

14 memo



STATE OF NEW HAMPSHIRE  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF MEDICAID SERVICES  
*Bureau of Developmental Services*

Jeffrey A. Meyers  
Commissioner

Deborah H. Fournier  
Medicaid Director

105 PLEASANT STREET, CONCORD, NH 03301  
603-271-5034 1-800-852-3345 Ext. 5034  
Fax: 603-271-5166 TDD Access: 1-800-735-2964 www.dhhs.nh.gov

May 19, 2017

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

G&C Approved

Date 6/21/17

REQUESTED ACTION Item # 14

Authorize the Department of Health and Human Services, Division Long Term Support Services, Bureau of Developmental Services, to amend an existing sole source contract with Southeastern Regional Education Services Center, Inc. (Vendor # 154866-B001), 29 Commerce Drive, Bedford, NH 03110, by increasing the Price Limitation by \$138,086.00, from \$715,732.00 to an amount not to exceed \$853,818.00 to continue providing community based services to children and youth in New Hampshire who have special feeding & swallowing healthcare needs, and extending the Completion Date from June 30, 2017 to March 31, 2018, effective upon Governor and Executive Council approval. The agreement was originally approved by Governor and Council on June 19, 2013, Item #120, and subsequently amended on June 24, 2015, Item #72. 30% Federal Funds, 70% General Funds.

Funds are anticipated to be available in the following account for SFY 2018, and are anticipated, upon the availability and continued appropriation of funds in the future operating budgets, with authority to adjust amounts within the price limitation and adjust encumbrances between State Fiscal Years through the Budget Office if needed and justified, without approval from Governor and Executive Council.

05-95-93-930010-5191, HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS,  
HHS: DIVISION OF DEVELOPMENTAL SERVICES, DIVISION OF DEVELOPMENTAL SERVICES,  
SPECIAL MEDICAL SERVICES

Fiscal Year	Class / Account	Class Title	Job Number	Current Modified Budget	Increased (Decreased) Amount	Revised Modified Budget
2018	562-500912	CSHCN Assistance	93001000	\$715,732	\$138,086	\$853,818
			Total	\$715,732	\$138,086	\$853,818

### **EXPLANATION**

This request is sole source because the planned timeline for issuing an RFP and executing a contract was shorter than the timeframe needed in light of unanticipated procedural reviews, recently instituted. This extended timeline has resulted in the need to amend and contract with the current vendor, for nine (9) months, who has demonstrated satisfactory performance, while the formal RFP process is performed. This amendment will result in assuring that there is ongoing provision of services to children with feeding and swallowing disorders while competitive bids are sought for services after March 31, 2018.

Funds in this amendment will be used to address the needs of children and youth, from birth through age twenty-one (21), with special healthcare needs (CYSHCN) who have conditions requiring specialty Feeding & Swallowing consultation. The Feeding and Swallowing contractor provides home or community assessments, intervention recommendations, and ongoing monitoring of the growth and health status of children. Additionally, the contractor provides competency training in pediatric feeding and swallowing disorders to families and community-based personnel serving children including but not limited to Part C Early Intervention programs, child care providers and school based personnel.

Notwithstanding any other provision of the Contract to the contrary, no services shall continue after June 30, 2017, and the Department shall not be liable for any payments for services provided after June 30, 2017, unless and until an appropriation for these services has been received from the state legislature and funds encumbered for the SFY 2018-2019 biennia.

Should Governor and Executive Council not authorize this Request approximately 575 – 600 children will be impacted. Scheduled consultations will be cancelled and follow up visits will cease, eliminating the ability of families and caregivers to effectively manage their children's feeding and swallowing concerns.

Southeastern Regional Education Services Center, Inc. was selected for this project through a competitive bid process. The Bid Summary is attached.

The Contractor successfully fulfilled and achieved the performance measures (or deliverables) in the original contract. Feeding and Swallowing services have been provided statewide in the homes, communities and schools in which children reside in order to develop recommendations that are individualized and effective.

Area served: Statewide

Source of Funds: 30% Federal Funds from US Health and Human Services, Health Resources and Services Administration, Title V Block Grant, and 70% General Funds.

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

Respectfully submitted,



Deborah H. Fournier  
Medicaid Director



Approved by: Jeffrey A. Meyers  
Commissioner





**State of New Hampshire  
Department of Health and Human Services  
Amendment #2 to the  
Feeding & Swallowing Network for Children and Youth With Special Healthcare  
Needs Contract**

This 2<sup>nd</sup> Amendment to the Feeding & Swallowing Network for Children and Youth With Special Healthcare Needs contract (hereinafter referred to as "Amendment Two") dated this May 19, 2017, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and the Southeastern Regional Education Services Center, Inc., (hereinafter referred to as "the Contractor"), a nonprofit corporation with a place of business at 29 Commerce Drive, Bedford, NH 03110.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on June 19, 2013, Item #120, and subsequently amended on June 24, 2015, Item #35, the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract as amended and in consideration of certain sums specified; and

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

WHEREAS, pursuant to the General Provisions, Paragraph 18, the State may modify the terms and conditions of the contract by written agreement of the parties;

WHEREAS, the parties agree to extend the term of the agreement and increase the price limitation to support continued delivery of these services and to assure there is no lapse in services for children with special health care needs;

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

1. Form P-37, General Provisions, Item 1.7 Completion Date, to read:  
March 31, 2018
2. Form P-37, General Provisions, Item 1.8 Price Limitation, to read:  
\$853,818.00
3. Form P-37, General Provisions, Item 1.9 Contracting Officer for State Agency, to read:  
Jonathan V. Gallo, Esq., Interim Director
4. Form P-37, General Provision, Item 1.10 State Agency Telephone Number, to read:  
603-271-9246
5. Amend Exhibit A, Scope of Services, DATE, to read: Commencing upon date of Governor and Council approval or July 1, 2013, whichever is later, through March 31, 2018
6. Amend Exhibit A, Scope of Services, CONTRACT PERIOD, to read:  
July 1, 2015 through March 31, 2018



**New Hampshire Department of Health and Human Services  
Feeding & Swallowing Network for Children and Youth  
With Special Healthcare Needs**

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7. Amend Budget to:
  - Add Exhibit B-3 Budget Amendment #2, Budget Period July 1, 2017 through March 31, 2018, Feeding & Swallowing Network for Children and Youth With Special Healthcare Needs
8. Delete Standard Exhibit D, Certification Regarding Drug-Free Workplace Requirements, and replace with Standard Exhibit D, Certification Regarding Drug-Free Workplace Requirements.
9. Delete Standard Exhibit E, Certification Regarding Lobbying, and replace with Standard Exhibit E, Certification Regarding Lobbying.
10. Add Exhibit J, Certification Regarding the Federal Funding Accountability and Transparency ACT (FFATA) Compliance.



**New Hampshire Department of Health and Human Services  
Feeding & Swallowing Network for Children and Youth  
With Special Healthcare Needs**

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

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

State of New Hampshire  
Department of Health and Human Services



Deborah H. Fournier, Esq.  
Medicaid Director

6/1/17  
Date

Southeastern Regional Education Services Center,  
Inc.

  
NAME Jane Bergeron  
TITLE Executive Director

5-22-17  
Date

**Acknowledgement:**

State of NH, County of Hillsborough on May 22, 2017, before the undersigned officer, personally appeared the person identified above, or satisfactorily proven to be the person whose name is signed above, and acknowledged that s/he executed this document in the capacity indicated above.

Signature of Notary Public or Justice of the Peace

Sabrina Bryant  
Name and Title of Notary or Justice of the Peace

SABRINA BRYANT, Notary Public  
State of New Hampshire  
My Commission Expires August 3, 2021



**New Hampshire Department of Health and Human Services  
Feeding & Swallowing Network for Children and Youth  
With Special Healthcare Needs**

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

OFFICE OF THE ATTORNEY GENERAL

6/7/17  
Date

[Signature]  
Name: [Signature]  
Title: [Signature]

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

OFFICE OF THE SECRETARY OF STATE

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name:  
Title:

**EXHIBIT B-3 BUDGET  
AMENDMENT #2**

New Hampshire Department of Health and Human Services

Bidder/Contractor Name: Southeastern Regional Education Services Center

Feeding & Swallowing Network for Children and  
Youth With Special Healthcare Needs

Budget Request for: Amendment #2  
(Name of RFP)

Budget Period: July 1, 2017 thru March 31, 2018

Line Item	Direct Incremental	Indirect Fixed	Total	Allocation Method for Indirect/Fixed Cost
1. Total Salary/Wages	\$ 42,919.00	\$ -	\$ 42,919.00	
2. Employee Benefits	\$ 14,425.00	\$ -	\$ 14,425.00	
3. Consultants	\$ -	\$ -	\$ -	
4. Equipment:	\$ -	\$ -	\$ -	
Rental	\$ -	\$ -	\$ -	
Repair and Maintenance	\$ -	\$ -	\$ -	
Purchase/Depreciation	\$ -	\$ -	\$ -	
5. Supplies:	\$ -	\$ -	\$ -	
Educational	\$ -	\$ -	\$ -	
Lab	\$ -	\$ -	\$ -	
Pharmacy	\$ -	\$ -	\$ -	
Medical	\$ -	\$ -	\$ -	
Office	\$ 450.00	\$ -	\$ 450.00	
6. Travel	\$ 1,417.00	\$ -	\$ 1,417.00	
7. Occupancy	\$ -	\$ -	\$ -	
8. Current Expenses	\$ -	\$ -	\$ -	
Telephone	\$ -	\$ -	\$ -	
Postage	\$ -	\$ -	\$ -	
Subscriptions	\$ -	\$ -	\$ -	
Audit and Legal	\$ -	\$ -	\$ -	
Insurance	\$ -	\$ -	\$ -	
Board Expenses	\$ -	\$ -	\$ -	
9. Software	\$ 75.00	\$ -	\$ 75.00	
10. Marketing/Communications	\$ -	\$ -	\$ -	
11. Staff Education and Training	\$ -	\$ -	\$ -	
12. Subcontracts/Agreements	\$ -	\$ -	\$ -	
13. Other (specific details mandatory):	\$ -	\$ -	\$ -	
Patient Visits and Travel	\$ 62,651.40	\$ -	\$ 62,651.40	
Provider Business and Training	\$ 2,250.00	\$ -	\$ 2,250.00	
Cultural/Linguistic Support	\$ 1,500.00	\$ -	\$ 1,500.00	
Administrative Fee ( @ 10%)	\$ -	\$ 12,398.60	\$ 12,398.60	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
<b>TOTAL</b>	<b>\$ 125,687.40</b>	<b>\$ 12,398.60</b>	<b>\$ 138,086.00</b>	

Indirect As A Percent of Direct

9.9%



**CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS**

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

**ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS**

**US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS  
US DEPARTMENT OF EDUCATION - CONTRACTORS  
US DEPARTMENT OF AGRICULTURE - CONTRACTORS**

This certification is required by the regulations implementing Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.). The January 31, 1989 regulations were amended and published as Part II of the May 25, 1990 Federal Register (pages 21681-21691), and require certification by grantees (and by inference, sub-grantees and sub-contractors), prior to award, that they will maintain a drug-free workplace. Section 3017.630(c) of the regulation provides that a grantee (and by inference, sub-grantees and sub-contractors) that is a State may elect to make one certification to the Department in each federal fiscal year in lieu of certificates for each grant during the federal fiscal year covered by the certification. The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment. Contractors using this form should send it to:

Commissioner  
NH Department of Health and Human Services  
129 Pleasant Street,  
Concord, NH 03301-6505

1. The grantee certifies that it will or will continue to provide a drug-free workplace by:
  - 1.1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
  - 1.2. Establishing an ongoing drug-free awareness program to inform employees about
    - 1.2.1. The dangers of drug abuse in the workplace;
    - 1.2.2. The grantee's policy of maintaining a drug-free workplace;
    - 1.2.3. Any available drug counseling, rehabilitation, and employee assistance programs; and
    - 1.2.4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
  - 1.3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
  - 1.4. Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will
    - 1.4.1. Abide by the terms of the statement; and
    - 1.4.2. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
  - 1.5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 1.4.2 from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency

New Hampshire Department of Health and Human Services  
Exhibit D



- has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- 1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted
    - 1.6.1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
    - 1.6.2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
  - 1.7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1.1, 1.2, 1.3, 1.4, 1.5, and 1.6.
2. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant.

Place of Performance (street address, city, county, state, zip code) (list each location)

Check  if there are workplaces on file that are not identified here.

Contractor Name:

5-22-17  
Date

Jane Bergeron  
Name: Jane Bergeron  
Title: Executive Director

Contractor Initials JBB  
Date 5-22-17



CERTIFICATION REGARDING LOBBYING

The Contractor identified in Section 1.3 of the General Provisions 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, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS  
US DEPARTMENT OF EDUCATION - CONTRACTORS  
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

Programs (indicate applicable program covered):

- \*Temporary Assistance to Needy Families under Title IV-A
- \*Child Support Enforcement Program under Title IV-D
- \*Social Services Block Grant Program under Title XX
- \*Medicaid Program under Title XIX
- \*Community Services Block Grant under Title VI
- \*Child Care Development Block Grant under Title IV

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-I.)
3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

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 or entering into this transaction imposed by Section 1352, Title 31, 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.

Contractor Name:

5-22-17  
Date

Jane Bergeron  
Name: Jane Bergeron  
Title: Executive Director

Exhibit E - Certification Regarding Lobbying

Contractor Initials JBB



**CERTIFICATION REGARDING THE FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY  
ACT (FFATA) COMPLIANCE**

The Federal Funding Accountability and Transparency Act (FFATA) requires prime awardees of individual Federal grants equal to or greater than \$25,000 and awarded on or after October 1, 2010, to report on data related to executive compensation and associated first-tier sub-grants of \$25,000 or more. If the initial award is below \$25,000 but subsequent grant modifications result in a total award equal to or over \$25,000, the award is subject to the FFATA reporting requirements, as of the date of the award.

In accordance with 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

1. Name of entity
2. Amount of award
3. Funding agency
4. NAICS code for contracts / CFDA program number for grants
5. Program source
6. Award title descriptive of the purpose of the funding action
7. Location of the entity
8. Principle place of performance
9. Unique identifier of the entity (DUNS #)
10. Total compensation and names of the top five executives if:
  - 10.1. More than 80% of annual gross revenues are from the Federal government, and those revenues are greater than \$25M annually and
  - 10.2. Compensation information is not already available through reporting to the SEC.

Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of The Federal Funding Accountability and Transparency Act, Public Law 109-282 and Public Law 110-252, and 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

The below named Contractor agrees to provide needed information as outlined above to the NH Department of Health and Human Services and to comply with all applicable provisions of the Federal Financial Accountability and Transparency Act.

Contractor Name:

5-22-17  
Date

Jane Bergeron  
Name: Jane Bergeron  
Title: Executive Director



FORM A

As the Contractor identified in Section 1.3 of the General Provisions, I certify that the responses to the below listed questions are true and accurate.

1. The DUNS number for your entity is: 040240798
2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

NO  YES

If the answer to #2 above is NO, stop here

If the answer to #2 above is YES, please answer the following:

3. Does the public have access to information about the compensation of the executives in your business or organization through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C.78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986?

NO  YES

If the answer to #3 above is YES, stop here

If the answer to #3 above is NO, please answer the following:

4. The names and compensation of the five most highly compensated officers in your business or organization are as follows:

Name: _____	Amount: _____

JBB

5-22-17

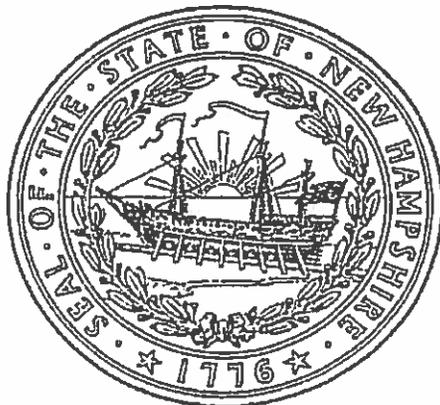
# State of New Hampshire

## Department of State

### CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that SOUTHEASTERN REGIONAL EDUCATIONAL SERVICE CENTER is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on August 06, 1974. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 64995



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 9th day of May A.D. 2017.

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

William M. Gardner  
Secretary of State

# CERTIFICATE OF VOTE

I, Chip McGee, do hereby certify that:  
(Name of the elected Officer of the Agency; cannot be contract signatory)

1. I am a duly elected Officer of Southeastern Regional Education Service Center, Inc.  
(Agency Name)

2. The following is a true copy of the resolution duly adopted at a meeting of the Board of Directors of  
the Agency duly held on 10/28/2016:  
(Date)

**RESOLVED:** That the Executive Director  
(Title of Contract Signatory)

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

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of  
the 22 day of May, 2017.  
(Date Contract Signed)

4. Jane Bergeron-Beaulieu is the duly elected Executive Director  
(Name of Contract Signatory) (Title of Contract Signatory)

of the Agency.

[Signature]  
(Signature of the Elected Officer)

STATE OF NEW HAMPSHIRE

County of Hillsborough

The forgoing instrument was acknowledged before me this 9th day of May, 2017.

By Chip McGee  
(Name of Elected Officer of the Agency)

Sabrina Bryant  
(Notary Public/Justice of the Peace)

(NOTARY SEAL)

Commission Expires: 8/3/21

SABRINA BRYANT, Notary Public  
State of New Hampshire  
My Commission Expires August 3, 2021



## CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

05/10/2017

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

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

<b>PRODUCER</b> Brown & Brown (Merrimack) 309 Daniel Webster Highway Merrimack, NH 03054 Sarah Crossman		Phone: 603-424-9901 Fax: 866-848-1223	<b>CONTACT NAME:</b> PHONE (A/C, No, Ext): E-MAIL ADDRESS: FAX (A/C, No):
<b>INSURED</b> Southeastern Regional Ed Service Ctr Inc. 29 Commerce Drive Bedford, NH 03110		<b>INSURER(S) AFFORDING COVERAGE</b> INSURER A: Citizens Ins Co Of America NAIC # 31534 INSURER B: Massachusetts Bay Insurance Co INSURER C: *Hanover Insurance Company INSURER D: INSURER E: INSURER F:	

## COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

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

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR	WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY			ABV9626777	07/01/2016	07/01/2017	EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						MED EXP (Any one person) \$ 15,000
							PERSONAL & ADV INJURY \$ 1,000,000
							GENERAL AGGREGATE \$ 2,000,000
							PRODUCTS - COMP/OP AGG \$ 2,000,000
							\$
A	AUTOMOBILE LIABILITY			ABV9626162	07/01/2016	07/01/2017	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	<input checked="" type="checkbox"/> ANY AUTO						BODILY INJURY (Per person) \$
	<input checked="" type="checkbox"/> ALL OWNED AUTOS		<input type="checkbox"/> SCHEDULED AUTOS				BODILY INJURY (Per accident) \$
	<input checked="" type="checkbox"/> HIRED AUTOS		<input checked="" type="checkbox"/> NON-OWNED AUTOS				PROPERTY DAMAGE (Per accident) \$
							\$
C	<input checked="" type="checkbox"/> UMBRELLA LIAB		<input checked="" type="checkbox"/> OCCUR	UHV9636434	07/01/2016	07/01/2017	EACH OCCURRENCE \$ 3,000,000
	<input type="checkbox"/> EXCESS LIAB		<input type="checkbox"/> CLAIMS-MADE				AGGREGATE \$ 3,000,000
	<input type="checkbox"/> DED	<input checked="" type="checkbox"/> RETENTION \$	0				\$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			WDV9620856	07/01/2016	07/01/2017	WC STATUTORY LIMITS
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	Y/N	N/A				E.L. EACH ACCIDENT \$ 500,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE \$ 500,000
							E.L. DISEASE - POLICY LIMIT \$ 500,000
B	Directors & Office			EPP4335804-00	08/01/2016	08/01/2017	D&O 1,000,000
							Ded 2,500

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

## CERTIFICATE HOLDER

## CANCELLATION

Department of Health and Human Services  
 129 Pleasant Street  
 Concord, NH 03301

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

*Julie Bernier*



**Southeastern Regional Education Service Center, Inc.**

29 Commerce Drive  
Bedford, NH 03110  
Phone: 603-206-6800  
Fax: 603-434-3891  
[www.seresc.net](http://www.seresc.net)

JANE BERGERON-BEAULIEU  
Executive Director

## **SERESC's Mission**

Inspiring innovation and excellence in education  
and professional practice

### **MEMBER SCHOOL DISTRICTS**

Auburn • Bedford • Candia • Hampstead • Hooksett  
Londonderry • Merrimack • Timberlane



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**JANE BERGERON-BEAULIEU**  
Executive Director

May 10, 2017

Please note that the attached:

Southeastern Regional Education Service Center, Inc.  
Financial Statements  
For the Year Ended June 30, 2016

is in DRAFT form as the SERESC Board of Directors will not have the opportunity to vote for approval until the May 25, 2017 meeting.

**MEMBER SCHOOL DISTRICTS**  
Auburn • Bedford • Candia • Hampstead • Hooksett  
Londonderry • Merrimack • Timberlane

DRAFT  
5-3-17

**SOUTHEASTERN REGIONAL EDUCATION  
SERVICE CENTER, INC.**

Financial Statements

For the Year Ended June 30, 2016

(With Independent Auditors' Report Thereon)

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Southeastern Regional Education Service Center, Inc.

**Report on the Financial Statements**

We have audited the accompanying financial statements of Southeastern Regional Education Service Center, Inc., which comprise the statement of financial position as of June 30, 2016, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

**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.

**Auditors' 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 from 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 financial position of Southeastern Regional Education Service Center, Inc. as of June 30, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Report on Summarized Comparative Information**

We have previously audited the Organization's fiscal year 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 27, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

### **Other Matters**

#### *Other Information*

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated \_\_\_\_\_, 2017 on our consideration of the Organization'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 and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Southeastern Regional Education Service Center, Inc.'s internal control over financial reporting and compliance.

\_\_\_\_\_, 2017

SOUTHEASTERN REGIONAL EDUCATION SERVICE CENTER, INC.

Statement of Financial Position  
June 30, 2016  
(with comparative totals as of June 30, 2015)

<u>ASSETS</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2016 Total</u>	<u>2015 Total</u>
<b>Current Assets:</b>				
Cash and cash equivalents	\$ -	\$ 148,414	\$ 148,414	\$ 205,974
Restricted cash - bond escrow	175,319	-	175,319	163,303
Accounts and grants receivable	879,544	-	879,544	746,131
Prepaid expenses	10,971	-	10,971	8,773
<b>Total Current Assets</b>	<u>1,065,834</u>	<u>148,414</u>	<u>1,214,248</u>	<u>1,124,181</u>
Property and equipment, net	<u>3,259,826</u>	<u>-</u>	<u>3,259,826</u>	<u>6,196,616</u>
<b>TOTAL ASSETS</b>	<u>\$ 4,325,660</u>	<u>\$ 148,414</u>	<u>\$ 4,474,074</u>	<u>\$ 7,320,797</u>
 <u>LIABILITIES AND NET ASSETS</u>				
<b>Current Liabilities:</b>				
Accounts payable	\$ 292,560	\$ -	\$ 292,560	\$ 257,924
Accrued expenses	55,394	-	55,394	65,071
Other liabilities	17,727	-	17,727	18,633
Deferred revenue	28,589	-	28,589	25,533
Line of credit	75,000	-	75,000	-
Current portion of long term debt	235,000	-	235,000	225,000
<b>Total Current Liabilities</b>	<u>704,270</u>	<u>-</u>	<u>704,270</u>	<u>592,161</u>
Long term debt net of current portion	<u>3,755,000</u>	<u>-</u>	<u>3,755,000</u>	<u>3,990,000</u>
<b>Total Liabilities</b>	<u>4,459,270</u>	<u>-</u>	<u>4,459,270</u>	<u>4,582,161</u>
<b>Net Assets:</b>				
Unrestricted	(183,550)	-	(183,550)	2,625,456
Board designated	49,940	-	49,940	41,531
Temporarily restricted	-	148,414	148,414	71,649
<b>Total Net Assets</b>	<u>(133,610)</u>	<u>148,414</u>	<u>14,804</u>	<u>2,738,636</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 4,325,660</u>	<u>\$ 148,414</u>	<u>\$ 4,474,074</u>	<u>\$ 7,320,797</u>

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

SOUTHEASTERN REGIONAL EDUCATION SERVICE CENTER, INC.

Statement of Activities  
For the Year Ended June 30, 2016  
(with comparative totals for the year ended June 30, 2015)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2016 Total</u>	<u>2015 Total</u>
Support and Revenue:				
Support:				
Federal grants	\$ 812,155	\$ -	\$ 812,155	\$ 1,063,676
Other government grants	58,993	135,000	193,993	251,080
Grants and contributions	50,958	19,250	70,208	72,984
Revenue:				
Consulting revenue	3,961,491	-	3,961,491	2,990,715
Membership revenue	75,109	-	75,109	78,791
Other services	2,067,179	-	2,067,179	1,923,687
Investment income:				
Interest income	68	11	79	73
Net assets released from restriction	<u>77,496</u>	<u>(77,496)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	7,103,449	76,765	7,180,214	6,381,006
Expenses:				
Program services	6,356,845	-	6,356,845	5,795,399
Management and general	<u>837,319</u>	<u>-</u>	<u>837,319</u>	<u>749,077</u>
Total Expenses	<u>7,194,164</u>	<u>-</u>	<u>7,194,164</u>	<u>6,544,476</u>
Change in net assets before impairment loss	(90,715)	76,765	(13,950)	(163,470)
Impairment loss (see Note 4)	<u>(2,709,882)</u>	<u>-</u>	<u>(2,709,882)</u>	<u>-</u>
Change in net assets	(2,800,597)	76,765	(2,723,832)	(163,470)
Net Assets, Beginning of Year	<u>2,666,987</u>	<u>71,649</u>	<u>2,738,636</u>	<u>2,902,106</u>
Net Assets, End of Year	<u>\$ (133,610)</u>	<u>\$ 148,414</u>	<u>\$ 14,804</u>	<u>\$ 2,738,636</u>

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

SOUTHEASTERN REGIONAL EDUCATION SERVICE CENTER, INC.

Statement of Cash Flows  
For the Year Ended June 30, 2016  
(with comparative totals for the year ended June 30, 2015)

	<u>2016</u>	<u>2015</u>
<b><u>Cash Flows From Operating Activities:</u></b>		
Change in net assets	\$ (13,950)	\$ (163,470)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	232,754	250,450
Loss on sale of equipment	4,161	-
(Increase) decrease in:		
Accounts and grants receivable	(133,413)	12,110
Prepaid expenses	(2,198)	3,854
Increase (decrease) in:		
Accounts payable	17,882	28,593
Accrued expenses	(9,677)	1,579
Other liabilities	(906)	1,124
Deferred revenue	3,056	22,939
Net Cash from Operating Activities	<u>97,709</u>	<u>157,179</u>
<b><u>Cash Flows From Investing Activities:</u></b>		
Purchase of fixed assets	<u>(10,007)</u>	<u>(27,194)</u>
Net Cash from Investing Activities	<u>(10,007)</u>	<u>(27,194)</u>
<b><u>Cash Flows From Financing Activities:</u></b>		
Line of credit proceeds	75,000	-
Line of credit payments	-	(50,000)
Principal payments of long term debt	<u>(225,000)</u>	<u>(210,000)</u>
Net Cash Used By Financing Activities	<u>(150,000)</u>	<u>(260,000)</u>
Net Change in Cash, Cash Equivalents and Restricted Cash	(62,298)	(130,015)
Cash, Cash Equivalents and Restricted Cash, Beginning	<u>369,277</u>	<u>499,292</u>
Cash, Cash Equivalents and Restricted Cash, Ending	<u>\$ 306,979</u>	<u>\$ 369,277</u>
<b>SUPPLEMENTAL INFORMATION:</b>		
Interest Paid	<u>\$ 20,947</u>	<u>\$ 176,015</u>

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

**SOUTHEASTERN REGIONAL EDUCATION SERVICE CENTER, INC.**

Notes to the Financial Statements

**1. Organization**

Southeastern Regional Education Service Center, Inc. (the Organization) was formed in 1974 when fourteen New Hampshire school districts pooled their resources to support special education students being mainstreamed into public schools for the first time. The Organization was created as, and remains, a non-profit entity managed by a Board of Directors comprised of school board members and superintendents of schools. As an educational consortium, the Organization has both a regional and statewide focus in order to serve all educational communities. The Organization is known for piloting innovative practices and creativity, technological sophistication, and professional development that contributes to accountability, improved student learning, and excellence in the teaching profession. The Organization's main focus areas are education, professional development, and technology.

**2. Summary of Significant Accounting Policies**

The following is a summary of significant accounting policies of the Organization used in preparing and presenting the accompanying financial statements.

**Comparative Information**

The accompanying financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with Accounting Principles Generally Accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with the audited financial statements for the year ended June 30, 2015, from which the summarized information was derived.

**Accounting for Contributions and Financial Statement Presentation**

The Organization follows *Accounting for Contributions Received and Contributions Made* and *Financial Statements of Not-for-Profit Organizations* as required by the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC). Under these guidelines, the Organization is required to distinguish between contributions that increase permanently restricted net assets, temporarily restricted net assets, and unrestricted net assets. It also requires recognition of contributions, including contributed services, meeting certain criteria at fair values. These reporting standards establish standards for financial statements of not-for-profit organizations and require a Statement of Financial Position, a Statement of Activities and a Statement of Cash Flows.

### Basis of Accounting

Revenues and expenses are reported on the accrual basis of accounting. Under this basis, revenues, other than contributions, and expenses are reported when incurred, without regard to the date of receipt or payment of cash. Contributions are reported in accordance with FASB ASC *Accounting for Contributions Received and Contributions Made*.

### Restricted and Unrestricted Revenue

Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions.

### Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

### Allowance for Doubtful Accounts

The adequacy of the allowance for doubtful accounts for receivables is reviewed on an ongoing basis by the Organization's management and adjusted as required through the provision for doubtful accounts (bad debt expense). In determining the amount required in the allowance account for the year ended June 30, 2016, management has taken into account a variety of factors.

### Property and Equipment

Property and equipment is recorded at cost or, if donated, at acquisition value at the date of donation. Major additions and improvements are capitalized, while ordinary maintenance and repairs are charged to expense. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets. Assets not in service are not depreciated.

### Donated Services

The Organization receives donated services from a variety of unpaid volunteers assisting the Organization in its programs. No amounts have been recognized in the accompanying Statement of Activities because the criteria for recognition of such volunteer effort under generally accepted accounting principles have not been satisfied.

Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

### Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the Statement of Activities. The Schedule of Functional Expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization.

### Use of Estimates

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

### Tax Status

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

The Organization follows FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*, which clarifies the accounting for uncertainty in income taxes and prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. FASB ASC 740-10 did not have a material impact on the Organization's financial statements.

The Organization's Federal Form 990 (Return of Organization Exempt From Income Tax) is subject to examination by the IRS, generally for three years after filing.

The Organization recognizes interest related to unrecognized tax benefits in interest expense and penalties that are included within reported expenses. During the year ended June 30, 2016, the Organization had no interest or penalties accrued related to unrecognized tax benefits.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

3. Concentration of Credit Risk - Cash and Cash Equivalents

The carrying amount of the Organization's deposits with financial institutions was \$306,979 at June 30, 2016. The difference between the carrying amount and the bank balance represents reconciling items such as deposits in transit and outstanding checks, which have not been processed by the bank at June 30, 2016. The bank balance is categorized as follows:

Insured by FDIC	\$ 164,262
Covered by SIPC	<u>147,204</u>
Total Bank Balance	<u>\$ 311,466</u>

4. Property, Equipment and Depreciation

A summary of the major components of property and equipment is presented below:

	<u>2016</u>	<u>2015</u>
Land and land improvements	\$ -	\$ 1,058,330
Buildings and improvements	3,200,000	7,347,014
Furniture, fixtures and equipment	1,384,087	1,374,081
Vehicles	<u>-</u>	<u>13,960</u>
Subtotal	4,584,087	9,793,385
Less: accumulated depreciation	<u>(1,324,261)</u>	<u>(3,596,769)</u>
Total	<u>\$ 3,259,826</u>	<u>\$ 6,196,616</u>

Depreciation expense for the year ended June 30, 2016 totaled \$232,754.

In preparing to make the building available for sale, the Organization determined that the fair value is below its carrying value. Accordingly, an impairment loss of \$2,709,882 was recorded in the Statement of Activities at June 30, 2016, and the carrying value of the property reduced to its estimated fair value (Note 2).

5. **Accrued Expenses**

Accrued expenses consist primarily of payroll related liabilities.

6. **Line of Credit**

The Organization has available a revolving line of credit with a bank in the amount of \$300,000. The outstanding balance on this line at June 30, 2016 was \$75,000. This line expires on October 1, 2016, is payable on demand, and requires monthly interest only payments calculated on the outstanding balance from the previous month. Interest is variable, based on Wall Street Prime adjusted daily. Said rate is subject to a floor of 4.00%. The current rate at June 30, 2016 was 5.50%.

7. **Long-term Debt**

Long-term debt as of June 30, 2016 consisted of the following:

Bond payable due in varying monthly installments and interest at 2.8% due semiannually, paid by the Organization on a monthly basis, payable over 30 years, and secured by a letter of credit.	\$ <u>3,990,000</u>
Total	3,990,000
Less amount due within one year	<u>(235,000)</u>
Long-term debt, net of current portion	<u>\$ 3,755,000</u>

The following is a summary of future payments on the previously mentioned long-term debt.

<u>Year</u>	<u>Amount</u>
2016	\$ 235,000
2017	115,000
2018	120,000
2019	125,000
2020	130,000
Thereafter	<u>3,265,000</u>
	<u>\$ 3,990,000</u>

On December 29, 2011, the Organization and the purchaser of the bond agreed to a new multi-annual rate agreement under which the bond will be subject to mandatory remarketing on October 31, 2016. The bond is backed in full by a letter of credit, expiring on November 14, 2016. Subsequent to year end, the letter of credit was extended to expire on November 3, 2017.

The Organization is subject to financial covenants that require the maintenance of minimum and maximum liquidity ratio, debt service coverage ratio and debt to tangible net worth ratio. These financial covenants are effective if the bonds are no longer secured by a letter of credit. In fiscal year 2016, the bonds were secured by a letter of credit, making the financial covenants inapplicable.

**8. Board Designated Net Assets**

Board designated net assets are comprised of two programs, the Center for Effective Behavioral Interventions and Supports (CEBIS) program and SMS services by speech pathologists. Funds represent net earnings from CEBIS workshops, consulting and SMS insurance payments. The CEBIS funds are to be used to offset expenses that are not funded by grants. The SMS funds are to be used to service speech patients after the yearly grant funds from the NH Bureau of Special Medical Services have been expended.

**9. Temporarily Restricted Net Assets**

Temporarily restricted net assets are available for the following purposes at June 30, 2016:

Handicap Fund	\$ 19,682
New Hampshire Charitable Foundation	36
Preschool Technical Assistance Network - District Funds	42,176
Preschool Technical Assistance Network - Private Grants	81,091
Scholarship Fund	<u>5,429</u>
Temporarily restricted net assets	<u>\$ 148,414</u>

**10. Net Assets Released from Restriction**

Net assets are released from program restrictions by incurring expenses satisfying the restricted purpose.

**11. Defined Contribution Benefit Plan**

The Organization sponsors a defined contribution plan (the Plan) covering all employees age 18 and over, with at least one consecutive year of service who agree to make contributions to the Plan. The Organization has the option of making a discretionary matching contribution. No matching contributions were made by the Organization for the year ended June 30, 2016.

**12. Operating Leases**

The Organization leases office equipment under various lease agreements. Equipment rental expense totaled \$19,703 for the year ended June 30, 2016.

**13. Fair Value Measurements**

FASB ASC, *Fair Value Measurements*, provides guidance for using fair value to measure assets and liabilities. *Fair Value Measurements* applies whenever other standards require or permit assets or liabilities to be measured at their fair market value. The standard does not expand the use of fair value in any new circumstances. Under *Fair Value Measurements*, fair value refers to the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date. *Fair Value Measurements* clarifies the principle that fair value should be based on the assumptions market participants would use when pricing the asset or liability and establishes a fair value hierarchy that prioritizes the information used to develop those assumptions.

Under *Fair Value Measurements*, the Organization categorizes its fair value estimates based on a hierarchical framework associated with three levels of price transparency utilized in measuring financial instruments at fair value. Classification is based on the lowest level of input that is significant to the fair value of the instrument. The three levels are as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. The types of financial instruments included in Level 1 are highly liquid instruments with quoted prices;
- Level 2 - Inputs from active markets, other than quoted prices for identical instruments, are used to model fair value. Significant inputs are directly observable from active markets for substantially the full term of the asset or liability being valued; and
- Level 3 - Pricing inputs significant to the valuation are unobservable. Inputs are developed based on the best information available; however, significant judgment is required by management in developing the inputs.

The estimated fair value of the Organization's financial instruments is presented in the following table:

	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Level One</u>	<u>Level Two</u>	<u>Level Three</u>
Bond payable	\$ <u>3,990,000</u>	\$ <u>3,990,000</u>	\$ <u>-</u>	\$ <u>3,990,000</u>	\$ <u>-</u>
Total liabilities	\$ <u>3,990,000</u>	\$ <u>3,990,000</u>	\$ <u>-</u>	\$ <u>3,990,000</u>	\$ <u>-</u>

The carrying amounts of cash and cash equivalents approximate fair value because of the short maturity of those financial instruments.

**14. Related Party Transactions**

The Organization's Board of Directors comprises superintendents and school board representatives from member New Hampshire school districts. The Organization provides a significant amount of services to several of these entities.

**15. Concentrations of Risk**

A material part of the Organization's revenue is derived from services provided to member districts and the New Hampshire Department of Education, the loss of which would have a materially adverse effect on the Organization. During the year ended June 30, 2016, Merrimack School District (SAU 26) and Bedford School District (SAU 25) accounted for 26% and 9% of the Organization's program service revenue, respectively.

Additionally, Merrimack School District and the New Hampshire Department of Health and Human Services accounted for 19% and 14% of the Organization's accounts receivable, respectively.

**16. Supplemental Disclosure of Cash Flow Information**

In fiscal year 2016, the Organization early adopted Accounting Standard Update (ASU) No. 2016-18, *Statement of Cash Flows (Topic 203): Restricted Cash*. The amendments in this update require that a Statement of Cash Flows explain the change during the fiscal year of restricted cash as part of the total of cash and cash equivalents.

The following table provides a reconciliation of cash and cash equivalents, and restricted cash reported in the Statement of Financial Position to the same such amounts reported in the Statement of Cash Flows.

	<u>2016</u>	<u>2015</u>
Cash and Cash Equivalents	\$ 131,660	\$ 205,974
Restricted Cash	<u>175,319</u>	<u>163,303</u>
Total Cash, Cash Equivalents and Restricted Cash shown in the Statement of Cash Flows	<u>\$ 306,979</u>	<u>\$ 369,277</u>

**17. Merger**

As of July 1, 2015, Hear in New Hampshire, Inc, a 501(c)(3) organization with a similar mission, merged with the Organization. The merged organization will continue under the name of Southeastern Regional Education Service Center, Inc., and Hear in New Hampshire will become a program within the Organization.

**18. Subsequent Events**

In accordance with the provisions set forth by FASB ASC, *Subsequent Events*, events and transactions from July 1, 2016 through \_\_\_\_\_, 2017, the date the financial statements were available to be issued, have been evaluated by management for disclosure.

Management has determined that there were no material events that would require disclosure in the Organization's financial statements through this date.

SOUTHEASTERN REGIONAL EDUCATION SERVICE CENTER, INC.

Schedule of Functional Expenses  
For the Year Ended June 30, 2016  
(with comparative totals for the year ended June 30, 2015)

	<u>Program Services</u>	<u>Management and General</u>	<u>2016 Total</u>	<u>2015 Total</u>
Personnel expense:				
Salaries and wages	\$ 2,785,600	\$ 459,098	\$ 3,244,698	\$ 2,798,190
Employee benefits	455,325	51,902	507,227	384,746
Payroll taxes	206,181	35,672	241,853	224,622
Advertising	8,314	3,315	11,629	13,037
Catering	178,660	-	178,660	165,618
Communications	116,102	41,799	157,901	132,963
Contract services	1,848,598	9,194	1,857,792	1,759,206
Depreciation	226,134	6,620	232,754	250,450
Equipment rental	1,524	18,179	19,703	20,453
Insurance	6,250	20,726	26,976	26,023
Interest	151,112	4,423	155,535	175,346
Miscellaneous	13,884	10,535	24,419	24,005
Office expense	2,036	5,592	7,628	5,764
Professional fees	-	17,419	17,419	38,259
Repairs and maintenance	37,813	116,275	154,088	168,691
Supplies	109,849	23,042	132,891	145,717
Travel	121,443	1,879	123,322	103,293
Utilities	21,007	78,662	99,669	108,093
Indirect costs	67,013	(67,013)	-	-
<b>Total Functional Expenses</b>	<b>\$ 6,356,845</b>	<b>\$ 837,319</b>	<b>\$ 7,194,164</b>	<b>\$ 6,544,476</b>

See Independent Auditors' Report.

# SERESC 2016-2017

## Board of Directors

Updated May 2017

### SAU #25

(Chairperson)  
Mr. Chip McGee

Mr. William Foote

### SAU #12

Mr. Nathan Greenberg

Mr. Stephen Young

### SAU #15

Dr. Charles P. Littlefield

Ms. Janice Baker

Ms. Kim Royer

Ms. Kara Salvas

### SAU #26

Ms. Marjorie Chiafery

Mr. Andy Schneider

### SAU #55

Dr. Earl Metzler

Ms. Donna Green

Ms. Cathleen Abruzzese

### **PROFILE**

Speech Language Pathologist with 34 years of clinical experience, 32 years experience as an administrator and supervisor, 6 years experience adjunct professor. Specialize in working with children with: special health care needs; feeding and swallowing disorders; autistic spectrum disorders; motor speech disorders; social-pragmatic communication disorders; sensory integration dysfunction. Regularly provide conferences, workshops, training and consultation to parents, personnel in hospitals, early intervention and public school teams, and community agencies regarding areas of specialties. Teach a semester long graduate course in Pediatric Dysphagia. Provide on-going supervision and mentoring to professionals serving infants and children with feeding and swallowing and communication disorders; also graduate students in speech language pathology. Excel at working as a member of a team to design services which result in high consumer satisfaction, and to put strategic plans into practice. Dedicated to consumer driven services, coordinated service delivery, and continual service improvement. Committed to documenting reports and creating educational materials that are friendly to a diversity of consumers. Have consistently operated financially healthy programs via accurate budgeting, optimizing third party revenue and securing grants.

### **Summary Of Qualifications**

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#### **CLINICAL**

- 34 years experience serving children with feeding and swallowing disorders, from newborn through young adulthood. Work directly with children's families, medical teams, Early Supports and Services, school teams, etc., providing evaluations, intervention and consultation.
- Have conducted and interpreted over 3500 pediatric videofluoroscopic swallow studies.
- Extensive experience with evaluating and treating children with: social-pragmatic communication disorders; complex neurological disorders; autism spectrum disorders; oral sensori-motor disorders; motor speech disorders; sensory integration disorders; hearing impairment; the sequelae of prematurity; metabolic and genetic disorders.
- Trained in the Newborn Individualized Developmental Care and Assessment Program (NIDCAP) and Infant Behavioral Assessment Scale
- Trained in American Sign Language and Signed English.

#### **ADMINISTRATION**

- Program Manager of a state-wide Feeding and Swallowing Program which is a part of the New Hampshire Nutrition, Feeding and Swallowing Network, supported through a grant from Special Medical Services.
- Has developed and managed agency, state, and federal budgets for a hospital affiliated Early Intervention Program and currently NH Department of Health and Human Services grant for the Nutrition, Feeding and Swallowing Program
- Submitted, secured and implemented private charitable, and state and federal grants.
- Conducted program development and strategic planning efforts with staff and management.
- Designed, measured, and interpreted quality management tools including continuous service improvement (CSI) activities, consumer satisfaction surveys, and quality assurance studies.
- Created consumer information materials including brochures, resource booklets, and handbooks
- Determined, organized, and maintained program safety and emergency procedures
- Oversaw program's participation in research projects.
- Addressed any consumer recommendations or concerns.

Judith H. Mikami, MA CCC

**TEAM LEADERSHIP AND SUPERVISION**

- Recruit, interview, and supervise speech language pathology, occupational therapy and physical therapy providers.
- Insure the completion of a competency-based comprehensive orientation for newly hired consultants and on-going competency developing.
- Extensive experience with supervising and mentoring other professionals in feeding and swallowing disorders and autistic spectrum disorders.
- Supervised a transdisciplinary team of physical, occupational and speech therapists, developmental pediatricians, social workers, and psychologists.
- Currently supervise a team of speech pathologists and occupational therapists trained to provide feeding and swallowing evaluation, swallow studies and follow-up care.
- Develop and regularly update job descriptions and program handbook.

**TRAINING**

- Adjunct professor for the University of New Hampshire Communication Sciences and Disorders. Regularly present workshops related to pediatric feeding and swallowing disorders to hospitals, school system personnel and early intervention providers in New Hampshire and surrounding states.
- Regularly provide trainings to professionals, paraprofessionals, and parents on communication issues and approaches for children with autistic spectrum disorders.
- Present at two or more conferences per year in areas of specialty.

**Work Experience**

<i>December 2015-present</i>	Concord Hospital; per diem staff: pediatric videofluoroscopic swallow studies; consultation to the Pediatric Unit and Special Care Nursery as requested.	
<i>Spring 2011-present</i>	University of New Hampshire, Dept. of Communication Sciences and Disorders-Adjunct Professor-teach semester long graduate level course and offer 1-3 credit Independent Studies to graduate students in Pediatric Dysphagia	
<i>Feb. 1995-present</i>	Southeastern Regional Educational Service Center, Inc. Speech Language Pathologist	
<i>June 1986-Feb. 1995</i>	Southern New Hampshire Medical Center Early Intervention Program	<i>Director</i>
<i>Aug. 1985-June 1986</i>	Southern New Hampshire Regional Medical Center Early Intervention Program	<i>Staff SLP</i>
<i>Oct. 1984-Aug. 1985</i>	Southern New Hampshire Regional Medical Center Speech and Hearing Department	<i>Staff SLP</i>
<i>June 1983-Oct. 1984</i>	Easter Seals/Goodwill Industries of New Hampshire	<i>Staff SLP</i>

**Education**

<i>May 1983</i>	<b>University of Denver</b> Masters of Arts in Speech Language Pathology with a specialty in Educational Audiology
<i>June 1981</i>	<b>Columbia University</b> Post Graduate Certification in working with deaf and hearing impaired infants and their parents
<i>Dec. 1980</i>	<b>Northeastern University</b> Bachelor of Arts in Speech Language Pathology

**Professional Certifications and Affiliations**

- Certificate of Clinical Competence from the American Speech and Hearing Association- Acct. # 01007137 (since 1984)
- Licensed by the State of New Hampshire Board of Speech-Language Pathology; License # 385
- Licensed by the Commonwealth of Massachusetts Division of Professional Licensure Board of Speech-Language Pathology; License # 9244
- Healthcare Provider (CPR and AED) Program-certified through April 2018

## M. ALICIA GARCIA

### OBJECTIVE

To obtain a position with a competitive, growth-oriented company where my abilities to initiate action, organize and effectively communicate will result in excellent quality and meaningful service.

### SUMMARY

A successful professional with over twenty years of experience in the healthcare industry providing administrative support with the ability to work independently in an energetic, fast-paced environment. Excellent communication and organizational skills with the ability to completely follow-through on multiple tasks results in an efficiently run organization and a high level of client satisfaction.

### PROFESSIONAL EXPERIENCE

#### Project Assistant/Billing Specialist, SERESC, Bedford, NH

November 2011-Present

- Maintain database of incoming referrals & review with supervisor for assignment
- Electronically store & confidentially maintain patient medical records
- Efficiently respond to medical records requests & alert appropriate provider of such
- Credential feeding & swallowing providers with insurance companies
- Ensure insurance referrals and authorizations are obtained for maximum reimbursement
- Collect billing data from providers to ensure proper claim submission and reduce claim denials
- Submit private insurance & Medicaid claims in a timely fashion and with appropriate modifier codes
- Track & post all insurance reimbursements; pursue unpaid claims to ensure maximum reimbursement
- Ensure monthly reports received by feeding & swallowing providers
- Track provider invoices & encounter data from providers to ensure complete information received
- Track financial data to include usage of patient service funds, office supplies & other expenses
- Provide direct support to Program Director & clinical service feeding & swallowing providers

Excellent work attendance

#### Office Manager, Aragona Chiropractic, Manchester, NH

July 2015-October 2016

- Oversee all clerical and support staff to ensure maximum office productivity
- Ensure insurance referrals and authorizations are obtained for maximum reimbursement
- Ensure submission of private insurance & Medicare claims are performed in a timely fashion
- Track & post all insurance reimbursements; pursue unpaid claims to ensure maximum reimbursement
- Track & post all patient payments; pursue delinquent accounts
- Complete month-end activities for monthly financial reconciliation
- Establish in-office policies and procedures when necessary

Excellent work attendance

#### Medical Transcriptionist, Self-Employed, Weare, NH

May 2000-November, 2014

- Transcribe medical providers' dictated records efficiently and proficiently
- Produce accurately documented medical records with utmost confidentiality; sensitive to deadlines
- Perform quality assurance checks

Excellent work attendance

## M. ALICIA GARCIA

### EDUCATION

Associate in Business Science, Hesser College, Manchester, NH  
President's List

### COMPUTER SKILLS

Proficient in Medisense, Emdeon billing system, Office Ally billing system, Microsoft Office applications including Microsoft Word, Microsoft Works, Microsoft Excel, Outlook as well as Windows. Type 89 WPM, excellent at 10-key calculator.  
Achieve new computer skills easily.

### PROFESSIONAL DEVELOPMENT

Understanding the New Therapy Evaluation CPT Codes, Gawenda Seminars & Consulting

Managing Effective Meetings, Courses for Success

Business Writing, Courses for Success

Get in Shape for the ICD-10 Challenge, Gawenda Seminars & Consulting

Payer Contracting, Pricing & Payment Trends, Gawenda Seminars & Consulting

The Angry Smile, SERESC

### LANGUAGES SPOKEN

Spanish, Intermediate Level

### VOLUNTEER WORK

<i>Weare Christian Church, Weare, NH</i> Nursery Care Provider Volunteer	<i>2012-Present</i>
<i>SERESC Director of Learning Interview Committee, Bedford, NH</i> Committee Member	<i>2015</i>
<i>Mt. Zion Christian Schools, Manchester, NH</i> Parent Volunteer	<i>2013-2014</i>
<i>SERESC Executive Director Interview Committee, Bedford, NH</i> Member	<i>2012</i>
<i>Manchester Area Adoptive &amp; Foster Parent Association, NH</i> Treasurer	<i>2008-2010</i>
<i>Sugar &amp; Spice Preschool, Weare, NH</i> Member at Large	<i>2006-2009</i>
<i>Weare Christian Church, Weare, NH</i> Children's Church Teacher Volunteer	<i>2006-2009</i>

KEY ADMINISTRATIVE PERSONNEL SHEET

Contractor Name: Southeastern Regional Education Services Center

Name of Contract: Feeding & Swallowing Network for Children and Youth  
With Special Healthcare Needs  
Amendment #2

BUDGET PERIOD:		July 1, 2017 thru March 31, 2018		
NAME	JOB TITLE	SALARY	PERCENT PAID FROM THIS CONTRACT	AMOUNT PAID FROM THIS CONTRACT
Judith H. Mikami	Program Manager	\$68,250	41.00%	\$27,982.50
Alicia Garcia	Program Assistant	\$34,320	43.52%	\$14,936.50
		\$0	0.00%	\$0.00
		\$0	0.00%	\$0.00
		\$0	0.00%	\$0.00
		\$0	0.00%	\$0.00
<b>TOTAL SALARIES (Not to exceed Total/Salary Wages, Line Item 1 of Budget request)</b>				<b>\$42,919.00</b>

42,919.00



Nicholas A. Toumpas  
Commissioner

Kathleen A. Dunn  
Associate Commissioner

STATE OF NEW HAMPSHIRE  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION OF COMMUNITY BASED CARE SERVICES

*BUREAU OF DEVELOPMENTAL SERVICES*

105 PLEASANT STREET, CONCORD, NH 03301  
603-271-5034 1-800-852-3345 Ext. 5034  
FAX: 603-271-5166 TDD Access: 1-800-735-2964

72 Jm

G & C Approved  
June 24, 2015  
Item # 72

June 3, 2015

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

**REQUESTED ACTION**

Authorize the Department of Health and Human Services, Bureau of Developmental Services to exercise a renewal option to an existing Agreement with Southeastern Regional Education Services Center, Inc., 29 Commerce Drive, Bedford, New Hampshire 03110, Vendor Code 154866-B001, to provide feeding and swallowing services to children with special health care needs (CSHCN), by increasing the price limitation by \$357,504 from \$358,228 to an amount not to exceed \$715,732, and extending the completion date from June 30, 2015 to June 30, 2017, effective July 1, 2015 or on the date of Governor and Council approval, whichever is later. The Agreement was approved by Governor and Executive Council on June 19, 2013 (Item #120). 30% Federal Funds, 70% General Funds.

Funds to support this request are anticipated to be available in the following accounts in State Fiscal Years 2016 and 2017, upon the availability and continued appropriation of funds in the future operating budgets, with authority to adjust amounts within the price limitation and to adjust encumbrances between State Fiscal Years through the Budget Office, if needed and justified, without approval from Governor and Executive Council.

**05-95-93-930010-5191 DEPT. OF HEALTH AND HUMAN SERVICES, HHS: DEVELOPMENTAL SERVICES-DIV OF, DIV OF DEVELOPMENTAL SVSC, SPECIAL MEDICAL SERVICES**

State Fiscal Year	Class/Object	Class Title	Current Budget Amount	Increase/Decrease Amount	Revised Budget Amount
2014	562-500912	CSHCN Assistance	\$179,114	\$0	\$179,114
2015	562-500912	CSHCN Assistance	\$179,114	\$0	\$179,114
2016	562-500912	CSHCN Assistance	\$0	\$178,752	\$178,752
2017	562-500912	CSHCN Assistance	\$0	\$178,752	\$178,752
		<b>Total</b>	<b>\$358,228</b>	<b>\$357,504</b>	<b>\$715,732</b>

### EXPLANATION

Approval of this Amendment will allow the Department to continue to provide an individual who shall perform the services of a Feeding and Swallowing Program Manager to recruit, train and supervise a group of community-based therapists (speech, occupational, physical). These providers shall offer services in the areas of assessment and intervention of feeding and swallowing issues of children with special health care needs, enhancing the assessment skills of community-based therapists to deliver care and provide a mechanism to build service capacity. Additionally, training and consultation shall be provided to hospital radiology departments in the provision of swallow studies in pediatric patients, as well as to the Special Medical Services Section's nurse coordinators, and to nutritionists, school personnel and early intervention providers on the use of a screening tool to identify feeding issues.

This initiative assures that children with special health care needs will have access to needed services within the State, and lessens the requirement that families travel to out-of-state specialty care hospitals for comparable care. It is estimated that a total of 450 to 500 children will be served during SFY 2015 through SFY 2016.

This Contractor was selected through a competitive bid process.

The original Agreement and Governor and Council letter contains an option to renew the contract for two additional years, subject to the continued availability of funds, satisfactory performance of services and approval by the Governor and Executive Council. The Department and the Contractor have agreed to extend the contract for two additional years.

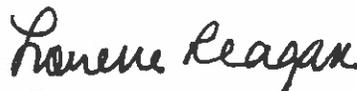
Should Governor and Executive Council determine not to approve this Request, approximately 450 – 500 children and youth with special health care needs will not have access to expert assessments and individualized plans for intervention of feeding and swallowing issues.

Area served: Statewide.

Source of funds: 30% Federal Title V Block Grant Funds and 70% General funds from the United States Health and Human Services, Health Resources and Services Administration, Title V Block Grant Funds, CFDA #93.994 and FAIN #B04MC23394

In the event that federal funds become no longer available, general funds will not be requested to support this program.

Respectfully submitted,



Lorene Regan  
Director

Approved by:



Nicholas A. Toumpas  
Commissioner



State of New Hampshire  
Department of Health and Human Services  
Amendment #1 to the Feeding and Swallowing Services for  
Children with Special Health Care Needs

This first Amendment to the Feeding and Swallowing Services for Children with Special Health Care Needs contract (hereinafter referred to as "Amendment #1") dated May 18, 2015, is between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Southeastern Regional Education Service Center (hereinafter referred to as "the Contractor"), a nonprofit corporation, located at 29 Commerce Drive, Bedford, NH, 03110.

WHEREAS, pursuant to an agreement approved by the Governor and Executive Council on June 19, 2013 (Item #120) (hereinafter referred to as the "Contract"), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract and in consideration of certain sums specified; and

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

WHEREAS, pursuant to the Agreement (section 18 of the General Provisions of the Form P-37), and the provisions of Exhibit C-1 paragraph 6, the State may renew the contract by the way of a 2-year extension, subject to availability of funding and priorities, satisfactory performance of the Scope of Services, the Agreement may be modified or amended only by written instrument executed by the parties thereto and approved by the Governor and Executive Council; and

WHEREAS, the parties agree to increase the price limitation and extend the completion date of the Contract by two (2) years; and

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

1. Except as specifically amended and modified by the terms and conditions in this Amendment #1, the obligations of the parties shall remain in full force and effect in accordance with the terms and conditions set forth in the Contract as referenced above.
2. Amend General Provisions (Form P-37), Block 1.7, Completion Date, by extending the date to June 30, 2017.
3. Amend General Provisions (Form P-37), Block 1.8, Price Limitation, to read: \$715,732.
4. Amend General Provisions (Form P-37), Block 1.9, Contracting Officer for State Agency to read: Eric Borrin, Director of Contracts and Procurement.
5. Amend General Provisions (Form P-37), Block 1.10, to read: (603) 271-9558.
6. Amend Standard Exhibit A, Scope of Services, DATE, by extending the date to June 30, 2017.
7. Amend Standard Exhibit A, Scope of Services, CONTRACT PERIOD, by extending the date to June 30, 2017.
8. Delete in its entirety Exhibit B, Method and Conditions Precedent to Payment and replace with Exhibit B Amendment #1.
9. Add Exhibit B-1 Budget, and Exhibit B-2.



**New Hampshire Department of Health and Human Services  
Feeding and Swallowing Services for Children with Special Health Care Needs**

10. Delete in its entirety Standard Exhibit C, Special Provisions, and replace with Exhibit C, Special Provisions.
11. Delete in its entirety Standard Exhibit C-1 Additional Special Provisions, paragraph 3.
12. Add Exhibit C-2.
13. Amend Standard Exhibit D, Certification Regarding Drug-Free Workplace Requirements, Period Covered by this Certification, by extending the end date to June 30, 2017.
14. Amend Standard Exhibit E, Certification Regarding Lobbying, Contract Period, by extending the end date to June 30, 2017.
15. Delete in its entirety Standard Exhibit G, Certification Regarding the Americans with Disabilities Act Compliance, and replace with Exhibit G, Certification of Compliance with Requirements Pertaining to Federal Nondiscrimination, Equal Treatment of Faith-Based Organizations and Whistleblower Protections.
16. Delete in its entirety Standard Exhibit I, Health Insurance Portability and Accountability Act Business Associate Agreement, and replace with Exhibit I Amendment #1, Health Insurance Portability Act Business Associate Agreement.

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

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

State of New Hampshire  
Department of Health and Human Services

6/3/15  
Date

*Kathleen A. Dunn*  
Kathleen A. Dunn, MPH  
Associate Commissioner

Southeastern Regional Education Service Center

5/29/15  
Date

*Richard LaSalle*  
NAME: Richard LaSalle  
TITLE: Executive Director

**Acknowledgement:**

State of New Hampshire, County of Hillsborough on 5/29/15, before the undersigned officer, personally appeared the person identified above, or satisfactorily proven to be the person whose name is signed above, and acknowledged that s/he executed this document in the capacity indicated above.

Signature of Notary Public or Justice of the Peace

*Jeffrey Wallace*  
Name and Title of Notary or Justice of the Peace  
Jeffrey Wallace Justice of the Peace  
my Commission Expires 9/17/19

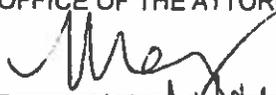
New Hampshire Department of Health and Human Services  
Feeding and Swallowing Services for Children with Special Health Care Needs



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

OFFICE OF THE ATTORNEY GENERAL

Date 4/30/15

  
Name: Megan A. O'Connell  
Title: Attorney

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

OFFICE OF THE SECRETARY OF STATE

Date \_\_\_\_\_

Name: \_\_\_\_\_  
Title: \_\_\_\_\_



## Method and Conditions Precedent to Payment

1. The State shall pay the Contractor an amount not to exceed the Price Limitation, Block 1.8, of the General Provisions (Form P-37) of this Agreement in consideration for the Contractor's compliance with the terms and conditions of this Agreement and for the services provided by the Contractor pursuant to Exhibit A, Scope of Services.
2. This Contract is funded with federal funds made available under the Catalog of Federal domestic Assistance (CFDA) #'s, for the provision of services pursuant to Exhibit A, Scope of Services as follows:
  - 2.1. 93.994 United States Department of Health and Human Services, Health Resources and Services Administration, Maternal and Child Health Services Block Grant
  - 2.2. The Contractor agrees to provide the services in Exhibit A, Scope of Services in compliance with funding requirements.
3. Payment for contracted services will be made on a cost reimbursement basis only, for allowable expenses, in accordance with the Exhibit B-1 Budget and Exhibit B-2 Budget.
4. Reimbursements for services provided shall be made by the State on a monthly basis after receipt, review and approval of monthly expenditure reports submitted by the Contractor to the State.
5. Monthly Expenditure Reports, which are based on a budget approved by the State (defined in Paragraph 3, above), shall be in a form approved by the State and shall be submitted no later than twenty (20) working days after the close of the month. In addition to the monthly expenditure reports required and not later than sixty (60) days after the end of the budget period, the Contractor shall submit a final expenditure report in a form satisfactory to the State.
6. The Contractor agrees to use and apply all payments made by the State for direct and indirect costs and expenses including, but not limited to, personnel costs and operating expenses related to the Services. Allowable costs and expenses shall be determined by the State in accordance with applicable State and Federal laws and regulations. The Contractor agrees not to use or apply such payments for capital additions or improvements, dues to societies and organizations, entertainment costs or any other costs not approved by the State. The Contractor must also have written authorization from the State prior to purchasing any equipment with a cost in excess of five hundred dollars (\$500) and/or with a useful life beyond one (1) year.
7. The Contractor agrees to use the following acknowledgement and disclaimer on all products produced by contract funds, whose source is the Health Resources and Services Administration (HRSA):

*"This project is/was supported by the Health Resources and Services Administration (HRSA) of the U.S. Department of Health and Human Services (HHS) under grant number and title for grant amount (specify grant number, title, total award amount and percentage financed with nongovernmental sources). This information or content and conclusions are those of the author and should not be construed as the official position or policy of, nor should any endorsements be inferred by HRSA, HHS or the U.S. Government."*



Exhibit B Amendment #1

- 7.1. The Contractor agrees to use this language when issuing statements, press releases, requests for proposals, bid solicitations, and other HRSA supported publications and forums describing projects or programs funded in whole or in part with HRSA funding, including websites. Examples of HRSA-supported publications include, but are not limited to, manuals, toolkits, resource guides, case studies and issues briefs.
8. The Contractor agrees that, to the extent future legislative action by the NH General Court may impact on the services described herein, the State retains the right to modify expenditure requirements under this agreement.
9. Notwithstanding paragraph 18 of the General Provisions of this Agreement P-37, an amendment, limited to the budgets, Exhibit B-1 and Exhibit B-2, to adjust amounts within the budgets and between State Fiscal Years, within the price limitation, can be made by written agreement of both parties and may be made without obtaining approval of Governor and Executive Council.
10. The Contractor will submit, for Department approval, a written request, with programmatic justification, to adjust amounts within the budgets or between State Fiscal Years.
11. In the event of a vacancy in any of the key personnel positions, the Department's Special Medical Services Section is authorized to direct any and all budget revisions deemed necessary and appropriate by the Administrator to assure continuity of services as outlined in Exhibit A, including the cost of advertisement.
12. Notwithstanding anything to the contrary herein, the Contractor agrees that funding under this agreement may be withheld, in whole or in part, in the event of non-compliance with any Federal or State law, rule or regulation applicable to the services provided, or if the said services or products have not been satisfactorily completed in accordance with the terms and conditions of this agreement.

*de*

5/29/15

## Exhibit B-1 Budget

### BUDGET FORM

**New Hampshire Department of Health and Human Services  
COMPLETE ONE BUDGET FORM FOR EACH BUDGET PERIOD**

Bidder Name: Southeastern Regional Educational Service Center

Budget Request for: Feeding and Swallowing Services for Children with Special Health Care Needs  
*Name of Program*

Budget Period: 7/1/15-6/30/16

1. Total Salary/Wages	\$ 55,080	\$ 5,508	\$ 60,588
2. Employee Benefits	\$ 18,176	\$ 1,818	\$ 19,994
3. Consultants	\$ -	\$ -	\$ -
4. Equipment:	\$ -	\$ -	\$ -
Rental	\$ -	\$ -	\$ -
Repair and Maintenance	\$ -	\$ -	\$ -
Purchase/Depreciation	\$ -	\$ -	\$ -
5. Supplies:	\$ -	\$ -	\$ -
Educational	\$ -	\$ -	\$ -
Lab	\$ -	\$ -	\$ -
Pharmacy	\$ -	\$ -	\$ -
Medical	\$ -	\$ -	\$ -
Office	\$ 600	\$ 60	\$ 660
6. Travel	\$ 1,890	\$ 189	\$ 2,079
7. Occupancy	\$ -	\$ -	\$ -
8. Current Expenses:	\$ -	\$ -	\$ -
Telephone	\$ -	\$ -	\$ -
Postage	\$ -	\$ -	\$ -
Subscriptions	\$ -	\$ -	\$ -
Audit and Legal	\$ -	\$ -	\$ -
Insurance	\$ -	\$ -	\$ -
Board Expenses	\$ -	\$ -	\$ -
9. Software	\$ 100	\$ 10	\$ 110
10. Marketing/Communications	\$ -	\$ -	\$ -
11. Staff Education and Training	\$ 3,000	\$ 300	\$ 3,300
12. Subcontracts/Agreements	\$ -	\$ -	\$ -
13. Other (specific details mandatory):	\$ -	\$ -	\$ -
Cultural/Linguistic Support	\$ 2,000	\$ 200	\$ 2,200
Regional F&S Patient Services	\$ 81,655	\$ 8,166	\$ 89,821
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 162,501</b>	<b>\$ 16,251</b>	<b>\$ 178,752</b>

Indirect As A Percent of Direct

10.0%

## Exhibit B-2 Budget

### BUDGET FORM

**New Hampshire Department of Health and Human Services  
COMPLETE ONE BUDGET FORM FOR EACH BUDGET PERIOD**

Bidder Name: Southeastern Regional Educational Service Center

Budget Request for: Feeding and Swallowing Services for Children with Special Health Care Needs  
Name of Program

Budget Period: 7/1/16-6/30/17

1. Total Salary/Wages	\$ 55,080	\$ 5,508	\$ 60,588
2. Employee Benefits	\$ 18,176	\$ 1,818	\$ 19,994
3. Consultants	\$ -	\$ -	\$ -
4. Equipment:	\$ -	\$ -	\$ -
Rental	\$ -	\$ -	\$ -
Repair and Maintenance	\$ -	\$ -	\$ -
Purchase/Depreciation	\$ -	\$ -	\$ -
5. Supplies:	\$ -	\$ -	\$ -
Educational	\$ -	\$ -	\$ -
Lab	\$ -	\$ -	\$ -
Pharmacy	\$ -	\$ -	\$ -
Medical	\$ -	\$ -	\$ -
Office	\$ 600	\$ 60	\$ 660
6. Travel	\$ 1,890	\$ 189	\$ 2,079
7. Occupancy	\$ -	\$ -	\$ -
8. Current Expenses	\$ -	\$ -	\$ -
Telephone	\$ -	\$ -	\$ -
Postage	\$ -	\$ -	\$ -
Subscriptions	\$ -	\$ -	\$ -
Audit and Legal	\$ -	\$ -	\$ -
Insurance	\$ -	\$ -	\$ -
Board Expenses	\$ -	\$ -	\$ -
9. Software	\$ 100	\$ 10	\$ 110
10. Marketing/Communications	\$ -	\$ -	\$ -
11. Staff Education and Training	\$ 3,000	\$ 300	\$ 3,300
12. Subcontracts/Agreements	\$ -	\$ -	\$ -
13. Other (specific details mandatory):	\$ -	\$ -	\$ -
Cultural/Linguistic Support	\$ 2,000	\$ 200	\$ 2,200
Regional F&S Patient Services	\$ 81,655	\$ 8,166	\$ 89,821
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 162,501</b>	<b>\$ 16,251</b>	<b>\$ 178,752</b>

Indirect As A Percent of Direct

10.0%



**SPECIAL PROVISIONS**

**Contractors Obligations:** The Contractor covenants and agrees that all funds received by the Contractor under the Contract shall be used only as payment to the Contractor for services provided to eligible individuals and, in the furtherance of the aforesaid covenants, the Contractor hereby covenants and agrees as follows:

1. **Compliance with Federal and State Laws:** If the Contractor is permitted to determine the eligibility of individuals such eligibility determination shall be made in accordance with applicable federal and state laws, regulations, orders, guidelines, policies and procedures.
2. **Time and Manner of Determination:** Eligibility determinations shall be made on forms provided by the Department for that purpose and shall be made and remade at such times as are prescribed by the Department.
3. **Documentation:** In addition to the determination forms required by the Department, the Contractor shall maintain a data file on each recipient of services hereunder, which file shall include all information necessary to support an eligibility determination and such other information as the Department requests. The Contractor shall furnish the Department with all forms and documentation regarding eligibility determinations that the Department may request or require.
4. **Fair Hearings:** The Contractor understands that all applicants for services hereunder, as well as individuals declared ineligible have a right to a fair hearing regarding that determination. The Contractor hereby covenants and agrees that all applicants for services shall be permitted to fill out an application form and that each applicant or re-applicant shall be informed of his/her right to a fair hearing in accordance with Department regulations.
5. **Gratuities or Kickbacks:** The Contractor agrees that it is a breach of this Contract to accept or make a payment, gratuity or offer of employment on behalf of the Contractor, any Sub-Contractor or the State in order to influence the performance of the Scope of Work detailed in Exhibit A of this Contract. The State may terminate this Contract and any sub-contract or sub-agreement if it is determined that payments, gratuities or offers of employment of any kind were offered or received by any officials, officers, employees or agents of the Contractor or Sub-Contractor.
6. **Retroactive Payments:** Notwithstanding anything to the contrary contained in the Contract or in any other document, contract or understanding, it is expressly understood and agreed by the parties hereto, that no payments will be made hereunder to reimburse the Contractor for costs incurred for any purpose or for any services provided to any individual prior to the Effective Date of the Contract and no payments shall be made for expenses incurred by the Contractor for any services provided prior to the date on which the individual applies for services or (except as otherwise provided by the federal regulations) prior to a determination that the individual is eligible for such services.
7. **Conditions of Purchase:** Notwithstanding anything to the contrary contained in the Contract, nothing herein contained shall be deemed to obligate or require the Department to purchase services hereunder at a rate which reimburses the Contractor in excess of the Contractors costs, at a rate which exceeds the amounts reasonable and necessary to assure the quality of such service, or at a rate which exceeds the rate charged by the Contractor to ineligible individuals or other third party funders for such service. If at any time during the term of this Contract or after receipt of the Final Expenditure Report hereunder, the Department shall determine that the Contractor has used payments hereunder to reimburse items of expense other than such costs, or has received payment in excess of such costs or in excess of such rates charged by the Contractor to ineligible individuals or other third party funders, the Department may elect to:
  - 7.1. Renegotiate the rates for payment hereunder, in which event new rates shall be established;
  - 7.2. Deduct from any future payment to the Contractor the amount of any prior reimbursement in excess of costs;

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- 7.3. Demand repayment of the excess payment by the Contractor in which event failure to make such repayment shall constitute an Event of Default hereunder. When the Contractor is permitted to determine the eligibility of individuals for services, the Contractor agrees to reimburse the Department for all funds paid by the Department to the Contractor for services provided to any individual who is found by the Department to be ineligible for such services at any time during the period of retention of records established herein.

**RECORDS: MAINTENANCE, RETENTION, AUDIT, DISCLOSURE AND CONFIDENTIALITY:**

8. **Maintenance of Records:** In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:
- 8.1. **Fiscal Records:** books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.
  - 8.2. **Statistical Records:** Statistical, enrollment, attendance or visit records for each recipient of services during the Contract Period, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.
  - 8.3. **Medical Records:** Where appropriate and as prescribed by the Department regulations, the Contractor shall retain medical records on each patient/recipient of services.
9. **Audit:** Contractor shall submit an annual audit to the Department within 60 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.
- 9.1. **Audit and Review:** During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
  - 9.2. **Audit Liabilities:** In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such an exception.
10. **Confidentiality of Records:** All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract, and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian.



Notwithstanding anything to the contrary contained herein the covenants and conditions contained in the Paragraph shall survive the termination of the Contract for any reason whatsoever.

11. **Reports: Fiscal and Statistical:** The Contractor agrees to submit the following reports at the following times if requested by the Department.
  - 11.1. **Interim Financial Reports:** Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
  - 11.2. **Final Report:** A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.
12. **Completion of Services: Disallowance of Costs:** Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.
13. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:
  - 13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.
14. **Prior Approval and Copyright Ownership:** All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.
15. **Operation of Facilities: Compliance with Laws and Regulations:** In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.
16. **Equal Employment Opportunity Plan (EEO):** The Contractor will provide an Equal Employment Opportunity Plan (EEO) to the Office for Civil Rights, Office of Justice Programs (OCR), if it has received a single award of \$500,000 or more. If the recipient receives \$25,000 or more and has 50 or

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more employees, it will maintain a current EEOP on file and submit an EEOP Certification Form to the OCR, certifying that its EEOP is on file. For recipients receiving less than \$25,000, or public grantees with fewer than 50 employees, regardless of the amount of the award, the recipient will provide an EEOP Certification Form to the OCR certifying it is not required to submit or maintain an EEOP. Non-profit organizations, Indian Tribes, and medical and educational institutions are exempt from the EEOP requirement, but are required to submit a certification form to the OCR to claim the exemption. EEOP Certification Forms are available at: <http://www.ojp.usdoj/about/ocr/pdfs/cert.pdf>.

17. **Limited English Proficiency (LEP):** As clarified by Executive Order 13166, Improving Access to Services for persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination on the basis of limited English proficiency (LEP). To ensure compliance with the Omnibus Crime Control and Safe Streets Act of 1968 and Title VI of the Civil Rights Act of 1964, Contractors must take reasonable steps to ensure that LEP persons have meaningful access to its programs.
18. **Pilot Program for Enhancement of Contractor Employee Whistleblower Protections:** The following shall apply to all contracts that exceed the Simplified Acquisition Threshold as defined in 48 CFR 2.101 (currently, \$150,000)

CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS (SEP 2013)

(a) This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L. 112-239) and FAR 3.908.

(b) The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.

(c) The Contractor shall insert the substance of this clause, including this paragraph (c), in all subcontracts over the simplified acquisition threshold.

19. **Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.

When the Contractor delegates a function to a subcontractor, the Contractor shall do the following:

- 19.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
- 19.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
- 19.3. Monitor the subcontractor's performance on an ongoing basis



- 19.4. Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed
- 19.5. DHHS shall, at its discretion, review and approve all subcontracts.

If the Contractor identifies deficiencies or areas for improvement are identified, the Contractor shall take corrective action.

#### DEFINITIONS

As used in the Contract, the following terms shall have the following meanings:

**COSTS:** Shall mean those direct and indirect items of expense determined by the Department to be allowable and reimbursable in accordance with cost and accounting principles established in accordance with state and federal laws, regulations, rules and orders.

**DEPARTMENT:** NH Department of Health and Human Services.

**FINANCIAL MANAGEMENT GUIDELINES:** Shall mean that section of the Contractor Manual which is entitled "Financial Management Guidelines" and which contains the regulations governing the financial activities of contractor agencies which have contracted with the State of NH to receive funds.

**PROPOSAL:** If applicable, shall mean the document submitted by the Contractor on a form or forms required by the Department and containing a description of the Services to be provided to eligible individuals by the Contractor in accordance with the terms and conditions of the Contract and setting forth the total cost and sources of revenue for each service to be provided under the Contract.

**UNIT:** For each service that the Contractor is to provide to eligible individuals hereunder, shall mean that period of time or that specified activity determined by the Department and specified in Exhibit B of the Contract.

**FEDERAL/STATE LAW:** Wherever federal or state laws, regulations, rules, orders, and policies, etc. are referred to in the Contract, the said reference shall be deemed to mean all such laws, regulations, etc. as they may be amended or revised from the time to time.

**CONTRACTOR MANUAL:** Shall mean that document prepared by the NH Department of Administrative Services containing a compilation of all regulations promulgated pursuant to the New Hampshire Administrative Procedures Act, NH RSA Ch 541-A, for the purpose of implementing State of NH and federal regulations promulgated thereunder.

**SUPPLANTING OTHER FEDERAL FUNDS:** The Contractor guarantees that funds provided under this Contract will not supplant any existing federal funds available for these services.

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**REVISIONS TO GENERAL PROVISIONS**

1. Subparagraph 10 of the General Provisions of this contract, Termination, is amended by adding the following language:
  - 10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.
  - 10.2 In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.
  - 10.3 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.
  - 10.4 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.
  - 10.5 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.
  
2. Subparagraph 14.1.1 of the General Provisions of this contract, is deleted and the following subparagraph is added:
  - 14.1.1 Comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$1,000,000 per occurrence with additional umbrella liability insurance coverage of not less than \$3,000,000.

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**CERTIFICATION OF COMPLIANCE WITH REQUIREMENTS PERTAINING TO  
FEDERAL NONDISCRIMINATION, EQUAL TREATMENT OF FAITH-BASED ORGANIZATIONS AND  
WHISTLEBLOWER PROTECTIONS**

The Contractor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

Contractor will comply, and will require any subgrantees or subcontractors to comply, with any applicable federal nondiscrimination requirements, which may include:

- the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. Section 3789d) which prohibits recipients of federal funding under this statute from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act requires certain recipients to produce an Equal Employment Opportunity Plan;
- the Juvenile Justice Delinquency Prevention Act of 2002 (42 U.S.C. Section 5672(b)) which adopts by reference, the civil rights obligations of the Safe Streets Act. Recipients of federal funding under this statute are prohibited from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act includes Equal Employment Opportunity Plan requirements;
- the Civil Rights Act of 1964 (42 U.S.C. Section 2000d, which prohibits recipients of federal financial assistance from discriminating on the basis of race, color, or national origin in any program or activity);
- the Rehabilitation Act of 1973 (29 U.S.C. Section 794), which prohibits recipients of Federal financial assistance from discriminating on the basis of disability, in regard to employment and the delivery of services or benefits, in any program or activity;
- the Americans with Disabilities Act of 1990 (42 U.S.C. Sections 12131-34), which prohibits discrimination and ensures equal opportunity for persons with disabilities in employment, State and local government services, public accommodations, commercial facilities, and transportation;
- the Education Amendments of 1972 (20 U.S.C. Sections 1681, 1683, 1685-86), which prohibits discrimination on the basis of sex in federally assisted education programs;
- the Age Discrimination Act of 1975 (42 U.S.C. Sections 6106-07), which prohibits discrimination on the basis of age in programs or activities receiving Federal financial assistance. It does not include employment discrimination;
- 28 C.F.R. pt. 31 (U.S. Department of Justice Regulations – OJJDP Grant Programs); 28 C.F.R. pt. 42 (U.S. Department of Justice Regulations – Nondiscrimination; Equal Employment Opportunity; Policies and Procedures); Executive Order No. 13279 (equal protection of the laws for faith-based and community organizations); Executive Order No. 13559, which provide fundamental principles and policy-making criteria for partnerships with faith-based and neighborhood organizations;
- 28 C.F.R. pt. 38 (U.S. Department of Justice Regulations – Equal Treatment for Faith-Based Organizations); and Whistleblower protections 41 U.S.C. §4712 and The National Defense Authorization Act (NDAA) for Fiscal Year 2013 (Pub. L. 112-239, enacted January 2, 2013) the Pilot Program for Enhancement of Contract Employee Whistleblower Protections, which protects employees against reprisal for certain whistle blowing activities in connection with federal grants and contracts.

The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment.

Exhibit G

Contractor Initials

Certification of Compliance with requirements pertaining to Federal Nondiscrimination, Equal Treatment of Faith-Based Organizations and Whistleblower protections

Date

5/29/15

New Hampshire Department of Health and Human Services  
Exhibit G



In the event a Federal or State court or Federal or State administrative agency makes a finding of discrimination after a due process hearing on the grounds of race, color, religion, national origin, or sex against a recipient of funds, the recipient will forward a copy of the finding to the Office for Civil Rights, to the applicable contracting agency or division within the Department of Health and Human Services, and to the Department of Health and Human Services Office of the Ombudsman.

The Contractor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this proposal (contract) the Contractor agrees to comply with the provisions indicated above.

5/29/15  
Date

Contractor Name:

[Signature]  
Name  
Title:

Exhibit G

Certification of Compliance with requirements pertaining to Federal Nondiscrimination, Equal Treatment of Faith-Based Organizations and Whistleblower protections

Contractor Initials

[Signature]

Date 5/29/15



Exhibit I - Amendment #1

**HEALTH INSURANCE PORTABILITY ACT**  
**BUSINESS ASSOCIATE AGREEMENT**

The Contractor identified in Section 1.3 of the General Provisions of the Agreement agrees to comply with the Health Insurance Portability and Accountability Act, Public Law 104-191 and with the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160 and 164 applicable to business associates. As defined herein, "Business Associate" shall mean the Contractor and subcontractors and agents of the Contractor that receive, use or have access to protected health information under this Agreement and "Covered Entity" shall mean the State of New Hampshire, Department of Health and Human Services.

(1) **Definitions.**

- a. "**Breach**" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.
- b. "**Business Associate**" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- c. "**Covered Entity**" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- d. "**Designated Record Set**" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.
- e. "**Data Aggregation**" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.
- f. "**Health Care Operations**" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
- g. "**HITECH Act**" means the Health Information Technology for Economic and Clinical Health Act, Title XIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.
- h. "**HIPAA**" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164 and amendments thereto.
- i. "**Individual**" shall have the same meaning as the term "individual" in 45 CFR Section 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
- j. "**Privacy Rule**" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
- k. "**Protected Health Information**" shall have the same meaning as the term "protected health information" in 45 CFR Section 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

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Date 5/29/15



Exhibit I Amendment #1

- i. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.103.
- m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

(2) Business Associate Use and Disclosure of Protected Health Information.

- a. Business Associate shall not use, disclose, maintain or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement. Further, Business Associate, including but not limited to all its directors, officers, employees and agents, shall not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
- b. Business Associate may use or disclose PHI:
  - I. For the proper management and administration of the Business Associate;
  - II. As required by law, pursuant to the terms set forth in paragraph d. below; or
  - III. For data aggregation purposes for the health care operations of Covered Entity.
- c. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to notify Business Associate, in accordance with the HIPAA Privacy, Security, and Breach Notification Rules of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.
- d. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business



Exhibit I Amendment #1

Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.

- e. If the Covered Entity notifies the Business Associate that Covered Entity has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Business Associate shall be bound by such additional restrictions and shall not disclose PHI in violation of such additional restrictions and shall abide by any additional security safeguards.

**(3) Obligations and Activities of Business Associate.**

- a. The Business Associate shall notify the Covered Entity's Privacy Officer immediately after the Business Associate becomes aware of any use or disclosure of protected health information not provided for by the Agreement including breaches of unsecured protected health information and/or any security incident that may have an impact on the protected health information of the Covered Entity.
- b. The Business Associate shall immediately perform a risk assessment when it becomes aware of any of the above situations. The risk assessment shall include, but not be limited to:
  - o The nature and extent of the protected health information involved, including the types of identifiers and the likelihood of re-identification;
  - o The unauthorized person used the protected health information or to whom the disclosure was made;
  - o Whether the protected health information was actually acquired or viewed
  - o The extent to which the risk to the protected health information has been mitigated.

The Business Associate shall complete the risk assessment within 48 hours of the breach and immediately report the findings of the risk assessment in writing to the Covered Entity.

- c. The Business Associate shall comply with all sections of the Privacy, Security, and Breach Notification Rule.
- d. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
- e. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section 3 (l). The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI.



Exhibit I Amendment #1

pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard Paragraph #13 of the standard contract provisions (P-37) of this Agreement for the purpose of use and disclosure of protected health information.

- f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
- g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
- h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
- i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
- j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
- k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
- l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business

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Exhibit I Amendment #1

Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

**(4) Obligations of Covered Entity**

- a. Covered Entity shall notify Business Associate of any changes or limitation(s) in its Notice of Privacy Practices provided to individuals in accordance with 45 CFR Section 164.520, to the extent that such change or limitation may affect Business Associate's use or disclosure of PHI.
- b. Covered Entity shall promptly notify Business Associate of any changes in, or revocation of permission provided to Covered Entity by individuals whose PHI may be used or disclosed by Business Associate under this Agreement, pursuant to 45 CFR Section 164.506 or 45 CFR Section 164.508.
- c. Covered entity shall promptly notify Business Associate of any restrictions on the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

**(5) Termination for Cause**

In addition to Paragraph 10 of the standard terms and conditions (P-37) of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit I. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

**(6) Miscellaneous**

- a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.

*AL*

5/29/15



Exhibit I Amendment #1

- e. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.
- f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section (3) l, the defense and indemnification provisions of section (3) e and Paragraph 13 of the standard terms and conditions (P-37), shall survive the termination of the Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Exhibit I.

Department of Health + Human Services  
The State

Lorene Reagan  
Signature of Authorized Representative

Lorene Reagan  
Name of Authorized Representative

BIS Bureau Chief  
Title of Authorized Representative

6/3/15  
Date

South Eastern Regional Education Center  
Name of the Contractor

[Signature]  
Signature of Authorized Representative

Richard LaSalle  
Name of Authorized Representative

Executive Director  
Title of Authorized Representative

5/29/15  
Date

# State of New Hampshire Department of State

## CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that SOUTHEASTERN REGIONAL EDUCATIONAL SERVICE CENTER is a New Hampshire nonprofit corporation formed August 6, 1974. I further certify that it is in good standing as far as this office is concerned, having filed the return(s) and paid the fees required by law.



In TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 11th day of March A.D. 2015

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

William M. Gardner  
Secretary of State



# SERESC

Southeastern  
Regional  
Education  
Service Center, Inc.

*Inspiring innovation and excellence in education and professional practice.*

29 Commerce Drive  
Bedford, NH 03110  
Phone: (603) 206-6800  
Fax: (603) 206-6599  
www.seresc.net

RICHARD LASALLE  
Executive Director

## CERTIFICATE OF AUTHORITY

The Board of Directors of the Southeastern Regional Education Service Center, Inc. do hereby certify that Richard LaSalle is the duly appointed Executive Director of the Southeastern Regional Education Service Center, Inc. (SERESC), a New Hampshire Corporation duly existing under the law and having a principal place of business in Bedford, New Hampshire.

The Board also certifies that Richard LaSalle is authorized by the Board of Directors of the Southeastern Regional Education Service Center, Inc. to sign on behalf of the corporation; all contracts, agreements, documents, application for payment from the NH Governor and Council, state bodies and all other individuals and entities.

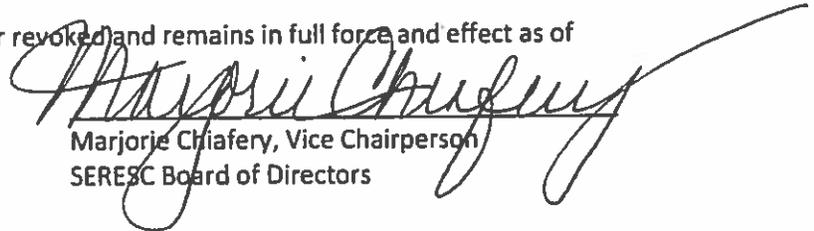
The Board further certifies that Richard LaSalle is authorized to execute on behalf of the Corporation, all contracts, agreements and other similar documents.

September 26, 2014  
Date

  
Dr. Charles P. Littlefield, Chairperson  
SERESC Board of Directors

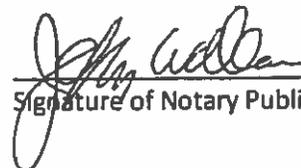
The foregoing resolution has not been amended or revoked and remains in full force and effect as of

June 4, 2015  
Date

  
Marjorie Chiafery, Vice Chairperson  
SERESC Board of Directors

Acknowledgement: State of NH, County of Hillsborough

On 6/4/2015, before the undersigned officer, Dr. Charles P. Littlefield, Chairperson, satisfactorily identified himself and acknowledged that he executed this document in the capacity indicated above.

  
Signature of Notary Public

Jeffrey Wallace Justice of The Peace  
Name, Title and Expiration of Commission  
9/17/2019

### MEMBER SCHOOL DISTRICTS

Auburn • Bedford • Candia • Hampstead • Hooksett • Hudson • Litchfield  
Londonderry • Merrimack • Pelham • Timberlane • Windham



# CERTIFICATE OF LIABILITY INSURANCE

SOUTHEA OF ID: BB

DATE (MM/DD/YYYY)  
08/06/2014

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

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

<b>PRODUCER</b> Brown & Brown (Merrimack) 309 Daniel Webster Highway Merrimack, NH 03054 Mark Cote	Phone: 603-424-9901 Fax: 866-848-1223	<b>CONTACT NAME:</b> PHONE (A/C, No. Ext): E-MAIL ADDRESS:	FAX (A/C, No):
	<b>INSURED</b> Southeastern Regional Ed Service Ctr Inc. 29 Commerce Drive Bedford, NH 03110		<b>INSURER(S) AFFORDING COVERAGE</b> INSURER A: Citizens Ins Co Of America INSURER B: Massachusetts Bay Insurance Co INSURER C: *Hanover Insurance Company INSURER D: INSURER E: INSURER F:

COVERAGES      CERTIFICATE NUMBER:      REVISION NUMBER:

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

INSR LTR	TYPE OF INSURANCE	ADOL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<b>GENERAL LIABILITY</b> <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	X		ZBV962677700	07/01/2014	07/01/2015	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 15,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
A	<b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS NON-OWNED AUTOS			ABV9626162	07/01/2014	07/01/2015	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
C	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 0		X	UHV9636434	07/01/2014	07/01/2015	EACH OCCURRENCE \$ 3,000,000 AGGREGATE \$ 3,000,000
B	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	WDV962085600	07/01/2014	07/01/2015	WC STATUTORY LIMITS OTH-ER E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYEE \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)  
 Certificate holder is included as additional insured with regards to General Liability per written contract [GL endorsement 421-0363 (02/11)].

<b>CERTIFICATE HOLDER</b>  NH Department of Health and Human Services, Thayer Building 129 Pleasant St. Concord, NH 03301	<b>CANCELLATION</b>  SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE <i>Patrick L. Lapette</i>
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## **SERESC Mission, Vision and Core Values**

### **Mission:**

Inspiring innovation and excellence in education and professional practice.

### **Vision:**

Helping organizations and individuals achieve their greatest potential as they learn, lead and grow.

### **Core Values:**

***Innovation*** – Ahead of the curve, responsive to the market place, response to change, creating new knowledge

***Integrity*** – Respect, honesty, honoring diversity, ethical practice, what you say is what you do (transparency, reliability, accountability)

***Excellence*** – Knowledge and practice that surpass ordinary standards, exceeding expectations, collaboration

***Service*** – A common commitment to respond with care, compassion and determination to the needs of our colleagues, community and “greater good”

**SOUTHEASTERN REGIONAL EDUCATION  
SERVICE CENTER, INC.**

**Financial Statements**

**For the Year Ended June 30, 2014**

**(With Independent Auditors' Report Thereon)**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Southeastern Regional Education Service Center, Inc.

Additional Offices:  
Andover, MA  
Greenfield, MA  
Manchester, NH  
Ellsworth, ME

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Southeastern Regional Education Service Center, Inc., which comprise the statement of financial position as of June 30, 2014, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

### **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 from 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 financial position of Southeastern Regional Education Service Center, Inc. as of June 30, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Report on Summarized Comparative Information**

We have previously audited the Organization's fiscal year 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 28, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2013 is consistent, in all material respects, with the audited financial statements from which it has been derived.

### **Other Matters**

#### *Other Information*

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2015 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

*Melanson Heath*

January 26, 2015

**SOUTHEASTERN REGIONAL EDUCATION SERVICE CENTER, INC.**

Statement of Financial Position  
June 30, 2014  
(with comparative totals as of June 30, 2013)

<u>ASSETS</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2014 Total</u>	<u>2013 Total</u>
Current Assets:				
Cash and cash equivalents	\$ 271,522	\$ 68,182	\$ 339,704	\$ 355,069
Restricted short-term investments	159,588	-	159,588	157,709
Short-term investments	-	-	-	326,758
Accounts and grants receivable	758,241	-	758,241	969,056
Prepaid expenses	12,627	-	12,627	18,724
Total Current Assets	<u>1,201,978</u>	<u>68,182</u>	<u>1,270,160</u>	<u>1,827,316</u>
Property and equipment, net	<u>6,419,872</u>	<u>-</u>	<u>6,419,872</u>	<u>6,625,624</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 7,621,850</u></b>	<b><u>\$ 68,182</u></b>	<b><u>\$ 7,690,032</u></b>	<b><u>\$ 8,452,940</u></b>
 <u>LIABILITIES AND NET ASSETS</u>				
Current Liabilities:				
Accounts payable	\$ 229,331	\$ -	\$ 229,331	\$ 109,931
Accrued expenses	63,492	-	63,492	82,236
Other liabilities	17,509	-	17,509	16,245
Deferred revenue	2,594	-	2,594	2,594
Line of credit	50,000	-	50,000	200,000
Current portion of long term debt	210,000	-	210,000	200,000
Total Current Liabilities	<u>572,926</u>	<u>-</u>	<u>572,926</u>	<u>611,006</u>
Long term debt net of current portion	<u>4,215,000</u>	<u>-</u>	<u>4,215,000</u>	<u>4,425,000</u>
Total Liabilities	4,787,926	-	4,787,926	5,036,006
Net Assets:				
Unrestricted	2,833,924	-	2,833,924	3,310,738
Temporarily restricted	-	68,182	68,182	106,196
Total Net Assets	<u>2,833,924</u>	<u>68,182</u>	<u>2,902,106</u>	<u>3,416,934</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 7,621,850</u></b>	<b><u>\$ 68,182</u></b>	<b><u>\$ 7,690,032</u></b>	<b><u>\$ 8,452,940</u></b>

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

**SOUTHEASTERN REGIONAL EDUCATION SERVICE CENTER, INC.**

Statement of Activities

For the Year Ended June 30, 2014  
(with comparative totals for the year ended June 30, 2013)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2014 Total</u>	<u>2013 Total</u>
Support and Revenue:				
Support:				
Government grants	\$ 1,264,326	\$ -	\$ 1,264,326	\$ 1,551,790
Grants and contributions	-	84,060	84,060	73,665
Revenue:				
Tuition revenue	583,204	-	583,204	572,252
Consulting revenue	2,914,689	-	2,914,689	3,110,946
Membership revenue	69,023	-	69,023	87,194
Other services	1,863,586	-	1,863,586	1,663,132
Investment income:				
Interest income	253	10	263	1,844
Net assets released from restriction	<u>122,084</u>	<u>(122,084)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	6,817,165	(38,014)	6,779,151	7,060,823
Expenses:				
Program services	6,554,877	-	6,554,877	6,585,280
Administration and fundraising	<u>739,102</u>	<u>-</u>	<u>739,102</u>	<u>1,061,821</u>
Total Expenses	<u>7,293,979</u>	<u>-</u>	<u>7,293,979</u>	<u>7,647,101</u>
Change in net assets	(476,814)	(38,014)	(514,828)	(586,278)
Net Assets, Beginning of Year	<u>3,310,738</u>	<u>106,196</u>	<u>3,416,934</u>	<u>4,003,212</u>
Net Assets, End of Year	<u>\$ 2,833,924</u>	<u>\$ 68,182</u>	<u>\$ 2,902,106</u>	<u>\$ 3,416,934</u>

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

**SOUTHEASTERN REGIONAL EDUCATION SERVICE CENTER, INC.**

Statement of Cash Flows  
For the Year Ended June 30, 2014  
(with comparative totals for the year ended June 30, 2013)

	<u>2014</u>	<u>2013</u>
<b><u>Cash Flows From Operating Activities:</u></b>		
Change in net assets	\$ (514,828)	\$ (586,278)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	250,446	246,214
(Increase) decrease in:		
Restricted cash and short term investments	(1,879)	(21,236)
Accounts and grants receivable	210,815	(35,242)
Prepaid expenses	6,097	2,234
Increase (decrease) in:		
Accounts payable	119,400	(16,307)
Accrued expenses	(18,744)	(69,659)
Other liabilities	<u>1,264</u>	<u>4,343</u>
Net Cash from Operating Activities	52,571	(475,931)
<b><u>Cash Flows From Investing Activities:</u></b>		
Proceeds from sale of investments	326,758	-
Purchase of investments	-	(1,415)
Purchase of fixed assets	<u>(44,694)</u>	<u>(70,578)</u>
Net Cash from Investing Activities	<u>282,064</u>	<u>(71,993)</u>
<b><u>Cash Flows From Financing Activities:</u></b>		
Line of credit proceeds	-	200,000
Line of credit payments	(150,000)	-
Principal payments of long term debt	<u>(200,000)</u>	<u>(190,000)</u>
Net Cash from Financing Activities	<u>(350,000)</u>	<u>10,000</u>
Net Change in Cash and Cash Equivalents	(15,365)	(537,924)
Cash and Cash Equivalents, Beginning	<u>355,069</u>	<u>892,993</u>
Cash and Cash Equivalents, Ending	\$ <u><u>339,704</u></u>	\$ <u><u>355,069</u></u>
 <b>SUPPLEMENTAL INFORMATION:</b>		
Interest Paid	\$ <u><u>171,756</u></u>	\$ <u><u>243,521</u></u>

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

## SOUTHEASTERN REGIONAL EDUCATION SERVICE CENTER, INC.

### Notes to the Financial Statements

#### 1. Organization

Southeastern Regional Education Service Center, Inc. (the Organization), is a New Hampshire nonprofit corporation that is funded through Federal revenues and tuition from local school districts. The Organization provides education services to local school districts and educators throughout New Hampshire.

#### 2. Summary of Significant Accounting Policies

The following is a summary of significant accounting policies of the Organization used in preparing and presenting the accompanying financial statements.

##### Accounting for Contributions and Financial Statement Presentation

The Organization follows *Accounting for Contributions Received and Contributions Made* and *Financial Statements of Not-for-Profit Organizations* as required by the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC). Under these guidelines, the Organization is required to distinguish between contributions that increase permanently restricted net assets, temporarily restricted net assets, and unrestricted net assets. It also requires recognition of contributions, including contributed services, meeting certain criteria at fair values. These reporting standards establish standards for financial statements of not-for-profit organizations and require a Statement of Financial Position, a Statement of Activities and a Statement of Cash Flows.

##### Basis of Accounting

Revenues and expenses are reported on the accrual basis of accounting. Under this basis, revenues, other than contributions, and expenses are reported when incurred, without regard to the date of receipt or payment of cash. Contributions are reported in accordance with FASB ASC *Accounting for Contributions Received and Contributions Made*.

##### Restricted and Unrestricted Revenue

Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions.

### Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

### Investments

The Organization's investments are comprised of certificates of deposit with maturities of greater than three months. Restricted short-term investments are comprised of money market mutual funds.

### Allowance for Doubtful Accounts

The adequacy of the allowance for doubtful accounts for receivables is reviewed on an ongoing basis by the Organization's management and adjusted as required through the provision for doubtful accounts (bad debt expense). In determining the amount required in the allowance account for the year ended June 30, 2014, management has taken into account a variety of factors.

### Property and Equipment

Property and equipment is recorded at cost or, if donated, at estimated fair market value at the date of donation. Major additions and improvements are capitalized, while ordinary maintenance and repairs are charged to expense. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets. Assets not in service are not depreciated.

### Functional Expenses

The costs of providing various programs and activities have been summarized on a functional basis in the Statement of Activities and in the Schedule of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

### Donated Services

The Organization receives donated services from a variety of unpaid volunteers assisting the Organization in its programs. No amounts have been recognized in the accompanying Statement of Activities because the criteria for recognition of such volunteer effort under generally accepted accounting principles have not been satisfied.

Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

### Use of Estimates

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

### Tax Status

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

The Organization follows FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*, which clarifies the accounting for uncertainty in income taxes and prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. FASB ASC 740-10 did not have a material impact on the Organization's financial statements.

The Organization's Federal Form 990 (Return of Organization Exempt From Income Tax) is subject to examination by the IRS, generally for three years after filing.

The Organization recognizes interest related to unrecognized tax benefits in interest expense and penalties that are included within reported expenses. During the year ended June 30, 2014, the Organization had no interest or penalties accrued related to unrecognized tax benefits.

### Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

### **3. Concentration of Credit Risk - Cash and Cash Equivalents**

The carrying amount of the Organization's deposits with financial institutions was \$339,704 at June 30, 2014. The difference between the carrying amount and the bank balance represents reconciling items such as deposits in transit and outstanding checks, which have not been processed by the bank at June 30, 2014. The bank balance is categorized as follows:

Insured by FDIC	\$ 413,319
Uninsured and uncollateralized	<u>835</u>
Total Bank Balance	<u>\$ 414,154</u>

**4. Property, Equipment and Depreciation**

A summary of the major components of property and equipment is presented below:

	<u>2014</u>	<u>2013</u>
Land and land improvements	\$ 1,058,330	\$ 1,058,330
Buildings and improvements	7,341,414	7,335,614
Furniture, fixtures and equipment	1,352,487	1,313,593
Vehicles	<u>13,960</u>	<u>13,960</u>
Subtotal	<u>9,766,191</u>	<u>9,721,497</u>
Less: accumulated depreciation	<u>(3,346,319)</u>	<u>(3,095,873)</u>
Total	<u>\$ 6,419,872</u>	<u>\$ 6,625,624</u>

Depreciation expense for the year ended June 30, 2014 totaled \$250,446.

**5. Accrued Expenses**

Accrued expenses consist primarily of payroll related liabilities.

**6. Long-term Debt**

Long-term debt as of June 30, 2014 consisted of the following:

Bond payable due in varying monthly installments and interest at 2.8% due semiannually, paid by the Organization on a monthly basis, payable over 30 years, and secured by a letter of credit.	\$ <u>4,425,000</u>
Total	4,425,000
Less amount due within one year	<u>(210,000)</u>
Long-term debt, net of current portion	<u>\$ 4,215,000</u>

The following is a summary of future payments on the previously mentioned long-term debt.

<u>Year</u>	<u>Amount</u>
2015	\$ 210,000
2016	225,000
2017	235,000
2018	115,000
2019	120,000
Thereafter	<u>3,520,000</u>
	<u>\$ 4,425,000</u>

On December 29, 2011, the Organization and the purchaser of the bond agreed to a new multi-annual rate agreement under which the bond will be subject to mandatory remarketing on October 31, 2016. The bond is backed in full by a letter of credit, expiring on November 14, 2016.

The Organization is subject to financial covenants that require the maintenance of minimum and maximum liquidity ratio, debt service coverage ratio and debt to tangible net worth ratio. These financial covenants are effective if the bonds are no longer secured by a letter of credit. In fiscal year 2014, the bonds were secured by a letter of credit, making the financial covenants inapplicable.

**7. Line of Credit**

Effective in July, 2014, the Organization has available a revolving line of credit with a bank in the amount of \$300,000. The outstanding balance on this line at June 30, 2014 was \$50,000. This line is payable on demand and requires monthly interest only payments calculated on the outstanding balance from the previous month. Interest is variable, based on Wall Street Prime adjusted daily. Said rate is subject to a floor of 4.00%. The current rate at June 30, 2014 was 4.00%.

**8. Temporarily Restricted Net Assets**

Temporarily restricted net assets are available for the following purposes at June 30, 2014:

New Hampshire Assistive Technology Loan Fund	\$ 19,656
Scholarship Fund	6,929
Preschool Technical Assistance Network - District Funds	39,857
Preschool Technical Assistance Network - Private Grants	640
New Hampshire Charitable Foundation	<u>1,100</u>
Temporarily restricted net assets	<u>\$ 68,182</u>

**9. Net Assets Released from Restriction**

Net assets are released from program restrictions by incurring expenses satisfying the restricted purpose.

**10. Defined Contribution Benefit Plan**

The Organization sponsors a defined contribution plan (the Plan) covering all employees age 18 and over, with at least one consecutive year of service who agree to make contributions to the Plan. The Organization has the option of making a discretionary matching contribution. No matching contributions were made by the Organization for the year ended June 30, 2014.

**11. Operating Leases**

The Organization leases office equipment under various lease agreements. Equipment rental expense totaled \$28,976 for the year ended June 30, 2014.

**12. Fair Value Measurements**

FASB ASC, *Fair Value Measurements*, provides guidance for using fair value to measure assets and liabilities. *Fair Value Measurements* applies whenever other standards require or permit assets or liabilities to be measured at their fair market value. The standard does not expand the use of fair value in any new circumstances. Under *Fair Value Measurements*, fair value refers to the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date. *Fair Value Measurements* clarifies the principle that fair value should be based on the assumptions market participants would use when pricing the asset or liability and establishes a fair value hierarchy that prioritizes the information used to develop those assumptions.

Under *Fair Value Measurements*, the Organization categorizes its fair value estimates based on a hierarchical framework associated with three levels of price transparency utilized in measuring financial instruments at fair value. Classification is based on the lowest level of input that is significant to the fair value of the instrument. The three levels are as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. The types of financial instruments included in Level 1 are highly liquid instruments with quoted prices;
- Level 2 - Inputs from active markets, other than quoted prices for identical instruments, are used to model fair value. Significant inputs

are directly observable from active markets for substantially the full term of the asset or liability being valued; and

- Level 3 - Pricing inputs significant to the valuation are unobservable. Inputs are developed based on the best information available; however, significant judgment is required by management in developing the inputs.

The estimated fair value of the Organization's financial instruments is presented in the following table:

	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Level One</u>	<u>Level Two</u>	<u>Level Three</u>
Restricted short-term investments	\$ 159,588	\$ 159,588	\$ 159,588	\$ -	\$ -
Total assets	\$ 159,588	\$ 159,588	\$ 159,588	\$ -	\$ -
Line of credit	\$ 50,000	\$ 50,000	\$ 50,000	\$ -	\$ -
Bond payable	4,425,000	4,425,000	-	4,425,000	-
Total liabilities	\$ 4,475,000	\$ 4,475,000	\$ 50,000	\$ 4,425,000	\$ -

The carrying amounts of cash and cash equivalents approximate fair value because of the short maturity of those financial instruments.

### 13. Related Party Transactions

The Organization's Board of Directors is comprised of superintendents and school board representatives from member New Hampshire school districts. The Organization provides a variety of services to these entities.

### 14. Concentrations of Risk

A material part of the Organization's revenue is derived from services provided to member districts and the New Hampshire Department of Education, the loss of which would have a materially adverse effect on the Organization. During the year ended June 30, 2014, 23% of the Organization's program service revenue was from the Merrimack School District (SAU #26), 11% was from the Bedford School District (SAU #25), and 14% from the New Hampshire Department of Education.

### 15. Subsequent Events

In accordance with the provisions set forth by FASB ASC, *Subsequent Events*, events and transactions from July 1, 2014 through January 26, 2015,

the date the financial statements were available to be issued, have been evaluated by management for disclosure.

On August 26, 2014 the Organization entered into an agreement with the Nashua School District to lease a portion of the Organization's building located at 1 Brentwood Drive, Merrimack, New Hampshire to the District through June 19, 2015 for \$5,667 per month. There is an option to renew the lease for two additional terms of one year each.

Other than the event noted above, management has determined that there were no material events that would require disclosure in the Organization's financial statements through this date.

**SOUTHEASTERN REGIONAL EDUCATION SERVICE CENTER, INC.**

Schedule of Functional Expenses  
 For the Year Ended June 30, 2014  
 (with comparative totals for the year ended June 30, 2013)

	Program Services	Administration and Fundraising	2014 Total	2013 Total
Personnel expense:				
Salaries and wages	\$ 2,983,529	\$ 343,968	\$ 3,327,497	\$ 3,317,566
Employee benefits	439,365	65,166	504,531	510,333
Payroll taxes	214,262	37,147	251,409	252,349
Contract services	1,716,255	21,028	1,737,283	2,014,826
Supplies	312,256	24,688	336,944	338,802
Communications	143,501	78,601	222,102	254,677
Depreciation	243,323	7,123	250,446	246,214
Interest	166,197	4,865	171,062	188,282
Repairs and maintenance	47,879	108,413	156,292	185,558
Travel	118,005	2,533	120,538	124,707
Utilities	34,792	73,121	107,913	98,020
Insurance	5,938	6,882	12,820	39,545
Rent	28,976	-	28,976	21,376
Professional fees	350	28,192	28,542	16,324
Miscellaneous	14,157	4,930	19,087	15,238
Advertising	8,432	3,045	11,477	12,854
Postage	461	5,853	6,314	5,475
Equipment	746	-	746	4,955
Indirect costs	<u>76,453</u>	<u>(76,453)</u>	<u>-</u>	<u>-</u>
Total Functional Expenses	<u>\$ 6,554,877</u>	<u>\$ 739,102</u>	<u>\$ 7,293,979</u>	<u>\$ 7,647,101</u>

See Independent Auditors' Report.



29 Commerce Drive  
Bedford, NH 03110  
Phone: 603-206-6800  
Fax: 603-434-3891  
[www.seresc.net](http://www.seresc.net)

RICHARD LaSALLE  
Executive Director

**Southeastern Regional Education Service, Inc.**  
*Inspiring innovation and excellence in education and professional practice.*

### SERESC Board of Directors

SAU #12 – Londonderry, 268C Mammoth Road, Londonderry, NH 03053 [REDACTED]

Mr. Nathan Greenberg, Superintendent  
Mr. Stephen Young, School Board Representative

SAU #15 – Candia, Auburn, Hooksett, 90 Farmer Road, Hooksett, NH 03106 [REDACTED]

Dr. Charles P. Littlefield, Superintendent - Chairperson  
Mr. Keith LeClair, School Board Representative – Auburn  
Ms. Kim Royer, School Board Representative – Candia  
Ms. Kava Salvas, School Board Representative – Hooksett

SAU #25 – Bedford, 103 County Road, Bedford, NH 03110 [REDACTED]

Mr. Eric McGee, Superintendent  
Mr. Don Graff, School Board Representative

SAU #26 – Merrimack, 36 McElwain Street, Merrimack, NH 03054 [REDACTED]

Ms. Marjorie Chiafery, Superintendent, Vice Chairperson  
Mr. Andy Schneider, School Board Representative

SAU #28 – Pelham, 59A Marsh Road, Pelham, NH 03076 [REDACTED]

Ms. Amanda Lecaroz, Superintendent  
Mr. Brian Carton, School Board Representative

SAU #55 – Timberlane/Hampstead, 30 Greenough Road, Plaistow, NH 03865 [REDACTED]

Dr. Earl Metzler, Superintendent  
Mr. Michael Mascola, School Board Representative – Timberlane  
Mr. Jason Cipriano, School Board Representative – Hampstead

SAU #95 – Windham, 19 Haverhill Road, Windham, NH 03087 [REDACTED]

Mr. Winfried Feneberg, Superintendent  
Dr. Jerome Rekart, School Board Representative

**Judith H. Mikami, MA CCC**

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**PROFILE**

Speech Language Pathologist with 32 years of clinical experience and 30 years experience as an administrator and supervisor. Specialize in working with children with: special health care needs; feeding and swallowing disorders; autistic spectrum disorders; motor speech disorders; social-pragmatic communication disorders; sensory integration dysfunction. Regularly provide conferences, workshops, training and consultation to parents, personnel in hospitals, early intervention and public school teams, and community agencies regarding areas of specialties. Teach a semester long graduate course in Pediatric Dysphagia. Provide on-going supervision and mentoring to professionals serving infants and children with feeding and swallowing and communication disorders; also graduate students in speech language pathology. Excel at working as a member of a team to design services which result in high consumer satisfaction, and to put strategic plans into practice. Dedicated to consumer driven services, coordinated service delivery, and continual service improvement. Committed to documenting reports and creating educational materials that are friendly to a diversity of consumers. Have consistently operated financially healthy programs via accurate budgeting, optimizing third party revenue and securing grants.

**Summary Of Qualifications**

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**CLINICAL**

- 32 years experience serving children with feeding and swallowing disorders, from newborn through young adulthood. Work directly with children's families, medical teams, Early Supports and Services, school teams, etc., providing evaluations, intervention and consultation.
- Have conducted and interpreted over 3000 pediatric videofluoroscopic swallow studies.
- Extensive experience with evaluating and treating children with: social-pragmatic communication disorders; complex neurological disorders; autism spectrum disorders; oral sensori-motor disorders; motor speech disorders; sensory integration disorders; hearing impairment; the sequelae of prematurity; metabolic and genetic disorders.
- Trained in the Newborn Individualized Developmental Care and Assessment Program (NIDCAP) and Infant Behavioral Assessment Scale
- Trained in American Sign Language and Signed English.

**ADMINISTRATION**

- Program Manager of a state-wide Feeding and Swallowing Program which is a part of the New Hampshire Nutrition, Feeding and Swallowing Network, supported through a grant from Special Medical Services.
- Developed and managed agency, state, and federal budgets for a hospital affiliated Early Intervention Program.
- Submitted, secured and implemented private charitable, and state and federal grants.
- Conducted program development and strategic planning efforts with staff and management.
- Designed, measured, and interpreted quality management tools including continuous service improvement (CSI) activities, consumer satisfaction surveys, and quality assurance studies.
- Created consumer information materials including brochures, resource booklets, and handbooks
- Determined, organized, and maintained program safety and emergency procedures
- Oversaw program's participation in research projects.
- Addressed any consumer recommendations or concerns.

**TEAM LEADERSHIP AND SUPERVISION**

## Judith H. Mikami, MA CCC

- Recruit, interview, and supervise staff.
- Insure the completion of a competency-based comprehensive orientation for newly hired consultants and on-going competency developing.
- Extensive experience with supervising and mentoring other professionals in feeding and swallowing disorders and autistic spectrum disorders.
- Supervised a transdisciplinary team of physical, occupational and speech therapists, developmental pediatricians, social workers, and psychologists.
- Currently supervise a team of speech pathologists and occupational therapists trained to provide feeding and swallowing evaluation, swallow studies and follow-up care.
- Develop and regularly update job descriptions and program handbook.

### TRAINING

- Regularly present workshops related to pediatric feeding and swallowing disorders to hospitals, school system personnel and early intervention providers in New Hampshire and surrounding states.
- Regularly provide trainings to professionals, paraprofessionals, and parents on communication issues and approaches for children with autistic spectrum disorders.
- Present at two or more conferences per year in areas of specialty.

### Work Experience

<i>Spring 2011-present</i>	University of New Hampshire, Dept. of Communication Sciences and Disorders- Adjunct Professor-teach semester long graduate level course: Pediatric Dysphagia	
<i>Feb. 1995-present</i>	Southeastern Regional Educational Service Center, Inc.: Speech Language Pathologist	
<i>June 1986-Feb. 1995</i>	Southern New Hampshire Medical Center Early Intervention Program	<i>Director</i>
<i>Aug. 1985-June 1986</i>	Southern New Hampshire Regional Medical Center Early Intervention Program	<i>Staff SLP</i>
<i>Oct. 1984-Aug. 1985</i>	Southern New Hampshire Regional Medical Center Speech and Hearing Department	<i>Staff SLP</i>
<i>June 1983-Oct. 1984</i>	Easter Seals/Goodwill Industries of New Hampshire	<i>Staff SLP</i>

### Education

<i>May 1983</i>	<b>University of Denver</b> Masters of Arts in Speech Language Pathology with a specialty in Educational Audiology
<i>June 1981</i>	<b>Columbia University</b> Post Graduate Certification in working with deaf and hearing impaired infants and their parents
<i>Dec. 1980</i>	<b>Northeastern University</b> Bachelor of Arts in Speech Language Pathology

### Professional Certifications and Affiliations

- Certificate of Clinical Competence from the American Speech and Hearing Association-  
Acct. # 01007137 (since 1984)
- Licensed by the State of New Hampshire Board of Speech-Language Pathology; License # 385
- Licensed by the Commonwealth of Massachusetts Division of Professional Licensure Board of  
Speech-Language Pathology; License # 9244
- Healthcare Provider (CPR and AED) Program-certified through April 2016

**M. ALICIA GARCIA**  
189 Gould Road  
Weare, New Hampshire 03281  
Home Phone [REDACTED]  
Email agarcia942@hotmail.com

### OBJECTIVE

To obtain a position with a competitive, growth-oriented company where my abilities to initiate action, organize and effectively communicate will result in excellent quality service.

### SUMMARY

A successful professional with over twenty years of experience in the healthcare industry with the ability to work independently in an energetic, fast-paced environment. Excellent communication and organizational skills with the ability to completely follow-through on multiple tasks results in an efficiently run organization and a high level of client satisfaction.

### PROFESSIONAL EXPERIENCE

*Clinical Services Coordinator, SERESC, Bedford, NH* *November 2011-Present*  
Responsibilities include collecting billing data from 6 providers, ensuring referrals and authorizations are in place, submitting claims in a timely fashion and pursuing unpaid claims to ensure maximum reimbursement; tracking and posting all insurance reimbursements and office expenses; establishing in-office policies and procedures; storing and maintaining patient medical records; credentialing providers with insurance carriers; inputting encounters to track visit data for the Special Medical Services program. Excellent work attendance.

*Medical Records Clerk, GI Associates, Concord, NH,* *January 2015-Present*  
Responsibilities include preloading medical information into Electronic Medical Records; scanning and properly filing medical records for future recall; scanning and properly routing new referrals received via fax and electronically; test result correspondence with patients and physicians; patient reminder calls. Excellent work attendance.

*Medical Transcriptionist, Telecommute, Self-Employed, Weare, NH* *May 2000-December, 2014*  
Ability to transcribe medical providers' dictated records efficiently and proficiently with the production of accurately documented medical records with utmost confidentiality. Sensitive to deadlines. Perform quality assurance checks. Capability of transcribing digitally and Electronic Medical Records. Excellent work attendance.

*Certified Medical Assistant, Concord Gastroenterology, PA, Concord, NH* *May 1993-2000*  
Responsibilities include scheduling appointments, creating and maintaining patient charts and registering patients; handling insurance referrals and preauthorization for multiple insurance companies; copying and filing in an efficient manner as well as patient contact including phone triaging and personal patient care in a service oriented manner; managed patient recalls. Assisted physicians in office procedures. Excellent work attendance.

### EDUCATION

Associate in Business Science, Hesser College, Manchester, NH 1992-1993  
President's List 1992-1993

### COMPUTER SKILLS

Proficient in Medisense, Emdeon billing system, Office Ally billing system, Microsoft Word, Microsoft Works, Microsoft Excel as well as Windows XP and Vista. Type 89 WPM, excellent at 10-key calculator.

**CONTRACTOR NAME**

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Judith H. Mikami	Program Manager	\$91,000.00	41%	\$37,295.00
Alicia Garcia	Program Assistant	\$32,881.00	54%	\$17,785.00



STATE OF NEW HAMPSHIRE  
 DEPARTMENT OF HEALTH AND HUMAN SERVICES  
 DIVISION OF COMMUNITY BASED CARE SERVICES

BUREAU OF DEVELOPMENTAL SERVICES

129 PLEASANT STREET, CONCORD, NH 03301-3857  
 603-271-4488 1-800-862-3346 Ext. 4488  
 Fax: 603-271-4902 TDD Access: 1-800-736-2964

Nicholas A. Toumpas  
 Commissioner

Nancy L. Rollins  
 Associate  
 Commissioner

120  
 G & C Approved  
 6-19-2013  
 Item # 120

May 29, 2013

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

70% General Fund  
 30% Federal Fund

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division of Community-Based Care Services, Bureau of Developmental Services, Special Medical Service Section, to enter into an agreement not to exceed \$358,228.00 with Southeastern Regional Education Services Center, Inc., 29 Commerce Drive, Bedford, New Hampshire 03110, to provide feeding and swallowing services to children with special health care needs, effective July 1, 2013, or date of Governor and Executive Council approval, whichever is later, through June 30, 2015.

Funds to support this request are anticipated to be available in the following account in State Fiscal Year 2014 and State Fiscal Year 2015 upon the availability and continued appropriation of funds in the future operating budgets, with authority to adjust the amounts within the price limitation and amend the related terms of the contract without further approval from Governor and Executive Council.

05-95-93-930010-5191 HEALTH AND SOCIAL SERVICES: DEPT. OF HEALTH AND HUMAN SERVICES, HHS: DEVELOPMENTAL SERVICES-DIV OF, DIV OF DEVELOPMENTAL SVSC, SPECIAL MEDICAL SERVICES

562-500912	CSHCN Assistance	\$179,114.00	\$179,114.00	\$358,228.00
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EXPLANATION

This request will provide for the services of a Feeding and Swallowing Program Manager who will recruit, train and supervise a group of community-based therapists (speech, occupational, physical). This request will also assure the services of these therapists to provide for the assessment of and recommendations for interventions for feeding and swallowing issues of children with special health care needs. It is estimated that a total of 450 to 500 children will be served during the two-year contract period.

Her Excellency, Governor Margaret Wood Hassan  
and the Honorable Council  
May 29, 2013  
Page 2 of 2

Special Medical Services Section offers feeding and swallowing consultation in order to assure that children with special health care needs will have access to needed services within the State. This service also lessens the burden on families who would otherwise have to travel out-of-state for comparable care.

Additionally, training and consultation shall be provided to hospital radiology departments in the provision of swallow studies in pediatric patients, as well as to the Special Medical Services Section's nurse coordinators and/or contracted nutritionists, school personnel and early intervention providers on the use of a screening tool to identify feeding issues.

A Request for Proposals that included performance measures was placed on the Department of Health and Human Services website between January 16, 2013 and January 25, 2013. The Request for Proposals sought services statewide. Only one (1) proposal was received.

After a thorough review of the proposals by the evaluation committee, the Southeastern Regional Education Service Center, Inc. was selected to provide the service. A Bid Summary showing a comparison of the Southeastern Regional Education Service Center, Inc. proposal to all other proposals in this category is attached.

The Division of Community-Based Care Services has been contracting with the Southeastern Regional Education Service Center, Inc. for eight years for provision feeding and swallowing services for children with special health care needs. The Division is pleased with the performance of the Southeastern Regional Education Service Center, Inc. under previous agreements.

Should Governor and Executive Council determine not to authorize this request between 450-500 children with special health care needs would not have access expert assessments and individualized plans for intervention of feeding and swallowing issues.

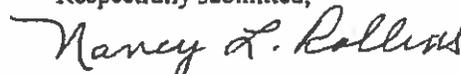
This agreement contains a provision to extend this award for up to two additional years contingent upon satisfactory service, sufficient funding, and the approval of the Governor and Executive Council].

Area served: Statewide.

Source of funds: 30% Federal from Title V Block Grant and 70% General funds.

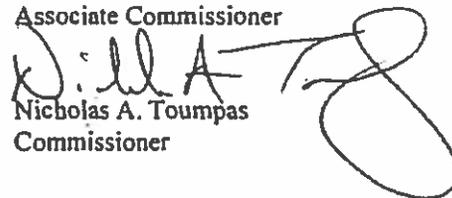
In the event that Federal funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,



Nancy L. Rollins  
Associate Commissioner

Approved by:



Nicholas A. Toumpas  
Commissioner

**Feeding and Swallowing Services for Children with Special Health Care Needs**

Service Area	Agency Name	Average Bid Score	Contract Award SFY 2014	Contract Award SFY 2015
Statewide	Southeastern Regional Education Services Center, Inc	93	\$179,114	\$179,114
	No other bidders			

**SCORING SUMMARY SHEET**

**REQUEST FOR APPLICATIONS**

**FEEDING AND SWALLOWING SERVICES FOR CHILDREN WITH SPECIAL HEALTH CARE  
NEEDS**

Applicant: \*Southeastern Regional Education Service Center, Inc.  
Statewide Services

	<b>Total Available</b>	<b>Average Score</b>
1. Agency Capacity	(40 points)	<u>39</u>
2. Program Structure/Plan of Operation	(45 points)	<u>41</u>
3. Budget and Justification	(10 points)	<u>8</u>
4. Format	( 5 points)	<u>5</u>
<b>TOTAL</b>	<b>(100 points)</b>	<b><u>93</u></b>

**Reviewers:**

Diane McCann, RN, MS, PNP, Retired State Employee. (Previously had been Clinical Coordinator for Special Medical Services.)

Diana Dorsey, MD, Pediatric Consultant, Special Medical Services Section

Alicia M. L'Esperance, BS/BA, Program Manager, Partners in Health Program.

\* This was the only proposal received, for Feeding and Swallowing Services for Children with Special Health Care Needs.

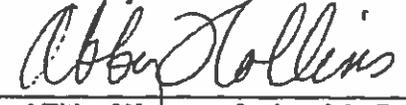
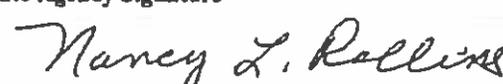
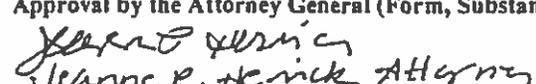
Subject: Feeding and Swallowing Services for Children with Special Health Care Needs

**AGREEMENT**

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

**GENERAL PROVISIONS**

**1. IDENTIFICATION.**

1.1 State Agency Name Department of Health and Human Services Special Medical Services Section Bureau of Developmental Services Division of Community Based Care Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name  Southeast Regional Education Service Center		1.4 Contractor Address 29 Commerce Drive Bedford, NH 03110	
1.5 Contractor Phone Number 603-206-6800	1.6 Account Number 05-95-93-930010-5191-562-500912	1.7 Completion Date June 30, 2015	1.8 Price Limitation \$358,228.00
1.9 Contracting Officer for State Agency  Nancy L. Rollins, Associate Commissioner		1.10 State Agency Telephone Number  603-271-8181	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory  Richard LaSalle, Executive Director	
1.13 Acknowledgement: State of <u>New Hampshire</u> County of <u>Hillsborough</u> On <u>5/6/2013</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.			
1.13.1 Signature of Notary Public or Justice of the Peace  [Seal] 		ABBY COLLINS, Notary Public My Commission Expires September 23, 2014	
1.13.2 Name and Title of Notary or Justice of the Peace  <u>Notary Public</u>			
1.14 State Agency Signature  		1.15 Name and Title of State Agency Signatory  Nancy L. Rollins, Associate Commissioner	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable)  By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution)  By:  <u>Jeanne P. Henick, Attorney</u> On: <u>4 Jun. 2013</u>			
1.18 Approval by the Governor and Executive Council  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, this Agreement, and all obligations of the parties hereunder, shall not become effective until the date the Governor and Executive Council approve this Agreement ("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. 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 consent of the N.H. Department of Administrative Services. None of the Services shall be subcontracted by the Contractor without the prior written 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 \$250,000 per claim and \$2,000,000 per occurrence; and

14.1.2 fire and extended coverage insurance 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 fifteen (15) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each

Contractor Initials:   
Date: 5/16/12

certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than ten (10) 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.

**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.

NH Department of Health and Human Services

STANDARD EXHIBIT A

SCOPE OF SERVICES

DATE: Commencing upon date of Governor and Council approval or July 1, 2013, whichever is later, through June 30, 2015.

CONTRACT PERIOD: July 1, 2013 to June 30, 2015

CONTRACTOR:

NAME: Southeast Regional Education Service Center, Inc.

ADDRESS: 29 Commerce Drive

Bedford, NH

03110

TELEPHONE: 603-206-6800

FAX: 603-206-6599

EMAIL: richard@seresc.net

EXECUTIVE DIRECTOR: Richard LaSalle

The Feeding and Swallowing Services (FSS) Program will focus on providing community-based services to children with special health care needs, birth through 21 years of age, and their families. The FSS will include, at a minimum, a staff of Regional Feeding and Swallowing Specialists for the State of New Hampshire, a Program Manager and a Third-Party Administrator for Feeding and Swallowing Services. The same individual may hold more than one of the roles designated herein, or one role may be held by a single individual to meet the needs of the program and plan of work.

I. General Provisions

- A. The Contractor is responsible for providing home- and community-based feeding and swallowing assessments, intervention and ongoing monitoring of the growth and health status of children accepted for services by the FSS and the Special Medical Services Section (SMS).
- B. The Contractor must assure that Regional Feeding and Swallowing Specialists that comprise the FSS are available for consultation and technical assistance to all SMS community-based coordinators and clinic coordinators.

- C. The Contractor shall coordinate and collaborate whenever possible with other service providers within the community. At a minimum, such collaboration will include the Comprehensive Nutrition Network for Children with Special Health Care Needs (SMS contract). Efforts shall include collaborative training, joint planning for shared clients, interagency referrals and coordination of care.
- D. The Contractor must provide reports on a quarterly and annual basis regarding program census, activities, QA activities and accomplishments through the reporting mechanism and in the timeframe established by the Special Medical Services Section's administrative staff. The Contractor must assure that data is inputted in a timely manner in the SMS Master File system. Additional information may be requested by SMS at any time during the contract period.
- E. The Contractor should be available to develop or provide alternative means of service provision should there be an unmet needs identified for a specific population of Children with Special Health Care Needs.
- F. Program activities include attendance at meetings and activities as assigned by the Administrator of the Special Medical Services Section.
- G. The Contractor will coordinate a system integrating public and private funding to sustain the availability of specialized nutrition services to children with special health care needs throughout the State.
  - Develop and maintain relationships with third-party insurance payers and public health funders.
  - Develop a system to negotiate and secure reimbursements for nutrition services, and serve as the paymaster for the established network of community-based providers' fee for service and training activities.
  - Establish and maintain the capacity to procure reimbursements via electronic billing systems.
- H. In addition, the Special Medical Services Section retains the right to reorganize services to ensure continuity of service delivery.

II. Staffing Provisions

- A. The Contractor must follow the staffing guidelines summarized below:
  - 1. SMS should be notified in writing within one (1) month of hire of when a new Regional Feeding and Swallowing Specialist is hired to work in the program. A resume of the employee shall accompany this notification.
  - 2. In the event of a vacancy in any of the staff positions, the Contractor shall recruit for the position(s). The Special Medical Services Section shall maintain final approval in the selection process.

3. Resumes of all staff shall be submitted to SMS with the agency's application for funding.
4. The Contractor shall make a request in writing to the Special Medical Services Section before hiring new program personnel that do not meet the required staff qualifications. A waiver may be granted based on the need of the program, the individual's experience and/or additional training.
5. All health professionals shall have the appropriate New Hampshire licensure.
6. Feeding and Swallowing Specialists shall have a Bachelor's degree in a health-related field, or a Master's degree in speech and language therapy or occupational therapy.
  - He/She shall have knowledge and understanding of anatomy and physiology of the normal swallowing reflex, and how this automatic activity may be impaired or diminished in children with disabilities.
  - Knowledge of normal growth and development.
  - Knowledge of federal/state legislation regarding service provision to children with disabilities.
  - Knowledge of the education/consultative processes.
  - Ability to organize work, analyze problems and recommend/implement solutions.
  - Ability to establish and maintain cooperative working relationships with medical, educational and allied health service providers.
7. Community-Based Feeding and Swallowing Specialists shall obtain, maintain and provide documentation of comprehensive professional liability insurance.
8. Community-Based Feeding and Swallowing Specialists must be willing and able to travel statewide.

III. Required activities of Regional Feeding and Swallowing Specialists shall include, but not be limited to, the following:

- A. Communicate regularly with SMS nurse coordinators, physicians and dieticians, and other SMS personnel regarding child-specific feeding and swallowing concerns, case coordination issues, outcomes of feeding and swallowing evaluations, service planning, and continuous quality improvement and initiatives.
- B. Utilize a standardized feeding and swallowing screening process to identify children with significant pathology, or at risk for such health problems.
- C. Utilize a standardized format for documenting oral motor plans for oral and non-oral feeders.
- D. Implement, monitor effectiveness and modify or revise feeding and swallowing interventions for atypical infants, toddlers and children with special health care needs.
- E. Include parents and community providers in the evaluation process and the plan of care.

- F. Participate in hospital-based radiology programs to provide video fluoroscopic swallow studies (VFSS) for at-risk children.
- G. Provide instruction regarding feeding interventions to meet the individual medical, physical and psychosocial needs of children with special health care needs and their families.
- H. Participate/Attend quarterly training activities with staff of the Comprehensive Nutrition Network (SMS contract).
- I. Complete, in a timely manner, comprehensive written reports, which detail the child's feeding and swallowing status and intervention/recommendations. Reports shall be available to families and health professionals designated by the family.
- J. Complete monthly reporting forms (provided by SMS) and attend quarterly in-service trainings provided by the Contractor.

IV. Required activities of the Program Manager shall include, but not be limited to, the following:

- A. Supervise the activities of all professional and support personnel associated with the FSS Program.
  - Provide ongoing competency development for all providers.
  - Recruit new providers as necessary.
- A. Assure that Regional Feeding and Swallowing Specialists associated with the FSS Program and professionals associated with the SMS contracted Comprehensive Nutrition Network attend quarterly in-service training activities.
- B. Organize and implement said training sessions for community-based providers in collaboration with the Comprehensive Nutrition Network.
- C. Assign the clinical caseload to community-based feeding and swallowing specialists.
- D. Monitor feeding and swallowing service delivery via frequent review of reports, and contact with key consumers including parents, care coordinators, dietitians, physicians, early intervention teams, school teams, etc.
- E. Collaborate with the Comprehensive Nutrition Network's Program Coordinator and Clinical Manager, and SMS' Developmental Pediatricians in planning for the continual improvement of nutrition, feeding and swallowing services.
- F. Contribute to program evaluation activities to: measure consumer satisfaction; investigate outcomes of service delivery; quality of monthly trainings; new program offerings (e.g., workshops, support groups, etc.); participate in other ongoing quality assurance activities.
- G. Provide ongoing training and technical assistance to hospital radiology departments to provide child- and family-friendly video fluoroscopic swallow studies (VFSS).

- Based on demand, assist community providers and hospitals to conduct 6-10 VFSS per month.
  - Assist participating hospitals to document VFSS data.
- H. Provide competency training in pediatric feeding and swallowing disorders to community-based personnel serving children ages preschool through high school.
- I. Collaborate with community groups to offer workshops, informational parent support groups, etc., to parents and other interested individuals on specific topics pertaining to feeding and swallowing disorders.
- J. Create and provide regional parent trainings on specific feeding and swallowing topics in collaboration with FSS staff and SMS' contracted Comprehensive Nutrition Network Program, when appropriate.
- K. Provide ongoing information, support and resources to primary care providers and medical homes regarding children with feeding and swallowing disorders.
- ~~L. Prepare informational materials/handouts for families and primary care providers regarding aspects of feeding and swallowing issues not adequately available commercially.~~
- M. Submit monthly activity logs and expenditure reports to the SMS contracting officer.
- N. Prepare a year-end summary of activities and products.
- V. Required activities of the Third-Party Administrator of Feeding and Swallowing Services shall include, but not be limited to, the following:
- A. Develop and coordinate a system integrating public and private funding to sustain the availability of specialized nutrition services to children with special health care needs throughout the State.
- B. Develop and maintain relationships with third-party insurance payers and public health funders.
- C. Develop a system to negotiate and secure reimbursements for feeding and swallowing services, and serve as the paymaster for the established network of community-based providers' fee-for-service and training activities.
- D. Establish and maintain the capacity to procure reimbursements via electronic billing systems.
- E. Oversee the activities of a Biller and FSS Program staff whose scope of work includes reviewing and managing computer input of service encounter data and provider transactions.

NH Department of Health and Human Services

STANDARD EXHIBIT B

METHODS AND CONDITIONS PRECEDENT TO PAYMENT

1. The Contract Price shall not exceed \$358,228.00. Payments shall be made during SFY 2014 and SFY 2015 in accordance with the Budget attachment. Notwithstanding anything to the contrary herein, the Contractor agrees that funding under this agreement may be withheld, in whole or in part, in the event of non-compliance with any Federal or State law, rule or regulation applicable to the services provided, or if the said services or products have not been satisfactorily completed in accordance with the terms and conditions of this agreement.
2. Reimbursements for services provided shall be made by the State on a monthly basis after receipt, review and approval of monthly expenditure reports submitted by the Contractor to the State. These reports, which are based on a budget approved by the State, shall be in a form satisfactory to the State and shall be submitted no later than twenty (20) working days after the close of the month. In addition to the monthly expenditure reports required and not later than sixty (60) days after the end of the budget period, the Contractor shall submit a final expenditure report in a form satisfactory to the State.
3. The Contractor agrees to use and apply all payments made by the State for direct and indirect costs and expenses including, but not limited to, personnel costs and operating expenses related to the Services. Allowable costs and expenses shall be determined by the State in accordance with applicable State and Federal laws and regulations. The Contractor agrees not to use or apply such payments for capital additions or improvements, dues to societies and organizations, entertainment costs or any other costs not approved by the State. The Contractor must also have written authorization from the State prior to purchasing any equipment with a cost in excess of five hundred dollars (\$500) and/or with a useful life beyond one (1) year.
4. The Contractor agrees that, to the extent future legislative action by the NH General Court may impact on the services described herein, the State retains the right to modify expenditure requirements under this agreement.
5. The Contractor and/or the State may amend the contract budget through line item increases, decreases or the creation of new line items provided these amendments do not exceed the Contract Price. Such amendments shall only be made upon written request to and written approval by the State with programmatic justification.
6. In the event of a vacancy in any of the key personnel positions, the Special Medical Services Section is authorized to direct any and all budget revisions deemed necessary and appropriate by the Administrator to assure continuity of services as outlined in Exhibit A, including the cost of advertisement.
7. The Contractor shall be paid only for the total number of hours actually worked at the identified hourly rate as designated in the Budget. The total of all payments made to the Contractor for costs and expenses incurred in the performance of the Services during the period of the contract shall not exceed three hundred fifty-eight thousand, two hundred twenty-eight dollars (\$358,228.00). As directed by the State, funds may be adjusted, if needed and justified, between State fiscal years based upon actual incurred expenses.

Contractor Initials: 

Date: 5/6/13

NH Department of Health and Human Services

STANDARD EXHIBIT C

SPECIAL PROVISIONS

**1. Contractors Obligations:** The Contractor covenants and agrees that all funds received by the Contractor under the Contract shall be used only as payment to the Contractor for services provided to eligible individuals and, in the furtherance of the aforesaid covenants, the Contractor hereby covenants and agrees as follows:

**2. Compliance with Federal and State Laws:** If the Contractor is permitted to determine the eligibility of individuals such eligibility determination shall be made in accordance with applicable federal and state laws, regulations, orders, guidelines, policies and procedures.

**3. Time and Manner of Determination:** Eligibility determinations shall be made on forms provided by the Department for that purpose and shall be made and remade at such times as are prescribed by the Department.

**4. Documentation:** In addition to the determination forms required by the Department, the Contractor shall maintain a data file on each recipient of services hereunder, which file shall include all information necessary to support an eligibility determination and such other information as the Department requests. The Contractor shall furnish the Department with all forms and documentation regarding eligibility determinations that the Department may request or require.

**5. Fair Hearings:** The Contractor understands that all applicants for services hereunder, as well as individuals declared ineligible have a right to a fair hearing regarding that determination. The Contractor hereby covenants and agrees that all applicants for services shall be permitted to fill out an application form and that each applicant or applicant shall be informed of his/her right to a fair hearing in accordance with Department regulations.

**6. Gratuities or Kickbacks:** The Contractor agrees that it is a breach of this Contract to accept or make a payment, gratuity or offer of employment on behalf of the Contractor, any Sub-Contractor or the State in order to influence the performance of the Scope of Work detailed in Exhibit A of this Contract. The State may terminate this Contract and any sub-contract or sub-agreement if it is determined that payments, gratuities or offers of employment of any kind were offered or received by any officials, officers, employees or agents of the Contractor or Sub-Contractor.

**7. Retroactive Payments:** Notwithstanding anything to the contrary contained in the Contract or in any other document, contract or understanding, it is expressly understood and agreed by the parties hereto, that no payments will be made hereunder to reimburse the Contractor for costs incurred for any purpose or for any services provided to any individual prior to the Effective Date of the Contract and no payments shall be made for expenses incurred by the Contractor for any services provided prior to the date on which the individual applies for services or (except as otherwise provided by the federal regulations) prior to a determination that the individual is eligible for such services.

**8. Conditions of Purchase:** Notwithstanding anything to the contrary contained in the Contract, nothing herein contained shall be deemed to obligate or require the Department to purchase services hereunder at a rate which reimburses the Contractor in excess of the Contractor's costs, at a rate which exceeds the amounts reasonable and necessary to assure the quality of such service, or at a rate which exceeds the rate charged by the Contractor to ineligible individuals or other third party funders for such service. If at any time during the term of this Contract or after receipt of the Final Expenditure Report hereunder, the Department shall determine that the Contractor has used payments hereunder to reimburse items of expense other than such costs, or has received payment in excess of such costs or in excess of such rates charged by the Contractor to ineligible individuals or other third party funders, the Department may elect to:

8.1 Renegotiate the rates for payment hereunder, in which event new rates shall be established;

8.2 Deduct from any future payment to the Contractor the amount of any prior reimbursement in excess of costs;

8.3 Demand repayment of the excess payment by the Contractor in which event failure to make such repayment shall constitute an Event of Default hereunder. When the Contractor is permitted to determine the eligibility of individuals for services, the Contractor agrees to reimburse the Department for all funds paid by the Department to the Contractor for services provided to any individual who is found by the Department to be ineligible for such services at any time during the period of retention of records established herein.

**RECORDS: MAINTENANCE, RETENTION, AUDIT, DISCLOSURE AND CONFIDENTIALITY:**

9. Maintenance of Records: In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:

9.1 Fiscal Records: books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.

9.2 Statistical Records: Statistical, enrollment, attendance or visit records for each recipient of services during the Contract Period, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.

9.3 Medical Records: Where appropriate and as prescribed by the Department regulations, the Contractor shall retain medical records on each patient/recipient of services.

10. Audit: Contractor shall submit an annual audit to the Department within 60 days after the close of the Contractor fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.

10.1 Audit and Review: During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.

10.2 Audit Liabilities: In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such an exception.

11. Confidentiality of Records: All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian.

Notwithstanding anything to the contrary contained herein the covenants and conditions contained in the Paragraph shall survive the termination of the Contract for any reason whatsoever.

12. Reports: Fiscal and Statistical: The Contractor agrees to submit the following reports at the following times if requested by the Department.

**12.1 Interim Financial Reports:** Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.

**12.2 Final Report:** A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.

**13. Completion of Services: Disallowance of Costs:** Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.

**14. Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:

**14.1** The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.

**15. Prior Approval and Copyright Ownership:**

All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.

**16. Operation of Facilities: Compliance with Laws and Regulations:** In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.

**17. Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.

When the Contractor delegates a function to a subcontractor, the Contractor shall do the following:

- Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
- Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate

- Monitor the subcontractor's performance on an ongoing basis
- Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed
- DHHS shall review and approve all subcontracts.

If the Contractor identifies deficiencies or areas for improvement are identified, the Contractor shall take corrective action.

**SPECIAL PROVISIONS – DEFINITIONS**

As used in the Contract, the following terms shall have the following meanings:

**COSTS:** Shall mean those direct and indirect items of expense determined by the Department to be allowable and reimbursable in accordance with cost and accounting principles established in accordance with state and federal laws, regulations, rules and orders.

**DEPARTMENT:** NH Department of Health and Human Services.

**PROPOSAL:** If applicable, shall mean the document submitted by the Contractor on a form or forms required by the Department and containing a description of the Services to be provided to eligible individuals by the Contractor in accordance with the terms and conditions of the Contract and setting forth the total cost and sources of revenue for each service to be provided under the Contract.

**UNIT:** For each service that the Contractor is to provide to eligible individuals hereunder, shall mean that period of time or that specified activity determined by the Department and specified in Exhibit B of the Contract.

**FEDERAL/STATE LAW:** Wherever federal or state laws, regulations, rules, orders, and policies, etc. are referred to in the Contract, the said reference shall be deemed to mean all such laws, regulations, etc. as they may be amended or revised from the time to time.

**SUPPLANTING OTHER FEDERAL FUNDS:** The Contractor guarantees that funds provided under this Contract will not supplant any existing federal funds available for these services.

NH Department of Health and Human Services

STANDARD EXHIBIT C-1

ADDITIONAL SPECIAL PROVISIONS

1. Subparagraph 7.2 of the General Provisions of this agreement is hereby amended to read:  

"7.2. 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 has a contractual relationship with the State, or who is a State employee or official, elected or appointed, without prior written consent of the State. The Contracting Officer specified in Block 1.9 or his/her successor shall determine whether a conflict of interest exists."
  
2. Subparagraph 9.3. of the General Provisions of this agreement is deleted and the following paragraph added:  

"9.3. The State, and anyone it shall designate, and the Contractor shall have authority to publish, disclose, distribute and otherwise use, in whole or in part, all data, provided such data, when published, disclosed, distributed or otherwise used, shall not disclose any personal identifiers or confidential information as to any individual or organization without the prior written consent of such individual or organization."
  
3. Paragraph 14. of the General Provisions of this agreement is hereby amended to read:  

"14.1. The Contractor shall, at its sole expense, obtain and maintain in force, for the benefit of the State, the following insurance:

  - 14.1.1. Comprehensive general liability insurance in amounts not less than \$1,000,000 each occurrence and \$2,000,000 aggregate.

14.2. The policies described in subparagraph 14.1. of this paragraph shall be the standard form employed in the State of New Hampshire. Each policy shall contain a clause prohibiting cancellation or modification of the policy earlier than ten (10) days after written notice thereof has been received by the State."
  
4. The following paragraphs shall be added to the General Provisions of this agreement:  

"22.1. Records and Accounts Between the Effective Date and the date seven (7) years after the Completion Date, the Contractor shall keep detailed accounts of all expenses incurred in connection with the Services including, but not limited to, costs of administration, transportation, insurance, telephone calls and clerical materials and services. Such accounts shall be supported by receipts, invoices, bills and other similar documents."

\*22.2. Between the Effective Date and the date seven (7) years after the Completion Date, at any time during the Contractor's normal business hours and as often as the State shall demand, the Contractor shall make available to the State all records pertaining to matters covered by this agreement. The Contractor shall permit the State to audit, examine and reproduce such records and to make audits of all invoices, materials, payrolls, records of personnel, data (as that term is hereinafter defined) and other information relating to all matters covered by this agreement. As used in this paragraph, "Contractor" includes all persons, natural or fictional, affiliated with, controlled by or under common ownership with, the entity identified as the Contractor in Block 1.3 of these General Provisions.\*

\*22.3. Inspection of Work Performed: The State or an authorized representative shall, at all reasonable times, have the right to enter into Contractor's premises, or such other places where duties under the contract are being performed, to inspect, monitor or otherwise evaluate the work being performed. The Contractor and all subcontractors must provide access to all reasonable facilities and assistance for State representatives. All inspections and evaluations shall be performed in sushi manner as will not unduly delay work.\*

\*22.4. Under the provisions of the Contract, personnel benefits for the Key Personnel shall be consistent with and in accordance to any adopted personnel policies of the contractor specified in Block 1.3. Health insurance benefits shall be designated by the Contract Budget.\*

\*22.5. Third-Party Reimbursement and other sources of health services funding. The Contractor in Block 1.3 shall recover, to the maximum extent feasible, third-party revenues to which it is entitled for health services provided. Beneficiaries will not have any charges levied against them. Procedures outlined by Contractor in Block 1.3 shall identify all persons served who are eligible for third-party reimbursement, and shall be implemented at all contract sites. All income generated through third-party reimbursement shall be retained by the Contractor for the activities identified in Standard Exhibit A: Scope of Services. Records of the earnings and disposition of income must be maintained in the same manner as outlined in paragraph 22.1.\*

6. Following the approval by the Governor and Executive Council, this contract shall commence on or about July 1, 2013 and terminate on June 30, 2015, with an option for renewal by way of a 2-year extension (July 1, 2015 – June 30, 2017) subject to availability of funding and priorities, satisfactory performance of the Scope of Services by the Contractor, mutual agreement by the parties and approval of contract renewals by the Governor and Executive Council.
7. Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments, in whole or in part, under this Agreement are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability of funds affected by any state or federal legislative or executive action that reduces, eliminates, or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope of Services provided in Exhibit A, Scope of Services, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available, if ever. The State shall have the right to reduce, terminate or modify services under this Agreement immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account identified in block 1.6, or any other account, in the event funds are reduced or unavailable.

NH Department of Health and Human Services

STANDARD EXHIBIT D

CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

**ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS**

**US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS  
US DEPARTMENT OF EDUCATION - CONTRACTORS  
US DEPARTMENT OF AGRICULTURE - CONTRACTORS**

This certification is required by the regulations implementing Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.). The January 31, 1989 regulations were amended and published as Part II of the May 25, 1990 Federal Register (pages 21681-21691), and require certification by grantees (and by inference, sub-grantees and sub-contractors), prior to award, that they will maintain a drug-free workplace. Section 3017.630(c) of the regulation provides that a grantee (and by inference, sub-grantees and sub-contractors) that is a State may elect to make one certification to the Department in each federal fiscal year in lieu of certificates for each grant during the federal fiscal year covered by the certification. The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment. Contractors using this form should send it to:

Commissioner  
NH Department of Health and Human Services  
129 Pleasant Street,  
Concord, NH 03301-6505

- (A) The grantee certifies that it will or will continue to provide a drug-free workplace by:
- (a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
  - (b) Establishing an ongoing drug-free awareness program to inform employees about
    - (1) The dangers of drug abuse in the workplace;
    - (2) The grantee's policy of maintaining a drug-free workplace;
    - (3) Any available drug counseling, rehabilitation, and employee assistance programs; and
    - (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

Contractor Initials:                       
Date: 6/6/13

- (c) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
- (d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will
  - (1) Abide by the terms of the statement; and
  - (2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
- (e) Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- (f) Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph (d)(2), with respect to any employee who is so convicted
  - (1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
  - (2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
- (g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e), and (f).

(B) The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant.

Place of Performance (street address, city, county, state, zip code) (list each location)

29 Commerce Drive, Bedford, NH 03110

Check  if there are workplaces on file that are not identified here.

Southeast Regional Education Service Center From: 7/1/2013 To: 6/30/2015  
(Contractor Name) (Period Covered by this Certification)

Richard LaSalle, Executive Director  
(Name & Title of Authorized Contractor Representative)

  
(Contractor Representative Signature)

5/6/13  
(Date)

Contractor Initials:   
Date: 5/6/13

NH Department of Health and Human Services

STANDARD EXHIBIT E

CERTIFICATION REGARDING LOBBYING

The Contractor identified in Section 1.3 of the General Provisions 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, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

Programs (indicate applicable program covered):
\*Temporary Assistance to Needy Families under Title IV-A
\*Child Support Enforcement Program under Title IV-D
\*Social Services Block Grant Program under Title XX
\*Medicaid Program under Title XIX
\*Community Services Block Grant under Title VI
\*Child Care Development Block Grant under Title IV

Contract Period: 7/1/13 through 6/30/15

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).
(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-1.)
(3) The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

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 or entering into this transaction imposed by Section 1352, Title 31, 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.

[Handwritten Signature]
(Contractor Representative Signature)

Richard LaSalle, Executive Director
(Authorized Contractor Representative Name & Title)

Southeast Regional Education Service Center
(Contractor Name)

5/6/13
(Date)

Contractor Initials: RL
Date: 5/6/13

NH Department of Health and Human Services

STANDARD EXHIBIT F

CERTIFICATION REGARDING DEBARMENT, SUSPENSION  
AND OTHER RESPONSIBILITY MATTERS

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Executive Office of the President, Executive Order 12549 and 45 CFR Part 76 regarding Debarment, Suspension, and Other Responsibility Matters, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

**INSTRUCTIONS FOR CERTIFICATION**

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.
6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.

Contractor Initials: AL

Date: 5/6/13

7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, DHHS may terminate this transaction for cause or default.

**PRIMARY COVERED TRANSACTIONS**

- (1) The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
  - (a) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
  - (b) have not within a three-year period preceding this proposal (contract) been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or a contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
  - (c) are not presently indicted for otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
  - (d) have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.
- (2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal (contract).

Contractor Initials: 

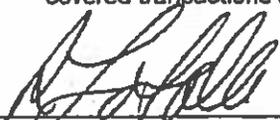
Date: 5/6/13

**LOWER TIER COVERED TRANSACTIONS**

By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:

- (a) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
- (b) where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).

The prospective lower tier participant further agrees by submitting this proposal (contract) that it will include this clause entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions," without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

 _____ (Contractor Representative Signature)	Richard LaSalle, Executive Director _____ (Authorized Contractor Representative Name & Title)
Southeast Regional Education Services Center _____ (Contractor Name)	5/6/13 _____ (Date)

Contractor Initials:   
Date: 5/16/13

NH Department of Health and Human Services

STANDARD EXHIBIT G

CERTIFICATION REGARDING  
THE AMERICANS WITH DISABILITIES ACT COMPLIANCE

The Contractor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this proposal (contract) the Contractor agrees to make reasonable efforts to comply with all applicable provisions of the Americans with Disabilities Act of 1990.

  
\_\_\_\_\_  
(Contractor Representative Signature)      Richard LaSalle, Executive Director  
(Authorized Contractor Representative Name & Title)

Southeast Regional Education Services Center, Inc.      5/6/13  
\_\_\_\_\_  
(Contractor Name)      (Date)

Contractor Initials: RL  
Date: 5/6/13

NH Department of Health and Human Services

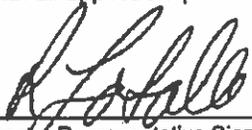
STANDARD EXHIBIT H

CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

Public Law 103-227, Part C - Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol treatment. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1000 per day and/or the imposition of an administrative compliance order on the responsible entity.

The Contractor identified in Section 1.3 of the General Provisions agrees, by signature of the Contractor's representative as identified in Section 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this contract, the Contractor agrees to make reasonable efforts to comply with all applicable provisions of Public Law 103-227, Part C, known as the Pro-Children Act of 1994.

  
\_\_\_\_\_  
(Contractor Representative Signature)

Richard LaSalle, Executive Director  
\_\_\_\_\_  
(Authorized Contractor Representative Name & Title)

Southeast Regional Education Service Center  
\_\_\_\_\_  
(Contractor Name)

5/6/13  
\_\_\_\_\_  
(Date)

Contractor Initials:   
Date: 5/6/13

## NH Department of Health and Human Services

**STANDARD EXHIBIT I**  
**HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT**  
**BUSINESS ASSOCIATE AGREEMENT**

The Contractor identified in Section 1.3 of the General Provisions of the Agreement agrees to comply with the Health Insurance Portability and Accountability Act, Public Law 104-191 and with the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160 and 164 and those parts of the HITECH Act applicable to business associates. As defined herein, "Business Associate" shall mean the Contractor and subcontractors and agents of the Contractor that receive, use or have access to protected health information under this Agreement and "Covered Entity" shall mean the State of New Hampshire, Department of Health and Human Services.

**BUSINESS ASSOCIATE AGREEMENT**

**(1) Definitions.**

- a. "Breach" shall have the same meaning as the term "Breach" in Title XXX, Subtitle D. Sec. 13400.
- b. "Business Associate" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- c. "Covered Entity" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- d. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.
- e. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR. Section 164.501.
- f. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
- g. "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act, Title XIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.
- h. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164.
- i. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
- j. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.

- k. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity.
- l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.501.
- m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreasonable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

(2) Use and Disclosure of Protected Health Information.

- a. Business Associate shall not use, disclose, maintain or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement. Further, the Business Associate shall not, and shall ensure that its directors, officers, employees and agents, do not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
- b. Business Associate may use or disclose PHI:
  - I. For the proper management and administration of the Business Associate;
  - II. As required by law, pursuant to the terms set forth in paragraph d. below; or
  - III. For data aggregation purposes for the health care operations of Covered Entity.
- c. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to notify Business Associate, in accordance with the HITECH Act, Subtitle D, Part 1, Sec. 13402 of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.
- d. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.

- e. If the Covered Entity notifies the Business Associate that Covered Entity has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Business Associate shall be bound by such additional restrictions and shall not disclose PHI in violation of such additional restrictions and shall abide by any additional security safeguards.

(3) Obligations and Activities of Business Associate.

- a. Business Associate shall report to the designated Privacy Officer of Covered Entity, in writing, any use or disclosure of PHI in violation of the Agreement, including any security incident involving Covered Entity data, in accordance with the HITECH Act, Subtitle D, Part 1, Sec. 13402.
- b. The Business Associate shall comply with all sections of the Privacy and Security Rule as set forth in, the HITECH Act, Subtitle D, Part 1, Sec. 13401 and Sec.13404.
- c. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
- d. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section (3)b and (3)k herein. The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard provision #13 of this Agreement for the purpose of use and disclosure of protected health information.
- e. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
- f. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
- g. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.

- h. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
- i. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
- j. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
- k. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

**(4) Obligations of Covered Entity**

- a. Covered Entity shall notify Business Associate of any changes or limitation(s) in its Notice of Privacy Practices provided to individuals in accordance with 45 CFR Section 164.520, to the extent that such change or limitation may affect Business Associate's use or disclosure of PHI.
- b. Covered Entity shall promptly notify Business Associate of any changes in, or revocation of permission provided to Covered Entity by individuals whose PHI may be used or disclosed by Business Associate under this Agreement, pursuant to 45 CFR Section 164.506 or 45 CFR Section 164.508.
- c. Covered entity shall promptly notify Business Associate of any restrictions on the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

(5) Termination for Cause

In addition to standard provision #10 of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit I. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(6) Miscellaneous

- a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, and the HITECH Act as amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule and the HITECH Act.
- e. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.
- f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section 3 k, the defense and indemnification provisions of section 3 d and standard contract provision #13, shall survive the termination of the Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Exhibit I.

Division of Community-Based Care Services  
Bureau of Dev. Services, Special Medical Services  
The State Agency Name

Southeastern Regional Education  
Service Center, Inc.  
Name of the Contractor

Nancy L. Rollins  
Signature of Authorized Representative

R. LaSalle  
Signature of Authorized Representative

Nancy L. Rollins  
Name of Authorized Representative

Richard LaSalle  
Name of Authorized Representative

Associate Commissioner  
Title of Authorized Representative

Executive Director  
Title of Authorized Representative

31 May 2013  
Date

Date

CERTIFICATE OF VOTE

1. Timothy Mayes, do hereby certify that:  
(Name of Clerk of Corporation)

1. I am duly elected Clerk of Southeastern Regional Education Service Center, Inc. (SERESC) (the "Corporation").
2. The following are true copies of two resolutions duly adopted at a meeting of the Board of Directors of the Corporation duly held on August 20, 2012

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

RESOLVED: That the Executive Director (President) (Vice-President) (Treasurer) hereby is authorized on behalf of this Corporation to enter into the said contract with the State and to execute any and all documents, agreements and other instruments, and any amendments, revisions or modifications thereto, as she/he may deem necessary, desirable or appropriate.

3. The foregoing resolutions have not been amended or revoked and remain in full force and effect as of May 1, 2013 (Date of Notarization Below is date to be used above)

4. Richard LaSalle, Executive Director (Is or are) the duly (President) (Vice-President) (Treasurer) elected of the Corporation.

(Seal)

Timothy K. Mayes  
(Signature of Clerk of the Corporation)

STATE OF NEW HAMPSHIRE  
COUNTY OF Hillsborough

The foregoing statement was acknowledged before me this first day of MAY, ~~19~~ 2013 by

Mary Cody  
(Name)

(Seal)

(TITLE: Notary Public/Justice of Peace)

My commission expires: \_\_\_\_\_

MARY L. CODY, Notary Public  
My Commission Expires February 2, 2016