Section I: Technical Proposal Title Page

Part IA – Technical Proposal	
RFP Title:	Nevada School Funding Consultant
RFP:	3489
Vendor Name:	Augenblick, Palaich and Associates, Inc.
Address:	1547 Gaylord St. Denver, CO 80206
Opening Date:	October 10, 2017
Opening Time:	2:00 PM

Section II: Table of Contents

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Section III: Vendor Information Sheet

VENDOR INFORMATION SHEET FOR RFP 3489

Vendor Shall:

A) Provide all requested information in the space provided next to each numbered question. The information provided in Sections V1 through V6 shall be used for development of the contract;

B) Type or print responses; and

C) Include this Vendor Information Sheet in Section III of the Technical Proposal.

V1	Company Name	Augenblick, Palaich and Associates, Inc.

V2	Street Address	1547 Gaylord St.

V3	City, State, ZIP	Denver, CO 80206

V4	Telephone Number		
	Area Code: 303	Number: 293-2175	Extension: n/a

V5	Facsimile Number		
	Area Code: n/a	Number: n/a	Extension: n/a

V6	Toll Free Number		
	Area Code: n/a	Number: n/a	Extension: n/a

V7	***Contact Person for Questions / Contract Negotiations, including address if different than above***
	Name: Justin Silverstein
	Title: CEO
	Address: same as above
	Email Address: jrs@apaconsulting.net

V8	Telephone Number for Contact Person		
	Area Code: 720	Number: 227-0075	Extension:

V9	Facsimile Number for Contact Person		
	Area Code: n/a	Number: n/a	Extension: n/a

V10	***Name of Individual Authorized to Bind the Organization***	
	Name: Justin Silverstein	Title: CEO

V11	Signature ***(Individual shall be legally authorized to bind the vendor per NRS 333.337)***	
	Signature: [signature]	Date: 9/26/17

Section IV: State Documents

A. Amendment Signature Page

B. Attachment A, Confidentiality and Certification of Indemnification

C. Attachment B, Vendor Certifications

D. Vendor Licensing Agreements
No vendor licensing agreements, nor hardware and software licensing agreements.

E. Applicable Certifications and/or Licenses
No applicable certifications and/or licenses.

State of Nevada
Department Administration
Purchasing Division
515 E. Musser Street, Suite 300
Carson City, NV 89701

Brian Sandoval
Governor

Jeffrey Haag
Administrator

SUBJECT:	Amendment 1to Request for Proposal 3489
RFP TITLE:	**NEVADA SCHOOL FUNDING CONSULTANT**
DATE OF AMENDMENT:	September 21, 2017
DATE OF RFP RELEASE:	September 5, 2017
OPENING DATE:	~~September 29, 2017~~ October 10, 2017
OPENING TIME:	2:00 PM
CONTACT:	Gail Burchett, Purchasing Officer II

The following shall be a part of RFP ***3489.*** If a vendor has already returned a proposal and any of the information provided below changes that proposal, please submit the changes along with this amendment. You need not re-submit an entire proposal prior to the opening date and time.

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1. On page 13, section 8.2.2.4 section A asks for "A. The signature page from all amendments signed by an individual authorized to bind the organization". I don't see where there would be amendments to the proposal. Could this be signature pages from sub-contractors?

   The amendment referred to is this questions and answers document. You will need to submit the signature page below as part of your proposal.

2. The Scope of Work, section 2.1.5, mentions "gifted and talented pupils," as defined in NRS 388.5231. Yet, NRS 388.5231 is about the transportation of person with disability. Is the use of NRS 388.5231 correct?

   The definition of "gifted and talented pupils" is found in NRS 388.5251.

   NRS 388.5251 Definitions. As used in NRS 388.5251 to 388.5267, inclusive, "gifted and talented pupil" means a person under the age of 18 years who demonstrates such outstanding academic skills or aptitudes that the person cannot progress effectively in a regular school program and therefore needs special instruction or special services.
   [280:32:1956] — (NRS A 1969, 444; 1973, 1427, 1579, 1846; 1989, 691; 1993, 2159; 1999, 3241; 2007, 2919; 2009, 754; 2011, 800, 2705, 2715; 2013, 743) — (Substituted in revision for part of NRS 388.440)

3. Can you please confirm the submission date for the Reference Questionnaire.

   All reference questionnaires should be submitted no later than September 28, 2017 @ 4:30 PM.

4. Section 2.1: The "Scope of Work" outlined in Request for Proposal: 3489 references both a report entitled "Study of a New Method of Funding for Public Schools in Nevada" and Legislative Counsel Bureau (LCB) Bulletin No. 15-5, "Interim Study Report of the Task Force on K-12 Public Education Funding." Does the Legislative Committee on Education expect the consultant to provide a comprehensive "costing-out" study of the calculations determined in those reports? Should the deliverable related to task 2.1.1 be similar to the review of the "Study of a New Method of Funding for Public Schools in Nevada" that appears in LCB Bulletin 15-5? Is the deliverable for task 2.1.2 to recalculate all the figures in the report and bulletin? Or, is the deliverable to consider the information provided therein with perspective focusing on the determination and implementation of the costs associated with different student populations?

   Does the Legislative Committee on Education expect the consultant to provide a comprehensive "costing-out" study of the calculations determined in those reports?

   A traditional "costing-out" study is beyond the funded scope of this RFP. That said, Nevada implemented a number of programs funding specific services for English language learners and schools serving high concentrations of poverty (Zoom and Victory, respectively). Therefore, there exists data and information regarding the cost and efficacy of services which should be included in any comprehensive review of Nevada school funding.

   Should the deliverable related to task 2.1.1 be similar to the review of the "Study of a New Method of Funding for Public Schools in Nevada" that appears in LCB Bulletin 15-5?

   The preliminary report required on or before August 1, 2018 may be similar to LCB Bulletin 15-5 or other format deemed appropriate by the contractor.

   Is the deliverable for task 2.1.2 to recalculate all the figures in the report and bulletin? Or, is the deliverable to consider the information provided therein with perspective focusing on the determination and implementation of the costs associated with different student populations?

   Nevada has been working to modernize the funding formula through the implementation of student "weights". The successful contractor will review the work from 2012 to the present and be required to bring recommendations informed by the progress made since the publication of LCB Bulletin 15-5 and the national literature.

5. The opening date of this proposal (deadline) has been extended to October 10, 2017 @ 2:00 PM.

ALL ELSE REMAINS THE SAME FOR RFP 3489.

Vendor must sign and return this amendment with proposal submitted.

Vendor Name: Augenblick, Palaich and Associates

Authorized Signature: [signature]

Title: co-CEO Date: 10/9/17

This document must be submitted in the "State Documents" section of vendors' technical proposal.

ATTACHMENT A – CONFIDENTIALITY AND CERTIFICATION OF INDEMNIFICATION

Submitted proposals, which are marked "confidential" in their entirety, or those in which a significant portion of the submitted proposal is marked "confidential" **shall not** be accepted by the State of Nevada. Pursuant to NRS 333.333, only specific parts of the proposal may be labeled a "trade secret" as defined in NRS 600A.030(5). All proposals are confidential until the contract is awarded; at which time, both successful and unsuccessful vendors' technical and cost proposals become public information.

In accordance with the submittal instructions of this RFP, vendors are requested to submit confidential information in separate files marked "**Part IB Confidential Technical**" and "**Part III Confidential Financial**".

The State shall not be responsible for any information contained within the proposal. If vendors do not comply with the labeling and packing requirements, proposals shall be released as submitted. In the event a governing board acts as the final authority, there may be public discussion regarding the submitted proposals that shall be in an open meeting format, the proposals shall remain confidential.

By signing below, I understand it is my responsibility as the vendor to act in protection of the labeled information and agree to defend and indemnify the State of Nevada for honoring such designation. I duly realize failure to so act shall constitute a complete waiver and all submitted information shall become public information; additionally, failure to label any information that is released by the State shall constitute a complete waiver of any and all claims for damages caused by the release of the information.

This proposal contains Confidential Information, Trade Secrets and/or Proprietary information.

Please initial the appropriate response in the boxes below and provide the justification for confidential status.

Part IB – Confidential Technical Information			
YES		NO	X
Justification for Confidential Status			

Part III – Confidential Financial Information			
YES		NO	X
Justification for Confidential Status			

Augenblick, Palaich and Associates
Company Name

Justin Silverstein
Signature

Justin Silverstein
Print Name

10/9/17
Date

This document shall be submitted in Section IV of vendor's technical proposal

ATTACHMENT B – VENDOR CERTIFICATIONS

Vendor agrees and shall comply with the following:

(1) Any and all prices that may be charged under the terms of the contract do not and shall not violate any existing federal, State or municipal laws or regulations concerning discrimination and/or price fixing. The vendor agrees to indemnify, exonerate and hold the State harmless from liability for any such violation now and throughout the term of the contract.

(2) All proposed capabilities can be demonstrated by the vendor.

(3) The price(s) and amount of this proposal have been arrived at independently and without consultation, communication, agreement or disclosure with or to any other contractor, vendor or potential vendor.

(4) All proposal terms, including prices, shall remain in effect for a minimum of 180 days after the proposal due date. In the case of the awarded vendor, all proposal terms, including prices, shall remain in effect throughout the contract negotiation process.

(5) No attempt has been made at any time to induce any firm or person to refrain from proposing or to submit a proposal higher than this proposal, or to submit any intentionally high or noncompetitive proposal. All proposals shall be made in good faith and without collusion.

(6) All conditions and provisions of this RFP are deemed to be accepted by the vendor and incorporated by reference in the proposal, except such conditions and provisions that the vendor expressly excludes in the proposal. Any exclusion shall be in writing and included in the proposal at the time of submission.

(7) Each vendor shall disclose any existing or potential conflict of interest relative to the performance of the contractual services resulting from this RFP. Any such relationship that might be perceived or represented as a conflict shall be disclosed. By submitting a proposal in response to this RFP, vendors affirm that they have not given, nor intend to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant or any employee or representative of same, in connection with this procurement. Any attempt to intentionally or unintentionally conceal or obfuscate a conflict of interest shall automatically result in the disqualification of a vendor's proposal. An award shall not be made where a conflict of interest exists. The State shall determine whether a conflict of interest exists and whether it may reflect negatively on the State's selection of a vendor. The State reserves the right to disqualify any vendor on the grounds of actual or apparent conflict of interest.

(8) All employees assigned to the project are authorized to work in this country.

(9) The company has a written equal opportunity policy that does not discriminate in employment practices with regard to race, color, national origin, physical condition, creed, religion, age, sex, marital status, sexual orientation, developmental disability or handicap.

(10) The company has a written policy regarding compliance for maintaining a drug-free workplace.

(11) Vendor understands and acknowledges that the representations within their proposal are material and important, and shall be relied on by the State in evaluation of the proposal. Any vendor misrepresentations shall be treated as fraudulent concealment from the State of the true facts relating to the proposal.

(12) Vendor shall certify that any and all subcontractors comply with Sections 7, 8, 9, and 10, above.

(13) The proposal shall be signed by the individual(s) legally authorized to bind the vendor per NRS 333.337.

Augenblick, Palaich and Associates
Vendor Company Name

Vendor Signature

Justin Silverstein
Print Name

10/9/17
Date

This document shall be submitted in Section IV of vendor's technical proposal

Section V: Scope of Work

Introduction

Augenblick, Palaich and Associates (APA) is pleased to offer this response to Nevada's RFP 3489, "Nevada School Funding Consultant." APA will be partnering with Picus, Odden & Associates (POA) and the Education Commission of the States (ECS) on this project. Information on all three organizations can be found in Section VI of the response. The three organizations bring decades of school finance expertise to the project. The project team includes Justin Silverstein, Dr. Mark Fermanich, and Amanda Brown from APA; Dr. Allan Odden and Dr. Lawrence Picus from POA; and Mike Griffith from ECS. All six team members are nationally recognized in the education finance field and together bring well over 100 years of combined experience evaluating and creating school finance formulas for states.

The study team's approach will follow the requirements of the RFP with a focus on a) updating information from the previous 2012 American Institutes for Research (AIR) study, b) examining the use of student weights in the context of the needs of Nevada students, and c) conducting Nevada stakeholder engagement. The work will begin with a rigorous review of the previous study, identifying the information in the AIR study that requires updating and the information has likely not changed. It will also identify the areas in the AIR analysis that should be expanded or improved. The information on the 50 states' school finance formulas will be updated using a broader approach than what was used in the previous study.

The study team's analysis will examine the various approaches used across the country to fund at-risk, English language learner (ELL), gifted and talented, and special education students. This includes looking at the practices used in all 50 states and at the research on these students. A special emphasis will be paid to how at-risk students are identified across the country, as new approaches are being developed to identify the number of at-risk students in response to changes in federal policy. A similar analysis will done for the identification of gifted and talented students.

In addition to examining the various ways states count and fund special needs populations, the study team will study the actual level of funding needed in Nevada for these students. Many states use weighted approaches for funding special needs populations, as is mentioned in the RFP. Though weights may be similar in different states, the base funding per pupil that these weights are applied against determines the amount of resources available for a student in each of the special needs categories. A state with lower weights and a high base funding level may actually provide more resources for special needs than a state with higher weights but a lower base amount. The study team will use well established research approaches to determine the weights needed in Nevada in relationship to its base cost.

The study team understands that the state does not feel there are adequate resources to do costing out work as part of this proposal. This response incorporates targeted costing out to ensure that the results of this study are Nevada specific. All costing out work is focused on the main objectives of the RFP including special education, at-risk, ELL, and gifted students.

The study team will present both the research related to updating the previous study and the Nevada specific research to stakeholders across the state. These stakeholders will include educators, education membership organizations, parents, community members, business leaders, and state policy makers. These stakeholders will have an opportunity to reflect on the information generated from all parts of the study prior to the study team making its recommendations to the state.

The study team looks forward to working with the Department of Education (Department) to further refine the scope of work to best fit its needs. The study team will work closely with the Department to ensure all tasks are completed in a timely manner and that the necessary information is provided to the Legislative Committee on Education.

Study Approach

2.1.1 Conduct a review of the report entitled "Study of a New Method of Funding for Public Schools in Nevada," published by the American Institutes for Research on September 22, 2012, Attachment I and LCB Bulletin No. 15-5, "Interim Study Report of the Task Force on K-12 Public Education Funding," Attachment H**.**

The study team will undertake an in-depth review of the 2012 report.

- ***For Chapter 1, the study team will review Nevada's current funding system to identify any changes to the funding system made since AIR's analysis.***
- ***For Chapter 2, the study team will review the method used for the previous study's examination of other states' finance formulas, including the data sources used in that study. The study team will look to see if there have been changes across the states in the school finance formula components included in AIR's inventory and assess whether there are formula components not addressed in the AIR study that should be included in this study.***
- ***For Chapter 3, the study team will ensure it understands the approaches used to identify adjustments for cost factors in the AIR report. This includes understanding the various statistical analyses utilized by AIR in the 2012 report.***
- ***For Chapter 4, the study team will ensure it understands the approaches used to simulate alternatives by AIR. This includes understanding the simulations for all the adjustments undertaken in the study.***
- ***For Chapter 5, the study team will review and assess the recommendations in the 2012 study based on the findings in the proceeding chapters.***

2.1.2 Update the report and bulletin identified in paragraph (1) with more current information, focusing on the determination and implementation of the appropriate funding adjustments for the additional costs associated with serving low-income pupils and English learners, as defined in 20 U.S.C. § 7801(20).

The study team will update each of the chapters in the AIR report based on our review and on conversations with the Department regarding how the updating may best meet their needs. The work may include simply updating the previous work or it may include more in-depth

analysis, including new approaches to examining similar issues. The sections below describe the study team's current understanding of the needed work, and tasks could be added after the final review of the AIR report.

<u>Chapter 1</u>

The AIR report examines the history of Nevada's school funding system. The study team will update this chapter to include any recent changes to Nevada's funding system.

<u>Chapter 2</u>

In chapter 2, the AIR provides an inventory of all fifty states' education finance systems. This inventory includes a brief summary of the types of formulas that each state uses to distribute education funding to districts/schools. In addition, the AIR report provides information about how state funding formulas address individual student needs and characteristics, including:

1. ***Students with disabilities;***
2. ***English language learners;***
3. ***At-risk students;***
4. ***Funding for remote and small schools/districts;***
5. ***Other unique student needs and characteristics; and***
6. ***Gifted and Talented students.***

The information from the AIR report was derived from a fifty-state survey of state chief finance officers or their designees and contains information from the 2010-11 fiscal year.[1]

The study team will update all of the information in Chapter 2 with current data from each state. This work will be led by Michael Griffith and ECS. Over the past fifty years, ECS has become known for the quantity and quality of their 50 state summaries of education policies. ECS will collect this school funding information for all 50 states and the District of Columbia for the 2017-18 school year by reviewing current state legislation, budgets and department of education rules. ECS will cross-check this information by providing it to knowledgeable individuals in each state for their review and input. ECS will then publish this information and provide an analysis of each state's school funding program along with information about trends and new innovations for each of the specific funding topics.

This current state level data will provide one data point included during the study team's analysis of funding adjustments and meanings for special needs populations in sections 2.1.3, 2.1.4, and 2.1.5 of the scope of work.

<u>Chapter 3</u>

Chapter 3 of the AIR report undertakes a number of statistical analyses to identify possible adjustments for various student and district characteristics. There are several reasons why

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[1] Verstegen, D. A. (2011). *A 50-state survey of school finance policies and programs*. www.schoolfinances.info.

focusing exclusively on replicating these studies may have limited utility for the state's policymakers. First, these analyses were carried out fairly recently – within the past five years – so there may not be significant differences in the cost adjustments found in the states today. Second, the adjustments, such as student weights, may not be appropriate for Nevada because its per student base funding amount is different from those used in other states. Applying a set of weights developed for use with a base amount different from Nevada's may lead to either over- or underfunding the needed adjustment. Third, as noted in the AIR report, there is a substantial body of literature on the costs of providing programs that represent best practices for serving students with special needs and for accounting for district characteristics that impact costs and efficiencies such as size, geographical isolation, and regional cost variations. Applying some of the approaches suggested in this literature to this component of the study would help to ensure that the cost adjustments adopted by the state will truly represent the characteristics and level of need found in Nevada.

The study team proposes to conduct an initial review of the studies described in Chapter 3 of the AIR report to make an initial determination of the extent to which the cost adjustment landscape has changed across the states since the AIR study was published. We will then work with Department staff to determine whether all of the analyses should be updated or only those studies where either significant changes in state cost adjustments have occurred or where Department staff have determined the study to be essential to the state's ongoing work.

The study team will focus on identifying Nevada-based adjustments to be considered when making final recommendations. The additional analysis will utilize both the evidence-based (EB) and professional judgment (PJ) approaches to costing out to identify recommended state-specific student level adjustments.

Evidence-based Approach

The study team's first supplemental approach for identifying Nevada-based adjustments for students with special needs and school district cost differences due to scale, isolation, and geographical cost variations is to apply methods taken from the evidence-based (EB) approach to estimating adequacy. The following describes how we will use these methods for estimating the cost adjustments addressed in the AIR report.

Adjustments for Students At-risk students, ELL Students, and Students with Disabilities

The study team will utilize the evidence-based approach to provide a "programmatic" description of the strategies research identifies as effective in boosting the performance of at-risk students, ELL students, and students with disabilities. While more money is needed to provide extra help to these students, knowing how to use this additional funding is also crucial. Money can be spent on effective as well as ineffective strategies. Drawing from the literature, a programmatic analysis can show how to translate into effective programs that schools implement. This programmatic analysis will include both a summary of research on individual programs that are provided beyond the base program, and an analysis of the base program itself, because the proportional amount of additional help needed will depend on the size of the base program's costs.

The EB analysis will identify the core ingredients of the base program, including how schools can most effectively organize teachers and curriculum to maximize the instructional and learning impact of the core program. Given this base, we will then draw from research on what additional programs should be added to serve students with special needs. By pricing both the base and additional programs, we can then determine a "programmatic extra pupil weight" for at-risk, ELL and special education students. Under Nevada's current funding system gifted and talented students are included under special education. The study team will consult with the Department to determine if gifted and talented students should remain under the special education umbrella for this analysis or addressed separately as in the AIR report.

To supplement this analysis, we propose to conduct case studies of up to 10 schools in Nevada that have significantly moved the student achievement needle for at-risk and ELL students (five schools each that have improved outcomes for at-risk students and ELL students). The cases would identify not only the key elements of the core program, but also the number and types of additional strategies used to get at-risk and ELL students to achieve to higher levels. We will augment these Nevada-specific case studies with school cases we have conducted of schools in other states that have improved the performance of at-risk students, including Maryland, Vermont and Maine.

Cost of Operations Due to Scale Economies/Diseconomies

The study team also proposes to conduct supplemental studies for determining cost adjustments based on variations in school district scale and density and geographic cost differences.

The EB model includes an approach to adjusting for small district size. We will summarize this approach and show how a continuous curve for scale economies can be created. Nevada has a unique set of scale economies issues, from its very large district in Clark County to districts that are large geographically, but sparsely populated. As a result, Nevada has a range of small, medium and large districts but also a range of small, medium and large schools. Given this situation, the study team will explore whether the state should consider a school-based funding formula, in place of its district-based funding formula. Such an approach would ensure that scale adjustments could not only be made for every district in the state, but also for every school as well. This is similar to the approach used to fund schools in Wyoming today.

This component of the study will draw from our experience in Wyoming. We will show how such a system of school and district scale economy adjustments would work and focuses primarily on the base, or core school program. We would estimate, for example, how staffing structures would look for very small (less than 50 students), 50-100 students, 100-200, and 200-400 students, for elementary (K-5), middle (6-8), high (9-12) schools, K-8 schools, and K-12 schools, as well as for districts of various sizes, from less than 100 to over 12,000.

This approach offers a strategy that could not be implemented in the short term, but a strategy the state could consider if it wanted to recognize the wide range of school and district sizes, and the scale economies or dis-economies associated with each.

Professional Judgment Approach

In 2014, APA utilized the professional judgment (PJ) approach to examine the resources needed for the base cost in Nevada and for the adjustments needed for ELL and at-risk students[2]. The PJ approach also begins with the evidence base, but relies on the expertise of educators in the state to identify the resources needed for all students to meet state standards and expectations. Because the base cost information has been updated recently, APA recommends assembling thee PJ panels to get the most up-to-date practitioner perspectives on the resources needed for these students. One panel will focus on the costs for special education students, one panel will focus on the needs of at-risk students, and one panel will focus on the needs of ELL students. The panels will include teachers, principals, and central office staff that work specifically with each of the three special needs groups. The study team will work with the Department to recruit highly regarded practitioners in these positions from around the state. Panelists will be asked to review the base cost resource data and then identify the additional resources needed for special education, at-risk and ELL students to meet state standards.

Each of the panels will focus on either different concentrations or different levels of need for students. The special education panel will identify the resources needed for mild, moderate, and severe special education students. This information will allow the state to determine if different levels of student need require differentiated funding. On the second panel, at-risk panelists will focus on whether different resource levels are needed to serve different concentrations of at-risk pupil, as research has shown that higher concentration schools need higher levels of resources. Panelists will build resources for schools at low, moderate, and high concentrations to help the study team determine if the costs per pupil differ at different concentrations of at-risk students. Like the special education panel, the ELL panelists on the second panel will focus on different levels of student need. Utilizing the WIDA standards, the study team will ask panelists to identify the resources needed for level 1/2, 3/4, and 5 students. Again, this will permit the study team to identify the differences in the costs per pupil at the various WIDA levels.

<u>Chapter 4</u>

Chapter 4 of the AIR report models the adjustments identified earlier in the report. The study team will provide a similar set of models for those adjustments, including:

1. ***Students with disabilities***
2. ***English language learners***

[2] APA Consulting, "*Professional Judgment Study Report,"* prepared for Lincy Institute at University of Nevada, Las Vegas, January 2015..

3. ***At-risk students***
4. ***Funding for remote and small schools/districts***
5. ***Other unique student needs and characteristics, and***
6. ***Gifted and Talented students***

For each of the adjustments, the study team will model three alternatives, if at least three are available. For example, modeling for at-risk may include modeling varying levels of adjustments for students, such as a 0.2 versus 0.3 weight; and modeling the impact of varying adjustments based on a district's concentration of at-risk students. The various examples for each of the different adjustments will allow the study team, and policymakers, to understand the district by district impacts of each of the possible policy decisions.

In addition to examining each individual weight, the study team will also model various scenarios where students might be included in more than one special needs category. For example, some students may qualify for both the at-risk and ELL weight. It may also be that some services overlap between the two categories of students. This overlap in resources will be evaluated in our Chapter 3 update work and combined weights will also be modeled in Chapter 4.

<u>Chapter 5</u>

Chapter 5 of the AIR study provides a list of recommendations. The study team's approach to vetting and making final recommendations is provided under our description of work for 2.1.6 in the scope of work.

2.1.3 Review the meaning of the term "pupils who are at-risk," as defined in NRS 387.121, to establish an appropriate definition of the term and recommend appropriate funding adjustments for the additional costs associated with serving such pupils.

Nevada statute currently defines a student as "at-risk" if he or she is eligible for the federal free- or reduced-price lunch program or an alternative measure prescribed by the State Board of Education.[3] Beginning in the 2014-15 school year, the United States Department of Agriculture created the "Community Eligibility Provision" (CEP) which allows districts "…located in low-income areas to provide free breakfast and lunch to all students."[4] Districts that opt to participate in the federal CEP program are no longer required to count their free/reduced priced lunch students. This change in federal law has forced many states to find alternative ways to define which students qualify as "at-risk" in their funding formula.

The study team has extensive experience in examining the alternative approaches to identifying at-risk students. At-risk students are those students who are most likely to fail academically or drop out of school altogether. It is important for states to identify those

[3] Nevada Revise Statutes 387.121(2)

[4] United States Department of Agriculture, "*The Community Eligibility Provision: What Does it Mean for Your School or Local Education Agency*". April, 2015.

students who are at-risk before they run into academic trouble. Once these students are identified, they must be provided with the necessary supports and interventions so that they can successfully complete their education. Study team members recently published an extensive report on the alternative approaches to identifying at-risk students in light of the CEP program for the State of Maryland[5]. The report examines in detail the alternatives available to states. The study team will use the information from this report along with any new information from current research in the field and best practices in other states to identify a new definition for "at-risk" students in Nevada.

The study team will model the impact of the alternative identification procedures using current Nevada data. Modeling will allow the study team and policymakers to understand the variation of the proposed counts against one another, and more importantly, against the current counts. Though the different approaches often are correlated, the study teams' experience shows that there may be large swings between districts in the percentage of total at-risk student depending on the count chosen. It is critical to understand these potential swings in counts when designing implementation recommendations.

The study teams' approach to examining the appropriate funding adjustments for at-risk students are described above in section 2.1.2 as part of the updating of chapters 2 and 3 of the AIR report. Alternatives will be modeled in the update of chapter 4 and recommendations will be made as described later in the response to 2.1.6.

2.1.4 Review the multiplier to the basic support guarantee per pupil for pupils with disabilities pursuant to NRS 387.122.

The state of Nevada's school funding system provides districts with additional funding so they can deliver appropriate educational services to their special needs students. Nevada provides additional state special education funding through a multiplier of the state's basic support guarantee. The special education multiplier varies for each district and is based the following:

> ***"(a) Factors relating to wealth in the school district;***
> ***(b) Salary costs;***
> ***(c) Transportation (costs); and***
> ***(d) Any other factor determined by the Superintendent of Public Instruction after consultation with the school districts and the State Public Charter School Authority"[6]***

For funding purposes, special education student counts are capped at 13 percent of the district's total student population. This means that special education funding in Nevada is

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[5] Croninger, R. G., Rice, J. K. & Checovich, L. (2015). *Evaluation of the Use of Free and Reduced-Price Meal Eligibility as a Proxy for Identifying Economically Disadvantaged Students. Alternative Measures and Recommendations.* Denver, CO: Augenblick, Palaich & Associates. http://marylandpublicschools.org/Documents/adequacystudy/EvaluationFRPMEligibilityProxyEconomicDisadvantage.pdf

[6] Nevada Revise Statutes 387.122 (2)

equal to a district's special education student count (capped at 13 percent) times the district's basic support guarantee per pupil adjusted by the district's special education multiplier.

The study team will review the multipliers used across the country in its update of chapter 2 of the AIR report and it will estimate Nevada-specific weights in its update of chapter 3. These approaches are described in the study team's response to section 2.1.2 of the RFP. Alternatives will be modeled in the update of chapter 4 and recommendations will be made as described later in the response to 2.1.6.

2.1.5 Review the meaning of the term "gifted and talented pupils," as defined in NRS 388.5231, to establish an appropriate definition for the term and recommend a consistent statewide standard to identify such pupils.

Students who are Gifted and Talented (G/T) often display a special set of needs that require additional resources to allow them to reach their full educational potential. Nevada law currently defines G/T pupils as students who are "… under the age of 18 years who demonstrates such outstanding academic skills or aptitudes that the person cannot progress effectively in a regular school program and therefore needs special instruction or special services."[7] Students who score in the top two percent of a qualified exam are designated as G/T under the state's administrative code.[8] In addition, alternative assessment procedures can be used for "… a pupil from another culture, a pupil who is environmentally or economically deprived or a pupil who has a disability."[9]

The study team will review current academic research and state best practices to help Nevada identify which students would most benefit from G/T services. The alternative approaches for identifying G/T students will be vetted against available data and then, where possible, the alternative approaches will be modeled to identify the number of G/T students in each district in the state.

2.1.6 Make recommendations for the implementation of the findings of the independent consultant pursuant to Objectives (2.1.1) to (2.1.5), inclusive.

The study team will have a wealth of data related to sections 2.1.1 through 2.1.5 from the work described above. To make a set of final recommendations for implementation, the study team proposes to first vet the results of the work described above with stakeholders from across the state to include the Nevada perspective in the study. To do this, APA has developed an extensive process for obtaining feedback from a wide range of Nevada stakeholders. This process consists of 1) one-on-one or small group interviews with state-level actors, 2) a series of four panels of practitioners to be held in different regions of the state, and 3) an open survey that will allow additional stakeholders to provide feedback.

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[7] Nevada Revised Statutes 388.5251

[8] Nevada Administrative Code 388.435(1)

[9] Nevada Administrative Code 388.435(2)

Interviews

The study team will hold individual or small group interviews to discuss the stakeholders' perspectives both on current adjustments for special needs populations and the study team's preliminary findings and recommendations. Questions will be based on the study team's findings from the analyses described above. Specific focus will be paid to the work on at-risk, ELL, students with disabilities, and gifted and talented students.

The study team anticipates that the stakeholders included in these interviews will consist, at a minimum, of key legislators; Department staff; and education organizations such as the Nevada School Boards Association, Nevada Education Association, Nevada Association of School Administrators, and Nevada's principals' associations. APA will work with the Department to finalize the list of stakeholders to be included in these interviews.

Practitioner Panels
To gather feedback from practitioners, the study team will hold four practitioner panels across the state. Similar questions to those described above will be used to guide these discussions. Panel participants will include central office administrators, school leaders, teachers, and other instructional staff. The panels will be located in different regions of the state to allow participation by educators from across the state. For example, one panel could be held in Washoe County, two in Clark County to address the different needs across this large district, and one in Elko County. Again, APA will work with the Departmentd on selecting the specific sites for the practitioner panels.

Survey
The study team understands that it is important to get feedback from a wide range of stakeholders beyond the education community. With this in mind, the study team will create a survey open to Nevada residents that wish to respond to the findings of the study. The study team anticipates the survey will be utilized by parents, business leaders, and other community members.

Final Recommendations

This stakeholder engagement process will provide the study team with additional insights prior to developing the final recommendations for the study. Developing recommendations in a study with this amount of data and analysis is a difficult process. However, the study team has a long history compiling information such as this into a set of clear and actionable recommendations. The study team will begin by reviewing all of the state by state findings, the data from the PJ and EB approaches, the results of the simulation modeling, and the feedback from stakeholders for each of the study areas including:

1. ***Students with disabilities***
2. ***English language learners***
3. ***At-risk students***
4. ***Funding for remote and small schools/districts***
5. ***Other unique student needs and characteristics, and***

6. ***Gifted and Talented students***

Decisions on recommendations for each of the areas will not be made in a silo, but instead will be made with an understanding of how each decision impacts other areas of the study. For example, when identifying the best approach for Nevada in funding at-risk students, the study team will look at the potential overlap of services between ELL and at-risk students, ensuring that the needed resources for students are only funded once within the recommendations.

The study team will apply a decision-making structure that relies on the available research base in conjunction with the Nevada perspective to identify the most effective and efficient approaches for all recommendations. The results will be a set of parameters that will allow Nevada to update its school finance system to best meet the needs of all students.

These results will be presented in a preliminary report provided to the Department no later than August 1, 2018. It is understood that input will be given by members of Nevada's Legislative Committee on Education. This input will be incorporated into the final report provided to the department no later than October 15, 2018.

Timeline

APA's proposed timeline of activities follows.

	January	February	March	April	May	June	July	August	September	October
Task/Subtask										
2.1.1 Review AIR Report										
2.1.2 Update AIR Report										
Chapter 1										
Chapter 2										
Chapter 3										
- Evidence-based										
- Professional judgement										
Chapter 4										
2.1.3 At-Risk Count and Adjustment										
Identify Count Alternatives										
2.1.4 Special Education Pupils										
2.1.5 Gifted Count										
2.1.6 Recommendations										
Stakeholder Engagement										
Initial Recommendations - Draft Report										
Final Report										

Section IV: Company Background and References

VENDOR INFORMATION

3.1.1 Vendors shall provide a company profile in the table format below.

Question	Response
Company name:	***Augenblick, Palaich and Associates, Inc.***
Ownership (sole proprietor, partnership, etc.):	***S Corporation***
State of incorporation:	***Colorado***
Date of incorporation:	***1983***
# of years in business:	***34***
List of top officers:	***Justin Silverstein*** ***Amanda Brown*** ***Dale DeCesare*** ***Kathryn Rooney*** ***Robert Palaich***
Location of company headquarters, to include City and State:	***1547 Gaylord St.*** ***Denver, CO 80206***
Location(s) of the office that shall provide the services described in this RFP:	***Denver, CO (sole office)***
Number of employees locally with the expertise to support the requirements identified in this RFP:	***8***
Number of employees nationally with the expertise to support the requirements in this RFP:	***8***
Location(s) from which employees shall be assigned for this project:	***Denver, CO***

3.1.2 A Nevada-based business may apply for a five percent (5%) preference on its proposal. This preference may apply if a business has its principal place of business within Nevada. This preference cannot be combined with any other preference, granted for the award of a contract using federal funds, or granted for the award of a contract procured on a multi-state basis. To claim this preference a business must submit a letter with its proposal showing that it qualifies for the preference.

This section is not applicable to APA, as APA is not a Nevada-based business.

3.1.3 **Please be advised**, pursuant to NRS 80.010, a corporation organized pursuant to the laws of another state shall register with the State of Nevada, Secretary of State's Office as a foreign corporation before a contract can be executed between the State of Nevada and the awarded vendor, unless specifically exempted by NRS 80.015.

Should APA be awarded the contract, APA is prepared to immediately register with the State of Nevada, Secretary of State's Office, as a foreign corporation.

3.1.4 The selected vendor, prior to doing business in the State of Nevada, shall be appropriately licensed by the State of Nevada, Secretary of State's Office pursuant to NRS76. Information regarding the Nevada Business License can be located at http://nvsos.gov.

Question	**Response**
Nevada Business License Number:	***To be provided upon award of contract***
Legal Entity Name:	***Augenblick, Palaich and Associates, Inc.***

Is "Legal Entity Name" the same name as vendor is doing business as?

Yes	***X***	No	

3.1.5 Has the vendor ever been engaged under contract by any State of Nevada agency?

Yes	***X***	No	

If "Yes", complete the following table for each State agency for whom the work was performed. Table can be duplicated for each contract being identified.

Question	**Response**
Name of State agency:	***Nevada Legislature***
State agency contact name:	***Melinda Martini and Bob Atkinson***
Dates when services were performed:	***2006***
Type of duties performed:	***Conducted an adequacy study for the state.***
Total dollar value of the contract:	***Approximately $225,000***

3.1.6 Are you now or have you been within the last two (2) years an employee of the State of Nevada, or any of its agencies, departments, or divisions?

Yes		No	***X***

3.1.7 Disclosure of any significant prior or ongoing contract failures, contract breaches, civil or criminal litigation in which the vendor has been alleged to be liable or held liable in a matter involving a contract with the State of Nevada or any other governmental entity. Any pending claim or litigation occurring within the past six (6) years which may adversely affect the vendor's ability to perform or fulfill its obligations if a contract is awarded as a result of this RFP shall also be disclosed.

Does any of the above apply to your company?

Yes		No	***X***

3.1.8 Vendors shall review and provide if awarded a contract the insurance requirements as specified in ***Attachment D, Insurance Schedule for RFP 3489.***

APA will provide insurance as required in Attachment D, upon award of contract.

3.1.9 Company background/history and why vendor is qualified to provide the services described in this RFP. Limit response to no more than five (5) pages.

APA has over 30 years experience working with policymakers to examine their state's school funding system, implementing the results of school finance studies, and helping states develop school finance funding systems. APA has worked with legislative bodies and executive agencies on similar efforts in other states, including Alabama, Alaska, Alabama, Colorado, Maryland, Mississippi, New Jersey, Pennsylvania and others. With our extensive experience, the study team understands how to design a finance study so that the results are most useful in the policymaking arena and how to work with policymakers to implement the results. All results presented by the study team will include the context needed for implementation decisions to be made in the future.

APA is a nationally recognized authority on school finance. APA has conducted a significant portion of the costing out studies undertaken across the country over the past two decades. These studies examine both the costs for all students to meet state standards and the additional resources needed for special education, at-risk, ELL, and gifted students. APA developed the Successful School District (SSD) approach and has been the lead implementer of the Professional Judgment (PJ) approach to determining adequacy.

APA has conducted studies for states and advocacy organizations across the country. APA has a deep working knowledge of cost-based methodology and modeling, and regularly investigates regional cost differences, labor markets and compensation systems; and funding issues associated with both rural and small schools and districts as important considerations when building a model or funding formula.

APA has worked on school finance issues, such as the work described in the Departments RFP for decades. The firm has worked in some capacity in all 50 states – conducting in-depth analyses of school finance systems, helping to create new state aid allocation formulas, working with policymakers, and preparing cross-state comparisons on many other education policy topics.

No other individual or company has been involved in helping to change school finance funding in as many states. APA has not only conducted costing out studies in over 20 states, but has also designed school finance systems that were enacted in New Hampshire, Kentucky, Louisiana, Colorado, Mississippi, Ohio, Maryland, Kansas, New Jersey and Pennsylvania. In several states, those systems are still operating today.

APA has also analyzed, or is analyzing, the level of resources school districts need to fulfill state student performance expectations in 22 other states and the District of Columbia:

Alabama, Colorado, Connecticut, Delaware, Illinois, Indiana, Kansas, Maryland, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, North Dakota, Ohio, Oklahoma, Pennsylvania, South Carolina, South Dakota, Tennessee, and Washington, DC. APA developed the Successful School Districts model and has worked to develop the Professional Judgment approach over its 16 years of implementation. The firm has analyzed the equity of school finance systems in most of the states listed above and others such as Kentucky, Louisiana, and Texas.

In addition to its long history of school finance expertise, APA also provides research and technical assistance to states and school districts as a contractor with the Regional Education Laboratory (REL) Central for the Institute of Education Sciences (IES), which serves Wyoming.

APA also has extensive experience in evaluating education programs and initiatives, conducting policy scans and reviews, estimating the costs of quality of preschool programs, conducting return on investment analyses, and designing and costing educator compensation plans. APA has the proven capacity to communicate and work effectively with all levels of state and local governments, as well as private entities. The lead analysts for this project have decades of combined experience working on school finance issues.

3.1.10 Provide a brief description of the length of time vendor has been providing services described in this RFP to the public and/or private sector.

APA has examined school finance issues for states for nearly 35 years. This includes helping states design their school finance systems, analyzing equity and adequacy, and understanding the variables needed in formulas to successfully serve students.

3.1.11 Financial information and documentation to be included in accordance with ***Section 8.5, Part III – Confidential Financial Information***.

3.1.11.1 Dun and Bradstreet Number: 149570541

3.1.11.2 Federal Tax Identification Number: 84-0922858

3.1.11.3 The last two (2) years and current year interim:

A. Profit and Loss Statement

B. Balance Statement

APA has included financial information for 2015, 2016 and 2017 (interim), as follows:

Augenblick, Palaich and Associates, Inc
Balance Sheet
December 31, 2015

ASSETS

Current Assets			
Chase Money Market	$ 351,252.43		
Chase Checking	8,067.58		
Irvine Holding Account	40,897.15		
Chase Long Term Savings	450,225.47		
Chase FSA Checking	157.50		
Total Current Assets			850,600.13
Property and Equipment			
Computer Equipment	73,392.00		
Funriture and Fixtures	12,280.06		
Accumulated Depr. - Computer	(73,392.00)		
Acccumulated Depr. Furn and Fi	(12,280.06)		
Total Property and Equipment			0.00
Other Assets			
Total Other Assets			0.00
Total Assets		$	850,600.13

LIABILITIES AND CAPITAL

Current Liabilities			
Deferred Revenue	$ 40,624.47		
Total Current Liabilities			40,624.47
Long-Term Liabilities			
Total Long-Term Liabilities			0.00
Total Liabilities			40,624.47
Capital			
Retained Earnings	399,546.72		
Common Stock	38,240.00		
Dividends Paid	(258,999.99)		
Net Income	631,188.93		
Total Capital			809,975.66
Total Liabilities & Capital		$	850,600.13

Augenblick, Palaich and Associates, Inc
Balance Sheet
December 31, 2016

ASSETS

Current Assets			
Chase Money Market	$ 74,257.53		
Chase Checking	5,130.91		
Irvine Holding Account	0.34		
Chase Long Term Savings	700,915.27		
Total Current Assets			780,304.05
Property and Equipment			
Computer Equipment	73,392.00		
Funriture and Fixtures	12,280.06		
Accumulated Depr. - Computer	(73,392.00)		
Acccumulated Depr. Furn and Fi	(12,280.06)		
Total Property and Equipment			0.00
Other Assets			
Total Other Assets			0.00
Total Assets		$	780,304.05

LIABILITIES AND CAPITAL

Current Liabilities			
FSA Medical	$ (46.12)		
Total Current Liabilities			(46.12)
Long-Term Liabilities			
Total Long-Term Liabilities			0.00
Total Liabilities			(46.12)
Capital			
Retained Earnings	771,735.66		
Common Stock	36,240.00		
Net Income	(27,625.49)		
Total Capital			780,350.17
Total Liabilities & Capital		$	780,304.05

Augenblick, Palaich and Associates, Inc
Balance Sheet
August 31, 2017

ASSETS

Current Assets			
Chase Money Market	$ 245,517.01		
Chase Checking	(26,268.04)		
Chase Long Term Savings	386,184.65		
Total Current Assets			605,433.62
Property and Equipment			
Computer Equipment	73,392.00		
Funriture and Fixtures	14,143.97		
FSA Security Deposit	1,500.00		
Accumulated Depr. - Computer	(73,392.00)		
Acccumulated Depr. Furn and Fi	(12,280.06)		
Total Property and Equipment			3,363.91
Other Assets			
Total Other Assets			0.00
Total Assets		$	608,797.53

LIABILITIES AND CAPITAL

Current Liabilities			
401K liability	$ 8,511.16		
FSA Medical	(650.10)		
Total Current Liabilities			7,861.06
Long-Term Liabilities			
Total Long-Term Liabilities			0.00
Total Liabilities			7,861.06
Capital			
Retained Earnings	744,110.17		
Common Stock	43,240.00		
Dividends Paid	(295,848.00)		
Net Income	109,434.30		
Total Capital			600,936.47
Total Liabilities & Capital		$	608,797.53

Augenblick, Palaich and Associates, Inc
Income Statement
For the Twelve Months Ending December 31, 2015

	Current Month		Year to Date	
Revenues				
Consulting Income	$ 3,743,010.76	99.47	$ 3,743,010.76	99.47
Sales of Materials	0.00	0.00	0.00	0.00
Interest Income	689.61	0.02	689.61	0.02
Finance Charge Income	0.00	0.00	0.00	0.00
Other Income	19,400.00	0.52	19,400.00	0.52
Sales/Fees Discounts	0.00	0.00	0.00	0.00
Total Revenues	3,763,100.37	100.00	3,763,100.37	100.00
Cost of Sales				
Cost of Sales	0.00	0.00	0.00	0.00
Cost of Sales-Salary & Wage	0.00	0.00	0.00	0.00
Inventory Adjustments	0.00	0.00	0.00	0.00
Total Cost of Sales	0.00	0.00	0.00	0.00
Gross Profit	3,763,100.37	100.00	3,763,100.37	100.00
Expenses				
John Augenblick Employee Ret.	0.00	0.00	0.00	0.00
John Augenblick Employee Retir	0.00	0.00	0.00	0.00
Bob Palaich Employee Ret.	0.00	0.00	0.00	0.00
Bob Paliach Employee Retir	0.00	0.00	0.00	0.00
Justin Silverste Employee Ret.	0.00	0.00	0.00	0.00
Justin Silverst Employee Retir	0.00	0.00	0.00	0.00
John Myers Employee Ret.	0.00	0.00	0.00	0.00
John Myers Employee Retir	0.00	0.00	0.00	0.00
Dale DeCesare Employee Ret.	0.00	0.00	0.00	0.00
Dale DeCesare Employee Retir	0.00	0.00	0.00	0.00
Doug RoseEmployee Ret.	0.00	0.00	0.00	0.00
Doug Rose Employee Retir	0.00	0.00	0.00	0.00
Amy Anderson Employee Ret.	0.00	0.00	0.00	0.00
Amy Anderson Employee Retir	0.00	0.00	0.00	0.00
Amanda Brown Employee Ret.	0.00	0.00	0.00	0.00
Amanda Brown Employee Retir	0.00	0.00	0.00	0.00
Wages Expense	1,616,133.99	42.95	1,616,133.99	42.95
Contract Labor	872,760.32	23.19	872,760.32	23.19
Dependent Set Aside	0.00	0.00	0.00	0.00
Employee Benefit Programs Exp	80,382.81	2.14	80,382.81	2.14
Payroll Tax Expense	108,838.82	2.89	108,838.82	2.89
Medical Set Asides	0.00	0.00	0.00	0.00
Payroll Expenses	15,283.85	0.41	15,283.85	0.41
Worker's Comp	2,671.07	0.07	2,671.07	0.07
Bad Debt Expense	0.00	0.00	0.00	0.00
Additional Retirment Plan cont	0.00	0.00	0.00	0.00
Income Tax Expense	0.00	0.00	0.00	0.00
Tax Prep Expense	0.00	0.00	0.00	0.00
Other Taxes Expense	1,156.99	0.03	1,156.99	0.03
Rent or Lease Expense	127,714.16	3.39	127,714.16	3.39
Maintenance & Repairs Expense	0.00	0.00	0.00	0.00
Utilities Expense	1,805.08	0.05	1,805.08	0.05
Office Supplies Expense	7,728.94	0.21	7,728.94	0.21
Software	0.00	0.00	0.00	0.00
Telephone Expense	16,027.25	0.43	16,027.25	0.43
IT Support	12,513.35	0.33	12,513.35	0.33
Other Office Expense	0.00	0.00	0.00	0.00
Airline Expense	0.00	0.00	0.00	0.00
Professional Fees	3,377.48	0.09	3,377.48	0.09
Lodging Expense	0.00	0.00	0.00	0.00

Augenblick, Palaich and Associates, Inc
Income Statement
For the Twelve Months Ending December 31, 2015

	Current Month		Year to Date	
Food Expense	0.00	0.00	0.00	0.00
Meeting Expenses	34,917.52	0.93	34,917.52	0.93
Other Travel Expenses	177,487.89	4.72	177,487.89	4.72
Expense Reimbursement	5,281.47	0.14	5,281.47	0.14
Ex[emse Reimbursement - Meals	2,151.09	0.06	2,151.09	0.06
Phone Reimbursement	4,840.00	0.13	4,840.00	0.13
Commissions and Fees Expense	0.00	0.00	0.00	0.00
Freight Expense	0.00	0.00	0.00	0.00
Service Charge Expense	0.00	0.00	0.00	0.00
Purchase Disc-Expense Items	0.00	0.00	0.00	0.00
Insurance Expense	16,998.63	0.45	16,998.63	0.45
Disability Insurance	6,537.83	0.17	6,537.83	0.17
Health Insurance	0.00	0.00	0.00	0.00
Fees	290.56	0.01	290.56	0.01
Penalties	0.00	0.00	0.00	0.00
Interest Expense	147.72	0.00	147.72	0.00
Loan interest expense	0.00	0.00	0.00	0.00
Misc. Expense	10,136.05	0.27	10,136.05	0.27
Depreciation Expense	6,728.57	0.18	6,728.57	0.18
Gain/Loss - Sale of Assets Exp	0.00	0.00	0.00	0.00
Meals and Entertainment	0.00	0.00	0.00	0.00
Banking Fees	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00
Insurance Expense	0.00	0.00	0.00	0.00
Total Expenses	3,131,911.44	83.23	3,131,911.44	83.23
Net Income	$ 631,188.93	16.77	$ 631,188.93	16.77

Augenblick, Palaich and Associates, Inc
Income Statement
For the Twelve Months Ending December 31, 2016

	Current Month		Year to Date	
Revenues				
Consulting Income	$ 2,326,787.74	99.12	$ 2,326,787.74	99.12
Sales of Materials	0.00	0.00	0.00	0.00
Interest Income	1,369.12	0.06	1,369.12	0.06
Finance Charge Income	0.00	0.00	0.00	0.00
Other Income	19,200.00	0.82	19,200.00	0.82
Sales/Fees Discounts	0.00	0.00	0.00	0.00
Total Revenues	2,347,356.86	100.00	2,347,356.86	100.00
Cost of Sales				
Cost of Sales	0.00	0.00	0.00	0.00
Cost of Sales-Salary & Wage	0.00	0.00	0.00	0.00
Inventory Adjustments	0.00	0.00	0.00	0.00
Total Cost of Sales	0.00	0.00	0.00	0.00
Gross Profit	2,347,356.86	100.00	2,347,356.86	100.00
Expenses				
John Augenblick Employee Ret.	0.00	0.00	0.00	0.00
John Augenblick Employee Retir	0.00	0.00	0.00	0.00
Bob Palaich Employee Ret.	0.00	0.00	0.00	0.00
Bob Paliach Employee Retir	0.00	0.00	0.00	0.00
Justin Silverste Employee Ret.	0.00	0.00	0.00	0.00
Justin Silverst Employee Retir	0.00	0.00	0.00	0.00
John Myers Employee Ret.	0.00	0.00	0.00	0.00
John Myers Employee Retir	0.00	0.00	0.00	0.00
Dale DeCesare Employee Ret.	0.00	0.00	0.00	0.00
Dale DeCesare Employee Retir	0.00	0.00	0.00	0.00
Doug RoseEmployee Ret.	0.00	0.00	0.00	0.00
Doug Rose Employee Retir	0.00	0.00	0.00	0.00
Amy Anderson Employee Ret.	0.00	0.00	0.00	0.00
Amy Anderson Employee Retir	0.00	0.00	0.00	0.00
Amanda Brown Employee Ret.	0.00	0.00	0.00	0.00
Amanda Brown Employee Retir	0.00	0.00	0.00	0.00
Wages Expense	1,387,123.38	59.09	1,387,123.38	59.09
Contract Labor	375,562.81	16.00	375,562.81	16.00
Dependent Set Aside	0.00	0.00	0.00	0.00
Employee Benefit Programs Exp	67,230.92	2.86	67,230.92	2.86
Payroll Tax Expense	96,096.05	4.09	96,096.05	4.09
Medical Set Asides	0.00	0.00	0.00	0.00
Payroll Expenses	15,411.85	0.66	15,411.85	0.66
Worker's Comp	2,633.09	0.11	2,633.09	0.11
Bad Debt Expense	0.00	0.00	0.00	0.00
Additional Retirment Plan cont	0.00	0.00	0.00	0.00
Income Tax Expense	0.00	0.00	0.00	0.00
Tax Prep Expense	0.00	0.00	0.00	0.00
Other Taxes Expense	2,020.67	0.09	2,020.67	0.09
Rent or Lease Expense	135,601.63	5.78	135,601.63	5.78
Maintenance & Repairs Expense	0.00	0.00	0.00	0.00
Utilities Expense	1,821.50	0.08	1,821.50	0.08
Office Supplies Expense	10,915.93	0.47	10,915.93	0.47
Software	0.00	0.00	0.00	0.00
Telephone Expense	16,808.55	0.72	16,808.55	0.72
IT Support	15,133.00	0.64	15,133.00	0.64
Other Office Expense	3,740.00	0.16	3,740.00	0.16
Airline Expense	0.00	0.00	0.00	0.00
Professional Fees	67.50	0.00	67.50	0.00
Lodging Expense	0.00	0.00	0.00	0.00

Augenblick, Palaich and Associates, Inc
Income Statement
For the Twelve Months Ending December 31, 2016

	Current Month		Year to Date	
Food Expense	85.00	0.00	85.00	0.00
Meeting Expenses	14,451.68	0.62	14,451.68	0.62
Other Travel Expenses	188,404.99	8.03	188,404.99	8.03
Expense Reimbursement	2,102.34	0.09	2,102.34	0.09
Ex[emse Reimbursement - Meals	818.50	0.03	818.50	0.03
Phone Reimbursement	3,625.00	0.15	3,625.00	0.15
Commissions and Fees Expense	0.00	0.00	0.00	0.00
Freight Expense	0.00	0.00	0.00	0.00
Service Charge Expense	0.00	0.00	0.00	0.00
Purchase Disc-Expense Items	0.00	0.00	0.00	0.00
Insurance Expense	25,608.38	1.09	25,608.38	1.09
Disability Insurance	7,769.58	0.33	7,769.58	0.33
Health Insurance	0.00	0.00	0.00	0.00
Fees	225.00	0.01	225.00	0.01
Penalties	0.00	0.00	0.00	0.00
Interest Expense	0.00	0.00	0.00	0.00
Loan interest expense	0.00	0.00	0.00	0.00
Misc. Expense	1,700.00	0.07	1,700.00	0.07
Depreciation Expense	0.00	0.00	0.00	0.00
Gain/Loss - Sale of Assets Exp	0.00	0.00	0.00	0.00
Meals and Entertainment	0.00	0.00	0.00	0.00
Banking Fees	25.00	0.00	25.00	0.00
	0.00	0.00	0.00	0.00
Insurance Expense	0.00	0.00	0.00	0.00
Total Expenses	2,374,982.35	101.18	2,374,982.35	101.18
Net Income	$ (27,625.49)	(1.18)	$ (27,625.49)	(1.18)

Augenblick, Palaich and Associates, Inc
Income Statement
For the Eight Months Ending August 31, 2017

	Current Month		Year to Date	
Revenues				
Consulting Income	$ 1,301,609.08	99.40	$ 1,301,609.08	99.40
Sales of Materials	0.00	0.00	0.00	0.00
Interest Income	409.71	0.03	409.71	0.03
Finance Charge Income	0.00	0.00	0.00	0.00
Other Income	7,500.00	0.57	7,500.00	0.57
Sales/Fees Discounts	0.00	0.00	0.00	0.00
Total Revenues	1,309,518.79	100.00	1,309,518.79	100.00
Cost of Sales				
Cost of Sales	0.00	0.00	0.00	0.00
Cost of Sales-Salary & Wage	0.00	0.00	0.00	0.00
Inventory Adjustments	0.00	0.00	0.00	0.00
Total Cost of Sales	0.00	0.00	0.00	0.00
Gross Profit	1,309,518.79	100.00	1,309,518.79	100.00
Expenses				
John Augenblick Employee Ret.	0.00	0.00	0.00	0.00
John Augenblick Employee Retir	0.00	0.00	0.00	0.00
Bob Palaich Employee Ret.	0.00	0.00	0.00	0.00
Bob Paliach Employee Retir	0.00	0.00	0.00	0.00
Justin Silverste Employee Ret.	0.00	0.00	0.00	0.00
Justin Silverst Employee Retir	0.00	0.00	0.00	0.00
John Myers Employee Ret.	0.00	0.00	0.00	0.00
John Myers Employee Retir	0.00	0.00	0.00	0.00
Dale DeCesare Employee Ret.	0.00	0.00	0.00	0.00
Dale DeCesare Employee Retir	0.00	0.00	0.00	0.00
Doug RoseEmployee Ret.	0.00	0.00	0.00	0.00
Doug Rose Employee Retir	0.00	0.00	0.00	0.00
Amy Anderson Employee Ret.	0.00	0.00	0.00	0.00
Amy Anderson Employee Retir	0.00	0.00	0.00	0.00
Amanda Brown Employee Ret.	0.00	0.00	0.00	0.00
Amanda Brown Employee Retir	0.00	0.00	0.00	0.00
Wages Expense	820,579.66	62.66	820,579.66	62.66
Contract Labor	44,063.94	3.36	44,063.94	3.36
Dependent Set Aside	0.00	0.00	0.00	0.00
Employee Benefit Programs Exp	42,334.68	3.23	42,334.68	3.23
Payroll Tax Expense	64,831.12	4.95	64,831.12	4.95
Medical Set Asides	0.00	0.00	0.00	0.00
Payroll Expenses	6,173.17	0.47	6,173.17	0.47
Worker's Comp	0.00	0.00	0.00	0.00
Bad Debt Expense	0.00	0.00	0.00	0.00
Additional Retirment Plan cont	0.00	0.00	0.00	0.00
Income Tax Expense	0.00	0.00	0.00	0.00
Tax Prep Expense	0.00	0.00	0.00	0.00
Other Taxes Expense	1,790.00	0.14	1,790.00	0.14
Rent or Lease Expense	54,258.20	4.14	54,258.20	4.14
Maintenance & Repairs Expense	0.00	0.00	0.00	0.00
Utilities Expense	2,237.84	0.17	2,237.84	0.17
Office Supplies Expense	18,500.29	1.41	18,500.29	1.41
Software	0.00	0.00	0.00	0.00
Telephone Expense	8,555.00	0.65	8,555.00	0.65
IT Support	9,773.75	0.75	9,773.75	0.75
Other Office Expense	1,500.00	0.11	1,500.00	0.11
Airline Expense	0.00	0.00	0.00	0.00
Professional Fees	0.00	0.00	0.00	0.00
Lodging Expense	0.00	0.00	0.00	0.00

Augenblick, Palaich and Associates, Inc
Income Statement
For the Eight Months Ending August 31, 2017

	Current Month		Year to Date	
Food Expense	0.00	0.00	0.00	0.00
Meeting Expenses	6,895.00	0.53	6,895.00	0.53
Other Travel Expenses	75,570.38	5.77	75,570.38	5.77
Expense Reimbursement	4,597.62	0.35	4,597.62	0.35
Ex[emse Reimbursement - Meals	2,508.98	0.19	2,508.98	0.19
Phone Reimbursement	2,875.00	0.22	2,875.00	0.22
Commissions and Fees Expense	0.00	0.00	0.00	0.00
Freight Expense	0.00	0.00	0.00	0.00
Service Charge Expense	0.00	0.00	0.00	0.00
Purchase Disc-Expense Items	0.00	0.00	0.00	0.00
Insurance Expense	26,441.29	2.02	26,441.29	2.02
Disability Insurance	4,646.30	0.35	4,646.30	0.35
Health Insurance	0.00	0.00	0.00	0.00
Fees	(249.66)	(0.02)	(249.66)	(0.02)
Penalties	0.00	0.00	0.00	0.00
Interest Expense	0.00	0.00	0.00	0.00
Loan interest expense	0.00	0.00	0.00	0.00
Misc. Expense	2,525.00	0.19	2,525.00	0.19
Depreciation Expense	0.00	0.00	0.00	0.00
Gain/Loss - Sale of Assets Exp	0.00	0.00	0.00	0.00
Meals and Entertainment	0.00	0.00	0.00	0.00
Banking Fees	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00
Insurance Expense	(323.07)	(0.02)	(323.07)	(0.02)
Total Expenses	1,200,084.49	91.64	1,200,084.49	91.64
Net Income	$ 109,434.30	8.36	$ 109,434.30	8.36

SUBCONTRACTOR INFORMATION

Subcontractors are defined as a third party, not directly employed by the contractor, who shall provide services identified in this RFP. This does not include third parties who provide support or incidental services to the contractor.

Does this proposal include the use of subcontractors?

Yes	***X***	No	

If "Yes", vendor shall:

Identify specific subcontractors and the specific requirements of this RFP for which each proposed subcontractor shall perform services.

As noted in the Scope of Work, APA is utilizing two subcontractors in this proposal: Picus, Odden & Associates, and the Education Commission of the States.

Picus, Odden & Associates will lead the work on the evidence based approach and on the case studies identified in our response. Education Commission of the States will conduct a review of statewide data and other state's approaches.

If any tasks are to be completed by subcontractor(s), vendors shall:

A. Describe how the work of any subcontractor(s) shall be supervised, channels of communication shall be maintained and compliance with contract terms assured; and

APA has a history of working closely with its subcontractors to ensure compliance with contract terms and successful implementation of studies. Justin Silverstein at APA will manage supervision of contractors. This includes ensuring subcontractor scopes of work are clearly defined, and ensuring regular updates on subcontractors activity is provided through both email communication and regular phone and in-person meetings, as needed.

B. Describe your previous experience with subcontractor(s).

APA has extensive previous experience working with both identified subcontractors on similar projects. APA has subcontracted with

Picus, Odden & Associates (POA) in recent years. POA contributed to state school finance studies in Maryland and Michigan. APA has similarly contracted with Education Commission of the States' Mike Griffith on state school finance projects in Wyoming, Maryland and Michigan.

Provide the same information for any proposed subcontractors as requested in ***Section 3.1, Vendor Information***.

Vendor shall not allow any subcontractor to commence work until all insurance required of the subcontractor is provided to the vendor.

Vendor shall notify the using agency of the intended use of any subcontractors not identified within their original proposal and provide the information originally requested in the RFP in ***Section 3.2, Subcontractor Information***. The vendor shall receive agency approval prior to subcontractor commencing work.

3.1.1 VENDOR INFORMATION – Education Commission of the States

Vendors shall provide a company profile in the table format below.

Question	Response
Company name:	***Education Commission of the States***
Ownership (sole proprietor, partnership, etc.):	***501(c) 3 – nonprofit***
State of incorporation:	***Colorado***
Date of incorporation:	***9/1/1966***
# of years in business:	***51***
List of top officers:	***Jeremy Anderson, President*** ***Brian Sponsler, Vice President*** ***Matthew Padilla, CFO***
Location of company headquarters, to include City and State:	***700 Broadway #810, Denver, Colorado 80203***
Location(s) of the office that shall provide the services described in this RFP:	***700 Broadway #810, Denver, Colorado 80203***
Number of employees locally with the expertise to support the requirements identified in this RFP:	***2***
Number of employees nationally with the expertise to support the requirements in this RFP:	***2***

Question	Response
Location(s) from which employees shall be assigned for this project:	***700 Broadway #810, Denver, Colorado 80203***

A Nevada-based business may apply for a five percent (5%) preference on its proposal. This preference may apply if a business has its principal place of business within Nevada. This preference cannot be combined with any other preference, granted for the award of a contract using federal funds, or granted for the award of a contract procured on a multi-state basis. To claim this preference a business must submit a letter with its proposal showing that it qualifies for the preference.

Please be advised, pursuant to NRS 80.010, a corporation organized pursuant to the laws of another state shall register with the State of Nevada, Secretary of State's Office as a foreign corporation before a contract can be executed between the State of Nevada and the awarded vendor, unless specifically exempted by NRS 80.015.

The selected vendor, prior to doing business in the State of Nevada, shall be appropriately licensed by the State of Nevada, Secretary of State's Office pursuant to NRS76. Information regarding the Nevada Business License can be located at http://nvsos.gov.

Question	Response
Nevada Business License Number:	
Legal Entity Name:	

Is "Legal Entity Name" the same name as vendor is doing business as?

Yes		No	

If "No", provide explanation.

Has the vendor ever been engaged under contract by any State of Nevada agency?

Yes		No	***X***

If "Yes", complete the following table for each State agency for whom the work was performed. Table can be duplicated for each contract being identified.

Question	Response
Name of State agency:	
State agency contact name:	

Question	Response
Dates when services were performed:	
Type of duties performed:	
Total dollar value of the contract:	

Are you now or have you been within the last two (2) years an employee of the State of Nevada, or any of its agencies, departments, or divisions?

Yes		No	**X**

If "Yes", please explain when the employee is planning to render services, while on annual leave, compensatory time, or on their own time?

If you employ (a) any person who is a current employee of an agency of the State of Nevada, or (b) any person who has been an employee of an agency of the State of Nevada within the past two (2) years, and if such person shall be performing or producing the services which you shall be contracted to provide under this contract, you shall disclose the identity of each such person in your response to this RFP, and specify the services that each person shall be expected to perform.

Disclosure of any significant prior or ongoing contract failures, contract breaches, civil or criminal litigation in which the vendor has been alleged to be liable or held liable in a matter involving a contract with the State of Nevada or any other governmental entity. Any pending claim or litigation occurring within the past six (6) years which may adversely affect the vendor's ability to perform or fulfill its obligations if a contract is awarded as a result of this RFP shall also be disclosed.

Does any of the above apply to your company?

Yes		No	***X***

If "Yes", please provide the following information. Table can be duplicated for each issue being identified.

Question		Response
Date of alleged contract failure or breach:		
Parties involved:		
Description of the contract failure,		

Question		Response	
contract breach, or litigation, including the products or services involved:			
Amount in controversy:			
Resolution or current status of the dispute:			
If the matter has resulted in a court case:		Court	Case Number
Status of the litigation:			

Vendors shall review and provide if awarded a contract the insurance requirements as specified in ***Attachment D, Insurance Schedule for RFP 3489.***

Company background/history and why vendor is qualified to provide the services described in this RFP. Limit response to no more than five (5) pages.

WHY EDUCATION COMMISSION OF THE STATES?

Education Commission of the States was created by states, for states, in 1965. We believe in the power of learning from experience. Every day, we provide education leaders with unbiased information and opportunities for collaboration. We do this because we know that informed policymakers create better education policy, which ultimately improves outcomes for students.

- ***UNBIASED AND NON-PARTISAN: Education Commission of the States is not an advocacy organization. The organization's chair alternates between Democratic and Republican governors every two years.***

- ***ALL POLICYMAKERS, ALL STATES: Education Commission of the States is the only state-focused national organization to bring together governors, legislators, K-12 and higher education department chiefs as well as other education leaders.***

- ***CROSS-LEADERSHIP CONVENINGS: Education Commission of the States brings together state policy leaders from across the nation at the annual National Forum on Education Policy, the Legislative Education Staff Network Summer Seminar, Thinkers Meetings and State Policy Academies, all of which are used to inform, counsel and learn from experts across the states.***

- ***POLICY-RELEVANT PRODUCTS: Education Commission of the States' resources are designed with state education leaders in mind. They are relevant, digestible and action-oriented. Education Commission of the States identifies trending issues and hot topics through information requests and regular on-site meetings with state policymakers, as well as through the organization's state policy database, where education-related bills are tracked from introduction to enactment.***

- ***FULL EDUCATION SPECTRUM: Education Commission of the States works with policymakers, researchers and practitioners at all levels of education, from pre-K to postsecondary and beyond.***

Provide a brief description of the length of time vendor has been providing services described in this RFP to the public and/or private sector.

Education Commission of the States' staff has assisted states with their school funding issues for more than 50 years. Over this time period the organization has provided school funding assistance to all 50 states. In recent years ECS staff have worked with school funding committees in Delaware, Idaho, Illinois, Montana, Pennsylvania and South Dakota on funding for at-risk students, English Language Learners, and students in special education. For example, in 2016, Education Commission of the States moderated a series of discussions in South Dakota focused on altering the state's school funding formula to improve teacher recruitment and retention. These discussions led to a change that helped districts in the state direct additional resources to their teachers. Through our network of national experts and experience working across the states, we can anticipate the needs of policymakers to ensure that conversations are focused and productive.

Financial information and documentation to be included in accordance with ***Section 8.5, Part III – Confidential Financial Information***.

1.1.1.1 Dun and Bradstreet Number: ***07-6443621***

1.1.1.2 Federal Tax Identification Number: ***31-0722194***

1.1.1.3 The last two (2) years and current year interim:

A. Profit and Loss Statement
B. Balance Statement

To fulfill the requirements of Sections 3.1.11.3, ECS has provided Audited Financial Statements for 2015 and 2016, along with August 2017 Balance Sheet and Income Statement:

Education Commission of the States
Balance Sheet
As of 8/31/2017

	Current Year
Assets	
Current Assets	
Cash & Cash Equivalents	
Vectra Bank - Operating	1,952,665.42
Vectra Bank - Money Market	250,817.47
Charles Schwab - CD's	519,750.18
Charles Schwab - SSTF	4,988,796.94
Total Cash & Cash Equivalents	7,712,030.01
Investments	
Charles Schwab Brokerage	1,152,144.48
Charles Schwab Mutual Fund	523,086.56
Schwab - Endowment	2,354,267.28
Total Investments	4,029,498.32
Prepaid Expenses	
Prepaid Expenses	1,949.50
Prepaid Postage	609.04
Prepaid Insurance	29,624.53
Prepaid Rent	30,696.60
Total Prepaid Expenses	62,879.67
Total Current Assets	11,804,408.00
Long-term Assets	
Property & Equipment	
Furniture & Fixtures	667,145.75
Equipment	240,824.71
Computer Software	402,922.02
Computer Hardware	568,581.60
Accum Depr Furniture & Fixtures	(470,662.49)
Accum Depr Equipment	(216,001.37)
Accum Depr Computer Software	(365,963.13)
Accum Depr Computer	(506,295.87)
Total Property & Equipment	320,551.22
Total Long-term Assets	320,551.22
Total Assets	12,124,959.22

Education Commission of the States
Balance Sheet
As of 8/31/2017

	Current Year
Liabilities	
Short-term Liabilities	
Accounts Payable	
Accounts Payable	29,674.71
Accrued A/P	19,325.00
Total Accounts Payable	48,999.71
Payroll Liabilities	
Accrued Payroll	25,000.00
Accrued Vacation	147,709.88
Denver Occupational Tax	230.00
TIAA Retirement	18,585.03
Parking	2,493.41
Flex Account	7,317.43
Total Payroll Liabilities	201,335.75
Deferred Revenue	
Deferred Revenue	21,052.48
Total Deferred Revenue	21,052.48
Total Short-term Liabilities	271,387.94
Long-term Liabilities	
Long-term Liabilities	
Deferred Rent	109,507.52
Total Long-term Liabilities	109,507.52
Total Long-term Liabilities	109,507.52
Total Liabilities	380,895.46
Net Assets	
Beginning Net Assets	
Net Assets	
Unrestricted Fund Balance	3,428,289.73
Temp Restricted Fund Balance	2,068,936.00
Operating Reserve	1,389,955.00
Total Net Assets	6,887,180.73
Total Beginning Net Assets	6,887,180.73
Current YTD Net Income	4,856,883.03
Total Net Assets	11,744,063.76
Total Liabilities and Net Assets	12,124,959.22

Education Commission of the States
Statement of Revenues and Expenditures
From 8/1/2017 Through 8/31/2017

	Total Budget - Original2017	Current Period Actual	Current Year Actual	Percent Total Budget Remaining - Original2017
Operating Revenue				
Grant Revenue				
Grants	4,003,323.00	109,325.00	6,178,891.00	54.34%
Contracts	0.00	10,000.00	376,131.68	0.00%
Total Grant Revenue	4,003,323.00	119,325.00	6,555,022.68	63.74%
State Fee Revenue				
State Fees Jan - Dec	2,700,000.00	473,500.00	2,553,241.00	(5.44)%
Total State Fee Revenue	2,700,000.00	473,500.00	2,553,241.00	(5.44)%
National Forum Revenue				
Registrations	110,000.00	750.00	133,431.00	21.30%
Sponsorships	750,000.00	15,000.00	456,250.00	(39.17)%
AEP Forum Registrations	0.00	23,351.00	74,802.00	0.00%
Total National Forum Revenue	860,000.00	39,101.00	664,483.00	(22.73)%
Investment Income				
Interest	0.00	19,178.32	113,026.66	0.00%
Unrealized Gain/Loss on Investments	0.00	(16,999.27)	274,047.88	0.00%
Total Investment Income	0.00	2,179.05	387,074.54	0.00%
Other Income				
Publications	0.00	0.00	500.00	0.00%
Miscellaneous	0.00	0.00	6,249.37	0.00%
Total Other Income	0.00	0.00	6,749.37	0.00%
Total Operating Revenue	7,563,323.00	634,105.05	10,166,570.59	34.42%
Total Revenue	7,563,323.00	634,105.05	10,166,570.59	34.42%
Expenditures				
Personnel Expenses				
Salaries	3,742,816.00	293,481.96	2,413,692.62	35.51%
Employer FICA	259,353.00	20,078.50	173,748.31	33.01%
Workers Comp Insurance	8,730.00	0.00	7,078.00	18.92%
Health Insurance	354,733.00	25,341.08	212,345.76	40.14%
Employer Unemployment Insurance	11,564.00	165.25	11,798.51	(2.03)%
Retirement Matching	280,800.00	20,829.64	157,262.73	43.99%
Life & Disability Insurance	34,062.00	2,582.80	21,116.56	38.01%
RTD ECO Pass	7,364.00	295.00	8,571.00	(16.39)%
Vacation Accrual	35,000.00	(11,258.84)	(9,235.34)	126.39%
Payroll Processing	13,000.00	808.99	5,798.81	55.39%
Benefit Administration	0.00	193.50	1,612.00	0.00%
Employee Relocation	0.00	0.00	11,013.29	0.00%
Employment Advertising	1,200.00	200.00	1,274.50	(6.21)%
Tuition Reimbursement	2,000.00	0.00	14,083.56	(604.18)%
Professional Development	24,000.00	4,246.00	30,065.87	(25.27)%
Total Personnel Expenses	4,774,622.00	356,963.88	3,060,226.18	35.91%
Conferences & Meetings				
Staff Travel	243,500.00	18,745.95	165,170.80	32.17%
Non Staff Travel	476,250.00	25,736.01	205,059.20	56.94%
Meeting Expenses	561,500.00	13,458.54	363,339.68	35.29%
Production	40,000.00	0.00	0.00	100.00%
Food & Beverage	13,900.00	348.47	5,946.02	57.22%
Total Conferences & Meetings	1,335,150.00	58,288.97	739,515.70	44.61%

Education Commission of the States
Statement of Revenues and Expenditures
From 8/1/2017 Through 8/31/2017

	Total Budget - Original2017	Current Period Actual	Current Year Actual	Percent Total Budget Remaining - Original2017
Professional Fees				
Honoraria/Speaking Fees	10,000.00	0.00	0.00	100.00%
Subcontracts/Consultants	647,000.00	19,731.25	853,821.97	(31.97)%
Senior Distinguished Fellows	20,000.00	0.00	20,000.00	0.00%
Audit	26,000.00	0.00	23,800.00	8.46%
Legal	2,400.00	0.00	2,854.50	(18.94)%
Total Professional Fees	705,400.00	19,731.25	900,476.47	(27.65)%
Investment & Bank Fees				
Bank Fees	0.00	1,355.90	11,379.98	0.00%
Investment Fees	36,000.00	0.00	29,727.64	17.42%
Total Investment & Bank Fees	36,000.00	1,355.90	41,107.62	(14.19)%
Supplies				
Supplies	28,800.00	2,751.37	27,163.94	5.68%
Total Supplies	28,800.00	2,751.37	27,163.94	5.68%
Telephone				
Telephone/Internet	21,000.00	1,684.99	12,692.42	39.56%
Long Distance	27,400.00	1,503.41	12,286.18	55.16%
Total Telephone	48,400.00	3,188.40	24,978.60	48.39%
Postage & Shipping				
Postage-ground	4,100.00	75.33	2,810.12	31.46%
Total Postage & Shipping	4,100.00	75.33	2,810.12	31.46%
Occupancy				
Rent	418,188.00	34,490.49	282,111.47	32.54%
Insurance	19,000.00	1,027.25	8,254.00	56.56%
Total Occupancy	437,188.00	35,517.74	290,365.47	33.58%
Maintenance & Repairs				
Office	0.00	406.00	5,696.50	0.00%
Total Maintenance & Repairs	0.00	406.00	5,696.50	0.00%
Equipment Rental				
Copier Lease	20,400.00	1,323.00	9,902.28	51.46%
Equipment	0.00	0.00	4,721.64	0.00%
Total Equipment Rental	20,400.00	1,323.00	14,623.92	28.31%
Dues & Subscriptions				
Publications	6,850.00	0.00	3,938.43	42.50%
Software	137,800.00	3,009.99	120,073.33	12.86%
Total Dues & Subscriptions	144,650.00	3,009.99	124,011.76	14.27%
Depreciation				
Depreciation	0.00	9,361.59	75,961.63	0.00%
Total Depreciation	0.00	9,361.59	75,961.63	0.00%
Miscellaneous				
Off-site Storage	7,396.00	180.00	2,749.65	62.82%
Total Miscellaneous	7,396.00	180.00	2,749.65	62.82%
Total Expenditures	7,542,106.00	492,153.42	5,309,687.56	29.60%
Net Revenue Over Expenditures	21,217.00	141,951.63	4,856,883.03	

Education Commission of the States

Financial Statements

December 31, 2016

(With Independent Auditor's Reports Thereon)

Kundinger, Corder & Engle, P.C.

Certified Public Accountants

Kundinger, Corder & Engle, P.C.

Certified Public Accountants
475 Lincoln Street, Suite 200
Denver, Colorado 80203

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Independent Auditor's Report

Board of Directors
Education Commission of the States:

We have audited the accompanying financial statements of Education Commission of the States, which comprise the statement of financial position as of December 31, 2016, and the related statements of activities, functional expenses 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. 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 Education Commission of the States as of December 31, 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.

Board of Directors
Education Commission of the States

Report on Summarized Comparative Information

We have previously audited Education Commission of the State's 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 2, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Kundinger, Corder & Engle, P.C.

May 25, 2017

Education Commission of the States
Statement of Financial Position
December 31, 2016
(With Summarized Comparative Information for December 31, 2015

	2016	2015
Assets:		
Cash and cash equivalents	$ 2,348,591	2,771,581
Investments (notes 3 and 5)	2,062,810	1,011,176
Accounts receivable	10,000	15,000
Grants receivable (note 2)	251,576	-
Prepaid expenses and other assets	376,445	71,584
Beneficial interest in assets held in endowment (notes 4, 5 and 8)	2,218,360	2,125,405
Property and equipment, net of accumulated depreciation (note 6)	381,898	338,475
Total assets	$ 7,649,680	6,333,221
Liabilities:		
Accounts payable	$ 156,805	137,836
Accrued payroll liabilities	209,806	212,265
Deferred contract revenue	273,684	20,402
Deferred rent	122,204	-
Total liabilities	762,499	370,503
Net Assets:		
Unrestricted		
Endowment (note 8)	2,218,360	2,125,405
Operating reserve	1,389,955	1,030,337
Undesignated	1,209,930	2,169,433
Total unrestricted	4,818,245	5,325,175
Temporarily restricted (note 7)	2,068,936	637,543
Total net assets	6,887,181	5,962,718
Commitments (notes 9, 10 and 11)		
Total liabilities and net assets	$ 7,649,680	6,333,221

See the accompanying notes to the financial statements.

Education Commission of the States
Statement of Activities
Year Ended December 31, 2016
(With Summarized Comparative Information for Year Ended December 31, 2015

	2016			2015
	Unrestricted	Temporarily Restricted	Total	Total
Revenue and Support:				
Government grant revenue	$ 693,973	-	693,973	-
Grant revenue	-	3,914,036	3,914,036	1,074,839
Contract revenue	166,718	-	166,718	281,183
State fees	2,538,209	-	2,538,209	2,307,623
National forum registration and sponsors	751,675	-	751,675	713,697
Investment return, net (note 4)	114,734	-	114,734	(45,979)
Miscellaneous and other income	16,987	-	16,987	6,655
Net assets released due to satisfaction of donor restrictions (note 7)	2,482,643	(2,482,643)	-	-
Total revenue and support	6,764,939	1,431,393	8,196,332	4,338,018
Expenses:				
Program services:				
Policy Institutes and Centers	4,998,234	-	4,998,234	2,631,769
State services	1,124,015	-	1,124,015	1,079,203
Total program services	6,122,249	-	6,122,249	3,710,972
Supporting services:				
Executive and administration	857,141	-	857,141	671,460
Fund raising	191,061	-	191,061	240,737
	1,048,202	-	1,048,202	912,197
Total expenses before depreciation and loss on disposal of fixed assets	7,170,451	-	7,170,451	4,623,169
Change in net assets before depreciation and loss on disposal of fixed assets	(405,512)	1,431,393	1,025,881	(285,151)
Depreciation	101,418	-	101,418	62,978
Loss on disposal of fixed assets	-	-	-	20,659
Total depreciation and loss of disposal of fixed assets	101,418	-	101,418	83,637
Change in net assets	(506,930)	1,431,393	924,463	(368,788)
Net assets at beginning of year	5,325,175	637,543	5,962,718	6,331,506
Net assets at end of year	$ 4,818,245	2,068,936	6,887,181	5,962,718

See the accompanying notes to the financial statements.

Education Commission of the States

Statement of Functional Expenses

Year Ended December 31, 2016

(With Summarized Comparative Information for Year Ended December 31, 2015)

	2016							2015
	Program services				Supporting services			
	Policy Institutes and Centers	State Services	Total program services	Executive and administration	Fund raising	Total supporting services	Total expenses	Total expenses
Personnel costs	$ 2,704,382	260,850	2,965,232	633,792	176,453	810,245	3,775,477	2,828,674
Travel	311,494	304,399	615,893	28,042	–	28,042	643,935	511,614
Meeting expense	176,096	382,758	558,854	10,254	–	10,254	569,108	469,083
Consultant services	861,501	143,100	1,004,601	91,744	–	91,744	1,096,345	345,455
Facilities expense	296,552	21,004	317,556	51,649	11,277	62,926	380,482	276,945
Printing and publications	18,215	1,215	19,430	3,123	–	3,123	22,553	23,252
Telephone and mail	10,954	2,951	13,905	4,056	–	4,056	17,961	16,595
Equipment expense	3,931	288	4,219	709	155	864	5,083	2,407
Office expenses	88,259	4,500	92,759	15,109	1,600	16,709	109,468	78,413
Contract and professional services	526,575	2,950	529,525	50,748	1,576	52,324	581,849	78,627
Miscellaneous expenses	275	–	275	9,560	–	9,560	9,835	24,086
Total functional expenses	4,998,234	1,124,015	6,122,249	898,786	191,061	1,089,847	7,212,096	4,655,151
Less investment fees	–	–	–	(41,645)	–	(41,645)	(41,645)	(31,982)
Total expenses before depreciation and loss on disposal of fixed assets	4,998,234	1,124,015	6,122,249	857,141	191,061	1,048,202	7,170,451	4,623,169
Depreciation	78,422	5,755	84,177	14,151	3,090	17,241	101,418	62,978
Loss on disposal of fixed assets	–	–	–	–	–	–	–	20,659
Total expenses	$ 5,076,656	1,129,770	6,206,426	871,292	194,151	1,065,443	7,271,869	4,706,806

See the accompanying notes to the financial statements.

Education Commission of the States
Statement of Cash Flows
Year Ended December 31, 2016
(With Summarized Comparative Information for Year Ended December 31, 2015)

	2016	2015
Cash flows from operating activities:		
Change in net assets	$ 924,463	(368,788)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation expense	101,418	62,978
Loss on disposal of fixed assets	-	20,659
Realized and unrealized losses on investments	(115,927)	21,159
Free rent from lessor as a lease incentive	122,204	-
(Increase) decrease in operating assets:		
Accounts receivable	5,000	(15,000)
Grants receivable	(251,576)	-
Prepaid expenses and other assets	(304,861)	(11,181)
Increase (decrease) in operating liabilities:		
Accounts payable	18,969	(25,658)
Accrued payroll liabilities	(2,459)	(28,142)
Deferred contract revenue	253,282	(14,403)
Net cash provided by (used in) operating activities	750,513	(358,376)
Cash flows from investing activities:		
Purchases of property and equipment	(144,841)	(304,249)
Proceeds from sale of property and equipment	-	8,830
Net purchases of short-term cash investments	(1,028,662)	(958,308)
Net cash used in investing activities	(1,173,503)	(1,253,727)
Net decrease in cash and cash equivalents	(422,990)	(1,612,103)
Cash and cash equivalents, beginning of year	2,771,581	4,383,684
Cash and cash equivalents, end of year	$ 2,348,591	2,771,581

See the accompanying notes to the financial statements.

(1) Summary of Significant Accounting Policies

(a) General

Education Commission of the States (the Commission) is a nonprofit organization founded in 1966 to track state policy trends, translate academic research, provide unbiased advice and create opportunities for state leaders, including governors, legislators, agency officials, higher education executives, business leaders and other education leaders, to learn from one another. The Commission is supported by state fees, grants and contracts from various foundations and businesses, and National Forum sponsors.

The Commission's programs include the following:

The Policy Institutes and Centers including the Early Learning Institute, K-12 Institute, High School Institute, Postsecondary and Workforce Institute, National Center on Learning and Civic Engagement, STEM Center, and the Arts Education Partnership Center provide states with policy experts to respond to state research requests on the full spectrum of education policy issues across the entire education spectrum. As one of the nation's most complete education policy resources, the Commission addresses issues across the P-20 spectrum, staff track and enter policies into a publicly accessible database, synthesize state policies into 50-state comparisons, translate quality education research studies into reader-friendly formats, respond to required state policy requests from policymakers, citizens, and the media, and surface critical and emerging education issues across states. These programs include strategic communications, constituent engagement, report editing, report dissemination, media relations, branding, web development and social media.

State services primarily include the annual National Forum for Education Policy and the Winter Commissioners meeting. The Forum brings together the full range of education leaders from across all states to explore early learning through postsecondary education policy issues. The Winter meeting allows the Commissioners to hear from experts, share ideas and prepare for the year ahead.

(b) Basis of Accounting

The accompanying financial statements of the Commission have been prepared on the accrual basis of accounting, and accordingly reflect all significant receivables, payables, and other liabilities.

(c) Financial Statement Presentation

The Commission reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Commission did not have any permanently restricted net assets at December 31, 2016.

(1) Summary of Significant Accounting Policies, Continued

(d) Cash and Cash Equivalents

The Commission considers all unrestricted highly liquid investments with an original maturity of three months or less, and which are not held as part of the investment portfolio, to be cash equivalents.

(e) Accounts Receivable

Accounts receivable represent claims for reimbursement and other fees earned or due under contract and fee agreements. The allowance for doubtful accounts is based on past collection experience and on analysis of current accounts receivable collectibility. Accounts deemed uncollectible are charged to the allowance in the year they are deemed uncollectible. Receivable balances are considered to be past due based on contractual terms. There is no allowance for doubtful accounts as of December 31, 2016.

(f) Contributions, Grants and Grants Receivable

Contributions and grants received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. State fees and sponsorships are treated as contributions in the period in which they are received.

Unconditional grants receivable are recognized as revenue in the period the pledge is received. Grants receivable are recorded at net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year. Management considers all accounts to be collectible; therefore, an allowance for doubtful accounts is not considered necessary. Conditional grants receivable are recognized when the conditions on which they depend are substantially met.

(1) Summary of Significant Accounting Policies, Continued

(g) Investments

The Commission reports investments at fair value. Fair value is determined as more fully described in note 5. The Commission's management is responsible for the fair value measurement of investments reported in the financial statements and believes that the reported values are reasonable. Investment return consists of the Commission's distributive share of any interest, dividends, capital gains and losses generated from investments, and the change in fair value of the investments, netted with investment fees. Gains and losses attributable to investments are realized and reported upon a sale or disposition of the investment. Unrealized gains and losses are included in the change in net assets in the statement of activities.

(h) Property and Equipment

The Commission capitalizes all expenditures for property and equipment in excess of $1,000 and with an estimated useful life of one year or more. Property and equipment is stated at cost, or if donated, at the approximate fair market value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from three to ten years.

(i) Contract Revenue

Contract revenue is recognized when the services are performed or the deliverables are completed. Amounts received are deemed to be earned and are reported as revenue when the Commission has incurred expenditures in compliance with specific contract restrictions. Revenue on fixed-price contracts is recognized at the time of contract billing, which approximates the percentage-of-completion method of accounting. Cash received in excess of allowable expenditures is recorded as deferred revenue at December 31, 2016 and totaled $273,684.

(j) Deferred Rent

Deferred rent represents the unamortized portion of lessor incentives (free rent and difference in the escalating rent payments) received in conjunction with the Commission's office lease. The Commission amortizes deferred rent over the life of the lease and its extensions.

(1) Summary of Significant Accounting Policies, Continued

(k) Concentrations of Credit Risk

Financial instruments which potentially subject the Commission to concentrations of credit risk consist principally of cash and cash equivalents and investments, including certificates of deposit (CDs). The Commission places its cash and cash equivalents with creditworthy, high quality financial institutions. At times, a portion of the Commission's cash is in excess of the amount insured by the Federal Deposit Insurance Corporation (FDIC). CDs are limited to $250,000 per issuer and are covered under Securities Investor Protection Corporation (SIPC). Though the market value of investments is subject to fluctuations on a year-to-year basis, management believes that the investment policy is prudent for the long-term welfare of the Commission.

(l) 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 and 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. Actual results could differ from those estimates.

(m) Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

(n) Income Taxes

The Commission is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and qualifies for the charitable contribution deduction. Income from activities not directly related to its tax-exempt purpose is subject to taxation as unrelated business income. There was no unrelated business income during the year ended December 31, 2016.

Management is required to evaluate tax positions taken by the Commission and recognize a tax liability (or asset) if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by taxing authorities. Management has analyzed the tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements and determined there are none. The Commission is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes the Commission is no longer subject to income tax examinations for years prior to December 31, 2013.

(1) Summary of Significant Accounting Policies, Continued

(o) Comparative Financial Information

The 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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Commission's financial statements for the year ended December 31, 2015, from which the summarized information was derived.

(p) Subsequent Events

Management is required to evaluate, through the date the financial statements are issued or available to be issued, events or transactions that may require recognition or disclosure in the financial statements, and to disclose the date through which subsequent events were evaluated. The Commission's financial statements were available to be issued on May 2, 2016 and this is the date through which subsequent events were evaluated.

(2) Grants Receivable

Unconditional grants receivable at December 31, 2016 total $251,576 and are expected to be received within one year. There is no allowance for uncollectible accounts as management believes these amounts are fully collectible.

The Commission has six conditional grants receivable subject to donor-imposed conditions totaling $1,724,436 at December 31, 2016. Because these conditional grants are dependent on approval by the grantors of progress toward specific project goals before continued funding will be released, they have not been recognized in the accompanying financial statements.

(3) Investments

The Commission's investment assets, which consist of publicly held investments, are dedicated to providing the financial resources needed to meet the Commission's charitable objectives.

Marketable securities are exposed to various risks that may cause the reported value of the Commission's investment assets to fluctuate from period to period and result in a material change to the net assets of the Commission. Investments in equity securities fluctuate in value in response to many factors such as the activities and financial condition of individual companies, business and industry market conditions and the general economic environment. The value of fixed income securities fluctuates in response to changing interest rates, credit worthiness of issuers and overall economic policies that impact market conditions.

(3) Investments, Continued

Investments are stated at their fair values and consist of the following at June 30, 2016:

Cash and cash equivalents	$ 271,574
Equity funds	994,026
Bond funds	299,904
Corporate and municipal bonds	497,306
	$ 2,062,810

(4) Beneficial Interest in Assets Held in Endowment

The Commission established an endowment fund (the Fund) with The Denver Foundation (the Foundation) and named itself as the beneficiary. The investment is to be held in the endowment in perpetuity and is included in unrestricted net assets, as no donor has restricted the amounts deposited in the Fund. The Foundation makes all of the investment decisions for the endowment fund.

In accordance with the accounting standard *Transfers of Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contributions for Others*, the transfer was not considered to be a contribution from the Commission to the Foundation but rather was accounted for as a reciprocal transfer. Therefore, the transfer is reflected in the statement of financial position as a "beneficial interest in assets held in endowment."

Distributions from the Foundation are equal to the earnings on the Fund and are available to fund the general operations of the Commission. At December 31, 2016, the fair value of the Fund was $2,218,360. Investment return for the Fund was $92,955 in 2016. There were no contributions to or distributions from the Fund during 2016.

The Commission's investment return for investments and beneficial interest in assets held in endowment consisted of the following during 2016:

Realized gains	$ 84,681
Unrealized gains	31,246
Interest and dividend income	40,462
Investment fees	(41,655)
Investment return	$ 114,734

(5) Fair Value Measurements

The Commission reports required types of financial instruments in accordance with fair value accounting standards. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. These standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or other valuation techniques) to determine fair value. Fair value measurement standards also require the Commission to classify these financial instruments into a three-level hierarchy, based on the priority of inputs to the valuation technique.

Instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – Quoted prices are available in active markets for identical instruments as of the reporting date. Instruments which are generally included in this category include listed equity and debt securities publicly traded on an exchange, listed derivatives, cash and cash equivalents.

Level 2 – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Investments which are generally included in this category include corporate and government bonds, less liquid and restricted equity securities and certain over-the-counter derivatives.

Level 3 – Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation. Investments that are included in this category generally include limited partnership interests in corporate private equity and real estate funds, funds of hedge funds, and distressed debt.

In some instances, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such instances, an instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. These classifications (Level 1, 2 and 3) are intended to reflect the observability of inputs used in the valuation of investments and are not necessarily an indication of risk or liquidity.

Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument, as well as the effects of market, interest and credit risk. Instruments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. It is reasonably possible that change in values of these instruments will occur in the near term and that such changes could materially affect amounts reported in the Commission's financial statements.

(5) Fair Value Measurements, Continued

The following table summarizes the Commission's investments by the above fair value hierarchy levels as of December 31, 2016:

Description	Fair Value	Level 1	Level 2	Level 3
Cash	$ 271,574	271,574	-	-
Equity funds	994,026	994,026	-	-
Bond funds	299,904	299,904	-	-
Corporate and municipal bonds	497,306	-	497,306	-
Total investments	2,062,810	1,565,504	497,306	-
Beneficial interest in assets held in endowment	$2,218,360	-	2,218,360	-

Level 1 assets have been valued using a market approach. Level 2 assets are calculated using models or other valuation methodologies including the Commission's pro-rata share of an investment pool held by The Denver Foundation (see note 4). The underlying investments in the pool held by The Denver Foundation include publicly traded securities and alternative investments. Fair values for assets held in the pool are calculated using the fair value of the underlying assets and information provided by underlying fund managers as allowed under the practical expedient method.

(6) Property and Equipment

Property and equipment consisted of the following at December 31, 2015:

Furniture and fixtures	$ 253,049
Office equipment	239,566
Computer hardware and software	1,045,388
	1,538,003
Accumulated depreciation	(1,156,105)
Property and equipment, net	$ 381,898

(7) Temporarily Restricted Net Assets

Temporarily restricted net assets were available for the following purposes at December 31, 2016:

Grants receivable	$ 187,500
State Financial Aid Redesign	488,807
Blueprint for College Readiness	698,880
Every Student Succeeds Act	179,192
Scaling the Core	439,560
Higher Education Federalism	37,544
Open Enrollment Database	37,453
Total temporarily restricted net assets	$ 2,068,936

Net assets released during 2016 because the program or event restrictions were met totaled $2,482,643.

(8) Endowment

In 2013, the Commission set up an endowment fund with The Denver Foundation (the Foundation) to invest those funds to provide future operational and program support. The endowment fund has no donor restricted funds and is made up entirely of unrestricted net assets. The endowment agreement allows for an income distribution of up to 6% of the market value less administrative fees and expenses, to be disbursed quarterly as directed by the Commission. There were no distributions during 2016.

Following are the changes in endowment net assets for 2016:

Endowment net assets, December 31, 2015	$ 2,125,405
Investment return:	
Investment income, net of fees	(35,784)
Net appreciation (realized and unrealized)	128,739
Appropriated for expenditure	-
Endowment net assets, December 31, 2016	$ 2,218,360

The endowment funds are held and invested by the Foundation for the benefit of the Commission. The Foundation sets the investment policies for the endowment funds, investing the endowment assets in a manner intended to produce a long-term rate of return that exceeds the benchmark that represents the blend of asset classes indices to mirror the asset allocation of the Foundation. The Foundation has an active investment committee that monitors investment performance on an ongoing basis and reviews the asset allocations quarterly.

(9) Lease Commitments

The Commission has a lease agreement for office space that expires May 31, 2023. Future minimum rental payments under this lease are as follows:

2017	$ 245,814
2018	253,851
2019	261,889
2020	269,926
2021	277,964
Thereafter	406,564
Total	$ 1,716,008

The Commission's rent expense in 2016 was $366,777.

(10) Retirement Plan

Substantially all employees are eligible for the Commission's 403(b) retirement plan upon hire. Employee and employer contributions are fully vested at the time of contribution. For employees with at least six months of service the Commission will make a contribution equal to 5% of their salary and a matching contribution of up to 3% of their salary. Employer contributions to the Plan in 2016 totaled $172,511.

(11) Other Commitments

In October 2016, the Commission signed an agreement for hotel rooms and facility costs for the 2017 National Forum to be held in June 2017. Fees to cancel range from $183,836 to $315,098.

Education Commission of the States

Financial Statements

December 31, 2015

(With Independent Auditor's Report Thereon)

Kundinger, Corder & Engle, P.C.

Certified Public Accountants

Kundinger, Corder & Engle, P.C.

Certified Public Accountants
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Independent Auditor's Report

Board of Directors
Education Commission of the States:

We have audited the accompanying financial statements of Education Commission of the States, which comprise the statement of financial position as of December 31, 2015, and the related statements of activities, functional expenses 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. 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 Education Commission of the States as of December 31, 2015, 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.

Board of Directors
Education Commission of the States

Emphasis of a Matter - Restatement
As discussed in note 11 to the financial statements, unrestricted and temporarily restricted net assets as of December 31, 2014 have been restated by ($80,000) and $458,656, respectively, to correct prior year errors related to revenue recognition. Beginning unrestricted net assets have also been restated $1,120,606 due to a change in accounting principle related to the recognition of state fees. Our opinion is not modified with respect to this matter.

Kundinger, Carder & Cangle, P.C.

May 2, 2016

Education Commission of the States
Statement of Financial Position
December 31, 2015

Assets:	
Cash and cash equivalents	$ 2,771,581
Short-term cash investments (notes 3 and 5)	1,011,176
Accounts receivable	15,000
Prepaid expenses and other assets	71,584
Beneficial interest in assets held in endowment (notes 4, 5 and 8)	2,125,405
Property and equipment, net of accumulated depreciation (note 6)	338,475
Total assets	$ 6,333,221
Liabilities:	
Accounts payable	$ 137,836
Accrued payroll liabilities	212,265
Deferred contract revenue	20,402
Total liabilities	370,503
Net Assets:	
Unrestricted	
Endowment (note 8)	2,125,405
Operating reserve	1,030,337
Undesignated	2,169,433
Total unrestricted	5,325,175
Temporarily restricted (note 7)	637,543
Total net assets	5,962,718
Commitments (notes 9 and 10)	
Total liabilities and net assets	$ 6,333,221

See the accompanying notes to the financial statements.

Education Commission of the States
Statement of Activities
Year Ended December 31, 2015

	Unrestricted	Temporarily Restricted	Total
Revenue and Support:			
Grant revenue	$ -	1,074,839	1,074,839
Contract revenue	281,183	-	281,183
State fees	2,307,623	-	2,307,623
National forum registration and sponsors	131,201	582,496	713,697
Investment return, net (note 4)	(45,979)	-	(45,979)
Miscellaneous and other income	6,655	-	6,655
Net assets released due to satisfaction of donor restrictions (note 7)	1,478,448	(1,478,448)	-
Total revenue and support	4,159,131	178,887	4,338,018
Expenses:			
Program services:			
Policy Institutes and Centers	2,258,541	-	2,258,541
State services	1,079,203	-	1,079,203
Communications	373,228	-	373,228
Total program services	3,710,972	-	3,710,972
Supporting services:			
Executive and administration	671,460	-	671,460
Fund raising	240,737	-	240,737
	912,197	-	912,197
Total expenses before depreciation and loss on disposal of fixed assets	4,623,169	-	4,623,169
Change in net assets before depreciation and loss	(464,038)	178,887	(285,151)
Depreciation	62,978	-	62,978
Loss on disposal of fixed assets (note 6)	20,659	-	20,659
Total depreciation and loss of disposal of fixed assets	83,637	-	83,637
Change in net assets	(547,675)	178,887	(368,788)
Net assets at beginning of year, as restated (note 11)	5,872,850	458,656	6,331,506
Net assets at end of year	$ 5,325,175	637,543	5,962,718

See the accompanying notes to the financial statements.

Education Commission of the States
Statement of Functional Expenses
Year Ended December 31, 2015

	Program services				Supporting services			
	Policy Institutes and Centers	State services	Communi-cations	Total program services	Executive and administration	Fund raising	Total supporting services	Total expenses
Personnel costs	$ 1,571,016	277,496	281,372	2,129,884	469,806	228,984	698,790	2,828,674
Travel	157,051	334,509	981	492,541	19,073	–	19,073	511,614
Meeting expense	51,448	407,530	395	459,373	9,710	–	9,710	469,083
Consultant services	270,795	29,553	36,554	336,902	7,287	1,266	8,553	345,455
Facilities expense	153,649	21,353	37,941	212,943	54,530	9,472	64,002	276,945
Printing and publications	10,827	3,303	7,774	21,904	1,348	–	1,348	23,252
Telephone and mail	5,574	2,704	1,720	9,998	6,597	–	6,597	16,595
Equipment expense	–	–	–	–	2,407	–	2,407	2,407
Office expenses	38,124	2,755	6,491	47,370	30,028	1,015	31,043	78,413
Contract and professional services	57	–	–	57	78,570	–	78,570	78,627
Miscellaneous expenses	–	–	–	–	24,086	–	24,086	24,086
Total functional expenses	2,258,541	1,079,203	373,228	3,710,972	703,442	240,737	944,179	4,655,151
Less investment fees	–	–	–	–	(31,982)	–	(31,982)	(31,982)
Total expenses before depreciation and loss on disposal of fixed assets	2,258,541	1,079,203	373,228	3,710,972	671,460	240,737	912,197	4,623,169
Depreciation	34,940	4,856	8,628	48,424	12,400	2,154	14,554	62,978
Loss on disposal of fixed assets	11,461	1,593	2,830	15,884	4,068	707	4,775	20,659
Total expenses	$ 2,304,942	1,085,652	384,686	3,775,280	687,928	243,598	931,526	4,706,806

See the accompanying notes to the financial statements.

Education Commission of the States
Statement of Cash Flows
Year Ended December 31, 2015

Cash flows from operating activities:	
Change in net assets	$ (368,788)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation expense	62,978
Loss on disposal of fixed assets	20,659
Realized and unrealized losses on investments	21,159
(Increase) decrease in operating assets:	
Accounts receivable	(15,000)
Prepaid expenses and other assets	(11,181)
Increase (decrease) in operating liabilities:	
Accounts payable	(25,658)
Accrued payroll liabilities	(28,142)
Deferred contract revenue	(14,403)
Net cash used in operating activities	(358,376)
Cash flows from investing activities:	
Purchases of property and equipment	(304,249)
Proceeds from sale of property and equipment	8,830
Net purchases of short-term cash investments	(958,308)
Net cash used in investing activities	(1,253,727)
Net decrease in cash and cash equivalents	(1,612,103)
Cash and cash equivalents, beginning of year	4,383,684
Cash and cash equivalents, end of year	$ 2,771,581

See the accompanying notes to the financial statements.

(1) Summary of Significant Accounting Policies

(a) General

Education Commission of the States (the Commission) is a nonprofit organization founded in 1966 to track state policy trends, translate academic research, provide unbiased advice and create opportunities for state leaders, including governors, legislators, agency officials, higher education executives, business leaders and other education leaders, to learn from one another. The Commission is supported by state fees, grants and contracts from various foundations and businesses, and National Forum sponsors.

The Commission's programs include the following:

The Policy Institutes and Centers including the Early Learning Institute, K-12 Institute, High School Institute, Postsecondary and Workforce Institute, National Center on Learning and Civic Engagement, STEM Center, and the Arts Education Partnership Center provide states with policy experts to respond to state research requests on the full spectrum of education policy issues across the entire education spectrum. As one of the nation's most complete education policy resources, the Commission addresses issues across the P-20 spectrum, staff track and enter policies into a publicly accessible database, synthesize state policies into 50-state comparisons, translate quality education research studies into reader-friendly formats, respond to required state policy requests from policymakers, citizens, and the media, and surface critical and emerging education issues across states.

State services primarily include the annual National Forum for Education Policy and the Winter Commissioners meeting. The Forum brings together the full range of education leaders from across all states to explore early learning through postsecondary education policy issues. The Winter meeting allows the Commissioners to hear from experts, share ideas and prepare for the year ahead.

Communication programs include strategic communications, constituent engagement, report editing, report dissemination, media relations, branding, web development and social media.

(b) Basis of Accounting

The accompanying financial statements of the Commission have been prepared on the accrual basis of accounting, and accordingly reflect all significant receivables, payables, and other liabilities.

(1) Summary of Significant Accounting Policies, Continued

(c) Financial Statement Presentation

The Commission reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Commission did not have any permanently restricted net assets at December 31, 2015.

(d) Cash and Cash Equivalents

The Commission considers all unrestricted highly liquid investments with an original maturity of three months or less, and which are not held as part of the investment portfolio, to be cash equivalents.

(e) Accounts Receivable

Accounts receivable represent claims for reimbursement and other fees earned or due under contract and fee agreements. The allowance for doubtful accounts is based on past collection experience and on analysis of current accounts receivable collectibility. Accounts deemed uncollectible are charged to the allowance in the year they are deemed uncollectible. Receivable balances are considered to be past due based on contractual terms. There is no allowance for doubtful accounts as of December 31, 2015.

(f) Contributions, Grants and Grants Receivable

Contributions and grants received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. State fees and sponsorships are treated as contributions in the period in which they are received.

Unconditional grants receivable are recognized as revenue in the period the pledge is received. Grants receivable are recorded at net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year. Management considers all accounts to be collectible; therefore, an allowance for doubtful accounts is not considered necessary. Conditional grants receivable are recognized when the conditions on which they depend are substantially met.

(1) Summary of Significant Accounting Policies, Continued

(g) Investments

The Commission reports investments at fair value. Fair value is determined as more fully described in note 5. The Commission's management is responsible for the fair value measurement of investments reported in the financial statements and believes that the reported values are reasonable. Investment return consists of the Commission's distributive share of any interest, dividends, capital gains and losses generated from investments, and the change in fair value of the investments, netted with investment fees. Gains and losses attributable to investments are realized and reported upon a sale or disposition of the investment. Unrealized gains and losses are included in the change in net assets in the statement of activities.

(h) Property and Equipment

The Commission capitalizes all expenditures for property and equipment in excess of $1,000 and with an estimated useful life of one year or more. Property and equipment is stated at cost, or if donated, at the approximate fair market value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from three to ten years.

(i) Contract Revenue

Contract revenue is recognized when the services are performed or the deliverables are completed. Amounts received are deemed to be earned and are reported as revenue when the Commission has incurred expenditures in compliance with specific contract restrictions. Revenue on fixed-price contracts is recognized at the time of contract billing, which approximates the percentage-of-completion method of accounting. Cash received in excess of allowable expenditures is recorded as deferred revenue at December 31, 2015 and totaled $20,402.

(j) Concentrations of Credit Risk

Financial instruments which potentially subject the Commission to concentrations of credit risk consist principally of cash and cash equivalents and investments, including certificates of deposit (CDs). The Commission places its cash and cash equivalents with creditworthy, high quality financial institutions. At times, a portion of the Commission's cash is in excess of the amount insured by the Federal Deposit Insurance Corporation (FDIC). CDs are limited to $250,000 per issuer and are covered under Securities Investor Protection Corporation (SIPC). Though the market value of investments is subject to fluctuations on a year-to-year basis, management believes that the investment policy is prudent for the long-term welfare of the Commission.

(1) Summary of Significant Accounting Policies, Continued

(k) 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 and 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. Actual results could differ from those estimates.

(l) Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

(m) Income Taxes

The Commission is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and qualifies for the charitable contribution deduction. Income from activities not directly related to its tax-exempt purpose is subject to taxation as unrelated business income. There was no unrelated business income during the year ended December 31, 2015.

Management is required to evaluate tax positions taken by the Commission and recognize a tax liability (or asset) if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by taxing authorities. Management has analyzed the tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements and determined there are none. The Commission is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes the Commission is no longer subject to income tax examinations for years prior to December 31, 2012.

(n) Subsequent Events

Management is required to evaluate, through the date the financial statements are issued or available to be issued, events or transactions that may require recognition or disclosure in the financial statements, and to disclose the date through which subsequent events were evaluated. The Commission's financial statements were available to be issued on May 2, 2016 and this is the date through which subsequent events were evaluated.

(2) Conditional Grants Receivable

The Commission does not have any unconditional grants receivable outstanding at December 31, 2015. However, the Commission has two conditional grants receivable subject to donor-imposed conditions totaling $1,024,953 at December 31, 2015. Because these conditional grants are dependent on approval by the grantors of progress toward specific project goals before continued funding will be released, they have not been recognized in the accompanying financial statements.

(3) Short-term Cash Investments

The Commission's short-term cash investments consisted of certificates of deposit with interest rates ranging from 1.20% to 1.75% and maturing through June 2019 totaling $1,011,176 at December 31, 2015.

(4) Beneficial Interest in Assets Held in Endowment

The Commission established an endowment fund (the Fund) with The Denver Foundation (the Foundation) and named itself as the beneficiary. The investment is to be held in the endowment in perpetuity and is included in unrestricted net assets, as no donor has restricted the amounts deposited in the Fund. The Foundation makes all of the investment decisions for the endowment fund.

In accordance with the accounting standard *Transfers of Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contributions for Others*, the transfer was not considered to be a contribution from the Commission to the Foundation but rather was accounted for as a reciprocal transfer. Therefore, the transfer is reflected in the statement of financial position as a "beneficial interest in assets held in endowment."

Distributions from the Foundation are equal to the earnings on the Fund and are available to fund the general operations of the Commission. At December 31, 2015, the fair value of the Fund was $2,125,405. Investment return for the Fund was ($58,124) in 2015. There were no contributions to or distributions from the Fund during 2015.

The Commission's investment return for short-term cash investments and beneficial interest in assets held in endowment consisted of the following during 2015:

Realized gains on investments	$ 48,795
Unrealized losses on investments	(69,954)
Interest and dividend income	7,162
Investment fees	(31,982)
Investment return	$ (45,979)

(5) Fair Value Measurements

The Commission reports required types of financial instruments in accordance with fair value accounting standards. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. These standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or other valuation techniques) to determine fair value. Fair value measurement standards also require the Commission to classify these financial instruments into a three-level hierarchy, based on the priority of inputs to the valuation technique.

Instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – Quoted prices are available in active markets for identical instruments as of the reporting date. Instruments which are generally included in this category include listed equity and debt securities publicly traded on an exchange, listed derivatives, cash and cash equivalents.

Level 2 – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Investments which are generally included in this category include corporate and government bonds, less liquid and restricted equity securities and certain over-the-counter derivatives.

Level 3 – Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation. Investments that are included in this category generally include limited partnership interests in corporate private equity and real estate funds, funds of hedge funds, and distressed debt.

In some instances, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such instances, an instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. These classifications (Level 1, 2 and 3) are intended to reflect the observability of inputs used in the valuation of investments and are not necessarily an indication of risk or liquidity.

Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument, as well as the effects of market, interest and credit risk. Instruments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. It is reasonably possible that change in values of these instruments will occur in the near term and that such changes could materially affect amounts reported in the Commission's financial statements.

(5) Fair Value Measurements, Continued

The following table summarizes the Commission's investments by the above fair value hierarchy levels as of December 31, 2015:

Description	Fair Value	Level 1	Level 2	Level 3
Certificates of deposit	$1,011,176	1,011,176	-	-
Beneficial interest in assets held in endowment	$2,125,405	-	2,125,405	-

Level 1 assets have been valued using a market approach. Level 2 assets consist of the Commission's pro-rata share of an investment pool held by The Denver Foundation (see note 4). The underlying investments include publicly traded securities and alternative investments. Fair values for assets in Level 2 are calculated using the fair value of the underlying assets and information provided by underlying fund managers as allowed under the practical expedient method.

(6) Property and Equipment

Property and equipment consisted of the following at December 31, 2015:

Furniture and fixtures	$ 184,493
Office equipment	227,141
Computer hardware and software	981,527
	1,393,161
Accumulated depreciation	(1,054,686)
Property and equipment, net	$ 338,475

During 2015, the Commission disposed of property and equipment with a net book value of $20,659. The loss on the disposal is reported in the accompanying statement of activities.

(7) Temporarily Restricted Net Assets

Temporarily restricted net assets were available for the following purposes at December 31, 2015:

State Financial Aid Redesign	$ 17,713
Blueprint for College Readiness	546,839
Strengthening the Early Learning Continuum	50,000
National Center for Learning & Civic Engagement	22,991
Total temporarily restricted net assets	$ 637,543

Net assets released during 2015 because the program or event restrictions were met totaled $1,478,448, respectively.

(8) Endowment

In 2013, the Commission set up an endowment fund with The Denver Foundation (the Foundation) to invest those funds to provide future operational and program support. The endowment fund has no donor restricted funds and is made up entirely of unrestricted net assets. The endowment agreement allows for an income distribution of up to 6% of the market value less administrative fees and expenses, to be disbursed quarterly as directed by the Commission. There were no distributions during 2015.

Following are the changes in endowment net assets for 2015:

Endowment net assets, December 31, 2014	$ 2,183,529
Investment return:	
Investment income, net of fees	(29,707)
Net depreciation (realized and unrealized)	(28,417)
Appropriated for expenditure	-
Endowment net assets, December 31, 2015	$ 2,125,405

The endowment funds are held and invested by the Foundation for the benefit of the Commission. The Foundation sets the investment policies for the endowment funds, investing the endowment assets in a manner intended to produce a long-term rate of return that exceeds the benchmark that represents the blend of asset classes indices to mirror the asset allocation of the Foundation. The Foundation has an active investment committee that monitors investment performance on an ongoing basis and reviews the asset allocations quarterly.

(9) Lease Commitments

In August 2015, the Commission entered into a new lease agreement for office space that begins January 1, 2016 and expires May 31, 2023. Future minimum rental payments under this lease are as follows:

2016	$ 115,325
2017	201,544
2018	208,134
2019	214,724
2020	221,314
Thereafter	561,248
Total	$ 1,522,289

The Commission's rent expense in 2015 was $256,716.

(10) Retirement Plan

Substantially all employees are eligible for the Commission's 403(b) retirement plan upon hire. Employee and employer contributions are fully vested at the time of contribution. For employees with at least six months of service the Commission will make a contribution equal to 5% of their salary and a matching contribution of up to 3% of their salary. Employer contributions to the Plan in 2015 totaled $141,900.

(11) Prior Year Restatement

Beginning net assets have been restated to correct errors resulting from improper revenue recognition in 2014 related to restricted grants and corporate sponsorships. Additionally, a change in accounting principle was made to recognize state fees as contributions in the year received. These restatements had the following effect on net assets:

	Unrestricted	Temporarily Restricted	Total
Beginning net assets, as previously reported	$ 4,832,244	-	4,832,244
Restatement due to improper revenue recognition related to:			
Restricted grants	-	458,656	458,656
Corporate sponsorships	(80,000)	-	(80,000)
Restatement due to change in accounting principle related to State fees	1,120,606	-	1,120,606
Beginning net assets, as restated	$ 5,872,850	458,656	6,331,506

Section VII: Proposed Staff Resumes

PROPOSED STAFF RESUME FOR RFP 3489

A resume must be completed for all proposed prime contractor staff and proposed subcontractor staff.

Company Name Submitting Proposal:	***Augenblick, Palaich and Associates (APA Consulting)***

Check the appropriate box if the proposed individual is prime contractor staff or subcontractor staff.			
Contractor:	***X***	**Subcontractor:**	

The following information requested pertains to the individual being proposed for this project.			
Name:	***Justin Silverstein***	**Key Personnel: (Yes/No)**	***Yes***
Individual's Title	***Co-CEO***		
# of Years in Classification:	***1***	**# of Years with Firm:**	***19***

BRIEF SUMMARY OF PROFESSIONAL EXPERIENCE

Information should include a brief summary of the proposed individual's professional experience.

Justin Silverstein joined APA full time in 1998 after interning for a year during college and today is the co-CEO of the firm. Justin is nationally known for his work examining state school finance formulas and for analysis on educational resources. This includes leading studies focusing on the resources needed for students to meet educational standards in Maryland, Pennsylvania, and New Jersey In each case the results of the study were implemented by the state. He has led reviews of state finance formulas or components of the formulas for North Carolina, New Jersey, Alabama, and Washington D.C. Justin also works closely with school districts helping them understand how to best implement resources to serve students. This work requires teaming with the stakeholders in the districts to understand the needs and goals of the district.

RELEVANT EXPERIENCE

Information required should include: timeframe, company name, company location, position title held during the term of the contract/project and details of contract/project.

Co-CEO (1/17- present. Lead the school finance work for the company and also manages the operations and finances for the company . Previous positions: Vice President (1/08-12/16); Senior Associate (1/03 – 12/07); (Associate (08/98- 12/02)

Recent projects: conducting reviews of state-level education finance systems, most recently in Alaska; conducting adequacy studies across the country to determine the resources needed to effectively meet federal and state standards, including most recently in Michigan, Wyoming, Maryland, Alabama, Washington D.C., Colorado and Nevada; evaluating the cost implications of recent education reform legislation, including Colorado's Achievement Plan for Kids and SB10-191, the Educator Effectiveness bill; and working with local school districts and community groups to address declining enrollment, the use of student-based budgeting, and the implementation of best practice standards.

Recent clients: Maryland State Department of Education; State of Michigan; Alaska State Legislature; Alabama Board of Education; Deputy Mayor of Education's Office, District of Columbia; Colorado Department of Education; New Jersey Department of Education; North Carolina General Assembly; Pennsylvania State Board of Education; Nevada State Legislature; Louisiana State Board of Elementary and Secondary Education; Virginia Department of Education; Jeffco Public Schools; Littleton Public Schools; Poudre School District; Denver Public Schools; Colorado Governor's State Council on Educator Effectiveness; Lincy Institute at the University of Las Vegas; Colorado Legacy Foundation; Colorado School Finance Project; and the Colorado School Finance Project.

EDUCATION

Information required should include: institution name, city, state, degree and/or Achievement and date completed/received.

B.S. University of Colorado Business Administration

CERTIFICATIONS

Information required should include: type of certification and date completed/received.

No additional certifications.

REFERENCES

A minimum of three (3) references are required, including name, title, organization, phone number, fax number and email address.

Tracie Rainey
Executive Director, Colorado School Finance Project
303-860-9136; t.rainey@cosfp.org

Ethan P. Taylor
Alabama State Department of Education
Education Finance Administrator
334-242-9754; etaylor@alsde.edu

Donna Gunning
Maryland Department of Education
Program Manager
410-767-0757; donna.gunning@maryland.gov

PROPOSED STAFF RESUME FOR RFP 3489

A resume must be completed for all proposed prime contractor staff and proposed subcontractor staff.

Company Name Submitting Proposal:	***Augenblick, Palaich and Associates, Inc.***

Check the appropriate box if the proposed individual is prime contractor staff or subcontractor staff.			
Contractor:	***x***	**Subcontractor:**	

The following information requested pertains to the individual being proposed for this project.			
Name:	***Amanda Brown***	**Key Personnel: (Yes/No)**	***Yes***
Individual's Title	***Senior Associate***		
# of Years in Classification:	***7***	**# of Years with Firm:**	***12***

BRIEF SUMMARY OF PROFESSIONAL EXPERIENCE

Information should include a brief summary of the proposed individual's professional experience.

Amanda Brown joined APA in 2005. Amanda's primary focus areas are school finance and evaluation, both at the state and local level. Amanda has worked at the state level on large-scale adequacy studies; evaluations of state funding mechanisms to improve allocation of resources; conducted studies to understand the resource implications of specific education reform legislation; implementation of instructional best practices; and examining the impact of local/state assessment efforts and the new Common Core Standards. At the local level, Amanda has assisted local school districts to develop school-based budgeting formulas; conducted salary competitiveness studies; addressed issues of declining enrollment; and determined the efficiency of facilities usage. Additionally, she has led and participated in program evaluations of early childhood education and literacy for a number of nonprofit organizations.

RELEVANT EXPERIENCE

Information required should include: timeframe, company name, company location, position title held during the term of the contract/project and details of contract/project.

Augenblick, Palaich and Associates (APA), Denver, CO
01/05- Present
Senior Associate Policy Analyst (08/11- present) in a firm that conducts studies around education policy issues for state and local policymakers. Previous positions: Associate (06/05-08/11); Intern (01/05- 06/05).

Recent projects: conducting reviews of state-level education finance systems, most recently in Alaska; conducting adequacy studies across the country to determine the resources needed to effectively meet federal and state standards, including most recently in Michigan, Maryland, Alabama, Washington D.C., Colorado and Nevada; evaluating the cost implications of recent education reform legislation, including Colorado's Achievement Plan for Kids and SB10-191, the Educator Effectiveness bill; and working with local school districts and community groups to

address declining enrollment, the use of student-based budgeting, and the implementation of best practice standards.

Recent clients: Maryland State Department of Education; State of Michigan; Alaska State Legislature; Alabama Board of Education; Deputy Mayor of Education's Office, District of Columbia; Colorado Department of Education; New Jersey Department of Education; North Carolina General Assembly; Pennsylvania State Board of Education; Nevada State Legislature; Louisiana State Board of Elementary and Secondary Education; Virginia Department of Education; Jeffco Public Schools; Littleton Public Schools; Poudre School District; Denver Public Schools; Colorado Governor's State Council on Educator Effectiveness; Lincy Institute at the University of Las Vegas; Colorado Legacy Foundation; Colorado School Finance Project; Denver Preschool Program; Donnell-Kay Foundation; Piton Foundation; Children's Voices; Reach Out and Read Colorado; and Providers Advancing School Outcomes (PASO), funded through Mile High United Way.

Six recent APA school finance projects completed with Brown's contributions include:

Michigan Education Finance Study, completed for State of Michigan, through the Department of the Treasury (2016)
Project Overview: APA reviewed the revenues and expenditures of districts meeting specific performance standards. This review included an examination of base expenditures (expenditures regardless of student need) and expenditures for the students with special needs, including economically disadvantaged students, English Language Leaner (ELL) students, and special education students. APA examined the differences in non-instructional spending across regions of the state. Cost areas included food service, transportation, maintenance and operations (M&O), community service, and adult education. APA also examined the differences in revenues available to school districts by region and the differences in district expenditures by area.

Study of Adequacy of Funding for Education in the State of Maryland, completed for Maryland State Department of Education (2015-2017)
Project Overview: APA led a study on the adequacy of funding in Maryland. It included adequacy cost studies to identify a base funding level for students without special needs and per pupil weights for students with special needs to be applied to the base funding level, and an analysis of the effects of concentrations of poverty on adequacy targets. Additional studies examined the impact of school size, the Supplemental Grants program, the use of Free and Reduced Price Meal eligibility as the proxy for identifying economic disadvantage, the federal Community Eligibility Program in Maryland, prekindergarten services and funding, the current wealth calculation, the impact of increasing and decreasing enrollments on local school systems; and an update of the Maryland Geographic Cost of Education Index.

Review of Alaska's School Funding Program, completed for Alaska State Legislature (2015)
Project Overview: This study focused on reviewing the structure of Alaska's current funding system, considering both funding practices in other states and Alaska's unique state context. APA reviewed the structure of the funding structure; conducted interviews with district stakeholders to under the structure's impact on individual districts; examined other states' approaches to school funding; examined the equity of the system; analyzed student performance across Alaska, including the relationship between need, funding and performance; examined the state's sources of revenues; and developed recommendations for the state to consider.

Alabama Cost Study, completed for Alabama State Board of Education (2013-2015)
Project Overview: APA worked with the state to examine all aspects of the state's school funding system. The study included stakeholder engagement, a review of the state's school funding structure, an equity study, an adequacy study, and recommendations for possible changes to the funding system.

Nevada Education Adequacy Study Update, completed for The Lincy Institute at the University of Nevada, Las Vegas (August 2014-2015)
Project Overview: APA updated their 2006 Nevada Adequacy study to estimate the resources districts and schools need for all students to meet the current state standards. The study estimated the base cost figure for per pupil expenditures as well as the adjustments necessary for students with special needs including special education, at-risk and English Language Learner (ELL) students. Nevada educators and professionals helped determine the types of resources and interventions needed to ensure Nevada students have an equitable opportunity to achieve academic success. The study included a specific emphasis on understanding the needs of ELL students.

Washington, D.C. Adequacy Study, completed for the Washington, D.C., Office of the Deputy Mayor for Education (2013).
Project Overview: APA conducted an adequacy study in the District of Columbia, for the Office of the Deputy Mayor for Education. APA served as the lead for implementing two adequacy approaches, the professional judgment and successful schools approaches, to determine the resources needed for D.C. students to meet education standards. APA worked with The Finance Project to involve stakeholders across D.C. in completing the work. After completing the adequacy studies, a set of recommendations were created for D.C. on how to implement the findings.

EDUCATION

Information required should include: institution name, city, state, degree and/or Achievement and date completed/received.

University of Colorado at Denver, Denver, CO Graduation Date: May 2009
School of Public Affairs

- Degree Conferred: Master of Public Administration

University of Colorado at Boulder, Boulder, CO Graduation Date: May 2005
College of Arts and Sciences/ School of Journalism and Mass Communication

- Degrees Conferred: Bachelor of Science in Advertising and Bachelor of Arts in Sociology

CERTIFICATIONS

Information required should include: type of certification and date completed/received.

No additional certifications.

REFERENCES

A minimum of three (3) references are required, including name, title, organization, phone number, fax number and email address.

Richard Garcia
Executive Director, Colorado Statewide Parent Coalition
720-890-0123; richard@coparentcoalition.org

Meredith Hintze
Executive Director, Reach Out and Read Colorado
303-623-3800; meredith@reachoutandreadco.org

Tracie Rainey
Executive Director, Colorado School Finance Project
303-860-9136; t.rainey@cosfp.org

PROPOSED STAFF RESUME FOR RFP 3489

A resume must be completed for all proposed prime contractor staff and proposed subcontractor staff.

Company Name Submitting Proposal:	***Augenblick, Palaich and Associates, Inc.***

Check the appropriate box if the proposed individual is prime contractor staff or subcontractor staff.			
Contractor:	***X***	**Subcontractor:**	

The following information requested pertains to the individual being proposed for this project.			
Name:	***Mark L Fermanich***	**Key Personnel: (Yes/No)**	***Yes***
Individual's Title	***Senior Associate***		
# of Years in Classification:	***4***	**# of Years with Firm:**	***4***

BRIEF SUMMARY OF PROFESSIONAL EXPERIENCE

Information should include a brief summary of the proposed individual's professional experience.

Dr. Mark Fermanich joined APA in 2013. He has more than 25 years of experience working in the areas of education policy and finance. Prior to joining APA, Dr. Fermanich Mark in education policy and finance research for the Center for Education Policy Analysis at the University of Colorado Denver and for the Consortium for Policy Research in Education (CPRE) at the University of Wisconsin-Madison; served as a professor of education policy at Oregon State University in Corvallis, Oregon and Sonoma State University in Rohnert Park, California; and as an education policy analyst for the Minnesota State Senate. He also served as an administrator working on policy and budget initiatives for the Minneapolis and St. Paul school districts. Mark's primary focus is on state and local education issues, including education finance, education reform, educator quality, and educator compensation. He has worked on school finance equity and adequacy studies in a number of states, including Alabama, Alaska, Arizona, Arkansas, California, Colorado, Kentucky, Maryland, Michigan, North Carolina, Oregon, Washington, and Wyoming. He has also worked with both large and small school districts on the costs of school improvement strategies, the costs of effective professional development, school-based financing systems, school and teacher effectiveness, and redesigning educator compensation systems. Dr. Fermanich has published research articles in the *Journal of Education Finance*, *The Elementary School Journal*, *Peabody Journal of Education*, and other education policy journals.

RELEVANT EXPERIENCE

Information required should include: timeframe, company name, company location, position title held during the term of the contract/project and details of contract/project.

Augenblick, Palaich & Associates (APA), Denver, CO 2013 – present

Senior Associate

Serve as principal investigator on small- to large-scale research and evaluation projects. Conduct policy research, evaluation, and cost-effectiveness analyses in the areas of education policy, finance, and reform; teacher compensation and effectiveness; and early childhood education. Prepare and

present reports, both technical and academic for clients, policymakers and academic journals. Advise and provide technical assistance to state and local education policymakers.

Five recent APA school finance projects completed with Fermanich's contributions include:

Michigan Education Finance Study, completed for State of Michigan, through the Department of the Treasury (2016)
Project Overview: APA reviewed the revenues and expenditures of districts meeting specific performance standards. This review included an examination of base expenditures (expenditures regardless of student need) and expenditures for the students with special needs, including economically disadvantaged students, English Language Leaner (ELL) students, and special education students. APA examined the differences in non-instructional spending across regions of the state. Cost areas included food service, transportation, maintenance and operations (M&O), community service, and adult education. APA also examined the differences in revenues available to school districts by region and the differences in district expenditures by area.

Study of Adequacy of Funding for Education in the State of Maryland, completed for Maryland State Department of Education (2015-2017)
Project Overview: APA led a study on the adequacy of funding in Maryland. It included adequacy cost studies to identify a base funding level for students without special needs and per pupil weights for students with special needs to be applied to the base funding level, and an analysis of the effects of concentrations of poverty on adequacy targets. Additional studies examined the impact of school size, the Supplemental Grants program, the use of Free and Reduced Price Meal eligibility as the proxy for identifying economic disadvantage, the federal Community Eligibility Program in Maryland, prekindergarten services and funding, the current wealth calculation, the impact of increasing and decreasing enrollments on local school systems; and an update of the Maryland Geographic Cost of Education Index.

Review of Alaska's School Funding Program, completed for Alaska State Legislature (2015)
Project Overview: This study focused on reviewing the structure of Alaska's current funding system, considering both funding practices in other states and Alaska's unique state context. APA reviewed the structure of the funding structure; conducted interviews with district stakeholders to under the structure's impact on individual districts; examined other states' approaches to school funding; examined the equity of the system; analyzed student performance across Alaska, including the relationship between need, funding and performance; examined the state's sources of revenues; and developed recommendations for the state to consider.

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Project Overview: APA worked with the state to examine all aspects of the state's school funding system. The study included stakeholder engagement, a review of the state's school funding structure, an equity study, an adequacy study, and recommendations for possible changes to the funding system.

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Project Overview: APA updated their 2006 Nevada Adequacy study to estimate the resources districts and schools need for all students to meet the current state standards. The study estimated the base cost figure for per pupil expenditures as well as the adjustments necessary for students with special needs including special education, at-risk and English Language Learner (ELL) students. Nevada

educators and professionals helped determine the types of resources and interventions needed to ensure Nevada students have an equitable opportunity to achieve academic success. The study included a specific emphasis on understanding the needs of ELL students.

Oregon State University, Corvallis, OR
2011 – 2013
Assistant Professor

Taught courses, both campus-based and online, in the areas of education policy, finance and politics for K-12 and higher education leadership graduate programs in the College of Education. Maintained active research agenda, served on Master's and Doctoral committees and engaged in service activities.

University of Colorado Denver, Center for Education Policy Analysis, Denver, CO 2009 – 2011
Research Faculty

Served as principal investigator and researcher on small- to large-scale research and evaluation projects. Conducted policy research and evaluation in areas of education policy, finance and reform; and state fiscal policy. Advised and provided technical assistance to state and local education policymakers. Taught core graduate classes in the School of Public Affairs.

Colorado Children's Campaign**,** Denver, CO
2007 – 2009
Research Director

Directed policy research and analysis on education, health care and early childhood issues for nonprofit policy research and advocacy organization. Directed the use of data and research to shape and guide the organization's policy agenda and proposals within the Colorado state context. Worked collaboratively with policy actors including state and local policymakers, foundations and higher education institutions.

Sonoma State University, Rohnert Park, CA
2004 – 2007
Associate Professor

Taught graduate courses in the areas of education policy, finance, politics, and leadership for the Department of Educational Leadership and Special Education in the School of Education and for the Capital Area North Doctorate in Educational Leadership Program at the University of California Davis. Other responsibilities included supervising educational administration interns in school placements, serving on masters and doctoral committees, and engaging in scholarship and service activities.

University of Wisconsin Madison, Consortium for Policy Research in Education, Madison, WI
1998 – 2003
Assistant Researcher

Conducted policy research in areas of education finance and reform with a focus on spending for school and instructional improvement, professional development, resource reallocation, school-based budgeting, decentralization, and education finance equity and adequacy.

St. Paul Public Schools, St. Paul, MN
1997 – 1998
Compensatory Education Coordinator

Coordinated all activities pertaining to district and site-based compensatory education programs for disadvantaged and at-risk students. Responsibilities included reviewing and approving expenditures for $40 million compensatory education program and assisting school sites with budget, administration, best practice, and program implementation issues. Also assumed a leadership role in the district's site-based management initiative and provided troubleshooting in areas of budget and state policy.

Minneapolis Public Schools, Minneapolis, MN
1995 – 1997
Manager, Intergovernmental Relations

Managed the district's intergovernmental relations efforts in support of its policies and strategic direction. Served as the district's liaison with the legislature, state executive branch, and other state and local government agencies. Responsibilities included identifying and analyzing key district policy issues and assisting the district in formulating solutions and initiatives; developing and nurturing collaborative efforts with state, county and city governments; and providing the Board of Education and district administration with interpretation and analysis of local, state and federal legislation.

Senate Counsel and Research, St. Paul, MN
1990 – 1995
Legislative Analyst

Served as nonpartisan staff for State Senate K-12 Education Committee, providing analytical, technical and legal staff support. Responsibilities included researching salient policy issues, formulating proposals, drafting legislation, conducting fiscal analyses of legislative proposals, and projecting state and local costs. Extensive work in areas of education finance, special education, early childhood education, teacher preparation, and school-social services collaboration.

EDUCATION

Information required should include: institution name, city, state, degree and/or Achievement and date completed/received.

University of Wisconsin Madison, Madison, WI
Ph.D., Educational Leadership and Policy Analysis
May 2003

University of Wisconsin Madison, Madison, WI
M.A., Public Administration
May 1982

University of Wisconsin Oshkosh, Oshkosh, WI
B.A., Political Science
May 1979

CERTIFICATIONS

Information required should include: type of certification and date completed/received.

Not applicable.

REFERENCES

A minimum of three (3) references are required, including name, title, organization, phone number, fax number and email address.

Dr. Steve Kimball, Senior Researcher and Co-Director of the Wisconsin Evaluation Collaborative, Wisconsin Center for Education Research, University of Wisconsin-Madison, Phone: (608) 265-6201, Fax: (608) 265-3135, skimball@ wisc.edu

Dr. H. Alix Gallagher, Principal Scientist and Associate Director, Center for Education Policy, SRI International, Phone: (650) 859-3504, Fax: (650) 326-5512, alix.gallagher@sri.com

Dr. Carolyn Kelley, Senior Associate Dean for Academic Programs, School of Education, Department of Educational Leadership and Policy Analysis, University of Wisconsin-Madison, Phone: (608) 263-5733, Fax: (608) 265-3135, kelley@education.wisc.edu

PROPOSED STAFF RESUME FOR RFP 3489

A resume must be completed for all proposed prime contractor staff and proposed subcontractor staff.

Company Name Submitting Proposal:	***Augenblick, Palaich and Associates, Inc.***

Check the appropriate box if the proposed individual is prime contractor staff or subcontractor staff.			
Contractor:	***X***	**Subcontractor:**	

The following information requested pertains to the individual being proposed for this project.			
Name:	***Jennifer Piscatelli***	**Key Personnel: (Yes/No)**	***No***
Individual's Title	***Associate***		
# of Years in Classification:	***6***	**# of Years with Firm:**	***6***

BRIEF SUMMARY OF PROFESSIONAL EXPERIENCE

Information should include a brief summary of the proposed individual's professional experience.

Jennifer Piscatelli joined APA in 2012, bringing over 14 years of education policy experience. She contributes as a member of the APA school finance team and also supports projects on assessment, evaluation, and school finance. Prior to joining APA, Jennifer spent over 8 years as a researcher and policy analyst at the Education Commission of the States, staffed New Hampshire Governor Jeanne Shaheen's Kids Cabinet, and served as a Legislative Aide to the New Hampshire State Senate Education Committee.

Jennifer holds a Master's degree in Political Science with an emphasis in Public Policy from the University of Colorado, Denver, and Bachelor's degrees in Political Science and Women's Studies from the University of New Hampshire.

RELEVANT EXPERIENCE

Information required should include: timeframe, company name, company location, position title held during the term of the contract/project and details of contract/project.

Augenblick, Palaich and Associates, Inc. (APA), Denver, CO 02/12 – present

Associate in a firm that conducts studies around education policy issues for state and local policymakers.

Recent projects: conducting reviews of state-level education finance systems, most recently in Alaska; conducting adequacy studies across the country to determine the resources needed to effectively meet federal and state standards, including most recently in Michigan, Maryland, Alabama, and Nevada; conducting estimates for the cost of preschool programs in five southwest Florida counties; conducting comparisons of district-level teacher compensation systems and evaluating the relative impact changes in a district's system has on regional competitiveness; and serve as administrator of APA's subcontract as a partner providing services as the Regional Educational Laboratory Central (REL Central).

Recent clients: Maryland State Department of Education; State of Michigan; Alaska State Legislature; Alabama Board of Education; Jeffco Public Schools; School District 27J (Brighton, Colorado); Lincy Institute at the University of Las Vegas; Denver Preschool Program; Florida Southwestern College.

Five recent APA school finance projects completed with Piscatelli's contributions include:

Michigan Education Finance Study, completed for State of Michigan, through the Department of the Treasury (2016)
Project Overview: APA reviewed the revenues and expenditures of districts meeting specific performance standards. This review included an examination of base expenditures (expenditures regardless of student need) and expenditures for the students with special needs, including economically disadvantaged students, English Language Leaner (ELL) students, and special education students. APA examined the differences in non-instructional spending across regions of the state. Cost areas included food service, transportation, maintenance and operations (M&O), community service, and adult education. APA also examined the differences in revenues available to school districts by region and the differences in district expenditures by area.

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Education Commission of the States (ECS), Denver, CO 02/02 – 08/10
Policy Analyst for a nonprofit interstate compact working to help state policymakers develop education policy. Served as a Special Projects Associate, Researcher and Policy Analyst. Developed expertise in the areas of civic education, service-learning, state accountability systems and teaching quality.

Supported the ECS National Center for Learning and Citizenship's (NCLC) national initiatives on state and school district policy to integrate and sustain high-quality citizenship education and service-learning; oversaw the creation and updating of NCLC Web-based databases of state policies. Contributed to ECS' Postsecondary and Workforce Development Institute by managing internal and external communications; conducting state policy research on postsecondary remedial education, managing the institute's database and generating reports; and facilitating discussions of experts and policymakers.

Office of the Governor, Concord, NH 02/01 – 09/01
Program Specialist

Staff to New Hampshire Governor Jeanne Shaheen, the Governor's Kids Cabinet and three Cabinet Subcommittees. Prepared the Governor's briefing materials and served as liaison between the Governor's Office and the thirteen Cabinet members (state agency heads). Coordinated monthly Cabinet and subcommittee meetings, developed meeting agendas consistent with Cabinet priorities, provided research and administrative support for Cabinet and Subcommittee members and meetings. Secured private grant funding for the KIDS Cabinet School Age Care Outreach Project.

New Hampshire State Senate, Concord, NH 01/99 – 02/01
Legislative Aide (Previously served as Senate Intern during the 1998 legislative session.)

Served as legislative aide to the New Hampshire Senate Education Committee and all education-related study committees and commissions, including the NH Adequate Education and Education Financing Commission, appointed to develop a new state funding system following the NH Supreme Court decision that the previous system was unconstitutional. Attended committee hearings and meetings, prepared meeting/hearing reports, reviewed committee amendments for accuracy, researched bills and issues, drafted interim and final study committee reports. Drafted Senators' floor statements outlining committee recommendations for Senate floor debate.

EDUCATION

Information required should include: institution name, city, state,

degree and/or Achievement and date completed/received.

University of Colorado, Denver. Denver, CO
MA, Political Science (emphasis: public policy), May 2006

University of New Hampshire. Durham, NH
BA, Political Science and Women's Studies, May 1998

CERTIFICATIONS

Information required should include: type of certification and date completed/received.

No additional certifications.

REFERENCES

A minimum of three (3) references are required, including name, title, organization, phone number, fax number and email address.

Terry Pickeral, Terry Pickeral, Cascade Educational Consultants
Email: t.pickeral@comcast.net; phone: 360.303.7480; fax: n/a

Bruce Vandal, Senior Vice President of Strategy, Math Pathways and Corequisite Remediation, Complete College America
Email: Bvandal@completecollege.org; phone: 317.829.0483; fax: n/a

Robert Palaich, Past President, Augenblick, Palaich and Associates, Inc. (former Vice President of Policy Studies and Programs, Education Commission of the States)
Email: rmp@apaconsulting.net; phone: 720.227.0072; fax: n/a

PROPOSED STAFF RESUME FOR RFP 3489

A resume must be completed for all proposed prime contractor staff and proposed subcontractor staff.

Company Name Submitting Proposal:	***Augenblick, Palaich, and Associates, Inc.***

Check the appropriate box if the proposed individual is prime contractor staff or subcontractor staff.			
Contractor:	***X***	**Subcontractor:**	

The following information requested pertains to the individual being proposed for this project.			
Name:	***Michaela Tonking***	**Key Personnel: (Yes/No)**	***No***
Individual's Title	***Associate***		
# of Years in Classification:	***1***	**# of Years with Firm:**	***2***

BRIEF SUMMARY OF PROFESSIONAL EXPERIENCE

Information should include a brief summary of the proposed individual's professional experience.

Michaela Tonking is a Nevada native and joined APA Consulting in June 2016. At APA, Michaela has primarily focused on school finance formulas and analysis of educational resources. She has supported the adequacy studies in Maryland, Michigan, Wyoming and Colorado. Michaela has also worked on evaluation work for districts, early childhood education providers, and non-profits. Prior to joining APA, Michaela worked as a research assistant for Rhode Island's School Funding Formula Working Group. Michaela also worked for Deloitte and Touché in the audit department.

Michaela holds a Master's degree in Urban Education Policy from Brown University and a Master's and Bachelor's degree in Accounting from the University of Colorado, Boulder.

RELEVANT EXPERIENCE

Information required should include: timeframe, company name, company location, position title held during the term of the contract/project and details of contract/project.

Project Name:	Michigan Costing Out Study
Company Name:	APA
Company Location:	Denver
Position Title:	Associate
Term:	July 2017 through January 2018

Project Description:	APA is currently undertaking a review of Michigan's funding formula utilizing the Professional Judgment and Evidence Based approaches to adequacy. In addition, the study examines the labor market and regional cost differences in the state.

Project Name:	Wyoming Recalibration Study
Company Name:	APA
Company Location:	Denver
Position Title:	Associate
Term:	July 2017 through January 2018
Project Description:	APA is currently undertaking a review of Michigan's funding formula utilizing the Professional Judgment and Successful Schools approaches to adequacy, as well as review of the Educational standard and the Funding Model. In addition, the study examines the labor market and regional cost differences in the state.

Project Name:	Michigan Education Finance Study
Company Name:	APA
Company Location:	Denver
Position Title:	Associate
Term:	August 2015 through August 2017
Project Description:	APA reviewed Michigan's funding formula utilizing the Successful schools approach to adequacy. In addition, the study examined regional costs and capital.

Project Name:	Study of Adequacy of Funding for Education in the State of Maryland
Company Name:	APA
Company Location:	Denver
Position Title:	Associate
Term:	

Project Description:	APA reviewed Michigan's funding formula utilizing the Successful schools approach to adequacy. In addition, the study examined regional costs and capital.

EDUCATION

Information required should include: institution name, city, state, degree and/or Achievement and date completed/received.

Brown University, Providence, Rhode Island
M.A Urban Education Policy
June 2016

University of Colorado, Boulder, Colorado
M.S Business Administration – Accounting
May 2015

University of Colorado, Boulder, Colorado
B.S Business Administration – Accounting
May 2015

CERTIFICATIONS

Information required should include: type of certification and date completed/received.

No additional certifications.

REFERENCES

A minimum of three (3) references are required, including name, title, organization, phone number, fax number and email address.

Kenneth Wong, Education Department Chair, Brown University, (401) 222-4600, Kenneth_wong@brown.edu

Ann D'Abrosca. Education Department Recruitment Director, Brown University, (401) 222-4600. Ann_dabrosca@brown.edu

Alan Jagolinzer, Professor of Financial Accounting, +44 (0)1223 339700, Cambridge University, a.jagolinzer@jbs.cam.ac.uk

PROPOSED STAFF RESUME FOR RFP 3489

A resume must be completed for all proposed prime contractor staff and proposed subcontractor staff.

Company Name Submitting Proposal:	***Augenblick, Palaich and Associates, Inc.***

Check the appropriate box if the proposed individual is prime contractor staff or subcontractor staff.			
Contractor:		**Subcontractor:**	***X***

The following information requested pertains to the individual being proposed for this project.			
Name:	***Lawrence O. Picus***	**Key Personnel: (Yes/No)**	***Yes***
Individual's Title	***President, Picus Odden & Associates***		
# of Years in Classification:	***35***	**# of Years with Firm:**	***15***

BRIEF SUMMARY OF PROFESSIONAL EXPERIENCE

Information should include a brief summary of the proposed individual's professional experience.

Picus Odden & Associates is a comprehensive school finance consultancy firm whose mission is to improve he way public resources for education are translated into improved student learning. For each project, we bring together the most highly-qualified individuals in the country to work as consultants, creating a team tailored to the specific needs of a state. This enables us to be highly responsive to the specific (and often changing) needs of our clients and allows us to make immediate staffing adjustments to ensure that the best people in the field are available to work on any project in a timely and efficient manner.

We have extensive experience working collaboratively with our clients to assess and evaluate the operation of state funding systems and to identify those that are succeeding under established criteria such as would be developed through new state finance structures or using an Evidence-Based model that links funding to student learning. Our experience includes working with states on school finance issues – design, development, implementation and evaluation – with more than three fourths of the states and scores of school districts across the nation.

Our work relies extensively on a highly interactive approach to evaluating current school funding systems and for estimating the resources necessary to ensure excellence in district and state funding systems. Through our research we have amassed a wealth of knowledge and experience about how to assess and evaluate the equity, implementation, effectiveness and impact of state school finance reforms. As the developers of the Evidence-Based method for estimating the funding resources needed to give all students an equal

RELEVANT EXPERIENCE

Information required should include: timeframe, company name, company location, position title held during the term of the contract/project and details of contract/project.

Lawrence O. Picus is professor of educational policy and finance and Associate Dean for Research and Faculty Affairs at the USC Rossier School of Education. His research interests

focus on adequacy and equity in school finance as well as efficiency and productivity in the provision of educational programs for PreK-12 school children. Picus is co-Author (with Allan R. Odden) of *School Finance: A Policy Perspective, 5th edition*, Picus' other books include: *In Search of More Productive Schools: A Guide to Resource Allocation in Education*, published by the ERIC Clearinghouse on Educational Management; and *Developing Community Empowered Schools*), coauthored with Mary Ann Burke. He has published numerous articles in professional journals. Picus has consulted extensively on school finance issues in more than 25 states. In recent years he completed equity studies in Louisiana, Kansas, Massachusetts, and Montana; and has conducted adequacy studies in Arkansas, Arizona, Kentucky, Wyoming, Wisconsin, North Dakota, Ohio, Oregon, Maryland, Vermont and Washington. Picus is past-president of the Association for Education Finance and Policy, and past President of EdSource where he served as a member of the Board of Directors for 14 years.

EDUCATION

Information required should include: institution name, city, state, degree and/or Achievement and date completed/received.

1988 The RAND Graduate School, Ph.D., Public Policy Analysis Santa Monica, California
1987 University of Chicago, M.A. Social Science
1986 The RAND Graduate School. M.Phil. Public Policy Analysis
1977 Reed College, Portland, Oregon, B.A. Economics

CERTIFICATIONS

Information required should include: type of certification and date completed/received.

No additional certifications.

REFERENCES

A minimum of three (3) references are required, including name, title, organization, phone number, fax number and email address.

Matthew Willmarth
School Finance Analyst
Wyoming Legislative Service Office
213 State Capitol
Cheyenne, WY. 82002
307 777-3563
Matthew.Willmarth@WYOLEG.GOV

Richard Wilson
Assistant Director, Research
Arkansas Legislative Research Bureau
1 Capitol Mall, R-511
Little Rock, AR. 72201
501 537-9169
richardw@blr.arkansas.gov

PROPOSED STAFF RESUME FOR RFP 3489

A resume must be completed for all proposed prime contractor staff and proposed subcontractor staff.

Company Name Submitting Proposal:	***Augenblick, Palaich and Associates Inc.***

Check the appropriate box if the proposed individual is prime contractor staff or subcontractor staff.			
Contractor:		**Subcontractor:**	***X***

The following information requested pertains to the individual being proposed for this project.			
Name:	***Allan R. Odden***	**Key Personnel: (Yes/No)**	***Yes***
Individual's Title	***Principal Partner, Picus Odden & Associates***		
# of Years in Classification:	***42***	**# of Years with Firm:**	***15***

BRIEF SUMMARY OF PROFESSIONAL EXPERIENCE

Information should include a brief summary of the proposed individual's professional experience.

Picus Odden & Associates is a comprehensive school finance consultancy firm whose mission is to improve he way public resources for education are translated into improved student learning. For each project, we bring together the most highly-qualified individuals in the country to work as consultants, creating a team tailored to the specific needs of a state. Thus, we are highly responsive to the specific (and often changing) needs of our clients and are able to make immediate staffing adjustments to ensure that the best people in the field are available to work on any project in a timely and efficient manner.

We have extensive experience working collaboratively with our clients, mostly state policymakers, to assess and evaluate the operation of state funding systems and to identify those that are succeeding under established criteria such as would be developed through new state finance structures or using an Evidence-Based model that links funding to student learning. Our experience includes working with states on school finance issues – design, development, implementation and evaluation – with more than three fourths of the states and scores of school districts across the nation.

Our work relies extensively on a highly interactive approach to evaluating current school funding systems and for estimating the resources necessary to ensure excellence in district and state funding systems. Through our research and work with many state legislatures, and as the developers of the Evidence-Based method for estimating the funding resources needed to give all students an equal opportunity to learn to high standards, we have amassed a wealth of knowledge and experience about how to assess and evaluate the equity, implementation, effectiveness and impact of state school finance reforms.

RELEVANT EXPERIENCE

Information required should include: timeframe, company name, company location, position title held during the term of the contract/project and details of contract/project.

Allan R. Odden is professor emeritus of educational leadership and policy analysis and Director Emeritus of the Consortium for Policy Research in Education and Strategic Management of Human Capital at the University of Wisconsin-Madison. His research interests focus on adequacy and equity in school finance, efficiency and productivity in the provision of educational programs for PreK-12 school children, teacher evaluation and new forms of teacher compensation. Odden is co-Author (with Lawrence O. Picus) of *School Finance: A Policy Perspective, 5th edition*, (McGraw Hill, 2014). Odden's other recent books include *Improving Student Learning When Budgets Are Tight* (Corwin Press, 2012), *Strategic Management of Human Capital in Education*, (Routledge Press, 2011), *Ten Strategies For Doubling Student Performance*, (Corwin Press, 2009), *Doubling Student Performance …. and Finding the Resources to Do It*, (Corwin Press, 2009) with Sarah Archibals, and *How to Achieve World Class Teacher Compensation*, (Freeload Press, 2007) with Marc Wallace. He has published close to 250 articles in professional journals. Odden has consulted extensively on school finance issues in more than 35 states. In recent years he has conducted adequacy studies in Arkansas, Arizona, Kentucky, Wyoming, Wisconsin, North Dakota, Ohio, Oregon, Maryland, Vermont and Washington, nearly all for state legislatures. Odden is past-president (1978-79) of the Association for Education Finance and Policy and received its distinguished service award in 1998.

EDUCATION

Information required should include: institution name, city, state, degree and/or Achievement and date completed/received.

1975 Columbia University, Ph.D., 1975
1971 Teachers College, Columbia University, M.A.
1969 Union Theological Seminary, M. Divinity
1965 Brown University, B.S., 1965, Magna cum laude, Tau Beta Pi Honorary Engineering Society

CERTIFICATIONS

Information required should include: type of certification and date completed/received.

No additional cetifications.

REFERENCES

A minimum of three (3) references are required, including name, title, organization, phone number, fax number and email address.

Matthew Willmarth
School Finance Analyst
Wyoming Legislative Service Office
213 State Capitol
Cheyenne, WY. 82002
307 777-3563
Matthew.Willmarth@WYOLEG.GOV

Richard Wilson

Assistant Director, Research
Arkansas Legislative Research Bureau
1 Capitol Mall, R-511
Little Rock, AR. 72201
501 537-9169
richardw@blr.arkansas.gov

PROPOSED STAFF RESUME FOR RFP 3489

A resume must be completed for all proposed prime contractor staff and proposed subcontractor staff.

Company Name Submitting Proposal:	***Augenblick, Palaich and Associates, Inc.***

Check the appropriate box if the proposed individual is prime contractor staff or subcontractor staff.			
Contractor:		**Subcontractor:**	***X***

The following information requested pertains to the individual being proposed for this project.			
Name:	***Michael Griffith***	**Key Personnel: (Yes/No)**	***Yes***
Individual's Title	***School Finance Strategist, Education Commission of the States***		
# of Years in Classification:	***4***	**# of Years with Firm:**	***17***

BRIEF SUMMARY OF PROFESSIONAL EXPERIENCE

Information should include a brief summary of the proposed individual's professional experience.

Mike Griffith has worked in the field of school finance policy for the past 20 years with Education Commission of the States, the consulting firm of Augenblick & Myers and the Michigan State Senate. His research has focused on the condition of state budgets, the adequacy and equity of state finance formulas, and promising practices in funding programs for high-need students.

RELEVANT EXPERIENCE

Information required should include: timeframe, company name, company location, position title held during the term of the contract/project and details of contract/project.

School Funding Strategist – Education Commission of the States 2012 - Present

Working with clients on a variety of education policy topics including: Early learning funding, the current condition of state education budgets and the adequacy and equity of school funding in states. Current and former clients include: Illinois State Board of Education, Kentucky Council for Better Education, Pew Charitable Trusts - Philadelphia Research Initiative, Picus Odden & Associates, Research for Action (Pennsylvania), Research on Social and Educational Change (RSEC) and state legislatures in Colorado, Delaware, Maine, Maryland, Michigan, Pennsylvania, Rhode Island, Vermont and Wyoming.

Senior School Finance Analyst, Education Commission of the States 2008 - 2012
Policy Analyst, Education Commission of the States 2000 - 2008

- Managed ECS's education finance efforts, produced policy briefs, reports, presentations and other documents that are published to the ECS website and distributed to educators and legislators nationwide

- Oversaw project and proposal budgets ranging from $15,000 to over $1 million. Worked directly with stakeholders including the National Center on Time and Learning, Pearson Publishing, Pew Center on the States and multiple state government clients.
- Worked as part of a team on school funding adequacy and equity studies in Connecticut, Kansas, Maryland, Missouri, Montana, South Dakota and Vermont
- Conducted research on various education topics, including: the condition of state budgets, the adequacy and equity of state finance formulas, state funding of early-learning programs and promising practices in funding programs for high-need students
- Assisted in acquiring financial support from private funders, including: Ford Foundation, Foundation for Child Development, Bill and Melinda Gates Foundation, GE Foundation, Pre-K Now and the Pew Charitable Trusts
- Worked with state policy makers, and their staff, to shape early learning, K-12 and higher education funding policy in all fifty states
- Testified to state legislatures or governors' commissions in twenty-five states on educational issues, including: charter schools, education funding, school choice, virtual learning and vouchers
- Quoted over 250 times by numerous national media outlets, including: CNN, Education Week, NBC Nightly News, National Public Radio and The New York Times
- Presented on various education policy issues to numerous local, state and national organizations, including: Council of State Governments, Education Writers Association, League of Women Voters, National Association of Latino Elected & Appointed Officials, National Conference of State Legislatures and National School Boards Association

Policy Analyst, Consulting Firm of Augenblick & Myers 1999 – 2000

- Worked on research projects in areas that included adequacy in school funding, school district consolidation and special education funding reform in order to assist policymakers in Kansas, Minnesota and South Carolina

Finance/Tax Policy Analyst, Michigan State Senate 1995 – 1999

- Staffed the Michigan Senate Taxation/Finance and Capital Construction committees.
- Drafted legislation dealing with taxation, K-12 and higher education funding, bonding and capital construction
- Helped design Request for Proposals and Request for Qualifications for state projects.
- Monitored the K-12, higher education and capital construction budgets
- Worked with state and national groups to draft or amend legislation. Groups included: AFL-CIO, American Association of School Administrators, Michigan Chamber of Commerce, National Association of State Boards of Education, National Education Association and state universities and community colleges

EDUCATION

Information required should include: institution name, city, state, degree and/or Achievement and date completed/received.

M.Ed. (Education Management) - Trinity College, University of Dublin. Dublin, Ireland. 2006
M.P.A (Government Finance) - The Ohio State University. Columbus, Ohio. 1993
B.A. (Political Philosophy) - Michigan State University. East Lansing, Michigan. 1989

CERTIFICATIONS

Information required should include: type of certification and date completed/received.

No additional certifications.

REFERENCES

A minimum of three (3) references are required, including name, title, organization, phone number, fax number and email address.

Representative Wendy Horman, Member of the Idaho state house of representatives. Phone: (208) 332-1071. Email: WendyHorman@house.idaho.gov

Pad McCracken, Research Analyst – Montana Legislative Services. Phone: (406) 444-3595. Email: padmccracken@mt.gov

Daniel Thatcher, Policy Principal – Education Program at the National Conference of State Legislatures. Phone: (303) 856-1646. Email: Daniel.thatcher@ncsl.org

Section VIII: Other Informational Material

APA is not supplying any additional informational material.