The New Hampshire Department of Education does not discriminate on the basis of race, color, religion, marital status, national/ethnic origin, age, sex, sexual orientation, or disability in its programs, activities and employment practices. This statement is a reflection of the Department of Education and refers to, but is not limited to, the provisions of the following laws: Title IV, VI and VII of the Civil Rights Act of 1964-race color, national origin, The Age Discrimination in Employment Act of 1967, The Age Discrimination Act of 1975, Title IX of the Education Amendments of 1972 (Title IX)-sex, Section 504 of the Rehabilitation Act of 1973 (Section 504)-disability, The Americans with Disabilities Act of 1990 (ADA)-disability, and NH Law against discrimination (RSA 354-A).

Auxiliary aids and services are available upon request to individuals with disabilities.
Questions and the agency’s answers from Proposer Inquiries received by the date of January 10, 2021 at 4:00pm

1. **Please share any existing reports and financial analysis that has been conducted. This will help in understanding the scope of the work.**

   Please refer to the provided legislation CHAPTER 186-D.

2. **Does the Department of Education have expected timing on the various deliverables outlined in “Phase 2: Financial Projects and Other Requirements”?**

   The Department estimates that the deliverables will be required prior to the new school year, based on actual data from the previous school year.

3. **Please provide any document of the proposed funding structure under the law, if available.**

   Please refer to the provided legislation CHAPTER 186-D.

4. **Please provide any documentation on any existing predictive model and premium setting.**

   Please refer to the provided legislation for information.

5. **Please provide any documentation that can be shared, related to any decisions made around the Special Education Cost Recovery Association and funding of special education**

   Please refer to the provided legislation.

6. **Will the Department of Education consider an opportunity to have a conference call to walk through the proposed funding structure and the department’s needs?**

   The Department will answer any specific questions for the chosen bidder.

7. **Please clarify how many separate Special Education Cost Recovery Associations are expected to be formed, and the extent of support required for each association in addition to the support outlined for each school district.**

   As the decision to participate in the association is each individual district’s choice, there is no information at this time.

8. **Clarify whether the RFP includes specific website updates made by the actuary, or whether the scope will be limited to only providing information with other parties making the actual updates to the website.**

   The actuary will provide updates to the Department to update the Department
9. Please confirm if the state has a specific budget for the proposed work.

The Department is accepting bids, through the RFP process, and will rank the bidders proposals based on acceptance criteria to include, but not be limited to, weighted factors such as insurance coverage, financial stability of the proposing insurance carrier, bond rating of the company, and insurance maintenance costs in any not included in the premiums. The bids that meet the minimum threshold shall then be ranked by the department based on the bid premium costs for each level of insurance coverage specified in the request for proposals.

CHAPTER 186-D
SPECIAL EDUCATION RISK MANAGEMENT ASSOCIATION
186-D:1 Definitions. In this chapter:
I. "Cost predictor spreadsheet tool" means an actuary-designed tool that can be used to predict future school district special education obligations based on past claims analysis.
II. "Risk pool" means a non-lapsing reserve account held by the state treasurer from which all cost recovery funding is derived. The account held by the treasurer may be funded by member school district assessments, insurance proceeds, interest, or other sources.
III. "RSA 5-B special education cost recovery association" means a voluntary group of at least 5 school districts that form an association under the RSA 5-B risk pool provision specifically to deal with special education cost recovery.
IV. "RSA 5-B special education cost recovery association governing board" means a group of at least 5 superintendents elected from the association members.
V. "Unanticipated special education cost recovery" means the program providing school districts with expanded pathways to recover those costs that are directly associated with special education provided to students assigned to the school district and payable under RSA 186-C:18 that occur after school budgets are fixed.

186-D:2 Risk Management Association. No fewer than 5 school districts, by resolution of their governing bodies and upon an affirmative vote of the inhabitants of each of the districts, may form an RSA 5-B special education cost recovery association under the laws of this state to develop and administer a risk management program for the purpose of recovering unanticipated costs of special education. The members of the association may agree to pool self-insurance reserves, risks, claims, losses, and the expenses of administrative services associated with them. Each district shall be represented by its superintendent, or designee. The members of the association shall elect a governing board from among the members. The RSA 5-B special education cost recovery association governing board shall consist of no fewer than 5 member superintendents, or designees, with diversity in terms of district size and geographic region represented. Each board member shall serve one 3-year term and may only serve one term in each 9 year period. The chairperson of the governing board shall be chosen by the board. Minutes of each meeting shall be kept and made available to the public. There shall be one 2-week period annually, to be decided by the governing board, when new districts shall be allowed to join the association.

186-D:3 Duties of the Department of Education. The department shall:
I. Provide all school districts with materials to facilitate the formation of an association under RSA 186:D:2.
II. Update the department website to include the name of each special education cost recovery association with contact information, current membership, a description of the risk pool association, and the advantages and disadvantages of the program.

III. Gather current student data regarding claims and costs which shall be redacted to exclude, to the greatest extent possible, personal student information for all requests for proposals.

IV. Arrange one or more educational opportunities for interested school districts. Topics shall include but not be limited to: risk pools, risk calculators, premium predictors, required information for actuarial calculations, the effects of claims on future premiums, and the advantages and disadvantages of using insurance products to achieve the goals of the association.

V. Annually assist the risk pool governing board by calculating the unreimbursed special education amounts to be paid to the risk pool member districts from the risk pool funds held by the state treasurer.

186-D:4 Requests for Proposals.

I. The department of education shall be the sole drafter of requests for proposals in order to protect all student privacy provisions. Proposals shall be submitted no later than June 30 and shall require a contract duration of not less than 3 years. The proposals shall be for the purpose of soliciting bids with actuarial firms specifying:

(a) Annual cost, based on actuarial calculations, of self-funding a reimbursement pool including individual cost structure for each school district’s unreimbursed costs directly associated with special education provided to students assigned to the school district and payable under RSA 186-C:18.

(b) The bids may also indicate recommendations for options that exist for using insurance products, including re-insurance, to achieve the same result as the self-insurance risk pool along with the advantages and disadvantages of each. The commissioner of the department of education may grant bidders access to data, including claims history, to the extent necessary to achieve accuracy of the annual cost. All data shall be protected under signed confidentiality agreements and shall be devoid of sensitive personal student information to the extent possible. The department of education shall impose a one month deadline after issuance of the request for proposals to receive bids. Any bids received by the department after the deadline shall be returned to the sender unopened and shall not be considered for acceptance. The department shall specify the minimum threshold for bid acceptance. Acceptance criteria shall include, but not be limited to, weighted factors such as insurance coverage, financial stability of the proposing insurance carrier, bond rating of the company, and insurance maintenance costs in any not included in the premiums. The bids that meet the minimum threshold shall then be ranked by the department based on the bid premium costs for each level of insurance coverage specified in the request for proposals.

II. The governing board of the association shall select the most qualified proposal. The board shall decide whether to self-fund or provide insurance products, or both, to the members and shall notify the department of education which shall then notify the selected bidder.

III. If the decision is to purchase an insurance product each member district shall be notified and shall be responsible for its share of the premium. Should the insurance agreement require a vote at town meeting, a majority vote of those present and voting shall be required to approve the agreement. The association shall be responsible for informing each member school district of the process and timing of the billing, the handling of late premiums, the lapsing of premiums, and the adjudication process in case of disputes.

IV. If the decision is to self-fund, the association board shall provide each member with an outline indicating, at minimum, the cost for the district and the risk pool reimbursement period, which shall be not more than 3 months after the state has reimbursed each school district in the association for the final portion of special education state aid under RSA 186-C:18. Any eligible special education expenses incurred by a member school district that were not reimbursed by the state and were not
reimbursed by a purchased insurance product through the association shall be reimbursed by the risk pool to the full extent permitted by the risk pool governing agreement.

V. The selected bidder shall create or update a cost predictor spreadsheet tool so all the school districts may develop budgets and test various situations to arrive at a reasonable special education expense prediction. Specific situations built into the spreadsheet shall include, but not be limited to, full or limited state funding and changes in student population or cost trends. The spreadsheet shall be able to determine rates and district contributions for membership in the risk pool with additional data updates possible to maintain accuracy. The department of education may limit the usage or sharing of the spreadsheet if they solely determine that student privacy may be compromised. The spreadsheet tool and each subsequent revision shall be the sole property of the department of education.

VI. All costs associated with the establishment of the risk pool including filing fees, requests for proposals, education and training for prospective members of the association, and the actuarial services and cost predictor spreadsheet tool shall be the responsibility of the department of education for the first 5 years after the effective date of this chapter.

VII. All costs associated with the administration of the risk pool after the filing fees are paid and all costs after the initial 5 year period shall be the responsibility of the association governing board. The governing board may pay those costs from the risk pool fund and shall adjust member district yearly charges to reflect the administration costs by separate line item.

VIII. Risk pool funds shall be held in a non-lapsing account by the state treasurer. The governing body may withdraw the funds only by written request with signed board approval. The fund withdrawals shall be kept to a minimum number each year. Funds shall only be removed for payment of unreimbursed costs of all member districts and for administrative costs.

IX. The risk pool may be terminated by a resolution of the association governing board and notification to the secretary of state, the department of education, and the state treasurer. All funds shall be distributed to the districts after a professional audit to determine the rightful share. Disputes may be directed to the attorney general.

Effective Date. Part IV of this act shall take effect 60 days after its passage.

Approved: August 10, 2021
Effective Date:
Pt. I eff: I. Sec1&2 eff July 1, 2023
   II. Rem. eff. August 10, 2021
Pt. II eff. January 1, 2022
Pt. III eff. August 10, 2021
Pt. IV eff. October 9, 2021