

# PROFESSIONAL SERVICE AGREEMENT

Between

**NEW HAMPSHIRE COMMISSION TO STUDY SCHOOL FUNDING**

**CARSEY SCHOOL OF PUBLIC POLICY**

and

**AMERICAN INSTITUTES FOR RESEARCH**

**AGREEMENT IS HEREBY MADE** between **CLIENT** and **CONTRACTOR** set forth below according to the following terms, conditions and provisions:

1. **IDENTITY OF CLIENT**

Name: New Hampshire Commission to Study School Funding  
Address/City/State/Zip: 107 North Main Street  
Concord, NH 03301  
Contact Person: Dave Luneau  
Telephone Number: 603-661-0990  
Email Address: [SchoolFunding.Commission@unh.edu](mailto:SchoolFunding.Commission@unh.edu)

2. **IDENTITY OF CLIENT'S AGENT:**

Name: Carsey School of Public Policy  
University of New Hampshire  
Address/City/State/Zip: Huddleston Hall, 73 Main St  
Durham, NH 03824  
Contact Person: Bruce Mallory  
Telephone Number: 603-862-2821  
Email Address: [SchoolFunding.Commission@unh.edu](mailto:SchoolFunding.Commission@unh.edu)

3. **IDENTITY OF CONTRACTOR:**

Name: **American Institutes for Research**  
Address/City/State/Zip: 1000 Thomas Jefferson Street, NW  
Washington, DC 20007  
Contact Person: Joseph Wagner, Jr., VP, Contracts & Procurement  
Telephone Number: 202-403-5292  
Email Address: [AIRCGO@air.org](mailto:AIRCGO@air.org)

4. **SERVICE TO BE PERFORMED.** CLIENT desires and CONTRACTOR agrees to perform services defined in the Statement of Work incorporated herein and made part of this Agreement as Attachment A. CONTRACTOR has been selected to participate in this Project at CLIENT's discretion.

5. **TERMS OF PAYMENT/FINANCIAL PROVISIONS.** This is a Firm Fixed Price and Time and Materials Agreement for a total amount of \$159,963.36 whereby CONTRACTOR will be paid by CLIENT for the procurement of services based on the payment schedule set forth in Attachment B.

Performance Period: May 12, 2020 to Dec 31, 2020

Payment terms will be net 30 days from date of invoice. In the event CLIENT does not remit payment to CONTRACTOR by the due date, CONTRACTOR reserves the right, in its sole discretion, to charge interest at the then current interest rate as published in the Wall Street Journal, and to suspend its work efforts until payment is received. For Fixed Price work the Contractor shall be paid based on the payment schedule set forth in Attachment B. For Time & Materials tasks orders CONTRACTOR shall be paid for the Services provided, and CLIENT shall pay for such Labor and Material (a) for Labor at the Billing Rates listed in Attachment B below multiplied by the number of hours performed, and (b) for Materials, including travel expenses, based on actual costs plus 28% for material handling costs. CLIENT will be billed (a) upon completion of the services if completed in less than one month or (b) on a monthly basis for work performed prior to the billing date, whichever is applicable.

Invoices shall be submitted to the CLIENT'S AGENT:

Bruce Mallory  
[Bruce.Mallory@unh.edu](mailto:Bruce.Mallory@unh.edu)  
Huddleston Hall, 73 Main Street  
Durham, NH 03824

To ensure security of client payments and increase timeliness of deposits, AIR's preferred method of payment is direct electronic deposit via EFT/ACH. AIR's general accounting staff at [GeneralAccountingTeam@air.org](mailto:GeneralAccountingTeam@air.org) are responsible for receipt of client payments. They will complete client forms required for direct deposit payments via EFT/ACH and send them directly to the client's designated payments office via secure transmission.

In the unlikely event payment by electronic means is not possible, payments by check may be mailed to AIR's lockbox at the following address:

American Institutes for Research  
P.O. Box 28126  
New York, NY 10087-8126

6. **REIMBURSEMENT OF EXPENSES.** CLIENT shall not be liable for any additional expenses paid or incurred by CONTRACTOR in excess of amount in Section 4 of this Agreement unless otherwise agreed in writing.
7. **ADVERTISING.** CONTRACTOR agrees that the name of CLIENT, its trustees, officers, agents and employees will not be used for the purposes of advertising. CONTRACTOR and CLIENT will obtain written approval from each other prior to issuing any press release or other publicity in connection with this Agreement.
8. **NON-SOLICITATION.** Neither party shall knowingly solicit, recruit, hire or otherwise employ or retain any employee of the other, performing hereunder, during the Term of this Agreement and for one (1) year following the termination or expiration of this Agreement without the prior written consent of the other party. This paragraph shall not restrict in any way the right of either party to

solicit or recruit generally in the media, and shall not prohibit either party from hiring an employee of the other who answers any advertisement or who otherwise voluntarily applies for hire without having been personally solicited or recruited by the hiring party.

9. **INDEMNIFICATION.** The CONTRACTOR shall hold harmless and indemnify the CLIENT against any third party losses, damages or injuries arising from the CONTRACTOR'S negligence, gross negligence, intentional malfeasance related to or arising out of this engagement, or non-performance of the work. The CLIENT shall indemnify the CONTRACTOR against any third party claims arising from the CLIENT'S actions or failures to act.
10. **NON-WAIVER.** The failure of either party to exercise any of its rights under this Agreement for a breach thereof shall not be deemed to be a waiver of such rights or a waiver of any subsequent breach.
11. **DECLARATION BY CONTRACTOR.** CONTRACTOR declares that CONTRACTOR has complied with all Federal, State and Local laws regarding business permits, certificates and licenses that may be required to carry out the work to be performed under this Agreement.
12. **HOW NOTICES SHALL BE GIVEN.** Any notice given in connection with this Agreement shall be given in writing and shall be delivered either by hand to the party or by certified mail, return receipt requested, to the party at the party's address stated herein. Any party may change its address stated herein by giving notice of the change in accordance with this paragraph.
13. **OWNERSHIP.** CLIENT agrees that CONTRACTOR is and will be the owner of any and all reports, evaluations, deliverables and other works of authorship that CONTRACTOR creates in connection with the Services under this Agreement and that all rights (copyrights) thereto shall be owned by CONTRACTOR. CONTRACTOR shall grant CLIENT a perpetual, irrevocable, non-transferable, non-exclusive license to use the work produced in conjunction with the services provided under this Agreement, including the right to publish the work on CLIENT's website (with appropriate attribution of CONTRACTOR authorship provided). Those works which CONTRACTOR licenses to CLIENT shall *not* include any works created by CONTRACTOR prior to and unrelated to the services performed under this Agreement. If CONTRACTOR creates derivative works for CLIENT based upon such prior or unrelated works, only the newly-created derivative work shall be licensed to CLIENT to the exclusion of prior or unrelated work from which the work done for CLIENT was derived. For pre-existing material, CONTRACTOR grants CLIENT a limited perpetual, irrevocable, non-transferable, non-exclusive license to the CLIENT for use and operation of the work produced under this Agreement.
14. **RIGHT TO PUBLICIZE.** CONTRACTOR is encouraged to publish and otherwise disclose the results of its work under this Agreement. CONTRACTOR will provide CLIENT with an advanced copy of any substantial communication that publicizes the work funded thereby. CLIENT reserves the right to review and approve the use of its name in the context of such communication. CONTRACTOR shall provide CLIENT with five business days or a mutually agreed upon period to complete its review of such communication. No response will be deemed CLIENT approval.
15. **CONFIDENTIALITY.** During and after the term of this Agreement, the CONTRACTOR will maintain as confidential all information obtained under or in connection with this Agreement regarding CLIENT and will not divulge such information to any person (except to their own employees or subcontractors and then only to those employees or subcontractors who need to know same) without CLIENT's prior written consent, except as may be required by law, regulation or court order.

The obligations in the immediately preceding paragraph do not extend to information which was known to CONTRACTOR prior to CONTRACTOR's receipt of or access to that information under this Agreement, which was or becomes a matter of public information or publicly available through no act or failure on the part of CONTRACTOR, acquired from a third Party entitled to disclose the information without obligation of confidentiality or is developed independently and without use of CLIENT's confidential information.

16. **DATA SHARING.** Any information and/or data provided by the CLIENT and used by CONTRACTOR directly or indirectly in the performance of this Agreement shall remain at all times the property of the CLIENT. It shall be identified, clearly marked and recorded as such by CONTRACTOR on all media and in all documentation. CONTRACTOR shall take all reasonable precautions to preserve the integrity and prevent any corruption or loss, damage or destruction of the CLIENT's data and information. All personal data acquired by CONTRACTOR from the CLIENT shall only be used for the purposes of this Agreement and shall not be further processed or disclosed without the consent of the CLIENT.
17. **MEDIATION.** Any controversy or claim arising out of or relating to this contract which cannot be resolved by discussion between the parties within 14 days shall be submitted to mediation, with a mediator acceptable to both parties. In the event mediation does not successfully resolve the controversy or claim within 90 days of submission to a mediator, each Party shall be free to pursue its legal rights and remedies.
18. **GOVERNING LAW.** This Agreement is governed by the laws of the State of New Hampshire.
19. **TERMINATION.** The CLIENT may terminate this Agreement at any time by giving fourteen (14) days written notice to the other. In addition, either party may terminate this Agreement for cause. Reasonable cause shall include, among others: (1) material violation of this Agreement, and (2) any act exposing the other party to liability to others for personal injury or property damage. Such a termination will be effective five (5) days after delivery of a written notice to that effect. CONTRACTOR shall be entitled to bill CLIENT for, and CLIENT shall be obligated to pay for all allowable actual costs up to the time of termination, all costs associated with non-cancellable commitments to 3rd parties (but not yet incurred), and reasonable costs incurred after the termination notice date associated with project closeout.
20. **SEVERABILITY.** Each provision of this Agreement will be considered separable. If for any reason any provision or provisions hereof are determined to be invalid or contrary to applicable law, such invalidity will not impair the operation of or affect the remaining provision of this Agreement.
21. **ENTIRE AGREEMENT.** This Agreement constitutes the complete understanding of the parties supersedes any other prior agreements.
22. **AMENDMENTS.** This Agreement may be supplemented, amended or revised only in writing upon agreement by both parties.

**SIGNATURE OF AUTHORIZED OFFICER:**

**NEW HAMPSHIRE COMMISSION TO STUDY SCHOOL FUNDING**

\_\_\_\_\_  
Dave Luneau, Chair, Commission to Study School Funding

\_\_\_\_\_  
Date

**AMERICAN INSTITUTES FOR RESEARCH**

\_\_\_\_\_  
Joseph Wagner, Jr., VP, Contracts & Procurement

\_\_\_\_\_  
Date

## Attachment A

### SCOPE OF WORK

#### Scope of Work

The Contractor shall provide the following deliverables:

##### **Deliverable 1: Identifying and Collecting Data**

The study team will begin this task by developing a Request for Data (RFD) that includes all the desired data elements for applying thorough and rigorous methods to analyze disparities in educational access and outcomes, and for assessing the cost of providing an adequate education. We will then work with individuals from the Commission, the Carsey School of Public Policy, and other state agencies to which the study liaisons at Carsey direct us to collect the requested data. In addition, the study team will identify and collect extant data sources from outside of New Hampshire that will be useful in the planned analyses. Using these data, we will develop a deliverable consisting of a district-level panel data set (and possibly school-level panel, depending on data availability) that will be used for various analyses examining issues of equity and adequacy.

*Timeline: May 12 – June 12*

##### **Deliverable 2: Identifying Appropriate Methods for Evaluating Educational Opportunities and Outcomes**

The study team will first perform a comprehensive scan of school finance systems used by states, with an emphasis on elements that address disparities in educational opportunities and outcomes. For a selection of peer states deemed similar to New Hampshire, the study team will also detail the key functional areas of educational service provision that are covered by the general school funding formula versus those functions supported outside of the formula by other funding mechanisms. Our review will point out the similarities in finance system structure between New Hampshire and other states. In addition, we will provide a more detailed analysis of specific states that have previously evaluated disparities and either have passed reforms or are in the process of doing so (e.g., Kansas and Vermont).

The work conducted under this deliverable will include a series of introductory briefs that cover topics including education cost estimation, the evaluation of educational equity, defining adequacy outcome goals and standards, and applying cost function models. The study team will make themselves available to assist the client in their review of these briefs both for clarification purposes and to provide input on the Commission's task to develop a definition of educational adequacy. In providing input to the client on defining educational adequacy, the study team will consider both the definitions used in other states and relevant documentation specific to New Hampshire including materials from State statute and previous judicial rulings (e.g., from the Claremont cases).

This will culminate in a description of the specific methods that will be used to both measure existing disparities in educational opportunities and outcomes, as well as develop recommendations on how these can be remedied. As mentioned above, as part of this deliverable the study team will also provide input to the Commission in their development of a formal definition of educational adequacy, as well as formulate a functional definition for use in the quantitative cost-function modelling analysis.

This deliverable will consist of multiple briefs that provide background on subsequent methods that will be used to analyze disparities in educational opportunities and outcomes across New Hampshire.

*Timeline:*

Brief on state scan of school finance systems: May 12 – June 30

Other briefs (addressing education cost estimation, the evaluation of educational equity, defining adequacy outcome goals and standards, applying cost function models, and analysis of funding evaluations and policy development in specific states: May 12 – June 19

### **Deliverable 3: Applying Methodologies and Recommending Remedies for Disparities in Educational Opportunities and Outcomes**

This deliverable will involve applying the methods laid out in Deliverable 2 in a series of analyses as follows:

- Risk analysis – Examine the relationships between various student needs with outcomes. This analysis will enable us to examine which student need variables are most strongly indicative of lower student outcomes and, therefore, where disparities in outcomes across different groups of students are most evident across the state.
- Equity analysis – Examine the equity of resource distribution across districts to identify whether districts with higher incidences of need or disadvantage receive more (or less) funding per pupil compared with districts with lower incidences of need.
- Comparison of equity across states – Examine the progressiveness of school funding across districts with respect to poverty using national data to enable the comparison of equity in New Hampshire with other policy-relevant states.
- Cost-function modeling – Estimate cost-function models that will help identify how funding should be distributed to provide all students an equal opportunity to achieve a specified level of outcome. The cost functions will draw upon the functional definition of adequacy determined in Deliverable 2 We will estimate a New Hampshire-specific cost-function model and a regional cost-function model estimated across several states in the Northeast region, based on the National Education Cost Model (NECM) developed by Bruce Baker.

We will use the results from these analyses to develop recommendations for how the state’s mechanism for distributing funding to school districts could be improved in terms of generating more equitable and adequate resources across districts that provide all students an equal opportunity to achieve succeed educationally.

This deliverable will consist of a written presentation of findings from each of the analyses described.

*Timeline: June 12 – July 10*

### **Deliverable 4: Modeling Recommended Options**

For this deliverable, we will perform simulations to show how implementation of the recommendations resulting from Deliverable 3 would play out with respect to the distribution of funding across districts within the state using simulations. In addition, we will show how this funding could be supported under different scenarios of revenue generation. This deliverable will consist of an Excel workbook that will show how funding distributions across districts would change under the recommendations and also how expected tax burdens would need to change in order to support the recommended funding scenario. Specifically, the simulator will allow users to

change certain parameters to understand how funding and tax burden changes under differing assumptions.

*Timeline: July 10 – July 24*

**Deliverable 5: Final Report and Additional Consulting**

For the final deliverable, the study team will provide a final report that synthesizes the results of the prior deliverables. Specifically, we will display the results from our analyses undertaken under Deliverable 2, including a recap of the review of available data, analytical methods and policies used, and final data methods used for the risk, equity, and cost-function analyses. In addition, we will present the district-level funding level recommendations formed under Deliverable 3, as well as the results of the simulations and revenue scenarios that take into account these recommendations conducted under Deliverable 4.

Per the stated scope of work in the RFP, the study team will make itself available for a limited time to engage in follow-up discussions as needed after delivery of the final report. During this period, we will be able to answer any questions the client might have about the analyses, our recommendations, and dissemination strategies.

*Timeline*

*Draft report: July 17 – August 7*

*Final report: August 8 – September 1*

*Additional Consulting: September 2–December 31*

**Deliverable Format and Timing**

All materials/reports will be submitted electronically in MS compatible or PDF format to Bruce Mallory of the Carsey School of Public Policy. The Commission on School Funding and the Carsey School of Public Policy will review the materials/reports within 3 business days and provide comments. AIR will revise materials/reports to reflect the comments provided and pending no further analysis will submit final materials/reports to Bruce Mallory within 5 business days of receiving comments. In no event shall the review period exceed two weeks per deliverable. Payment for deliverables shall not be made until acceptance has been provided. No comments or response after 14 business days shall constitute acceptance.

**Delivery Schedule**

The delivery schedule is provided in the table below.

<b>Deliverable</b>	<b>Timeline</b>
<b>Deliverable 1: Identifying and Collecting Data</b>	May 12 – June 12
<b>Deliverable 2: Identifying Appropriate Methods for Evaluating Educational Opportunities and Outcomes</b>	May 12 – June 19
<b>Deliverable 3: Applying Methodologies and Recommending Remedies for</b>	June 12 – July 10



<b>Disparities in Educational Opportunities and Outcomes</b>	
<b>Deliverable 4: Modeling Recommended Options</b>	July 10 – July 24
<b>Deliverable 5: Final Report and Additional Consulting</b>	<b>Draft report:</b> July 17 – August 7 <b>Final report:</b> August 8 – September 1 <b>Additional Consulting:</b> September 2–December 31

**Attachment B  
PRICING AND PAYMENT SCHEDULE**

FFP Payment Schedule for the Period May 12, 2020 to Sept 1, 2020

<b>Deliverable</b>	<b>Proposed Payment Date</b>	<b>Amount</b>
1: Identifying Appropriate Data for Evaluating Educational Opportunities and Outcomes	5/15/2020	\$8,354
2: Identifying Appropriate Methods for Evaluating Educational Opportunities and Outcomes	5/15/2020	\$22,069
3: Applying Methodologies and Recommending Remedies for Disparities In Educational Opportunities and Outcomes	6/15/2020	\$57,189
4: Modeling Recommended Options	7/15/2020	\$28,877
5: Draft and Final Report	8/15/2020	\$34,392
<b>Total for All Deliverables</b>		<b>\$150,881</b>

Not to Exceed For Additional Consulting Services for the Period Sept 1, 2020 to Dec 31, 2020

<b>Time</b>				
<b>Staff</b>	<b>Labor Category</b>	<b>Hourly Rate</b>	<b>Hours</b>	<b>Total Cost</b>
Jesse Levin	Principal Researcher	\$ 229.45	16	\$ 3,671.20
Drew Atchison	Project Director/State Cost Function Model Lead	\$ 138.35	16	\$ 2,213.60
Caitlin Kearns	Quantitative Analyst	\$ 77.41	16	\$ 1,238.56
<b>Total Time</b>			<b>48</b>	<b>\$ 7,123.36</b>
<b>Materials</b>				<b>Total Cost</b>
Communications				\$ 61.00
Consultants				\$ 1,898.00
<b>Total Materials</b>				<b>\$ 1,959.00</b>
<b>Total Time and Materials (T&amp;M) NTE</b>				<b>\$ 9,082.36</b>

As-Needed Consulting Rates for the Period Jan 1, 2021 to Mar 31, 2021

Study Team Member	Labor Category	Hourly Rate
Jesse Levin	Principal Researcher	\$229.45
Drew Atchison	Project Director/State Cost Function Model Lead	\$138.35
Bruce Baker	National/Regional Cost Function Model Lead	\$316.40
Tammy Kolbe	Comparative Funding Systems Analysis Lead	\$237.30
Caitlin Kearns	Quantitative Analyst	\$77.41