

LEGISLATIVE PERFORMANCE AUDIT AND OVERSIGHT COMMITTEE

MAY 22, 2026 MINUTES

The Legislative Performance Audit and Oversight Committee met on Friday, May 22, 2026 at 9:00 AM at 1 Granite Place, Room 234.

Members in attendance were as follows:

Rep. Gerald Griffin, Chair
Rep. Mary Jane Wallner
Rep. Keith Erf
Rep. Lucy Weber
Sen. Cindy Rosenwald, Vice Chair
Sen. Timothy Lang
Sen. Howard Pearl
Sen. Keith Murphy

The meeting was called to order by Representative Griffin at 9:00 AM.

Vote on Acceptance of the April 10, 2026 Meeting Minutes

On a motion by Senator Lang, seconded by Senator Rosenwald, that the minutes of the April 10, 2026 meeting be accepted. **MOTION ADOPTED.**

Status of Ongoing Performance Audits

Christine Young, Director of Audits for the LBA, and Jay Henry, Performance Audit Supervisor, provided updates on current LBA performance audits.

NHED Oversight of Special Education

Christine Young explained the report is being written, and the audit team has completed 44 of 81 observations. We're expecting to have a draft report early in the third quarter of this year, and a final report in late summer of 2026.

NHED Oversight of Education Freedom Accounts

Christine Young noted that observations are being written. We currently have 29 of 42 observations completed. We sent drafts of the expanded scope statement and cooperation agreement to the Department of Education and received the Department's comments on May 19.

In terms of reporting out on this audit, it is unknown at this time when we will have a draft report due to the discussions on expanding the audit scope, which is contingent upon the

LBA, the Department of Education, and the Children's Scholarship Fund reaching an agreement on how all three parties would cooperate to perform the added work that the Legislature is seeking on student residency status and records of educational attainment.

Vilay Skidds, Senior Audit Manager of the LBA, discussed expanding the scope of the current audit to include verifying the residency status of EFA students and reviewing records of educational attainment. She explained the LBA plans to talk to CSF staff who are responsible for reviewing and processing documents related to these two topics. We plan to review CSF policies, procedures, and any internal staff guidance on reviewing and approving those documents. We also plan to conduct file reviews of residency documents and records of educational attainment.

After much discussion, the Committee agreed that the two questions under the Expanded Audit Scope found on page 3 of the draft "Addendum to the EFA Audit Scope" will be modified to cover the two most recent school years. The Committee also agreed to add clarifying language on records of educational attainment as suggested by NHED. The two audit questions will now read:

- 1) Were the students who enrolled in the EFA program during the 2024-2025 and 2025-2026 school years residents of the State of New Hampshire at the time of initial enrollment, and for the entire duration of their participation in the EFA program?**
- 2) Do records of educational attainment of the students who participated in the EFA program during the 2024-2025 and 2025-2026 school years indicate the students satisfied educational attainment requirements?**

On a motion by Senator Lang, seconded by Representative Weber, that the expanded audit scope statement be approved. **MOTION ADOPTED**

Doorway Program

Christine Young noted there is a draft report with 12 observations, which we are expecting to present at the June Fiscal Committee meeting.

Date of Next Meeting and Adjournment

Next meeting is at the call of the Chair. Representative Griffin adjourned the meeting at 9:50 AM.

Rep. Gerald Griffin, Chair

**STATE OF NEW HAMPSHIRE
MEMORANDUM OF UNDERSTANDING**

This agreement does not create any legally enforceable rights or obligations.

I. Whereas, the NH Office of Legislative Budget Assistant, Audit Division (“Auditor”), is an independent Legislative Branch State audit office, located at 143 North Main Street, Concord, NH 03301 and, under RSA 14:31-a, I (d) is responsible for conducting such program result audits of any department, board, institution, commission, agency, political subdivision, or entity authorized to expend state funds as the fiscal committee shall specifically direct;

II. Whereas, the NH Department of Education (“Auditee”), is an Executive Branch State agency located at 25 Hall Street, Concord, NH 03301 and responsible under RSA 194-F for administering the Education Freedom Account (“EFA”) program and does so through its contract with the Children’s Scholarship Fund;

III. Whereas, the Children’s Scholarship Fund (“Cooperating Party”), is a nonprofit charitable organization registered with the State of New Hampshire, is located at 180 Loudon Road, Concord, NH 03301, and named as a contracting party in a contract with the NH Department of Education and operating as the authorized agent of the State to administer the EFA program;

IV. Whereas, pursuant to RSA 14:31-a, I (d) and the expanded scope statement approved by the Legislative Performance Audit and Oversight Committee (LPAOC) on May 22, 2026, the NH Office of Legislative Budget Assistant, Audit Division was directed to conduct and complete a performance audit of the EFA program that will answer the following questions:

- a. Were the students who enrolled in the EFA program during the 2024-2025 and 2025-2026 school years residents of the State of New Hampshire at the time of initial enrollment, and for the entire duration of their participation in the EFA program?
- b. Do the records of educational attainment of the students who participated in the EFA program during the 2024-2025 and 2025-2026 school years indicate the students satisfied educational attainment requirements?

V. Whereas, the NH Department of Education, as the Auditee, desires to facilitate the NH Office of Legislative Budget Assistant, Audit Division performance audit of the EFA program by coordinating with the Children’s Scholarship Fund to provide the NH Office of Legislative Budget Assistant, Audit Division with the access described in MOU Exhibit A.

VI. Whereas, the Children’s Scholarship Fund desires to facilitate the NH Office of Legislative Budget Assistant, Audit Division’s review, examination, and audit of student and household residency status and records of educational attainment for the EFA program. The

Children's Scholarship Fund, as the authorized agent administering the EFA program, desires to provide the access described in MOU Exhibit A;

VII. NOW, THEREFORE, the Children's Scholarship Fund, and the NH Office of Legislative Budget Assistant, Audit Division, and the NH Department of Education (hereinafter referred to as "the Parties") enter into this Memorandum of Understanding for their mutual benefit and agree to act as follows:

1. The Children's Scholarship Fund agrees to perform all actions and services described in the attached MOU Exhibit A, which is hereby incorporated by reference.

2. The NH Department of Education agrees to perform all actions and services described in the attached MOU Exhibit A, which is hereby incorporated by reference.

3. The NH Office of Legislative Budget Assistant, Audit Division agrees to perform all actions and services described in the attached MOU Exhibit A, which is hereby incorporated by reference.

4. The Parties agree that no exchange of payment will be made as part of this Memorandum of Understanding.

5. The Parties agree that the obligations, agreements and promises made under this Memorandum of Understanding are not intended to be legally binding upon the Parties and are not legally enforceable. Additionally, the obligations, agreements and promises made by the Parties in this Memorandum of Understanding shall not comprise a standard of care or conduct to third parties.

6. This Memorandum of Understanding may be amended by a written instrument signed by the authorized representatives of all the Parties provided that the amendment does not involve a State expenditure, the receipt of funds, or the creation of an enforceable obligation.

7. This Memorandum of Understanding shall remain in effect until completion of the audit unless terminated earlier by written notice provided 15 days prior to termination, or an unresolvable material breach by one or more of the Parties. Termination shall not affect obligations related to confidentiality or record retention.

8. Disputes arising under this Memorandum of Understanding should be resolved by agreement between the Parties to the extent possible. In the first instance, the Parties agree to attempt to resolve disputes informally through good-faith discussions. In the event that the Parties cannot resolve a dispute by agreement, the Parties anticipate that disputes will be resolved in the following manner: If a party to this Agreement objects to providing information under the provisions of RSA 14:31, IV, the Auditor will report the matter to the LPAOC. Any other disputes arising under the Memorandum of Understanding which cannot be resolved

between the parties shall be referred to the Legislative Performance Audit and Oversight Committee.

In the event that these processes do not resolve the dispute to the satisfaction of the parties, the Parties may terminate this Memorandum of Understanding in the manner set forth in paragraph 7.

9. This Agreement shall be construed in accordance with the laws of the State of New Hampshire.

10. The Parties do not intend to benefit any third parties and this Memorandum of Understanding shall not be construed to confer any such benefit.

11. In the event any of the provisions of this Memorandum of Understanding are held to be contrary to any state or federal law, the remaining provisions of this Memorandum of Understanding will remain in full force and effect.

12. This Memorandum of Understanding, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Memorandum of Understanding and understandings between the parties, and supersedes all prior Memoranda of Understanding and understandings relating hereto.

13. Nothing herein shall be construed as a waiver of sovereign immunity, such immunity being hereby specifically preserved.

14. FOR CHILDREN'S SCHOLARSHIP FUND:

Kate Baker Demers, Executive Director
Children's Scholarship Fund

Date

15. FOR NH DEPARTMENT OF EDUCATION:

Caitlin Davis, Commissioner
NH Department of Education

Date

16. FOR NH OFFICE OF LEGISLATIVE BUDGET ASSISTANT:

Christine Young, Director of Audits
NH Office of Legislative Budget Assistant

Date

EXHIBIT A
FOR MEMORANDUM OF UNDERSTANDING REGARDING
PERFORMANCE AUDIT OF EDUCATION FREEDOM ACCOUNT PROGRAM

Defined terms. As used in this Exhibit A: “Auditor” means the NH Office of Legislative Budget Assistant, Audit Division; “Auditee” means the NH Department of Education; and “Cooperating Party” means the Children’s Scholarship Fund.

1. Purpose

The purpose of this Agreement is to facilitate the Auditor’s review, examination, and audit of student and household residency status and records of educational attainment for the EFA program, administered by the Auditee and the Cooperating Party, to ensure compliance with applicable laws, rules, regulations, and program requirements. This Agreement requires cooperation from all parties to ensure the Auditor is provided with access to relevant records, data, documents, policies, procedures, manuals, personnel, and read-only access to IT systems needed to complete the audit.

2. Authority

The audit procedures performed under this Agreement will be conducted pursuant to the expanded scope statement for the EFA program approved by the Legislative Performance Audit and Oversight Committee (LPAOC) on May 22, 2026, and will include answers to the following questions:

- a. Were the students who enrolled in the EFA program during the 2024-2025 and 2025-2026 school years residents of the State of New Hampshire at the time of initial enrollment, and for the entire duration of their participation in the EFA program?
- b. Do the records of educational attainment of the students who participated in the EFA program during the 2024-2025 and 2025-2026 school years indicate the students satisfied educational attainment requirements?

3. Scope of Audit

The performance audit procedures covered by this Agreement should hereinafter be referred to as the procedures performed under the “Addendum to the EFA Audit Scope” (Addendum) approved by the LPAOC on May 22, 2026. The Addendum addresses Auditor access to records, data, documents, policies, procedures, manuals, personnel, and IT systems maintained by the Cooperating Party related to student and household residency

status and records of educational attainment applicable to sections I(a), I(f), and I(g) of Chapter 297, Laws of 2022.

The audit period will be the 2024-2025 and 2025-2026 school years.

4. Auditing Standards

The audit procedures performed under this Addendum will be conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS) issued by the U.S. Government Accountability Office.

5. Responsibilities of the Auditor

The Auditor shall:

- Maintain independence, objectivity, and professional judgment;
- Develop and execute an audit plan consistent with GAGAS;
- Perform audit procedures necessary to fulfill the audit objectives;
- Obtain sufficient, appropriate evidence to provide a reasonable basis for audit findings and conclusions;
- Safeguard confidential and sensitive information;
- Develop audit findings and make recommendations to the Auditee and Legislature, as needed;
- Provide a draft audit report to the Auditee for review and comment; and
- Report the results of the audit procedures performed under this Addendum, including significant constraints imposed on the audit approach by information limitations or scope impairments, including denials of, or excessive delays in, access to certain records or individuals.

6. Responsibilities of the Auditee

The Auditee shall:

- Submit Auditor requests for meetings with Cooperating Party personnel and Auditor requests for on-site review of Cooperating Party's records, data, and documents to the Cooperating Party in a timely manner agreed upon between the Auditor and the Auditee;
- If physical or electronic copies of records, data, or documents need to be transmitted, ensure safe transmission of unaltered Cooperating Party records to the Auditor; and

- Designate a primary point of contact for audit coordination at the Auditee.

7. Responsibilities of the Cooperating Party

The Cooperating Party shall, upon receiving requests from the Auditor:

- Provide the Auditor with access to the Cooperating Party's EFA program records, data, documents, policies, procedures, manuals, and personnel responsible for reviewing and processing: initial and renewal applications, documents pertaining to establishing and re-establishing student and household residency status for the EFA program, and records of educational attainment;
- Provide the Auditor with access to contracts and agreements with third-party vendors or service providers engaged by the Cooperating Party to assist with establishing or determining student and household residency status and processing of records of educational attainment;
- Provide the Auditor with read-only access to IT systems used by the Cooperating Party to store records, data, and documents related to student and household residency status and records of educational attainment, including:
 - Access to all documents containing the student and parent's address, including, but not limited to:
 - the initial EFA application,
 - returning student EFA application/renewal application,
 - all documents used to initially establish and re-establish the student's residency status, and
 - all documents containing the student's address throughout both school years.
 - Access to the student's record of educational attainment for both school years; and
- If necessary, request records, data, and documents related to student and household residency status and records of educational attainment from third-party vendors or service providers and provide the aforementioned information to the Auditor.

The Cooperating Party shall:

- Ensure records, data, and documents provided to the Auditor are complete and unaltered;
- When necessary, ensure safe transmission of unaltered records, data, and documents to the Auditee and/or Auditor;

- Respond to audit requests for meetings and access to records, data, and documents received from the Auditee and/or the Auditor within seven (7) business days of receiving the request unless otherwise agreed by the Auditor, Auditee, and Cooperating Party; and
- Designate a primary point of contact for audit coordination at the Cooperating Party.

8. Data Privacy and Confidentiality

All parties shall comply with applicable data privacy laws including, but not limited to, student data protection requirements in the following federal and state laws:

- 34 CFR Part 99 (Family Educational Rights and Privacy Act, also known as FERPA),
- RSA 189:65 through RSA 189:68 (Student and Teacher Information Protection and Privacy),
- RSA 359-C:20 (Notice of Security Breach), and
- RSA 14:31, IV (Office of Legislative Budget Assistant: General Duties).

All parties agree to the following:

- Confidential information shall be used solely for purposes of this audit,
- Access shall be limited to authorized personnel, and
- Reasonable administrative, technical, and physical safeguards shall be maintained to protect non-public information.

9. Data Security

All parties agree to implement appropriate safeguards to protect sensitive information, including encryption, secure storage, and controlled access. Any party who becomes aware of a security incident or data breach must comply with the provisions of RSA 359-C:20 Notice of Security Breach and report the security incident or data breach to the other parties in this Agreement within 24 hours.

10. Limitation of Use

Audit results are intended solely for oversight and compliance purposes and shall not be used for unrelated purposes without prior written consent, except as required by law.



The Senate of the State of New Hampshire

107 North Main Street, Concord, NH 03301-4951

July 31st, 2026

Hon. Gerald Griffin
State House Room 317
Concord, New Hampshire 03301

Dear Chairman Griffin and Members of the Committee,

We are hereby requesting that the Joint Legislative Performance Audit and Oversight Committee request that the Legislative Budget and Audit Division conduct a performance audit of the University System of New Hampshire.

To ensure the system operates efficiently and effectively, an external financial statement audit is statutorily required on an annual basis. It is important, however, for the Legislature in its policy-making role to be informed of improvements that can be made to the System's administrative operations.

The performance audit should include, but not be limited to, a review of the organizational staffing structure of the System and the proposed merger between the Chancellor's Office and the Office of the President of the University of New Hampshire.

If you have any questions regarding the scope of the performance audit, please do not hesitate to reach out to our offices.

Sincerely,

Sharon M. Carson
Senate President

Timothy Lang
State Senator

Enclosure

Cc: Michael Kane, Legislative Budget Assistant

Donovan Fenton
State Senator

Suzanne Prentiss
State Senator