §§9,10 (AMD). 2005, c. 600, §§1,2 (AMD). 2007, c. 58, §3 (REV).

2009, c. 213, Pt. ZZ, §1 (AMD). 2011, c. 657, Pt. W, §§5, 7 (REV).
2011, c. 683, §§6-9 (AMD). 2013, c. 405, Pt. A, §24 (REV). 2017, c.
413, §§1, 2 (AMD).

§7408. POWERS AND DUTIES OF EXECUTIVE DIRECTOR

The powers and duties of the executive director include the following. [2011, c. 683, §10
(AMD).]

~~1. Staff and administration. The executive director shall hire staff and administer school operations.~~

[2011, c. 683, §10 (AMD) .]

~~2. Enrollment. The executive director shall work with school administrative units, pursuant to section
7405-A, to enroll students.~~

[2015, c. 494, Pt. A, §12 (AMD) .]

SECTION HISTORY

1995, c. 676, §5 (NEW). 1995, c. 676, §13 (AFF). 2011, c. 683, §10
(AMD). 2015, c. 494, Pt. A, §12 (AMD).

§7409. SCHOOL YEAR

The school must operate on a calendar year that meets or exceeds the minimum number of statewide
student instructional days. [1995, c. 676, §5 (NEW); 1995, c. 676, §13 (AFF).]

SECTION HISTORY

1995, c. 676, §5 (NEW). 1995, c. 676, §13 (AFF).

§7410. DEPARTMENT ASSISTANCE; LIMITATION

(REPEALED)

SECTION HISTORY

1995, c. 676, §5 (NEW). 1995, c. 676, §13 (AFF). 1999, c. 775, §12
(AMD). MRSA T. 20-A, §7410, sub-§3 (RP).

§7411. EMERGENCY POWER

Notwithstanding any other provision of law, the commissioner may assume and exercise the authority
of the school board if the commissioner declares an emergency exists such that the health, safety or welfare
of students in academic, extracurricular or residential programs is in jeopardy or the school is in substantial
and persistent violation of federal and state law. The commissioner's declaration of an emergency is not
reviewable, but the commissioner shall exercise this emergency authority for a period not to exceed 3 months
unless the commissioner again declares that an emergency continues. [1999, c. 401, Pt. JJJ, §1
(NEW).]

SECTION HISTORY

1999, c. 401, §JJJ1 (NEW).

§7412. MAINE EDUCATIONAL CENTER FOR THE DEAF AND HARD OF HEARING AND THE GOVERNOR BAXTER SCHOOL FOR THE DEAF STUDENT TRUST FUND ESTABLISHED

1. Fund established. Notwithstanding the provisions of Title 5, section 135-A, the Maine Educational Center for the Deaf and Hard of Hearing and the Governor Baxter School for the Deaf Student Trust Fund, referred to in this section as the "fund," is established.

[2005, c. 279, §11 (AMD) .]

2. Investment of funds. The money in the fund may be invested by the Treasurer of State with the assistance of one or more fiduciaries or registered investment advisors. The duties and expenses of the fiduciaries or registered investment advisors must be handled in a manner consistent with Title 5, section 17108, subsections 2 and 3. All earnings must be credited to the fund.

[1999, c. 2, §21 (COR) .]

3. Nonlapsing fund; transfer to General Fund. Until July 1, 2007, any unexpended funds remaining in the fund may not lapse but must be carried forward for the benefit of the fund. On July 1, 2007, any unexpended funds remaining in the fund must be transferred to the General Fund.

[2001, c. 439, Pt. T, §6 (AMD) .]

4. Expenditures from the fund.

[2001, c. 439, Pt. T, §7 (RP) .]

SECTION HISTORY

RR 1999, c. 2, §21 (COR). 1999, c. 731, §PPP1 (NEW). 2001, c. 439, §§T6,7 (AMD). 2005, c. 279, §11 (AMD).

§7413. PRIVATE SUPPORT ORGANIZATION

1. Designation of private support organization. The executive director shall designate a nonprofit organization as the private support organization for the school. The designated organization must be incorporated as a nonprofit corporation under the laws of the State, and its sole purpose, as reflected in its bylaws, must be to organize and foster support for the school and the school's programs.

[2015, c. 383, §1 (NEW) .]

2. Nonvoting member on board of directors. The executive director, or the executive director's designee, shall serve as a nonvoting ex officio member of the private support organization's board of directors.

[2015, c. 383, §1 (NEW) .]

3. Plan of work. The executive director shall negotiate an annual memorandum of understanding between the school and the private support organization that outlines a plan of work identifying priority projects of mutual benefit and cooperation.

[2015, c. 383, §1 (NEW) .]

4. Use of property. The executive director may permit the appropriate use of fixed property, equipment and facilities of the school by the private support organization. Such use must be directly in keeping with the purpose of the private support organization as set out in subsection 1 and must comply with all appropriate state policies and procedures.

[2015, c. 383, §1 (NEW) .]

SECTION HISTORY

2015, c. 383, §1 (NEW) .

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STATE OF MAINE


CERTIFICATE OF INSURANCE

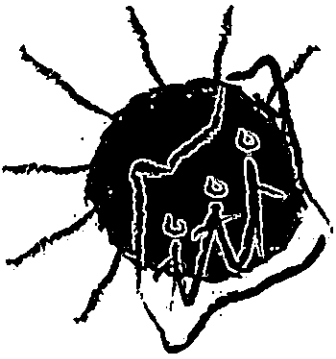
Producer <i>State of Maine Risk Management Division 85 State House Station Augusta, Maine 04333 Telephone: 1-800-525-1252</i>	ISSUE DATE: 07/09/2019 # 1995 <small>THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.</small> COMPANIES AFFORDING COVERAGE COMPANY LETTER A <i>State of Maine Self Insurance Fund;</i>
Insured <i>Maine Ed Ctr For The Deaf & Hard Of Hearing 1 Mackworth Island Falmouth, Me 04105</i>	COMPANY LETTER B

COVERAGES
 THIS IS TO CERTIFY THAT POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED NOT WITHSTANDING 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 PRESCRIBED HEREIN IS SUBJECT TO ALL TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	<u>GEN. & PROF. LIABILITY</u> MAINE TORT	[REDACTED]	07/01/2019	07/01/2020	BODILY INJURY AND PROPERTY DAMAGE COMBINED PER OCCURRENCE \$400,000.00
	<u>AUTOMOBILE LIABILITY</u> X ALL OWNED AUTOS HIRED AUTOS NON-OWNED AUTOS				BODILY INJURY AND PROPERTY DAMAGE COMBINED PER OCCURRENCE
	WORKERS' COMPENSATION	n/a	n/a	n/a	STATUTORY LIMITS
	OTHER				

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / SPECIAL ITEMS / EVENTS:
Creation of a services training program within the Deaf Education Guidelines for State governmental providers of services to the deaf and hard of hearing.

CERTIFICATE HOLDER <i>State of New Hampshire Dept. of Education 101 Pleasant St. Concord, NH 03301</i>	CANCELLATION / ALTERATION <small>CANCELLATION / ALTERATION - Should any of the above described policies be cancelled or altered before the expiration date thereof, the issuing company will attempt to give 10 days written notice to the certificate holder.</small> AUTHORIZED REPRESENTATIVE <div style="text-align: center;">  David Fitts, Director </div>
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THE MAINE EDUCATIONAL CENTER FOR THE DEAF AND HARD OF HEARING
STATEWIDE EDUCATION AND FAMILY SERVICES

One Mackworth Island, Falmouth, ME 04105
(207) 781-6335 TTY/V
(207) 781-6289 Fax
www.mecdhh.org

The mission statement of The Maine Educational
Center for the Deaf and Hard of Hearing :

We provide high quality, state of the art services to
children and youth who are Deaf or hard of hearing,
their families, and learning communities throughout
the state of Maine.

Applicant Experience and Structure

Since 1957 The Maine Educational Center for the Deaf and Hard of Hearing/Governor Baxter School for the Deaf has been providing state of the art services and supports to children who are deaf or hard of hearing and their families throughout the state of Maine. Following research and evidenced based practices, MECDDH/GBSD has evolved with the times to provide educational programming to meet the needs of all deaf and hard of hearing children throughout Maine. Currently over 70 MECDDH/GBSD employees work together to serve over 800 deaf and hard of hearing children and families throughout Maine. Since its inception, MECDDH/GBSD has been actively and dynamically engaged in supporting parents and families of deaf and hard of hearing children. This has included a wide array of offerings including, but not limited to, educational programming, consultation, mentoring, technical assistance, trainings, informal advocacy, networking, creating parent to parent relationships, developing connections with readily available resources pertinent to the individual needs of a family/parent and supporting deaf and hard of hearing infants, toddlers, children and adolescents. Over the years support has been provided for all children who are deaf or hard of hearing and their families regardless of their chosen mode of communication. Support has been unbiased, designed to meet the needs of the individual child and family, and steeped in best practice and research. Specifically trained to work with infants, children and adolescents who are Deaf or hard of hearing and their families, our professional staff include Teachers of the Deaf, Special Educators, Educational Audiologists, Early Childhood Educators, Speech/Language Pathologists, Occupational Therapists, and a Licensed Clinical Social Worker. Our diverse staff are trained broadly and have training in the following key areas that are pertinent to this grant proposal:

1. Ski Hi, a nationally recognized training model, with a proven record of success, for professionals working with the parents/families of Deaf and Hard of Hearing infants, toddlers and children. MECDDH has 7 Ski Hi certified Teachers of the Deaf.
2. Ski Hi Deaf Mentor Training - Maine has 19 certified Deaf Mentors
3. MECDDH has 4 Teachers of the Deaf and Speech Language Pathologists that are in the process of becoming Listening and Spoken Language Certified. They receive on-going training and mentorship.
4. We continue to strengthen and expand the skills, knowledge and understanding of our staff via professional development regarding all communication options (Listening and Spoken Language, ASL, Cued Speech, and Bi-lingual/Bi-modal) and evidenced based educational practices in deaf education.
5. Assessments - MECDDH has 2 Teachers of the Deaf that are in the national co-hort to be nationally certified ASL assessors from Gallaudet University. They will be fully certified in June 2019 and will be able to train other Teachers of the Deaf to provide ASL assessments.
6. MECDDH early childhood staff have received a vast amount of training in the area of developmentally appropriate early childhood programming. The preschool program at MECDDH is nationally accredited by the National Association of the Education of Young Children (NAEYC).

MECDDH is known for its statewide collaboration with other agencies. Forming partnerships to improve services for deaf and hard of hearing statewide has improved Maine's student's outcomes.

MECDDH has an established relationship with Maine's Department of Health and Human Services as we manage their contracts for the grant funded provision of service in the state Early Hearing Detection and Intervention program. In this collaboration, MECDDH has worked closely with the Department of Health

to improve Maine's loss to follow up numbers in the EHDI system and also to assist in the identification and timely and appropriate service delivery.

MECDHH has entered into a Memorandum of Understanding with Child Development Services (CDS), Maine's Part C and Part B 619 agency. The purpose of this MOU is to develop a collaborative approach between the SIEU-CDS and MECDHH while clarifying roles and responsibilities. Additionally the goal was to enhance and expedite the provision of early intervention services and/or special education/related services for children, birth to under school age 6 in accordance with the IDEA laws and regulations and Maine statutes and regulations. It is agreed that collaboration and cooperation are necessary components to ensure effective implementation of the Individual Family Service Plan (IFSP) in the natural environment and Individual Education Plan (IEP) in the least restrictive environment. These efforts reduce duplication of services, build collaboration, and continue to provide quality programming for deaf and hard of hearing children. MECDHH's early interventionists have developed a formal 6 visit process of communication opportunities exploration that has been modeled across the nation and internationally. MECDHH and CDS has also worked closely to bridge the gap between early intervention and school age services in Maine. This agreement with CDS demonstrates collaboration with a state agency.

In an effort to collaborate in the area of transition, the MECDHH Public School Outreach Coordinator and Social Worker sit on the Transition team for Maine's deaf and hard of hearing children. Maine has developed transition guidelines for deaf and hard of hearing children that are used as a model by several other states.

MECDHH has been awarded various state and federal grants that were instrumental in improving services to students and families throughout the state of Maine. Two key grants are explained below:

In 2011 MECDHH/GBSD was awarded a three year Distance Learning Telemedicine Grant from USDA for \$476,336.00 to develop video conferencing capability to twelve towns populated by 38,581 residents. The grant enabled children who are deaf and hard of hearing and their families to overcome geographic, language and cultural barriers to access rich and diverse programming from designated Hub sites. This three year grant provided MECDHH/GBSD with an extraordinary experience to connect with families who live in remote areas of Maine who are often isolated from critical resources. Through video conferencing technology MECDHH/GBSD provided ongoing information and support by expanding parent programs into rural communities with our Hub sites that facilitated access to specialists. It provided wonderful collaborations with Boston Children's Hospital, hear ME now, Clarke School for Hearing and Speech, and the Rochester Institute of Technology as well as hands on technology experience for parents and families. MECDHH/GBSD will continue to utilize this robust distance technology in all aspects of the "All Together Now" project.

With this technology MECDHH has produced several fully-accessible professional webinars on various topics related to early intervention, hearing assistive technology, communication opportunities, literacy and other pertinent topics in the field of deaf education today. Our webinar series have been accessed in every county throughout the State of Maine, across the United States and Canada.

**Maine Educational Center for the Deaf and Hard of Hearing
The Governor Baxter School for the Deaf School Board
Members:**

Board members are paid a stipend of \$55 per monthly board meetings

Anna Perna, Chair

Rep. Member of the General Public w/Expertise in Deaf Ed. P.O. Box 1213 Holden, ME 04429

Terry Morrell, Vice Chair Rep. Deaf Community 78A Kemp Rd. Gorham, ME 04038
deafchi@aol.com

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Roxanne Baker

Rep. Deaf Community 5 Locksley Rd. Cape Elizabeth, ME 04107 Tel: 207-766-7144 TTY
(h)

207-807-4326 (c)

rox3bak@aol.com

Robin Foster

Rep. Parent of a Student Receiving Outreach Services 4 Oak Hill Rd. Orrington, ME 04474 Tel: 207-478-2764 (c)

loonisland@hotmail.com

Amber Oakes

Rep. Member of the General Public 6 Demont Drive Millford, ME 04461 Tel: 207-974-9169 Amber.oakes@maine.edu



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Our Board

- [Board Meeting Agenda](#)
- [Board Meeting Minutes](#)
- [Board Approved Policies](#)

[Percival P. Baxter Foundation](#)

Our Board

Board of Director meetings are open to the public and held the first Thursday of each month (no meeting in July) from 5:30PM to 7:30PM.

Contact Suzy Sargent at: 207-781-6284

Meeting agendas, minutes and policies are available by following the links to the left.

Board Members

- Anna Perna, Interim Chair
 - Rep. Member of the General Public
- Terry Morrell, Vice Chair
 - Rep. Deaf Community
- Michelle Ames
 - Rep. Deaf Community
- Roxanne Baker
 - Rep. Deaf Community
- Robin Foster
 - Rep. Parent of a Student Receiving Outreach Services
- Amber Oaker
 - Rep. Member of the General Public with Expertise in Deaf Education

The Maine Educational Center for the Deaf and Hard of Hearing
The Governor Baxter School for the Deaf
Mackworth Island, Falmouth, Maine 04105
207-781-3165



THE MAINE EDUCATIONAL CENTER FOR THE DEAF AND HARD OF HEARING
STATEWIDE EDUCATION AND FAMILY SERVICES

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www.mecdhh.org

Project Personnel: (resumes are attached)

“All Together Now Management Team”

Karen Hopkins

Cheryl Deconde-Johnson

Anna Paulen

Karen Hopkins, M.Ed CAGS

Professional Profile:

Educational Leader with over 25 years experience in education; including the development, implementation, and management of programs with extensive knowledge of early intervention, deaf educational programming and family engagement. Wide-range of experience in supervision, development of training materials, coordinating and conducting trainings, educational opportunities and national presentations. Highly motivated professional who is focused on program growth and effectiveness, improving organizational culture and climate, and engaging families and Deaf and hard of hearing adults in programming.

Education:

University of New England

Certificate of Advanced Graduate Studies

Major: Educational Leadership; December 2011

University of Maine

Master of Education; May 2005

Major: Early Childhood Special Education,

Focus: Deaf Education

Gallaudet University

Bachelor of Science, May 1991

Major: Elementary Education

Focus: Deaf Education

Certifications:

Superintendent

Special Education Director

Building Administrator/Principal

Deaf Education K-12

Early Childhood Special Education

Elementary Education

National Ski HI Deaf Certification

National Deaf Mentor Certification

Professional Experience:

Director of Statewide Education and Family Services – 2018-present

- Implementation, supervision and evaluation of all statewide outreach educational and family programs at The Maine Educational Center for the Deaf and Hard of Hearing
- Program oversight of statewide programs:
 - Public School Outreach, Early Childhood and Family Services (Early Intervention Services, Bilingual Bimodal Preschool Program, Parent-Toddler Program, Hands & Voices Guide By Your Side Program, Family Learning Days, Deaf Mentor Program and the ASL For Families Program.
- Oversee online data and assessment portals
- Budget preparation for all statewide programming, grant involvement and Hands & Voices programs
- Grant writing and overseeing grant budget and activity
- Staff development planning
- Hiring of staff

- Educational Leadership in the areas of Curriculum, Instruction and Assessment
- Overseeing statewide early intervention deaf education, and special education services in collaboration with Local Education Agencies, Child Development Services and Maine Newborn Hearing Program
- Public Relations and Presentations – state and national conferences
- Statewide Conference Coordination
- Collaboration and transition planning with Child Development Services, public schools, and MECDHH Public School Outreach and Academic departments
- This position required skills and knowledge in supervision, deaf education, early childhood education, special education, Part C and Part B of IDEA, various communication opportunities, language planning, bilingual-bicultural and bi-lingual bi-modal education, educational law, evidenced based practices in all areas of education, curriculum, assessment and overall program programming.

Director of Early Childhood Education and Family Services – 2013- 2018

Responsibilities:

- Implementation, supervision and evaluation of all early childhood programs at The Maine Educational Center for the Deaf and Hard of Hearing
- Program oversight of statewide programs:
 - Early Childhood and Family Services (Early Intervention Services, Bilingual Bimodal Preschool Program, Parent-Toddler Program, Hands & Voices Guide By Your Side Program, Deaf Mentor Program and the ASL For Families Program.
- Oversee online data and assessment portals
- Budget preparation for all early childhood programming, grant involvement and Hands & Voices programs
- Grant writing and overseeing grant budget and activity
- Staff development planning
- Hiring of all early childhood staff
- Educational Leadership in the areas of Curriculum, Instruction and Assessment
- Overseeing statewide early intervention and special education services in collaboration with Child Development Services and Maine Newborn Hearing Program
- Public Relations and Presentations – state and national conferences
- Statewide Conference Coordination
- Collaboration and transition planning with Child Development Services, public schools, and MECDHH Public School Outreach and Academic departments
- This position required skills and knowledge in supervision, deaf education, early childhood education, special education, Part C and Part B of IDEA, various communication opportunities, language planning, bilingual-bicultural and bi-lingual bi-modal education, educational law, evidenced based practices in all areas of education, curriculum, assessment and overall program programming.

Early Childhood and Family Services Coordinator – 2004 – 2013

Maine Educational Center for the Deaf and Hard of Hearing

This position evolved to include the implementation, supervision and evaluation of all early childhood programs at the Maine Educational Center for the Deaf and Hard of Hearing. Upon hire, this position was responsible for the Part B (age 3-5) portion of educational programming at MECDHH, which included teaching the Pre-Kindergarten program. Over time, responsibilities changed to oversight of all birth- age 5 programs including early intervention, parent infant programming, statewide educational outreach (deaf education) for 3-5 year olds and the Mackworth Island preschool program.

Responsibilities:

- Implementation, supervision and evaluation of all early childhood programs at The Maine Educational Center for the Deaf and Hard of Hearing
- Program Oversight:
 - Early Childhood and Family Services

- o Parent-Infant-Toddler Program
- o Mackworth Island Preschool Program
- Teaching Pre-Kindergarten Deaf Education "Sound and Sign" Pre-Kindergarten classroom.
- Budget involvement for all early childhood programming
- Involved in Staff development planning
- Educational Leadership in the areas of Curriculum, Instruction and Assessment
- Public Relations – state and national agencies
- Presentations – state and national conferences
- Board representation – MNHP board, Hands & Voices board, Maine's Foundation for Deaf Children
- This position required skills and knowledge in supervision, deaf education, early childhood education, special education, Part C and Part B of IDEA, various communication opportunities, language planning, bilingual-bicultural and bi-lingual bi-modal education educational law, evidenced based practices in all areas of education, curriculum, assessment and overall program programming.

**Early Childhood and Family Services Consultant and Teacher of the Deaf – 1997- 1998 – Contract
12/01/1998 – 2004 - Employee**

**Maine Educational Center for the Deaf and Hard of Hearing
Responsibilities:**

- Implementing an evidenced based deaf education classroom
 - o Curriculum
 - o Instruction
 - o Assessment
 - o Documentation
- Consultation to early childhood classrooms
- Consultation to families
- Collaboration with child's IFSP and IEP teams
- Provide information, resources, support to families and providers
- Provide home visits, daycare and preschool visits

**Bilingual-Bicultural Teacher (preschool – grade 12), State of Maine Department of
Education/Vocational Rehabilitation 1992-1997**

Responsibilities:

- Pre-Kindergarten Classroom Instruction for deaf and hard of hearing children
- Teaching American Sign Language Classes for families
- Early Intervention for children and their families
- Tutoring and Educational Consultative Support to deaf and hard of hearing students in Elementary, Middle and High School
- Development and Implementation of annual educational and social-emotional summer programs for deaf and hard of hearing teenagers, including budget planning, travel planning, fundraising, grant writing, public relations, and hiring and supervision of contracted staff.

Teacher – The Hilltop School, Bangor, Maine (1993-1994)

Responsibilities:

- Implementation of Instruction, Curriculum and Assessment in a Pre-Kindergarten classroom of 18 students
- Supervision of Educational Technicians and Foster Grandparents

Grants Awarded:

Health Resources and Services Administration - Federal Newborn Hearing Screening Grant - \$250,000 – three year grant

Rural Utilities Grant - \$400,000 – Technology Grant for expanding services to deaf and hard of hearing children in New England

Department of Health and Human Services Grant – \$66,000 to create a Parent to Parent Support Program - \$66,000

Board Involvement:

Hands & Voices Headquarters Board (2018-present)

**Maine Newborn Hearing Program Board (2001-present) – Past Board Chair
Committees – Education, Quality Improvement, Membership**

The Foundation for Maine's Deaf and Hard of Hearing Children (2008-present)

Maine Hands & Voices (2011-present)

Statewide Conference Coordinator: 2015, 2016

Committees – Membership, Fundraising, Events, Annual Conference

National EHDI Meeting Planning Board (2011-2015) – Chair of Family Events and Support Committee

National Deaf Mentor Learning Community – National Center for Hearing Assessment and Management

National Part C EHDI workgroup – 2016

Maine CMV Committee

National Deaf/HH Infusion Advisory Board

Professional Organizations:

National Association for the Education of the Young Child

Maine Principal's Association

Women Administrators of Cumberland and York

Hands & Voices

Maine Hands & Voices

Maine Association of Special Education Directors

National Leadership and Deaf Education Trainings:

Family Centered Early Intervention Conference (FCEI – Austria) – 2018 – presenter

National Hands & Voices Leadership Conference – 2010-2018 - presenter

National Early Hearing Detection and Intervention Conference – 2006 – 2019 - presenter

National Institute for the Deaf Mainstream Conference – 2018

Clerc, Center Outreach Conference – 2018 - presenter

Conference of Educational Administrators of Schools and Programs for the Deaf – 2018

National Family Support for Deaf and Hard of Hearing Children Conference – presenter

Children's Leadership Institute – 2013

Next Steps for Deaf and Hard of Hearing Conference – presenter

Recognitions:

Outstanding Advocate for the Needs of the Deaf Community

Buddy Award for support of Children with Down Syndrome

References:

Owen Logue, Executive Director of MECDHH, 781-6285

Lynn Schardel, Past Executive Director of MECDHH, 232-6599

Janet DesGeorges, National Executive Director of Hands & Voices, 303-492-6283

Darlene Freeman, President of Maine Hands & Voices, 570-5691

Kristopher Michaud, Part B Coordinator – Child Development Services, 207-592-1406

Roy Fowler, Part C Coordinator – Child Development Services, 207-592-6079

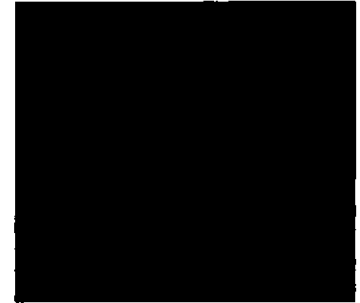
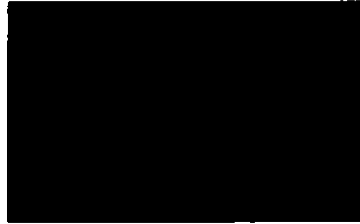
Dr. Romy Spitz, Linguist and professor at University of Southern Maine, 450-5954

Dr. Amy Swarkowski, Boston Children's Hospital Deaf and Hard of Hearing Program Psychologist, 781-216-2236

Kim Matthews, Early Childhood and Family Services Consultant, MECDHH, 318-7920

Catherine Lushman, Teacher of the Deaf, MECDHH 470-7679 (VP)

Cheryl DeConde Johnson, Ed.D.



Profile

I am a dedicated advocate with forty plus years of experience in multiple levels of deaf education including as an educational audiologist, teacher of the deaf, early intervention provider and program coordinator for a large center-based preschool-high school deaf and hard of hearing program, higher education instruction for future teachers of the deaf, and state level leadership for deaf education, educational interpreting, and audiology services. In seventeen years as a consultant, I have assisted various state departments of education and other agencies regarding deaf education improvement including as a trainer for the National Association of State Directors of Special Education (NASDSE) implementing the 2nd edition of the Deaf Education Guidelines and as a co-editor of the third edition, *Optimizing Outcomes for Students who are Deaf or Hard of Hearing*. I am highly invested in family engagement with personal experiences of system challenges while raising and learning from my daughter who describes herself as sometimes deaf and sometimes hard of hearing.

Current Work

Principal, The ADEvantage [Audiology - Deaf Education vantage consulting]

The ADEvantage is a consulting service focusing on audiology and deaf education services in education settings. Through my consulting practice I:

- Provide technical assistance and consulting services to agencies, school districts, state departments of education, and professional organizations regarding program development and evaluation, restructuring of systems, and accountability for services and student outcomes relative to children and youth who are deaf and hard of hearing;
- Develop and conduct research in relevant areas for children with hearing impairments; and
- Provide support and advocacy to families, school districts, and agencies to resolve specific assessment, services and placement issues involving child and youth who are deaf and hard of hearing.

Other Employment

Adjunct faculty appointments:

University of Arizona, College of Education, Disability and Psychoeducational Studies
Osborne College of Audiology, Salus University, International Audiology Certificate Program

Education

B.A., Speech and Hearing Sciences, University of California, Santa Barbara (1975)
M.A., Audiology, University of Northern Colorado, Greeley (1976)
Ed.D., Special Education Administration: Audiology and Deaf Education Programs, University of Northern Colorado, Greeley (1982)

Professional Experience

I have 40 years of experience in the field of deaf education working in a variety of capacities:
These include:

- 23 years (1976-1997) in the Greeley, Colorado, public schools as an educational audiologist, hearing specialist, and program director for the deaf and hard of hearing program including supervision of teachers and related services personnel;
- 20 years (1976-1996) as an early intervention provider and regional coordinator for the Colorado Home Intervention Program;
- 16 years (1990-97 part-time; 1998-2006 full-time) at the Colorado Department of Education, Special Education Services Unit, as the principle consultant for deaf and hard of hearing services statewide including audiology and educational interpreting. I facilitated a consensus process that resulted in authorship of the documents: *A Blueprint for Closing the Gap: Developing a Statewide System of Service Improvements for Students who are Deaf and Hard of Hearing* (CDE, 2002); *Colorado Quality Standards: Programs and Services for Students Who are Deaf and Hard of Hearing* (CDE, 2004). I also facilitated a self-assessment of the Quality Standards that was performed, analyzed, and reported by the Research and Development Center for Advancement of Student Learning in 2006 (Ft. Collins, CO).
- Co-Founder, Hands & Voices, Colorado Chapter (1990) and Co-Founder, Hands and Voices Headquarters, President of the Board of Directors (2003-2013) and continuing as a Board member (2013-present).
- Founding member (2004-2016) of the State Leader's Summit in Deaf Education which held annual meetings for state leadership teams in deaf education to support the development and improvement of statewide systems and programs for children and youth who are deaf and hard of hearing (this project was originally facilitated through Mountain Plains Regional Resource Center, then under a federal Department of Education grant to pepnet2 until the end of that grant cycle ending Dec 2016).
- 16 years (2002-present) as a consultant through my consulting practice, The ADEvantage, for the development of state and district level program improvements for deaf and hard of hearing students, individual school district program evaluation, accountability systems, and strategic planning. State and federal level projects include:

National Association of State Directors of Special Education (2007-2010, 2016-2018)

2007-10: Consultant/Trainer for the Deaf Education Initiative conducting state training seminars: *Meeting the Needs of Students who are Deaf and Hard of Hearing*. I was the content expert in trainings sponsored by state education agencies in the following states: AL, AR, CA, KS, MI, NM, OK, SD, ME, MD, MI, NC, NH, OH, PA. Two-day trainings focused on development of state systems to enhance services to DHH students.

2016-2018: Co-facilitator/editor for the 3rd Edition of the Deaf and Hard of Hearing Guidelines project funded by the U.S. Department of Education.

Washington State Center for Childhood Deafness and Hearing Loss (2009-2010, 2013-2014)

Consultant and facilitator for development of the report to the Board of Trustees of the Center in response to Engrossed HB 1879; process involved facilitating the stakeholder group, focus group meetings around the state (teachers of the deaf, school administrators, related service personnel, educational interpreters, early intervention providers, parents, consumers, and members of the professional community), on-line surveys, data analysis and synthesis, and authoring the final report, *Status of Educational Services to Deaf, Deaf-Blind and Hard of Hearing Children and Youth in Washington*, available at:

<http://www.wsd.wa.gov/documents/CompleteReportBoard.pdf>

New Hampshire Department of Education (2009-2012, 2016-17)

Consultant and facilitator for the New Hampshire Deaf and Hard of Hearing Education Initiative; included facilitating the stakeholder group and guiding the development state guidelines, *Educational Service Guidelines for Students who are Deaf and Hard of Hearing*, available at:

http://www.education.nh.gov/instruction/special_ed/documents/deaf-guidelines_april_2012.pdf

Pepnet2 (2011-2016)

Consultant and facilitator for the OSEP federally funded PN2 Building State Capacity Summit project.

Minnesota Collaborative, Commission of Deaf, Deafblind, and Hard of Hearing Minnesotans (2011-2016)

Consultant and facilitator for the collaborative plan which included facilitation of a stakeholder group of state agency, school district, parent, and private sector representatives to develop a plan for identifying and measuring outcomes of children who are deaf and hard of hearing, birth – age 21; authored plan document: *Maximizing and Monitoring Learner Progress for Children who are Deaf, Deafblind, and Hard of Hearing and their Families*. The plan and additional information is available at <http://www.mncdhh.org/education/481>

Indiana Office of Management and Budget/Indiana Center for Deaf and Hard of Hearing Education (2012-2015)

External consultant to the Indiana Office of Management and Budget to advise in the creation of the Indiana Center for Deaf and Hard of Hearing Education; assisted in the facilitation of stakeholder meetings and drafting team meetings for development of the Transition Plan. Consultation to the Center is on-going.

State of Washington, Office of Superintendent of Public Instruction, Professional Educators Standards Board, RFQ-2012-13 (Feb-December, 2013)

Consultant and facilitator contracted by PESB to research and develop performance standards for educational interpreters, including facilitating a stakeholder group to arrive at recommendations, develop the written report and presentation to the Standards Board for approval and adoption.

Delaware Department of Education (2014)

Facilitator for Task Force to make recommendations to the legislature regarding House Resolution #20 which sought input on 1) the current condition of educational services available to persons birth to twenty-one who are deaf, hard of hearing, and deaf-blind throughout the State of Delaware; and 2) the administrative location of the Delaware School for the Deaf and

Statewide Services for deaf, hard of hearing, and deaf-blind students. Prepared written report for the legislature based on the recommendations.

Ohio State University, Children's Hearing and Language Development Resource Network (CHLDRN) of Ohio (2017-2018)

Facilitator for this Oberkötter funded collaborative planning grant establishing an effective statewide collaborative of stakeholders to identify and analyze current issues in follow-up services of early identified infants and toddlers and their families. Work to date includes facilitating the steering committee and stakeholder meetings, and regional focus groups of families and professionals. Additional data is being collected via online surveys. Information will be presented in a final report of the findings and recommendations. The grant principle investigator is Derek Houston, PhD, Ohio State University.

Recognitions

- 2016 Families First Award, Colorado Families for Hands & Voices
- 2006 University of Northern Colorado Alumni Association Trailblazer Award
- 2006 Phonak Cheryl DeConde Johnson Award for Excellence in Educational Audiology
- 2005 Lifetime Achievement Award of the Colorado Academy of Audiology
- 2003 Peak Performance Award, Colorado Academy of Audiology
- 2001 Frederick Berg Award for advancement of audiology services in the schools, Educational Audiology Association
- 2000 Families First Award, Colorado Families for Hands & Voices
- 2000 Professional Achievement Award for development of the educational audiology services model, the American Academy of Audiology
- 1993 ASHA Rolland J. VanHattum Award for outstanding service by a speech-language pathologist or audiologist in the schools.
- 1992 Colorado Speech-Language-Hearing Association Clinical Achievement Award (DiCarlo nominee to ASHA)
- 1990 Colorado Speech-Language-Hearing Association Public School Program of the Year

Publications and Presentations

- 70 book chapters and articles including co-author of two books
- 200+ professional presentations at workshops, seminars, conferences
- 100+ invited national and international presentations

Vitae and references are available upon request.

Professional Experience

Coordinator of Educational Advancement and Partnerships

2014 -

Present

Minnesota Commission of the Deaf, DeafBlind, & Hard of Hearing

St. Paul, MN

- Provide leadership and advocacy for development, implementation, monitoring, evaluation and continuous improvement of statewide education plan for students who are deaf, deafblind and hard of hearing by engaging diverse cross agency, cross-sector stakeholders, including parents, students, disability advocates, teachers, schools and administrators.
- Engage stakeholders to advocate for education initiatives in Commission's strategic plan.
- Ensure stakeholders' initiatives align with current national and local systems' research and practice.
- Create an environment that encourages and facilitates input from all stakeholders by developing communications plan and communicating education activities to stakeholders, policy makers and general public.
- Coordinate a statewide conference for professionals who serve students who are deaf, deafblind and hard of hearing and their parents.
- Recommend staffing levels, hire staff, initiate annual requests for research, and oversee \$200,000 budget for statewide conference.

Senior Teaching Specialist

1995 - 2014

College of Education and Human Development, University of Minnesota

Minneapolis, MN

- Taught on-site and online classes and seminars in Special Education Programs, Deaf/Hard of Hearing Education, Sensory Impairments and Early Childhood Special Education.
- Developed course syllabi, course web site, and instructional materials to reflect current evidence based practices in special education that met Universal Design Standards for Special Education.
- Co-wrote and implemented federal Office of Special Education Programs (OSEP) grant to support and prepare pre-service teachers in serving students from rural communities, from diverse cultures, and with co-occurring disabilities.
- Presented educational content at dozens of professional conferences.
- Ensured that the teacher candidates met the competency standards for licensing in both Deaf/Hard of Hearing and Early Childhood Special Education.
- Supervised student teaching experience coordinators and teacher candidates in clinical settings, set placements, consulted with cooperating teachers, conducted formal observations, resolved conflicts, provided support through individual conferences and leading senior seminars.
- Advised incoming and current teacher candidates on career options and course programming related to obtaining Minnesota teacher licensure and Master of Education degree.
- Coordinated mentorship program by recruiting, training and matching teacher candidates with community expert teachers.
- Authored six published research articles, white papers and chapters for professional publications.

Family Services Coordinator

1992 - 1993

Part H of IDEA - Coordinator of Implementation

Community Mental Health Services

Marquette, Michigan

Teacher Elementary, ECSE and Deaf/Hard of Hearing Students

1989-1991

West-Central Wisconsin

Education & Credentials

Minnesota Teaching Licenses
Elementary Education
Deaf/Hard of Hearing
Early Childhood Special Education

Master of Education in Educational Psychology
1995

December

University of Minnesota
Minneapolis, Minnesota

Bachelor of Science in Elementary Education
University of Minnesota
Minneapolis, Minnesota

June 1988

Emerging Leaders Institute
2017

March

State of Minnesota

TREK Transform Certification in Instructional Technologies
Universities of Minnesota & Wisconsin

August 2010

Professional Memberships & Service

Chair, Division of Communication, Language and Deaf/Hard of Hearing
Council of Exceptional Children

2017 - present

Member, Division of Communication, Language and Deaf/Hard of Hearing
Council of Exceptional Children

1990 - 2016

Member, Early Hearing Detection and Intervention Advisory Committee
State of Minnesota

2012 - present

Member, Association of College Educators - Deaf/Hard of Hearing

1996 - present

Member, Parent Advisory Committee
LifeTrack Resources

2010 - present

Member, Deaf/Hard of Hearing Program Advisory Board
University of Minnesota

2014 - present

Key Personnel

Karen Hopkins

Cheryl DeConde Johnson

Anna Regas Paulson

**MAINE EDUCATIONAL CENTER FOR THE DEAF
AND HARD OF HEARING AND
THE GOVERNOR BAXTER SCHOOL FOR THE DEAF
(A Component Unit of the State of Maine)**

FINANCIAL STATEMENTS

June 30, 2018

With Independent Auditors' Report

**MAINE EDUCATIONAL CENTER FOR THE DEAF AND HARD OF HEARING AND THE
GOVERNOR BAXTER SCHOOL FOR THE DEAF
(A Component Unit of the State of Maine)**

June 30, 2018

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Blake Hurley McCallum & Conley, LLC · Certified Public Accountants

344 Main Street, Westbrook, Maine 04092 (207) 854-2115/Fax 854-2118

INDEPENDENT AUDITORS' REPORT

The School Board

Maine Educational Center for the Deaf and Hard of Hearing and the Governor Baxter School for the Deaf

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, and each major fund of Maine Educational Center for the Deaf and Hard of Hearing and the Governor Baxter School for the Deaf (a component unit of the State of Maine) (MECDHH/GBSD) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise MECDHH/GBSD's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discreetly presented component unit and each major fund of MECDHH/GBSD as of June 30 2018, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

As discussed in note 4 to the financial statements, during the fiscal year ended June 30, 2018, MECDHH implemented GASB Statement No. 75, as amended, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*. The requirements of this change in accounting includes the restatement of the beginning balance of the OPEB obligation for healthcare by restating the June 30, 2017 balance from a net OPEB liability to a total OPEB liability, as well as recognizing the June 30, 2017 net OPEB liability for life insurance. Also as a result of implementing these changes applicable to the new standard, numerous changes were made to beginning balances and total net position.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 12 and pages 45 and 46, as well as pension information on pages 47 and 48, and OPEB information on pages 49 through 53, 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2018, on our consideration of MECDHH/GBSD's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance with the results of that testing, and not to provide an opinion on the internal control over financial reporting. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering MECDHH/GBSD's internal control over financial reporting and compliance.

Blake Hurley McCallen & Conley, LLC

Westbrook, Maine
October 26, 2018

**MAINE EDUCATIONAL CENTER FOR THE DEAF AND HARD OF HEARING AND THE
GOVERNOR BAXTER SCHOOL FOR THE DEAF
(A Component Unit of the State of Maine)**

Management's Discussion and Analysis (Unaudited)

June 30, 2018

Introduction

The Management's Discussion and Analysis (MD&A) is required supplementary information due to the implementation of Governmental Accounting Standards Board Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis" (GASB No. 34). It is designed to help the reader's understanding of the accompanying financial statements and footnotes.

In the fiscal year ended June 30, 2006, MECDHH/GBSD changed its name from Governor Baxter School for the Deaf (GBSD) to Maine Educational Center for the Deaf and Hard of Hearing and the Governor Baxter School for the Deaf (MECDHH/GBSD), which includes GBSD and its outreach programs. In 2005, management revived the Foundation "Governor Baxter School for the Deaf Foundation". In 2006, the Foundation's name was changed to include "d/b/a The Maine Foundation for the Deaf". In 2011 the Foundations name was changed to The Foundation for Maine's Deaf and Hard of Hearing Children.

The discussion and analysis of MECDHH/GBSD's performance provides an analytical overview of its financial activities for the fiscal years ended June 30, 2018 and 2017. Please read it in conjunction with the attached financial statements and footnotes.

Prior to July 1, 2002, MECDHH/GBSD was included in the financial statements of the State of Maine. Beginning on July 1, 2002, MECDHH/GBSD became a component unit of the State of Maine.

Using the Financial Statements

In addition to the MD&A, MECDHH/GBSD's financial reports include six financial statements: The Statement of Net Position, the Statement of Activities (School-Wide), the Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance (Governmental Funds), the Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position, and the Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities. These financial statements have been prepared in accordance with Governmental Accounting Standards Board (GASB) principles. A brief explanation of each component of the annual report required by the GASB No. 34 reporting model follows:

- Management's Discussion and Analysis (this section): This section provides an analytical overview of MECDHH/GBSD's financial activities for the years ended June 30, 2018 and 2017.

**MAINE EDUCATIONAL CENTER FOR THE DEAF AND HARD OF HEARING AND THE
GOVERNOR BAXTER SCHOOL FOR THE DEAF
(A Component Unit of the State of Maine)**

Management's Discussion and Analysis (Unaudited)

June 30, 2018

Using the Financial Statements (Continued)

- **Basic Financial Statements:** This section includes the following:

- **School-Wide Financial Statements:** The school-wide statements report information about MECDHH/GBSD as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of MECDHH/GBSD's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two school-wide statements report MECDHH/GBSD's net position and how they have changed. Net position – the difference between MECDHH/GBSD's assets and liabilities – are one way to measure MECDHH/GBSD's financial health or position.

- **Fund Financial Statements:** The fund financial statements provide more detailed information about MECDHH/GBSD's most significant fund rather than about MECDHH/GBSD as a whole. A fund is an accounting device that MECDHH/GBSD uses to keep track of specific sources of funding and spending for particular purposes.

MECDHH/GBSD has two major funds and one component unit.

Governmental Funds – Most of MECDHH/GBSD's basic services are included in governmental funds, which focus on (1) how cash and other financial assets can be readily converted to cash flow in and out, and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance MECDHH/GBSD's programs. Because this information does not encompass the additional long-term focus of the school-wide statements, we provide additional information on the page following each governmental funds statement that explains the relationship (or differences) between them and the school-wide financial statements.

Component Unit – The component unit is a Foundation which is a registered 501(3)(c) entity. The purpose of the organization is to provide scholarship for Maine's deaf and hard of hearing students to attend camps and programs.

- **Notes to Financial Statements:** These notes explain some of the information in the financial statements and provide more detailed data.

**MAINE EDUCATIONAL CENTER FOR THE DEAF AND HARD OF HEARING AND THE
GOVERNOR BAXTER SCHOOL FOR THE DEAF
(A Component Unit of the State of Maine)**

Management's Discussion and Analysis (Unaudited)

June 30, 2018

Using the Financial Statements (Concluded)

The table below summarizes the major features of MECDHH/GBSD's financial statements, including the portion of the School government they cover and the types of information they contain.

	<u>Type of Statement</u>	
	<u>School-wide</u>	<u>Governmental Funds</u>
Scope	Entire Educational Center's government and the Educational Center's component unit	The activities of the education center that are not proprietary or fiduciary
Required financial statements	Statement of net position	Balance sheet
	Statement of activities	Statement of revenues, expenditures, and changes in fund balance
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of accountability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets, due from primary government for overpayment of post-retirement benefits, nor accrued compensated absences included
	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and payment is due during the year or soon thereafter

Statement of Net Position

The condensed statement of net assets presents the financial position of MECDHH/GBSD, excluding activity related to the Foundation. This statement presents the assets and liabilities at the end of the fiscal year using the accrual basis of accounting.

**MAINE EDUCATIONAL CENTER FOR THE DEAF AND HARD OF HEARING AND THE
GOVERNOR BAXTER SCHOOL FOR THE DEAF
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Management's Discussion and Analysis (Unaudited)

June 30, 2018

Statement of Net Position (Continued)

Net position as of June 30:	<u>2018</u>	<u>2017</u>
Cash and cash equivalents	\$ 88,196	\$ 450,893
Accounts receivable	115,335	55,167
Due from primary government	4,843,581	4,545,684
Investments	1,099,759	1,022,362
Capital assets, net	<u>581,355</u>	<u>662,831</u>
Total assets	<u>6,728,226</u>	<u>6,736,937</u>
Deferred outflows of resources	<u>2,788,592</u>	<u>2,449,263</u>
Total assets and deferred outflows of resources	<u>\$ 9,516,818</u>	<u>\$ 9,186,200</u>
Cash overdraft	\$ 149,203	\$ -
Accounts payable	208,180	449,511
Accrued payroll and benefits	575,936	498,891
Post-employment benefit obligation	6,111,059	3,028,000
Net pension liability	<u>5,614,635</u>	<u>6,213,561</u>
Total liabilities	<u>12,659,013</u>	<u>10,189,963</u>
Deferred inflows of resources	<u>1,993,342</u>	<u>608,830</u>
Invested in capital assets, net	581,355	662,831
Restricted	746,383	704,222
Unrestricted	<u>(6,463,275)</u>	<u>(2,979,646)</u>
Total net position	<u>\$ (5,135,537)</u>	<u>\$ (1,612,593)</u>

Current assets are comprised of cash and cash equivalents, accounts receivable, and other current assets. The most significant decrease was in cash. This decrease is primarily because of a deficit from operations, the increase in accounts receivable, and the decrease in accounts payable net of an increase in payroll related accruals. Non-current assets include long-term investments and capital assets, as well as due from primary government which represents cumulative overpayments for retiree health insurance that are realized under GASB 75. Long-term investments for the governmental activities are being held by the State of Maine Treasurer in a large investment pool, in addition to \$283,985 held in mutual funds and in common stock of various publicly traded companies and \$25,641 in cash and cash equivalents. Investment income included \$92,921 of gains and \$23,666 of earnings.

The net pension liability represents MECDDHH/GBSD's proportionate share of the future retirement benefits for employees due under the Maine Public Employees Retirement System (MainePERS) as calculated under GASB 68 *Accounting and Financial Reporting for Pensions*.

**MAINE EDUCATIONAL CENTER FOR THE DEAF AND HARD OF HEARING AND THE
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(A Component Unit of the State of Maine)**

Management's Discussion and Analysis (Unaudited)

June 30, 2018

Statement of Net Position (Concluded)

The post-employment benefit obligation represents MECDHH/GBSD's proportionate share of the future post-retirement health benefits for employees due under the State of Maine Employer Retiree Health Program as calculated under GASB 75, as amended, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*. GASB 75 was implemented in FY18, and this change in accounting required restatement of beginning balances of OPEB liabilities, deferred inflows and deferred outflows, and resulted in a decrease in net position of \$4,514,611 as of June 30, 2017.

Capital asset additions totaled \$75,345 in the year ended June 30, 2018 and included significant additions to computer, audio/Video and office equipment. Depreciation expense was \$156,822 for the year ended June 30, 2018. Current liabilities consist of accounts payable, accrued compensation and employee benefits. Accrued payroll and benefits increased from the prior year due to increases in staff and pay rates.

Net Assets (Deficit)

GASB No. 34 requires that resources be classified for accounting purposes into four net asset categories:

Restricted-nonexpendable: Net assets subject to externally imposed conditions that MECDHH/GBSD must maintain them in perpetuity. Restricted-nonexpendable net assets have been restricted by donors to be maintained by MECDHH/GBSD forever.

Restricted-expendable: Net assets whose use is subject to externally imposed conditions that can be fulfilled by the actions of MECDHH/GBSD or by the passage of time. Restricted-expendable net assets are those whose use by MECDHH/GBSD has been limited by donors or grantors to a specific time period or purpose.

Invested in capital assets, net: Capital assets, net of accumulated depreciation.

Unrestricted: All other net assets. Unrestricted net assets may be designated by actions of MECDHH/GBSD's School Board.

Net Assets (Deficit) Summary – MECDHH/GBSD Governmental Activities

Unrestricted	\$ (6,463,275)
Invested in capital assets, net	581,355
Restricted-expendable	419,867
Restricted-nonexpendable	<u>326,516</u>
Total	<u>\$ (5,135,537)</u>

**MAINE EDUCATIONAL CENTER FOR THE DEAF AND HARD OF HEARING AND THE
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Management's Discussion and Analysis (Unaudited)

June 30, 2018

Statement of Activities

Revenues

Revenues are divided into two categories: general revenues and program revenues. Program revenues include charges for services, facilities leases, outreach services, and tuition. Investment income, including gains on long-term investments for the year ended June 30, 2018 was \$99,257.

MECDHH/GBSD's primary source of general revenues is appropriations from the State of Maine. State appropriations for the year ended June 30, 2018 are \$7,769,215, or 85% of revenues. Other revenues for the year ended June 30, 2018 consisted of federal grants, investment income and charges for services.

FY 2018 Total Governmental Activities Revenue

	<u>Revenue</u>	<u>Percentage</u>
State appropriations	\$ 7,769,215	84.6%
Charges for services	906,536	9.9%
Federal grants	390,942	4.3%
Gain (loss) on investments	72,083	.8%
Investment and interest earnings	27,174	.3%
Operating grants and contributions	<u>13,502</u>	<u>.1%</u>
Total	<u>\$ 9,179,452</u>	<u>100.0%</u>

Expenses

The total cost of all programs and services was \$8,220,936; an increase of \$346,236 from the previous fiscal year. Fifty-nine percent of these costs were for academic, plant maintenance and operations, security services and student services at MECDHH/GBSD. Administrative support represented 4% of total costs while Statewide Educational Services (SES) accounted for 37% of total costs.

FY 2018 Total Governmental Expense

	<u>Expense</u>	<u>Percentage</u>
State educational services	\$ 3,175,759	37.42%
Instruction	2,233,430	26.32%
Business, plant and support operations	1,730,901	20.40%
Resident/student services	425,257	5.01%
Federal program expenses	392,406	4.63%
General administration	371,107	4.37%
Depreciation	<u>156,822</u>	<u>1.85%</u>
Total	<u>\$ 8,485,682</u>	<u>100.00%</u>

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Changes in MECDHH/GBSD's Net Position

	Primary Government Governmental Activities		Total % Change
	<u>2018</u>	<u>2017</u>	
Revenues			
<u>Program Revenues</u>			
Charges for services	\$ 906,536	\$ 445,000	103.72%
Operating grants and contributions	<u>13,502</u>	<u>18,314</u>	(26.27)%
Total program revenues	<u>920,038</u>	<u>463,314</u>	98.58%
<u>General Revenues</u>			
State appropriations	7,769,215	7,769,215	0.00%
Federal grants	390,942	155,938	150.70%
Gains (losses) on investments	72,083	92,921	(22.43)%
Investment earnings	<u>27,174</u>	<u>23,666</u>	14.82%
Total revenues	<u>9,179,452</u>	<u>8,505,054</u>	7.93%
Expenses			
Instruction	2,233,430	2,398,564	(0.69)%
Resident/student services	425,257	379,017	12.20%
Business, plant and support operations	1,730,901	1,594,952	8.52%
General administration	371,107	402,719	(7.85)%
Statewide education services	3,175,759	3,052,316	4.04%
Federal program expenses	392,406	178,735	119.55%
Depreciation and retirements	<u>156,822</u>	<u>133,144</u>	17.78%
Total expenses	<u>8,485,682</u>	<u>8,139,446</u>	4.25%
Miscellaneous non-operating income, due from primary government	<u>297,897</u>	<u>219,408</u>	
Increase (decrease) in net position	<u>991,667</u>	<u>585,016</u>	
Beginning net position, as originally reported	<u>(1,612,593)</u>	<u>(2,197,609)</u>	
Prior period adjustment to restate net position for accounting change implementing GASB No. 75	<u>(4,514,611)</u>	<u>-</u>	
Ending net position	<u>\$ (5,135,537)</u>	<u>\$ (1,612,593)</u>	
<u>Component Unit</u>			
Revenues	\$ 7,922	\$ 8,960	
Expenses	<u>13,687</u>	<u>5,177</u>	
Increase (decrease) in net position	(5,765)	3,783	
Beginning net position	<u>11,071</u>	<u>7,288</u>	
Ending net position	<u>\$ 5,306</u>	<u>\$ 11,071</u>	

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Total budgeted revenues and expenses for the general fund for FY 18 were \$8,651,325. Actual results differed from prior year and from budget due primarily to the following factors:

- Actual total revenues were higher than budgeted primarily due to tuition, charges for services and federal grants being higher than budgeted.
- Student Services and Statewide Education Services expenditures were higher than in prior years primarily due to higher than expected interpreting and contracted services.
- Business, Plant and Support Operations was higher due to vacant staff positions being filled and higher than expected transportation costs.
- Instruction expenses were lower than budgeted amounts as primarily due to by less than expected interpreting services.
- The implementation of GASB 75 to recognize certain assets, liabilities and other expenses for post-retirement benefits other than pensions, as well as the adjustment for GASB 68 to recognize the net pension liability caused other expenses to be lower than budgeted. These adjustments cannot be budgeted for as it is an amount determined by the state's actuaries at year end.

Financial Highlights

- MECDHH/GBSD received an appropriation of \$7,769,215 (a 0% increase from FY 17) from the State of Maine for support of educational services. This was in line with the anticipated increase in statewide education services expense.
- Total expenses have increased by 4% primarily due to increases in filled staff positions and interpreting expense.
- Currently the Foundation has cash equal to \$5,306.

Economic Factors That Will Affect The Future

- The Department of Education and Legislative Committee have requested more locally provided services for Deaf and Hard of Hearing students throughout Maine. As a result, two regionally based, itinerant programs started in September 2016 and a third program began in

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June 30, 2018

Economic Factors That Will Affect The Future (Continued)

- September 2017 with other programs to open in future years. More regionalized programs are slated to begin in future years. Coupled with increased demands for Public School Outreach Services for deaf and hard-of-hearing students who remain within their school districts, MECDHH will be experiencing increased costs.
- The Department of Education and the Legislature, under Title 20A, Chapter 304, have determined that the legal and financial responsibility for Free and Appropriate Public Education (FAPE), as it applies to students enrolled at GBSD, resides with GBSD for students currently enrolled.
- In April 2017 MECDHH/GBSD received a Health Resources and Services Administration (HRS) Grant which awards \$250,000 a year for three years (totaling \$750,000) to support the timely diagnosis of deaf and hard of hearing children, increase the number of children enrolled in early intervention by six months of age, and ensure families have a coordinated system of parent to parent support with access to deaf and hard of hearing adults.
- MECDHH/GBSD has encountered increasing challenges in recruiting and retaining staff. At this time it is difficult to compete with many public schools in Maine and in deaf schools throughout the country. MECDHH/GBSD worked hard during the 2017 union negotiation process to restructure salary scales, adding additional steps for employee growth and a PHD level for professional staff. This will result in increased salary and benefit costs in the near term.
- There is an increasing call for evaluation services for deaf and hard of hearing students and children within the state of Maine. Currently these students and children travel to Boston to receive appropriate evaluation services. It is becoming apparent that MECDHH/GBSD will need to recreate an evaluation team to provide these services.
- In 2019, MECDHH/GBSD expects to be negotiating the MSEA Professional and Support union contracts. This could result in increased salary and benefit costs.

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Economic Factors That Will Affect The Future (Concluded)

- The Department of Education has informed MECDHH/GBSD that the organization will be flat funded until 2022. This raises concerns as many costs are uncontrollable and mandated by the State, such as retirement benefits including pension and healthcare. Additionally other costs are also rising.
- MECDHH/GBSD is working closely with the State regarding space utilization on Mackworth Island. This includes necessary repairs and building improvements for MECDHH/GBSD programs and space available for lease.

It is important to remember that the economic position of MECDHH/GBSD is dependent significantly on state appropriations. MECDHH/GBSD cannot charge tuition or collect fees for any of its state mandated services. MECDHH/GBSD does charge fees for services outside the scope of its contract with the State of Maine and, unlike other public schools, has no local tax base. State appropriations are the only significant revenue source for MECDHH/GBSD. In as much, MECDHH/GBSD continues to pursue legislation to ensure continued funding of these vital services. Additionally, MECDHH/GBSD is looking at other revenue sources to provide the necessary funds to meet its demands for services.

Contributed Use of Property

The State of Maine contributes the use of the land and buildings located on Mackworth Island for the operations of MECDHH/GBSD. Under U.S. generally accepted accounting principles, MECDHH/GBSD should recognize the fair value of the contributed use as both revenue and expense in the period it is used. MECDHH/GBSD has not recognized the fair value of the contributed use as it is not readily determinable.

Contacting MECDHH/GBSD's Financial Management

This financial report is designed to provide our citizens, taxpayers, and customers with a general overview of MECDHH/GBSD's finances and to demonstrate MECDHH/GBSD's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact the MECDHH/GBSD Business Office.

**MAINE EDUCATIONAL CENTER FOR THE DEAF AND HARD OF HEARING AND THE
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Statement of Net Position (School-Wide)

June 30, 2018

	<u>Primary Government Governmental Activities</u>	<u>Component Unit</u>
ASSETS		
Cash and cash equivalents	\$ 88,196	\$ 5,306
Accounts receivable, net	115,335	-
Due from primary government	4,843,581	-
Long-term investments	1,099,759	-
Property and equipment	1,905,322	-
Accumulated depreciation	<u>(1,323,967)</u>	<u>-</u>
Total assets	<u>6,728,226</u>	<u>5,306</u>
DEFERRED OUTFLOWS OF RESOURCES		
Defined benefit pension plan	2,416,238	-
Post-employment benefit obligations - healthcare	353,285	-
Post-employment benefit obligations – life insurance	<u>19,069</u>	<u>-</u>
Total deferred outflows of resources	<u>2,788,592</u>	<u>-</u>
 Total assets and deferred outflows of resources	 <u>\$ 9,516,818</u>	 <u>\$ 11,071</u>
LIABILITIES		
Cash overdraft	\$ 149,203	-
Accounts payable	208,180	-
Accrued compensation and related liabilities	482,016	-
Accrued compensated absences	93,920	-
Post-employment benefit obligations	6,111,059	-
Net pension liability	<u>5,614,635</u>	<u>-</u>
Total liabilities	<u>12,659,013</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES		
Defined benefit pension plan	1,056,639	-
Post-employment benefit obligations - healthcare	927,000	-
Post-employment benefit obligations – life insurance	<u>9,703</u>	<u>-</u>
Total deferred outflows of resources	<u>1,993,342</u>	<u>-</u>
Commitments and contingencies (Notes 7, 10, 11, and 12)		
NET POSITION		
Unrestricted	(6,463,275)	5,306
Invested in capital assets, net	581,355	-
Restricted – expendable	419,867	-
Restricted – nonexpendable	<u>326,516</u>	<u>-</u>
Total net position	<u>\$ (5,135,537)</u>	<u>\$ 5,306</u>

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Statement of Activities (School-Wide)

Year Ended June 30, 2018

		Program Revenues		
Expenses	Charges for Services	Operating Grants and Contributions	Net Expense and Changes in Net Position	
<u>GOVERNMENTAL ACTIVITIES</u>				
Instruction	\$2,233,430	\$ 789,559	\$ 13,502	\$ (1,430,369)
Resident/student services	425,257	-	-	(425,257)
Business, plant and support operations	1,730,901	45,475	-	(1,685,426)
General administration	371,107	-	-	(371,107)
Statewide educational services	3,175,759	71,502	-	(3,104,257)
Federal program expenses	392,406	-	-	(392,406)
Depreciation and retirements	156,822	-	-	(156,822)
Total primary government	\$8,485,682	\$ 906,536	\$ 13,502	\$ (7,565,644)
COMPONENT UNIT				
Maine Foundation for the Deaf	\$ 13,687	\$ -	\$ 7,922	\$ (5,765)
		Governmental Activities	Component Unit	
Change in net position				
Net income (expense)		\$ (7,565,644)	\$ (5,765)	
General revenues				
State appropriations		7,769,215	-	
Federal grants		390,942	-	
Gains (losses) on investments		72,083	-	
Investment earnings		27,174	-	
Total general revenues		8,259,414	-	
Miscellaneous non-operating income, due from primary government		297,897	-	
Change in net position		991,667	(5,765)	
Net position, June 30, 2017, as originally reported		(1,612,593)	11,071	
Prior period adjustment to restate net position for accounting change implementing GASB No. 75		(4,514,611)	-	
Net position, June 30, 2018		\$ (5,135,537)	\$ 5,306	

**MAINE EDUCATIONAL CENTER FOR THE DEAF AND HARD OF HEARING AND THE
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Balance Sheet – Governmental Funds

June 30, 2018

	<u>General Fund</u>	<u>Permanent Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and temporary investments	\$ 88,196	\$ -	\$ 88,196
Accounts receivable, net	115,335	-	115,335
Long-term investments	<u>773,243</u>	<u>326,516</u>	<u>1,099,759</u>
Total assets	<u>\$ 976,774</u>	<u>\$ 326,516</u>	<u>\$ 1,303,290</u>
LIABILITIES			
Cash overdraft	\$ 149,203	\$ -	\$ 149,203
Accounts payable	208,180	-	208,180
Accrued compensation and related liabilities	<u>482,016</u>	<u>-</u>	<u>482,016</u>
Total liabilities	<u>839,399</u>	<u>-</u>	<u>839,399</u>
FUND BALANCES (DEFICIT)			
Non-spendable	-	326,516	326,516
Restricted	419,867	-	419,867
Assigned for compensation absences	93,920	-	93,920
Unassigned	<u>(376,412)</u>	<u>-</u>	<u>(376,412)</u>
Total fund balances	<u>137,375</u>	<u>326,516</u>	<u>463,891</u>
Total liabilities and fund balances	<u>\$ 976,774</u>	<u>\$ 326,516</u>	<u>\$ 1,303,290</u>

**MAINE EDUCATIONAL CENTER FOR THE DEAF AND HARD OF HEARING AND THE
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**Reconciliation of the Government Funds
Balance Sheet to the Statement of Net Assets**

June 30, 2018

Total Fund Balances – Governmental Funds	\$ 463,891
1. Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund financial statements	1,905,322
2. Accumulated depreciation has not been included in the governmental fund financial statements	(1,323,967)
3. Certain assets are not realizable in the current period for current financial resources, and therefore are not reported in the funds: Due from primary government (for overpayment of post-retirement benefits)	4,843,581
4. Deferred outflows of resources have not been included in the governmental fund financial statements	
Defined benefit pension	2,416,238
Post-employment benefit obligation - healthcare	353,285
Post-employment benefit obligation – life insurance	19,069
5. Certain liabilities are not due and payable in the current period for current financial resources, and therefore are not reported in the funds:	
Post-employment benefit obligations	(6,111,059)
Net pension liability	(5,614,635)
Accrued compensated absences	(93,920)
6. Deferred inflows of resources, defined pension plan has not been included in the governmental fund financial statements	
Defined benefit pension	(1,056,639)
Post-employment benefit obligation - healthcare	(927,000)
Post-employment benefit obligation – life insurance	<u>(9,703)</u>
Net Position of Governmental Activities	\$ <u>(5,135,537)</u>

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**Statement of Revenues, Expenditures, and
Changes in Fund Balance – Governmental Funds**

Year Ended June 30, 2018

	<u>General Fund</u>	<u>Permanent Fund</u>	<u>Total Governmental Funds</u>
REVENUES			
State program revenues	\$ 7,769,215	\$ -	\$ 7,769,215
Federal grant revenues	390,942	-	390,942
Charges for products and services	906,536	-	906,536
Gain (loss) on investments	72,083	-	72,083
Interest and investment income	27,174	-	27,174
Operating grants and contributions	<u>13,502</u>	<u>-</u>	<u>13,502</u>
Total revenues	<u>9,179,452</u>	<u>-</u>	<u>9,179,452</u>
EXPENDITURES			
Current			
Instruction	2,494,380	-	2,494,380
Resident/student services	427,680	-	427,680
Business operations	1,865,500	-	1,865,500
General administration	392,605	-	392,605
Statewide education services	3,695,826	-	3,695,826
Federal program expenses	411,956	-	411,956
Capital outlay			
Equipment acquisitions	<u>75,346</u>	<u>-</u>	<u>75,346</u>
Total expenditures	<u>9,363,292</u>	<u>-</u>	<u>9,363,292</u>
Excess of expenditures over revenues/net change in fund balance	(183,841)	-	(183,841)
Fund balance – June 30, 2017	<u>321,216</u>	<u>326,516</u>	<u>647,732</u>
Fund balance – June 30, 2018	<u>\$ 137,375</u>	<u>\$ 326,516</u>	<u>\$ 463,891</u>

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**Reconciliation of the Governmental Funds Statement of
Revenues, Expenditures, and Changes in Fund
Balance to the Statement of Activities**

Year Ended June 30, 2018

Total Net Change in Fund Balance – Governmental Funds	\$ (183,841)
1. Current year capital outlays are expenditures in the governmental fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements	75,346
2. Depreciation and retirements are not recognized as an expense in governmental funds since they do not require the use of current financial resources. The effect of the current year's depreciation and retirements is to decrease net assets	(156,822)
3. Certain non-operating income reported in the statement of activities does not provide current financial resources and therefore are not reported as income in the governmental funds:	
Increase in due from primary government	297,897
4. Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:	
Increase in post-employment benefit obligation	867,203
Decrease in net pension liability	118,092
Decrease in accrued compensated absences	<u>(26,208)</u>
Change in Net Position of Governmental Activities	<u>\$ 991,667</u>

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Notes to Financial Statements

June 30, 2018

Nature of Organization

Maine Educational Center for the Deaf and Hard of Hearing and the Governor Baxter School for the Deaf (MECDHH/GBSD) is a comprehensive educational organization that offers educational, residential, transitional, and outreach programs while promoting deaf culture. MECDHH/GBSD strives for excellence in providing a continuum of services to meet the needs of infants, children and adults who are deaf or hard of hearing, their families, professionals, service providers, agencies and communities on a local, statewide, regional and national level.

MECDHH/GBSD is a component unit of the State of Maine established under Maine State Statutes Title 20-A Secs.7401 and 6051.

1. Summary of Significant Accounting Policies

Basis of Presentation

Government-wide Financial Statements

The statement of net assets and statement of activities display information about MECDHH/GBSD as a whole. They include all funds of MECDHH/GBSD. Governmental activities are financed substantially through nonexchange revenues.

Fund Financial Statements

Fund financial statements of MECDHH/GBSD are organized on a fund basis, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the basic financial statements in this report, into two fund categories, as follows:

Effective for FY 11 MECDHH/GBSD has adopted the provisions of GASB 54, "Fund Balance Reporting and Governmental Fund Type Definitions". Under GASB 54 fund balances are no longer reported as reserved and unreserved. These designations have been changed to, non-spendable, restricted, committed, assigned and unassigned.

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Notes to Financial Statements

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1. Summary of Significant Accounting Policies (Continued)

Governmental Funds

General Fund

The general fund is the primary operating fund of MECDHH/GBSD. It is used to account for all financial resources, except those legally or administratively required to be accounted for in other funds.

Permanent Fund

The permanent fund is the fund used by MECDHH/GBSD to account for resources subject to externally imposed permanent restrictions. MECDHH/GBSD must maintain these funds in perpetuity.

Component Unit

In 2005, management revived the "Foundation: Governor Baxter School for the Deaf" (the Foundation). The purpose of the Foundation is to provide scholarship funds for Maine's deaf and hard of hearing students to attend camps and programs. The Foundation was renamed the Maine Foundation for the Deaf in 2006. The Foundation is a registered Internal Revenue Code Section 501(3)(c) entity and is a component unit of MECDHH/GBSD. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 39, "Determining whether Certain Organizations Are Component Units," the Foundation qualifies as a component unit of MECDHH/GBSD. In 2011 the Foundations name was changed to The Foundation for Maine's Deaf and Hard of Hearing Children.

Measurement Focus

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded, regardless of the measurement focus applied.

The government-wide statement of net assets and statement of activities are presented using the economic resources measurement focus. In the fund financial statements, the Governmental Funds utilize a current financial resources focus.

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Notes to Financial Statements

June 30, 2018

1. Summary of Significant Accounting Policies (Continued)

Economic Resources Focus

The accounting objectives of this focus are the determination of operating income (loss), changes in net assets, and financial position. All assets and liabilities (whether current or noncurrent) associated with School activities are reported. School equity is classified as net position.

Current Financial Resources

Under this measurement focus, generally only current financial assets and liabilities are included in the balance sheet. The statement of revenues, expenditures, and changes in fund balance (deficit) presents sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available financial resources at the end of the period.

Basis of Accounting

The government-wide statement of net position and statement of activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, Governmental Funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available". Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within 60 days after year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred.

MECDHH/GBSD applies all applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements contradict or conflict with GASB pronouncements. MECDHH/GBSD does not apply FASB pronouncements or APB opinions issued after November 30, 1989.

In accordance with MECDHH/GBSD's policy pertaining to the expenditure of restricted dollars, the unrestricted dollars are spent first, followed by restricted dollars, if appropriate.

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Notes to Financial Statements

June 30, 2018

1. Summary of Significant Accounting Policies (Continued)

Net Assets

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

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

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

Invested in capital assets, net: Capital assets, net of accumulated depreciation.

Unrestricted: All other net assets. Unrestricted net assets may be designated by actions of MECDDHH/GBSD's School Board.

In accordance with the Maine Uniform Management of Institutional Funds Act, MECDDHH/GBSD deems all realized and unrealized gains on permanently restricted investments to be restricted-expendable until appropriated by the School Board.

Revenues

Contributions are reported as either restricted-expendable or restricted-nonexpendable if they are received with donor stipulations that limit use of the donated assets. When an expendable donor restriction expires, that is, when a stipulated time restriction ends or purpose of restriction is accomplished, restricted-expendable net assets are reclassified to unrestricted net assets.

MECDDHH/GBSD reports gifts of assets as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, MECDDHH/GBSD reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

MECDDHH/GBSD's operating appropriation from the State of Maine is made directly to MECDDHH/GBSD and is drawn down on the basis of a quarterly allotment. Annual state appropriations for operations in the year ended June 30, 2018 were \$7,769,215.

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1. Summary of Significant Accounting Policies (Continued)

Use of Estimates

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.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Management believes all accounts at June 30, 2018 are collectible and, accordingly, has not established an allowance for uncollectible accounts.

Investments

Investments are stated at their market value at the financial statement date. Investment income or loss, including unrealized and realized gains or losses on investments and interest and dividends, is reported as unrestricted unless the income or loss is restricted by donor or law.

Property and Equipment

Building improvements and furniture and equipment acquisitions are recorded at cost. Donations of furniture and equipment are recorded as support at their estimated fair value. Depreciation is provided using the straight-line method over the estimated useful lives of the respective assets. Items are depreciated over the following useful lives: building and improvements at fifteen years, computers and software at three years and other equipment and furniture at five years. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Income Taxes

The Internal Revenue Service has determined that MECDHH/GBSD is a wholly-owned instrumentality of the State of Maine and, as such, is generally exempt from federal income tax. However, MECDHH/GBSD is subject to federal income tax on unrelated business income.

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1. Summary of Significant Accounting Policies (Concluded)

Defined Benefit Pension Plan

In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*, which was amended by Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. These statements establish standards for reporting a pension asset or liability on the statement of net position for a defined benefit plan that is based on the fiduciary plan net position, rather than plan funding. MECDHH/GBSD's annual pension expense is no longer directly connected to the funding of the plan. This results in pension expense being different from the actuarially determined annual required contributions.

Subsequent Events

Subsequent events have been evaluated through October 15, 2018, which is the date the financial statements were available to be issued.

2. Cash and Cash Equivalents

Cash and cash equivalents in the statement of net assets (deficit) are considered to be general fund and component unit operating cash which is held in either demand deposit or short-term money market accounts. The bank balance of cash and cash equivalents deposited in Federal Deposit Insurance Corporation insured banking institutions was \$297,737 at June 30, 2018. Of the bank balance, \$250,000 was covered by federal depository insurance. MECDHH is also the beneficiary of a \$2,000,000 irrevocable letter of credit issued by the Federal Home Loan Bank of Pittsburg that serves as collateral for its public deposits.

3. Third-Party Payor Agreements

MECDHH/GBSD renders various health care services to students who receive benefits under the State MaineCare (Medicaid) program. MECDHH/GBSD is reimbursed for the care of the qualified students based on monthly rates set under MECDHH/GBSD Based Rehabilitative Services section of the MaineCare manual. Reimbursements from MaineCare were \$35,838. Laws and regulations governing the MaineCare program are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates for reimbursements will change by a material amount in the near future.

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4. Accounting Changes and Restatements

During the fiscal year ended June 30, 2018, MECDHH implemented GASB Statement No. 75, as amended, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*. The requirements of this Statement will improve the decision-usefulness of information in employer and governmental non-employer contributing entity financial reports and will enhance its value for assessing accountability and inter-period equity by requiring recognition of the entire OPEB liability and a more comprehensive measure of OPEB expense. Decision-usefulness and accountability also will be enhanced through new note disclosures and required supplementary information. The change includes the restatement of the beginning balance of the OPEB obligation for healthcare by restating the June 30, 2017 balance from a net OPEB liability to a total OPEB liability, as well as recognizing the June 30, 2017 net OPEB liability for life insurance.

As a result of implementing these changes applicable to the new standard, numerous changes were made to beginning balances and the effect on total net position as follows:

Balance of total net position, June 30, 2017	<u>\$ (1,612,593)</u>
Prior OPEB liability recorded	3,028,000
Employer contributions made during FY17 for OPEB healthcare	(282,827)
June 30, 2017 OPEB total liability for healthcare (per actuary)	(7,094,000)
June 30, 2017 OPEB net liability for life insurance	<u>(165,784)</u>
	<u>(4,514,611)</u>
Balance of total net position, June 30, 2017, as restated	<u>\$ (6,127,204)</u>

5. Long-Term Investments

The following represents a summary of long-term investments at market value at June 30, 2018:

	<u>Cost</u>	<u>Market</u>
Held by State Treasurer	\$ 200,004	\$ 769,264
Cash and equivalents	31,380	31,380
Mutual funds	88,502	83,354
Common stocks	<u>147,815</u>	<u>215,761</u>
	<u>\$ 467,701</u>	<u>\$ 1,099,759</u>

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5. Long-Term Investments (Concluded)

Funds held for long-term investment include restricted-nonexpendable, restricted-expendable and unrestricted funds. Funds held by the State Treasurer are pooled and invested with a balanced objective, with approximately 72% in common stocks and equities, 25% in fixed income (preferred stock, bonds and government securities) and 5% in cash and equivalents. The market value of funds held by the State Treasurer is based on the market value of the underlying investments. During 2018, the funds held by the State Treasurer were invested in the same types of investments as those held at year-end.

6. Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. A fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs that may be used to measure fair value are:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect an entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The carrying value of investments in money market funds and mutual funds are reported at fair value using Level 1 inputs. MECDHH/GBSD's investments were classified based on fair values as follows:

Level 1	\$ 330,495
Level 2	769,264
Level 3	<u> -</u>
Total investments	\$ <u>1,099,759</u>

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7. Property and Equipment

Property and equipment activity for the year ended June 30, 2018 was as follows:

	<u>Balance</u> <u>June 30, 2017</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2018</u>
Building improvements	\$ 513,394	\$ -	\$ -	\$ 513,394
Furniture and equipment	<u>1,316,582</u>	<u>75,346</u>	<u>-</u>	<u>1,391,927</u>
Subtotal, capital assets	1,829,976	75,346	-	1,905,322
Less accumulated depreciation	<u>(1,167,145)</u>	<u>(156,822)</u>	<u>-</u>	<u>(1,323,967)</u>
Capital assets, net	<u>\$ 662,831</u>	<u>\$ (81,476)</u>	<u>\$ -</u>	<u>\$ 581,355</u>

8. Accrued Compensated Absences

MECDHH/GBSD has an earned time plan. Under this plan, each qualifying employee "earns" hours of paid leave for pay periods worked. These hours of paid leave may be used for vacations or illness. Vacation and compensated time earned but not used vest with the employee and are paid to the employee upon termination. MECDHH/GBSD expenses the cost of these benefits as they are earned by employees.

Activity for the year ended June 30, 2018 approximated:

Balance, June 30, 2017	\$ 67,700
Benefits earned during the year	90,000
Benefits used during the year	<u>(67,800)</u>
Balance, June 30, 2018	<u>\$ 93,900</u>

9. Restricted Net Asset Activities

Restricted-expendable net assets consist of appreciation of restricted-nonexpendable assets (\$313,637) and funds received from donors for student activities (\$106,230). Restricted-nonexpendable net assets are restricted to investment in perpetuity, the income from which is expendable to support School operations as designated by donors.

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10. Functional Expenses

MECDHH/GBSD provides deaf education services to students from birth through grade twelve. Expenses related to providing these services are as follows:

Program services	\$ 8,128,262
Management and general activities	<u>371,107</u>
Total expenses	<u>\$ 8,499,369</u>

11. Retirement Plan

Certain employees of MECDHH/GBSD participate in the State Employee and Teacher Retirement Plan (SET Plan), a multiple-employer cost sharing plan administered by the Maine Public Employees Retirement System (MainePERS). The MainePERS provides pension benefits to its members, which include employees of the State, certain public school employees and employees of local municipalities and other public entities in Maine. There are 236 employers in the SET Plan.

The MainePERS is established and administered under the Maine State Retirement System Laws, Title 5 M.R.S.A., C. 421, 423 and 425. The MainePERS issues a publically available financial report that includes financial statements and required supplementary information for the SET Plan. That report is available online at www.mainebers.org or may be obtained by writing to the Maine Public Employees Retirement System, 46 State House Station, Augusta, ME 04333-0046.

The SET Plan provides defined retirement benefits based on members' average final compensation and creditable service. Vesting occurs upon the earning of five years of service credit or the earning of one year of service credit immediately preceding retirement at or after normal retirement age (prior to October 1, 1999, the service credit requirement is ten years); normal retirement age for the SET Plan is 60, 62 or 65. The normal retirement age is determined by whether a member had met certain creditable service requirements on specific dates, as established by Maine statute.

Upon termination of membership, members' accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits. The annual rate of interest credited to members' accounts is set by the MainePERS Board of Trustees and is currently 5%.

Contributions – Retirement benefits are funded by contributions from members and employers and by earnings on investments. Disability and death benefits are funded by employer normal cost and by earnings on investments. In accordance with Maine statute, members are required to contribute 7.65% (1.15% for confidential employees hired prior to July 1, 2015) of their earnable compensation

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11. Retirement Plan (Continued)

to the Plan. MECDHH/GBSD is required to contribute at an actuarially determined rate (24.05% for member employees and an additional 4.8% (5% through December 31, 2017) for confidential employees hired prior to July 1, 2015 for FY 2018) that, when combined with the contributions of other reporting entities, will be adequate to fund the Plan.

The contribution rate is determined using an entry age normal actuarial funding method for retirement benefits and a term cost method for ancillary benefits. MECDHH/GBSD may be required to make contributions to fund the Plan's pooled unfunded actuarial liability, if any. The contribution requirements of the SET Plan members and MECDHH/GBSD are established by and may be amended by the State legislature.

Total MECDHH/GBSD and employee contributions (which equal the actuarially required contributions) to the SET Plan are as follows:

	<u>2018</u>	<u>2017</u>	<u>2016</u>
MECDHH/GBSD	\$ 912,524	\$ 755,095	\$ 692,157
Employee	<u>265,935</u>	<u>220,767</u>	<u>194,659</u>
Total	<u>\$ 1,178,459</u>	<u>\$ 975,862</u>	<u>\$ 886,816</u>

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to the Pension Plan

At June 30, 2018, MECDHH/GBSD reported a liability for its proportionate share of the net pension liability of the SET Plan. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. MECDHH/GBSD's proportionate share of the net pension liability was based on a projection of MECDHH/GBSD's long-term share of contributions to the SET Plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, MECDHH/GBSD's proportionate share was 0.492919%, which was an increase of 0.030242% from its proportion measured as of June 30, 2016.

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11. Retirement Plan (Continued)

For the year ended June 30, 2018, MECDHH/GBSD recognized pension expense of \$779,607. At June 30, 2018, MECDHH/GBSD reported deferred outflows of resources and deferred inflows of resources related to the pension plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 145,663	\$ -
Changes in assumptions	161,834	-
Net difference between projected and actual earnings on pension plan investments	987,022	1,050,313
Changes in proportion and differences between MECDHH/GBSD Contributions and proportionate share of contributions	224,022	6,326
Contributions made subsequent to the measurement date	<u>897,697</u>	<u>-</u>
	<u>\$ 2,416,238</u>	<u>\$ 1,056,639</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension plan will be recognized as a (reduction of) addition to pension expense as follows:

Year Ended June 30

2019	\$ 275,745
2020	355,674
2021	21,507
2022	(191,025)

Actuarial Methods and Assumptions

The total pension liability in the June 30, 2017 actuarial valuation was determined using the following methods and assumptions, applied to all periods included in the measurement:

Actuarial Cost Method – The Entry Age Normal actuarial funding method is used to determine costs. Under this funding method, the total employer contribution rate consists of two elements, the normal cost rate and the unfunded actuarial liability (UAL) rate.

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11. Retirement Plan (Continued)

The individual entry age normal method is used to determine liabilities. Under the individual entry age normal method, a normal cost rate is calculated for each member. This rate is determined by taking the value, as of age at entry into the plan, of the member's projected future benefits, and dividing it by the value, also as of the member's entry age, of his/her expected future salary. The normal cost for each member is the product of his/her pay and his/her normal cost rate. The normal cost for the group is the sum of the normal costs for all members.

Experience gains and losses, i.e., actual decreases or increases in liabilities and/or in assets which differ from the actuarial assumptions, affect the unfunded actuarial accrued liability.

Asset Valuation Method – The actuarial valuation employs a technique for determining the actuarial value of assets which reduces the impact of short-term volatility in the market value. The specific technique adopted in this valuation recognizes in a given year one-third of the investment return that is different from the actuarial assumption for investment return.

Amortization – The net pension liability is amortized on a level percentage of payroll over the amortization period then in effect under Maine statutory and constitutional requirements. All other gains, losses, and changes are amortized over ten-year periods beginning on the date as of which they occur.

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2017 are as follows:

Investment Rate of Return – 6.875% per annum for the year ended June 30, 2017.

Inflation Rate – 2.75%.

Annual Salary Increases, Including Inflation – 2.5% to 14.5% per year.

Cost of Living Benefit Increases – 2.20% per annum

Mortality Rates – For active members and non-disabled retirees, the RP2014 Total Dataset Healthy Annuitant Table, for males and females, is used. For all recipients of disability benefits, the RP2014 Total Dataset Disabled Annuitant Mortality Table, for males and females, is used.

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11. Retirement Plan (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Public Equities	30.0%	6.0%
U.S. Government	7.5%	2.3%
Private equity	15.0%	7.6%
Real assets:		
Real estate	10.0%	5.2%
Infrastructure	10.0%	5.3%
Natural Resources	5.0%	5.0%
Traditional Credit	7.5%	3.0%
Alternative Credit	5.0%	4.2%
Diversifiers	10.0%	5.9%

Discount Rate – The discount rate used to measure the collective total pension liability was 6.875% for 2017. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following table shows how MECDHH/GBSD's proportionate share of the net pension liability as of June 30, 2017 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rate is 6.875%.

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11. Retirement Plan (Concluded)

	<u>5.875%</u>	<u>6.875%</u> Current Discount <u>Rate</u>	<u>7.875%</u> <u>1% Increase</u>
MECDHH/GBSD's proportionate share of the net pension liability	\$ 8,375,819	\$ 5,614,635	\$ 3,352,395

Changes in net pension liability are recognized in pension expense for the year ended June 30, 2018 with the following exceptions.

Differences between expected and actual experience – The difference between expected and actual experience with regard to economic or demographic factors were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members. For the 2017 actuarial valuation, this was three years.

Differences between Projected and Actual Investment Earnings – Differences between projected and actual investment earnings were recognized in pension expense using a straight-line amortization method over a closed five-year period.

Changes in Assumptions – Differences due to changes in assumptions about future economic or demographic factors or other inputs were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members. There were no changes in assumptions in the 2017 valuation.

Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions – Differences resulting from a change in proportionate share of contributions and differences between total employer contributions and the employer's proportionate share of contributions were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members. Differences between total employer contributions and the employer's proportionate share of contributions may arise when an employer has a contribution requirement for an employer specific liability.

These differences and changes in the first year are recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

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12. Other Postemployment Benefit Plans (OPEB)

GASB Statement No. 75 (GASB 75), "Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions," required implementation for MECDHH/GBSD during the 2017-2018 fiscal year.

General Information about the Post Employment Healthcare Plan

MECDHH/GBSD provides post-retirement health benefits through the State of Maine Employer Retiree Health Program, in accordance with faculty and staff collective bargaining agreements. Eligibility requirements vary by category of employee.

Under GASB 75, MECDHH/GBSD recognizes an asset, "Due from primary government", and "Miscellaneous non-operating income". In 2018 it recognized an additional asset and income of \$297,897. The total "Due from primary government" of \$4,843,581 represents the cumulative funding of the future expected liability that has been paid into the retiree health insurance plan as of June 30, 2018.

Plan Description

All active employees participate in the State Employee Group Health Insurance Plan. All eligible retired employees who elect coverage are included in this plan. The plan is authorized by Title 5 MRSA § 285 and the State Employee Health Commission establishes contributions to the plan by member employers and employees annually. Both active and retired members pay the same premium rate. Claims liabilities of the plan are periodically computed using statistical techniques to establish premium rates.

The OPEB health plan, the Ancillary Group Plan (AGP), is an agent-multiple employer plan sponsored and administered by the State. AGP provides OPEB for employees of MECDHH/GBSD and the Northern New England Passenger Rail Authority. AGP does not issue a separate financial report for its OPEB as the Entity does not fund an OPEB plan and operates on a pay-as-you-go basis. Employers fund their own benefits. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

Plan Membership

MECDHH/GBSD' membership in the ancillary group healthcare plan includes 77 active employees and 33 retirees.

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12. Other Postemployment Benefit Plans (OPEB) (Continued)

Benefits Provided

Employers pay 100 percent of postretirement health insurance premiums for retirees who were first employed on or before July 1, 1991. A pro rata portion, ranging from zero percent for retirees with less than five years participation to 100 percent for retirees with ten or more years of participation, is paid for in the same group health plan as active employees. Retirees must pay for Medicare Part B coverage to be eligible to participate in the State-sponsored employer funded Companion Plan.

Total OPEB Healthcare Liability

MECDHH/GBSD's total OPEB healthcare liability of \$5,952,000 was measured as of June 30, 2017, and was determined by an actuarial valuation as of that date.

The actuarial assumptions used in the June 30, 2017 valuation were based on results of an actuarial experience study, conducted by the Maine Public Employees Retirement System, for the period July 1, 2012 through June 30, 2015.

Actuarial Assumptions and Other Inputs

The total OPEB liability for healthcare in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

General inflation of 3% was used along with an aggregate payroll increase of 3.25%. Merit payroll increases, mortality, termination, disability and retirement assumptions relied on the System's experience study. Mortality rates were based on the RP2014 Total Dataset Healthy Annuitant Mortality Table for Males and Females. The mortality improvement scale MP2015 was modified to converge to an ultimate rate of .85% for ages 20 to 85 grading down to 0.0% for ages 111 to 120 with convergence to the ultimate rate in 2020.

The discount rate for the AGP was based on the Bond Buyer 20-Bond General Obligation index. The discount rate was 3.58% as of the measurement date, June 30, 2017, (2.85% as of June 30, 2016).

The AGP is allocated to governmental and proprietary funds based on employer contributions. The majority of governmental costs are covered by the general fund.

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12. Other Postemployment Benefit Plans (OPEB) (Continued)

Changes in the Total OPEB Healthcare Liability

Balance at June 30, 2017	<u>\$ 7,094,000</u>
Service cost	201,000
Interest	205,000
Changes in benefit terms	-
Differences between expected and actual experience	(715,000)
Changes in assumptions or other inputs	(620,000)
Benefit payments	<u>(213,000)</u>
Net changes	<u>(1,142,000)</u>
 Balance at June 30, 2018	 <u>\$ (5,952,000)</u>

Changes in assumptions or other inputs reflect a change in the discount rate from 2.85% in 2017 to 3.58% in 2018.

Sensitivity of the total healthcare OPEB to changes in the discount rate.

The following table shows how the total healthcare OPEB liability would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rate used for the Ancillary Group Healthcare OPEB Plan is 3.58%.

	1% Decrease <u>(2.58)</u>	Discount Rate <u>(3.58%)</u>	1% Increase <u>(4.58%)</u>
Total healthcare OPEB liability	\$ 6,828,000	\$ 5,952,000	\$ 5,243,000

Sensitivity of the total healthcare OPEB to changes in the healthcare cost trend rates.

The following table shows how the total healthcare OPEB liability would change if the healthcare rate used was one percentage point lower or one percentage point higher than the current rate.

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12. Other Postemployment Benefit Plans (OPEB) (Continued)

	1% Decrease (5.6% decreasing to 3.3%)	Healthcare Cost Trend Rates (6.6% decreasing to 4.3%)	1% Increase (7.6% decreasing to 5.3%)
Total healthcare OPEB liability	\$ 5,141,000	\$ 5,952,000	\$ 6,979,000

OPEB Healthcare Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, MECDDHH/GBSD recognized OPEB healthcare expense of \$204,000. Deferred outflows of resources of \$353,285 relate to employer contributions that were made subsequent to the measurement date and will be recognized as a reduction of the total healthcare OPEB liability in the year ended June 30, 2019. At June 30, 2018, MECDDHH/GBSD reported deferred outflows of resources and deferred inflows of resources related to the healthcare OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual plan experience	\$	\$ 497,000
Changes in assumptions or other inputs	-	430,000
Contributions made subsequent to the measurement date	<u>353,285</u>	<u>-</u>
	\$ <u>353,285</u>	\$ <u>927,000</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the healthcare OPEB will be recognized in the healthcare OPEB expense as follows:

2019	\$ 204,000
2020	204,000
2021	204,000
2022	111,000

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12. Other Postemployment Benefit Plans (OPEB) (Continued)

General Information about the Post Employment Life Insurance Plan

Certain employees of MECDHH/GBSD participate in the State Employee and Teacher Retirement Plan – Retiree Group Life Insurance (SET Plan), a multiple-employer cost sharing plan with a special funding situation. As of June 30, 2017 there were 220 employers, including the State of Maine (the State), participating in the plan. The State is also a non-contributing entity in that the State pays the actuarially determined premium contributions associated with retired teachers in the plan..

The MainePERS is established and administered under the Maine State Retirement System Laws, Title 5 M.R.S.A., C. 421, 423 and 425. The MainePERS issues a publically available financial report that includes financial statements and required supplementary information for the SET Plan. That report is available online at www.maineopers.org or may be obtained by writing to the Maine Public Employees Retirement System, 46 State House Station, Augusta, ME 04333-0046.

The Group Life Insurance Plan (the Plan) provides basic group life insurance benefits, during retirement, to retirees who participated in the Plan prior to retirement for a minimum of 10 years (the 10-year participation requirement does not apply to recipients of disability retirement benefits).

The level of coverage in retirement is initially set to an amount equal to the retiree's average final compensation. The initial amount of basic life is then subsequently reduced at the rate of 15% per year to the greater of 40% of the initial amount or \$2,500.

Contributions – Retiree group life insurance benefits are funded by contributions from members and employers and by earnings on investments. Premium rates are those determined by the System's Board of Trustees to be actuarially sufficient to pay anticipated claims. The premiums for retiree life insurance coverage are factored into the premiums paid for basic coverage while participants are active members. Premiums for basic life insurance coverage for retired teachers are paid by the State as the total dollar amount of each year's annual required contribution.

The contribution rate is determined using an entry age normal cost method based on a level percentage of payroll.

Total MECDHH/GBSD and employee contributions (which equal the actuarially required contributions) to the SET Plan are as follows:

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12. Other Postemployment Benefit Plans (OPEB) (Continued)

MECDHH/GBSD	\$	2,873
Employee		<u>16,196</u>
 Total		 <u>\$ 19,069</u>

OPEB Life Insurance Liabilities, Life Insurance Expense, and Deferred Outflows and Inflows of Resources Related to the Plan

At June 30, 2018, MECDHH/GBSD reported a liability for its proportionate share of the net life insurance OPEB liability of the SET Plan. The net life insurance OPEB liability was measured as of June 30, 2017, and the total life insurance OPEB liability used to calculate the net life insurance OPEB liability was determined by an actuarial valuation as of that date. MECDHH/GBSD's proportionate share of the net life insurance OPEB liability was based on a projection of MECDHH/GBSD's long-term share of contributions to the SET Plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, MECDHH/GBSD's proportionate share was 0.261833%.

For the year ended June 30, 2018, MECDHH/GBSD recognized life insurance expense of \$12,535. At June 30, 2018, MECDHH/GBSD reported deferred outflows of resources and deferred inflows of resources related to the life insurance OPEB plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on OPEB plan investments	\$ -	\$ 3,587
Changes in proportion and differences between MECDHH/GBSD Contributions and proportionate share of contributions	-	6,116
Contributions made subsequent to the measurement date	<u>19,069</u>	<u>-</u>
	<u>\$ 19,069</u>	<u>\$ 9,703</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension plan will be recognized as a (reduction of) addition to pension expense as follows:

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12. Other Postemployment Benefit Plans (OPEB) (Continued)

Year Ended June 30

2019	\$ (1,916)
2020	(1,916)
2021	(1,916)
2022	(1,916)
2023	(1,019)
Thereafter	(1,019)

Actuarial Methods and Assumptions

The total life insurance OPEB liability in the June 30, 2017 actuarial valuation was determined using the following methods and assumptions, applied to all periods included in the measurement:

Actuarial Cost Method – Projections of benefits for financial reporting are based on the provisions of the Plan in effect at the time of each valuation and the historical pattern of sharing of premium costs between the employer and plan members. Actuarial methods and assumptions include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the funding methodologies.

Costs are developed using the individual entry age normal cost method based on a level percentage of payroll.

Experience gains and losses, i.e., actual decreases or increases in liabilities and/or in assets which differ from the actuarial assumptions, affect the unfunded actuarial accrued liability.

Asset Valuation Method – Investments are reported at fair value.

Amortization – The unfunded actuarial accrued liability is being amortized as a level percentage of payroll over a 30-year period on a closed basis. As of June 30, 2017, there were 20 years remaining in the amortization schedule for the SET Plan.

The actuarial assumptions used in the June 30, 2017 and June 30, 2016 actuarial valuations were based on the results of an actuarial experience study conducted for the period June 30, 2012 to June 30, 2015.

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June 30, 2018

12. Other Postemployment Benefit Plans (OPEB) (Continued)

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2017 are as follows:

Investment Rate of Return – 6.875% per annum for the year ended June 30, 2017.

Inflation Rate – 2.75%.

Annual Salary Increases, Including Inflation – 2.5% to 14.5% per year.

Mortality Rates – For active members and non-disabled retirees, the RP2014 Total Dataset Healthy Annuitant Table, for males and females, is used. For all recipients of disability benefits, the RP2014 Total Dataset Disabled Annuitant Mortality Table, for males and females, is used. These tables are adjusted by percentages ranging from 104% to 120% based on actuarial determined demographic differences.

Participation Rate for Future Retirees – 100% of those currently enrolled.

Conversion Charges – Apply to the cost of active group life insurance, not retiree group life insurance.

Form of Benefit Payment – Lump sum.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Public Equities	70.0%	6.0%
Real Estate	5.0%	5.2%

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June 30, 2018

12. Other Postemployment Benefit Plans (OPEB) (Continued)

<u>Asset Class</u>	<u>Target Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Traditional Credit	16.0%	3.0%
U.S. Government Securities	9.0%	2.3%

Discount Rate – The discount rate used to measure the collective total life insurance OPEB liability was 6.875% for 2017. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total life insurance OPEB liability.

The following table shows how MECDHH/GBSD’s proportionate share of the net life insurance OPEB liability as of June 30, 2017 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rate is 6.875%.

	5.875% <u>1% Decrease</u>	6.875% Current Discount <u>Rate</u>	7.875% <u>1% Increase</u>
MECDHH/GBSD’s proportionate share of the net pension liability	\$ 193,046	\$ 159,059	\$ 131,289

Changes in net pension liability are recognized in pension expense for the year ended June 30, 2018 with the following exceptions.

Differences between expected and actual experience – The difference between expected and actual experience with regard to economic or demographic factors were recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. There was no difference between expected and actual experience as of June 30, 2017.

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June 30, 2018

12. Other Postemployment Benefit Plans (OPEB) (Concluded)

Differences between Projected and Actual Investment Earnings – Differences between projected and actual investment earnings were recognized in OPEB expense using a straight-line amortization method over a closed five-year period. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

Changes in Assumptions – Differences due to changes in assumptions about future economic or demographic factors or other inputs are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members. The actuarial assumptions used in the June 30, 2017 and June 30, 2016 actuarial valuations were based on the results of an actuarial experience study conducted for the period June 30, 2012 to June 30, 2015. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. For 2017, the amortization period was seven years for the State Employee portion of the SET Plan and nine years for the Teacher portion.

Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions – Differences resulting from a change in proportionate share of contributions and differences between total employer contributions and the employer's proportionate share of contributions are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. Differences between total employer contributions and the employer's proportionate share of contributions may arise when an employer has a contribution requirement for an employer specific liability. There were no differences between employer contributions and proportionate share of contributions as of June 30, 2017.

13. Contingencies

MECDHH/GBSD is also exposed to various risk of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to students; and natural disasters. To manage these risks, MECDHH/GBSD participates in the State of Maine insurance pools.

14. Related Parties

The State of Maine contributes the use of the land and buildings located on Mackworth Island for operations of MECDHH/GBSD. MECDHH/GBSD has not recognized the fair value of the contributed use as it is not readily determinable and it would recognize the fair value of the contributed use as both revenue and expense in the period it is used. .

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Notes to Financial Statements

June 30, 2018

14. Related Parties (Concluded)

MECDHH/GBSD leases vehicles from the State under annual cancelable leases. Lease expense incurred under these agreements for the year ended June 30, 2018 was \$36,056. As of June 30, 2018, MECDHH/GBSD did not owe the State any liability related to its leases.

MECDHH/GBSD recognized revenue from the State Child Development Services Program of \$622,644 for the year ended June 30, 2018.

MECDHH/GBSD recognized revenue from the State MaineCare Program of \$39,216 for the year ended June 30, 2018.

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**Budgetary Comparison Schedule (Unaudited)
General Fund**

June 30, 2018

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>General Fund</u>	Positive or (Negative)
REVENUES				
State appropriations	\$7,769,215	\$7,769,215	\$7,769,215	\$ -
Federal grant revenues	288,825	288,825	390,942	102,117
Other income	<u>593,285</u>	<u>593,285</u>	<u>1,019,295</u>	<u>426,010</u>
Total revenues	<u>8,651,325</u>	<u>8,651,325</u>	<u>9,179,452</u>	<u>528,127</u>
EXPENDITURES				
Current				
Instruction	2,349,090	2,349,090	2,494,380	(145,290)
Residential/student services	378,776	378,776	427,680	(48,904)
Business, plant and support operations	1,835,909	1,835,909	1,865,500	(29,591)
General administration	355,383	355,383	392,605	(37,222)
Statewide educational services	3,443,342	3,443,342	3,695,826	(252,484)
Federal program expenses	288,825	288,825	411,956	(123,131)
Capital outlay				
Facilities acquisition and construction	-	-	75,346	(75,346)
Total expenditures	<u>8,651,325</u>	<u>8,651,325</u>	<u>9,363,292</u>	<u>(711,968)</u>
Excess of expenditures over revenues	-	-	(183,841)	(183,841)
Net change in fund balances	-	-	(183,841)	(183,841)
Fund balance – June 30, 2017	<u>321,216</u>	<u>321,216</u>	<u>321,216</u>	-
Fund balance – June 30, 2018	<u>\$ 321,216</u>	<u>\$ 321,2156</u>	<u>\$ 137,375</u>	<u>\$ (183,841)</u>

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Note to Budgetary Comparison Schedule

Year Ended June 30, 2018

Note 1. Budgetary Basis of Accounting

MECDHH/GBSD's budgetary process accounts for certain transactions on a modified accrual basis. The major differences between the modified accrual or budgetary basis and the accrual basis lie in the manner in which capital expenditures are recorded. Under the budgetary basis, capital expenditures are recognized on a modified accrual basis. Utilizing the modified accrual basis, capital expenditures are expensed when paid. Under the basis required by the U.S. generally accepted accounting principles, expenditures are recorded on the modified accrual basis of accounting in the governmental fund statement and on the full accrual basis in the government-wide statements.

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**Schedule of the MECDHH/GBSD's Proportionate
Share of the Net Pension Liability**

Year Ended June 30, 2018

	<u>2018</u>	<u>2017</u>	<u>2015</u>
MECDHH/GBSD's proportion of the net pension liability	0.492919%	0.462677%	0.462378%
MECDHH/GBSD's proportionate share of the net pension liability	\$ 5,614,635	\$ 6,213,561	\$ 4,735,083
MECDHH/GBSD's covered payroll	\$ 4,034,307	\$ 3,649,944	\$ 3,491,762
MECDHH/GBSD's proportionate share of the net pension liability as a percentage of covered payroll	139.2%	170.2%	135.6%
Plan fiduciary net position as a percentage of the total pension liability	80.8%	76.2%	83.9%

- The amounts presented for each fiscal year were determined as of the beginning of the fiscal year. Data has been provided for the fiscal years in which the data is available.
- GASB Statement 82 revised how employer-paid member contributions (EMPC's) were reported. To the extent the EMPC's were paid, prior year proportionate share calculations needed to be restated. Since the changes are immaterial, restatement is not required.

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Schedule of the MECDHH/GBSD's Pension Contribution

Year Ended June 30, 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 912,524	\$ 755,095	\$ 692,157	\$ 579,769
Contributions in relation to the contractually required contributions	<u>912,524</u>	<u>755,095</u>	<u>692,157</u>	<u>579,769</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 MECDHH's covered employee payroll	 \$4,034,307	 \$ 3,649,944	 \$ 3,491,762	 \$ 3,517,264
Contributions as a percentage of covered employees payroll	22.62%	20.69%	19.82%	16.48%
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contractually required contributions	\$ 537,345	\$ 422,848	\$ 399,652	\$ 506,000
Contributions in relation to the contractually required contributions	<u>537,345</u>	<u>422,848</u>	<u>399,652</u>	<u>506,000</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 MECDHH's covered employee payroll	 \$2,960,256	 \$ 2,982,002	 \$ 3,041,930	 \$ 3,253,126
Contributions as a percentage of covered employees payroll	18.15%	14.18%	13.14%	15.55%
	<u>2010</u>	<u>2009</u>		
Contractually required contributions	\$ 499,765	\$ 561,704		
Contributions in relation to the contractually required contributions	<u>499,765</u>	<u>561,704</u>		
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>		
 MECDHH's covered employee payroll	 \$2,931,488	 \$ 3,112,176		
Contributions as a percentage of covered employees payroll	17.05%	18.05%		

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**Schedule of Changes in the MECDHH/GBSD's
Net OPEB Healthcare Liability**

Year Ended June 30, 2018

	<u>2018</u>
Total OPEB liability	
Service cost	\$ 201,000
Interest	205,000
Changes in benefit terms	-
Differences between expected and actual experience	(715,000)
Changes in assumptions or other inputs	(620,000)
Benefit payments	<u>(213,000)</u>
Net change in total OPEB liability	(1,142,000)
Total OPEB liability - beginning	<u>7,094,000</u>
Total OPEB liability – ending (a)	<u><u>\$ (5,952,000)</u></u>
 Plan fiduciary net position	
Contributions - employer	\$ 213,000
Benefit payments	<u>(213,000)</u>
Net change in plan fiduciary net position	-
Plan fiduciary net position - beginning	<u>-</u>
Plan fiduciary net position – ending (b)	<u><u>\$ -</u></u>
 MECDHH/GBSD's net OPEB liability – ending (a) – (b)	<u><u>\$ (5,952,000)</u></u>
 Plan fiduciary net position as a percentage of the total OPEB liability	0.0%
 MECDHH/GBSD's covered payroll	\$ 3,467,000
 MECDHH/GBSD's net pension OPEB liability as a percentage of covered payroll	171.7%

- The amounts presented for each fiscal year were determined as of the beginning of the fiscal year. Data has been provided for the fiscal years in which the data is available.

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Schedule of the MECDHH/GBSD's OPEB Healthcare Contributions

Year Ended June 30, 2018

	<u>2018</u>
Actuarially determined contributions	\$ 213,000
Contributions in relation to the actuarially determined contributions	<u>213,000</u>
Contribution deficiency (excess)	\$ <u> -</u>
MECDHH's covered employee payroll	\$ 3,467,000
Contributions as a percentage of covered employees payroll	6.14%

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Schedule of the MECDHH/GBSD's OPEB Healthcare Contributions

Year Ended June 30, 2018

Notes to Schedule

Valuation date: June 30, 2017

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method – Entry Age Normal Percent of Pay Method.

Amortization method – Level percent of payroll.

Amortization period - The unfunded actuarial accrued liability is being amortized as a level percentage of payroll over a 30-year period on a closed basis. As of June 30, 2017, there were 20 years remaining in the amortization schedule for the SET Plan.

Inflation Rate – 2.75%.

Healthcare cost trend rates- Initial Medical Trend Rate 6.6%, Ultimate Trend Rate 4.29%.

Annual Salary Increases, Including Inflation – 2.5% to 14.5% per year.

Investment Rate of Return – 6.875% per annum for the year ended June 30, 2017.

Retirement age – Tier 1 – Be at least 60 years of age, with at least 10 years of service on 7/1/1993.
Tier 2 – Be at least 62 years of age, with less than 10 years of service on 7/1/1993 or hired on or after 7/1/1993 but had 5 years of service on 7/1/2011.
Tier 3 – Be at least 65 years of age; with less than 5 years of service on 7/1/2011 or hired on or after 7/1/2011.

Mortality Rates – Mortality rates were based on the RP2014 Total Dataset Healthy Annuitant Mortality Table for Males and Females. The mortality improvement scale MP2015 was modified to converge to an ultimate rate of .85% for ages 20 to 85 grading down to 0.0% for ages 111 to 120 with convergence to the ultimate rate in 2020.

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**Schedule of the MECDHH/GBSD's Proportionate Share of Net
OPEB Liability – Life Insurance**

Year Ended June 30, 2018

	<u>2018</u>	<u>2017</u>
MECDHH/GBSD's proportion of the net OPEB Life Insurance liability	0.261833%	0.273608%
MECDHH/GBSD's proportionate share of the net OPEB Life Insurance liability	\$ 159,059	\$ 165,784
Plan fiduciary net position as a percentage of the total OPEB Life Insurance liability	47.3%	

- The amounts presented for each fiscal year were determined as of the beginning of the fiscal year. Data has been provided for the fiscal years in which the data is available.

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Schedule of the MECDHH/GBSD's OPEB Liability – Life Insurance Contributions

Year Ended June 30, 2018

	<u>2018</u>
Contractually required contributions	\$ 19,069
Contributions in relation to the contractually required contributions	<u>19,069</u>
Contribution deficiency (excess)	\$ <u> -</u>

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Schedule of Expenditures of Federal Awards

Year Ended June 30, 2018

Program Title	Federal CFDA #	Pass Through Grantor's #	Award Amount	Revenues	Expenditures
New England Consortium Deaf Blind Grant	84.326C	H326T130094	\$ 20,000	\$ 7,474	\$ 12,846
New England Consortium Deaf Blind Grant	84.326T	H326T130094	22,000	29,950	11,409
Department of Health and Human Services Maine Newborn Hearing Program Grant	93.251	CDC-17-408A	160,000	78,263	55,762
Department of Health and Human Services Maine Newborn Hearing Program Grant	93.251	CDC-18-4251	213,798	23,905	86,044
Health Resources and Services Administration (HRSA) Grant	93.251	H61MC30766-01	250,000	141,086	206,509
Health Resources and Services Administration (HRSA) Grant	93.251	H61MC30766-02	250,000	36,773	50,038
IDEA Local Entitlement Grant	84.027	N/A	-	29,246	-
Title IA Basic Disadvantaged Program	84.010	N/A	27,560	27,560	27,560
Title IIA Teacher Quality	84.367	N/A	1,816	-	1,650
Title IVA Student Support/ Academic Enrichment	84.424A	S4240A170020	9,856	-	-
Small Rural School Achievement Program	84.358A	N/A	<u>16,684</u>	<u>16,684</u>	<u>16,684</u>
Total			\$ <u>971,714</u>	\$ <u>390,941</u>	\$ <u>468,502</u>