AGENDA
PUBLIC NOTICE
Regular Meeting of the Finance Sub Committee
Wednesday, January 25, 2023
2:00 PM
First 5 Riverside County
585 Technology Ct
Riverside, California 92507

This notice shall confirm the Regular Meeting of the Finance Sub Committee of the Riverside County Children and Families Commission.

Note: If special accommodations are needed to participate in this meeting, please contact Lynn Stephens, Executive Assistant IV, at (951) 955-0200 during regular business hours of the Riverside County Children and Families Commission (Monday-Friday 8:00 a.m. – 5:00 p.m.).

Note: Public Comments will be taken on agenda items at various times during the meeting. Please submit a Request to Speak form to the Executive Assistant IV at any time before or during the meeting indicating the item you wish to address.

Note: Please place all cellular phones on vibrate or off mode during the meeting.

A. **Call to Order – Zachary Ginder, Vice Chair**
   A.1. Pledge of Allegiance
   A.2. Roll Call - Lynn Stephens, Executive Assistant IV
   A.3. Moment of Silence for Dr. Susan Rainey (Former Commissioner)
B. **Public Comments (for items not listed on the agenda) – Zachary Ginder, Vice Chair**
C. **Commission Business – Zachary Ginder, Vice Chair**
   C.1. First 5 Riverside County Chair and Vice Chair Elections - Ronak Patel, Chief County Counsel
   C.2. Commissioner Recognition - Tammi Graham, Executive Director and Lynn Stephens, Executive Assistant IV
      C.2.a. Commissioner Deborah Clark-Crews

C.2.b. Commissioner Rosa Verduzco

C.3. Executive Director Report - Tammi Graham, Executive Director

C.4. Commission Member Comments

D. **Presentations/Information – Zachary Ginder, Vice Chair**

D.1. **Information Only** - Second Quarter Financial Highlights and Over 25k Vendor List - **Receive and File**

FIRST 5 RIVERSIDE COUNTY CHILDREN & FAMILIES COMMISSION

FY 22/23 - 2nd QUARTER

(October - December)

Revenue and Expenditure Balances

		Year-To-Date Budget	Actuals as of 12/31/2022	Projections through 06/30/23
Revenues				
740020	Interest-Invested Funds	$ 100,000	$ 763,744	$ 763,744
754000	CA-Tobacco Tax Prop.10	16,551,140	4,821,658	14,464,975
754020	CA-Prop 56 Tobacco Act 2016	3,500,000	-	3,500,000
755870	IMPACT (F5CA Initiatives)	2,118,635	236,953	2,118,635
777540	DPSS (CalWORKs)	3,672,117	238,986	1,250,000
777540	DPSS (FRCs)	2,574,500	830,861	2,574,500
781480	Program Revenue	250,000	(138,698)	250,000
Total Revenues		28,766,392	6,753,505	24,921,854
Expenditures				
Approp 1	Salaries & Benefits	$ 7,755,700	2,705,650	$ 6,376,650
Approp 2	Services & Supplies	25,463,760	5,789,292	19,097,820
Approp 4	Capital Assets	800,000	-	800,000
Total Expenditures		34,019,460	8,494,942	26,274,470
Total		(5,253,068)	(1,741,437)	(1,352,616)

Expenditure Allocation		**12/31/2022**	
Program		**6,456,927**	**19%**
CalWORKs Home Visit Initiative	42200	337,343	
Lena	76420	-	
IMPACT	92930	466,320	
Comprehensive Health & Devlpmt	92945	1,372,120	
Quality Early Learning	92950	2,171,959	
ARPA support	92950	12,087	
Resilient Families	92960	997,438	
HUB	92970	10,429	
Family Resource Centers	92975	998,866	
Countywide Programs	92980	90,366	
Evaluation		**170,801**	**1%**
81250 Evaluation	81250	170,801	
Administration		**1,867,214**	**6%**
Countywide Impact	92955	1,867,214	
		8,494,942	

Administration	**6%**
Evaluation	**1%**
Program	**19%**

PERCENTAGE OF COST BY DEPARTMENT

Within *approved cap of 13% (Action Item #18-13)*

In Q2, December and a portion of November program expenditures are not recognized in the general ledger until Q3. Additionally, Prop 10 revenue includes July - October with November and December pending. Projections for Prop 10 include potential reductions for the fiscal year based on average monthly receipts and potential decline due to the flavor ban impact on tobacco tax. The revenue budget corresponds with Action Item 23-05, recognizing additional revenue for FRC MOU increase, RCOE, and F5CA HV rollover funds ($913,513).

Cumulative Vendor List FY 22/23

	Description/Vendor	Action Item	Commission Aproval Date	Total	Cumulative Total	YTD Expenditures as of 12/31/22
1	Membership - First 5 Association Dues & Communication Fund	22-26	5/11/2022	$ 50,000	$ 50,000	$ 49,557
2	Total Plan - Office Reconfigurations	22-26	5/11/2022	$ 100,000	$ 100,000	$ 27,912
3	Golden State Technology and/or Saitech - Computers & related equipment	22-26	5/11/2022	$ 150,000	$ 150,000	$ 37,109
4	SupplyBank.org - Diaper kits	22-26	5/11/2022	$ 100,000	$ 100,000	$ 40,354
5	Lakeshore Equipment Company - Learning materials	22-26	5/11/2022	$ 50,000	$ 50,000	$ 3,884
6	CM Supply - Learning materials	22-26	5/11/2022	$ 50,000	$ 50,000	$ -
7	Discount School Supply - Learning materials	22-26	5/11/2022	$ 50,000	$ 50,000	$ 1,021
8	Regional Access Project Foundation - Sponsorship	ED Approval		$ 33,000	$ 33,000	$ 33,000
9	Ireland Sound Systems - Conference room audio upgrades	22-38	10/26/2022	$ 75,000	$ 75,000	$ -
10	Kristin Gist - Healthy Steps subject matter expert	22-38	10/26/2022	$ 50,000	$ 50,000	$ -
11	Judy Wood - ECE subject matter expert (facilities/infrastructure)	22-38	10/26/2022	$ 50,000	$ 50,000	$ 1,988
12	Absolute Security International Inc.	23-05	Pending 01/25/2023	$ 75,000	$ 75,000	$ 21,409
13	Zero to Three - Training	23-05	Pending 01/25/2023	$ 75,000	$ 75,000	$ -
14	GM Business Interiors	23-05	Pending 01/25/2023	$ 150,000	$ 150,000	$ -
15	Total Plan - Office Reconfigurations for Mecca	23-05	Pending 01/25/2023	$ 50,000	$ 150,000	$ 27,912

***Removed Dignity Community Care

D.2. **Information Only** - Partner Agency Contract Updates - **Receive and File**

FIRST 5 RIVERSIDE COUNTY
INFORMATION ONLY
CFARC (FUND 25800)

Quality Early Learning (QEL) Program Description	Contract End Date	Action Item	Agency Name	FY 22/23 Contract Budget
Training (IMPACT)	June 30, 2023		Consortium for Early Learning Services - Training (IMPACT)	$ 150,000
Regional Contract QSRC Data	June 30, 2023		Early Quality Systems (iPinwheel)	$ 408,000
HUB Passthrough Funds	June 30, 2023		F5I - Imperial County Children & Families Commission	$ 19,658
HUB Passthrough Funds	June 30, 2023		F5SB- San Bernardino Children & Families Commission	$ 165,946
Infrastructure	June 30, 2023		Family Service Association	$ 580,456
Infrastructure	June 30, 2023		Jan Peterson Child Day Care School	$ 1,070,384
Consultant - QEL (SME ECE Infrastructure)	June 30, 2023		Judith Wood Consultant	$ 25,000
Consultant - QEL	June 30, 2023		Kenyon Consulting, LLC	$ 295,000
Early Literacy	June 30, 2023		LENA Foundation - LENA Start, Grow, and Home	$ 21,246
HUB Passthrough Funds	June 30, 2023		Orange County Department of Education	$ 8,326
Scholarships & Quality Incentives	June 30, 2023		Riverside County Office of Education (RCOE) - RHAP Program	$ 3,000,000
Literacy	June 30, 2023		United Way of the Desert - Raising A Reader	$ 59,375
Infrastructure	June 30, 2023		VIP Tots-Outdoor Learning Environment	$ 364,878
ECE Facility Project	December 30, 2023	AI 23-08	Bermuda Dunes Learning Center	$ 585,600
Infrastructure	December 30, 2023	AI 23-06	Escuela De La Raza Unida	$ 1,234,129
Infrastructure	December 30, 2023		Temple Beth El Child Development Center	$ 97,562
ECE Facility Project	December 30, 2023	AI 23-07	VIP Tots	$ 200,000
Build Up for Riverside County's Children (ECE)	June 30, 2024		Low Income Investment Fund (LIIF)	$ 480,133
			TOTAL QEL FUNDS	**$ 8,765,693**

Comprehensive Health and Development (CHD)	Contract End Date	Action Item	Agency Name	FY 22/23 Contract Budget
Reach Out and Read	June 30, 2023		American Academy of Pediatrics	$ 320,000
HealthySteps	June 30, 2023		Borrego Community Health Foundation HealthySteps	$ 585,000
Drowning Prevention	June 30, 2023		Cathryn Van Der Linden (previously SoCal Water Babies)	$ 125,000
Drowning Prevention	June 30, 2023		Corona Norco YMCA	$ 160,478
Help Me Grow	June 30, 2023		F5SB/F5R Collaborative Agreement (LLU)	$ 499,727
Consulting	June 30, 2023		Kristin Gist Consulting	$ 50,000
HealthySteps	June 30, 2023		Rady Children's Hospital HealthySteps	$ 980,258
Early Identification & Intervention	June 30, 2023		Riverside University Health System - Behavioral Health	$ 1,750,000
Help Me Grow Outreach	June 30, 2023		Riverside University Health System - Medical Center	$ 40,000
HealthySteps	June 30, 2023		Riverside University Health System - Medical Center HealthySteps	$ 537,800
ECOHA Sustainability	June 30, 2024	AI 23-02	California Northstate University (CNU)	$ 140,212
Maternal Fetal Medicine	June 30, 2024		Riverside University Health System-Foundation (Medical Center)	$ 1,795,000
			TOTAL COMPREHENSIVE HEALTH & DEVELOPMENT FUNDS	**$ 6,983,475**

Resilient Families (RF)	Contract End Date	Action Item	Agency Name	FY 22/23 Contract Budget
Home Visitation	June 30, 2023		Blindness Support	$ 368,023
Home Visiting Coordination and Intergrated Services Delivery Support	June 30, 2023		Capito Associates, Inc	$ 140,130
Home Visitation	June 30, 2023		Family Service Association	$ 283,574
Home Visitation	June 30, 2023		Jeung Choo Yoo MD Inc.	$ 1,093,048
Home Visitation	June 30, 2023		John F. Kennendy Memorial Foundation	$ 1,317,254
Home Visitation	June 30, 2023		Jurupa Unified School District	$ 1,280,700
Home Visitation	June 30, 2023		Riverside University Health System - Public Health	$ 523,199
Database	June 30, 2024		Social Solutions Global, Inc (Apricot 360)	$ 158,600
FRC Network Expansion	June 30, 2026	AI 23-09	California Family Life Center	$ 75,000
FRC Network Expansion	June 30, 2026	AI 23-09	Family Service Association, Inc.	$ 75,000
FRC Network Expansion	June 30, 2026	AI 23-09	Greater Hope Foundation for Children	$ 75,000
FRC Network Expansion	June 30, 2026	AI 23-09	Soboba Band of Luiseno Indians	$ 75,000
			TOTAL RESILIENT FAMILY FUNDS	**$ 5,464,528**
			TOTAL CONTRACTS FY 22/23 938001-25800 (CFARC)	**$ 21,213,696**
			FY 22/23 APPROP 2 - CONTRACTS/MOU BUDGET	$ 22,216,938

Item No. 2 - Update Partner Agency Contracts
ARPA (Fund 25820)

FIRST 5 RIVERSIDE COUNTY
ARPA (FUND 25820)

Program	End Date	Agency	FY 22/23 Budget
Contracts: Quality Early Learning			
ECE Workforce Retention (ARPA)	June 2023	Riverside	$ 202,575
Hubbe Modifications	June 2023	Early Quality	$ 73,154
Infrastructure	Dec 2023	VIP Tots	$ 1,000,000
TOTAL ARPA FUNDS			**$ 1,275,729**

E. **Consent – Zachary Ginder, Vice Chair**

E.1. Approve First 5 Riverside County Draft Commission Minutes - October 26, 2022 Session

MINUTES
PUBLIC NOTICE
Regular Meeting
Wednesday, October 26, 2022
2:00 PM
First 5 Riverside County
585 Technology Ct
Riverside, California 92507

Commissioners Present: Deborah Clark-Crews, Supervisor V. Manuel Perez, Zachary Ginder, Kimberly Britt, Jose Campos, Kim Saruwatari, and Stephanie Yost

Commissioners Absent: Edwin Gomez and Rosa Verduzco

Administrative Staff Present: Tammi Graham, Executive Director; Yvonne Suarez, Deputy Director; Lynn Stephens, Commission Coordinator; Piera Causley, Regional Manager; Carol Abella, Administrative Services Manager II; Paul Robles, Fiscal Manager; Patricia Perez, Administrative Services Manager I; Erica Williams, Administrative Services Manager I; and Sean Pravica, Public Information Specialist

Legal Counsel: Ronak Patel, Chief County Counsel

A. **Call to Order – Deborah Clark-Crews, Commission Chair**

1. Pledge of Allegiance – Commissioner Britt
2. Roll Call - Lynn Stephens, Commission Coordinator

B. **Public Comments (for items not listed on the agenda) – Deborah Clark-Crews, Chair**

Cathryn Van Der Linden, founder of SoCal Water Babies, thanked the Commission for its five-year partnership for drowning prevention classes. She reported continued success in providing services and discussed an instructor's training in Colorado that helped to reduce the current capacity gap from 34% to 11%. In addition, Ms. Van Der Linden is now qualified to train others to provide drowning prevention classes. She added that anyone in a foster home qualifies for services and that 14 students have been served during the last grant period with no reimbursement. One instructor being trained this year will soon have the capacity to be in Corona which will make lessons more geographically avilable. Special Needs Children are eligible to receive services. Some diagnoses will require a doctor's release in order to receive services.

Commissioner Ginder asked if there were any additional ways the Commission could support her work. Ms. Van Der Linden answered that classes could begin in February and that families are often waitlisted during the summer, so getting the word out earlier when classes aren't as busy will help to get more children enrolled over the course of the year.

C. **Commission and Advisory Committee Business – Deborah Clark-Crews, Chair**

1. Advisory Committee Comments - Ms. Graham presented on behalf of Advisory Committee Vice Chair. Advisory Members present at their meeting earlier today expressed interest in participating in future community events with staff. There was a planned presentation with HARC that has been tabled until a future meeting.

2. Director's Report - Tammi Graham, Executive Director and Yvonne Suarez, Deputy Director

F5CA Dragon Song: New First 5 CA video relating to toxic stress shared: https://youtu.be/kZs6w4reI4A

The Dragon song is the first part of a larger campaign around toxic stress, a cause championed by former California Surgeon General and F5CA Commissioner Dr. Nadine Burke Harris. While Talk Read Sing materials will still be active, no additional funding for advertising will be spent to promote that campaign. The new focus is now on helping children and parents learn how to cope with toxic stress.

Child Care Workforce

The Executive Office is proposing the below ARPA 2nd installment funding allocation. As with the 1st year's allocation, this action recommended will establish general funding categories, and individual projects will return to the Board for further consideration and action.

ARPA Allocation- County-Wide ($49 million): This allocation sets aside county-wide

Child Care allocation of $8 million: The funding is proposed to continue support to retention of the Early Care and Education (ECE) workforce supporting children in State subsidiesd programs and seeks to provide a second year of funding to the workforce as a bridge until the State increases reimbursement rates. Remaining categorical funds are allocated by Supervisorial Districts. Child Care Facilities are still options general categories for District consideration.

Riverside County Leadership Retreat

Ms. Graham and Ms. Suarez attended. Department leaders shared updates and stories of success and inspiration. "We may not be in the same boat, but we're all in this together."

-Mike Robbins, author and conference speaker

Riverside County Employee Giving Campaign

Commissioner Britt Chaired the County of Riverside Employee Giving Campaign last year, and Ms. Graham served as Co-Chair. This year Ms. Graham will assume the role of Chair for the 2022-23 Riverside County Employee Giving Campaign with Carolina Herrera, Legislative Director serving as Co-Chair. The campaign will kick off on November 1 and the theme is ***RivCo One - Investing in Hope.*** Last year $449,000 was raised for charities by County Employees and we hope to surpass that this year. If every county employee donated $1 per pay period the County could raise over 1 million dollars!

Community Events

Staff participated in several events over the past few months:

CARE Students Dreamers Resource Fair

Attending staff spoke to roughly 65 people about the Family Resource Centers and handed out child-size face masks, hand sanitizers, Potter the Otter books, and flyers regarding F5RC programs.

All things Kids Expo: Hosted by the Press Enterprise, F5RC participated as an Event Sponsor and Jennifer Gomez and Sean Pravica will be attending this event.

3. Commission Member Comments - Deborah Clark-Crews, Chair

Commissioner Campos noted he has to leave today's meeting at 3:30.

D. **Presentations/Information – Deborah Clark-Crews, Chair**

1. **Information Only** - First 5 Riverside County 1st Quarter Financial Highlights - **Receive and File**

E. **Consent – Deborah Clark-Crews, Chair**

1. Approve First 5 Riverside County Commission Draft Meeting Minutes - September 14, 2022 Session

2. Approve First 5 Riverside County Commission 2023 Meeting Schedule

3. **22-34:** Approve First Amendment with the Riverside University Health System Community Health Centers for HealthySteps from July 1, 2021 - June 30, 2023 **(CONTRACT NO. CF22101) [$777,800.00 - PROP 10 FUNDS]**

4. **22-35:** Approve Amendment No.1 to Contract with Low Income Investment Fund to Expand Build Up for Riverside County's Children Initiative from March 9, 2022 - June 30, 2024 **(CONTRACT NO. CF22146) [$480,133-PROP 10 FUNDS]**

5. **22-36:** Approve Match Funds to Inland SoCal United Way for the Guaranteed Income Program Pilot Grant from the California Department of Social Services **[NOT TO EXCEED $2,500,000 - PROP 10 FUNDS]**

6. **22-37:** Approve Amendment & Renewal Quote for Social Solutions Global Inc. for Extension of Apricot 360 Software Solutions from January 22, 2020 - June 30, 2024 **(CONTRACT NO. CF2010774) [$792,518 PROP 10 FUNDS]**

7. **22-38:** Approve and Adopt Revised Fiscal Year 2022/2023 Annual Budget of First 5 Riverside County Children & Families Commission

Commissioner Perez moved to approve consent items as presented. Commmissioner Yost second the motion. ***Motion carried unanimously.***

F. **Presentations/Action Items/Public Hearings – Deborah Clark-Crews, Chair**

1. Presentation of First 5 Riverside County Annual Audit Report for Fiscal Year 2021/2022 (a copy of the report may be obtained at www.first5riverside.org and can be viewed at the Commission Business Office) - David Showalter, CPA, Partner, Eide Bailly, LLP

Mr. Showalter provided highlights of this year's process. He reported the Financial Statements have a clean audit report. He thanked staff for doing a good job of preparing items for audit review.

- Pg 45: Internal controls – if there were any material weaknesses to report they would be here. None reported.
- Pg. 48: State Compliance for Health and Safety Code - no compliance findings or internal control issues.
- Pg. 15: Financial statements/balance sheets - end June 30, 2022 (Assets and liabilities)
- Pg.16: Statement of Activity - Net Income - increased by 1.2M this period.
- Pg. 17: General Fund and new ARPA Fund ($15M received from the county) new fund was created to capture these funds ($9M ending June 30, 2022)
- Pg. 19: Revenue and Expenditures and net change in Fund Balance - $5.7M in ARPA funds spent. (break-even fund)
- Any loss of investments will be recognized.
- ARPA was the main focus of this year's audit to make sure everything was being done in accordance with the provisions of the agreement.
- Mr. Showalter highlighted - Pension liability - CalPERS significant rate of return from 2021 was recognized in 2022. Expect fluctuations in this liability based on changes the County makes in pension plans.
- ARPA funds are required to be committed by 2024.
- Overall there were no significant findings to report. The target for staff to send the annual audit to F5 California and State Controller's office by November 1 will be met.

a. **Public Hearing:** Annual Audit of First 5 Riverside County Children & Families Commission for Fiscal Year 2021/2022 - Deborah Clark-Crews Chair

Chair opened the public hearing. Hearing no comments the public hearing was closed.

b. **22-39:** Adopt First 5 Riverside County Children & Families Commission Annual Independent Audit Report for Fiscal Year 2021/2022 - Deborah Clark-Crews, Chair

Commissioner Campos moved to approve action item 22-39 as presented. Commissioner Ginder second the motion. ***Motion carried unanimously.***

Ms. Graham recognized Ms. Suarez for her leadership and F5 fiscal team for their hard work in preparing the audit and noted there have been no findings for three years in a row.

2. Presentation of First 5 Riverside County Annual Report for Fiscal Year 2021/2022 (a copy of the report may be obtained at www.first5riverside.org and can be viewed at the Commission Business Office) - Yvonne Suarez, Deputy Director

Ms. Suarez reported county commissions are required to submit reports to F5 California and the State Controller's Office per Health & Safety Code Sections 130100-130155 Legislative Requirement and prepare an annual report utilizing an established standardized report format. Health & Safety codes also require that we conduct a public

hearing and accept public comments and lastly that the Commission adopt the annual report.

Ms. Suarez highlighted areas in her presentation. Commissioner Perez asked if First 5 funds autism programs. Ms. Abella responded that First 5 doesn't directly fund Autism programs. However, there are children embedded in our early learning inclusion programs. Ms. Graham noted that the Commission previously funded the Inland Empire Autism Center located in San Bernardino while the Autism Center in Riverside County was being built. We are currently consulting with Dr. Ginder and Kirstin Gist in an effort to present a recommendation to the Commission in the new year.

a. **Public Hearing:** Annual Report of First 5 Riverside County Children & Families Commission for Fiscal Year 2021/2022 - Deborah Clark-Crews, Chair

Chair opened the public hearing. Hearing no public comments the public hearing was closed.

A brief discussion ensued. Commissioner Campos recommended looking at furthering the support system for parents. Looking at additional training for our providers to make connections for the layers of support that are available. Chair noted most of the districts, First 5 and RCOE are trying to address the need to provide additional services. Recommendations on this matter will be considered during the next Strategic Plan phase. Current Strategic Plan ends in June 2023.

b. **22-40:** Adopt First 5 Riverside County Children & Families Commission Annual Report for Fiscal Year 2021/2022 - Deborah Clark-Crews, Chair

Commissioner Perez moved to approve action item 22-40 as presented. Commissioner Yost second the motion. ***Motion carried unanimously.***

G. **Future Agenda Items:**

1. First 5 Riverside County Chair and Vice Chair Election Process
2. First 5 Riverside County Family Resource Centers Presentation
3. First 5 Riverside County Strategic Plan Annual Review and Adoption
4. First 5 Riverside County Annual Appointment of Finance Sub-committee

H. **Adjournment**: Adjournment at 2:51 p.m. to the next Regular Meeting of First 5 Riverside County Children and Families Commission to be held on December 14, 2022 beginning at 2:00 p.m.at:

First 5 Riverside County Children and Families Commission Office
585 Technology Court - Conference Room A
Riverside, CA 92507

Minutes recorded by Lynn M. Stephens, Commission Coordinator.

E.2.**23-01:** Approve and Adopt Revision to the Financial Reporting Policy of First 5 Riverside County Children & Families Commission

AGENDA ITEM: 23-01
DATE OF MEETING: January 25, 2023
ACTION: ☒
INFORMATION: ☐

APPROVE AND ADOPT REVISION TO THE FINANCIAL REPORTING POLICY OF FIRST 5 RIVERSIDE COUNTY CHILDREN & FAMILIES COMMISSION

SUMMARY OF REQUEST

Approve and adopt the revised Financial Reporting Policy to align with Riverside County's financial reporting requirements set forth by the Executive Office.

BACKGROUND

Current Commission policy requires three quarterly financial reports and a year-end financial statement included with the Annual Audit. As a County department, First 5 Riverside County has also been required to submit quarterly financial updates to the County Executive Office. On August 9, 2022, the County's Chief Finance Officer provided direction to all county departments eliminating the First Quarter financial reports (Attachment 3). Evaluation of data in the first quarter provides nominal value as revenue received is in arrears for at least two months and operational costs associated with programmatic expenditures are not reconciled until 60 days after the month's end.

Statutory Requirements

California law requires that the local commissions adhere to specific reporting requirements (California Codes Health and Safety Code Sections 130100-13055). The following are statutory requirements for financial reporting:

- Counties are to have a process to track and monitor administrative costs with periodic reports to the commission. (Section 130140(d)(5)) and 130151(b)(6))
- Policies are needed to assess and communicate the financial condition of the commission. (Section 130151(b)(6))

The Commission retains the ability to request financial information on a more frequent basis if desired.

RECOMMENDED ACTION

That the Commission:

1. Approve and adopt the amendment to the Financial Reporting Policy as attached.

BUDGET IMPACT

No budget impact.

STRATEGIC PLAN RELEVANCE

All Strategic Goal Areas

POTENTIAL CONFLICTS OF INTEREST

None known

ATTACHMENTS

1. Current First 5 Riverside County Financial Reporting Policy
2. Amended First 5 Riverside County Children & Families Commission Financial Reporting Policy
3. County's Executive Office Memorandum Dated August 9, 2022

Lynn M. Stephens, Commission Coordinator, First 5 Riverside, Approved by the Commission on May 9, 2018
Digitally signed by Lynn M. Stephens, Commission Coordinator, First 5 Riverside, Approved by the Commission on May 9, 2018
Date: 2018.05.11 08:52:22 -07'00'

FINANCIAL REPORTING POLICY

PURPOSE

The purpose of this policy is to stipulate the requirement for preparing and reporting essential financial data for the Commission.

STATEMENT OF POLICY

It is the policy of the Commission that staff provides key budget and financial data on a regular basis to facilitate proper monitoring and oversight of Commission finances. Essential financial data includes actual revenues, expenses, and reserves as compared to the current authorized budget.

REPORTING POLICY

It is the policy of the Commission that financial staff prepares and provides the Commission a statement of the actual revenues, expenses and reserves compared to the current budget quarterly and as requested by the Commission. The fourth quarter financial data reporting will be included with the annual audit report presented in the October Commission meeting based on the timing of both the scheduled Commission meetings and financial information.

At a minimum:

A. Provide a statement of revenues, expenses, reserves and administrative, evaluation and programmatic cost percentages as compared to the total operating budget,

B. Include year-end projection data with each quarterly financial report.

FINANCIAL REPORTING POLICY

PURPOSE

The purpose of this policy is to stipulate the requirement for preparing and reporting essential financial data for the Commission.

STATEMENT OF POLICY

It is the policy of the Commission that staff provides key budget and financial data to facilitate proper monitoring and oversight of Commission finances. Essential financial data includes actual revenues, expenses, and reserves as compared to the current authorized budget.

REPORTING POLICY

It is the policy of the Commission that financial staff prepares and provides the Commission a statement of the actual revenues and expenses compared to the annual approved budget and year-end projections as noted below and at any other time as requested. Commission policy requires period reports to include administrative, evaluation, and programmatic cost percentages as compared to the total operating budget.

In alignment with Riverside County's financial reporting requirements, at a minimum staff will prepare financial reports for July – December and July – March. The year-end financial statements will be included with the annual audit report presented for adoption and approval by Commission and will include the net position and Fund Balance.

Action Item: 23-01

DRAFT

M E M O R A N D U M

TO: All Department Heads

CC: Fiscal Personnel, and All EO

FROM: Michael Ambolo, Chief Finance Officer *MA*

DATE: August 9, 2022

SUBJECT: Elimination of First Quarter Report

As we continue implementing Lean (a continuous improvement methodology) to identify and adopt processes for efficiency and effectiveness, the evaluation of streamlining the budget processes is currently one of the first initiatives. The budget team has now been through our first improvement event and identified that the First Quarter Report could be streamlined to reduce unnecessary work. As a result, the team recommends revising our current process to replace the current First Quarter Report with a more minor, less process-intense **First Quarter Adjustment Form 11**.

The evaluation of the First Quarter Report determined that the resulting data is providing nominal value in projecting the department's year-end fiscal position, while creating excess administrative work for the county's fiscal community. The team found that improving this process will reduce approximately 1,344 total working hours among department and executive office fiscal and budgeting staff.

Effective for the Fiscal Year 2022-23, the Executive Office will not create a First Quarter Report meaning that the **First Quarter Budget forecast submittals are no longer needed from the departments.**

The Executive Office realizes that adjustments may be necessary for some instances that cannot wait until the Midyear report; therefore, an option of accepting critical adjustments that cannot wait until Midyear is provided. A **First Quarter Adjustments Form 11** will be created, incorporating all necessary adjustments submitted by departments; this would be very similar to the Year-end Cleanup Form 11.

The protocol for submitting critical adjustments is identified below.

1. Department will use the RivCo Budget System, Form 3600-Quarterly Budget Adjustment Request to enter their adjustments and attach the narrative explaining the nature of the adjustment.

2. Budget adjustments requiring General Fund Appropriations for Contingency/Net County Cost (NCC) funding or use of Unassigned Fund Balance need a separate department-originated Form 11 for transparency. The motion for the adjustment must be included in the Form 11 requesting Contingency funding. Additionally, the department's EO analyst and the Budget Director must be included in the MinuteTraq workflow.

3. Authorization to purchase vehicles not included in the adopted budget can be included in the First Quarter Adjustment Form 11; however, if NCC/Contingency or unassigned fund balance is requested to fund the vehicles, a separate department-originated Form 11 is required.

4. Adjustments to record fluctuation in revenue forecast **will not qualify** for inclusion in the First Quarter Adjustments Form 11.

5. The deadline to submit critical adjustments to the Executive Analyst and Budget Team is **October 14.**

Please contact the Executive Office Budget Team (eobudgetteam@rivco.org) with any concerns or questions regarding this change to the budget process.

E.3.**23-02:** Approve Contract with California Northstate University (CNU) for ECHOA Sustainability Services from January 1, 2023 - June 30, 2024 (CONTRACT NO. CF231112) [$140,212 - PROP 10 FUNDS]

AGENDA ITEM: 23-02
DATE OF MEETING: January 25, 2023
ACTION: ☒
INFORMATION: ☐

APPROVE CONTRACT WITH
CALIFORNIA NORTHSTATE UNIVERSITY (CNU)
FOR ECOHA SUSTAINABILITY SERVICES
FROM JANUARY 1, 2023 – JUNE 30, 2024 (CONTRACT NO. CF23112)
[$140,212 – PROP 10 FUNDS]

SUMMARY OF REQUEST

Approve Contract No CF23112 with California Northstate University (CNU) for an amount not to exceed $140,212 effective January 1, 2023 – June 30, 2024, for the Early Childhood Oral Health Assessment (ECOHA) Sustainability Program.

BACKGROUND

Funding supports the continuation of the development, support, and sustainability efforts of the Early Childhood Oral Health Assessment (ECOHA) program and expands its reach by adding support for the newly created Prenatal Oral Health Assessment (POHA). CNU will also continue to develop and expand the immediate care system where a dental hygienist provides additional assessment and education to families and builds upon referral pathways for families determined to be at-risk for oral health disease based on a home visitor assessment; and work with local dental providers to develop a system to bill for these services, developing a pathway to a financially sustainable care system.

Additionally, funding continues the development and support of the ECOHA system and provides support for the POHA which was created to address the oral health needs of pregnant women. Continuing this project provides ongoing training and support to home visitors using the ECOHA and POHA system, supports the efforts of Help Me Grow Inland Empire (HMG-IE) to implement ECOHA and POHA, continues the efforts with Apricot 360 developers to improve EHOHA and POHA functionality, expands and continues the Dental Care Connect System, and develops recommendations for the long-term management and sustainability of the ECOHA/POHA system.

March 9, 2022: (Action Item #22-12), the Commission approved Amendment 2 to Contract No. CF22112 extending the term through December 31, 2022, modifying the scope of work to include additional sustainability services, and increasing the contract maximum to $181,100.

January 27, 2021: (Action Item #21-02), the Commission approved contracts in the three strategic goal areas including Contract No. CF22112 with California Northstate University for ECOHA Sustainability Services.

RECOMMENDED ACTION

That the Commission:

1. Approve Contract No. CF23112 with California Northstate University for an amount not to exceed $140,212 effective January 1, 2023 – June 30, 2024, for the ECOHA Sustainability Program in substantially the same form as the draft Contract No. CF23112 attached hereto and authorize the Executive Director to sign the contract on behalf of the Commission, subject to County Counsel approval as to form; and

2. Authorize the Executive Director, based on the availability of fiscal funding and as approved by County Counsel to sign amendments that exercise the options of Contract No. CF23112, on behalf of the Commission including modifications of the statement of work that stay within the intent of said contract without requiring further action from the Commission.

BUDGET IMPACT

Adequate appropriation exists in the FY 22/23 budget (938001-25800-92945-527980). Additional funding will be included in the subsequent fiscal year's proposed budget.

STRATEGIC PLAN RELEVANCE

Goal 2: Comprehensive Health and Development

POTENTIAL CONFLICTS OF INTEREST

None Known

ATTACHMENTS

1. CF23112 CNU ECOHA Sustainability 23-24 CONTRACT
2. CNU Proposal

RIVERSIDE COUNTY CHILDREN AND FAMILIES COMMISSION
CONTRACT
INVESTMENT OF FUNDS
585 Technology Court
Riverside, California 92507

RCCFC AWARD:	**CF23112**
CONTRACTOR:	**California Northstate University**
CONTRACT TERM:	**01/01/2023 – 06/30/2024**
MAXIMUM REIMBURSABLE AMOUNT:	**$140,212.00**

The CONTRACTOR designated above is hereby certified for an investment of funds in an amount not to exceed $140,212.00.

Compensation: The maximum reimbursable amount over the life of the Contract for Investment of Funds (hereinafter the "Contract") shall not exceed **$140,212.00** as awarded by the Riverside County Children and Families Commission, also known as First 5 Riverside, (hereinafter the "COMMISSION" or "COUNTY"), provided pursuant to the California Children and Families Act of 1998, also known as Proposition 10, to provide services and results as set forth in Attachments A, B, C and D attached hereto as incorporated herein by reference, subject to the following terms and conditions:

IN WITNESS WHEREOF, COMMISSION and CONTRACTOR have executed this Contract.

Authorized Signature for COMMISSION:	Authorized Signature for CONTRACTOR:
Tammi Graham, Executive Director	Shirdell M. Dollar-Long, MBA
Date Signed:	Director, Office of Research & Sponsored Programs
585 Technology Court Riverside, CA 92507-2423	9700 West Taron Drive Elk Grove, CA 95757
APPROVED AS TO FORM SIGNATURE:	Date Signed:
Ronak Patel, Chief Deputy County Counsel	ATTEST SIGNATURE:
Date Signed:	Lynn M. Stephens Commission Coordinator
	Date Signed:

RIVERSIDE COUNTY CHILDREN AND FAMILIES COMMISSION

CONTRACT TERMS AND CONDITIONS

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Terms and Conditions

1. NOTICES

All correspondence and notices required or contemplated by this Contract shall be delivered to the respective parties at the addresses set forth below and are deemed submitted one day after deposit in the United States mail, postage prepaid:

COMMISSION:	CONTRACTOR:
Tammi Graham, Executive Director First 5 Riverside 585 Technology Court Riverside, California 92507	Paul Glassman DDS, MA, MBA California Northstate University 9700 West Taron Drive Elk Grove, CA 95757

Or to such other address as the parties may hereafter designate in writing.

2. SOURCE AND SCOPE OF CONTRACT

A. This Contract award is valid and enforceable only if sufficient funds are available to the COMMISSION from Proposition 10 tax dollars for the total term of the Contract. It is mutually agreed that if the State does not appropriate sufficient Proposition 10 funds, this Contract shall be amended to reflect any reduction in funds.

B. This Contract is subject to any additional restrictions, limitations, or conditions enacted by the State of California, which may affect the provisions, terms, or funding of this Contract in any manner.

C. This Contract award is designated for an investment of funds to provide services to address Child Health & Development, Quality Early Learning or Resilient Families in accordance with the current COMMISSION Strategic Plan. Services are to be provided to benefit children 0 through 5 years of age (may also be abbreviated as “0-5”) who reside in Riverside County.

3. DEFINITIONS

Terminology included within the Terms and Conditions of the Contract are defined by the Riverside County Children & Families Commission as stated below:

Commission: The Riverside County Children & Families Commission, an assembly of Commissioners appointed by the Riverside County Board of Supervisors, which is responsible for establishing policy and directing Proposition 10 funds at the County level.

Contractor: The government or other legal entity to which the Contract is awarded and which shall be accountable to the Commission for the use of funds provided.

County: The Riverside County Children & Families Commission, the County of Riverside, its Agencies, Districts, Special Districts and Departments, respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives.

Data Management System: An online data management system used to collect and analyze client demographics, services, and target accomplishments.

Executive Director: The designated lead director of the Commission.

Fiscal Year: The Commission’s fiscal year is July 1 through June 30.

Performance Target: The specific results that a CONTRACTOR will commit to achieving as outlined in the Scope of Work.

Performance Target Accomplishment Schedule: The specific timeline that a CONTRACTOR will commit to adhere to achieving specific results as outlined in the Scope of Work.

Probationary Status: CONTRACTOR is given notice of non-compliance after failing to correct deficiencies and has been placed in a status that may require additional monitoring, announced and unannounced visits, additional reporting by CONTRACTOR, an evaluation by COMMISSION staff and a report to the COMMISSION inclusive of recommendations regarding the disposition of the Contract.

Scope of Work (SOW): A documented qualitative and quantitative description of the project deliverables (i.e., what the CONTRACTOR is funded to do).

4. TERM

The term of this Contract shall be from **January 1, 2023** through **June 30, 2024** unless terminated sooner by the provisions herein by either party. Funds shall not be automatically renewed by the COMMISSION upon or after the term of the Contract except by formal amendment approved by the COMMISSION.

5. COMPLIANCE, DISALLOWANCE, WITHHOLDING

If CONTRACTOR fails to comply with any conditions contained within this Contract, the COMMISSION may place the CONTRACTOR in a probationary status, temporarily withhold payments until the deficiency is corrected, deny funds for all or part of the cost of activity not in compliance, and/or request repayment to the COMMISSION if any disallowance is rendered after audit findings. Written notification of non-compliance will be sent to the identified contact person and the CONTRACTOR'S Executive Director or other lead staff authorized by the CONTRACTOR'S governing board or ownership within twenty (20) working days.

6. TERMINATION

A. By COMMISSION: The COMMISSION may, by written notice to CONTRACTOR, terminate this Contract in whole or in part at any time for the reasons as set forth below. Upon receipt of notice, the CONTRACTOR shall immediately discontinue all services affected (unless the notice directs otherwise).

1. Termination for cause:

a. Due to Default or Breach of Contract. Upon default by the CONTRACTOR in the performance of this Contract or material breach of any of its provisions which include but are not limited to; change in status or delegation, assignment or alteration of the services outlined in Attachment A of this Contract, the COMMISSION may immediately terminate this Contract by written notice, which shall be effective upon receipt by CONTRACTOR, unless COMMISSION provides CONTRACTOR the opportunity to cure breach within twenty (20) working days of receipt of notice, and CONTRACTOR does so to COMMISSION'S satisfaction.

b. Due to Health and Safety Concerns of Clients. The COMMISSION may immediately terminate this Contract, at the sole discretion of the COMMISSION when the CONTRACTOR has been accused and found to be in violation of any county, state, or federal law and/or regulation related to the health and safety of clients. The Contract may also be immediately terminated at the sole discretion of the COMMISSION if the

CONTRACTOR fails to provide for the health and safety of clients served under this Contract where the health and safety of clients are placed at risk by CONTRACTOR.

c. **Due to Non-Appropriation.** It is mutually agreed that if either the federal or state budget of the current year and/or any subsequent years covered under this Contract does not appropriate sufficient funds for the program, this Contract shall be of no further force and effect. In this event, the COMMISSION shall have no liability to pay any funds whatsoever to the CONTRACTOR or to furnish any other considerations under this Contract and CONTRACTOR shall not be obligated to perform any provisions of this Contract. If funding for any fiscal year is reduced or deleted by the federal or state budgetary process for purposes of this program, the COMMISSION shall have the option to either cancel this Contract with no liability occurring to the COMMISSION or offer a Contract amendment to CONTRACTOR to reflect the reduced amount.

d. **Due to Non-Compliance.** Termination may occur if CONTRACTOR fails to provide the COMMISSION with any reports, data and information as required in this Contract. CONTRACTOR may be placed in a probationary status until compliance with the terms of the Contract has been met. CONTRACTOR will be given thirty (30) calendar days after the date of written notice by COMMISSION to cure the deficiency. If compliance is not met within the thirty (30) calendar days, the COMMISSION may move forward with termination of the Contract.

e. **Without Cause.** COMMISSION may terminate this Contract without cause upon thirty (30) days' written notice served upon the CONTRACTOR stating the extent and effective date of termination.

B. **By CONTRACTOR**: CONTRACTOR may terminate this Contract in whole or in part upon thirty (30) calendar days' written notice to the COMMISSION.

7. REQUIREMENT OF SUPPLEMENTING PROGRAM

Funds received pursuant to this Contract shall not be used to supplant any program of the CONTRACTOR. Proposition 10 funds shall ONLY be used to supplement a CONTRACTOR'S program. The COMMISSION endorses the California Children and Families Commission's interpretation of supplanting: The definition of "supplement" is to add to or augment something that currently exists, while "supplant" is defined as taking the place of something currently in existence. As defined in Health and Safety Code sections 130100 et seq. (the Children and Families Act), all monies raised pursuant to the Act shall be appropriated and expended by CONTRACTOR only to supplement existing levels of services. The Act specifically prohibits appropriation and expenditure of funds to supplant state or local general fund money for any purpose. Further, expenditures are prohibited for use to fund any existing levels of service.

8. DATA MANAGEMENT

CONTRACTOR agrees to participate in a comprehensive, countywide, internet-based evaluation and management process as defined by the COMMISSION. Participation shall include, but is not limited to, monthly input of program and financial data, submission of quarterly and annual Program Progress Reports (PPR), utilization of the COMMISSION developed reporting systems and Administrative Review formats and required training(s) to familiarize and implement the results-based accountability framework. The COMMISSION continues to refine its evaluative processes that will assist the COMMISSION, its CONTRACTORS and the community to successfully increase and measure the impact of the Proposition 10 in Riverside County. Where appropriate, CONTRACTOR agrees to participate in the ongoing development of these evaluative

processes. Specific areas may include but are not limited to, the development of outcomes for programmatic performance, standards for service delivery, and assessment tools.

9. SCOPE OF WORK (SOW)

A. CONTRACTOR will be required to submit and adhere to a SOW approved by the COMMISSION and attached to this Contract. The SOW will accurately reflect measurable results of services provided through Proposition 10 funding. The SOW will provide a qualitative and quantitative description of program(s) objectives to be achieved in connection with Proposition 10 funding.

B. The SOW (Attachment A) will be amended each fiscal year of the Contract Term to confirm or adjust specific qualitative and/or quantitative targets for the respective year.

C. SOW revisions that are considered relatively minor adjustments that do not affect the overall deliverables of this Contract shall be accepted for consideration through March 31st of each fiscal year. Requests for these types of SOW adjustments must be submitted to the COMMISSION office in writing or via e-mail and shall not be implemented by CONTRACTOR prior to receipt of written approval from authorized COMMISSION personnel. Upon approval, CONTRACTOR will receive either written or e-mail verification from the COMMISSION Executive Director (or designee).

D. SOW revisions that are considered significant changes to program performance targets and affect the overall deliverables of this Contract include the following: changes that result in the type of customer or numbers served, new staff positions or major staff changes, or significant changes in the Performance Targets. Requests for these types of SOW changes shall be accepted for consideration through March 31 of each fiscal year. SOW revisions shall be submitted to the COMMISSION Executive Director (or designee), via the COMMISSION'S Contracts & Grants Analyst assigned to the CONTRACTOR. The COMMISSION Executive Director (or designee) will respond to the proposed request for SOW revisions within thirty (30) calendar days after receipt at the COMMISSION office. Final approval of any proposed revisions to the SOW shall require the written approval of the COMMISSION Executive Director (or designee). All changes will be incorporated into the Contract and shall become effective on the date of written approval from the COMMISSION Executive Director and/or the COMMISSION.

E. CONTRACTOR agrees to make every possible effort to obtain voluntary consent using the COMMISSION Consent Form for any customer entered into the data management system. CONTRACTOR also agrees to maintain the original signed Consent Form on file for the COMMISSION to review as necessary. Each customer is to receive a copy of the signed Consent Form.

10. REIMBURSEMENT OF COSTS

Payment will not be provided for services performed and/or expenditures accrued prior to the full execution of this Contract unless previously authorized by COMMISSION action. Reimbursement of costs shall be made upon CONTRACTOR'S satisfactory performance, based upon the SOW and methodology contained in Attachment A as determined by the COMMISSION. The COMMISSION shall allocate the funds to CONTRACTOR as follows:

A. All funds provided pursuant to this Contract shall be expended by CONTRACTOR in accordance with the Budget attached hereto.

B. All funds will be distributed as detailed in the attached Payment Provisions, attached hereto.

11. FISCAL AND PROGRAM REPORTING REQUIREMENTS

A. Fiscal Reporting

Fiscal expenditures are required to be input into the data management system by CONTRACTOR on a monthly basis with input completed and submitted by the 20th of the month following Contract performance for expenditures occurring in the 1st, 2nd and 3rd quarters of the fiscal year (July through March). Fiscal expenditures occurring in the 4th quarter (April, May and June) will be required to be input into the data management system on earlier modified due dates to support COUNTY internal deadlines and external audit requirements. These due dates will be communicated to CONTRACTOR through the COMMISSION'S Contracts and Grants Analyst assigned to the CONTRACTOR. CONTRACTOR is required to report expenditures on a monthly basis and apply accruals at year-end. Accruals show costs for services that have occurred but have not yet been paid. If the reporting due date falls on a weekend or County, State or nationally recognized holiday, the due date will be on the following business day. Any changes that occur with expenditures must be reported to COMMISSION staff and adjusted within the data management system before the end of the Quarter following the expense occurrence. Example: Changes to expenditures in the first quarter of performance must be adjusted and reconciled before the end of the second quarter (December 30, as reported in the January 30 report). **A change in CONTRACTOR staff, or other difficulties, does not absolve the CONTRACTOR from this monthly fiscal reporting responsibility.**

In rare and justifiable circumstances, an extension may be requested by the CONTRACTOR. Such requests are to be submitted in writing prior to the due date and shall be directed through the COMMISSION'S Contracts and Grants Analyst assigned to the CONTRACTOR.

If applicable, CONTRACTOR shall provide copies of the claim report submitted monthly for Medi-Cal and/or any other state or federal reimbursements. In addition, the CONTRACTOR will provide the subsequent revenue reports that will reconcile the claim reports.

Costs may be allowed and reviewed for reimbursement up to the time of the Final Fiscal Expenditure Report, which is due as described in paragraph one of this section. All reimbursement costs not submitted at the time of the Final Fiscal Expenditure Report will be disallowed.

Payment information, including amount, payment reduction or payment withheld may be obtained by the CONTRACTOR via the data management system.

B. Program Reporting

As requested by COMMISSION, CONTRACTOR shall participate in research and evaluation studies designed to show the effectiveness of CONTRACTOR'S services or to provide information about CONTRACTOR'S program. CONTRACTOR shall report program and demographic data on participants, where appropriate, service and outcome data with measurement tools approved by COMMISSION. CONTRACTOR shall enter data (quantitative and qualitative) in the evaluation database system designated by COMMISSION. CONTRACTOR shall submit complete data, in accordance with the SOW.

1. Monthly Reporting

CONTRACTOR shall input and submit program data into the COMMISSION'S data management system on a monthly basis and input must be completed by the 20th of the month following Contract performance. If the reporting due date falls on a weekend or holiday, the due date will be on the following business day. The due date for program data submitted in the 4th quarter (April, May and June) may be modified by COMMISSION as required to meet internal COUNTY and State reporting deadlines. Modified due dates will be communicated to CONTRACTOR through the COMMISSION'S Contracts and Grants Analyst assigned to the CONTRACTOR. Any changes that occur with program data input must be reported to COMMISSION staff and adjusted within the data management system before the end of the Quarter following the change.

Example: Changes to program data in the first quarter must be adjusted and reconciled before the end of the 2nd quarter (December 30th, as reported in the January 30th report). **A change in CONTRACTOR staff, or other difficulties, does not absolve the CONTRACTOR from this monthly program data input and quarterly Program Progress Report (PPR) responsibility.**

2. Quarterly and Annual Reporting

CONTRACTOR shall submit Program Progress Reports (PPR) which includes quarterly and year-to-date progress on actual achievement of performance targets compared to projected achievements as detailed in the SOW and other data collection information as requested by the COMMISSION. The PPR shall include narrative information on lessons learned, course corrections, client success stories, sustainability and public awareness/policy change activities for the quarter. CONTRACTOR is required by the COMMISSION to complete and submit Program Progress Reports electronically via the COMMISSION'S data management system.

For each reporting period, CONTRACTOR shall provide the COMMISSION with a Program Progress Report within thirty (30) calendar days from the end of the reporting period. In rare and justifiable circumstances, an extension may be requested by the CONTRACTOR. Such requests are to be submitted in writing prior to the due date and shall be directed through the COMMISSION'S Contracts and Grants Analyst assigned to the CONTRACTOR. Quarterly Program Progress Reporting due dates for each Contract period are as follows:

- QUARTER 1 (July 1 – September 30): Report Due October 30
- QUARTER 2 (October 1 – December 31): Report Due January 30
- QUARTER 3 (January 1 – March 31): Report Due April 30
- QUARTER 4 (April 1 – June 30): Report Due July 30 (Final Cumulative Program Progress Report), Quarter 4 due date may be modified by COMMISSION as necessary to meet County and/or State reporting deadlines.

If the due date falls on a weekend or County, State or nationally recognized holiday, the due date will be on the following business day. The first quarterly report is due **March 31th of the current fiscal year.**

CONTRACTOR agrees that failure to submit reports as specified will be sufficient cause for the COMMISSION to withhold any payment due until reporting requirements have been fulfilled.

12. REIMBURSEMENT OF FUNDS TO THE COMMISSION

If CONTRACTOR has been overpaid in the previous fiscal year, the COMMISSION will, in instances where the Contract is renewed, reduce subsequent payment(s) to recover the amount overpaid.

Notwithstanding any other provision herein, CONTRACTOR agrees to reimburse, in full, all funds received from the COMMISSION, upon request of the COMMISSION, where such funds as determined by the COMMISSION are not or have not been utilized by CONTRACTOR for purpose as intended by the COMMISSION. The terms and conditions of reimbursement shall be at the sole discretion of the COMMISSION. This provision is not terminated upon termination of this Contract.

13. COMMISSION FISCAL REQUIREMENTS

A. Budget Revisions

A Budget Revision Form may be submitted by the CONTRACTOR to the COMMISSION to modify budget line(s) of the approved budget. The request must indicate the proposed line item change, the budget as amended applying the requested change, a written justification for each requested change, and signed by an authorized representative. The request cannot result in any alteration or degradation to the program services and performance targets as specified in this Contract.

The COMMISSION Executive Director (or designee), on behalf of the COMMISSION, has the authority to approve or deny the request, provided that the modification does not deviate from the original intent of the Contract or increase the total Contract amount. CONTRACTOR is limited to two (2) budget revisions per fiscal year.

The CONTRACTOR must submit any Budget Revision Forms to the COMMISSION or designee no later than **March 31st** of the fiscal year.

B. Amendments

Necessity for budget amendments to this Contract will be determined by the COMMISSION Executive Director (or designee) and may include, but are not limited to, Contract increases or decreases and significant changes to the Scope of Work (SOW). All budget amendments to the Contract shall require formal approval of the COMMISSION Executive Director acting on behalf of the COMMISSION, as provided herein before such amendments are effective. Major budget amendments, as determined by the COMMISSION Executive Director, in consultation with County legal counsel, will require formal approval of the COMMISSION. Contract budget amendments shall be considered until March 31st of each fiscal year.

C. Cost Allocation Plan

CONTRACTOR shall have or will establish a Cost Allocation Plan (CAP) to identify prorated costs shared by multiple funding sources, including Proposition 10 funds. CONTRACTOR shall identify any other funding sources and organizations whose cooperation/participation is necessary to ensure the success of the project. CONTRACTOR'S CAP must be approved by CONTRACTOR'S appropriate governing body and submitted with the executed Contract.

A CAP is defined as a written summarization that documents the methods and procedures CONTRACTOR will use to allocate costs between two or more programs or funding sources. The goal is to ensure that each program or funding source bears its fair share, and only its fair

share, of the total costs. The CONTRACTOR must have a method of identifying and distributing program costs that are comprehensive, well documented, and defensible under the Generally Accepted Accounting Principles (GAAP).

A written CAP is required if any of the conditions below are met:

a. Funded staff members share time between a COMMISSION funded program and one or more other grant funded program.

b. A single-funded staff member shares time between two or more COMMISSION funded programs.

c. The same facilities and/or resources are utilized by more than one funded program.

D. Overhead/Indirect Costs

1. Overhead/Indirect costs are defined as costs incurred for a common or joint purpose benefiting more than one cost objective and cannot be readily identified with a particular final cost objective. These costs do not provide a measurable, direct benefit to a particular program or activity, unlike direct costs. Indirect cost may include salaries and benefits. For the purpose of this Contract, operational expenses, capital expenses, and subcontractor costs are **excluded** from the indirect cost calculation.

2. Indirect cost percentage rate included in the Budget, to this Contact, shall not exceed twenty percent (20%) calculated against the salary expense only.

3. Indirect costs shall be based on the CONTRACTOR'S official governing board approved CAP. State/federal approved rates in excess of the approved ten percent (10%) indirect cost rate percentage will be reviewed and approved on a case-by-case basis.

4. A pass-through is defined as those instances where the CONTRACTOR forwards funds obtained from the COMMISSION to a subcontractor and the COMMISSION maintains no relationship or responsibility for the performance of the subcontractor. Proposition 10 funds shall not be used in a manner that will cause payment for indirect costs associated with the CONTRACTOR'S funded program more than once. The COMMISSION will not pay for subcontractor indirect costs as part of the CONTRACTOR'S budget.

DI. Revenues Received

All revenue received by the CONTRACTOR (except funds received from the COMMISSION) to operate the program funded pursuant to this Contract shall be reported as revenue received within the monthly fiscal report. All such revenues shall be used to fully compensate expenses within the program funded and/or to provide additional services within the program funded pursuant to this Contract. Any unused revenues shall be deducted from Contract reimbursement.

DII. Payroll Taxes

The COMMISSION shall not be directly responsible for the payment of any taxes on the CONTRACTOR'S behalf. In the event that the COMMISSION is required to do so by state, federal or local taxing agencies, CONTRACTOR agrees to promptly reimburse the COMMISSION for the full value of such paid taxes plus interest and penalty, if any. Taxes shall include, but are not limited to, the following: FICA (Social Security), unemployment insurance contributions, income tax, disability insurance and workers' compensation insurance.

G. Payor of Last Resort

CONTRACTOR shall obtain funding through sources other than the COMMISSION to provide services or support to participants whenever possible.

In cases where a participant is qualified for benefits from another source (such as Medi-Cal, Healthy Families, federal or state-funded programs, personal insurance, etc.), costs relating to services provided to that participant must be paid for by the primary payor first. Only the costs not covered will be allowable under this Contract. CONTRACTOR must provide written verification upon request.

14. CONTRACTOR AUDIT REQUIREMENTS

A. All CONTRACTORS are required to have an annual financial audit. Each CONTRACTOR shall provide a copy of annual audited financial statements to the COMMISSION covering the fiscal year that funds are received for services provided pursuant to this Contract. The audited financial statements will cover the CONTRACTOR'S fiscal year and will include a report on internal controls over financial reporting and on compliance and other matters in accordance with Government Auditing Standards. All audits shall be performed by a Certified Public Accountant (CPA) who possesses a valid license to practice within the State of California.

B. Audited financial statements are to be submitted to the COMMISSION Executive Director, or designee, within one hundred and eighty (180) calendar days after the close of the CONTRACTOR'S fiscal year for every year covered under this Contract. If the audited financial statements are not received on or before the required due date, and an extension has not been granted, the audited financial statements shall be considered delinquent, and immediate corrective action will be initiated. If the CONTRACTOR fails to produce or submit acceptable audited financial statements, the COMMISSION has the authority to withhold funding, and if necessary, secure an Auditor, and the CONTRACTOR shall be liable for all COMMISSION costs incurred in obtaining an independent audit. The cost of the audit will be applied against the Contract encumbered amount, thereby reducing the amount of funding available to the program.

15. INVENTORIABLE EQUIPMENT

A. Inventoriable equipment includes equipment or fixed assets with a unit cost of one thousand dollars ($1,000.00), or more, or if the aggregate cost of integral components required to fully operate the assembled equipment (i.e., computer processing unit, keyboard, monitor) total one thousand dollars ($1,000.00) or more. Inventoriable equipment derived from approved purchases funded by Proposition 10 funds shall be maintained by the CONTRACTOR. CONTRACTOR shall use such capitalized equipment only for the purposes for which they were granted for children 0 through 5 years of age.

B. The CONTRACTOR shall inventory and report all equipment purchases meeting this criterion on the COMMISSION Inventory Record Form. This record must be submitted within forty-five (45) calendar days of purchase to the COMMISSION'S Contracts and Grants Analyst assigned to the CONTRACTOR. Applicable receipts must be maintained by the CONTRACTOR to validate expenditures and shall be submitted as invoice back-up documentation and uploaded to the COMMISSION'S data management system and made available as requested during the COMMISSION staff site visits. The CONTRACTOR understands that they are liable for all damages and/or loss resulting from the use and/or misuse of equipment purchased with Proposition 10 funds. Equipment shall not be used for personal use by the CONTRACTOR and/or employees, agents, subcontractors, and/or collaborating partners.

C. Any materials and supplies purchased by CONTRACTOR with Proposition 10 funds with a value of less than one thousand dollars ($1,000.00) will be used for children ages 0 through 5 years of age by another of the CONTRACTOR'S programs serving this population or returned to the COMMISSION. If CONTRACTOR is no longer serving this population, all remaining items will be returned to the COMMISSION within thirty (30) calendar days of the program ceasing operations.

16. REVERSION OF ASSETS

Real or Personal Property Assets. Any real property or moveable or immovable personal property under CONTRACTOR'S control or ownership that was acquired or improved in-whole or in-part with Proposition 10 funds disbursed under this Contract, or under any previous Contract between the COMMISSION and CONTRACTOR, where the original cost exceeded one thousand dollars ($1,000.00) shall either be: (1) used by CONTRACTOR for the services described in the SOW for a period of five (5) years after termination or expiration of this Contract, unless a different period is specified in the SOW; or (2) disposed of and proceeds paid to the COMMISSION in a manner that results in the COMMISSION being reimbursed in the amount of the current fair market value (assuming depreciation in accordance with customary business practices) of the real or personal property less any portion of the current value attributable to CONTRACTOR'S out of pocket expenditures using non-commission funds for acquisition of, or improvement to, such real or personal property and less any direct and reasonable costs of disposition.

A. In furtherance of the foregoing, if the COMMISSION selects continued use of the capital asset, the CONTRACTOR hereby agrees that it will confirm in writing that it will continue to use the capital asset for purposes congruent with the intent of this Contract. This provision shall survive termination or expiration of this Contract and shall be actionable at law or in equity by the COMMISSION against CONTRACTOR and its successors in interest.

B. In the event the COMMISSION selects disposition of the subject real or personal property, the CONTRACTOR shall exercise due diligence to dispose of such property in conformity with applicable laws and regulations and in accordance with customary business practices. The net proceeds of such disposition shall be disbursed directly to and be payable to the COMMISSION upon the close of the applicable disposition transaction, such as close of escrow for the sale of real property, transfer of a motor vehicle "Certificate of Title" in accordance with applicable California Vehicle Code requirements, or completion of sale of personal property by bill of sale in accordance with Uniform Commercial Code (UCC) requirements.

17. TOBACCO CONTROL POLICY

CONTRACTOR shall abide by the Comprehensive Tobacco Control Policy, incorporated herein by reference, and as may be amended from time to time. CONTRACTOR shall have tobacco education and cessation materials visibly available and accessible to clients participating and to staff funded from the COMMISSION funded activities. The Comprehensive Tobacco Control Policy, as attached hereto.

18. CONDUCT OF BUSINESS

CONTRACTOR shall comply with all references listed below. Failure to comply may place the CONTRACTOR in a Probationary Status or result in Termination of Contract.

A. CONTRACTOR shall comply with all applicable state and/or federal laws, regulations, or requirements during the term of the Contract.

B. CONTRACTOR shall conduct its business, pursuant to this Contract, in compliance with all applicable state, and/or federal laws, regulations, or requirements.

C. CONTRACTOR shall obtain and maintain all applicable business and/or professional licenses, insurances, and/or accreditations, in good standing, which are required under the laws of the State of California or the federal government at all times while performing services under this Contract.

D. CONTRACTOR shall notify the COMMISSION Executive Director (or designee) verbally and in writing of the intent to cease operations of the facility or program within sixty (60) calendar days, but no less than thirty (30) calendar days of the event.

E. CONTRACTOR shall notify the COMMISSION Executive Director (or designee) in writing within seventy-two (72) hours of a change of key personnel funded under this Contract. Key personnel is defined as individuals who have a direct bearing on the outcome of the project, who have substantive responsibility for developing or achieving the scope or objectives of the project, and who possess the reputation, knowledge, or skills on which the work of the project is based. This includes, but not limited to, the Director, Chief Executive Officer (CEO), Chief Financial Officer (CFO), Program Manager, or Project Lead.

F. CONTRACTOR shall notify the COMMISSION Executive Director (or designee) verbally and in writing of any condition that could interfere with CONTRACTOR'S ability to perform required services and/or meet material Contract requirements within thirty (30) calendar days of learning of such a condition.

G. Agencies that are governed by a regulatory or licensing entity shall advise and forward to the COMMISSION Executive Director all documentation of regulatory/licensing violations, findings and responses to such violations and/or findings within twenty-four (24) hours of receipt of notice of violation from the governing entity. Agencies shall promptly submit to COMMISSION Executive Director a copy of the response sent to the governing entity.

H. CONTRACTOR shall immediately notify the COMMISSION in writing upon the intent to file or filing of any action of bankruptcy.

I. CONTRACTOR shall immediately notify the COMMISSION in writing upon the commencement of any litigation, whether CONTRACTOR is the plaintiff or defendant, where such litigation may interfere with the ability of CONTRACTOR to perform its duties under this Contract and where the COMMISSION is not a party to such litigation.

J. CONTRACTOR shall immediately notify the COMMISSION in writing upon the commencement of any investigation, and/or activity by a regulatory agency against CONTRACTOR, which may interfere with the ability of CONTRACTOR to perform its duties under this Contract.

K. CONTRACTOR shall provide a grievance policy system to the COMMISSION, through which participants of services shall have an opportunity to express views and complaints regarding the delivery of service. Grievance procedures must be posted prominently in English and Spanish at service sites for participants to review.

19. RECORDS MANAGEMENT AND MAINTENANCE

A. The CONTRACTOR shall make reports to the COMMISSION in the required format and containing information as required by the COMMISSION.

B. The CONTRACTOR shall provide additional reports or information if required by the State or the local COMMISSION that was not reasonably anticipated at the time the Contract was entered into.

C. CONTRACTOR shall input all data required on a monthly basis by the 20th day of the month following the end of the reporting period **and** submit quarterly reports within thirty (30) calendar days following the end of the quarter, and at the end of the term of the Contract.

   This requirement includes:

   a. All the monthly data necessary to generate demographic, service utilization, results and aggregate activity reports; and

   b. Submission of the Program Progress Report on a quarterly basis.

D. CONTRACTOR shall retain such reports and all records associated with this Contract for at least five (5) years following the close of the fiscal year in which this Contract is in effect. This obligation is not terminated upon termination of this Contract, whether by rescission or otherwise. CONTRACTOR agrees to require any subcontractors to retain all records associated with the Contract for the same time period.

E. Accounting information and transactions shall be recorded and reported in accordance with generally accepted accounting principles (GAAP).

F. Where medical records and/or client records are generated under this Contract, CONTRACTOR shall safeguard the confidentiality of the records in accordance with all state and federal laws, and all regulations promulgated hereunder, including the provisions of the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law 104-91, enacted August 21, 1996, and the laws and regulations promulgated subsequent thereto.

G. Each CONTRACTOR must maintain a written customer confidentiality policy and maintain a written protocol to ensure CONTRACTOR'S staff is aware of and abide by said policy.

20. PUBLIC DISCLOSURE OF DOCUMENTS

CONTRACTOR acknowledges and agrees that information, communications, and documents given to the COMMISSION during meetings involving COMMISSION members, staff, finance or COMMISSION Advisory Committee members may be subject to applicable law on public disclosures and/or public meetings. CONTRACTOR shall cooperate with the COMMISSION in order that it may fully comply with the requirements of such laws and regulations.

21. INSPECTIONS, PROGRAM MONITORING, AND CONTRACT ADMINISTRATIVE REVIEW BY COMMISSION

A. COMMISSION representatives shall review and inspect the CONTRACTOR through mandatory periodic Administrative Review visits for compliance with the terms of this Contract. Administrative Review visits will occur at a minimum of two (2) times per Fiscal Year for the duration of the Contract Term. During the Administrative Review visits, CONTRACTOR representatives **must** be present. All books, financial records and program records including verification of target(s) and other documents relating to the performance of this Contract must be open to inspection, examination, or copying during normal business hours by the COMMISSION staff or duly authorized representatives from the state or federal government.

Records shall be made available at reasonable times at CONTRACTOR'S place of business or at such other mutually agreeable location in the County of Riverside, State of California.

B. Upon completion of the Program Monitoring and Administrative Review visit, the CONTRACTOR will be mailed a report summarizing the results of the Administrative Review visit within forty-five (45) calendar days of the visit. The CONTRACTOR may be required to respond to concerns or requests as specified in the Administrative Review report within thirty (30) calendar days of receipt.

C. CONTRACTOR shall reimburse the COMMISSION for all direct and indirect expenditures incurred in conducting an audit or investigation when CONTRACTOR is found in violation of the terms of the Contract. Reimbursement for such costs will be withheld from any amounts due to CONTRACTOR.

D. When additional information (i.e., receipts, paperwork, etc.) is requested of the CONTRACTOR as a result of any audit or monitoring, CONTRACTOR must provide all information requested by the deadline specified by the COMMISSION. Failure to provide the information by the specified deadline will subject the CONTRACTOR to the provisions of Contract section: COMPLIANCE, DISALLOWANCE, and WITHHOLDING.

22. GOVERNING LAW AND VENUE

A. This Contract is entered into under the provisions of Health and Safety Code section 130100 et seq., as may be amended from time to time and any other applicable law.

B. This Contract, its construction, and interpretation as to validity, performance, and breach shall be construed under the laws of the State of California. In the event any provision in this Contract is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

C. The provision of the Government Claims Act (Government Code Section 900 et seq.) must be followed first for any disputes under this Contract.

D. All actions and proceedings arising in connection with this Contract shall be tried and litigated exclusively in state or federal (if permitted by law and a party elects to file an action in federal court) courts located in the County of Riverside, State of California.

23. CONTRACTOR SUBCONTRACTS FOR WORK OR SERVICES

A. The COMMISSION holds CONTRACTOR solely responsible for the performance of all duties and obligations under this Contract. CONTRACTOR agrees and understands that COMMISSION does not enter into or assume any legal relationship with any subcontractor of CONTRACTOR for performance under this Contract. CONTRACTOR agrees to remedy all breaches of any contracts with any subcontractor, and further agrees that CONTRACTOR may not look to the COMMISSION for any payment, liability, or assistance in the remedy of any actual or alleged breach.

B. CONTRACTOR shall identify any other organization whose cooperation/participation is necessary to ensure the success of the project and what specific roles these key partners will play. All subcontractor(s) shall conform to all requirements of the COMMISSION and any Contract between the CONTRACTOR and the COMMISSION.

C. The CONTRACTOR shall not enter into any subcontract with any subcontractor who:

1. Is presently debarred, suspended, proposed for debarment, or declared ineligible or voluntarily excluded from covered transactions by a federal department or agency;

2. Has within a three (3) year period preceding this Contract been convicted of or had a civil judgment rendered against them for the commission of fraud, or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction; violation of Federal or State anti-trust status or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

3. Is presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with the commission of any of the offenses enumerated in the paragraph above; and

4. Within a three (3) year period preceding this Contract, has had one or more public transaction (federal, state, or local) terminated for cause or default.

D. The CONTRACTOR shall be as fully responsible for the acts or omissions of its subcontractors, and of persons either directly or indirectly employed by them as for the acts or omissions of persons directly employed by the CONTRACTOR.

E. The CONTRACTOR shall insert appropriate clauses in all subcontracts to bind subcontractors to the terms and conditions of this Contract insofar as they are applicable to the work of subcontractors.

F. Nothing contained in this Contract shall create any contractual relationship between any subcontractor and the County of Riverside, its Agencies, Districts, Special Districts and Departments, respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives.

24. PUBLICITY AND ATTRIBUTION REQUIREMENTS

A. Upon signing this Contract, CONTRACTOR shall publicize funded program and partnership with the COMMISSION by creating a press release to be distributed to local media outlets. The press release shall be sent to COMMISSION for review and approval within fourteen (14) calendar days of signing of Contract. No later than five (5) calendar days after the press release is reviewed and approved by COMMISSION Public Information Specialist, the press release shall be distributed to local media outlets. Should guidance be needed on this requirement, please contact COMMISSION Public Information Specialist.

B. CONTRACTOR shall include the following acknowledgment of the COMMISSION and Proposition 10 funding in all materials produced for the purpose of public education and outreach related to COMMISSION funded programs. These materials include but are not limited to the following: brochures, workbooks, flyers, circulars, posters, games, television, radio and print advertising, public service announcements and video news releases, calendar/event listings, presentations, telephone hold messages, outdoor advertising and vehicles. The wording of the COMMISSION attribution shall be one of the following:

"Made possible by funding from First 5 Riverside"
"Funded by First 5 Riverside"

"Funded by First 5 Riverside - the Riverside County Children & Families Commission"

"Hecho posible por medio de fondos de Primeros 5 Riverside"
"Financiado por Primeros 5 Riverside"

For events, conferences or programs with multiple funders, one of the following attributions shall be used:

"Funded in part by First 5 Riverside"

"Funded in part by First 5 Riverside - the Riverside County Children & Families Commission"

"Made possible by funding from First 5 Riverside"

"Financiado parcialmente por Primeros 5 Riverside"

"Financiado parcialmente por Primeros 5 Riverside - Comisión de Niños y Familias del Condado de Riverside"

When space is limited (i.e., buttons, pencils, pens, etc.), attribution may be omitted. However, CONTRACTOR shall contact the COMMISSION'S Public Information Specialist to determine an appropriate method of providing attribution to the public regarding the funding source for such items.

C. The approved First 5 Riverside logo (graphic) shall be used on materials specific to the COMMISSION funded program. CONTRACTOR shall use the approved First 5 Riverside logo (graphic) on public education and outreach materials in accordance with the First 5 Riverside graphics attribution standard as posted on the COMMISSION public website (www.First5Riverside.org).

D. CONTRACTOR shall provide the COMMISSION staff and COMMISSION Public Information Specialist a copy of all public information/relations products (such as flyers, newsletters, posters, etc.) as soon as possible but not later than fourteen (14) calendar days prior to submitting to print. News releases should be submitted as soon as possible but not later than seven (7) calendar days before public release is scheduled.

E. The COMMISSION'S Public Information Specialist shall provide guidance on procedures for logo usage and printed public relations material in accordance with the COMMISSION policies. Policies will be available on the COMMISSION public website (www.First5Riverside.org).

25. PROHIBITION OF POLITICAL/RELIGIOUS ACTIVITY

CONTRACTOR agrees that it shall not require client participation in political or religious activities in order to receive services for programs funded by the COMMISSION. Furthermore, Proposition 10 funds shall be used only for the purposes specified in this Contract and in any attachments, hereto. No Proposition 10 funds shall be used for any political activity, or to further the election or defeat of any candidate for political office. No Proposition 10 funds shall be used for purposes of religious worship, instruction or proselytizing.

26. WORK PRODUCT

A. The COMMISSION shall be the owner of the following items incidental to this Contract upon production, whether or not completed: all data collected, all documents of any type whatsoever, and any material necessary for the practical use of the data and/or documents from the time of collection and/or production whether or not performance under this Contract

is completed or terminated prior to completion. CONTRACTOR shall not release any materials under this section except after prior written approval of the COMMISSION.

B. Material produced in whole or in part under this Contract shall not be subject to copyright in the United States or in any other country except as determined at the sole discretion of the COMMISSION. The COMMISSION will have the unrestricted authority to publish, disclose, distribute, and use in whole or in part, any reports, data, documents or other materials prepared under this Contract.

27. NON-DISCRIMINATION

Pursuant to the Affordable Care Act section 1557 (42 U.S.C. section 18116), during the performance of this Contract, CONTRACTOR shall not, and shall also require and ensure its subcontractors, providers, agents, and employees to not cause an individual, beneficiary, or applicant to be excluded on the grounds prohibited under Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), Title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.), the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.), or section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), or subject to any other applicable State and Federal Laws, from participation in, be denied the benefits of, or be subjected to discrimination under, any health program or activity offered through the California Department of Health Care Services. This Contract hereby incorporates by reference the provisions of Title 2, California Code of Regulations, Section 11105 et seq., as may be amended from time to time. CONTRACTOR agrees to comply with the provisions of Title 2, California Code of Regulations, Section 11105 et seq. and further agrees to include this Non-Discrimination clause in all subcontracts to perform services under this Contract.

28. CHILD ABUSE REPORTING

CONTRACTOR shall ensure that all known or suspected instances of child abuse or neglect are reported to the appropriate law enforcement agency and/or to the appropriate Child Protective Services agency. This responsibility shall include:

A. Assurance that all employees, agents, consultants or volunteers who perform services under this Contract and are mandated by Penal Code Sections 11164 et seq. to report child abuse or neglect, sign a statement, upon the commencement of employment, acknowledging reporting requirements and compliance with them;

B. Development and implementation of procedures for employees, agents, consultants, or volunteers who are not subject to the mandatory reporting laws for child abuse to report any observed or suspected incidents of child abuse to a mandated reporting party, within the program, who will ensure that the incident is reported to the appropriate agency;

C. Provision of or arrangement of training in child abuse reporting laws (Penal Code, Sections 11164 et seq.) for all employees, agents, consultants, and volunteers, or verification that such persons have received training in the law within thirty (30) days of employment/volunteer activity.

29. DEPARTMENT OF JUSTICE CLEARANCE

CONTRACTOR shall obtain from the Department of Justice (DOJ), records of all convictions involving any sex crimes, drug crimes, or crimes of violence of a person who is offered employment, or volunteers, for all positions in which he or she would have contact with a minor, the aged, the blind, the disabled or a domestic violence client, as provided for in Penal Code

Section 11105.3. This includes licensed personnel who are not able to provide documentation of prior DOJ clearance. A copy of a license from the State of California is sufficient proof.

CONTRACTOR must have on file for review upon request a signed statement verifying Department of Justice clearance for all appropriate individuals.

30. ADULT AND ELDER ABUSE REPORTING

The CONTRACTOR shall provide documentation of a policy and procedure acceptable to the COUNTY to ensure that all employees, volunteers, consultants, subcontractors, or agents performing services under this Contract report elder and dependent adult abuse pursuant to Welfare & Institutions Code (WIC) Sections 15600 et seq. Suspected incidents of abuse should be immediately reported to the COUNTY, followed by a written report within two (2) working days.

31. INDEPENDENT CONTRACTOR

It is understood and agreed that CONTRACTOR is an independent contractor and that no relationship of employer-employee exists between the CONTRACTOR and the COMMISSION. The CONTRACTOR, nor CONTRACTOR'S officers, agents, employees or subcontractors, shall not be entitled to any COMMISSION paid employee benefits, including Workers' Compensation.

32. HOLD HARMLESS/INDEMNIFICATION

CONTRACTOR shall indemnify and hold harmless COMMISSION, the County of Riverside, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives (individually and collectively hereinafter referred to in this section as the "COUNTY") from any liability whatsoever, based or asserted upon any services of CONTRACTOR, its officers, employees, subcontractors, agents or representatives arising out of or in any way relating to this Contract, including but not limited to property damage, bodily injury, or death or any other element of any kind or nature whatsoever arising from the performance of CONTRACTOR, its officers, employees, subcontractors, agents or representatives under this Contract. CONTRACTOR shall defend the COUNTY at CONTRACTOR'S sole expense, including all costs and fees (including, but not limited, to attorney fees, cost of investigation, defense and settlements or awards), the COUNTY in any claim or action based upon such alleged acts or omissions.

With respect to any action or claim subject to indemnification herein by CONTRACTOR, CONTRACTOR shall, at sole cost, have the right to use counsel of choice and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of COUNTY; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes CONTRACTOR'S indemnification to the COUNTY as set forth herein.

CONTRACTOR'S obligation hereunder shall be satisfied when CONTRACTOR has provided to COUNTY the appropriate form of dismissal relieving COUNTY from any liability for the action or claim involved.

The specified insurance limits required in this Contract shall in no way limit or circumscribe CONTRACTOR'S obligations to indemnify and hold harmless the COUNTY herein from third party claims.

In the event there is a conflict between this clause and California Civil Code Section 2782, this clause shall be interpreted to comply with Civil Code 2782. Such interpretation shall not relieve the CONTRACTOR from indemnifying the COUNTY to the fullest extent allowed by law.

A. If CONTRACTOR is a public entity, as defined by applicable law, the COMMISSION and CONTRACTOR, to the extent that liability may be imposed on the COMMISSION by the provisions of Government Code Section 895.2, shall be liable for acts or omissions, including all claims, liabilities, injuries, suits, and demands and expenses of all kinds which may result or arise out of any alleged malfeasance or neglect, caused or alleged to have been caused by either the COMMISSION or CONTRACTOR'S, employees or representatives, performance or omission of any act or responsibility of either party under this Contract. In the event that a claim is made against both the COMMISSION and CONTRACTOR, both parties shall cooperate in the defense of said claim and to cause insurers to do likewise.

B. CONTRACTOR agrees to indemnify the COMMISSION for all federal/state withholding or state retirement payments, which the COMMISSION may be required to make by the federal or state government as a result of this Contract. If for any reason, CONTRACTOR is determined not to be an independent contractor to the COMMISSION in carrying out the terms of the Contract, such indemnification shall be paid in full to the COMMISSION upon sixty (60) calendar days written notice to CONTRACTOR if a federal and/or state determination is made that such payment is required.

33. INSURANCE

Without limiting or diminishing the CONTRACTOR'S obligation to indemnify or hold the COUNTY harmless, CONTRACTOR shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverages during the term of this Contract. Pertinent to the insurance section only, the COUNTY herein refers to the County of Riverside, its Agencies, Districts, Special Districts, and Departments, respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insureds.

Workers' Compensation:
If the CONTRACTOR has employees as defined by the State of California, the CONTRACTOR shall maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupational Disease with limits not less than one million dollars ($1,000,000) per person per accident. The policy shall be endorsed to waive subrogation in favor of the County of Riverside, and if applicable, to provide a Borrowed Servant/Alternate Employer Endorsement.

Commercial General Liability:
Commercial General Liability insurance coverage, including but not limited to, premises liability, unmodified contractual liability, products and completed operations liability, personal and advertising injury, and cross-liability coverage, covering claims which may arise from or out of CONTRACTOR'S performance of its obligations hereunder. Policy shall name the COUNTY as Additional Insureds. Policy limit of liability shall not be less than one million dollars ($1,000,000) per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this Contract or be no less than two (2) times the occurrence limit.

Vehicle Liability:
If vehicles or mobile equipment are used in the performance of the obligations under this Contract, then CONTRACTOR shall maintain liability insurance for all owned, non-owned or hired vehicles so used in an amount not less than one million dollars ($1,000,000) per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this Contract or be no less than two (2) times the occurrence limit. The policy shall name the COUNTY as Additional Insured.

Professional Liability Insurance:
CONTRACTOR shall maintain Professional Liability Insurance providing coverage for the CONTRACTOR'S performance of work included within this Contract, with a limit of liability of not less than one million dollars ($1,000,000) per occurrence and two million dollars ($2,000,000) annual aggregate. If CONTRACTOR'S Professional Liability Insurance is written on a claims made basis rather than an occurrence basis, such insurance shall continue through the term of this Contract and CONTRACTOR shall purchase at his sole expense either 1) an Extended Reporting Endorsement (also known as Tail Coverage); or 2) Prior Dates Coverage from new insurer with a retroactive date back to the date of, or prior to, the inception of this Contract; or 3) demonstrate through Certificates of Insurance that CONTRACTOR has maintained continuous coverage with the same or original insurer. Coverage provided under items 1), 2) or 3) will continue as long as the law allows.

General Insurance Provisions - All lines:

1. Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California and have an A.M. BEST rating of not less than A: VIII (A:8) unless such requirements are waived, in writing, by the COUNTY Risk Manager. If the COUNTY'S Risk Manager waives a requirement or a particular insurer, such waiver is only valid for that specific insurer and only for one (1) policy term.

2. The CONTRACTOR must declare its insurance self-insured retention for each coverage required herein. If any such self-insured retention exceeds five hundred thousand dollars ($500,000) per occurrence such retention shall have the prior written consent of the COUNTY Risk Manager before the commencement of operations under this Contract. Upon notification of self-insured retention unacceptable to the COUNTY and at the election of the County's Risk Manager, CONTRACTOR'S carriers shall either; 1) reduce or eliminate such self-insured retention with respect to this Contract with the COUNTY, or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.

3. CONTRACTOR shall cause CONTRACTOR'S insurance carrier(s) to furnish the COUNTY with either 1) a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements effecting coverage as required herein, and/or 2) if requested to do so orally or in writing by the COUNTY Risk Manager, provide original Certified copies of policies including all Endorsements and all attachments thereto, showing such insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) working days written notice shall be given to the COUNTY prior to any material modification, cancellation, expiration or reduction in coverage of such insurance. If CONTRACTOR'S insurance carrier(s) policies does not meet the minimum notice of requirement found herein, CONTRACTOR shall cause CONTRACTOR'S insurance carrier(s) to furnish a thirty (30) day Notice of Cancellation Endorsement.

4. In the event of a material modification, cancellation, expiration or reduction in coverage, this Contract shall terminate forthwith, unless the COUNTY receives, prior to such effective date, another properly executed original Certificate of Insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing coverage's set forth herein and the insurance required herein is in full force and effect. CONTRACTOR shall not commence operations until the COUNTY has been furnished original Certificate(s) of Insurance and certified original copies of endorsement and if requested, certified original policies of insurance including all endorsements and all other attachments as required in this Section. An individual

authorized by the insurance carrier to do so on its behalf shall sign the original endorsements for each policy and the Certificate of Insurance.

5. It is understood and agreed to by the parties hereto that the CONTRACTOR'S insurance shall be construed as primary insurance and the COUNTY'S insurance and/or deductibles and/or self-insured retention's or self-insured programs shall not be construed as contributory.

6. If during the term of this Contract or any extension thereof there is a material change in the scope of services; or there is a material change in the equipment to be used in the performance of the SOW; or this Contract, including any extensions thereof, exceeds five (5) years; the COUNTY reserves the right to adjust the types of insurance required under this Contract and the monetary limits of liability for the insurance coverage currently required herein, if in the COUNTY Risk Manager's reasonable judgment the amount or type of insurance carried by the CONTRACTOR has become inadequate.

7. CONTRACTOR shall pass down the insurance obligations contained herein to all tiers of subcontractors working under this Contract.

8. The insurance requirements contained in this Contract may be met with a program(s) of self-insurance acceptable to the COUNTY.

9. CONTRACTOR agrees to immediately notify COUNTY in writing of any claim by a third party or any incident or event that may give rise to a claim arising from the performance of this Contract.

Adjustment and/or Waiver of Requirements:
The COMMISSION Executive Director (or designee), in consultation with the COUNTY'S Risk Manager, may adjust the insurance requirements set forth herein as deemed necessary for the Contract, and/or may waive insurance requirements where not applicable to the Contract. Insurance endorsements shall be submitted to the COMMISSION upon submission of the fully executed Contract, but no later than when contract work commences.

34. ASSIGNMENT

This Contract shall not be assigned by CONTRACTOR, either in whole or in part, without prior written consent of the COMMISSION, as approved and authorized by formal action of the COMMISSION.

35. ALTERATION AND/OR AMENDMENT

No alteration, amendment, or variation of the terms of this Contract shall be valid unless made in writing and signed by the parties hereto. Oral understandings of Contract not incorporated herein shall not be binding on any of the parties hereto. As provided herein, the COMMISSION Executive Director, acting on behalf of the COMMISSION, may alter or revise this Contract on behalf of the COMMISSION. Material alterations and/or amendments, as determined by the COMMISSION Executive Director in consultation with County legal counsel, will require formal approval of the COMMISSION. Except as provided herein, the parties expressly recognized that individual COMMISSION members, COMMISSION Advisory Committee members, or staff to the COMMISSION is without authorization to either change or waive any material requirements of this Contract without formal action of the COMMISSION.

36. CONFLICT OF INTEREST

CONTRACTOR shall have no economic interest and shall not acquire any economic interest, direct or indirect, which will conflict in any manner or degree with the performance of services required under this Contract.

37. WAIVER AND SEVERABILITY

Any waiver by the COMMISSION of any breach or default hereof by CONTRACTOR shall be deemed to be a waiver of any preceding or succeeding breach or default hereof, and no waiver shall be operative unless the same shall be in writing. In the event any provision in this Contract is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions hereof shall remain in full force and effect without being impaired or invalidated in any way.

38. DISALLOWANCE

In the event CONTRACTOR receives payment for services under this Contract, which is later disallowed for nonconformance with the terms and conditions herein, CONTRACTOR shall promptly refund the disallowed amount to the COMMISSION upon request. The COMMISSION retains the option to offset the amount disallowed from any payment due to the CONTRACTOR under this Contract, or under any other Contract between CONTRACTOR and the COMMISSION.

39. OFFICIAL DOCUMENTS

Upon the Contract approval by the COMMISSION, and full execution of the Contract by COMMISSION and CONTRACTOR, one (1) fully executed copy will be sent to the CONTRACTOR. Such copy shall be the officially approved Contract for the conduct of the approved project.

40. ENTIRE CONTRACT

This Contract, inclusive of all attachments and exhibits, constitutes the entire Contract between the parties. Any modifications to the terms of this Contract shall be by the provisions detailed in the Section entitled “Alteration and/or Amendment” herein.

41. NONEXCLUSIVE CONTRACT

CONTRACTOR understands that this is not an exclusive Contract and that the COMMISSION shall have the right to negotiate with and enter into Contracts with others providing the same or similar services as those provided by CONTRACTOR as the COMMISSION desires and at the sole discretion of the COMMISSION.

42. CERTIFICATION OF AUTHORITY TO EXECUTE THIS CONTRACT

CONTRACTOR certifies that the individual signing herein has authority to execute this Contract on behalf of CONTRACTOR and may legally bind CONTRACTOR to the terms and conditions of this Contract and any attachments hereto.

43. COMPLIANCE WITH LAW

CONTRACTOR shall, at its sole cost and expense, comply with all County, State, and Federal law now in force or which may hereafter be in force with regard to this Contract. The judgment of any court of competent jurisdiction, or the admission of CONTRACTOR in any action against CONTRACTOR, whether the COMMISSION be a party thereto or not, that CONTRACTOR has violated any such ordinance or statute, shall be conclusive of that fact as between CONTRACTOR and the COMMISSION.

44. CONFLICTS IN INTERPRETATION

In the event of conflict in interpretation by the parties of the provisions contained in the numbered sections of this Contract and the provisions contained in the attachments hereto, the provisions of the attachments in the Contract shall prevail over those in numbered sections.

45. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which will be an original, but all of which together will constitute one instrument. Each party of this Agreement agrees to the use of electronic signatures, such as digital signatures that meet the requirements of the California Uniform Electronic Transactions Act ((“CUETA”) Cal. Civ. Code §§ 1633.1 to 1633.17), for executing this Agreement. The parties further agree that the electronic signatures of the parties included in this Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. Electronic signature means an electronic sound, symbol, or process attached to or logically associated with an electronic record and executed or adopted by a person with the intent to sign the electronic record pursuant to the CUETA as amended from time to time. The CUETA authorizes use of an electronic signature for transactions and contracts among parties in California, including a government agency. Digital signature means an electronic identifier, created by computer, intended by the party using it to have the same force and effect as the use of a manual signature, and shall be reasonably relied upon by the parties. For purposes of this section, a digital signature is a type of "electronic signature" as defined in subdivision (i) of Section 1633.2 of the Civil Code.

Early Childhood Oral Health Assessment
Continued Support and Expansion

Background

The First 5 Riverside and First 5 San Bernardino Early Childhood Oral Health Assessment (ECOHA) program started as part of the California Medi-Cal Dental Transformation Initiative (DTI). The ECOHA concept was based on an early childhood assessment program developed by Dr. Paul Glassman, Associate Dean for Research and Community Engagement at the California Northstate University College of Dental Medicine (CNU). Dr. Glassman and his staff acted as consultants for the Inland Empire (IE) ECOHA project during the DTI process.

2023 - Scope of Work

NO DIRECT SERVICES WILL BE PROVIDED.
Dr. Paul Glassman and his team (including consultants) at CNU will to continue to develop and support the ECOHA and POHA system in 2023. CNU will:

- Provide on-going training and support to the home visitors using the ECOHA and POHA system.
- Conduct focus groups and implement surveys to understand what is working in the ECOHA and POHA system and what areas need adjustments.
- Modify training programs, materials, and protocols based on feedback. This will include creating an on-demand accessible library of fact sheets and educational materials for use by home visitors and other program participants.
- Work with Help-Me-Grow IE to support their efforts to implement ECOHA and POHA and otherwise help families improve the oral health of their children and themselves.
- Work with Apricot 360 developers to implement necessary updates to ECOHA and POHA including additional tracking and reporting functionality.
- Share lessons learned with First 5 Commissions and other stakeholders across the state and country.
- Expand and continue to develop the Dental Care Connect System to provide families a second level of oral health support, including recruiting and supporting dentists willing to accept referrals resulting from ECOHA and POHA assessments. This system, based on CNU's previous work, involves making limited and targeted referrals to dentists. Prior to referrals to dentist, there will be the availability of additional assessment and education activities by the Dental Care Connect Dental Hygienist. Referrals to dentists will include pre-referral screening information, and care coordination to ensure that appointments are kept.
- Activities of CNU and the Dental Care Connect Dental Hygienist will include:
    - Building the base of dentists willing to accept referrals under this system that have not accepted the designated patient base previously.
    - Continuing to develop the intermediate care system where the program dental hygienist provides additional assessment of and education to families and identifies referral pathways for families determined to be at-risk for oral health disease by the initial home visitor assessment.

    - Work with local providers to develop a system to bill for these services, developing a path to a financially sustainable care system.
    - Work with the California Department of Public Health to obtain additional funding and connections to data sources to study health improvement outcomes from this system.
- Produce and analyze reports based on Apricot 360 data, focus groups, and other sources.
- Develop conclusions and recommendations for long-term management and financial sustainability of the ECOHA/POHA system.

Timeline

The term of this project is from 1/1/23 to 6/30/24.

Benchmarks

The project will achieve the following benchmarks based on the above Scope of Work:

1. At least 70% of children screened by a home visitor and deemed by the home visitor to need additional services will receive follow-up from the Dental Care Connect Dental Hygienist, including additional an assessment and education as needed and, if needed, a “warm hand-off” to a dentist to provide needed in-office treatment.
2. 70% of families with children who are still in the home visiting program six-months after the previous ECOHA, as indicated by an ECOHA record in Apricot 360, will receive a follow-up ECOHA.
3. 50% of parents in home visiting programs whose children have a follow-up ECOHA will show positive change in behavior related to their child’s oral health habits as indicated by the results of an ECOHA conducted six months after the initial assessment.
4. 60% of children referred to see a dentist by a home visitor via the Dental Care Connect System Dental Hygienist will have a documented visit with a dentist as documented by CNU.

ATTACHMENT B: BUDGET

EXPENSES	Budget	Explanation
CNU Personnel Project Director - Paul Glassman Program Director - Valerie Phillips Program Manager - Maysa Namakian Consultant: Jenny Kattlove Dental Care Connect Dental Hygienist	 $13,310 $5,000 $5,000 $18,000 $45,000	 7% of annual salary for 12 months 7% of annual salary for 12 months 6% of annual salary for 12 months 15 hours/ mo for 12 months @ 150/hr for consultation related to community agency integration and system design 20 hrs/wk x $45/hr x 50 weeks. Support development of dentist referral system and targeted referrals
Total Salaries: Benefits & Taxes @ 13%	**$96,310** $12,390	
Sub-Total Personnel	**$107,700**	
Non-Salary Expenses: Training and support: Travel costs and educational materials Zoom subscription Registration and Travel for National Oral Public Health Meeting	 $8,000 $450 $5,000	 Development and purchase of supporting education and training materials Annual 3-host subscription
Sub-Total Non-Personnel Costs	**$13,450**	
Total Direct Expenses Indirect at 20% of Total Salary	**$121,150** $19,062	
GRAND TOTAL	**$140,212**	

*Funding may rollover between fiscal years.

ATTACHMENT C: PAYMENT PROVISIONS

A. FISCAL

The maximum amount reimbursable over the life of this Contract shall not exceed **$140,212.00** for the duration of the Contract period as awarded by the Riverside County Children and Families Commission, also known as First 5 Riverside, (hereinafter the "COMMISSION" or "COUNTY"), provided pursuant to the California Children and Families Act of 1998, also known as Proposition 10.

CONTRACT PERIOD: **01/01/2023 – 06/30/2024**

1. Method, Time, and Schedule Conditions of Payment

   a. The COMMISSION will disburse funds on a reimbursement payment process based on the Contract Budget (Attachment "B") amount for the applicable fiscal year and monthly report submissions. Payment will be rendered thirty (30) business days from submission of all required documentation and/or the reporting deadline.

   b. Disbursement of any payment of funds to CONTRACTOR shall be made so long as all of the following conditions have been met:

      1. The Contract has been approved by the COMMISSION;

      2. The Contract has been fully executed by all parties;

      3. All applicable licenses to comply with the terms of the SOW are current and valid; and

      4. The CONTRACTOR submits monthly itemized invoices, via the data management system to include the supporting documentation separated by a cover sheet in front of each expense category. Documentation shall include; payroll register or report, time & activity report and/or, timesheets, statement of costs, copy of invoice or receipt, mileage report(s), copy of check(s) or proof of payment; and

      5. COMMISSION staff has reviewed and approved Cost Allocation Plan (if applicable).

   c. Under special circumstances, CONTRACTOR may request advance disbursements. A supplemental disbursement request along with justification must be submitted, in writing, to the Executive Director or designee.

   d. The COMMISSION Executive Director, or designee, reserves the right to withhold or reduce disbursement of funds if CONTRACTOR fails to 1) comply with monthly and/or quarterly reports by the indicated due date as set forth in Section 11 of the Contract; 2) if results achieved are not as projected and no COMMISSION approved plan is in place for improvement; or 3) if the CONTRACTOR is not in compliance with any provision contained within this Contract.

   e. The final funding period amount approved for the applicable fiscal year will be paid based on final expenditures as of June 30th, and reported as of the final deadline to submit program expenditures defined in Section 11. Fiscal and Program Reporting Requirements, A. Fiscal Reporting. Expenditures made after June 30th will not be accepted.

2. Allowable Costs

Funds provided pursuant to this Contract shall be expended by CONTRACTOR in accordance with the Budget.

a. Such specified expenditures will be further limited to those that are considered both reasonable and necessary as determined by the COMMISSION. CONTRACTOR agrees COMMISSION may recover any payments for services or goods, including rental of facilities, which were not reasonable and necessary, or which exceeded the fair market value. The recovery shall be limited to payments over and above reasonable or fair market amounts and any costs of recovery.

b. The reasonable and allowable reimbursement rate for use of motor vehicles, travel expenses and food are based on the current IRS allowable rate.

c. Contractor shall obtain approval for all overnight travel and out of State travel as it relates to services provided in this Contract. Reimbursement as it relates to pre-approved travel will be based on the Federal allowable rate. Request must be submitted in writing thirty (30) days in advance of travel date and travel must be approved in advance by COMMISSION management.

ATTACHMENT D:
COMPREHENSIVE TOBACCO CONTROL POLICY

As a material condition of the Contract, the CONTRACTOR shall agree that the CONTRACTOR and the CONTRACTOR'S employees, while receiving funding from the COMMISSION:

1. Shall not use tobacco products while using the CONTRACTOR'S property e.g., vehicle, equipment; and

2. Shall not sell, offer, or provide tobacco products on CONTRACTOR 'S premises; and

3. Shall have tobacco education and cessation materials visibly available and accessible to clients participating in activities funded by Proposition 10 funds; and

4. Shall assure that the CONTRACTOR and its employees have no current business association or relationship with the tobacco industry, and further agrees to neither accept nor solicit financial contributions, sponsorships, gifts, or services from any tobacco company, executive, or tobacco-related function; and

5. Shall make a reasonable effort to divest of all investments in companies that derive fifteen percent (15%) or more of revenues from tobacco.

The COMMISSION may terminate for default or breach of this Contract and any other Contract the CONTRACTOR has with the COMMISSION, if the CONTRACTOR or CONTRACTOR'S employees, are determined by the COMMISSION Executive Director (or designee), not to be in compliance with the conditions set forth herein.

If the CONTRACTOR or CONTRACTOR'S employees are determined by the COMMISSION Executive Director (or designee) not to be in compliance with the conditions set forth herein, the COMMISSION may terminate for default or breach of this Contract and any other Contract the COMMISSION has with the CONTRACTOR.

In instances where the CONTRACTOR is part of a larger entity, and where the entity has an investment policy set by governance officials other than the CONTRACTOR, and the CONTRACTOR is not directly involved in such investment decisions, CONTRACTOR agrees to the provisions herein as required in the programs and activities under the direct control of the CONTRACTOR to the satisfaction of the COMMISSION Executive Director (or designee). Activities of the larger entity other than investment decisions, which are not under the direct control of CONTRACTOR, shall not be considered to be in violation of CONTRACTOR'S activities pursuant to the policy.

Early Childhood Oral Health Assessment
Continued Support and Expansion
Proposal
January 9, 2023

Background

The First 5 Riverside and First 5 San Bernardino Early Childhood Oral Health Assessment (ECOHA) program started as part of the California Medi-Cal Dental Transformation Initiative (DTI). The ECOHA concept was based on an early childhood assessment program developed by Dr. Paul Glassman, Associate Dean for Research and Community Engagement at the California Northstate University College of Dental Medicine (CNU). Dr. Glassman and his staff acted as consultants for the Inland Empire (IE) ECOHA project during the DTI process.

In 2021, First 5 Riverside provided a follow-up grant to CNU to further develop the ECOHA system through the following activities:

- Developing the questions and proposed algorithms for ECOHA, which was integrated into Apricot 360
- Developing and supporting the data collection systems in Apricot 360
- Developing the ECOHA training and educational program for home visitors and conducting training
- Conducting focus groups of home visitors as they use the system and incorporating their feedback into the ongoing development of the program
- Providing ongoing technical assistance to home visiting programs and First 5 Riverside staff

In 2021 good progress was made.

- ECOHA in Apricot 360 system was set up and began to be used to collect data and report on outcomes.
- Training materials and methods were developed and continue to be updated and improved.
- Approximately 9 home visitors field tested the system and changes were made based on their feedback.
- Approximately 60 home visitors were trained and are using the system.

In 2022, the system was developed further with the following activities and additions.

- A prenatal oral health assessment (POHA) was created to address the oral health needs of pregnant women, as identified by the home visiting programs.
- On-going training, support, and feedback from the home visitors using the system is being provided.
- Continued feedback is being collected from home visitors and others with subsequent revision of the assessment, training materials, and methods.
- Educational materials for home visitors and parents have been updated as well as expanded to include materials relevant for prenatal oral health.
- A new and expanded dental care referral system called the Riverside County Early Childhood and Prenatal Dental Care Connect System (Dental Care Connect System) has been initiated, is being implemented, and is continuing to be developed. It has become clear that ECOHA is a valuable tool for home visitors to identify which families are in greatest need of a referral for additional oral health care. However, there are few dental care providers willing to accept referrals of young children, children with special needs, and pregnant women covered by Medi-Cal. Adding a dental hygienist has been critical to provide a second level of assessment, education, and support; develop referral resources; and facilitate referrals.

A full report of the 2021 – 22 activities is included as an attachment to this proposal.

Proposal for 2023 - Scope of Work

Dr. Paul Glassman and his team (including consultants) at CNU propose to continue to develop and support the ECOHA and POHA system in 2023. CNU will:

- Provide on-going training and support to the home visitors using the ECOHA and POHA system.
- Conduct focus groups and implement surveys to understand what is working in the ECOHA and POHA system and what areas need adjustments.
- Modify training programs, materials, and protocols based on feedback. This will include creating an on-demand accessible library of fact sheets and educational materials for use by home visitors and other program participants.
- Work with Help-Me-Grow IE to support their efforts to implement ECOHA and POHA and otherwise help families improve the oral health of their children and themselves.
- Work with Apricot 360 developers to implement necessary updates to ECOHA and POHA including additional tracking and reporting functionality.
- Share lessons learned with First 5 Commissions and other stakeholders across the state and country.
- Expand and continue to develop the Dental Care Connect System to provide families a second level of oral health support, including recruiting and supporting dentists willing to accept referrals resulting from ECOHA and POHA assessments. This system, based on CNU's previous work, involves making limited and targeted referrals to dentists. Prior to referrals to dentist, there will be the availability of additional assessment and education activities by the Dental Care Connect Dental Hygienist. Referrals to dentists will include

pre-referral screening information, and care coordination to ensure that appointments are kept.

- Activities of CNU and the Dental Care Connect Dental Hygienist will include:
    - Building the base of dentists willing to accept referrals under this system that have not accepted the designated patient base previously.
    - Continuing to develop the intermediate care system where the program dental hygienist provides additional assessment of and education to families and identifies referral pathways for families determined to be at-risk for oral health disease by the initial home visitor assessment.
    - Work with local providers to develop a system to bill for these services, developing a path to a financially sustainable care system.
    - Work with the California Department of Public Health to obtain additional funding and connections to data sources to study health improvement outcomes from this system. Dr. Jay Kumar, California State Dental Director is considering supporting these data-connection resources and providing additional funding for this analysis. He hopes to use this data to justify establishing direct billing for community health workers providing these types of services.
- Produce and analyze reports based on Apricot 360 data, focus groups, and other sources.
- Develop conclusions and recommendations for long-term management and financial sustainability of the ECOHA/POHA system.

Timeline

The term of this project will be from 1/1/23 to 6/30/24.

Benchmarks

The project will achieve the following benchmarks based on the above Scope of Work:

1. At least 70% of children screened by a home visitor and deemed by the home visitor to need additional services will receive follow-up from the Dental Care Connect Dental Hygienist, including additional an assessment and education as needed and, if needed, a “warm hand-off” to a dentist to provide needed in-office treatment.
2. 70% of families with children who are still in the home visiting program six-months after the previous ECOHA, as indicated by an ECOHA record in Apricot 360, will receive a follow-up ECOHA.
3. 50% of parents in home visiting programs whose children have a follow-up ECOHA will show positive change in behavior related to their child’s oral health habits as indicated by the results of an ECOHA conducted six months after the initial assessment.

4. 60% of children referred to see a dentist by a home visitor via the Dental Care Connect System Dental Hygienist will have a documented visit with a dentist as documented by CNU.

Budget

The cost for this proposal is $140,212 per the attached budget.

Budget

EXPENSES	Budget	Explanation
CNU Personnel		
Project Director - Paul Glassman	$13,310	7% of annual salary for 12 months
Program Director - Valerie Phillips	$5,000	7% of annual salary for 12 months
Program Manager - Maysa Namakian	$5,000	6% of annual salary for 12 months
Consultant: Jenny Kattlove	$18,000	15 hours/mo for 12 months @ 150/hr for consultation related to community agency integration and system design
Dental Care Connect Dental Hygienist	$45,000	20 hrs/wk x $45/hr x 50 weeks. Support development of dentist referral system and targeted referrals
Total Salaries:	**$96,310**	
Benefits and Taxes @ 13%	$12,390	
Sub-Total Personnel	**$107,700**	
Non-Salary Expenses:		
Training and support: Travel costs and educational materials	$8,000	Development and purchase of supporting education and training materials
Zoom subscription	$450	Annual 3-host subscription
Registration and Travel for National Oral Public Health Meeting	$5,000	
Sub-Total Non-Personnel Costs	**$13,450**	
Total Direct Expenses	**$121,150**	
Indirect at 20% of Total Salary	$19,062	
GRAND TOTAL	**$140,212**	

E.4.**23-03:** Approve 2023 First 5 Riverside County Finance Subcommittee Members

AGENDA ITEM: 23-03
DATE OF MEETING: January 25, 2023
ACTION: ☒
INFORMATION: ☐

APPROVE 2023 FIRST 5 RIVERSIDE COUNTY FINANCE SUBCOMMITTEE MEMBERS

SUMMARY OF REQUEST

Appoint members to the Commission Finance Subcommittee. Appointments will take effect upon Commission action and will remain in effect through December 31, 2023 or when the appointee's term expires, the appointee resigns, or is removed.

Commission Representation	Advisory Committee Representation
Finance Subcommittee (Standing)	
Jose Campos Stephanie Yost	Viola Lindsey Alejandro Cisneros

BACKGROUND

The overarching role of the subcommittee is to work with staff by providing valuable input regarding financial strategies, internal fiscal processes, transparency of financial practices, and Commission strategic investments.

January 26, 2022 (Action Item 22-02): The Commission appointed members to the Finance Subcommittee to serve a one-year term, which ending December 31, 2022.

March 9, 2016 (Action Item 16-12): The Commission established the standing finance subcommittee to provide input and contribute to the ongoing implementation of the Strategic Plan. Composition of the committee shall consist of no more than five (5) members; contain a combination of Commissioners and Advisory Committee members

with current terms; and serve for one year from the time of appointment but may be reappointed without limitation of the number of terms served. The committee is chaired by a Commissioner and the Commission reserves the right to remove an appointed member.

First 5 personnel will provide staff support to each subcommittee as assigned by the Executive Director. Appointments to the Finance Subcommittee will be made on an annual basis.

RECOMMENDED ACTION

That the Commission appoint the following members to the Finance Subcommittee: Commissioner Jose Campos, Commissioner Stephanie Yost, Advisory Committee Member Alejandro Cisneros and Advisory Committee Member Viola Lindsey through December 31, 2023.

BUDGET IMPACT

None

STRATEGIC PLAN RELEVANCE

Goal 4 – Countywide Impact

POTENTIAL CONFLICTS OF INTEREST

None known

E.5.**23-04:** Approve and Ratify MOU with California Family Resource Association for No-Cost Extension from July 1, 2022 - March 31, 2023 (MOU NO. FRC-RELIEF-63) [$0-FUNDS]

AGENDA ITEM: 23-04
DATE OF MEETING: January 25, 2023
ACTION: ☒
INFORMATION: ☐

APPROVE AND RATIFY MOU WITH CALIFORNIA FAMILY RESOURCE ASSOCIATION FOR NO-COST EXTENSION FROM JULY 1, 2022 – MARCH 31, 2023 (MOU NO. FRC-RELIEF-63) [$0 – FUNDS]

SUMMARY OF REQUEST

Approve and Ratify Memorandum of Understanding (MOU) No. FRC-RELIEF-63 with California Family Resource Association (CFRA) for a no-cost extension through March 31, 2023, for data collection requirements.

BACKGROUND

This item approves a no-cost extension to allow First 5 Riverside County additional time to report data on the number of gift cards distributed by Inland So Cal United Way to foster children and tribal families during the extended period.

September 27, 2021 (Action Item No. 21-32): The Commission accepted CFRA funds to support families in response to family needs in context of COVID-19.

On August 13, 2021, First 5 Riverside County submitted an application for the second round of COVID-19 Family Resource Center Relief Funds seeks to address family needs

RECOMMENDED ACTION

That the Commission:

1. Ratify and approve the action of the Executive Director, as authorized by the Commission, to sign the amended MOU No. FRC-RELIEF-63 with California Family Resource Association for No-Cost extension through March 31, 2023,

BUDGET IMPACT

None.

STRATEGIC PLAN RELEVANCE

Goal 3: Resilient Families

POTENTIAL CONFLICTS OF INTEREST

None Known

ATTACHMENTS

1. CFRA FRC COVID-19 Relief Extension MOU Riverside

California Family Resource Association
Strong Families. Strong Communities.

MEMORANDUM OF UNDERSTANDING

- FRC-RELIEF-63

Funding Period
July 1, 2022- March 31, 2023
COVID-19 California Family Resource Center Relief Fund No-Cost Extension

OVERVIEW

Family Resource Centers (FRCs) are uniquely positioned for rapid response to COVID-19. The California Family Resource Association (CFRA), an association of Prevent Child Abuse California (PCA CA), will work cooperatively with the California statewide network of FRCs to address the needs of the most vulnerable children and families in the State of California. With funding from the California Department of Social Services (CDSS), CFRA will continue to serve as the lead agency and fiscal agent, provide programmatic oversight and coordinate the distribution of financial assistance to FRCs who will support families during California's mandated shelter-in-place order to ensure the safety of children and the well-being of families.

Organizations eligible for no-cost extension of remaining funds will include Family Resource Centers as defined by SB 436, who were previous grantees of the funding during the period of April 1, 2021- June 30, 2022 and submitted all invoices and service number data for that period.

The purpose of the no-cost extension will be for grantees to continue to submit data and spend remaining COVID-19 Relief funds to address family needs and maintain continuity of services and operations during the COVID-19 crisis, with the understanding that there was a gap in prevention services and supports for families prior to COVID-19 that have been exacerbated by the COVID-19 virus. These funds are intended to help fill that gap and address the added stressors and dangers to children and families under the current conditions of isolation, health risks, and economic loss. FRCs play a critical role in preventing child abuse and neglect, strengthening children and families, and connecting families to an array of county support systems of care. During the COVID 19 pandemic and afterward, families need to be connected to community supports despite the stay-at-home order. "Social connections" is one of the most important of the protective factors that we can provide to our most vulnerable children and families.

The FRC acknowledges that CFRA may, at its sole discretion, discontinue, modify, or withhold project payments made under this Agreement if it determines that such action is necessary. The FRC acknowledges that failure to use the project funds as prescribed can result in cancellation of this Agreement by CFRA, the forfeiture by the FRC of any remaining CFRA project funds and the requirement that the FRC refund to CFRA any project funds already spent in a manner other than as described in this Agreement within 30 days of receipt of a written termination notice.

FRC hereby acknowledges that it understands that the no-cost extension from CFRA is for the time period beginning July 1, 2022 and ending March 31, 2023 and additional funding is not implied nor guaranteed by this Agreement. The only commitment implied herein is for project funding in the amount based on CFRA funding to fund the award for the project in this Agreement. CFRA will provide the FRC with written notice of any changes in project funding at least 15 days in advance of making any such changes.

FRC hereby agrees to notify CFRA in writing in advance of any proposed changes, including but not limited to the services provided under this Agreement, the locations where the services are provided, populations to be served and, or the number of individuals to be served. The FRC hereby acknowledges that it must receive written permission from CFRA before implementing such changes. Failure to do so could result in withholding of project payments made under this Agreement.

THE CHILD ABUSE PREVENTION CENTER

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TERMS OF MOU

I. FRC PROVISION OF SERVICES

The FRC agrees to support families at-risk during California's mandated shelter-in-place by providing an array of support to address service delivery gaps by providing direct support and services to families in need, including:

- Material items (e.g., food, diapers, cleaning supplies),
- Staff time to assist families in accessing state and other relief funds.
- Assistance with isolation needs (e.g., one-time costs for telehealth and remote case management technologies, staff time to provide phone/virtual home visits, connections through social media),
- Mental Health/Counseling Services (for both families and staff)
- Parenting resources (e.g., adaptations of parent education),
- Staff time to help link families to other local, state, and federal supports and benefits (e.g. food, housing, etc.),
- Emergency funds to support the continued operation of FRCs and/or FRC Networks,
- Utilities Assistance (financial assistance that goes direct to families),
- Support for Education and Distance Learning (internet expense, tutors, tablets),
- Support for returning to work and school/transitional needs.

II. ROLE of CFRA

CFRA will perform the following activities related to the distribution of the no-cost extension of COVID-19 FRC Relief Funds:

A. Review previous documentation of invoices and service number data to determine eligibility and select participating FRCs and/or FRC Networks,
B. Distribute funds according to timely and equitable standards and procedures;
C. Develop and execute Memoranda of Understanding (MOUs) with recipient FRCs;
D. Monitor FRC and/or FRC Networks' compliance with project requirements and MOUs;
E. Develop data measurements for fund recipients to document the usage of funds and numbers of families served.
F. Develop and define data measurements, data collection tools for fund recipients to document the usage of funds and numbers of families serve and disseminate to FRCs and/or FRC Networks a data collection platform;
G. Within the context of CFRA's own in-house expertise and capabilities, provide appropriate technical assistance, if needed, to the FRC for building or expanding its capacity as a high-performing organization or collaboration;
H. Market the project throughout the state, highlighting the services provided and results achieved by the FRC;
I. Assuming satisfactory or better performance by participating FRCs, and upon request by those agencies, provide references for the agency to other funders (i.e., foundations, governmental agencies and corporations).

III. PROVISIONS

In addition to providing the services to support children and families during COVID-19, FRC will be accountable for providing the following during the timeframe covered by this agreement:

A. **Fiscal Agent** FRC shall act as the fiscal agent for its assigned responsibilities under this Agreement and, if other organizations are incorporated into the process with CFRA's written approval, shall allocate all project funds as mutually agreed upon.

B. **Data Collection** FRC agrees to utilize the identified CFRA data collection platform, which will be provided for free by CFRA, to allocate funds and track results for the duration of the grant.

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C. **Reporting** FRC agrees to provide all required reports, including reports on process and results, in an accurate and timely manner. This includes reporting results produced by any "sub-contracting" organizations. Deadlines for data submission include:

July 2022 Service Number data	**August 20, 2022**
August 2022 Service Number data	**September 20, 2022**
September 2022 Service Number data	**October 20, 2022**
October 2022 Service Number data	**November 20, 2022**
November 2022 Service Number data	**December 20, 2022**
December 2022 Service Number data	**January 15, 2023**
January 2023 Service Number data	**February 20, 2023**
February 2023 Service Number data	**March 20, 2023**
March 2023 Service Number data	**April 20, 2023**

IV. PAYMENT PROVISIONS

A. Grantees that will continue with the no-cost extension will experience a decrease of 10% of their remaining funds due to program administration costs.

B. The maximum amount payable under this Agreement shall not exceed $231,163.38. The grantee does not have remaining funds but does have outstanding data to submit as substantiation for previous payments.

C. Service number data shall be submitted to CFRA at the following email address: californiafamilyresource@gmail.com

V. TERMS AND CONDITIONS

FRC and CFRA agree to the terms and conditions for funding the work described in this Agreement:

FRC/Lead Name: Riverside County Children and Families Commission
(First 5 Riverside
FRC/Lead Primary Contact: Tammi Graham
FRC/Lead Secondary Contact: Barbara DuBranksky
Phone: 951-955-0200
E-mail: tngraham@rivco.org
Address (Street):585 Technology Court
City, State, Zip: Riverside, CA, 92507
Website: rccfc.org

Project Period: July 1, 2022 to March 31, 2023.

VI. GOAL SETTING AND REPORTING PROCEDURES

A. FRC agrees to work with CFRA to establish reasonable, measurable outcomes to help determine the effectiveness of the project.

VII. PROHIBITED EXPENSES

A. Capital Expenses (any expense $5000 or more to buy, maintain or improve fixed assets such as buildings, vehicles, equipment or land) are not allowed.
B. Expenses incurred outside the project period are not allowed.

VIII. MISCELLANEOUS

A. FRC agrees to continue to maintain its eligibility for this project funding during the entire period covered by this Agreement. This includes, but is not limited to, maintaining its status

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as an organization qualified under 501 (c)(3) of the Internal Revenue Code, State of California Nonprofit registration, and maintaining its principal place of operation within California.

B. CFRA cannot accept legal responsibility for the project. Accordingly, the FRC agrees to indemnify and hold harmless CFRA from any and all liability which may be incurred in connection with the FRC's participation in and administration of this project. The FRC shall obtain and keep in force for the term of this MOU, comprehensive general liability insurance in an amount not less than $1 million per occurrence insuring against bodily injury, personal injury and property damage. The FRC shall name CFRA as an additional insured party for the comprehensive general liability insurance and is responsible for guaranteeing that a copy of the Certificate of Insurance is submitted to the CFRA with this MOU.

IX. CERTIFICATION

I, the authorized representative of the **Riverside County Children and Families Commission (First 5 Riverside)** certify in good faith, by initialing, that I agree to all terms and conditions as outlined in the Standard Agreement attached to this MOU.

Document ID: 5d3792b96a1bbf8169f5ee40c994d56d6dde09fb68b55bae7ef72fbca5a493dd

IX. SIGNATORIES

In witness whereof, this MOU has been executed by the parties hereto.

A. ***LEAD AGENCY/SIGNING AGENCY NAME***

Tammi Graham
Printed Name

Executive Director
Title

Tammi Graham
Signature

10/25/2022
Date

B. ***California Family Resource Association***

Sheila Boxley
Printed Name

President & Chief Executive Officer
Title

Signature

Date

Document ID: 5d3792b96a1bbf8169f5ee40c994d56d6dde09fb68b55bae7ef72fbca5a493dd

E.6.**23-05:** Approve and Adopt the Revised Fiscal Year 2022/2023 Annual Budget of First 5 Riverside County Children & Families Commission

AGENDA ITEM: 23-05
DATE OF MEETING: January 25, 2023
ACTION: ☒
INFORMATION: ☐

APPROVE AND ADOPT REVISED
FISCAL YEAR 2022/2023 ANNUAL BUDGET OF
FIRST 5 RIVERSIDE COUNTY CHILDREN & FAMILIES COMMISSION

SUMMARY OF REQUEST

Approve and adopt the revised FY 2022/2023 annual budget to recognize adjustments to revenue and additional expenditures not originally included in the budget. The revised budget reflects an adjustment to the CFARC fund (25800) increasing revenue for an additional $1,052,192 from $27,714,200 to $28,766,392. Expenditures remain at $34,019,460 with an estimated $5,253,068 from fund balance augmenting current revenues.

BACKGROUND

In May 2022, the Commission approved the FY 2022/2023 annual budget (Action Item 22-26), which reflected an estimate of $27,714,200 in revenue (Fund 25800) and $34,019,460 in expenditures with $6,305,260 projected from fund balance augmenting current year revenues.

BUDGET ADJUSTMENT SUMMARY

Revenue Adjustment (increase $1,052,192.47) – includes an increase of $500,000 for the approved Amendment No.1 to the First Amended and Restated Memorandum of Understanding (MOU) No. DPSS-0001997 with Riverside County Department of Public Social Services for Family Resource Centers. This will support an increase in staffing levels for Family Resource Centers to meet the demand for services needed to serve families with children. The adjustment also includes an additional $250,000 for Agreement No. C1008765 with Riverside County Office of Education (RCOE) to ensure services are provided to support the Quality Start Riverside County (QSRC) partnership with RCOE and to support the data system and sustainability planning for continuous improvement of program quality at early learning sites. The final adjustment includes a $163,513

rollover from the previous fiscal year for the First 5 CA Home Visitation initiative and an adjustment of $138,679.47 to reflect the allocation for both IMPACT and Region 9 Hub funds. Total adjustments for revenue line 755870 is $302,192.47. In the third quarter, staff will provide adjustments for Prop 10 & Prop 56 revenue based on impacts from Prop 31 (state law banning the retail sale of flavored tobacco products), as well as adjustments across partner agency expenditures for fiscal year projections based on actuals. Second quarter highlights capture reductions in Prop 10 revenue based on preliminary information.

Expenditure Adjustment – includes an increase for security services across the Family Resource Centers for an amount not to exceed $75,000. Additional funding for site reconfigurations at both Mecca and Mead Family Resource Centers, identifying vendors Total Plan and GM interiors based on product availability, not to exceed $150,000 for each vendor. Identification of Zero to Three for Region 9 training, reimbursable from external funding. Training will include Critical Competencies for Infant-Toddler Educators that cover three areas: Supporting Social Emotional Development, Supporting Cognitive Development, and Supporting Language & Literacy Development.

Table A. Vendor List

Vendor - Description	**Total**
Absolute Security International Inc.	$ 75,000
Total Plan - Office Reconfigurations – Mecca Space	$ 150,000
GM Business Interiors	$ 150,000
Zero to Three – Region 9 Training	$ 75,000

RECOMMENDED ACTION

That the Commission:

1. Approve and adopt the revised FY 2022/2023 CFARC (25800) budget as proposed; and
2. Approve spending authority for vendors identified in Table A, allowing for the execution of requisitions and purchase orders to support services and supports identified for each vendor.

BUDGET IMPACT

Net increase of $1,052,192.47 in revenue and with a projected $5,253,068 fund balance draw to augment current revenue.

ATTACHMENTS

1. Summary – Revised FY 2022/2023 CFARC (Fund 25800) Annual Budget

Riverside County Children & Families Commission

FY 2022-2023

First 5 Riverside County Budget Summary

938001-25800 (CFARC)

Description	ACCOUNT	FY 22/23 BUDGET	Adjustments	FY 22/23 REVISED JANUARY BUDGET
REVENUE	7xxxxx			
Interest-Invested Funds	740020	100,000		100,000
CA - Tobacco Prop 10	754000	16,551,140		16,551,140
CA - Prop 56 Tobacco Act 2016	754020	3,500,000		3,500,000
F5CA (IMPACT, Region 9 Hub, HV)	755870	1,816,443	302,192	2,118,635
Program Revenue	781480		250,000	250,000
DPSS (CalWORKs)	777540	3,672,117	-	3,672,117
DPSS (FRCs)	777540	2,074,500	500,000	2,574,500
Contrib Fr Other County Funds	781540	-		-
TOTAL REVENUE		$ 27,714,200	$ 1,052,192	$ 28,766,392
APPROP 1 - Salaries and Benefits	51xxxx	7,755,700		7,755,700
APPROP 2 - Services and Supplies	52xxxx	3,246,822		3,246,822
SUBTOTAL		$ 11,002,522	$ -	$ 11,002,522
APPROP 2 - Contracts and MOUs		22,216,938		22,216,938
TOTAL CONTRACTS AND MOUs		$ 22,216,938	$ -	$ 22,216,938
APPROP 4 - Capital Assets	542060	800,000	-	800,000
TOTAL APPROP CAPITAL ASSETS		$ 800,000	$ -	$ 800,000
TOTAL APPROPRIATIONS		$ 34,019,460	$ -	$ 34,019,460
TOTAL REVENUES		$ 27,714,200	$ 1,052,192	$ 28,766,392
VARIANCE		$ (6,305,260)	$ 1,052,192	$ (5,253,068)

E.7.**23-06:** Approve Third Amendment with Escuela De La Raza Unida for Infrastructure Project from November 1, 2020 - December 31, 2023 (CONTRACT NO. CF21109) [$2,181,824 - PROP 10 FUNDS]

AGENDA ITEM: 23-06
DATE OF MEETING: January 25, 2023
ACTION: ☒
INFORMATION: ☐

APPROVE THIRD AMENDMENT WITH ESCUELA DE LA RAZA UNIDA FOR INFRASTRUCTURE PROJECT FROM NOVEMBER 1, 2020 – DECEMBER 31, 2023 (CONTRACT NO. CF21109) [$2,181,824 – PROP 10 FUNDS]

SUMMARY OF REQUEST

Approve Third Amendment (Contract No. CF21109) with Escuela de la Raza Unida for an amount not to exceed $2,181,824, effective November 1, 2020 – December 31, 2023. Approval of this amendment increases the project budget by $791,824 from $1,390,000 to $2,181,824 and extends the project period through December 31, 2023. Funding supports the expansion of early childhood education (ECE) slots for infants and toddlers.

BACKGROUND

Since the execution of the original contract, project delays and additional construction costs have necessitated project extensions and additional funding to complete the ECE expansion. Additional funding supports costs to complete associated paving and electrical work.

On January 14, 2021, the Executive Director executed Contract No CF21109 with Escuela de la Raza Unida for an amount not to exceed $1,390,000. Subsequently, in April 2022 and previously in September 2021, the contract period was extended to support the completion of the project. No additional funding was requested in previous contract amendments.

RECOMMENDED ACTION

That the Commission:

1. Approve Third Amendment Contract No. CF21109 with Escuela de la Raza Unida for an amount not to exceed $2,181,824 effective November 1, 2020 – December 31, 2023, for the Infrastructure Project in substantially the same form as the draft Third

Amendment to Contract No. CF21109 attached hereto and authorize the Executive Director to sign the contract on behalf of the Commission, subject to County Counsel approval as to form; and

2. Authorize the Executive Director, based on the availability of fiscal funding and as approved by County Counsel to sign amendments that exercise the options of the Contract No. CF21109 as amended, on behalf of the Commission including modifications of the statement of work that stay within the intent of said contract without requiring further action from the Commission.

BUDGET IMPACT

Adequate appropriation exists in the FY 22/23 budget (938001-25800-92950-527980). Additional funding will be included in the subsequent fiscal year's proposed budget.

STRATEGIC PLAN RELEVANCE

Priority Area 2: Quality Early Learning

POTENTIAL CONFLICTS OF INTEREST

None Known

ATTACHMENTS

1. 23-06 Attachment Amendment 3 Contract #CF22109 QEL Escuela de la Raza Unida

RIVERSIDE COUNTY CHILDREN AND FAMILIES COMMISSION

FUNDING AGREEMENT
THIRD AMENDMENT

RECIPIENT: **Escuela De La Raza Unida**

RCCFC Award: CF2**1109**

Address: **137 N Broadway, Blythe, CA 92225-1607**

WHEREAS, the Riverside County Children and Families Commission, also known as "First 5 Riverside" ("Commission") and **Escuela De La Raza Unida** ("Recipient") entered into Funding Agreement, RCCFC Award No. **CF21109** (the "Agreement") for the provision of services for infrastructure development.

Now, therefore, the parties agree to amend the Agreement as follows:

A. All references to the "term" of the Agreement, as identified in Section1.1(K), are hereby amended to be effective: **November 1, 2020 – December 31, 2023.**

B. Budget for **July 1, 2021** through **December 31, 2023** is added as outlined in Attachment B-1, and attached hereto. Attachment B is deleted in its entirety and replaced with Attachment B-1.

C. Budget for **July 1, 2021** through **December 31, 2023** is added as outlined in Attachment C-1, and attached hereto. Attachment B is deleted in its entirety and replaced with Attachment C-1.

D. All changes to this Agreement referenced herein shall supersede the comparable sections within the Agreement. All other terms and conditions of the Agreement shall remain in full force and effect.

[*Signature page to follow*.]

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representative to execute this Amendment to the Agreement.

Escuela De La Raza Unida

By: _____
Carmela Garnica
Program Director
Authorized Signatory

Date: _____

Riverside County Children and Families Commission:

By: _____
Tammi Graham
Executive Director

Date: _____

ATTEST:

By: _____
Lynn M. Stephens
Commission Coordinator

Date: _____

APPROVED AS TO FORM:

By: _____
Ronak Patel
Deputy County Counsel

Date: _____

EXHIBIT B-1: BUDGET

November 1, 2020 – December 31, 2023

USE OF FUNDS:		TOTAL:
1.	**Improvement/Material Costs**	
1.1	Modular Building	$700,000
1.2	Classroom Furniture	$50,000
1.3	Outdoor Site Improvements	$745,644
1.4	Other	$156,858
	Sub-Total:	**$1,652,502**
2.	**Professional Services**	
2.1	Architecture Fees	$35,000
2.2	Building Permit & Inspection Fees	$56,537
2.3	Land Development	$100,000
2.4	General Contractor Fees	$132,097
	Sub-Total:	**$323,634**
3.	**Contingency**	
3.1	Contingency (20%)	$205,688
	Sub-Total:	**$205,688**
Total Costs		**$2,181,824**

EXHIBIT C-1: PAYMENT PROVISIONS

A. FISCAL

The maximum amount reimbursable over the life of this Agreement is not to exceed **$2,181,824** for the duration of the Agreement period as funded by the Riverside County Children and Families Commission, also known as First 5 Riverside, (hereinafter the "COMMISSION" or "COUNTY"), provided pursuant to the California Children and Families Act of 1998, also known as Proposition 10.

AGREEMENT PERIOD: **November 1, 2020 – December 31, 2023**

1. Method, Time, and Schedule Conditions of Payment

   a. The COMMISSION will disburse funds on a reimbursement payment process based on the Exhibit B-1 (Budget) amount for the applicable fiscal year and monthly report submissions. Payment will be rendered thirty (30) business days from submission of all required documentation and/or the reporting deadline.

   b. Disbursement of any payment of funds to RECIPIENT shall be made so long as all of the following conditions have been met:

      1. The Agreement has been fully executed by all parties;
      2. All applicable licenses to comply with the terms of the SOW are current and valid; and
      3. The RECIPIENT submits monthly itemized invoices, via the data management system to include the supporting documentation separated by a cover sheet in front of each expense category. Documentation shall include, but not limited to; statement of costs, copy of invoice or receipt, and proof payment.

   c. Under special circumstances, RECIPIENT may request advance disbursements. A supplemental disbursement request along with justification must be submitted, in writing, to the Executive Director or designee.

   d. The COMMISSION Executive Director, or designee, reserves the right to withhold or reduce disbursement of funds if RECIPIENT fails to 1) comply with monthly and/or quarterly reports by the indicated due date as set forth in Exhibit A; 2) if results achieved are not as projected and no COMMISSION approved plan is in place for improvement; or 3) if the RECIPIENT is not in compliance with any provision contained within this Agreement.

   e. The final funding period amount approved for the applicable fiscal year will be paid based on final expenditures as of June 30th, and reported as of July 20th, which is the final deadline to submit Project expenditures. Expenditures made after June 30th will not be accepted.

2. Allowable Costs

   Funds provided pursuant to this Agreement shall be expended by RECIPIENT in accordance with the Budget.

a. Such specified expenditures will be further limited to those that are considered both reasonable and necessary as determined by the COMMISSION. RECIPIENT agrees COMMISSION may recover any payments for services or goods, which were not reasonable and necessary, or which exceeded the fair market value. The recovery shall be limited to payments over and above reasonable or fair market amounts and any costs of recovery.

b. **Stored Materials.** COMMISSION may, in the exercise of its sole and absolute discretion, approve or disapprove for inclusion in RECIPIENT's invoice the cost of materials to be incorporated, but not yet incorporated, in the Work and delivered and suitably stored either at the Site or at some other appropriate location acceptable to the COMMISSION. As part of any request for such approval, RECIPIENT shall furnish evidence satisfactory to COMMISSION: (1) of the cost of such materials; (2) that such materials are under the exclusive control of RECIPIENT, or if not, that title to the materials is in the COMMISSION, free of any lien or encumbrance; and (3) with respect to materials stored off-Site, that the materials are safely and suitably stored in a bonded warehouse with appropriate insurance coverage satisfactory to COMMISSION. No payment or approval by COMMISSION pursuant to this Paragraph shall (a) be construed as an inspection or acceptance of the materials; (b) relieve RECIPIENT of its continuing and sole responsibility for the care and protection of, and sole responsibility for any Loss to, such materials, from any cause whatsoever; or (c) operate as a waiver of rights by COMMISSION.

c. Notwithstanding any other provision herein, RECIPIENT agrees to reimburse, in full, any and all funds received from the COMMISSION, upon request of the COMMISSION, where such funds as determined by the COMMISSION are not, or have not been utilized by RECIPIENT for services provided to children ages 0 through 5 and their families. The terms and conditions of reimbursement shall be at the sole discretion of the COMMISSION.

d. Any capital improvement projects with an aggregate cost of $25,000 or more funded by Proposition 10 funds shall be maintained by the RECIPIENT for services provided to children ages 0 through 5 and their families. RECIPIENT will ensure any capital improvement projects with an aggregate cost of $25,000 or more is utilized for a minimum of five (5) years from the date that capital improvement project is complete. RECIPIENT will submit proof of completion of improvement project to the COMMISSION. The value of the improvement project is listed in the BUDGET as attached and will be amortized over the 5-year period. If RECIPIENT fails to utilize the improvement project as set forth in EXHIBIT A, RECIPIENT will immediately reimburse the COMMISSION upon COMMISSION's written request, based on the following schedule:

Failure to use for 0-5 purposes Required Compensation

0 Months - 1 year	100% of Total Contract Value
1 year - 2 years	80% of Total Contract Value
2 years - 3 years	60% of Total Contract Value
3 years - 4 years	40% of Total Contract Value
4 years - 5 years	0% of Total Contract Value

E.8.**23-07:** Approve Contract with V.I.P. Tots for Early Care and Education Facility Project from January 25, 2023 - June 30, 2024 (CONTRACT NO. CF23110) [$1,000,000 ARPA FUNDS AND $200,000 PROP 10 FUNDS]

AGENDA ITEM: 23-07
DATE OF MEETING: January 25, 2023
ACTION: ☒
INFORMATION: ☐

APPROVE CONTRACT WITH V.I.P. TOTS FOR EARLY CARE AND EDUCATION FACILITY PROJECT FROM JANUARY 25, 2023 – JUNE 30, 2024 (CONTRACT NUMBER CF23110) [$1,000,000 – ARPA FUNDS AND $200,000 – PROP 10 FUNDS]

SUMMARY OF REQUEST

Approve Contract No CF23110 with V.I.P. Tots for an amount not to exceed $1,200,000 effective January 25, 2023 – June 30, 2024, for the Early Care and Education Facility project for acquisition and improvement of real estate to increase the capacity of V.I.P. Tots' Hemet facility by 140 licensed 0-3 childcare slots.

BACKGROUND

In May 2022, First 5 Riverside County released a Request for Qualifications (RFQu CFARC-0020) and subsequently awarded the three proposals received, one of which is V.I.P. Tots. The outcome of this additional space is expected to double the licensed capacity of V.I.P. Tots from 140 licensed childcare slots to 280 licensed childcare slots, thereby positioning V.I.P. Tots to meet the immense need for childcare in the Hemet/San Jacinto Valley Area.

On September 27, 2021 (Action Item #21-36), Riverside County Children & Families Commission authorized $5,000,000 of Prop 10 funds, allocated equally in each supervisorial district, to augment early care and education facility projects funded by local, state, or federal funds. The Executive Director was authorized to execute the necessary contracts, documents, budget adjustments, amendments, and other necessary actions to implement the procurement on behalf of the commission subject to approval as to form by County Counsel.

Additionally, on September 14, 2021, agenda Item 3.42, the County of Riverside, Board of Supervisors authorized the allocation of $15,000,000 in federal funding under the American Rescue Plan Act of 2021 (ARPA) for Early Care & Education Recovery

assistance to support COVID-19 response and economic recovery within Riverside County to be administered by First 5 Riverside County. An Allocation of $5,000,000 ($1,000,000 per Supervisorial district), for licensed childcare facility projects to increase the number of 0-3 ECE spaces, with priority given to projects leveraging municipal and/or state ARPA dollars.

RECOMMENDED ACTION

That the Commission:

1. Approve Contract No. CF23110 with the Covenant of Restriction as attached with V.I.P. Tots for an amount not to exceed $1,200,000 effective January 25, 2023 – June 30, 2024, for the Infrastructure Development project in substantially the same form as the draft Contract and Covenant of Restriction as attached hereto and authorize the Executive Director to sign the contract and covenant of restriction on behalf of the Commission, subject to County Counsel approval as to form; and

2. Authorize the Executive Director, based on the availability of fiscal funding and as approved by County Counsel to sign amendments that exercise the options of Contract No. CF23110, on behalf of the Commission including modifications of the statement of work that stay within the intent of said contract without requiring further action from the Commission.

BUDGET IMPACT

Adequate appropriation exists in the FY 22/23 budget (Prop 10 $200,000: 938001-25800-92950-527980 and ARPA $1M: 938001-25820-92950-527980). Any remaining funding from FY 22/23 will carry forward into FY 23/24 to ensure the completion of the project.

STRATEGIC PLAN RELEVANCE

Goal: 1 Quality Early Learning

POTENTIAL CONFLICTS OF INTEREST

None known.

ATTACHMENTS

1. Contract CF23110 V.I.P. Tots ARPA Infrastructure 2022

FUNDING AGREEMENT

Quality Early Care and Education: ARPA Infrastructure Development

The RIVERSIDE COUNTY CHILDREN AND FAMILIES COMMISSION, ("COMMISSION", “FIRST 5 RIVERSIDE COUNTY” or "COUNTY") and the V.I.P. TOTS., a California nonprofit corporation ("SUBRECIPIENT" or "OWNER") hereby enter into this Funding Agreement ("Agreement") and agree as follows:

1.1 RECITALS

A. SUBSUBRECIPIENT has prepared plans and specifications ("IMPROVEMENT PLANS") for the acquisition, improvement, and development of classrooms at the V.I.P. Tots facility for child care services, “PROJECT,” shown in concept in Exhibit "A" attached hereto and made a part hereof; and

B. V.I.P. Tots, located at 41915 Acacia Avenue, Hemet, CA 92544 and is hereinafter called “OWNER FACILITY”; and

C. SUBRECIPIENT plans to advertise, award, and administer a public works construction contract for PROJECT during Fiscal Years 2022/2023 and 2023/24; and

D. SUBRECIPIENT desires that COMMISSION contribute funding for the construction of PROJECT; and

E. COMMISSION has reviewed IMPROVEMENT PLANS.

F. COMMISSION wishes to support SUBRECIPIENT's efforts to construct PROJECT by providing a financial contribution toward PROJECT's construction costs as set forth herein; and

G. COMMISSION's financial contributions shall be up to one hundred percent (100%) of the proposal amount for the construction of PROJECT ("TOTAL CONTRIBUTION") and as detailed in Exhibit B: Budget;

H. TOTAL CONTRIBUTION for PROJECT shall not exceed a total of ONE MILLION TWO HUNDRED THOUSAND DOLLARS, **($1,200,000)**; and

I. COMMISSION wishes to provide only financial assistance to SUBRECIPIENT and have no other role;

J. The purpose of this Agreement is to memorialize the mutual understandings by and between SUBRECIPIENT and COMMISSION with respect to the construction, ownership, operation, and maintenance of PROJECT and the payment of TOTAL CONTRIBUTION.

K. The term of this Agreement shall be effective **January 25, 2023,** through **June 30, 2024,** unless terminated earlier as provided herein.

L. This Agreement may be terminated by SUBRECIPIENT or COMMISSION, without cause upon thirty (30) days written notice served upon the non-terminating party, as provided herein. In addition, it is

mutually agreed and understood that the obligation of the COMMISSION for payment under this Agreement is limited and contingent upon the availability of Proposition 10 funds from which payment can be made; and that this Agreement may be immediately terminated by the COMMISSION if funds are no longer available. In the event of termination, the COMMISSION shall make payment for all services provided by SUBRECIPIENT up to the date of written notice of termination.

NOW, THEREFORE, in consideration of the preceding recitals and the mutual covenants hereinafter contained, the parties hereto mutually agree as follows:

1.2 SECTION I

SUBRECIPIENT shall:

1. Obtain, at its sole cost and expense, all necessary permits, approvals, or agreements required by any federal, state, and local resource or regulatory agencies pertaining to PROJECT ("REGULATORY PERMITS").

2. Secure, at its sole cost and expense, all necessary rights of way, rights of entry, and temporary construction easements necessary to construct, inspect, operate and maintain PROJECT.

3. Advertise PROJECT for bids. At the time of advertising for bids, provide COMMISSION with a copy of PROJECT plans, specifications, contracts, and any subsequent addenda thereto.

4. Construct or cause to be constructed PROJECT pursuant to a SUBRECIPIENT-administered public works contract in accordance with IMPROVEMENT PLANS.

5. Supervise and inspect all aspects of PROJECT construction.

6. SUBRECIPIENT recognizes and understands that any improvements installed pursuant to this agreement must be completed by SUBRECIPIENT during the term of this Agreement.

7. SUBRECIPIENT shall require that all Sub-Contractors will comply with prevailing wage requirements and be subject to restrictions and penalties in accordance with §1770 et seq. of the Labor Code which requires prevailing wages be paid to appropriate work classifications in all bid specifications and subcontracts.

a. The SUBRECIPIENT shall require that Sub-Contractors shall furnish all subcontractors/employees a copy of the Department of Industrial Relations prevailing wage rates at which the Lessor will post at the job site. All prevailing wages shall be obtained by the SUBRECIPIENT from:

Department of Industrial Relations
Division of Labor Statistics and Research
455 Golden Gate Avenue, 8th Floor
San Francisco, CA 94102

b. SUBRECIPIENT shall require that Sub-Contractors comply with the payroll record keeping and availability requirement of §1776 of the Labor Code.

c. SUBRECIPIENT shall require that Sub-Contractor shall make travel and subsistence payments to workers needed for the performance of work in accordance with §1773.8 of the Labor Code.

d. Prior to the commencement of work, SUBRECIPIENT shall require that Sub-Contractor shall contact the Division of Apprenticeship Standards and comply with §1777.5, §1777.6, and §1777.7 of the Labor Code and applicable regulations.

e. SUBRECIPIENT shall comply and stay current with all applicable local, state, and federal building codes and laws as from time to time amended, including, but not limited to, the Americans with Disabilities Act requirements in providing the County with any requested County improvements.

8. If any agency, division, or department of any governmental entity with appropriate jurisdiction condemns the Premises or any part of the Premises as unsafe or not in conformity with any of the laws or regulations controlling their construction, occupation, or use, or orders or requires any alteration, repair or reconstruction of the Premises the responsible party shall be the SUBRECIPIENT who at its sole cost and expense (and without any right of reimbursement from COMMISSION) immediately effect all necessary alterations and repairs required for the Premises full and exact compliance.

9. Upon completion of PROJECT construction and SUBRECIPIENT's acceptance thereof, accept ownership and sole responsibility for the design, operation, and maintenance of PROJECT.

10. Upon completion of PROJECT construction, provide COMMISSION with a copy of SUBRECIPIENT's Notice of Completion.

2.1 SECTION II

COMMISSION shall:

1. Within forty-five (45) days of receiving SUBRECIPIENT 's appropriate invoice, pay PROJECT costs to SUBRECIPIENT;

2. COMMISSION shall only provide financial assistance to SUBRECIPIENT and have no other role.

3.1 SECTION III

It is further mutually agreed:

1. TOTAL CONTRIBUTION shall not exceed a total of ONE MILLION TWO HUNDRED THOUSAND DOLLARS, **($1,200,000)** and shall be used by SUBRECIPIENT solely for the purpose of constructing PROJECT as set forth herein. No additional funding whatsoever shall be provided by COMMISSION for any subsequent PROJECT modifications, extensions, or repairs.

2. Under the provisions of this Agreement, COMMISSION shall bear no responsibility whatsoever for the design, construction, ownership, operation, or maintenance of PROJECT;

3. The term of this Agreement shall be effective **January 25, 2023**, through **June 30, 2024**, unless terminated earlier as provided herein.

4. SUBRECIPIENT shall indemnify, defend, save and hold harmless County of Riverside (including their agencies, special districts, and departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, commissioners, employees, agents, representatives, independent contractors, and subcontractors) from any liabilities, claim, damage, proceeding or action, present or future, based upon, arising out of or in any way relating to SUBRECIPIENT's (including its officers, elected and appointed officials, employees, agents, representatives, independent contractors, and subcontract) actual or alleged acts or omissions related to this Agreement, performance under this Agreement or failure to comply with the requirements of this Agreement including, but not limited to (a) property damage; (b) bodily injury or death; (c) payment of attorney fees; or (d) any other element of any kind or nature whatsoever. This section shall survive any termination of this agreement until the statute of limitations period has run for any claims that could be asserted under this agreement.

5. If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

6. This Agreement is to be construed in accordance with the laws of the State of California. Neither SUBRECIPIENT nor COMMISSION shall assign this Agreement without the written consent of the other party.

7. This Agreement is made and entered into for the sole protection and benefit of the parties hereto. No other person or entity shall have any right of action based upon the provisions of this Agreement.

8. Any and all notices sent or required to be sent to the parties of this Agreement will be mailed by first class mail, postage prepaid, to the following addresses:

Riverside County Children & Families Commission	SUBRECIPIENT/OWNER
First 5 Riverside County	V.I.P. TOTS.
585 Technology Court	41915 Acacia Avenue
Riverside, CA 92507	Hemet, CA 92544
Attn: Tammi Graham	Attn: Jared Dobbins,
Executive Director	Executive Director

9. This Agreement is the result of negotiations between the parties hereto and the advice and assistance of their respective counsel. The fact that this Agreement was prepared as a matter of convenience by COMMISSION shall have no import or significance. Any uncertainty or ambiguity in this Agreement shall not be construed against COMMISSION because COMMISSION prepared this Agreement in its final form.

10. Any waiver by COMMISSION or SUBRECIPIENT of any breach by any other party of any provision of this Agreement shall not be construed to be a waiver of any subsequent or other breach of the same

or any other provision hereof. Failure on the part of COMMISSION or SUBRECIPIENT to require from any other party exact, full, and complete compliance with any of the provisions of this Agreement shall not be construed as in any manner changing the terms hereof or estopping COMMISSION or SUBRECIPIENT from enforcing this Agreement.

11. The obligations of COMMISSION are limited by and contingent upon the availability of COMMISSION funds for COMMISSION's financial contribution towards the PROJECT as set forth herein. In the event that such funds are not forthcoming for any reason, COMMISSION shall immediately notify SUBRECIPIENT in writing. AGREEMENT shall be deemed terminated and have no further force and effect immediately upon receipt of COMMISSION's notification by SUBRECIPIENT.

12. This Agreement is intended by the parties hereto as a final expression of their understanding with respect to the subject matter hereof and as a complete and exclusive statement of the terms and conditions thereof and supersedes any and all prior and contemporaneous agreements and understandings, oral or written, in connection therewith. This Agreement may be changed or modified only upon the written consent of the parties hereto.

13. No alternation or variation of the terms of this Agreement shall be valid unless made in writing and signed by both parties and no oral understanding or agreement not incorporated herein shall be binding on either party hereto.

14. Nothing in the provisions of this Agreement is intended to create duties or obligations to or rights in third parties not parties to this Agreement.

Intentionally left blank

IN WITNESS WHEREOF, the parties hereto have executed this Funding Agreement:

V.I.P. TOTS, INC. (SUBRECIPIENT):

By: _____
Jared Dobbins
Executive Director
Authorized Signatory

Date: _____

RIVERSIDE COUNTY CHILDREN AND FAMILIES COMMISSION:

By: _____
Tammi Graham
Executive Director

Date: _____

ATTEST:

By: _____
Lynn M. Stephens
Commission Coordinator

Date: _____

APPROVED AS TO FORM:

_____
Kristine Bell-Valdez
Supervising Deputy County Counsel

Date: _____

EXHIBIT A:

PROJECT SCOPE OF WORK & TIMELINE

Project Scope of Work

Funds will be used for eligible expenses as accepted in the application and subsequent application clarification submitted to the COMMISSION in response to RFQu #CFARC-0020 for V.I.P. Tots, Inc., 41915 Acacia Avenue, Hemet, CA 92544 and PROJECT Site 41861 Acacia Avenue, Hemet, CA 92544.

Project Description

V.I.P. Tots seeks support in the amount of $1,200,000 for a capital project to purchase and improve the property in order to develop and implement a new Early Learning Center in the Hemet/San Jacinto area, providing inclusive classroom environments for approximately 280 infants, toddlers and preschool children, including those with special needs. Currently, V.I.P. Tots is leasing ten (10) classrooms as well as administrative office space from Pilgrim Community Church which is located at 41861 Acacia Ave, Hemet, next to our main building located at 41915 Acacia Avenue. The current V.I.P. Tots facility has been used for more than 40 years and is licensed for 140 children. V.I.P. Tots serves as a subcontractor with numerous outside agencies, the bulk of which are contracts to provide services through the CSPP and CCTR Programs.

According to the most recent data from the Local Planning Council for Riverside County, there are more than 2,500 children aged 0-35 months in the three primary zip codes served by V.I.P. Tots that are currently eligible for subsidized childcare services, who are not currently being served. These numbers indicate that the area surrounding V.I.P. Tots is what is often referred to as a "childcare desert", notably being labeled as a COE Priority 1 area within the 3rd Supervisorial District. With the eventual arrival of Universal Pre-K it is more imperative than ever for key stakeholders to work to provide more physical space in order to accommodate the growing need for childcare in the Hemet/San Jacinto Valley Area and other known childcare deserts. Over the last year alone, V.I.P. Tots has maintained a lengthy waitlist, mostly comprised of families seeking care for their children aged 18-35 months. If funding is awarded through the grant, the bulk of the additional 140 spots will be allocated through the CCTR Program, which will provide much-needed services to children under three years of age.

The new facility located at 41861 Acacia Avenue, Hemet, CA will expand the agency's capacity to serve additional target groups - children under 3 years old - through the CCTR Program, including children with special needs. The current facility has two buildings providing less than 4,000 square feet of classroom space. By securing the property being offered to V.I.P. Tots, once renovations and addition of the portable classrooms are completed, the physical classroom space will be doubled and the licensed capacity dramatically increased from 140 to an estimated 280. This enhances access to child development and early learning services for Hemet/San Jacinto families, including those with special needs children. Among the unique and innovative aspects of the project, V.I.P. Tots has been offering inclusive services for children with and without special needs since 1978. Currently, 45% of children served by V.I.P. Tots have special needs. Starting at a very young age, V.I.P. Tots seeks to model diversity and inclusion and is unique among other competitors in its ability to deliver inclusive learning environments for nearly 40 years. V.I.P. Tots extends beyond the classroom by working closely with families at home, educating and guiding families through the complex issue of having a child with special needs. Additional space will also allow V.I.P. Tots to continue to offer the dynamic "Positive Solutions for Families Classes" and other supportive services to serve families with parenting guidance.

As the Hemet/San Jacinto Valley Area continues to recover from the COVID-19 Pandemic, it is vital that additional childcare spaces are provided in order to allow parents to return to the workforce. A recent services expansion. survey commissioned by V.I.P. Tots found that less than 10% of the jobs available in the Hemet/San Jacinto Valley Area provided enough financial capacity for families to afford unsubsidized childcare.

Additionally, we found that the Leisure and Retail Industry make up almost 35% of available jobs in the area, thereby making it all the more important for adequate physical space in childcare centers to be provided in order to allow essential workers to return or continue to work by providing more affordable high-quality care for their children.

Over the course of the last several months, V.I.P. Tots was approached by Pilgrim Community Church with an offer to purchase property located at 41861 Acacia Avenue, Hemet, CA adjacent to our current site. The purchase proposal includes three buildings:

1. A 6,423 square foot building that V.I.P. Tots is currently using under a lease agreement including 10 classrooms for children 3-5 years old
2. A 1,291 square foot building that is currently occupied by Pilgrim Community Church, and
3. A 1,186 square foot building that is currently occupied by Pilgrim Community Church

Through conversations with various outside agencies and partners, if secured, V.I.P. Tots would undertake a plan to renovate the classrooms in the 6,423 square foot building that is currently being leased and demolish the other two buildings purchased and place portable classrooms.

The outcome of this additional space is expected to double the licensed capacity of V.I.P. Tots from 140 licensed childcare slots to 280 licensed childcare slots, thereby positioning V.I.P. Tots to meet the immense need for childcare in the Hemet/San Jacinto Valley Area.

Project Timeline and Deliverables

Phase I: Months 1 – 3
1. Acquisition of Property at 41861 Acacia Avenue, Hemet, CA
2. Design Documents

Phase II: Months 3 – 6
3. Construction Documents
4. Permitting

Phase III: Months 6 – 9
5. Construction (demolition and site preparation for Portable Classrooms)

Phase IV: Months 9 – 10
6. Furniture, Fixtures & Equipment procurement, and installation

Phase V: Month 11
7. Certificate of Occupancy

Phase VI: Month 12
8. Licensing

Site Visits

The V.I.P. Tots, Inc. project funded under this Agreement will be subject to a site visit review prior to the commencement of the project to be scheduled on a mutually agreed upon date and time.

Quarterly Progress Reports

SUBRECIPIENT shall submit Program Progress Reports (PPR) which includes quarterly and year-to-date progress on actual achievement of PROJECT milestones as detailed in Exhibit A and other data collection information as requested by the COMMISSION. The PPR shall include narrative information on lessons learned, course corrections, client success stories, sustainability, and public awareness/policy change activities

for the quarter. SUBRECIPIENT is required by the COMMISSION to complete and submit PPR electronically via the COMMISSION'S data management system.

For each reporting period, SUBRECIPIENT shall provide the COMMISSION with a PPR within thirty (30) calendar days from the end of the reporting period. In rare and justifiable circumstances, an extension may be requested by the SUBRECIPIENT. Such requests are to be submitted in writing prior to the due date and shall be directed through the COMMISSION'S Contracts and Grants Analyst assigned to the SUBRECIPIENT. Quarterly Program Progress Reporting due dates for each period as follows:

• Quarter 1 (January 1 – March 31): Report Due April 20, 2023
• Quarter 2 (April 1 – June 30): Report Due July 11, 2023
• Quarter 3 (July 1 – September 30): Report Due October 20, 2023
• Quarter 4 (October 1 – December 30): Report Due January 20, 2024
• Quarter 5 (January 1 – March 31): Report Due April 20, 2024
• Quarter 6 (April 1 – June 30): Report Due July 11, 2024 (Final Cumulative Program Progress Report)

If the due date falls on a weekend or County, State, or nationally recognized holiday, the due date will be on the following business day. The first quarterly report is due **April 20, 2023**.

SUBRECIPIENT agrees that failure to submit reports as specified will be sufficient cause for the COMMISSION to withhold any payment due until reporting requirements have been fulfilled.

EXHIBIT B:
BUDGET

January 25, 2023 – June 30, 2024

USE OF FUNDS:		TOTAL REQUESTED:
Development Costs		
1. Acquisition Cost		
1.1	Acquisition Cost 41861 Acacia Ave, Hemet, CA 92544	$870,000
1.2	VIP Tots Funded portion	-$250,000
	Sub-Total:	**$620,000**
2.		
2.1	Architect/Consulting Fees	$40,000
2.2	Permits	$4,500
2.3	Demolition/Preparation	$130,500
2.4	Portable Classrooms	$125,000
2.5	Upgrade Cost	$75,000
2.6	Certificate of Occupancy	$4,500
2.7	Licensing	$500
	Sub-Total:	**$1,000,000**
3. Project-Contingency		
3.1	Contingency (20%)	$200,000
		$1,200,000

Funding

The amount funded consists of:

ARPA (25820) Infrastructure funds for District 3	$1,000,000
Proposition 10 (25800) funds for District 3	$ 200,000
Total Funded:	$1,200,000

EXHIBIT C:
PAYMENT PROVISIONS

1. FISCAL

The maximum amount reimbursable over the life of this Agreement is not to exceed ONE MILLION TWO HUNDRED THOUSAND DOLLARS, **($1,200,000)** for the duration of the Agreement period as funded by the Riverside County Children and Families Commission, also known as First 5 Riverside, (hereinafter the "COMMISSION" or "COUNTY"), provided pursuant to the American Rescue Plan Act and California Children and Families Act of 1998, also known as Proposition 10.

AGREEMENT PERIOD: **January 25, 2023 – June 30, 2024**

1. Method, Time, and Schedule Conditions of Payment

   a. The COMMISSION will disburse funds on a reimbursement payment process based on the Exhibit B (Budget) amount for the applicable fiscal year and monthly report submissions. Payment will be rendered thirty (30) business days from submission of all required documentation and/or the reporting deadline.

   b. Disbursement of any payment of funds to SUBRECIPIENT shall be made so long as all of the following conditions have been met:

      1. The Agreement has been fully executed by all parties;

      2. All applicable licenses to comply with the terms of the SOW are current and valid; and

      3. The SUBRECIPIENT submits monthly itemized invoices, via the data management system to include the supporting documentation separated by a cover sheet in front of each expense category. Documentation shall include, but not limited to; statement of costs, copy of invoice or receipt, and proof payment.

   c. Under special circumstances, SUBRECIPIENT may request advance disbursements. A supplemental disbursement request along with justification must be submitted, in writing, to the Executive Director or designee.

   d. The COMMISSION Executive Director, or designee, reserves the right to withhold or reduce disbursement of funds if SUBRECIPIENT fails to 1) comply with monthly and/or quarterly reports by the indicated due date as set forth in Exhibit A; 2) if results achieved are not as projected and no COMMISSION approved plan is in place for improvement; or 3) if the SUBRECIPIENT is not in compliance with any provision contained within this Agreement.

   e. The final funding period amount approved for the applicable fiscal year will be paid based on final expenditures as of June 30th and reported as of July 11th, which is the final deadline to submit Project expenditures. Expenditures made after June 30th will not be accepted.

2. Allowable Costs

   Funds provided pursuant to this Agreement shall be expended by SUBRECIPIENT in accordance with the Budget.

a. Such specified expenditures will be further limited to those that are considered both reasonable and necessary as determined by the COMMISSION. SUBRECIPIENT agrees COMMISSION may recover any payments for services or goods, which were not reasonable and necessary, or which exceeded the fair market value. The recovery shall be limited to payments over and above reasonable or fair market amounts and any costs of recovery.

b. **Stored Materials.** COMMISSION may, in the exercise of its sole and absolute discretion, approve or disapprove for inclusion in SUBRECIPIENT's invoice the cost of materials to be incorporated, but not yet incorporated, in the Work and delivered and suitably stored either at the Site or at some other appropriate location acceptable to the COMMISSION. As part of any request for such approval, SUBRECIPIENT shall furnish evidence satisfactory to COMMISSION: (1) of the cost of such materials; (2) that such materials are under the exclusive control of SUBRECIPIENT, or if not, that title to the materials is in the COMMISSION, free of any lien or encumbrance; and (3) with respect to materials stored off-Site, that the materials are safely and suitably stored in a bonded warehouse with appropriate insurance coverage satisfactory to COMMISSION. No payment or approval by COMMISSION pursuant to this Paragraph shall (a) be construed as an inspection or acceptance of the materials; (b) relieve SUBRECIPIENT of its continuing and sole responsibility for the care and protection of, and sole responsibility for any Loss to, such materials, from any cause whatsoever; or (c) operate as a waiver of rights by COMMISSION.

c. Notwithstanding any other provision herein, SUBRECIPIENT agrees to reimburse, in full, any and all funds received from the COMMISSION, upon request of the COMMISSION, where such funds as determined by the COMMISSION are not, or have not been utilized by SUBRECIPIENT for services provided to children ages 0 through 5 and their families. The terms and conditions of reimbursement shall be at the sole discretion of the COMMISSION.

d. Any capital improvement projects with an aggregate cost of $25,000 or more funded by Proposition 10 funds shall be maintained by the SUBRECIPIENT for services provided to children ages 0 through 5 and their families. SUBRECIPIENT will ensure any capital improvement projects with an aggregate cost of $25,000 or more is utilized for a minimum of five (5) years from the date that the capital-improvement project is complete. SUBRECIPIENT will submit proof of completion of the improvement project to the COMMISSION. The value of the improvement project is listed in the BUDGET as attached and will be amortized over the 5-year period. If SUBRECIPIENT fails to utilize the improvement project as set forth in EXHIBIT A, SUBRECIPIENT will immediately reimburse the COMMISSION upon COMMISSION's written request, based on the following schedule:

Failure to use for 0-5 purposes Required Compensation

0 Months - 1 year after Completion	100% of the amounts paid under this agreement
1 year - 2 years after Completion	80% of the amounts paid under this agreement
2 years – 3 years after Completion	60% of the amounts paid under this agreement
3 years - 4 years after Completion	40% of the amounts paid under this agreement
4 years – 5 years after Completion	0% of the amounts paid under this agreement

EXHIBIT D:
COMPREHENSIVE TOBACCO CONTROL POLICY

As a material condition of the Contract, the SUBRECIPIENT shall agree that the SUBRECIPIENT and the SUBRECIPIENT'S employees, while receiving funding from the COMMISSION:

1. Shall not use tobacco products while using the SUBRECIPIENT'S property e.g., vehicle, equipment; and

2. Shall not sell, offer, or provide tobacco products on SUBRECIPIENT'S premises; and

3. Shall have tobacco education and cessation materials visibly available and accessible to clients participating in activities funded by Proposition 10 funds; and

4. Shall assure that the SUBRECIPIENT and its employees have no current business association or relationship with the tobacco industry, and further agrees to neither accept nor solicit financial contributions, sponsorships, gifts, or services from any tobacco company, executive, or tobacco-related function; and

5. Shall make a reasonable effort to divest of all investments in companies that derive fifteen percent (15%) or more of revenues from tobacco.

The COMMISSION may terminate for default or breach of this Contract and any other Contract SUBRECIPIENT has with the COMMISSION, if the SUBRECIPIENT or SUBRECIPIENT'S employees are determined by the COMMISSION Executive Director (or designee), not to be in compliance with the conditions set forth herein.

If SUBRECIPIENT or SUBRECIPIENT'S employees are determined by the COMMISSION Executive Director (or designee) not to be in compliance with the conditions set forth herein, the COMMISSION may terminate for default or breach of this Contract and any other Contract the COMMISSION has with the SUBRECIPIENT.

In instances where the SUBRECIPIENT is part of a larger entity, and where the entity has an investment policy set by governance officials other than the SUBRECIPIENT, and the SUBRECIPIENT is not directly involved in such investment decisions, SUBRECIPIENT agrees to the provisions herein as required in the programs and activities under the direct control of the SUBRECIPIENT to the satisfaction of the COMMISSION Executive Director (or designee). Activities of the larger entity other than investment decisions, which are not under the direct control of SUBRECIPIENT, shall not be considered to be in violation of SUBRECIPIENT'S activities pursuant to the policy.

EXHIBIT E:
FEDERAL PROVISIONS

1. ORDERS OF LOCAL, STATE, OR FEDERAL HEALTH OFFICIALS; EXECUTIVE ORDERS. County and SUBRECIPIENT mutually acknowledge that local, state, or federal authorities may issue official orders related to the COVID-19 epidemic, or take other official actions, subsequent to the execution of this Agreement that Parties to this Agreement cannot presently predict. County and Sub SUBRECIPIENT mutually acknowledge and agree that this Agreement shall be subject to the provisions of any such official action or order, particularly but not limited to Executive Orders of the Governor of the State of California and Orders of the County Public Health Officer, and the like ("Official Actions"), and if the provisions of any such Official Actions materially impact the terms of this Agreement, the provisions of those Official Actions shall govern.

    a. In the event that such Official Actions make the services provided to the County under this Agreement illegal, unlawful, or contrary to public policy, County shall provide written notice to SUBRECIPIENT in the manner described herein, and County and SUBRECIPIENT mutually agree that this Agreement shall terminate as of the date of that Official Action, at no penalty to County. In such an event, County shall pay outstanding fees to due to SUBRECIPIENT pro-rated from the date of the Official Action, along with all other remaining sums due to SUBRECIPIENT, within thirty (30) calendar days from the date of that Official Action.

    b. The parties acknowledge that SUBRECIPIENT is providing the services for emergency purposes at the request of the County under the California Emergency Services Act (the "Act" (California Government Code §§ 8550 et seq.)). Pursuant to California Government Code §8655, the County and as such, is subject to certain immunities with respect thereto and shall not be liable for any claim based upon the exercise or performance, or the failure to exercise or perform, a discretionary function or duty on the part of the County or any employee of the County in carrying out the provisions of the Act.

    c. SUBRECIPIENT acknowledges and agrees that this Agreement is subject to the federal Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards (**2 C.F.R. Part 200),** including the federal provisions attached hereto, and incorporated herein. Should there be any conflict between the provisions of this Agreement and Exhibit F, the terms and conditions in Exhibit F shall govern, unless the more restrictive provision herein is otherwise required to control as a condition of FEMA funding.

    d. Should funding be allocated through American Rescue Plan Act (ARPA; (Title VI of the Social Security Act Section 602 et seq.), the COUNTY will administer and distribute those funds in accordance with ARPA. ARPA requires that payments from the Coronavirus Fiscal Recovery Fund be used to respond to the public health emergency or its negative economic impacts, to respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay, provide government services to the

extent the reduction of revenue due to COVID-19 public health emergency, and to make necessary investments in water, sewer or broadband infrastructure. It is effective beginning May 17, 2021, and ends on December 31, 2024.

2. NON-DISCRIMINATION. SUBRECIPIENT shall not discriminate in the provision of services, allocation of benefits, accommodation in facilities, or employment of personnel on the basis of ethnic group identification, race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status or sex in the performance of this Agreement; and, to the extent they shall be found to be applicable hereto, shall comply with the provisions of the California Fair Employment and Housing Act (Gov. Code 12900 et. seq), the Federal Civil Rights Act of 1964 (P.L. 88-352), the Americans with Disabilities Act of 1990 (42 U.S.C. S1210 et seq.) and all other applicable laws or regulations.

3. EQUAL EMPLOYMENT OPPORTUNITY/ FAIR EMPLOYMENT PRACTICES/ FEDERAL PROVISIONS. During the performance of this Agreement, the SUBRECIPIENT shall not deny benefits to any person on the basis of religion, color, ethnic group identification, sex, age, physical or mental disability, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical handicap, mental disability, medical condition, marital status, age, or sex. SUBRECIPIENT shall ensure that the evaluation and treatment of employees and applicants for employment are free of such discrimination.

   a. SUBRECIPIENT shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12900 et seq.), the regulations promulgated thereunder (California Code of Regulations, Title 2, Section 11000 et seq.), the provisions of Executive Order 11246 of Sept. 23, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor, the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Government Code, Sections 11135-11139.8), and of the rules, regulations or standards adopted by the County to implement such article.

   b. The SUBRECIPIENT shall comply with the provisions of the Copeland "Anti-Kickback" Act, 18 U.S.C. § 874, 40 U.S.C. § 3145, and the requirements of 29 C.F.R. pt. 3 as may be applicable, which are incorporated by reference into this Agreement.

4. OTHER FEDERAL PROVISIONS. SUBRECIPIENT acknowledges and agrees that this Agreement is subject to the federal requirements for seeking FEMA reimbursements, including the federal provisions provided below.

4.1 CLEAN AIR ACT.

The SUBRECIPIENT agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. Section 7401 et seq.

The SUBRECIPIENT agrees to report each violation to the County and understands and agrees that the County will, in turn, report each violation as required to assure notification to

the California Governor's Office of Emergency Services, Federal Emergency Management Agency (FEMA), and the appropriate Environmental Protection Agency Regional Office.

SUBRECIPIENT agrees to include these requirements in each sub-contract exceeding $150,000 financed in whole or in part with Federal assistance provided by FEMA.

4.2. FEDERAL WATER POLLUTION CONTROL ACT

SUBRECIPIENT agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. Sections 1251 et seq.

SUBRECIPIENT agrees to report each violation to the County and understands and agrees that the County will, in turn, report each violation as required to assure notification to the Federal Emergency Management Agency (FEMA) and the appropriate Environmental Protection Agency Regional Office.

SUBRECIPIENT agrees to include these requirements in each subcontract exceeding $150,000 financed in whole or in part with Federal assistance provided by FEMA.

4.3. DEBARMENT AND SUSPENSION CLAUSE

This Agreement is a covered transaction for purposes of 2 C.F.R. pt. 180 and 2 C.F.R. pt. 3000. As such the SUBRECIPIENT is required to verify that none of the SUBRECIPIENT, its principals (defined at 2 C.F.R. § 180.995), or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935).

SUBRECIPIENT must comply with 2 C.F.R. pt. 180, subpart C, and 2 C.F.R. pt. 3000, subpart C and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into.

This certification is a material representation of fact relied upon by the County. If it is later determined that the SUBRECIPIENT did not comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, in addition to remedies available to the County, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment.

The bidder or proposer agrees to comply with the requirements of 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C while this offer is valid and throughout the period of any contract that may arise from this offer. The bidder or proposer further agrees to include a provision requiring such compliance in its lower-tier covered transactions.

4.4. BYRD ANTI- LOBBYING AMENDMENT, 31 U.S.C. § 1352 (AS AMENDED)

SUBRECIPIENTS who apply or bid for an award of $100,000 or more shall file the required certification. Each tier certifies to the tier above that it will not and has not used Federal

appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Each tier shall also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to SUBRECIPIENT who in turn will forward the certification(s) to the County.

Intentionally left blank

APPENDIX A, 44 C.F.R. PART 18- CERTIFICATION REGARDING LOBBYING

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

A. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

B. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

C. The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all SUBRECIPIENTS shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31, U.S.C. § 1352 (as amended by the Lobbying Disclosure Act of 1995). Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

SUBRECIPIENT certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure if any. In addition, SUBRECIPIENT understands and agrees that the provisions of 31 U.S.C. § 3801 et seq., apply to this certification and disclosure if any.

VIP TOTS, INC. SUBRECIPIENT

By _____
AUTHORIZED SIGNATORY
Date _____

4.5. PROCUREMENT OF RECOVERED MATERIALS

In the performance of this Agreement, the SUBRECIPIENT shall make maximum use of products containing recovered materials that are EPA-designated items unless the product cannot be acquired:

i. Competitively within a timeframe providing for compliance with the contract performance schedule;
ii. Meeting contract performance requirements; or
iii. At a reasonable price.

Information about this requirement, along with the list of EPA-designated items, is available at EPA's Comprehensive Procurement Guidelines web-site, https://www.epa.gov/smm/product-resource-guides-comprehensive-procurement-guideline-cpg-program

SUBRECIPIENT also agrees to comply with all other applicable requirements of Section 6002 of the Solid Waste Disposal Act.

4.6. ACCESS TO RECORDS

The following access to records requirements apply to this Agreement:

i. The SUBRECIPIENT agrees to provide the County, the FEMA Administrator, the Comptroller General of the United States, or any of their authorized representatives access to any books, documents, papers, and records of the SUBRECIPIENT which are directly pertinent to this Agreement for the purposes of making audits, examinations, excerpts, and transcriptions.
ii. The SUBRECIPIENT agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.
iii. The SUBRECIPIENT agrees to provide the FEMA Administrator or his or her authorized representatives access to construction or other work sites pertaining to the work being completed under the contract.
iv. In compliance with the Disaster Recovery Act of 2018, the County and the SUBRECIPIENT acknowledge and agree that no language in this contract is intended to prohibit audits or internal reviews by the FEMA Administrator or the Comptroller General of the United States.

4.7. DEPARTMENT OF HOMELAND SECURITY SEAL, LOGO, FLAGS

The SUBRECIPIENT shall not use the DHS seal(s), logos, crests, or reproductions of flags or likenesses of DHS agency officials without specific FEMA pre-approval.

4.8. COMPLIANCE WITH FEDERAL LAW, REGULATIONS, AND EXECUTIVE ORDERS

This is an acknowledgment that FEMA financial assistance will be used to fund all or a portion of the contract. The SUBRECIPIENT will comply with all applicable Federal law, regulations, executive orders, FEMA policies, procedures, and directives.

4.9. NO OBLIGATION BY FEDERAL GOVERNMENT

The Federal Government is not a party to this Agreement and is not subject to any obligations or liabilities to the non-Federal entity, SUBRECIPIENT, or any other party pertaining to any matter resulting from the contract.

4.10. PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS OR RELATED ACTS

The SUBRECIPIENT acknowledges that 31 U.S.C. Chapter 38 (Administrative Remedies for False Claims and Statements) applies to the Contractor's actions pertaining to this Agreement.

4.11. FEDERAL PREVAILING WAGE

A. DAVIS-BACON ACT COMPLIANCE (applicable to construction contracts in excess of $2,000 awarded by grantees and subgrantees when required by Federal grant program legislation)

B. To the extent required by any Federal grant programs applicable to expected funding or reimbursement expenses incurred in connection with the services provided under this Agreement, SUBRECIPIENT agrees to comply with the Davis-Bacon Act (40 U.S.C. §§ 3141-3144 and §§ 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5) as set forth below.

C. The Contractor shall be bound to the provisions of the Davis-Bacon Act and agrees to be bound by all the provisions of Labor Code section 1771 regarding prevailing wages. All labor on this project shall be paid neither less than the greater of the minimum wage rates established by the U.S. Secretary of Labor (Federal Wage Rates), or by the State of California Director of Department of Industrial Relations (State Wage Rates). Current DIR requirements may be found at http://www.dir.ca.gov/lcp.asp. Additionally, wages are required to be paid not less than once a week.

D. The general prevailing wage rates may be accessed at the Department of Labor Home Page at www.wdol.gov. Under the Davis Bacon heading, click on "Selecting DBA WDs." In the drop-down menu for State, select, "California." In the drop-down menu for County, select "Riverside." In the drop-down menu for Construction Type, make the appropriate selection. Then, click Search.

E. The Federal minimum wage rates for this project are predetermined by the United States Secretary of Labor. If there is a difference between the minimum wage rates predetermined by the Secretary of Labor and the general prevailing wage rates determined by the Director of the California DIR for similar classifications of labor, the Contractor and subcontractors shall pay not less than the higher wage rate. The County will not accept lower State wage rates not specifically included in the Federal minimum wage determinations. This includes "helper" (or other classifications based on hours of experience) or any other classification not appearing in the Federal wage determinations. Where Federal wage determinations do not contain the State wage rate determination otherwise available for use by the Contractor and subcontractors, the Contractor and subcontractors shall pay not less than the Federal minimum wage rate which most closely approximates the duties of the employees in question.

4.12. CONTRACT WORK HOURS AND SAFETY STANDARDS (applicable to all contracts in excess of $100,000 that involve the employment of mechanics or laborers, but not to purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence)

A. Compliance: Subrecipient agrees that it shall comply with Sections 3702 and 3704 of the Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 3701–3708) as supplemented by Department of Labor regulations (29 CFR Part 5), which are incorporated herein.

B. Overtime: No contractor or subcontractor contracting for any part of the work under this Agreement which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

C. Violation; liability for unpaid wages; liquidated damages: In the event of any violation of the provisions of paragraph B of this section, the Contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such Contractor and subcontractor shall be liable to the United States for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic employed in violation of the provisions of paragraph B, in the sum of $10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by paragraph B.

D. Withholding for unpaid wages and liquidated damages: SUBRECIPIENT shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the SUBRECIPIENT or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or

subcontractor for unpaid wages and liquidated damages as provided in the clause set for in paragraph C of this section.

E. Subcontracts: SUBRECIPIENT or its subcontractor shall insert in any subcontracts the clauses set forth in paragraphs A through D of this section and also a clause requiring the subcontractors to include these clauses in any lower-tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower-tier subcontractor with the clauses set forth in paragraphs A through D of this section.

4.13. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT— Contracts or agreements for the performance of experimental, developmental, or research work shall provide for the rights of the Federal Government and the SUBRECIPIENT in any resulting invention in accordance with 37 CFR part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by HUD.

414. RIGHTS TO DATA AND COPYRIGHTS – SUBRECIPIENT, its Contractors, sub-contractors, and consultants agree to comply with all applicable provisions pertaining to the use of data and copyrights pursuant to 48 CFR Part 27.4, Federal Acquisition Regulations (FAR).

4.15. PROHIBITION ON CONTRACTING FOR COVERED TELECOMMUNICATIONS EQUIPMENT OR SERVICES

(a) Definitions. As used in this clause, the terms backhaul; covered foreign country; covered telecommunications equipment or services; interconnection arrangements; roaming; substantial or essential component; and telecommunications equipment or services have the meaning as defined in FEMA Policy, #405-143-1 Prohibitions on Expending FEMA Award Funds for Covered Telecommunications Equipment or Services As used in this clause.

(b) Prohibitions.
(1) Section 889(b) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019, Pub. L. No. 115-232, and 2 C.F.R. § 200.216 prohibit the head of an executive agency on or after Aug.13, 2020, from obligating or expending grant, cooperative agreement, loan, or loan guarantee funds on certain telecommunications products or from certain entities for national security reasons.
(2) Unless an exception in paragraph (c) of this clause applies, the contractor and its subcontractors may not use grant, cooperative agreement, loan, or loan guarantee funds from the Federal Emergency Management Agency to:
(i) Procure or obtain any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology of any system;
(ii) Enter into, extend, or renew a contract to procure or obtain any equipment, system, or service that uses covered telecommunications equipment or services as a

substantial or essential component of any system, or as critical technology of any system;

(iii) Enter into, extend, or renew contracts with entities that use covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system; or

(iv) Provide, as part of its performance of this contract, subcontract, or other contractual instrument, any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system.

(c) Exceptions.

(1) This clause does not prohibit contractors from providing:

a. A service that connects to the facilities of a third party, such as backhaul, roaming, or interconnection arrangements; or

b. Telecommunications equipment that cannot route or redirect user data traffic or permit visibility into any user data or packets that such equipment transmits or otherwise handles.

(2) By necessary implication and regulation, the prohibitions also do not apply to:

a. Covered telecommunications equipment or services that:

i. Are not used as a substantial or essential component of any system; and

ii. Are not used as critical technology of any system.

b. Other telecommunications equipment or services that are not considered covered telecommunications equipment or services.

(d) Reporting requirement.

(1) In the event the contractor identifies covered telecommunications equipment or services used as a substantial or essential component of any system, or as critical technology as part of any system, during contract performance, or the contractor is notified of such by a subcontractor at any tier or by any other source, the contractor shall report the information in paragraph (d)(2) of this clause to the SUBRECIPIENT or SUBRECIPIENT, unless elsewhere in this contract are established procedures for reporting the information.

(2) The Contractor shall report the following information pursuant to paragraph (d)(1) of this clause:

i) Within one business day from the date of such identification or notification: The contract number; the order number(s), if applicable; supplier name; supplier unique entity identifier (if known); supplier Commercial and Government Entity (CAGE) code (if known); brand; model number (original equipment manufacturer number, manufacturer part number, or wholesaler number); item description; and any readily available information about mitigation actions undertaken or recommended.

ii) Within 10 business days of submitting the information in paragraph (d)(2)(i) of this clause: Any further available information about mitigation actions undertaken or recommended. In addition, the contractor shall describe the efforts it undertook to

prevent use or submission of covered telecommunications equipment or services, and any additional efforts that will be incorporated to prevent future use or submission of covered telecommunications equipment or services.

(e) Subcontracts. The Contractor shall insert the substance of this clause, including this paragraph (e), in all subcontracts and other contractual instruments.

4.16 REPORTING OF MATTERS RELATED TO SUBRECIPIENT INTEGRITY AND PERFORMANCE

1. General Reporting Requirement

If the total value of your currently active grants, cooperative agreements, and procurement contracts from all Federal awarding agencies exceeds $10,000,000 for any period of time during the period of performance of this Federal award, then you as the SUBRECIPIENT during that period of time must maintain the currency of information reported to the System for Award Management (SAM) that is made available in the designated integrity and performance system (currently the Federal Awardee Performance and Integrity Information System (FAPIIS)) about civil, criminal, or administrative proceedings described in paragraph 2 of this award term and condition. This is a statutory requirement under section 872 of Public Law 110-417, as amended (41 U.S.C. 2313). As required by section 3010 of Public Law 111-212, all information posted in the designated integrity and performance system on or after April 15, 2011, except past performance reviews required for Federal procurement contracts, will be publicly available.

2. Proceedings About Which You Must Report

Submit the information required about each proceeding that:

a. Is in connection with the award or performance of a grant, cooperative agreement, or procurement contract from the Federal Government;
b. Reached its final disposition during the most recent five-year period; and
c. Is one of the following:
   (1) A criminal proceeding that resulted in a conviction, as defined in paragraph 5 of this award term and condition;
   (2) A civil proceeding that resulted in a finding of fault and liability and payment of a monetary fine, penalty, reimbursement, restitution, or damages of $5,000 or more;
   (3) An administrative proceeding, as defined in paragraph 5. of this award term and condition, that resulted in a finding of fault and liability and your payment of either a monetary fine or penalty of $5,000 or more or reimbursement, restitution, or damages in excess of $100,000; or
   (4) Any other criminal, civil, or administrative proceeding if:
      (i) It could have led to an outcome described in paragraph 2.c.(1), (2), or (3) of this award term and condition;
      (ii) It had a different disposition arrived at by consent or compromise with an acknowledgment of fault on your part; and

(iii) The requirement in this award term and condition to disclose information about the proceeding does not conflict with applicable laws and regulations.

3. Reporting Procedures

Enter in the SAM Entity Management area the information that SAM requires about each proceeding described in paragraph 2 of this award term and condition. You do not need to submit the information a second time under assistance awards that you received if you already provided the information through SAM because you were required to do so under Federal procurement contracts that you were awarded.

4. Reporting Frequency

During any period of time when you are subject to the requirement in paragraph 1 of this award term and condition, you must report proceedings information through SAM for the most recent five-year period, either to report new information about any proceeding(s) that you have not reported previously or affirm that there is no new information to report. SUBRECIPIENTs that have Federal contract, grant, and cooperative agreement awards with a cumulative total value greater than $10,000,000 must disclose semiannually any information about the criminal, civil, and administrative proceedings.

5. Definitions

For purposes of this award term and condition:

a. Administrative proceeding means a non-judicial process that is adjudicatory in nature in order to make a determination of fault or liability (*e.g.,* Securities and Exchange Commission Administrative proceedings, Civilian Board of Contract Appeals proceedings, and Armed Services Board of Contract Appeals proceedings). This includes proceedings at the Federal and State level but only in connection with performance of a Federal contract or grant. It does not include audits, site visits, corrective plans, or inspection of deliverables.

b. Conviction, for purposes of this award term and condition, means a judgment or conviction of a criminal offense by any court of competent jurisdiction, whether entered upon a verdict or a plea, and includes a conviction entered upon a plea of nolo contendere.

c. Total value of currently active grants, cooperative agreements, and procurement contracts includes –
   (1) Only the Federal share of the funding under any Federal award with a SUBRECIPIENT cost share or match; and
   (2) The value of all expected funding increments under a Federal award and options, even if not yet exercised.

EXHIBIT F:
AMERICAN RESCUE PLAN ACT – FINAL RULE

26786 **Federal Register** / Vol. 86, No. 93 / Monday, May 17, 2021 / Rules and Regulations

DEPARTMENT OF THE TREASURY

31 CFR Part 35

RIN 1505–AC77

Coronavirus State and Local Fiscal Recovery Funds

AGENCY: Department of the Treasury.

ACTION: Interim final rule.

SUMMARY: The Secretary of the Treasury (Treasury) is issuing this interim final rule to implement the Coronavirus State Fiscal Recovery Fund and the Coronavirus Local Fiscal Recovery Fund established under the American Rescue Plan Act.

DATES: *Effective date:* The provisions in this interim final rule are effective May 17, 2021.

Comment date: Comments must be received on or before July 16, 2021.

ADDRESSES: Please submit comments electronically through the Federal eRulemaking Portal: *http://www.regulations.gov.* Comments can be mailed to the Office of the Undersecretary for Domestic Finance, Department of the Treasury, 1500 Pennsylvania Avenue NW, Washington, DC 20220. Because postal mail may be subject to processing delay, it is recommended that comments be submitted electronically. All comments should be captions with "Coronavirus State and Local Fiscal Recovery Funds Interim Final Rule Comments." Please include your name, organization affiliation, address, email address and telephone number in your comment. Where appropriate, a comment should include a short executive summary.

In general, comments received will be posted on *http://www.regulations.gov* without change, including any business or personal information provided. Comments received, including attachments and other supporting materials, will be part of the public record and subject to public disclosure. Do not enclose any information in your comment or supporting materials that you consider confidential or inappropriate for public disclosure.

FOR FURTHER INFORMATION CONTACT: Katharine Richards, Senior Advisor, Office of Recovery Programs, Department of the Treasury, (844) 529–9527.

SUPPLEMENTARY INFORMATION:

I. Background Information

A. Overview

Since the first case of coronavirus disease 2019 (COVID–19) was discovered in the United States in January 2020, the disease has infected over 32 million and killed over 575,000 Americans.[1] The disease has impacted every part of life: As social distancing became a necessity, businesses closed, schools transitioned to remote education, travel was sharply reduced, and millions of Americans lost their jobs. In April 2020, the national unemployment rate reached its highest level in over seventy years following the most severe month-over-month decline in employment on record.[2] As of April 2021, there were still 8.2 million fewer jobs than before the pandemic.[3] During this time, a significant share of households have faced food and housing insecurity.[4] Economic disruptions impaired the flow of credit to households, State and local governments, and businesses of all sizes.[5] As businesses weathered closures and sharp declines in revenue, many were forced to shut down, especially small businesses.[6]

Amid this once-in-a-century crisis, State, territorial, Tribal, and local governments (State, local, and Tribal governments) have been called on to respond at an immense scale. Governments have faced myriad needs to prevent and address the spread of COVID–19, including testing, contact tracing, isolation and quarantine, public communications, issuance and enforcement of health orders, expansions to health system capacity like alternative care facilities, and in recent months, a massive nationwide mobilization around vaccinations. Governments also have supported major efforts to prevent COVID–19 spread through safety measures in settings like nursing homes, schools, congregate living settings, dense worksites, incarceration settings, and public facilities. The pandemic's impacts on behavioral health, including the toll of pandemic-related stress, have increased the need for behavioral health resources.

At the same time, State, local and Tribal governments launched major efforts to address the economic impacts of the pandemic. These efforts have been tailored to the needs of their communities and have included expanded assistance to unemployed workers; food assistance; rent, mortgage, and utility support; cash assistance; internet access programs; expanded services to support individuals experiencing homelessness; support for individuals with disabilities and older adults; and assistance to small businesses facing closures or revenue loss or implementing new safety measures.

In responding to the public health emergency and its negative economic impacts, State, local, and Tribal governments have seen substantial increases in costs to provide these services, often amid substantial declines in revenue due to the economic downturn and changing economic patterns during the pandemic.[7] Facing these budget challenges, many State, local, and Tribal governments have been forced to make cuts to services or their workforces, or delay critical investments. From February to May of 2020, State, local, and Tribal governments reduced their workforces by more than 1.5 million jobs and, in April of 2021, State, local, and Tribal government employment remained nearly 1.3 million jobs below pre-pandemic levels.[8] These cuts to State, local, and Tribal government workforces

[1] Centers for Disease Control and Prevention, COVID Data Tracker, *http://www.covid.cdc.gov/covid-data-tracker/#datatracker-home* (last visited May 8, 2021).

[2] U.S. Bureau of Labor Statistics, Unemployment Rate [UNRATE], retrieved from FRED, Federal Reserve Bank of St. Louis; *https://fred.stlouisfed.org/series/UNRATE,* May 3, 2021. U.S. Bureau of Labor Statistics, Employment Level [LNU02000000], retrieved from FRED, Federal Reserve Bank of St. Louis; *https://fred.stlouisfed.org/series/LNU02000000,* May 3, 2021.

[3] U.S. Bureau of Labor Statistics, All Employees, Total Nonfarm [PAYEMS], retrieved from FRED, Federal Reserve Bank of St. Louis; *https://fred.stlouisfed.org/series/PAYEMS,* May 7, 2021.

[4] Nirmita Panchal et al., The Implications of COVID–19 for Mental Health and Substance Abuse (Feb. 10, 2021), https://www.kff.org/coronavirus-covid-19/issue-brief/the-implications-of-covid-19-for-mental-health-and-substance-use/#:~:text=Older%20adults%20are%20also%20more,prior%20to%20the%20current%20crisis; U.S. Census Bureau, Household Pulse Survey: Measuring Social and Economic Impacts during the Coronavirus Pandemic, https://www.census.gov/programs-surveys/household-pulse-survey.html (last visited Apr. 26, 2021); Rebecca T. Leeb et al., Mental Health-Related Emergency Department Visits Among Children Aged <18 Years During the COVID Pandemic—United States, January 1—October 17, 2020, Morb. Mortal. Wkly. Rep. 69(45):1675–80 (Nov. 13, 2020), *https://www.cdc.gov/mmwr/volumes/69/wr/mm6945a3.htm.*

[5] Board of Governors of the Federal Reserve System, Monetary Policy Report (June 12, 2020), *https://www.federalreserve.gov/monetarypolicy/2020-06-mpr-summary.htm.*

[6] Joseph R. Biden, Remarks by President Biden on Helping Small Businesses (Feb. 22, 2021), *https://www.whitehouse.gov/briefing-room/speeches-remarks/2021/02/22/remarks-by-president-biden-on-helping-small-businesses/.*

[7] Michael Leachman, House Budget Bill Provides Needed Fiscal Aid for States, Localities, Tribal Nations, and Territories (Feb. 10, 2021), *https://www.cbpp.org/research/state-budget-and-tax/house-budget-bill-provides-needed-fiscal-aid-for-states-localities.*

[8] U.S. Bureau of Labor Statistics, All Employees, State Government [CES9092000001] and All Employees, Local Government [CES9093000001], retrieved from FRED, Federal Reserve Bank of St. Louis, *https://fred.stlouisfed.org/series/CES9092000001* and *https://fred.stlouisfed.org/series/CES9093000001* (last visited May 8, 2021).

come at a time when demand for government services is high, with State, local, and Tribal governments on the frontlines of fighting the pandemic. Furthermore, State, local, and Tribal government austerity measures can hamper overall economic growth, as occurred in the recovery from the Great Recession.[9]

Finally, although the pandemic's impacts have been widespread, both the public health and economic impacts of the pandemic have fallen most severely on communities and populations disadvantaged before it began. Low-income communities, people of color, and Tribal communities have faced higher rates of infection, hospitalization, and death,[10] as well as higher rates of unemployment and lack of basic necessities like food and housing.[11] Pre-existing social vulnerabilities magnified the pandemic in these communities, where a reduced ability to work from home and, frequently, denser housing amplified the risk of infection. Higher rates of pre-existing health conditions also may have contributed to more severe COVID–19 health outcomes.[12] Similarly, communities or households facing economic insecurity before the pandemic were less able to weather business closures, job losses, or declines in earnings and were less able to participate in remote work or education due to the inequities in access to reliable and affordable broadband infrastructure.[13] Finally, though schools in all areas faced challenges, those in high poverty areas had fewer resources to adapt to remote and hybrid learning models.[14] Unfortunately, the pandemic also has reversed many gains made by communities of color in the prior economic expansion.[15]

B. The Statute and Interim Final Rule

On March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law by the President.[16] Section 9901 of ARPA amended Title VI of the Social Security Act[17] (the Act) to add section 602, which establishes the Coronavirus State Fiscal Recovery Fund, and section 603, which establishes the Coronavirus Local Fiscal Recovery Fund (together, the Fiscal Recovery Funds).[18] The Fiscal Recovery Funds are intended to provide support to State, local, and Tribal governments (together, recipients) in responding to the impact of COVID–19 and in their efforts to contain COVID–19 on their communities, residents, and businesses. The Fiscal Recovery Funds build on and expand the support provided to these governments over the last year, including through the Coronavirus Relief Fund (CRF).[19]

Through the Fiscal Recovery Funds, Congress provided State, local, and Tribal governments with significant resources to respond to the COVID–19 public health emergency and its economic impacts through four categories of eligible uses. Section 602 and section 603 contain the same eligible uses; the primary difference between the two sections is that section 602 establishes a fund for States, territories, and Tribal governments and section 603 establishes a fund for metropolitan cities, nonentitlement units of local government, and counties. Sections 602(c)(1) and 603(c)(1) provide that funds may be used:

(a) To respond to the public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;

(b) To respond to workers performing essential work during the COVID–19 public health emergency by providing premium pay to eligible workers;

(c) For the provision of government services to the extent of the reduction in revenue due to the COVID–19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency; and

(d) To make necessary investments in water, sewer, or broadband infrastructure.

In addition, Congress clarified two types of uses which do not fall within these four categories. Sections 602(c)(2)(B) and 603(c)(2) provide that these eligible uses do not include, and thus funds may not be used for, depositing funds into any pension fund. Section 602(c)(2)(A) also provides, for States and territories, that the eligible uses do not include "directly or indirectly offset[ting] a reduction in the net tax revenue of [the] State or territory resulting from a change in law, regulation, or administrative interpretation."

The ARPA provides a substantial infusion of resources to meet pandemic response needs and rebuild a stronger, more equitable economy as the country recovers. First, payments from the Fiscal Recovery Funds help to ensure that State, local, and Tribal governments have the resources needed to continue to take actions to decrease the spread of COVID–19 and bring the pandemic under control. Payments from the Fiscal Recovery Funds may also be used by recipients to provide support for costs incurred in addressing public health and economic challenges resulting from the pandemic, including resources to offer premium pay to essential workers, in recognition of their sacrifices over the

[9] Tracy Gordon, State and Local Budgets and the Great Recession, Brookings Institution (Dec. 31, 2012), *http://www.brookings.edu/articles/state-and-local-budgets-and-the-great-recession.*

[10] Sebastian D. Romano et al., Trends in Racial and Ethnic Disparities in COVID–19 Hospitalizations, by Region—United States, March–December 2020, MMWR Morb Mortal Wkly Rep 2021, 70:560–565 (Apr. 16, 2021), *https://www.cdc.gov/mmwr/volumes/70/wr/mm7015e2.htm?s_cid=mm7015e2_w.*

[11] Center on Budget and Policy Priorities, Tracking the COVID–19 Recession's Effects on Food, Housing, and Employment Hardships, *https://www.cbpp.org/research/poverty-and-inequality/tracking-the-covid-19-recessions-effects-on-housing-and* (last visited May 4, 2021).

[12] Lisa R. Fortuna et al., Inequity and the Disproportionate Impact of COVID–19 on Communities of Color in the United States: The Need for Trauma-Informed Social Justice Response, Psychological Trauma Vol. 12(5):443–45 (2020), *available at https://psycnet.apa.org/fulltext/2020-37320-001.pdf.*

[13] Emily Vogles et al., 53% of Americans Say the internet Has Been Essential During the COVID–19 Outbreak (Apr. 30, 2020), *https://www.pewresearch.org/internet/2020/04/30/53-of-americans-say-the-internet-has-been-essential-during-the-covid-19-outbreak/.*

[14] Emma Dorn et al., COVID–19 and student learning in the United States: The hurt could last a lifetime (June 2020), *https://webtest.childrensinstitute.net/sites/default/files/documents/COVID-19-and-student-learning-in-the-United-States_FINAL.pdf;* Andrew Bacher-Hicks et al., Inequality in Household Adaptation to Schooling Shocks: Covid-Induced Online Engagement in Real Time, J. of Public Econ. Vol. 193(C) (July 2020), *available at https://www.nber.org/papers/w27555.*

[15] *See, e.g.,* Tyler Atkinson & Alex Richter, Pandemic Disproportionately Affects Women, Minority Labor Force Participation, *https://www.dallasfed.org/research/economics/2020/1110* (last visited May 9, 2021); Jared Bernstein & Janelle Jones, The Impact of the COVID19 Recession on the Jobs and Incomes of Persons of Color, *https://www.cbpp.org/sites/default/files/atoms/files/6-2-20bud_0.pdf* (last visited May 9, 2021).

[16] American Rescue Plan Act of 2021 (ARPA), sec. 9901, Public Law 117–2, codified at 42 U.S.C. 802 *et seq.* The term "state" as used in this **SUPPLEMENTARY INFORMATION** and defined in section 602 of the Act means each of the 50 States and the District of Columbia. The term "territory" as used in this **SUPPLEMENTARY INFORMATION** and defined in section 602 of the Act means the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, the Commonwealth of Northern Mariana Islands, and American Samoa. Tribal government is defined in the Act and the interim final rule to mean "the recognized governing body of any Indian or Alaska Native tribe, band, nation, pueblo, village, community, component band, or component reservation, individually identified (including parenthetically) in the list published most recently as of the date of enactment of the [American Rescue Plan Act] pursuant to section 104 of the Federally Recognized Indian Tribe List Act of 1994 (25 U.S.C. 5131)." See section 602(g)(7) of the Social Security Act, as added by the American Rescue Plan Act. On January 29, 2021, the Bureau of Indian Affairs published a current list of 574 Tribal entities. See 86 FR 7554, January 29, 2021. The term "local governments" as used in this **SUPPLEMENTARY INFORMATION** includes metropolitan cities, counties, and nonentitlement units of local government.

[17] 42 U.S.C. 801 *et seq.*

[18] Sections 602, 603 of the Act.

[19] The CRF was established by the section 601 of the Act as added by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Public Law 116–136, 134 Stat. 281 (2020).

last year. Recipients may also use payments from the Fiscal Recovery Funds to replace State, local, and Tribal government revenue lost due to COVID–19, helping to ensure that governments can continue to provide needed services and avoid cuts or layoffs. Finally, these resources lay the foundation for a strong, equitable economic recovery, not only by providing immediate economic stabilization for households and businesses, but also by addressing the systemic public health and economic challenges that may have contributed to more severe impacts of the pandemic among low-income communities and people of color.

Within the eligible use categories outlined in the Fiscal Recovery Funds provisions of ARPA, State, local, and Tribal governments have flexibility to determine how best to use payments from the Fiscal Recovery Funds to meet the needs of their communities and populations. The interim final rule facilitates swift and effective implementation by establishing a framework for determining the types of programs and services that are eligible under the ARPA along with examples of uses that State, local, and Tribal governments may consider. These uses build on eligible expenditures under the CRF, including some expansions in eligible uses to respond to the public health emergency, such as vaccination campaigns. They also reflect changes in the needs of communities, as evidenced by, for example, nationwide data demonstrating disproportionate impacts of the COVID–19 public health emergency on certain populations, geographies, and economic sectors. The interim final rule takes into consideration these disproportionate impacts by recognizing a broad range of eligible uses to help States, local, and Tribal governments support the families, businesses, and communities hardest hit by the COVID–19 public health emergency.

Implementation of the Fiscal Recovery Funds also reflect the importance of public input, transparency, and accountability. Treasury seeks comment on all aspects of the interim final rule and, to better facilitate public comment, has included specific questions throughout this **SUPPLEMENTARY INFORMATION.** Treasury encourages State, local, and Tribal governments in particular to provide feedback and to engage with Treasury regarding issues that may arise regarding all aspects of this interim final rule and Treasury's work in administering the Fiscal Recovery Funds. In addition, the interim final rule establishes certain regular reporting requirements, including by requiring State, local, and Tribal governments to publish information regarding uses of Fiscal Recovery Funds payments in their local jurisdiction. These reporting requirements reflect the need for transparency and accountability, while recognizing and minimizing the burden, particularly for smaller local governments. Treasury urges State, territorial, Tribal, and local governments to engage their constituents and communities in developing plans to use these payments, given the scale of funding and its potential to catalyze broader economic recovery and rebuilding.

II. Eligible Uses

A. Public Health and Economic Impacts

Sections 602(c)(1)(A) and 603(c)(1)(A) provide significant resources for State, territorial, Tribal governments, and counties, metropolitan cities, and nonentitlement units of local governments (each referred to as a recipient) to meet the wide range of public health and economic impacts of the COVID–19 public health emergency.

These provisions authorize the use of payments from the Fiscal Recovery Funds to respond to the public health emergency with respect to COVID–19 or its negative economic impacts. Section 602 and section 603 also describe several types of uses that would be responsive to the impacts of the COVID–19 public health emergency, including assistance to households, small businesses, and nonprofits and aid to impacted industries, such as tourism, travel, and hospitality.[20]

Accordingly, to assess whether a program or service is included in this category of eligible uses, a recipient should consider whether and how the use would respond to the COVID–19 public health emergency. Assessing whether a program or service "responds to" the COVID–19 public health emergency requires the recipient to, first, identify a need or negative impact of the COVID–19 public health emergency and, second, identify how the program, service, or other intervention addresses the identified need or impact. While the COVID–19 public health emergency affected many aspects of American life, eligible uses under this category must be in response to the disease itself or the harmful consequences of the economic disruptions resulting from or exacerbated by the COVID–19 public health emergency.

The interim final rule implements these provisions by identifying a non-exclusive list of programs or services that may be funded as responding to COVID–19 or the negative economic impacts of the COVID–19 public health emergency, along with considerations for evaluating other potential uses of the Fiscal Recovery Funds not explicitly listed. The interim final rule also provides flexibility for recipients to use payments from the Fiscal Recovery Funds for programs or services that are not identified on these non-exclusive lists but that fall under the terms of section 602(c)(1)(A) or 603(c)(1)(A) by responding to the COVID–19 public health emergency or its negative economic impacts. As an example, in determining whether a program or service responds to the negative economic impacts of the COVID–19 public health emergency, the interim final rule provides that payments from the Fiscal Recovery Funds should be designed to address an economic harm resulting from or exacerbated by the public health emergency. Recipients should assess the connection between the negative economic harm and the COVID–19 public health emergency, the nature and extent of that harm, and how the use of this funding would address such harm.

As discussed, the pandemic and the necessary actions taken to control the spread had a severe impact on households and small businesses, including in particular low-income workers and communities and people of color. While eligible uses under sections 602(c)(1)(A) and 603(c)(1)(A) provide flexibility to recipients to identify the most pressing local needs, Treasury encourages recipients to provide assistance to those households, businesses, and non-profits in communities most disproportionately impacted by the pandemic.

1. Responding to COVID–19

On January 21, 2020, the Centers for Disease Control and Prevention (CDC) identified the first case of novel coronavirus in the United States.[21] By late March, the virus had spread to many States and the first wave was growing rapidly, centered in the northeast.[22] This wave brought acute

[20] Sections 602(c)(1)(A), 603(c)(1)(A) of the Act.

[21] Press Release, Centers for Disease Control and Prevention, First Travel-related Case of 2019 Novel Coronavirus Detected in United States (Jan. 21, 2020), *https://www.cdc.gov/media/releases/2020/p0121-novel-coronavirus-travel-case.html.*

[22] Anne Schuchat et al., Public Health Response to the Initiation and Spread of Pandemic COVID–19 in the United States, February 24–April 21, 2021, MMWR Morb Mortal Wkly Rep 2021, 69(18):551–56 (May 8, 2021), *https://www.cdc.gov/mmwr/volumes/69/wr/mm6918e2.htm.*

strain on health care and public health systems: Hospitals and emergency medical services struggled to manage a major influx of patients; response personnel faced shortages of personal protective equipment; testing for the virus was scarce; and congregate living facilities like nursing homes and prisons saw rapid spread. State, local, and Tribal governments mobilized to support the health care system, issue public health orders to mitigate virus spread, and communicate safety measures to the public. The United States has since faced at least two additional COVID–19 waves that brought many similar challenges: The second in the summer, centered in the south and southwest, and a wave throughout the fall and winter, in which the virus reached a point of uncontrolled spread across the country and over 3,000 people died per day.[23] By early May 2021, the United States has experienced over 32 million confirmed COVID–19 cases and over 575,000 deaths.[24]

Mitigating the impact of COVID–19, including taking actions to control its spread and support hospitals and health care workers caring for the sick, continues to require a major public health response from State, local and Tribal governments. New or heightened public health needs include COVID–19 testing, major expansions in contact tracing, support for individuals in isolation or quarantine, enforcement of public health orders, new public communication efforts, public health surveillance (*e.g.,* monitoring case trends and genomic sequencing for variants), enhancement to health care capacity through alternative care facilities, and enhancement of public health data systems to meet new demands or scaling needs. State, local, and Tribal governments have also supported major efforts to prevent COVID–19 spread through safety measures at key settings like nursing homes, schools, congregate living settings, dense worksites, incarceration settings, and in other public facilities. This has included implementing infection prevention measures or making ventilation improvements in congregate settings, health care settings, or other key locations.

Other response and adaptation costs include capital investments in public facilities to meet pandemic operational needs, such as physical plant improvements to public hospitals and health clinics or adaptations to public buildings to implement COVID–19 mitigation tactics. In recent months, State, local, and Tribal governments across the country have mobilized to support the national vaccination campaign, resulting in over 250 million doses administered to date.[25]

The need for public health measures to respond to COVID–19 will continue in the months and potentially years to come. This includes the continuation of the vaccination campaign for the general public and, if vaccinations are approved for children in the future, eventually for youths. This also includes monitoring the spread of COVID–19 variants, understanding the impact of these variants (especially on vaccination efforts), developing approaches to respond to those variants, and monitoring global COVID–19 trends to understand continued risks to the United States. Finally, the long-term health impacts of COVID–19 will continue to require a public health response, including medical services for individuals with "long COVID," and research to understand how COVID–19 impacts future health needs and raises risks for the millions of Americans who have been infected.

Other areas of public health have also been negatively impacted by the COVID–19 pandemic. For example, in one survey in January 2021, over 40 percent of American adults reported symptoms of depression or anxiety, up from 11 percent in the first half of 2019.[26] The proportion of children's emergency department visits related to mental health has also risen noticeably.[27] Similarly, rates of substance misuse and overdose deaths have spiked: Preliminary data from the CDC show a nearly 30 percent increase in drug overdose mortality from September 2019 to September 2020.[28] Stay-at-home orders and other pandemic responses may have also reduced the ability of individuals affected by domestic violence to access services.[29] Finally, some preventative public health measures like childhood vaccinations have been deferred and potentially forgone.[30]

While the pandemic affected communities across the country, it disproportionately impacted some demographic groups and exacerbated health inequities along racial, ethnic, and socioeconomic lines.[31] The CDC has found that racial and ethnic minorities are at increased risk for infection, hospitalization, and death from COVID–19, with Hispanic or Latino and Native American or Alaska Native patients at highest risk.[32]

Similarly, low-income and socially vulnerable communities have seen the most severe health impacts. For example, counties with high poverty rates also have the highest rates of infections and deaths, with 223 deaths per 100,000 compared to the U.S. average of 175 deaths per 100,000, as of May 2021.[33] Counties with high social vulnerability, as measured by factors such as poverty and educational attainment, have also fared more poorly than the national average, with 211 deaths per 100,000 as of May 2021.[34]

[23] Centers for Disease Control and Prevention, COVID Data Tracker: Trends in Number of COVID–19 Cases and Deaths in the US Reported to CDC, by State/Territory, *https://covid.cdc.gov/covid-data-tracker/#trends_dailytrendscases* (last visited May 8, 2021).

[24] *Id.*

[25] Centers for Disease Control and Prevention, COVID Data Tracker: COVID–19 Vaccinations in the United States, *https://covid.cdc.gov/covid-data-tracker/#vaccinations* (last visited May 8, 2021).

[26] Panchal, *supra* note 4; Mark É. Czeisler et al., Mental Health, Substance Abuse, and Suicidal Ideation During COVID–19 Pandemic– United States, June 24–30 2020, Morb. Mortal. Wkly. Rep. 69(32):1049–57 (Aug. 14, 2020), *https://www.cdc.gov/mmwr/volumes/69/wr/mm6932a1.htm.*

[27] Leeb, *supra* note 4.

[28] Centers for Disease Prevention and Control, National Center for Health Statistics, Provisional Drug Overdose Death Counts, *https://www.cdc.gov/nchs/nvss/vsrr/drug-overdose-data.htm* (last visited May 8, 2021).

[29] Megan L. Evans, et al., A Pandemic within a Pandemic—Intimate Partner Violence during Covid–19, N. Engl. J. Med. 383:2302–04 (Dec. 10, 2020), *available at https://www.nejm.org/doi/full/10.1056/NEJMp2024046.*

[30] Jeanne M. Santoli et al., Effects of the COVID–19 Pandemic on Routine Pediatric Vaccine Ordering and Administration—United States, Morb. Mortal. Wkly. Rep. 69(19):591–93 (May 8, 2020), *https://www.cdc.gov/mmwr/volumes/69/wr/mm6919e2.htm;* Marisa Langdon-Embry et al., Notes from the Field: Rebound in Routine Childhood Vaccine Administration Following Decline During the COVID–19 Pandemic—New York City, March 1–June 27, 2020, Morb. Mortal. Wkly. Rep. 69(30):999–1001 (Jul. 31 2020), *https://www.cdc.gov/mmwr/volumes/69/wr/mm6930a3.htm.*

[31] Office of the White House, National Strategy for the COVID–19 Response and Pandemic Preparedness (Jan. 21, 2021), *https://www.whitehouse.gov/wp-content/uploads/2021/01/National-Strategy-for-the-COVID-19-Response-and-Pandemic-Preparedness.pdf.*

[32] In a study of 13 states from October to December 2020, the CDC found that Hispanic or Latino and Native American or Alaska Native individuals were 1.7 times more likely to visit an emergency room for COVID–19 than White individuals, and Black individuals were 1.4 times more likely to do so than White individuals. *See* Romano, *supra* note 10.

[33] Centers for Disease Control and Prevention, COVID Data Tracker: Trends in COVID–19 Cases and Deaths in the United States, by County-level Population Factors, *https://covid.cdc.gov/covid-data-tracker/#pop-factors_totaldeaths* (last visited May 8, 2021).

[34] The CDC's Social Vulnerability Index includes fifteen variables measuring social vulnerability, including unemployment, poverty, education levels, single-parent households, disability status, non-English speaking households, crowded housing, and transportation access.

Centers for Disease Control and Prevention, COVID Data Tracker: Trends in COVID–19 Cases

Continued

Over the last year, Native Americans have experienced more than one and a half times the rate of COVID–19 infections, more than triple the rate of hospitalizations, and more than double the death rate compared to White Americans.[35] Low-income and minority communities also exhibit higher rates of pre-existing conditions that may contribute to an increased risk of COVID–19 mortality.[36]

In addition, individuals living in low-income communities may have had more limited ability to socially distance or to self-isolate when ill, resulting in faster spread of the virus, and were over-represented among essential workers, who faced greater risk of exposure.[37] Social distancing measures in response to the pandemic may have also exacerbated pre-existing public health challenges. For example, for children living in homes with lead paint, spending substantially more time at home raises the risk of developing elevated blood lead levels, while screenings for elevated blood lead levels declined during the pandemic.[38] The combination of these underlying social and health vulnerabilities may have contributed to more severe public health outcomes of the pandemic within these communities, resulting in an exacerbation of pre-existing disparities in health outcomes.[39]

Eligible Public Health Uses. The Fiscal Recovery Funds provide resources to meet and address these emergent public health needs, including through measures to counter the spread of COVID–19, through the provision of care for those impacted by the virus, and through programs or services that address disparities in public health that have been exacerbated by the pandemic. To facilitate implementation and use of payments from the Fiscal Recovery Funds, the interim final rule identifies a non-exclusive list of eligible uses of funding to respond to the COVID–19 public health emergency. Eligible uses listed under this section build and expand upon permissible expenditures under the CRF, while recognizing the differences between the ARPA and CARES Act, and recognizing that the response to the COVID–19 public health emergency has changed and will continue to change over time. To assess whether additional uses would be eligible under this category, recipients should identify an effect of COVID–19 on public health, including either or both of immediate effects or effects that may manifest over months or years, and assess how the use would respond to or address the identified need.

The interim final rule identifies a non-exclusive list of uses that address the effects of the COVID–19 public health emergency, including:

- *COVID–19 Mitigation and Prevention.* A broad range of services and programming are needed to contain COVID–19. Mitigation and prevention efforts for COVID–19 include vaccination programs; medical care; testing; contact tracing; support for isolation or quarantine; supports for vulnerable populations to access medical or public health services; public health surveillance (*e.g.*, monitoring case trends, genomic sequencing for variants); enforcement of public health orders; public communication efforts; enhancement to health care capacity, including through alternative care facilities; purchases of personal protective equipment; support for prevention, mitigation, or other services in congregate living facilities (*e.g.*, nursing homes, incarceration settings, homeless shelters, group living facilities) and other key settings like schools;[40] ventilation improvements in congregate settings, health care settings, or other key locations; enhancement of public health data systems; and other public health responses.[41] They also include capital investments in public facilities to meet pandemic operational needs, such as physical plant improvements to public hospitals and health clinics or adaptations to public buildings to implement COVID–19 mitigation tactics. These COVID–19 prevention and mitigation programs and services, among others, were eligible expenditures under the CRF and are eligible uses under this category of eligible uses for the Fiscal Recovery Funds.[42]
- *Medical Expenses.* The COVID–19 public health emergency continues to have devastating effects on public health; the United States continues to average hundreds of deaths per day and the spread of new COVID–19 variants has raised new risks and genomic surveillance needs.[43] Moreover, our understanding of the potentially serious and long-term effects of the virus is growing, including the potential for symptoms like shortness of breath to continue for weeks or months, for multi-organ impacts from COVID–19, or for post-intensive care syndrome.[44] State and local governments may need to continue to provide care and services to address these near- and longer-term needs.[45]

and Deaths in the United States, by Social Vulnerability Index, *https://covid.cdc.gov/covid-data-tracker/#pop-factors_totaldeaths* (last visited May 8, 2021).

[35] Centers for Disease Control and Prevention, Risk for COVID–19 Infection, Hospitalization, and Death By Race/Ethnicity, *https://www.cdc.gov/coronavirus/2019-ncov/covid-data/investigations-discovery/hospitalization-death-by-race-ethnicity.html* (last visited Apr. 26, 2021).

[36] *See, e.g.*, Centers for Disease Control and Prevention, Risk of Severe Illness or Death from COVID–19 (Dec. 10, 2020), *https://www.cdc.gov/coronavirus/2019-ncov/community/health-equity/racial-ethnic-disparities/disparities-illness.html* (last visited Apr. 26, 2021).

[37] Milena Almagro et al., Racial Disparities in Frontline Workers and Housing Crowding During COVID–19: Evidence from Geolocation Data (Sept. 22, 2020), NYU Stern School of Business (forthcoming), *available at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3695249;* Grace McCormack et al., Economic Vulnerability of Households with Essential Workers, JAMA 324(4):388–90 (2020), *available at https://jamanetwork.com/journals/jama/fullarticle/2767630.*

[38] *See, e.g.*, Joseph G. Courtney et al., Decreases in Young Children Who Received Blood Lead Level Testing During COVID–19—34 Jurisdictions, January–May 2020, Morb. Mort. Wkly. Rep. 70(5):155–61 (Feb. 5, 2021), *https://www.cdc.gov/mmwr/volumes/70/wr/mm7005a2.htm;* Emily A. Benfer & Lindsay F. Wiley, Health Justice Strategies to Combat COVID–19: Protecting Vulnerable Communities During a Pandemic, Health Affairs Blog (Mar. 19, 2020), *https://www.healthaffairs.org/do/10.1377/hblog20200319.757883/full/.*

[39] *See, e.g.*, Centers for Disease Control and Prevention, *supra* note 34; Benfer & Wiley, *supra* note 38; Nathaniel M. Lewis et al., Disparities in COVID–19 Incidence, Hospitalizations, and Testing, by Area-Level Deprivation—Utah, March 3–July 9, 2020, Morb. Mortal. Wkly. Rep. 69(38):1369–73 (Sept. 25, 2020), *https://www.cdc.gov/mmwr/volumes/69/wr/mm6938a4.htm.*

[40] This includes implementing mitigation strategies consistent with the Centers for Disease Control and Prevention's (CDC) Operational Strategy for K–12 Schools through Phased Prevention, *available at https://www.cdc.gov/coronavirus/2019-ncov/community/schools-childcare/operation-strategy.html.*

[41] Many of these expenses were also eligible in the CRF. Generally, funding uses eligible under CRF as a response to the direct public health impacts of COVID–19 will continue to be eligible under the ARPA, including those not explicitly listed here (*e.g.*, telemedicine costs, costs to facilitate compliance with public health orders, disinfection of public areas, facilitating distance learning, increased solid waste disposal needs related to PPE, paid sick and paid family and medical leave to public employees to enable compliance with COVID–19 public health precautions), with the following two exceptions: (1) The standard for eligibility of public health and safety payrolls has been updated (see section II.A of this **SUPPLEMENTARY INFORMATION**) and (2) expenses related to the issuance of tax-anticipation notes are no longer an eligible funding use (see discussion of debt service in section II.B of this **SUPPLEMENTARY INFORMATION**).

[42] Coronavirus Relief Fund for States, Tribal Governments, and Certain Eligible Local Governments, 86 FR 4182 (Jan. 15, 2021), *available at https://home.treasury.gov/system/files/136/CRF-Guidance-Federal-Register_2021-00827.pdf.*

[43] Centers for Disease Control and Prevention, *supra* note 24.

[44] Centers for Disease Control and Prevention, Long-Term Effects (Apr. 8, 2021), *https://www.cdc.gov/coronavirus/2019-ncov/long-term-effects.html* (last visited Apr. 26, 2021).

[45] Pursuant to 42 CFR 433.51 and 45 CFR 75.306, Fiscal Recovery Funds may not serve as a State or locality's contribution of certain Federal funds.

• *Behavioral Health Care.* In addition, new or enhanced State, local, and Tribal government services may be needed to meet behavioral health needs exacerbated by the pandemic and respond to other public health impacts. These services include mental health treatment, substance misuse treatment, other behavioral health services, hotlines or warmlines, crisis intervention, overdose prevention, infectious disease prevention, and services or outreach to promote access to physical or behavioral health primary care and preventative medicine.

• *Public Health and Safety Staff.* Treasury recognizes that responding to the public health and negative economic impacts of the pandemic, including administering the services described above, requires a substantial commitment of State, local, and Tribal government human resources. As a result, the Fiscal Recovery Funds may be used for payroll and covered benefits expenses for public safety, public health, health care, human services, and similar employees, to the extent that their services are devoted to mitigating or responding to the COVID–19 public health emergency.[46] Accordingly, the Fiscal Recovery Funds may be used to support the payroll and covered benefits for the portion of the employee's time that is dedicated to responding to the COVID–19 public health emergency. For administrative convenience, the recipient may consider public health and safety employees to be entirely devoted to mitigating or responding to the COVID–19 public health emergency, and therefore fully covered, if the employee, or his or her operating unit or division, is primarily dedicated to responding to the COVID–19 public health emergency. Recipients may consider other presumptions for assessing the extent to which an employee, division, or operating unit is engaged in activities that respond to the COVID–19 public health emergency, provided that the recipient reassesses periodically and maintains records to support its assessment, such as payroll records, attestations from supervisors or staff, or regular work product or correspondence demonstrating work on the COVID–19 response. Recipients need not routinely track staff hours.

• *Expenses to Improve the Design and Execution of Health and Public Health Programs.* State, local, and Tribal governments may use payments from the Fiscal Recovery Funds to engage in planning and analysis in order to improve programs addressing the COVID–19 pandemic, including through use of targeted consumer outreach, improvements to data or technology infrastructure, impact evaluations, and data analysis.

Eligible Uses to Address Disparities in Public Health Outcomes. In addition, in recognition of the disproportionate impacts of the COVID–19 pandemic on health outcomes in low-income and Native American communities and the importance of mitigating these effects, the interim final rule identifies a broader range of services and programs that will be presumed to be responding to the public health emergency when provided in these communities. Specifically, Treasury will presume that certain types of services, outlined below, are eligible uses when provided in a Qualified Census Tract (QCT),[47] to families living in QCTs, or when these services are provided by Tribal governments.[48] Recipients may also provide these services to other populations, households, or geographic areas that are disproportionately impacted by the pandemic. In identifying these disproportionately-impacted communities, recipients should be able to support their determination that the pandemic resulted in disproportionate public health or economic outcomes to the specific populations, households, or geographic areas to be served.

Given the exacerbation of health disparities during the pandemic and the role of pre-existing social vulnerabilities in driving these disparate outcomes, services to address health disparities are presumed to be responsive to the public health impacts of the pandemic. Specifically, recipients may use payments from the Fiscal Recovery Funds to facilitate access to resources that improve health outcomes, including services that connect residents with health care resources and public assistance programs and build healthier environments, such as:

• Funding community health workers to help community members access health services and services to address the social determinants of health;[49]

• Funding public benefits navigators to assist community members with navigating and applying for available Federal, State, and local public benefits or services;

• Housing services to support healthy living environments and neighborhoods conducive to mental and physical wellness;

• Remediation of lead paint or other lead hazards to reduce risk of elevated blood lead levels among children; and

• Evidence-based community violence intervention programs to prevent violence and mitigate the increase in violence during the pandemic.[50]

2. Responding to Negative Economic Impacts

Impacts on Households and Individuals. The public health emergency, including the necessary measures taken to protect public health, resulted in significant economic and financial hardship for many Americans. As businesses closed, consumers stayed home, schools shifted to remote

[46] In general, if an employee's wages and salaries are an eligible use of Fiscal Recovery Funds, recipients may treat the employee's covered benefits as an eligible use of Fiscal Recovery Funds. For purposes of the Fiscal Recovery Funds, covered benefits include costs of all types of leave (vacation, family-related, sick, military, bereavement, sabbatical, jury duty), employee insurance (health, life, dental, vision), retirement (pensions, 401(k)), unemployment benefit plans (Federal and state), workers compensation insurance, and Federal Insurance Contributions Act (FICA) taxes (which includes Social Security and Medicare taxes).

[47] Qualified Census Tracts are a common, readily-accessible, and geographically granular method of identifying communities with a large proportion of low-income residents. Using an existing measure may speed implementation and decrease administrative burden, while identifying areas of need at a highly-localized level.

While QCTs are an effective tool generally, many tribal communities have households with a wide range of income levels due in part to non-tribal member, high income residents living in the community. Mixed income communities, with a significant share of tribal members at the lowest levels of income, are often not included as eligible QCTs yet tribal residents are experiencing disproportionate impacts due to the pandemic. Therefore, including all services provided by Tribal governments is a more effective means of ensuring that disproportionately impacted Tribal members can receive services.

[48] U.S. Department of Housing and Urban Development (HUD), Qualified Census Tracts and Difficult Development Areas, *https://www.huduser.gov/portal/datasets/qct.html* (last visited Apr. 26, 2021); U.S. Department of the Interior, Bureau of Indian Affairs, Indian Lands of Federally Recognized Tribes of the United States (June 2016), *https://www.bia.gov/sites/bia.gov/files/assets/bia/ots/webteam/pdf/idc1-028635.pdf* (last visited Apr. 26, 2021).

[49] The social determinants of health are the social and environmental conditions that affect health outcomes, specifically economic stability, health care access, social context, neighborhoods and built environment, and education access. *See, e.g.,* U.S. Department of Health and Human Services, Office of Disease Prevention and Health Promotion, Healthy People 2030: Social Determinants of Health, *https://health.gov/healthypeople/objectives-and-data/social-determinants-health* (last visited Apr. 26, 2021).

[50] National Commission on COVID–19 and Criminal Justice, Impact Report: COVID–19 and Crime (Jan. 31, 2021), *https://covid19.councilonci.org/2021/01/31/impact-report-covid-19-and-crime-3/* (showing a spike in homicide and assaults); Brad Boesrup et al., Alarming Trends in US domestic violence during the COVID–19 pandemic, Am. J. of Emerg. Med. 38(12): 2753–55 (Dec. 1, 2020), *available at https://www.ajemjournal.com/article/S0735-6757(20)30307-7/fulltext* (showing a spike in domestic violence).

education, and travel declined precipitously, over 20 million jobs were lost in March and April 2020.[51] Although many have returned to work, as of April 2021, the economy remains 8.2 million jobs below its pre-pandemic peak,[52] and more than 3 million workers have dropped out of the labor market altogether relative to February 2020.[53]

Rates of unemployment are particularly severe among workers of color and workers with lower levels of educational attainment; for example, the overall unemployment rate in the United States was 6.1 percent in April 2021, but certain groups saw much higher rates: 9.7 percent for Black workers, 7.9 percent for Hispanic or Latino workers, and 9.3 percent for workers without a high school diploma.[54] Job losses have also been particularly steep among low wage workers, with these workers remaining furthest from recovery as of the end of 2020.[55] A severe recession—and its concentrated impact among low-income workers—has amplified food and housing insecurity, with an estimated nearly 17 million adults living in households where there is sometimes or often not enough food to eat and an estimated 10.7 million adults living in households that were not current on rent.[56] Over the course of the pandemic, inequities also manifested along gender lines, as schools closed to in-person activities, leaving many working families without child care during the day.[57] Women of color have been hit especially hard: The labor force participation rate for Black women has fallen by 3.2 percentage points [58] during the pandemic as compared to 1.0 percentage points for Black men [59] and 2.0 percentage points for White women.[60]

As the economy recovers, the effects of the pandemic-related recession may continue to impact households, including a risk of longer-term effects on earnings and economic potential. For example, unemployed workers, especially those who have experienced longer periods of unemployment, earn lower wages over the long term once rehired.[61] In addition to the labor market consequences for unemployed workers, recessions can also cause longer-term economic challenges through, among other factors, damaged consumer credit scores [62] and reduced familial and childhood wellbeing.[63] These potential long-term economic consequences underscore the continued need for robust policy support.

Impacts on Businesses. The pandemic has also severely impacted many businesses, with small businesses hit especially hard. Small businesses make up nearly half of U.S. private-sector employment [64] and play a key role in supporting the overall economic recovery as they are responsible for two-thirds of net new jobs.[65] Since the beginning of the pandemic, however, 400,000 small businesses have closed, with many more at risk.[66] Sectors with a large share of small business employment have been among those with the most drastic drops in employment.[67] The negative outlook for small businesses has continued: As of April 2021, approximately 70 percent of small businesses reported that the pandemic has had a moderate or large negative effect on their business, and over a third expect that it will take over 6 months for their business to return to their normal level of operations.[68]

This negative outlook is likely the result of many small businesses having faced periods of closure and having seen declining revenues as customers stayed home.[69] In general, small businesses can face greater hurdles in accessing credit,[70] and many small businesses were already financially fragile at the outset of the pandemic.[71] Non-profits, which provide vital services to communities, have similarly faced

[51] U.S. Bureau of Labor Statistics, All Employees, Total Nonfarm (PAYEMS), retrieved from FRED, Federal Reserve Bank of St. Louis; *https://fred.stlouisfed.org/series/PAYEMS* (last visited May 8, 2021).

[52] *Id.*

[53] U.S. Bureau of Labor Statistics, Civilian Labor Force Level [CLF16OV], retrieved from FRED, Federal Reserve Bank of St. Louis, *https://fred.stlouisfed.org/series/CLF16OV* (last visited May 8, 2021).

[54] U.S. Bureau of Labor Statistics, Labor Force Statistics from the Current Population Survey: Employment status of the civilian population by sex and age (May 8 2021), *https://www.bls.gov/news.release/empsit.t01.htm* (last visited May 8, 2021); U.S. Bureau of Labor Statistics, Labor Force Statistics from the Current Population Survey: Employment status of the civilian noninstitutional population by race, Hispanic or Latino ethnicity, sex, and age (May 8, 2021), *https://www.bls.gov/web/empsit/cpseea04.htm* (last visited May 8, 2021); U.S. Bureau of Labor Statistics, Labor Force Statistics from the Current Population Survey: Employment status of the civilian noninstitutional population 25 years and over by educational attainment (May 8, 2021), *https://www.bls.gov/web/empsit/cpseea05.htm* (last visited May 8, 2021).

[55] Elise Gould & Jori Kandra, Wages grew in 2020 because the bottom fell out of the low-wage labor market, Economic Policy Institute (Feb. 24, 2021), *https://files.epi.org/pdf/219418.pdf. See also,* Michael Dalton et al., The K-Shaped Recovery: Examining the Diverging Fortunes of Workers in the Recovery from the COVID–19 Pandemic using Business and Household Survey Microdata, U.S. Bureau of Labor Statistics Working Paper Series (Feb. 2021), *https://www.bls.gov/osmr/research-papers/2021/pdf/ec210020.pdf.*

[56] Center on Budget and Policy Priorities, Tracking the COVID–19 Recession's Effects on Food, Housing, and Employment Hardships, *https://www.cbpp.org/research/poverty-and-inequality/tracking-the-covid-19-recessions-effects-on-food-housing-and* (last visited May 8, 2021).

[57] Women have carried a larger share of childcare responsibilities than men during the COVID–19 crisis. *See, e.g.,* Gema Zamarro & María J. Prados, Gender differences in couples' division of childcare, work and mental health during COVID–19, Rev. Econ. Household 19:11–40 (2021), *available at https://link.springer.com/article/10.1007/s11150-020-09534-7;* Titan Alon et al., The Impact of COVID–19 on Gender Equality, National Bureau of Economic Research Working Paper 26947 (April 2020), *available at https://www.nber.org/papers/w26947.*

[58] U.S. Bureau of Labor Statistics, Labor Force Participation Rate—20 Yrs. & Over, Black or African American Women [LNS11300032], retrieved from FRED, Federal Reserve Bank of St. Louis; *https://fred.stlouisfed.org/series/LNS11300032* (last visited May 8, 2021).

[59] U.S. Bureau of Labor Statistics, Labor Force Participation Rate—20 Yrs. & Over, Black or African American Men [LNS11300031], retrieved from FRED, Federal Reserve Bank of St. Louis; *https://fred.stlouisfed.org/series/LNS11300031* (last visited May 8, 2021).

[60] U.S. Bureau of Labor Statistics, Labor Force Participation Rate—20 Yrs. & Over, White Women [LNS11300029], retrieved from FRED, Federal Reserve Bank of St. Louis; *https://fred.stlouisfed.org/series/LNS11300029* (last visited May 8, 2021).

[61] *See, e.g.,* Michael Greenstone & Adam Looney, Unemployment and Earnings Losses: A Look at Long-Term Impacts of the Great Recession on American Workers, Brookings Institution (Nov. 4, 2021), *https://www.brookings.edu/blog/jobs/2011/11/04/unemployment-and-earnings-losses-a-look-at-long-term-impacts-of-the-great-recession-on-american-workers/.*

[62] Chi Chi Wu, Solving the Credit Conundrum: Helping Consumers' Credit Records Impaired by the Foreclosure Crisis and Great Recession (Dec. 2013), *https://www.nclc.org/images/pdf/credit_reports/report-credit-conundrum-2013.pdf.*

[63] Irwin Garfinkel, Sara McLanahan, Christopher Wimer, eds., Children of the Great Recession, Russell Sage Foundation (Aug. 2016), *available at https://www.russellsage.org/publications/children-great-recession.*

[64] Board of Governors of the Federal Reserve System, *supra* note 5.

[65] U.S. Small Business Administration, Office of Advocacy, Small Businesses Generate 44 Percent of U.S. Economic Activity (Jan. 30, 2019), *https://advocacy.sba.gov/2019/01/30/small-businesses-generate-44-percent-of-u-s-economic-activity/.*

[66] Biden, *supra* note 6.

[67] Daniel Wilmoth, U.S. Small Business Administration Office of Advocacy, The Effects of the COVID–19 Pandemic on Small Businesses, Issue Brief No. 16 (Mar. 2021), *available at https://cdn.advocacy.sba.gov/wp-content/uploads/2021/03/02112318/COVID-19-Impact-On-Small-Business.pdf.*

[68] U.S. Census Bureau, Small Business Pulse Survey, *https://portal.census.gov/pulse/data/* (last visited May 8, 2021).

[69] Olivia S. Kim et al., Revenue Collapses and the Consumption of Small Business Owners in the Early Stages of the COVID–19 Pandemic (Nov. 2020), *https://www.nber.org/papers/w28151.*

[70] *See e.g.,* Board of Governors of the Federal Reserve System, Report to Congress on the Availability of Credit to Small Businesses (Sept. 2017), *available at https://www.federalreserve.gov/publications/2017-september-availability-of-credit-to-small-businesses.htm.*

[71] Alexander W. Bartik et al., The Impact of COVID–19 on small business outcomes and expectations, PNAS 117(30): 17656–66 (July 28, 2020), *available at https://www.pnas.org/content/117/30/17656.*

economic and financial challenges due to the pandemic.[72]

Impacts to State, Local, and Tribal Governments. State, local, and Tribal governments have felt substantial fiscal pressures. As noted above, State, local, and Tribal governments have faced significant revenue shortfalls and remain over 1 million jobs below their pre-pandemic staffing levels.[73] These reductions in staffing may undermine the ability to deliver services effectively, as well as add to the number of unemployed individuals in their jurisdictions.

Exacerbation of Pre-existing Disparities. The COVID–19 public health emergency may have lasting negative effects on economic outcomes, particularly in exacerbating disparities that existed prior to the pandemic.

The negative economic impacts of the COVID–19 pandemic are particularly pronounced in certain communities and families. Low- and moderate-income jobs make up a substantial portion of both total pandemic job losses,[74] and jobs that require in-person frontline work, which are exposed to greater risk of contracting COVID–19.[75] Both factors compound pre-existing vulnerabilities and the likelihood of food, housing, or other financial insecurity in low- and moderate-income families and, given the concentration of low- and moderate-income families within certain communities,[76] raise a substantial risk that the effects of the COVID–19 public health emergency will be amplified within these communities.

These compounding effect of recessions on concentrated poverty and the long-lasting nature of this effect were observed after the 2007–2009 recession, including a large increase in concentrated poverty with the number of people living in extremely poor neighborhoods more than doubling by 2010–2014 relative to 2000.[77] Concentrated poverty has a range of deleterious impacts, including additional burdens on families and reduced economic potential and social cohesion.[78] Given the disproportionate impact of COVID–19 on low-income households discussed above, there is a risk that the current pandemic-induced recession could further increase concentrated poverty and cause long-term damage to economic prospects in neighborhoods of concentrated poverty.

The negative economic impacts of COVID–19 also include significant impacts to children in disproportionately affected families and include impacts to education, health, and welfare, all of which contribute to long-term economic outcomes.[79] Many low-income and minority students, who were disproportionately served by remote or hybrid education during the pandemic, lacked the resources to participate fully in remote schooling or live in households without adults available throughout the day to assist with online coursework.[80] Given these trends, the pandemic may widen educational disparities and worsen outcomes for low-income students,[81] an effect that would substantially impact their long-term economic outcomes. Increased economic strain or material hardship due to the pandemic could also have a long-term impact on health, educational, and economic outcomes of young children.[82] Evidence suggests that adverse conditions in early childhood, including exposure to poverty, food insecurity, housing insecurity, or other economic hardships, are particularly impactful.[83]

The pandemic's disproportionate economic impacts are also seen in Tribal communities across the country—for Tribal governments as well as families and businesses on and off Tribal lands. In the early months of the pandemic, Native American unemployment spiked to 26 percent and, while partially recovered, remains at nearly 11 percent.[84] Tribal enterprises are a significant source of revenue for Tribal governments to support the provision of government services. These enterprises, notably concentrated in gaming, tourism, and hospitality, frequently closed, significantly reducing both revenues to Tribal governments and employment. As a result, Tribal governments have reduced essential services to their citizens and communities.[85]

Eligible Uses. Sections 602(c)(1)(A) and 603(c)(1)(A) permit use of payments from the Fiscal Recovery Funds to respond to the negative economic impacts of the COVID–19 public health emergency. Eligible uses that respond to the negative economic impacts of the public health emergency must be designed to address an economic harm resulting from or exacerbated by the public health emergency. In considering whether a program or service would be

[72] Federal Reserve Bank of San Francisco, Impacts of COVID–19 on Nonprofits in the Western United States (May 2020), *https://www.frbsf.org/community-development/files/impact-of-covid-nonprofits-serving-western-united-states.pdf.*

[73] Bureau of Labor Statistics, *supra* note 8; Elijah Moreno & Heather Sobrepena, Tribal entities remain resilient as COVID–19 batters their finances, Federal Reserve Bank of Minneapolis (Nov. 10, 2021), *https://www.minneapolisfed.org/article/2020/tribal-entities-remain-resilient-as-covid-19-batters-their-finances.*

[74] Kim Parker et al., Economic Fallout from COVID–19 Continues to Hit Lower-Income Americans the Hardest, Pew Research Center (Sept. 24, 2020), *https://www.pewresearch.org/social-trends/2020/09/24/economic-fallout-from-covid-19-continues-to-hit-lower-income-americans-the-hardest/;* Gould, *supra* note 55.

[75] *See infra* Section II.B of this Supplementary Information.

[76] Elizabeth Kneebone, The Changing geography of US poverty, Brookings Institution (Feb. 15, 2017), *https://www.brookings.edu/testimonies/the-changing-geography-of-us-poverty/.*

[77] Elizabeth Kneebone & Natalie Holmes, U.S. concentrated poverty in the wake of the Great Recession, Brookings Institution (Mar. 31, 2016), *https://www.brookings.edu/research/u-s-concentrated-poverty-in-the-wake-of-the-great-recession/.*

[78] David Erickson et al., The Enduring Challenge of Concentrated Poverty in America: Case Studies from Communities Across the U.S. (2008), *available at https://www.frbsf.org/community-development/files/cp_fullreport.pdf.*

[79] Educational quality, as early as Kindergarten, has a long-term impact on children's public health and economic outcomes. *See, e.g.,* Tyler W. Watts et al., The Chicago School Readiness Project: Examining the long-term impacts of an early childhood intervention, PLoS ONE 13(7) (2018), *available at https://journals.plos.org/plosone/article?id=10.1371/journal.pone.0200144;* Opportunity Insights, How Can We Amplify Education as an Engine of Mobility? Using big data to help children get the most from school, *https://opportunityinsights.org/education/* (last visited Apr. 26, 2021); U.S. Department of Health and Human Services (HHS), Office of Disease Prevention and Health Promotion, Early Childhood Development and Education, *https://www.healthypeople.gov/2020/topics-objectives/topic/social-determinants-health/interventions-resources/early-childhood-development-and-education* (last visited Apr. 26, 2021).

[80] *See, e.g.,* Bacher-Hicks, *supra* note 14.

[81] A Department of Education survey found that, as of February 2021, 42 percent of fourth grade students nationwide were offered only remote education, compared to 48 percent of economically disadvantaged students, 54 percent of Black students and 57 percent of Hispanic students. Large districts often disproportionately serve low-income students. *See* Institute of Education Sciences, Monthly School Survey Dashboard, *https://ies.ed.gov/schoolsurvey/* (last visited Apr. 26, 2021). In summer 2020, a review found that 74 percent of the largest 100 districts chose remote learning only. *See* Education Week, School Districts' Reopening Plans: A Snapshot (Jul. 15, 2020), *https://www.edweek.org/leadership/school-districts-reopening-plans-a-snapshot/2020/07* (last visited May 4, 2021).

[82] HHS, *supra* note 79.

[83] Hirokazu Yoshikawa, Effects of the Global Coronavirus Disease—2019 Pandemic on Early Childhood Development: Short- and Long-Term Risks and Mitigating Program and Policy Actions, J. of Pediatrics Vol. 223:188–93 (Aug. 1, 2020), *available at https://www.jpeds.com/article/S0022-3476(20)30606-5/abstract.*

[84] Based on calculations conducted by the Minneapolis Fed's Center for Indian Country Development using Flood et al. (2020)'s Current Population Survey." Sarah Flood, Miriam King, Renae Rodgers, Steven Ruggles and J. Robert Warren. Integrated Public Use Microdata Series, Current Population Survey: Version 8.0 [dataset]. Minneapolis, MN: IPUMS, 2020. *https://doi.org/10.18128/D030.V8.0; see also* Donna Feir & Charles Golding, Native Employment During COVID–19: Hard hit in April but Starting to Rebound? (Aug. 5, 2020), *https://www.minneapolisfed.org/article/2020/native-employment-during-covid-19-hit-hard-in-april-but-starting-to-rebound.*

[85] Moreno & Sobrepena, *supra* note 73.

eligible under this category, the recipient should assess whether, and the extent to which, there has been an economic harm, such as loss of earnings or revenue, that resulted from the COVID–19 public health emergency and whether, and the extent to which, the use would respond or address this harm.[86] A recipient should first consider whether an economic harm exists and whether this harm was caused or made worse by the COVID–19 public health emergency. While economic impacts may either be immediate or delayed, assistance or aid to individuals or businesses that did not experience a negative economic impact from the public health emergency would not be an eligible use under this category.

In addition, the eligible use must "respond to" the identified negative economic impact. Responses must be related and reasonably proportional to the extent and type of harm experienced; uses that bear no relation or are grossly disproportionate to the type or extent of harm experienced would not be eligible uses. Where there has been a negative economic impact resulting from the public health emergency, States, local, and Tribal governments have broad latitude to choose whether and how to use the Fiscal Recovery Funds to respond to and address the negative economic impact. Sections 602(c)(1)(A) and 603(c)(1)(A) describe several types of uses that would be eligible under this category, including assistance to households, small businesses, and nonprofits and aid to impacted industries such as tourism, travel, and hospitality.

To facilitate implementation and use of payments from the Fiscal Recovery Funds, the interim final rule identifies a non-exclusive list of eligible uses of funding that respond to the negative economic impacts of the public health emergency. Consistent with the discussion above, the eligible uses listed below would respond directly to the economic or financial harms resulting from and or exacerbated by the public health emergency.

- *Assistance to Unemployed Workers.* This includes assistance to unemployed workers, including services like job training to accelerate rehiring of unemployed workers; these services may extend to workers unemployed due to the pandemic or the resulting recession, or who were already unemployed when the pandemic began and remain so due to the negative economic impacts of the pandemic.
- *State Unemployment Insurance Trust Funds.* Consistent with the approach taken in the CRF, recipients may make deposits into the state account of the Unemployment Trust Fund established under section 904 of the Social Security Act (42 U.S.C. 1104) up to the level needed to restore the pre-pandemic balances of such account as of January 27, 2020 or to pay back advances received under Title XII of the Social Security Act (42 U.S.C. 1321) for the payment of benefits between January 27, 2020 and May 17, 2021, given the close nexus between Unemployment Trust Fund costs, solvency of Unemployment Trust Fund systems, and pandemic economic impacts. Further, Unemployment Trust Fund deposits can decrease fiscal strain on Unemployment Insurance systems impacted by the pandemic. States facing a sharp increase in Unemployment Insurance claims during the pandemic may have drawn down positive Unemployment Trust Fund balances and, after exhausting the balance, required advances to fund continuing obligations to claimants. Because both of these impacts were driven directly by the need for assistance to unemployed workers during the pandemic, replenishing Unemployment Trust Funds up to the pre-pandemic level responds to the pandemic's negative economic impacts on unemployed workers.
- *Assistance to Households.* Assistance to households or populations facing negative economic impacts due to COVID–19 is also an eligible use. This includes: Food assistance; rent, mortgage, or utility assistance; counseling and legal aid to prevent eviction or homelessness; cash assistance (discussed below); emergency assistance for burials, home repairs, weatherization, or other needs; internet access or digital literacy assistance; or job training to address negative economic or public health impacts experienced due to a worker's occupation or level of training. As discussed above, in considering whether a potential use is eligible under this category, a recipient must consider whether, and the extent to which, the household has experienced a negative economic impact from the pandemic. In assessing whether a household or population experienced economic harm as a result of the pandemic, a recipient may presume that a household or population that experienced unemployment or increased food or housing insecurity or is low- or moderate-income experienced negative economic impacts resulting from the pandemic. For example, a cash transfer program may focus on unemployed workers or low- and moderate-income families, which have faced disproportionate economic harms due to the pandemic. Cash transfers must be reasonably proportional to the negative economic impact they are intended to address. Cash transfers grossly in excess of the amount needed to address the negative economic impact identified by the recipient would not be considered to be a response to the COVID–19 public health emergency or its negative impacts. In particular, when considering the appropriate size of permissible cash transfers made in response to the COVID–19 public health emergency, State, local and Tribal governments may consider and take guidance from the per person amounts previously provided by the Federal Government in response to the COVID–19 crisis. Cash transfers that are grossly in excess of such amounts would be outside the scope of eligible uses under sections 602(c)(1)(A) and 603(c)(1)(A) and could be subject to recoupment. In addition, a recipient could provide survivor's benefits to surviving family members of COVID–19 victims, or cash assistance to widows, widowers, and dependents of eligible COVID–19 victims.
- *Expenses to Improve Efficacy of Economic Relief Programs.* State, local, and Tribal governments may use payments from the Fiscal Recovery Funds to improve efficacy of programs addressing negative economic impacts, including through use of data analysis, targeted consumer outreach, improvements to data or technology infrastructure, and impact evaluations.
- *Small Businesses and Non-profits.* As discussed above, small businesses and non-profits faced significant challenges in covering payroll, mortgages or rent, and other operating costs as a result of the public health emergency and measures taken to contain the spread of the virus. State, local, and Tribal governments may provide assistance to small businesses to adopt safer operating procedures, weather periods of closure, or mitigate financial hardship resulting from the COVID–19 public health emergency, including:
  - Loans or grants to mitigate financial hardship such as declines in revenues or impacts of periods of business closure, for example by supporting payroll and benefits costs, costs to retain employees, mortgage, rent, or utilities costs, and other operating costs;
  - Loans, grants, or in-kind assistance to implement COVID–19 prevention or mitigation tactics, such as physical

[86] In some cases, a use may be permissible under another eligible use category even if it falls outside the scope of section (c)(1)(A) of the Act.

plant changes to enable social distancing, enhanced cleaning efforts, barriers or partitions, or COVID–19 vaccination, testing, or contact tracing programs; and

○ Technical assistance, counseling, or other services to assist with business planning needs.

As discussed above, these services should respond to the negative economic impacts of COVID–19. Recipients may consider additional criteria to target assistance to businesses in need, including small businesses. Such criteria may include businesses facing financial insecurity, substantial declines in gross receipts (*e.g.*, comparable to measures used to assess eligibility for the Paycheck Protection Program), or other economic harm due to the pandemic, as well as businesses with less capacity to weather financial hardship, such as the smallest businesses, those with less access to credit, or those serving disadvantaged communities. Recipients should consider local economic conditions and business data when establishing such criteria.[87]

• *Rehiring State, Local, and Tribal Government Staff.* State, local, and Tribal governments continue to see pandemic impacts in overall staffing levels: State, local, and Tribal government employment remains more than 1 million jobs lower in April 2021 than prior to the pandemic.[88] Employment losses decrease a state or local government's ability to effectively administer services. Thus, the interim final rule includes as an eligible use payroll, covered benefits, and other costs associated with rehiring public sector staff, up to the pre-pandemic staffing level of the government.

• *Aid to Impacted Industries.* Sections 602(c)(1)(A) and 603(c)(1)(A) recognize that certain industries, such as tourism, travel, and hospitality, were disproportionately and negatively impacted by the COVID–19 public health emergency. Aid provided to tourism, travel, and hospitality industries should respond to the negative economic impacts of the pandemic on those and similarly impacted industries. For example, aid may include assistance to implement COVID–19 mitigation and infection prevention measures to enable safe resumption of tourism, travel, and hospitality services, for example, improvements to ventilation, physical barriers or partitions, signage to facilitate social distancing, provision of masks or personal protective equipment, or consultation with infection prevention professionals to develop safe reopening plans.

Aid may be considered responsive to the negative economic impacts of the pandemic if it supports businesses, attractions, business districts, and Tribal development districts operating prior to the pandemic and affected by required closures and other efforts to contain the pandemic. For example, a recipient may provide aid to support safe reopening of businesses in the tourism, travel, and hospitality industries and to business districts that were closed during the COVID–19 public health emergency, as well as aid for a planned expansion or upgrade of tourism, travel, and hospitality facilities delayed due to the pandemic.

When considering providing aid to industries other than tourism, travel, and hospitality, recipients should consider the extent of the economic impact as compared to tourism, travel, and hospitality, the industries enumerated in the statute. For example, on net, the leisure and hospitality industry has experienced an approximately 24 percent decline in revenue and approximately 17 percent decline in employment nationwide due to the COVID–19 public health emergency.[89] Recipients should also consider whether impacts were due to the COVID–19 pandemic, as opposed to longer-term economic or industrial trends unrelated to the pandemic.

To facilitate transparency and accountability, the interim final rule requires that State, local, and Tribal governments publicly report assistance provided to private-sector businesses under this eligible use, including tourism, travel, hospitality, and other impacted industries, and its connection to negative economic impacts of the pandemic. Recipients also should maintain records to support their assessment of how businesses or business districts receiving assistance were affected by the negative economic impacts of the pandemic and how the aid provided responds to these impacts.

As discussed above, economic disparities that existed prior to the COVID–19 public health emergency amplified the impact of the pandemic among low-income and minority groups. These families were more likely to face housing, food, and financial insecurity; are over-represented among low-wage workers; and many have seen their livelihoods deteriorate further during the pandemic and economic contraction. In recognition of the disproportionate negative economic impacts on certain communities and populations, the interim final rule identifies services and programs that will be presumed to be responding to the negative economic impacts of the COVID–19 public health emergency when provided in these communities.

Specifically, Treasury will presume that certain types of services, outlined below, are eligible uses when provided in a QCT, to families and individuals living in QCTs, or when these services are provided by Tribal governments.[90] Recipients may also provide these services to other populations, households, or geographic areas disproportionately impacted by the pandemic. In identifying these disproportionately impacted communities, recipients should be able to support their determination that the pandemic resulted in disproportionate public health or economic outcomes to the specific populations, households, or geographic areas to be served. The interim final rule identifies a non-exclusive list of uses that address the disproportionate negative economic effects of the COVID–19 public health emergency, including:

○ *Building Stronger Communities through Investments in Housing and Neighborhoods.* The economic impacts of COVID–19 have likely been most acute in lower-income neighborhoods, including concentrated areas of high unemployment, limited economic opportunity, and housing insecurity.[91]

[87] *See* Federal Reserve Bank of Cleveland, An Uphill Battle: COVID–19's Outsized Toll on Minority-Owned Firms (Oct. 8, 2020), *https://www.clevelandfed.org/newsroom-and-events/publications/community-development-briefs/db-20201008-misera-report.aspx* (discussing the impact of COVID–19 on minority owned businesses).

[88] U.S. Bureau of Labor Statistics, All Employees, State Government [CES9092000001] and All Employees, Local Government [CES9093000001], retrieved from FRED, Federal Reserve Bank of St. Louis, *https://fred.stlouisfed.org/series/CES9092000001* and *https://fred.stlouisfed.org/series/CES9093000001* (last visited May 8, 2021).

[89] From February 2020 to April 2021, employment in "Leisure and hospitality" has fallen by approximately 17 percent. *See* U.S. Bureau of Labor Statistics, All Employees, Leisure and Hospitality, retrieved from FRED, Federal Reserve Bank of St. Louis, *https://fred.stlouisfed.org/series/USLAH* (last visited May 8, 2021). From 2019Q4 to 2020Q4, gross output (*e.g.* revenue) in arts, entertainment, recreation, accommodation, and food services has fallen by approximately 24 percent. *See* Bureau of Economic Analysis, News Release: Gross Domestic Product (Third Estimate), Corporate Profits, and GDP by Industry, Fourth Quarter and Year 2020 (Mar. 25, 2021), Table 17, *https://www.bea.gov/sites/default/files/2021-03/gdp4q20_3rd.pdf.*

[90] HUD, *supra* note 48.

[91] Stuart M. Butler & Jonathan Grabinsky, Tackling the legacy of persistent urban inequality and concentrated poverty, Brookings Institution (Nov. 16, 2020), *https://www.brookings.edu/blog/up-front/2020/11/16/tackling-the-legacy-of-*

Continued

Services in this category alleviate the immediate economic impacts of the COVID–19 pandemic on housing insecurity, while addressing conditions that contributed to poor public health and economic outcomes during the pandemic, namely concentrated areas with limited economic opportunity and inadequate or poor-quality housing.[92] Eligible services include:

- Services to address homelessness such as supportive housing, and to improve access to stable, affordable housing among unhoused individuals;
- Affordable housing development to increase supply of affordable and high-quality living units; and
- Housing vouchers, residential counseling, or housing navigation assistance to facilitate household moves to neighborhoods with high levels of economic opportunity and mobility for low-income residents, to help residents increase their economic opportunity and reduce concentrated areas of low economic opportunity.[93]

○ *Addressing Educational Disparities.* As outlined above, school closures and the transition to remote education raised particular challenges for lower-income students, potentially exacerbating educational disparities, while increases in economic hardship among families could have long-lasting impacts on children's educational and economic prospects. Services under this prong would enhance educational supports to help mitigate impacts of the pandemic. Eligible services include:

- New, expanded, or enhanced early learning services, including pre-kindergarten, Head Start, or partnerships between pre-kindergarten programs and local education authorities, or administration of those services;
- Providing assistance to high-poverty school districts to advance equitable funding across districts and geographies;
- Evidence-based educational services and practices to address the academic needs of students, including tutoring, summer, afterschool, and other extended learning and enrichment programs; and
- Evidence-based practices to address the social, emotional, and mental health needs of students;

○ *Promoting Healthy Childhood Environments.* Children's economic and family circumstances have a long-term impact on their future economic outcomes.[94] Increases in economic hardship, material insecurity, and parental stress and behavioral health challenges all raise the risk of long-term harms to today's children due to the pandemic. Eligible services to address this challenge include:

- New or expanded high-quality childcare to provide safe and supportive care for children;
- Home visiting programs to provide structured visits from health, parent educators, and social service professionals to pregnant women or families with young children to offer education and assistance navigating resources for economic support, health needs, or child development; and
- Enhanced services for child welfare-involved families and foster youth to provide support and training on child development, positive parenting, coping skills, or recovery for mental health and substance use challenges.

State, local, and Tribal governments are encouraged to use payments from the Fiscal Recovery Funds to respond to the direct and immediate needs of the pandemic and its negative economic impacts and, in particular, the needs of households and businesses that were disproportionately and negatively impacted by the public health emergency. As highlighted above, low-income communities and workers and people of color have faced more severe health and economic outcomes during the pandemic, with pre-existing social vulnerabilities like low-wage or insecure employment, concentrated neighborhoods with less economic opportunity, and pre-existing health disparities likely contributing to the magnified impact of the pandemic. The Fiscal Recovery Funds provide resources to not only respond to the immediate harms of the pandemic but also to mitigate its longer-term impact in compounding the systemic public health and economic challenges of disproportionately impacted populations. Treasury encourages recipients to consider funding uses that foster a strong, inclusive, and equitable recovery, especially uses with long-term benefits for health and economic outcomes.

Uses Outside the Scope of this Category. Certain uses would not be within the scope of this eligible use category, although may be eligible under other eligible use categories. A general infrastructure project, for example, typically would not be included unless the project responded to a specific pandemic public health need (*e.g.*, investments in facilities for the delivery of vaccines) or a specific negative economic impact like those described above (*e.g.*, affordable housing in a QCT). The ARPA explicitly includes infrastructure if it is "necessary" and in water, sewer, or broadband. *See* Section II.D of this **SUPPLEMENTARY INFORMATION.** State, local, and Tribal governments also may use the Fiscal Recovery Funds under sections 602(c)(1)(C) or 603(c)(1)(C) to provide "government services" broadly to the extent of their reduction in revenue. *See* Section II.C of this **SUPPLEMENTARY INFORMATION.**

This category of eligible uses also would not include contributions to rainy day funds, financial reserves, or similar funds. Resources made available under this eligible use category are intended to help meet pandemic response needs and provide relief for households and businesses facing near- and long-term negative economic impacts. Contributions to rainy day funds and similar financial reserves would not address these needs or respond to the COVID–19 public health emergency but would rather constitute savings for future spending needs. Similarly, this eligible use category would not include payment of interest or principal on outstanding debt instruments, including, for example, short-term revenue or tax anticipation notes, or other debt service costs. As discussed below, payments from the Fiscal Recovery Funds are intended to be used prospectively and the interim final rule precludes use of these funds to cover the costs of debt incurred prior to March 3, 2021. Fees or issuance costs associated with the issuance of new debt would also not be covered using payments from the Fiscal Recovery Funds because such costs would not themselves have been incurred to address the needs of pandemic response or its negative economic impacts. The purpose of the Fiscal Recovery Funds is to provide fiscal relief that will permit State, local, and Tribal governments to continue to respond to the COVID–19 public health emergency.

For the same reasons, this category of eligible uses would not include satisfaction of any obligation arising under or pursuant to a settlement agreement, judgment, consent decree, or judicially confirmed debt restructuring

persistent-urban-inequality-and-concentrated-poverty/.

[92] U.S. Department of Health and Human Services (HHS), Office of Disease Prevention and Health Promotion, Quality of Housing, *https://www.healthypeople.gov/2020/topics-objectives/topic/social-determinants-health/interventions-resources/quality-of-housing#11* (last visited Apr. 26, 2021).

[93] The Opportunity Atlas, *https://www.opportunityatlas.org/* (last visited Apr. 26, 2021); Raj Chetty & Nathaniel Hendren, The Impacts of Neighborhoods on Intergenerational Mobility I: Childhood Exposure Effects, Quarterly J. of Econ. 133(3):1107–162 (2018), *available at https://opportunityinsights.org/paper/neighborhoodsi/.*

[94] *See* supra notes 52 and 84.

plan in a judicial, administrative, or regulatory proceeding, except to the extent the judgment or settlement requires the provision of services that would respond to the COVID–19 public health emergency. That is, satisfaction of a settlement or judgment would not itself respond to COVID–19 with respect to the public health emergency or its negative economic impacts, unless the settlement requires the provision of services or aid that did directly respond to these needs, as described above.

In addition, as described in Section V.III of this **SUPPLEMENTARY INFORMATION**, Treasury will establish reporting and record keeping requirements for uses within this category, including enhanced reporting requirements for certain types of uses.

Question 1: Are there other types of services or costs that Treasury should consider as eligible uses to respond to the public health impacts of COVID–19? Describe how these respond to the COVID–19 public health emergency.

Question 2: The interim final rule permits coverage of payroll and benefits costs of public health and safety staff primarily dedicated to COVID–19 response, as well as rehiring of public sector staff up to pre-pandemic levels. For how long should these measures remain in place? What other measures or presumptions might Treasury consider to assess the extent to which public sector staff are engaged in COVID–19 response, and therefore reimbursable, in an easily-administrable manner?

Question 3: The interim final rule permits rehiring of public sector staff up to the government's pre-pandemic staffing level, which is measured based on employment as of January 27, 2020. Does this approach adequately measure the pre-pandemic staffing level in a manner that is both accurate and easily administrable? Why or why not?

Question 4: The interim final rule permits deposits to Unemployment Insurance Trust Funds, or using funds to pay back advances, up to the pre-pandemic balance. What, if any, conditions should be considered to ensure that funds repair economic impacts of the pandemic and strengthen unemployment insurance systems?

Question 5: Are there other types of services or costs that Treasury should consider as eligible uses to respond to the negative economic impacts of COVID–19? Describe how these respond to the COVID–19 public health emergency.

Question 6: What other measures, presumptions, or considerations could be used to assess "impacted industries" affected by the COVID–19 public health emergency?

Question 7: What are the advantages and disadvantages of using Qualified Census Tracts and services provided by Tribal governments to delineate where a broader range of eligible uses are presumed to be responsive to the public health and economic impacts of COVID–19? What other measures might Treasury consider? Are there other populations or geographic areas that were disproportionately impacted by the pandemic that should be explicitly included?

Question 8: Are there other services or costs that Treasury should consider as eligible uses to respond to the disproportionate impacts of COVID–19 on low-income populations and communities? Describe how these respond to the COVID–19 public health emergency or its negative economic impacts, including its exacerbation of pre-existing challenges in these areas.

Question 9: The interim final rule includes eligible uses to support affordable housing and stronger neighborhoods in disproportionately-impacted communities. Discuss the advantages and disadvantages of explicitly including other uses to support affordable housing and stronger neighborhoods, including rehabilitation of blighted properties or demolition of abandoned or vacant properties. In what ways does, or does not, this potential use address public health or economic impacts of the pandemic? What considerations, if any, could support use of Fiscal Recovery Funds in ways that do not result in resident displacement or loss of affordable housing units?

B. Premium Pay

Fiscal Recovery Funds payments may be used by recipients to provide premium pay to eligible workers performing essential work during the COVID–19 public health emergency or to provide grants to third-party employers with eligible workers performing essential work.[95] These are workers who have been and continue to be relied on to maintain continuity of operations of essential critical infrastructure sectors, including those who are critical to protecting the health and wellbeing of their communities.

Since the start of the COVID–19 public health emergency in January 2020, essential workers have put their physical wellbeing at risk to meet the daily needs of their communities and to provide care for others. In the course of this work, many essential workers have contracted or died of COVID–19.[96] Several examples reflect the severity of the health impacts for essential workers. Meat processing plants became "hotspots" for transmission, with 700 new cases reported at a single plant on a single day in May 2020.[97] In New York City, 120 employees of the Metropolitan Transit Authority were estimated to have died due to COVID–19 by mid-May 2020, with nearly 4,000 testing positive for the virus.[98] Furthermore, many essential workers are people of color or low-wage workers.[99] These workers, in particular, have borne a disproportionate share of the health and economic impacts of the pandemic. Such workers include:

- Staff at nursing homes, hospitals, and home care settings;
- Workers at farms, food production facilities, grocery stores, and restaurants;
- Janitors and sanitation workers;
- Truck drivers, transit staff, and warehouse workers;
- Public health and safety staff;
- Childcare workers, educators, and other school staff; and
- Social service and human services staff.

During the public health emergency, employers' policies on COVID–19-related hazard pay have varied widely, with many essential workers not yet compensated for the heightened risks they have faced and continue to face.[100]

[95] Sections 602(c)(1)(B), 603(c)(1)(B) of the Act.

[96] *See, e.g.*, Centers for Disease Control and Prevention, COVID Data Tracker: Cases & Death among Healthcare Personnel, *https://covid.cdc.gov/covid-data-tracker/#health-care-personnel* (last visited May 4, 2021); Centers for Disease Control and Prevention, COVID Data Tracker: Confirmed COVID–19 Cases and Deaths among Staff and Rate per 1,000 Resident-Weeks in Nursing Homes, by Week—United States, *https://covid.cdc.gov/covid-data-tracker/#nursing-home-staff* (last visited May 4, 2021).

[97] *See, e.g.*, The Lancet, The plight of essential workers during the COVID–19 pandemic, Vol. 395, Issue 10237:1587 (May 23, 2020), *available at https://www.thelancet.com/journals/lancet/article/PIIS0140-6736%2820%2931200-9/fulltext.*

[98] *Id.*

[99] Joanna Gaitens et al., Covid–19 and essential workers: A narrative review of health outcomes and moral injury, Int'l J. of Envtl. Research and Pub. Health 18(4):1446 (Feb. 4, 2021), *available at https://pubmed.ncbi.nlm.nih.gov/33557075/;* Tiana N. Rogers et al., Racial Disparities in COVID–19 Mortality Among Essential Workers in the United States, World Med. & Health policy 12(3):311–27 (Aug. 5, 2020), *available at https://onlinelibrary.wiley.com/doi/full/10.1002/wmh3.358* (finding that vulnerability to coronavirus exposure was increased among non-Hispanic blacks, who disproportionately occupied the top nine essential occupations).

[100] Economic Policy Institute, Only 30% of those working outside their home are receiving hazard pay (June 16, 2020), *https://www.epi.org/press/only-30-of-those-working-outside-their-home-are-receiving-hazard-pay-black-and-hispanic-workers-are-most-concerned-about-bringing-the-coronavirus-home/.*

Many of these workers earn lower wages on average and live in socioeconomically vulnerable communities as compared to the general population.[101] A recent study found that 25 percent of essential workers were estimated to have low household income, with 13 percent in high-risk households.[102] The low pay of many essential workers makes them less able to cope with the financial consequences of the pandemic or their work-related health risks, including working hours lost due to sickness or disruptions to childcare and other daily routines, or the likelihood of COVID–19 spread in their households or communities. Thus, the threats and costs involved with maintaining the ongoing operation of vital facilities and services have been, and continue to be, borne by those that are often the most vulnerable to the pandemic. The added health risk to essential workers is one prominent way in which the pandemic has amplified pre-existing socioeconomic inequities.

The Fiscal Recovery Funds will help respond to the needs of essential workers by allowing recipients to remunerate essential workers for the elevated health risks they have faced and continue to face during the public health emergency. To ensure that premium pay is targeted to workers that faced or face heightened risks due to the character of their work, the interim final rule defines essential work as work involving regular in-person interactions or regular physical handling of items that were also handled by others. A worker would not be engaged in essential work and, accordingly may not receive premium pay, for telework performed from a residence.

Sections 602(g)(2) and 603(g)(2) define eligible worker to mean "those workers needed to maintain continuity of operations of essential critical infrastructure sectors and additional sectors as each Governor of a State or territory, or each Tribal government, may designate as critical to protect the health and well-being of the residents of their State, territory, or Tribal government." [103] The rule incorporates this definition and provides a list of industries recognized as essential critical infrastructure sectors.[104] These sectors include healthcare, public health and safety, childcare, education, sanitation, transportation, and food production and services, among others as noted above. As provided under sections 602(g)(2) and 603(g)(2), the chief executive of each recipient has discretion to add additional sectors to this list, so long as additional sectors are deemed critical to protect the health and well-being of residents.

In providing premium pay to essential workers or grants to eligible employers, a recipient must consider whether the pay or grant would "respond to" to the worker or workers performing essential work. Premium pay or grants provided under this section respond to workers performing essential work if it addresses the heightened risk to workers who must be physically present at a jobsite and, for many of whom, the costs associated with illness were hardest to bear financially. Many of the workers performing critical essential services are low- or moderate-income workers, such as those described above. The ARPA recognizes this by defining premium pay to mean an amount up to $13 per hour in addition to wages or remuneration the worker otherwise receives and in an aggregate amount not to exceed $25,000 per eligible worker. To ensure the provision is implemented in a manner that compensates these workers, the interim final rule provides that any premium pay or grants provided using the Fiscal Recovery Funds should prioritize compensation of those lower income eligible workers that perform essential work.

As such, providing premium pay to eligible workers responds to such workers by helping address the disparity between the critical services and risks taken by essential workers and the relatively low compensation they tend to receive in exchange. If premium pay would increase a worker's total pay above 150 percent of their residing state's average annual wage for all occupations, as defined by the Bureau of Labor Statistics' Occupational Employment and Wage Statistics, or their residing county's average annual wage, as defined by the Bureau of Labor Statistics' Occupational Employment and Wage Statistics, whichever is higher, on an annual basis, the State, local, or Tribal government must provide Treasury and make publicly available, whether for themselves or on behalf of a grantee, a written justification of how the premium pay or grant is responsive to workers performing essential worker during the public health emergency.[105]

The threshold of 150 percent for requiring additional written justification is based on an analysis of the distribution of labor income for a sample of 20 occupations that generally correspond to the essential workers as defined in the interim final rule.[106] For these occupations, labor income for the vast majority of workers was under 150 percent of average annual labor income across all occupations. Treasury anticipates that the threshold of 150 percent of the annual average wage will be greater than the annual average wage of the vast majority of eligible workers performing essential work. These enhanced reporting requirements help to ensure grants are directed to essential workers in critical infrastructure sectors and responsive to the impacts of the pandemic observed among essential workers, namely the mis-alignment between health risks and compensation. Enhanced reporting also provides transparency to the public. Finally, using a localized measure reflects differences in wages and cost of living across the country, making this standard administrable and reflective of essential worker incomes across a diverse range of geographic areas.

Furthermore, because premium pay is intended to compensate essential workers for heightened risk due to COVID–19, it must be entirely additive to a worker's regular rate of wages and other remuneration and may not be used to reduce or substitute for a worker's normal earnings. The definition of premium pay also clarifies that premium pay may be provided retrospectively for work performed at any time since the start of the COVID–19 public health emergency, where those workers have yet to be compensated adequately for work previously performed.[107] Treasury encourages recipients to prioritize providing retrospective premium pay where possible, recognizing that many essential workers have not yet received additional compensation for work conducted over the course of many

[101] McCormack, *supra* note 37.

[102] *Id.*

[103] Sections 602(g)(2), 603(g)(2) of the Act.

[104] The list of critical infrastructure sectors provided in the interim final rule is based on the list of essential workers under The Heroes Act, H.R. 6800, 116th Cong. (2020).

[105] County median annual wage is taken to be that of the metropolitan or nonmetropolitan area that includes the county. *See* U.S. Bureau of Labor Statistics, State Occupational Employment and Wage Estimates, *https://www.bls.gov/oes/current/oessrcst.htm* (last visited May 1, 2021); U.S. Bureau of Labor Statistics, May 2020 Metropolitan and Nonmetropolitan Area Estimates listed by county or town, *https://www.bls.gov/oes/current/county_links.htm* (last visited May 1, 2021).

[106] Treasury performed this analysis with data from the U.S. Census Bureau's 2019 Annual Social and Economic Supplement. In determining which occupations to include in this analysis, Treasury excluded management and supervisory positions, as such positions may not necessarily involve regular in-person interactions or physical handling of items to the same extent as non-managerial positions.

[107] However, such compensation must be "in addition to" remuneration or wages already received. That is, employers may not reduce such workers' current pay and use Fiscal Recovery Funds to compensate themselves for premium pay previously provided to the worker.

months. Essential workers who have already earned premium pay for essential work performed during the COVID–19 public health emergency remain eligible for additional payments, and an essential worker may receive both retrospective premium pay for prior work as well as prospective premium pay for current or ongoing work.

To ensure any grants respond to the needs of essential workers and are made in a fair and transparent manner, the rule imposes some additional reporting requirements for grants to third-party employers, including the public disclosure of grants provided. *See* Section VIII of this **SUPPLEMENTARY INFORMATION**, discussing reporting requirements. In responding to the needs of essential workers, a grant to an employer may provide premium pay to eligible workers performing essential work, as these terms are defined in the interim final rule and discussed above. A grant provided to an employer may also be for essential work performed by eligible workers pursuant to a contract. For example, if a municipality contracts with a third party to perform sanitation work, the third-party contractor could be eligible to receive a grant to provide premium pay for these eligible workers.

Question 10: Are there additional sectors beyond those listed in the interim final rule that should be considered essential critical infrastructure sectors?

Question 11: What, if any, additional criteria should Treasury consider to ensure that premium pay responds to essential workers?

Question 12: What consideration, if any, should be given to the criteria on salary threshold, including measure and level, for requiring written justification?

C. Revenue Loss

Recipients may use payments from the Fiscal Recovery Funds for the provision of government services to the extent of the reduction in revenue experienced due to the COVID–19 public health emergency.[108] Pursuant to sections 602(c)(1)(C) and 603(c)(1)(C) of the Act, a recipient's reduction in revenue is measured relative to the revenue collected in the most recent full fiscal year prior to the emergency.

Many State, local, and Tribal governments are experiencing significant budget shortfalls, which can have a devastating impact on communities. State government tax revenue from major sources were down 4.3 percent in the six months ended September 2020, relative to the same period 2019.[109] At the local level, nearly 90 percent of cities have reported being less able to meet the fiscal needs of their communities and, on average, cities expect a double-digit decline in general fund revenues in their fiscal year 2021.[110] Similarly, surveys of Tribal governments and Tribal enterprises found majorities of respondents reporting substantial cost increases and revenue decreases, with Tribal governments reporting reductions in healthcare, housing, social services, and economic development activities as a result of reduced revenues.[111] These budget shortfalls are particularly problematic in the current environment, as State, local, and Tribal governments work to mitigate and contain the COVID–19 pandemic and help citizens weather the economic downturn.

Further, State, local, and Tribal government budgets affect the broader economic recovery. During the period following the 2007–2009 recession, State and local government budget pressures led to fiscal austerity that was a significant drag on the overall economic recovery.[112] Inflation-adjusted State and local government revenue did not return to the previous peak until 2013,[113] while State, local, and Tribal government employment did not recover to its prior peak for over a decade, until August 2019—just a few months before the COVID–19 public health emergency began.[114]

Sections 602(c)(1)(C) and 603(c)(1)(C) of the Act allow recipients facing budget shortfalls to use payments from the Fiscal Recovery Funds to avoid cuts to government services and, thus, enable State, local, and Tribal governments to continue to provide valuable services and ensure that fiscal austerity measures do not hamper the broader economic recovery. The interim final rule implements these provisions by establishing a definition of "general revenue" for purposes of calculating a loss in revenue and by providing a methodology for calculating revenue lost due to the COVID–19 public health emergency.

General Revenue. The interim final rule adopts a definition of "general revenue" based largely on the components reported under "General Revenue from Own Sources" in the Census Bureau's Annual Survey of State and Local Government Finances, and for purposes of this interim final rule, helps to ensure that the components of general revenue would be calculated in a consistent manner.[115] By relying on a methodology that is both familiar and comprehensive, this approach minimizes burden to recipients and provides consistency in the measurement of general revenue across a diverse set of recipients.

The interim final rule defines the term "general revenue" to include revenues collected by a recipient and generated from its underlying economy and would capture a range of different types of tax revenues, as well as other types of revenue that are available to support government services.[116] In calculating revenue, recipients should sum across all revenue streams covered as general revenue. This approach minimizes the administrative burden for recipients, provides for greater consistency across recipients, and presents a more accurate representation of the overall impact of

[108] ARPA, *supra* note 16.

[109] Major sources include personal income tax, corporate income tax, sales tax, and property tax. *See* Lucy Dadayan., States Reported Revenue Growth in July–September Quarter, Reflecting Revenue Shifts from the Prior Quarter, State Tax and Econ. Rev. (Q. 3, 2020), *available at https://www.urban.org/sites/default/files/publication/103938/state-tax-and-economic-review-2020-q3_0.pdf.*

[110] National League of Cities, City Fiscal Conditions (2020), *available at https://www.nlc.org/wp-content/uploads/2020/08/City_Fiscal_Conditions_2020_FINAL.pdf.*

[111] Surveys conducted by the Center for Indian Country Development at the Federal Reserve Bank of Minneapolis in March, April, and September 2020. *See* Moreno & Sobrepena, *supra* note 73.

[112] *See, e.g.,* Fitzpatrick, Haughwout & Setren, Fiscal Drag from the State and Local Sector?, Liberty Street Economics Blog, Federal Reserve Bank of New York (June 27, 2012), *https://www.libertystreeteconomics.newyorkfed.org/2012/06/fiscal-drag-from-the-state-and-local-sector.html;* Jiri Jonas, Great Recession and Fiscal Squeeze at U.S. Subnational Government Level, IMF Working Paper 12/184, (July 2012), *available at https://www.imf.org/external/pubs/ft/wp/2012/wp12184.pdf;* Gordon, *supra* note 9.

[113] State and local government general revenue from own sources, adjusted for inflation using the GDP price index. U.S. Census Bureau, Annual Survey of State Government Finances and U.S. Bureau of Economic Analysis, National Income and Product Accounts.

[114] U.S. Bureau of Labor Statistics, All Employees, State Government [CES9092000001] and All Employees, Local Government [CES9093000001], retrieved from FRED, Federal Reserve Bank of St. Louis, *https://fred.stlouisfed.org/series/CES9092000001* and *https://fred.stlouisfed.org/series/CES9093000001* (last visited Apr. 27, 2021).

[115] U.S. Census Bureau, Annual Survey of State and Local Government Finances, *https://www.census.gov/programs-surveys/gov-finances.html* (last visited Apr. 30, 2021).

[116] The interim final rule would define tax revenue in a manner consistent with the Census Bureau's definition of tax revenue, with certain changes (*i.e.,* inclusion of revenue from liquor stores and certain intergovernmental transfers). Current charges are defined as "charges imposed for providing current services or for the sale of products in connection with general government activities." It includes revenues such as public education institution, public hospital, and toll revenues. Miscellaneous general revenue comprises of all other general revenue of governments from their own sources (*i.e.,* other than liquor store, utility, and insurance trust revenue), including rents, royalties, lottery proceeds, and fines.

the COVID–19 public health emergency on a recipient's revenue, rather than relying on financial reporting prepared by each recipient, which vary in methodology used and which generally aggregates revenue by purpose rather than by source.[117]

Consistent with the Census Bureau's definition of "general revenue from own sources," the definition of general revenue in the interim final rule would exclude refunds and other correcting transactions, proceeds from issuance of debt or the sale of investments, and agency or private trust transactions. The definition of general revenue also would exclude revenue generated by utilities and insurance trusts. In this way, the definition of general revenue focuses on sources that are generated from economic activity and are available to fund government services, rather than a fund or administrative unit established to account for and control a particular activity.[118] For example, public utilities typically require financial support from the State, local, or Tribal government, rather than providing revenue to such government, and any revenue that is generated by public utilities typically is used to support the public utility's continued operation, rather than being used as a source of revenue to support government services generally.

The definition of general revenue would include all revenue from Tribal enterprises, as this revenue is generated from economic activity and is available to fund government services. Tribes are not able to generate revenue through taxes in the same manner as State and local governments and, as a result, Tribal enterprises are critical sources of revenue for Tribal governments that enable Tribal governments to provide a range of services, including elder care, health clinics, wastewater management, and forestry.

Finally, the term "general revenue" includes intergovernmental transfers between State and local governments, but excludes intergovernmental transfers from the Federal Government, including Federal transfers made via a State to a local government pursuant to the CRF or as part of the Fiscal Recovery Funds. States and local governments often share or collect revenue on behalf of one another, which results in intergovernmental transfers. When attributing revenue to a unit of government, the Census Bureau's methodology considers which unit of government imposes, collects, and retains the revenue and assigns the revenue to the unit of government that meets at least two of those three factors.[119] For purposes of measuring loss in general revenue due to the COVID–19 public health emergency and to better allow continued provision of government services, the retention and ability to use the revenue is a more critical factor. Accordingly, and to better measure the funds available for the provision of government services, the definition of general revenue would include intergovernmental transfers from States or local governments other than funds transferred pursuant to ARPA, CRF, or another Federal program. This formulation recognizes the importance of State transfers for local government revenue.[120]

Calculation of Loss. In general, recipients will compute the extent of the reduction in revenue by comparing actual revenue to a counterfactual trend representing what could have been expected to occur in the absence of the pandemic. This approach measures losses in revenue relative to the most recent fiscal year prior to the COVID–19 public health emergency by using the most recent pre-pandemic fiscal year as the starting point for estimates of revenue growth absent the pandemic. In other words, the counterfactual trend starts with the last full fiscal year prior to the COVID–19 public health emergency and then assumes growth at a constant rate in the subsequent years. Because recipients can estimate the revenue shortfall at multiple points in time throughout the covered period as revenue is collected, this approach accounts for variation across recipients in the timing of pandemic impacts.[121] Although revenue may decline for reasons unrelated to the COVID–19 public health emergency, to minimize the administrative burden on recipients and taking into consideration the devastating effects of the COVID–19 public health emergency, any diminution in actual revenues relative to the counterfactual pre-pandemic trend would be presumed to have been due to the COVID–19 public health emergency.

For purposes of measuring revenue growth in the counterfactual trend, recipients may use a *growth adjustment* of either 4.1 percent per year or the recipient's average annual revenue growth over the three full fiscal years prior to the COVID–19 public health emergency, whichever is higher. The option of 4.1 percent represents the average annual growth across all State and local government "General Revenue from Own Sources" in the most recent three years of available data.[122] This approach provides recipients with a standardized growth adjustment when calculating the counterfactual revenue trend and thus minimizes administrative burden, while not disadvantaging recipients with revenue growth that exceeded the national average prior to the COVID–19 public health emergency by permitting these recipients to use their own revenue growth rate over the preceding three years.

Recipients should calculate the extent of the reduction in revenue as of four points in time: December 31, 2020; December 31, 2021; December 31, 2022; and December 31, 2023. To calculate the extent of the reduction in revenue at each of these dates, recipients should follow a four-step process:

- *Step 1:* Identify revenues collected in the most recent full fiscal year prior to the public health emergency (*i.e.*, last full fiscal year before January 27, 2020), called the *base year revenue.*
- *Step 2:* Estimate *counterfactual revenue,* which is equal to *base year revenue* * [(1 + *growth adjustment*) ^ (*n*/12)], where *n* is the number of months elapsed since the end of the base year to the calculation date, and *growth adjustment* is the greater of 4.1 percent and the recipient's average annual revenue growth in the three full fiscal

[117] Fund-oriented reporting, such as what is used under the Governmental Accounting Standards Board (GASB), focuses on the types of uses and activities funded by the revenue, as opposed to the economic activity from which the revenue is sourced. *See* Governmental Accounting Standards Series, Statement No. 54 of the Governmental Accounting Standards Board: Fund Balance Reporting and Governmental Fund Type Definitions, No. 287–B (Feb. 2009).

[118] *Supra* note 116.

[119] U.S. Census Bureau, Government Finance and Employment Classification Manual (Dec. 2000), *https://www2.census.gov/govs/class/classfull.pdf.*

[120] For example, in 2018, state transfers to localities accounted for approximately 27 percent of local revenues. U.S. Census Bureau, Annual Survey of State and Local Government Finances, Table 1 (2018), *https://www.census.gov/data/datasets/2018/econ/local/public-use-datasets.html.*

[121] For example, following the 2007–09 recession, local government property tax collections did not begin to decline until 2011, suggesting that property tax collection declines can lag downturns. *See* U.S. Bureau of Economic Analysis, Personal current taxes: State and local: Property taxes [S210401A027NBEA], retrieved from Federal Reserve Economic Data, Federal Reserve Bank of St. Louis, *https://fred.stlouisfed.org/graph/?g=r3YI* (last visited Apr. 22, 2021). Estimating the reduction in revenue at points throughout the covered period will allow for this type of lagged effect to be taken into account during the covered period.

[122] Together with revenue from liquor stores from 2015 to 2018. This estimate does not include any intergovernmental transfers. A recipient using the three-year average to calculate their growth adjustment must be based on the definition of general revenue, including treatment of intergovernmental transfers. 2015–2018 represents the most recent available data. *See* U.S. Census Bureau, State & Local Government Finance Historical Datasets and Tables (2018), *https://www.census.gov/programs-surveys/gov-finances/data/datasets.html.*

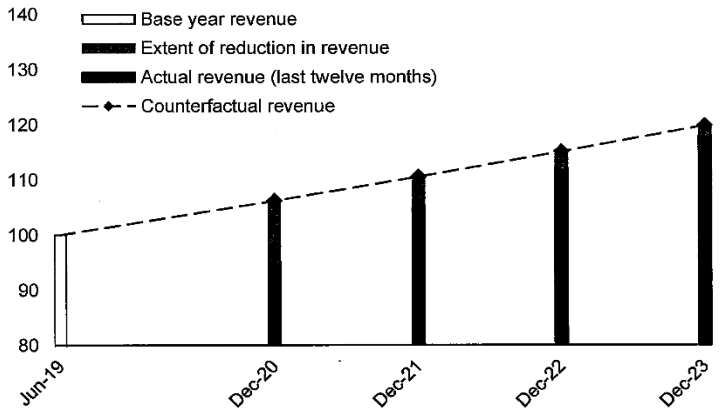
years prior to the COVID–19 public health emergency.

- *Step 3:* Identify *actual revenue,* which equals revenues collected over the past twelve months as of the calculation date.
- *Step 4:* The extent of the reduction in revenue is equal to *counterfactual revenue* less *actual revenue.* If actual revenue exceeds counterfactual revenue, the extent of the reduction in revenue is set to zero for that calculation date.

For illustration, consider a hypothetical recipient with *base year revenue* equal to 100. In Step 2, the hypothetical recipient finds that 4.1 percent is greater than the recipient's average annual revenue growth in the three full fiscal years prior to the public health emergency. Furthermore, this recipient's base year ends June 30. In this illustration, *n* (months elapsed) and *counterfactual revenue* would be equal to:

As of:	12/31/2020	12/31/2021	12/31/2022	12/31/2023
n (months elapsed)	18	30	42	54
Counterfactual revenue:	106.2	110.6	115.1	119.8

The overall methodology for calculating the reduction in revenue is illustrated in the figure below:



Upon receiving Fiscal Recovery Fund payments, recipients may immediately calculate revenue loss for the period ending December 31, 2020.

Sections 602(c)(1)(C) and 603(c)(1)(C) of the Act provide recipients with broad latitude to use the Fiscal Recovery Funds for the provision of government services. Government services can include, but are not limited to, maintenance or pay-go funded building[123] of infrastructure, including roads; modernization of cybersecurity, including hardware, software, and protection of critical infrastructure; health services; environmental remediation; school or educational services; and the provision of police, fire, and other public safety services. However, expenses associated with obligations under instruments evidencing financial indebtedness for borrowed money would not be considered the provision of government services, as these financing expenses do not directly provide services or aid to citizens. Specifically, government services would not include interest or principal on any outstanding debt instrument, including, for example, short-term revenue or tax anticipation notes, or fees or issuance costs associated with the issuance of new debt. For the same reasons, government services would not include satisfaction of any obligation arising under or pursuant to a settlement agreement, judgment, consent decree, or judicially confirmed debt restructuring in a judicial, administrative, or regulatory proceeding, except if the judgment or settlement required the provision of government services. That is, satisfaction of a settlement or judgment itself is not a government service, unless the settlement required the provision of government services. In addition, replenishing financial reserves (*e.g.,* rainy day or other reserve funds) would not be considered provision of a government service, since such expenses do not directly relate to the provision of government services.

Question 13: Are there sources of revenue that either should or should not be included in the interim final rule's measure of "general revenue" for recipients? If so, discuss why these sources either should or should not be included.

Question 14: In the interim final rule, recipients are expected to calculate the reduction in revenue on an aggregate basis. Discuss the advantages and disadvantages of, and any potential concerns with, this approach, including circumstances in which it could be necessary or appropriate to calculate the reduction in revenue by source.

Question 15: Treasury is considering whether to take into account other factors, including actions taken by the recipient as well as the expiration of the COVID–19 public health emergency, in determining whether to presume that revenue losses are "due to" the COVID–

[123] Pay-go infrastructure funding refers to the practice of funding capital projects with cash-on-hand from taxes, fees, grants, and other sources, rather than with borrowed sums.

19 public health emergency. Discuss the advantages and disadvantages of this presumption, including when, if ever, during the covered period it would be appropriate to reevaluate the presumption that all losses are attributable to the COVID–19 public health emergency.

Question 16: Do recipients anticipate lagged revenue effects of the public health emergency? If so, when would these lagged effects be expected to occur, and what can Treasury to do support these recipients through its implementation of the program?

Question 17: In the interim final rule, paying interest or principal on government debt is not considered provision of a government service. Discuss the advantages and disadvantages of this approach, including circumstances in which paying interest or principal on government debt could be considered provision of a government service.

D. Investments in Infrastructure

To assist in meeting the critical need for investments and improvements to existing infrastructure in water, sewer, and broadband, the Fiscal Recovery Funds provide funds to State, local, and Tribal governments to make necessary investments in these sectors. The interim final rule outlines eligible uses within each category, allowing for a broad range of necessary investments in projects that improve access to clean drinking water, improve wastewater and stormwater infrastructure systems, and provide access to high-quality broadband service. Necessary investments are designed to provide an adequate minimum level of service and are unlikely to be made using private sources of funds. Necessary investments include projects that are required to maintain a level of service that, at least, meets applicable health-based standards, taking into account resilience to climate change, or establishes or improves broadband service to unserved or underserved populations to reach an adequate level to permit a household to work or attend school, and that are unlikely to be met with private sources of funds.[124]

It is important that necessary investments in water, sewer, or broadband infrastructure be carried out in ways that produce high-quality infrastructure, avert disruptive and costly delays, and promote efficiency. Treasury encourages recipients to ensure that water, sewer, and broadband projects use strong labor standards, including project labor agreements and community benefits agreements that offer wages at or above the prevailing rate and include local hire provisions, not only to promote effective and efficient delivery of high-quality infrastructure projects but also to support the economic recovery through strong employment opportunities for workers. Using these practices in construction projects may help to ensure a reliable supply of skilled labor that would minimize disruptions, such as those associated with labor disputes or workplace injuries.

To provide public transparency on whether projects are using practices that promote on-time and on-budget delivery, Treasury will seek information from recipients on their workforce plans and practices related to water, sewer, and broadband projects undertaken with Fiscal Recovery Funds. Treasury will provide additional guidance and instructions on the reporting requirements at a later date.

1. Water and Sewer Infrastructure

The ARPA provides funds to State, local, and Tribal governments to make necessary investments in water and sewer infrastructure.[125] By permitting funds to be used for water and sewer infrastructure needs, Congress recognized the critical role that clean drinking water and services for the collection and treatment of wastewater and stormwater play in protecting public health. Understanding that State, local, and Tribal governments have a broad range of water and sewer infrastructure needs, the interim final rule provides these governments with wide latitude to identify investments in water and sewer infrastructure that are of the highest priority for their own communities, which may include projects on privately-owned infrastructure. The interim final rule does this by aligning eligible uses of the Fiscal Recovery Funds with the wide range of types or categories of projects that would be eligible to receive financial assistance through the Environmental Protection Agency's (EPA) Clean Water State Revolving Fund (CWSRF) or Drinking Water State Revolving Fund (DWSRF).[126]

Established by the 1987 amendments[127] to the Clean Water Act (CWA),[128] the CWSRF provides financial assistance for a wide range of water infrastructure projects to improve water quality and address water pollution in a way that enables each State to address and prioritize the needs of their populations. The types of projects eligible for CWSRF assistance include projects to construct, improve, and repair wastewater treatment plants, control non-point sources of pollution, improve resilience of infrastructure to severe weather events, create green infrastructure, and protect waterbodies from pollution.[129] Each of the 51 State programs established under the CWSRF have the flexibility to direct funding to their particular environmental needs, and each State may also have its own statutes, rules, and regulations that guide project eligibility.[130]

The DWSRF was modeled on the CWSRF and created as part of the 1996 amendments to the Safe Drinking Water Act (SDWA),[131] with the principal objective of helping public water systems obtain financing for improvements necessary to protect public health and comply with drinking water regulations.[132] Like the CWSRF,

[124] Treasury notes that using funds to support or oppose collective bargaining would not be included as part of "necessary investments in water, sewer, or broadband infrastructure."

[125] Sections 602(c)(1)(D), 603(c)(1)(D) of the Act.

[126] Environmental Protection Agency, Drinking Water State Revolving fund, *https://www.epa.gov/dwsrf* (last visited Apr. 30, 2021); Environmental Protection Agency, Clean Water State Revolving Fund, *https://www.epa.gov/cwsrf* (last visited Apr. 30, 2021).

[127] Water Quality Act of 1987, Public Law 100–4.

[128] Federal Water Pollution Control Act as amended, codified at 33 U.S.C. 1251 *et seq.*, common name (Clean Water Act). In 2009, the American Recovery and Reinvestment Act created the Green Project Reserve, which increased the focus on green infrastructure, water and energy efficient, and environmentally innovative projects. Public Law 111–5. The CWA was amended by the Water Resources Reform and Development Act of 2014 to further expand the CWSRF's eligibilities. Public Law 113–121. *The CWSRF's eligibilities were further expanded in 2018 by the America's Water Infrastructure Act of 2018, Public Law 115–270.*

[129] *See* Environmental Protection Agency, The Drinking Water State Revolving Funds: Financing America's Drinking Water, EPA–816–R–00–023 (Nov. 2000), *https://nepis.epa.gov/Exe/ZyPDF.cgi/200024WB.PDF?Dockey=200024WB.PDF; See also* Environmental Protection Agency, *Learn About the Clean Water State Revolving Fund, https://www.epa.gov/cwsrf/learn-about-clean-water-state-revolving-fund-cwsrf (last visited Apr. 30, 2021).*

[130] 33 U.S.C. 1383(c). *See also Environmental Protection Agency, Overview of Clean Water State Revolving Fund Eligibilities (May 2016), https://www.epa.gov/sites/production/files/2016-07/documents/overview_of_cwsrf_eligibilities_may_2016.pdf; Claudia Copeland, Clean Water Act: A Summary of the Law, Congressional Research Service (Oct. 18, 2016), https://fas.org/sgp/crs/misc/RL30030.pdf; Jonathan L Ramseur, Wastewater Infrastructure: Overview, Funding, and Legislative Developments, Congressional Research Service (May 22, 2018), https://fas.org/sgp/crs/misc/R44963.pdf.*

[131] 42 U.S.C. 300j–12.

[132] Environmental Protection Agency, Drinking Water State Revolving Fund Eligibility Handbook, (June 2017), *https://www.epa.gov/sites/production/files/2017-06/documents/dwsrf_eligibility_handbook_june_13_2017_updated_508_version.pdf;* Environmental Protection Agency, Drinking Water

the DWSRF provides States with the flexibility to meet the needs of their populations.[133] The primary use of DWSRF funds is to assist communities in making water infrastructure capital improvements, including the installation and replacement of failing treatment and distribution systems.[134] In administering these programs, States must give priority to projects that ensure compliance with applicable health and environmental safety requirements; address the most serious risks to human health; and assist systems most in need on a per household basis according to State affordability criteria.[135]

By aligning use of Fiscal Recovery Funds with the categories or types of eligible projects under the existing EPA state revolving fund programs, the interim final rule provides recipients with the flexibility to respond to the needs of their communities while ensuring that investments in water and sewer infrastructure made using Fiscal Recovery Funds are necessary. As discussed above, the CWSRF and DWSRF were designed to provide funding for projects that protect public health and safety by ensuring compliance with wastewater and drinking water health standards.[136] The need to provide funding through the state revolving funds suggests that these projects are less likely to be addressed with private sources of funding; for example, by remediating failing or inadequate infrastructure, much of which is publicly owned, and by addressing non-point sources of pollution. This approach of aligning with the EPA state revolving fund programs also supports expedited project identification and investment so that needed relief for the people and communities most affected by the pandemic can deployed expeditiously and have a positive impact on their health and wellbeing as soon as possible. Further, the interim final rule is intended to preserve flexibility for award recipients to direct funding to their own particular needs and priorities and would not preclude recipients from applying their own additional project eligibility criteria.

In addition, responding to the immediate needs of the COVID–19 public health emergency may have diverted both personnel and financial resources from other State, local, and Tribal priorities, including projects to ensure compliance with applicable water health and quality standards and provide safe drinking and usable water.[137] Through sections 602(c)(1)(D) and 603(c)(1)(D), the ARPA provides resources to address these needs. Moreover, using Fiscal Recovery Funds in accordance with the priorities of the CWA and SWDA to "assist systems most in need on a per household basis according to state affordability criteria" would also have the benefit of providing vulnerable populations with safe drinking water that is critical to their health and, thus, their ability to work and learn.[138]

Recipients may use Fiscal Recovery Funds to invest in a broad range of projects that improve drinking water infrastructure, such as building or upgrading facilities and transmission, distribution, and storage systems, including replacement of lead service lines. Given the lifelong impacts of lead exposure for children, and the widespread nature of lead service lines, Treasury encourages recipients to consider projects to replace lead service lines.

Fiscal Recovery Funds may also be used to support the consolidation or establishment of drinking water systems. With respect to wastewater infrastructure, recipients may use Fiscal Recovery Funds to construct publicly owned treatment infrastructure, manage and treat stormwater or subsurface drainage water, facilitate water reuse, and secure publicly owned treatment works, among other uses. Finally, consistent with the CWSRF and DWSRF, Fiscal Recovery Funds may be used for cybersecurity needs to protect water or sewer infrastructure, such as developing effective cybersecurity practices and measures at drinking water systems and publicly owned treatment works.

Many of the types of projects eligible under either the CWSRF or DWSRF also support efforts to address climate change. For example, by taking steps to manage potential sources of pollution and preventing these sources from reaching sources of drinking water, projects eligible under the DWSRF and the ARPA may reduce energy required to treat drinking water. Similarly, projects eligible under the CWSRF include measures to conserve and reuse water or reduce the energy consumption of public water treatment facilities. Treasury encourages recipients to consider green infrastructure investments and projects to improve resilience to the effects of climate change. For example, more frequent and extreme precipitation events combined with construction and development trends have led to increased instances of stormwater runoff, water pollution, and flooding. Green infrastructure projects that support stormwater system resiliency could include rain gardens that provide water storage and filtration benefits, and green streets, where vegetation, soil, and engineered systems are combined to direct and filter rainwater from impervious surfaces. In cases of a natural disaster, recipients may also use Fiscal Recovery Funds to provide relief, such as interconnecting water systems or rehabilitating existing wells during an extended drought.

Question 18: What are the advantages and disadvantages of aligning eligible uses with the eligible project type requirements of the DWSRF and CWSRF? What other water or sewer project categories, if any, should Treasury consider in addition to DWSRF and CWSRF eligible projects? Should Treasury consider a broader general category of water and sewer projects?

Question 19: What additional water and sewer infrastructure categories, if any, should Treasury consider to address and respond to the needs of unserved, undeserved, or rural communities? How do these projects differ from DWSFR and CWSRF eligible projects?

Question 20: What new categories of water and sewer infrastructure, if any, should Treasury consider to support State, local, and Tribal governments in mitigating the negative impacts of climate change? Discuss emerging technologies and processes that support resiliency of water and sewer infrastructure. Discuss any challenges faced by States and local governments when pursuing or implementing climate resilient infrastructure projects.

Question 21: Infrastructure projects related to dams and reservoirs are generally not eligible under the CWSRF and DWSRF categories. Should Treasury consider expanding eligible

Infrastructure Needs Survey and Assessment: Sixth Report to Congress (March 2018), *https://www.epa.gov/sites/production/files/2018-10/documents/corrected_sixth_drinking_water_infrastructure_needs_survey_and_assessment.pdf.*

[133] *Id.*

[134] *Id.*

[135] 42 U.S.C. 300j–12(b)(3)(A).

[136] Environmental Protection Agency, Learn About the Clean Water State Revolving Fund, *https://www.epa.gov/cwsrf/learn-about-clean-water-state-revolving-fund-cwsrf* (last visited Apr. 30, 2021); 42 U.S.C. 300j–12.

[137] House Committee on the Budget, State and Local Governments are in Dire Need of Federal Relief (Aug. 19, 2020), *https://budget.house.gov/publications/report/state-and-local-governments-are-dire-need-federal-relief.*

[138] Environmental Protection Agency, Drinking Water State Revolving Fund (Nov. 2019), *https://www.epa.gov/sites/production/files/2019-11/documents/fact_sheet_-_dwsrf_overview_final_0.pdf;* Environmental Protection Agency, National Benefits Analysis for Drinking Water Regulations, *https://www.epa.gov/sdwa/national-benefits-analysis-drinking-water-regulations* (last visited Apr. 30, 2020).

infrastructure under the interim final rule to include dam and reservoir projects? Discuss public health, environmental, climate, or equity benefits and costs in expanding the eligibility to include these types of projects.

2. Broadband Infrastructure

The COVID–19 public health emergency has underscored the importance of universally available, high-speed, reliable, and affordable broadband coverage as millions of Americans rely on the internet to participate in, among critical activities, remote school, healthcare, and work. Recognizing the need for such connectivity, the ARPA provides funds to State, territorial, local, and Tribal governments to make necessary investments in broadband infrastructure.

The National Telecommunications and Information Administration (NTIA) highlighted the growing necessity of broadband in daily lives through its analysis of NTIA Internet Use Survey data, noting that Americans turn to broadband internet access service for every facet of daily life including work, study, and healthcare.[139] With increased use of technology for daily activities and the movement by many businesses and schools to operating remotely during the pandemic, broadband has become even more critical for people across the country to carry out their daily lives.

By at least one measure, however, tens of millions of Americans live in areas where there is no broadband infrastructure that provides download speeds greater than 25 Mbps and upload speeds of 3 Mbps.[140] By contrast, as noted below, many households use upload and download speeds of 100 Mbps to meet their daily needs. Even in areas where broadband infrastructure exists, broadband access may be out of reach for millions of Americans because it is unaffordable, as the United States has some of the highest broadband prices in the Organisation for Economic Co-operation and Development (OECD).[141] There are disparities in availability as well; historically, Americans living in territories and Tribal lands as well as rural areas have disproportionately lacked sufficient broadband infrastructure.[142] Moreover, rapidly growing demand has, and will likely continue to, quickly outpace infrastructure capacity, a phenomenon acknowledged by various states around the country that have set scalability requirements to account for this anticipated growth in demand.[143]

The interim final rule provides that eligible investments in broadband are those that are designed to provide services meeting adequate speeds and are provided to unserved and underserved households and businesses. Understanding that States, territories, localities, and Tribal governments have a wide range of varied broadband infrastructure needs, the interim final rule provides award recipients with flexibility to identify the specific locations within their communities to be served and to otherwise design the project.

Under the interim final rule, eligible projects are expected to be designed to deliver, upon project completion, service that reliably meets or exceeds symmetrical upload and download speeds of 100 Mbps. There may be instances in which it would not be practicable for a project to deliver such service speeds because of the geography, topography, or excessive costs associated with such a project. In these instances, the affected project would be expected to be designed to deliver, upon project completion, service that reliably meets or exceeds 100 Mbps download and between at least 20 Mbps and 100 Mbps upload speeds and be scalable to a minimum of 100 Mbps symmetrical for download and upload speeds.[144] In setting these standards, Treasury identified speeds necessary to ensure that broadband infrastructure is sufficient to enable users to generally meet household needs, including the ability to support the simultaneous use of work, education, and health applications, and also sufficiently robust to meet increasing household demands for bandwidth. Treasury also recognizes that different communities and their members may have a broad range of internet needs and that those needs may change over time.

In considering the appropriate speed requirements for eligible projects, Treasury considered estimates of typical households demands during the pandemic. Using the Federal Communication Commission's (FCC) Broadband Speed Guide, for example, a household with two telecommuters and two to three remote learners today are estimated to need 100 Mbps download to work simultaneously.[145] In households with more members, the demands may be greater, and in households with fewer members, the demands may be less.

In considering the appropriate speed requirements for eligible projects, Treasury also considered data usage patterns and how bandwidth needs have changed over time for U.S. households and businesses as people's use of technology in their daily lives has evolved. In the few years preceding the pandemic, market research data showed that average upload speeds in the United States surpassed over 10 Mbps in 2017[146] and continued to increase significantly, with the average upload speed as of November, 2019 increasing to 48.41 Mbps,[147] attributable, in part to a shift to using broadband and the internet by individuals and businesses

[139] *See, e.g., https://www.ntia.gov/blog/2020/more-half-american-households-used-internet-health-related-activities-2019-ntia-data-show; https://www.ntia.gov/blog/2020/nearly-third-american-employees-worked-remotely-2019-ntia-data-show;* and generally, *https://www.ntia.gov/data/digital-nation-data-explorer.*

[140] As an example, data from the Federal Communications Commission shows that as of June 2020, 9.07 percent of the U.S. population had no available cable or fiber broadband providers providing greater than 25 Mbps download speeds and 3 Mbps upload speeds. Availability was significantly less for rural versus urban populations, with 35.57 percent of the rural population lacking such access, compared with 2.57 percent of the urban population. Availability was also significantly less for tribal versus non-tribal populations, with 35.93 percent of the tribal population lacking such access, compared with 8.74 of the non-tribal population. Federal Communications Commission, Fixed Broadband Deployment, *https://broadbandmap.fcc.gov/#/* (last visited May 9, 2021).

[141] How Do U.S. Internet Costs Compare To The Rest Of The World?, BroadbandSearch Blog Post, *available at https://www.broadbandsearch.net/blog/internet-costs-compared-worldwide.*

[142] *See, e.g.,* Federal Communications Commission, Fourteenth Broadband Deployment Report, *available at https://docs.fcc.gov/public/attachments/FCC-21-18A1.pdf.*

[143] *See, e.g.,* Illinois Department of Commerce & Economic Opportunity, Broadband Grants, h (last visited May 9, 2021), *https://www2.illinois.gov/dceo/ConnectIllinois/Pages/BroadbandGrants.aspx;* Kansas Office of Broadband Development, Broadband Acceleration Grant, *https://www.kansascommerce.gov/wp-content/uploads/2020/11/Broadband-Acceleration-Grant.pdf* (last visited May 9, 2021); New York State Association of Counties, Universal Broadband: Deploying High Speed Internet Access in NYS (Jul. 2017), *https://www.nysac.org/files/BroadbandUpdateReport2017(1).pdf.*

[144] This scalability threshold is consistent with scalability requirements used in other jurisdictions. *Id.*

[145] Federal Communications Commission, Broadband Speed Guide, *https://www.fcc.gov/consumers/guides/broadband-speed-guide* (last visited Apr. 30, 2021).

[146] Letter from Lisa R. Youngers, President and CEO of Fiber Broadband Association to FCC, WC Docket No. 19–126 (filed Jan. 3, 2020), including an Appendix with research from RVA LLC, *Data Review Of The Importance of Upload Speeds* (Jan. 2020), and Ookla speed test data, *available at https://ecfsapi.fcc.gov/file/101030085118517/FCC%20RDOF%20Jan%203%20Ex%20Parte.pdf.* Additional information on historic growth in data usage is provided in Schools, Health & Libraries Broadband Coalition, *Common Sense Solutions for Closing the Digital Divide,* Apr. 29, 2021.

[147] *Id. See also* United States's Mobile and Broadband internet Speeds—Speedtest Global Index, *available at https://www.speedtest.net/global-index/united-states#fixed.*

to create and share content using video sharing, video conferencing, and other applications.[148]

The increasing use of data accelerated markedly during the pandemic as households across the country became increasingly reliant on tools and applications that require greater internet capacity, both to download data but also to upload data. Sending information became as important as receiving it. A video consultation with a healthcare provider or participation by a child in a live classroom with a teacher and fellow students requires video to be sent and received simultaneously.[149] As an example, some video conferencing technology platforms indicate that download and upload speeds should be roughly equal to support two-way, interactive video meetings.[150] For both work and school, client materials or completed school assignments, which may be in the form of PDF files, videos, or graphic files, also need to be shared with others. This is often done by uploading materials to a collaboration site, and the upload speed available to a user can have a significant impact on the time it takes for the content to be shared with others. [151] These activities require significant capacity from home internet connections to both download and upload data, especially when there are multiple individuals in one household engaging in these activities simultaneously.

This need for increased broadband capacity during the pandemic was reflected in increased usage patterns seen over the last year. As OpenVault noted in recent advisories, the pandemic significantly increased the amount of data users consume. Among data users observed by OpenVault, per-subscriber average data usage for the fourth quarter of 2020 was 482.6 gigabytes per month, representing a 40 percent increase over the 344 gigabytes consumed in the fourth quarter of 2019 and a 26 percent increase over the third quarter 2020 average of 383.8 gigabytes.[152] OpenVault also noted significant increases in upstream usage among the data users it observed, with upstream data usage growing 63 percent—from 19 gigabytes to 31 gigabytes—between December, 2019 and December, 2020.[153] According to an OECD Broadband statistic from June 2020, the largest percentage of U.S. broadband subscribers have services providing speeds between 100 Mbps and 1 Gbps.[154]

Jurisdictions and Federal programs are increasingly responding to the growing demands of their communities for both heightened download and upload speeds. For example, Illinois now requires 100 Mbps symmetrical service as the construction standard for its state broadband grant programs. This standard is also consistent with speed levels, particularly download speed levels, prioritized by other Federal programs supporting broadband projects. Bids submitted as part of the FCC in its Rural Digital Opportunity Fund (RDOF), established to support the construction of broadband networks in rural communities across the country, are given priority if they offer faster service, with the service offerings of 100 Mbps download and 20 Mbps upload being included in the "above baseline" performance tier set by the FCC.[155] The Broadband Infrastructure Program (BBIP) [156] of the Department of Commerce, which provides Federal funding to deploy broadband infrastructure to eligible service areas of the country also prioritizes projects designed to provide broadband service with a download speed of not less than 100 Mbps and an upload speed of not less than 20 Mbps.[157]

The 100 Mbps upload and download speeds will support the increased and growing needs of households and businesses. Recognizing that, in some instances, 100 Mbps upload speed may be impracticable due to geographical, topographical, or financial constraints, the interim final rule permits upload speeds of between at least 20 Mbps and 100 Mbps in such instances. To provide for investments that will accommodate technologies requiring symmetry in download and upload speeds, as noted above, eligible projects that are not designed to deliver, upon project completion, service that reliably meets or exceeds symmetrical speeds of 100 Mbps because it would be impracticable to do so should be designed so that they can be scalable to such speeds. Recipients are also encouraged to prioritize investments in fiber optic infrastructure where feasible, as such advanced technology enables the next generation of application solutions for all communities.

Under the interim final rule, eligible projects are expected to focus on locations that are unserved or underserved. The interim final rule treats users as being unserved or underserved if they lack access to a wireline connection capable of reliably delivering at least minimum speeds of 25 Mbps download and 3 Mbps upload as households and businesses lacking this level of access are generally not viewed as being able to originate and receive high-quality voice, data, graphics, and video telecommunications. This threshold is consistent with the FCC's benchmark for an "advanced telecommunications capability." [158] This threshold is also consistent with thresholds used in other Federal programs to identify eligible areas to be served by programs to improve broadband services. For example, in the FCC's RDOF program, eligible areas include those without current (or already funded) access to terrestrial broadband service providing 25 Mbps download and 3 Mbps upload speeds.[159] The Department of Commerce's BBIP also considers households to be "unserved" generally if they lack access to broadband service

[148] *Id.*

[149] One high definition Zoom meeting or class requires approximately 3.8 Mbps/3.0 Mbps (up/down).

[150] *See, e.g.*, Zoom, System Requirements for Windows, macOS, and Linux, *https://support.zoom.us/hc/en-us/articles/201362023-System-requirements-for-Windows-macOS-and-Linux#h_d278c327-e03d-4896-b19a-96a8f3c0c69c* (last visited May 8, 2021).

[151] By one estimate, to upload a one gigabit video file to YouTube would take 15 minutes at an upload speed of 10 Mbps compared with 1 minute, 30 seconds at an upload speed of 100 Mbps, and 30 seconds at an upload speed of 300 Mbps. *Reviews.org:* What is Symmetrical internet? (March 2020).

[152] OVBI: Covid-19 Drove 15 percent Increase in Broadband Traffic in 2020, OpenVault, Quarterly Advisory, (Feb. 10, 2021), *available at https://openvault.com/ovbi-covid-19-drove-51-increase-in-broadband-traffic-in-2020; See* OpenVault's data set incorporates information on usage by subscribers across multiple continents, including North America and Europe. Additional data and detail on increases in the amount of data users consume and the broadband speeds they are using is provided in *OpenVault Broadband Insights Report Q4,* Quarterly Advisory (Feb. 10, 2021), *available at https://openvault.com/complimentary-report-4q20/.*

[153] OVBI Special Report: 202 Upstream Growth Nearly 4X of Pre-Pandemic Years, OpenVault, Quarterly Advisory, (April 1, 20201), *available at https://openvault.com/ovbi-special-report-2020-upstream-growth-rate-nearly-4x-of-pre-pandemic-years/;* Additional data is provided in *OpenVault Broadband Insights Pandemic Impact on Upstream Broadband Usage and Network Capacity, available at https://openvault.com/upstream-whitepaper/.*

[154] Organisation for Economic Co-operation and Development, Fixed broadband subscriptions per 100 inhabitants, per speed tiers (June 2020), *https://www.oecd.org/sti/broadband/5.1-FixedBB-SpeedTiers-2020-06.xls www.oecd.org/sti/broadband/broadband-statistics.*

[155] *Rural Digital Opportunity Fund,* Report and Order, 35 FCC Rcd 686, 690, para. 9 (2020), *available at https://www.fcc.gov/document/fcc-launches-20-billion-rural-digital-opportunity-fund-0.*

[156] The BIPP was authorized by the Consolidated Appropriations Act, 2021, Section 905, Public Law 116–260, 134 Stat. 1182 (Dec. 27, 2020).

[157] Section 905(d)(4) of the Consolidated Appropriations Act, 2021.

[158] *Deployment Report, supra* note 142.

[159] *Rural Digital Opportunity Fund, supra* note 156.

with a download speed of not less than 25 Mbps download and 3 Mbps upload, among other conditions. In selecting an area to be served by a project, recipients are encouraged to avoid investing in locations that have existing agreements to build reliable wireline service with minimum speeds of 100 Mbps download and 20 Mbps upload by December 31, 2024, in order to avoid duplication of efforts and resources.

Recipients are also encouraged to consider ways to integrate affordability options into their program design. To meet the immediate needs of unserved and underserved households and businesses, recipients are encouraged to focus on projects that deliver a physical broadband connection by prioritizing projects that achieve last mile-connections. Treasury also encourages recipients to prioritize support for broadband networks owned, operated by, or affiliated with local governments, non-profits, and co-operatives—providers with less pressure to turn profits and with a commitment to serving entire communities.

Under sections 602(c)(1)(A) and 603(c)(1)(A), assistance to households facing negative economic impacts due to COVID–19 is also an eligible use, including internet access or digital literacy assistance. As discussed above, in considering whether a potential use is eligible under this category, a recipient must consider whether, and the extent to which, the household has experienced a negative economic impact from the pandemic.

Question 22: What are the advantages and disadvantages of setting minimum symmetrical download and upload speeds of 100 Mbps? What other minimum standards would be appropriate and why?

Question 23: Would setting such a minimum be impractical for particular types of projects? If so, where and on what basis should those projects be identified? How could such a standard be set while also taking into account the practicality of using this standard in particular types of projects? In addition to topography, geography, and financial factors, what other constraints, if any, are relevant to considering whether an investment is impracticable?

Question 24: What are the advantages and disadvantages of setting a minimum level of service at 100 Mbps download and 20 Mbps upload in projects where it is impracticable to set minimum symmetrical download and upload speeds of 100 Mbps? What are the advantages and disadvantages of setting a scalability requirement in these cases? What other minimum standards would be appropriate and why?

Question 25: What are the advantages and disadvantages of focusing these investments on those without access to a wireline connection that reliably delivers 25 Mbps download by 3 Mbps upload? Would another threshold be appropriate and why?

Question 26: What are the advantages and disadvantages of setting any particular threshold for identifying unserved or underserved areas, minimum speed standards or scalability minimum? Are there other standards that should be set (e.g., latency)? If so, why and how? How can such threshold, standards, or minimum be set in a way that balances the public's interest in making sure that reliable broadband services meeting the daily needs of all Americans are available throughout the country with the providing recipients flexibility to meet the varied needs of their communities?

III. Restrictions on Use

As discussed above, recipients have considerable flexibility to use Fiscal Recovery Funds to address the diverse needs of their communities. To ensure that payments from the Fiscal Recovery Funds are used for these congressionally permitted purposes, the ARPA includes two provisions that further define the boundaries of the statute's eligible uses. Section 602(c)(2)(A) of the Act provides that States and territories may not "use the funds . . . to either directly or indirectly offset a reduction in . . . net tax revenue . . . resulting from a change in law, regulation, or administrative interpretation during the covered period that reduces any tax . . . or delays the imposition of any tax or tax increase." In addition, sections 602(c)(2)(B) and 603(c)(2) prohibit any recipient, including cities, nonentitlement units of government, and counties, from using Fiscal Recovery Funds for deposit into any pension fund. These restrictions support the use of funds for the congressionally permitted purposes described in Section II of this Supplementary Information by providing a backstop against the use of funds for purposes outside of the eligible use categories.

These provisions give force to Congress's clear intent that Fiscal Recovery Funds be spent within the four eligible uses identified in the statute—(1) to respond to the public health emergency and its negative economic impacts, (2) to provide premium pay to essential workers, (3) to provide government services to the extent of eligible governments' revenue losses, and (4) to make necessary water, sewer, and broadband infrastructure investments—and not otherwise. These four eligible uses reflect Congress's judgment that the Fiscal Recovery Funds should be expended in particular ways that support recovery from the COVID–19 public health emergency. The further restrictions reflect Congress's judgment that tax cuts and pension deposits do not fall within these eligible uses. The interim final rule describes how Treasury will identify when such uses have occurred and how it will recoup funds put toward these impermissible uses and, as discussed in Section VIII of this **SUPPLEMENTARY INFORMATION**, establishes a reporting framework for monitoring the use of Fiscal Recovery Funds for eligible uses.

A. Deposit Into Pension Funds

The statute provides that recipients may not use Fiscal Recovery Funds for "deposit into any pension fund." For the reasons discussed below, Treasury interprets "deposit" in this context to refer to an extraordinary payment into a pension fund for the purpose of reducing an accrued, unfunded liability. More specifically, the interim final rule does not permit this assistance to be used to make a payment into a pension fund if both:

1. The payment reduces a liability incurred prior to the start of the COVID–19 public health emergency, and
2. the payment occurs outside the recipient's regular timing for making such payments.

Under this interpretation, a "deposit" is distinct from a "payroll contribution," which occurs when employers make payments into pension funds on regular intervals, with contribution amounts based on a pre-determined percentage of employees' wages and salaries.

As discussed above, eligible uses for premium pay and responding to the negative economic impacts of the COVID–19 public health emergency include hiring and compensating public sector employees. Interpreting the scope of "deposit" to exclude contributions that are part of payroll contributions is more consistent with these eligible uses and would reduce administrative burden for recipients. Accordingly, if an employee's wages and salaries are an eligible use of Fiscal Recovery Funds, recipients may treat the employee's covered benefits as an eligible use of Fiscal Recovery Funds. For purposes of the Fiscal Recovery Funds, covered benefits include costs of all types of leave (vacation, family-related, sick, military, bereavement, sabbatical, jury duty), employee insurance (health, life, dental, vision), retirement (pensions, 401(k)), unemployment benefit plans

(Federal and State), workers' compensation insurance, and Federal Insurance Contributions Act taxes (which includes Social Security and Medicare taxes).

Treasury anticipates that this approach to employees' covered benefits will be comprehensive and, for employees whose wage and salary costs are eligible expenses, will allow all covered benefits listed in the previous paragraph to be eligible under the Fiscal Recovery Funds. Treasury expects that this will minimize the administrative burden on recipients by treating all the specified covered benefit types as eligible expenses, for employees whose wage and salary costs are eligible expenses.

Question 27: Beyond a "deposit" and a "payroll contribution," are there other types of payments into a pension fund that Treasury should consider?

B. Offset a Reduction in Net Tax Revenue

For States and territories (recipient governments [160]), section 602(c)(2)(A)—the offset provision—prohibits the use of Fiscal Recovery Funds to directly or indirectly offset a reduction in net tax revenue resulting from a change in law, regulation, or administrative interpretation [161] during the covered period. If a State or territory uses Fiscal Recovery Funds to offset a reduction in net tax revenue, the ARPA provides that the State or territory must repay to the Treasury an amount equal to the lesser of (i) the amount of the applicable reduction attributable to the impermissible offset and (ii) the amount received by the State or territory under the ARPA. *See* Section IV of this **SUPPLEMENTARY INFORMATION**. As discussed below Section IV of this **SUPPLEMENTARY INFORMATION**, a State or territory that chooses to use Fiscal Recovery Funds to offset a reduction in net tax revenue does not forfeit its entire allocation of Fiscal Recovery Funds (unless it misused the full allocation to offset a reduction in net tax revenue) or any non-ARPA funding received.

The interim final rule implements these conditions by establishing a framework for States and territories to determine the cost of changes in law, regulation, or interpretation that reduce tax revenue and to identify and value the sources of funds that will offset—*i.e.*, cover the cost of—any reduction in net tax revenue resulting from such changes. A recipient government would only be considered to have used Fiscal Recovery Funds to offset a reduction in net tax revenue resulting from changes in law, regulation, or interpretation if, and to the extent that, the recipient government could not identify sufficient funds from sources other than the Fiscal Recovery Funds to offset the reduction in net tax revenue. If sufficient funds from other sources cannot be identified to cover the full cost of the reduction in net tax revenue resulting from changes in law, regulation, or interpretation, the remaining amount not covered by these sources will be considered to have been offset by Fiscal Recovery Funds, in contravention of the offset provision. The interim final rule recognizes three sources of funds that may offset a reduction in net tax revenue other than Fiscal Recovery Funds—organic growth, increases in revenue (*e.g.*, an increase in a tax rate), and certain cuts in spending.

In order to reduce burden, the interim final rule's approach also incorporates the types of information and modeling already used by States and territories in their own fiscal and budgeting processes. By incorporating existing budgeting processes and capabilities, States and territories will be able to assess and evaluate the relationship of tax and budget decisions to uses of the Fiscal Recovery Funds based on information they likely have or can obtain. This approach ensures that recipient governments have the information they need to understand the implications of their decisions regarding the use of the Fiscal Recovery Funds—and, in particular, whether they are using the funds to directly or indirectly offset a reduction in net tax revenue, making them potentially subject to recoupment.

Reporting on both the eligible uses and on a State's or territory's covered tax changes that would reduce tax revenue will enable identification of, and recoupment for, use of Fiscal Recovery Funds to directly offset reductions in tax revenue resulting from tax relief. Moreover, this approach recognizes that, because money is fungible, even if Fiscal Recovery Funds are not explicitly or directly used to cover the costs of changes that reduce net tax revenue, those funds may be used in a manner inconsistent with the statute by indirectly being used to substitute for the State's or territory's funds that would otherwise have been needed to cover the costs of the reduction. By focusing on the cost of changes that reduce net tax revenue—and how a recipient government is offsetting those reductions in constructing its budget over the covered period—the framework prevents efforts to use Fiscal Recovery Funds to indirectly offset reductions in net tax revenue for which the recipient government has not identified other offsetting sources of funding.

As discussed in greater detail below in this preamble, the framework set forth in the interim final rule establishes a step-by-step process for determining whether, and the extent to which, Fiscal Recovery Funds have been used to offset a reduction in net tax revenue. Based on information reported annually by the recipient government:

- First, each year, each recipient government will identify and value the changes in law, regulation, or interpretation that would result in a reduction in net tax revenue, as it would in the ordinary course of its budgeting process. The sum of these values in the year for which the government is reporting is the amount it needs to "pay for" with sources other than Fiscal Recovery Funds (total value of revenue reducing changes).
- Second, the interim final rule recognizes that it may be difficult to predict how a change would affect net tax revenue in future years and, accordingly, provides that if the total value of the changes in the year for which the recipient government is reporting is below a de minimis level, as discussed below, the recipient government need not identify any sources of funding to pay for revenue reducing changes and will not be subject to recoupment.
- Third, a recipient government will consider the amount of actual tax revenue recorded in the year for which they are reporting. If the recipient government's actual tax revenue is greater than the amount of tax revenue received by the recipient for the fiscal year ending 2019, adjusted annually for inflation, the recipient government will not be considered to have violated the offset provision because there will not have been a reduction in net tax revenue.
- Fourth, if the recipient government's actual tax revenue is less than the amount of tax revenue received by the recipient government for the fiscal year ending 2019, adjusted annually for inflation, in the reporting year the recipient government will identify any sources of funds that have been used to permissibly offset the total value of covered tax changes other than Fiscal Recovery Funds. These are:
  - State or territory tax changes that would increase any source of general

[160] In this sub-section, "recipient governments" refers only to States and territories. In other sections, "recipient governments" refers more broadly to eligible governments receiving funding from the Fiscal Recovery Funds.

[161] For brevity, referred to as "changes in law, regulation, or interpretation" for the remainder of this preamble.

fund revenue, such as a change that would increase a tax rate; and

○ Spending cuts in areas not being replaced by Fiscal Recovery Funds.

The recipient government will calculate the value of revenue reduction remaining after applying these sources of offsetting funding to the total value of revenue reducing changes—that, is, how much of the tax change has not been paid for. The recipient government will then compare that value to the difference between the baseline and actual tax revenue. A recipient government will not be required to repay to the Treasury an amount that is greater than the recipient government's actual tax revenue shortfall relative to the baseline (*i.e.*, fiscal year 2019 tax revenue adjusted for inflation). This "revenue reduction cap," together with Step 3, ensures that recipient governments can use organic revenue growth to offset the cost of revenue reductions.

• Finally, if there are any amounts that could be subject to recoupment, Treasury will provide notice to the recipient government of such amounts. This process is discussed in greater detail in Section IV of this **SUPPLEMENTARY INFORMATION.**

Together, these steps allow Treasury to identify the amount of reduction in net tax revenue that both is attributable to covered changes and has been directly or indirectly offset with Fiscal Recovery Funds. This process ensures Fiscal Recovery Funds are used in a manner consistent with the statute's defined eligible uses and the offset provision's limitation on these eligible uses, while avoiding undue interference with State and territory decisions regarding tax and spending policies.

The interim final rule also implements a process for recouping Fiscal Recovery Funds that were used to offset reductions in net tax revenue, including the calculation of any amounts that may be subject to recoupment, a process for a recipient government to respond to a notice of recoupment, and clarification regarding amounts excluded from recoupment. *See* Section IV of this **SUPPLEMENTARY INFORMATION.**

The interim final rule includes several definitions that are applicable to the implementation of the offset provision.

Covered change. The offset provision is triggered by a reduction in net tax revenue resulting from "a change in law, regulation, or administrative interpretation." A covered change includes any final legislative or regulatory action, a new or changed administrative interpretation, and the phase-in or taking effect of any statute or rule where the phase-in or taking effect was not prescribed prior to the start of the covered period. Changed administrative interpretations would not include corrections to replace prior inaccurate interpretations; such corrections would instead be treated as changes implementing legislation enacted or regulations issued prior to the covered period; the operative change in those circumstances is the underlying legislation or regulation that occurred prior to the covered period. Moreover, only the changes within the control of the State or territory are considered covered changes. Covered changes do not include a change in rate that is triggered automatically and based on statutory or regulatory criteria in effect prior to the covered period. For example, a state law that sets its earned income tax credit (EITC) at a fixed percentage of the Federal EITC will see its EITC payments automatically increase—and thus its tax revenue reduced—because of the Federal Government's expansion of the EITC in the ARPA.[162] This would not be considered a covered change. In addition, the offset provision applies only to actions for which the change in policy occurs during the covered period; it excludes regulations or other actions that implement a change or law substantively enacted prior to March 3, 2021. Finally, Treasury has determined and previously announced that income tax changes—even those made during the covered period—that simply conform with recent changes in Federal law (including those to conform to recent changes in Federal taxation of unemployment insurance benefits and taxation of loan forgiveness under the Paycheck Protection Program) are permissible under the offset provision.

Baseline. For purposes of measuring a reduction in net tax revenue, the interim final rule measures actual changes in tax revenue relative to a revenue baseline (baseline). The baseline will be calculated as fiscal year 2019 (FY 2019) tax revenue indexed for inflation in each year of the covered period, with inflation calculated using the Bureau of Economic Analysis's Implicit Price Deflator.[163]

FY 2019 was chosen as the starting year for the baseline because it is the last full fiscal year prior to the COVID–19 public health emergency.[164] This baseline year is consistent with the approach directed by the ARPA in sections 602(c)(1)(C) and 603(c)(1)(C), which identify the "most recent full fiscal year of the [State, territory, or Tribal government] prior to the emergency" as the comparator for measuring revenue loss. U.S. gross domestic product is projected to rebound to pre-pandemic levels in 2021,[165] suggesting that an FY 2019 pre-pandemic baseline is a reasonable comparator for future revenue levels. The FY 2019 baseline revenue will be adjusted annually for inflation to allow for direct comparison of actual tax revenue in each year (reported in nominal terms) to baseline revenue in common units of measurement; without inflation adjustment, each dollar of reported actual tax revenue would be worth less than each dollar of baseline revenue expressed in 2019 terms.

Reporting year. The interim final rule defines "reporting year" as a single year within the covered period, aligned to the current fiscal year of the recipient government during the covered period, for which a recipient government reports the value of covered changes and any sources of offsetting revenue increases ("in-year" value), regardless of when those changes were enacted. For the fiscal years ending in 2021 or 2025 (partial years), the term "reporting year" refers to the portion of the year falling within the covered period. For example, the reporting year for a fiscal year beginning July 2020 and ending June 2021 would be from March 3, 2021 to July 2021.

Tax revenue. The interim final rule's definition of "tax revenue" is based on the Census Bureau's definition of taxes, used for its Annual Survey of State Government Finances.[166] It provides a consistent, well-established definition with which States and territories will be familiar and is consistent with the approach taken in Section II.C of this **SUPPLEMENTARY INFORMATION** describing the implementation of sections 602(c)(1)(C) and 603(c)(1)(C) of the Act, regarding revenue loss. Consistent with the approach described in Section II.C of this **SUPPLEMENTARY INFORMATION**, tax

[162] *See, e.g.*, Tax Policy Center, How do state earned income tax credits work?, *https://www.taxpolicycenter.org/briefing-book/how-do-state-earned-income-tax-credits-work/* (last visited May 9, 2021).

[163] U.S. Department of Commerce, Bureau of Economic Analysis, GDP Price Deflator, *https://www.bea.gov/data/prices-inflation/gdp-price-deflator* (last visited May 9, 2021).

[164] Using Fiscal Year 2019 is consistent with section 602 as Congress provided for using that baseline for determining the impact of revenue loss affecting the provision of government services. *See* section 602(c)(1)(C).

[165] Congressional Budget Office, An Overview of the Economic Outlook: 2021 to 2031 (February 1, 2021), *available at https://www.cbo.gov/publication/56965.*

[166] U.S. Census Bureau, Annual Survey of State and Local Government Finances Glossary, *https://www.census.gov/programs-surveys/state/about/glossary.html* (last visited Apr. 30, 2021).

revenue does not include revenue taxed and collected by a different unit of government (*e.g.*, revenue from taxes levied by a local government and transferred to a recipient government).

Framework. The interim final rule provides a step-by-step framework, to be used in each reporting year, to calculate whether the offset provision applies to a State's or territory's use of Fiscal Recovery Funds:

(1) *Covered changes that reduce tax revenue.* For each reporting year, a recipient government will identify and value covered changes that the recipient government predicts will have the effect of reducing tax revenue in a given reporting year, similar to the way it would in the ordinary course of its budgeting process. The value of these covered changes may be reported based on estimated values produced by a budget model, incorporating reasonable assumptions, that aligns with the recipient government's existing approach for measuring the effects of fiscal policies, and that measures relative to a current law baseline. The covered changes may also be reported based on actual values using a statistical methodology to isolate the change in year-over-year revenue attributable to the covered change(s), relative to the current law baseline prior to the change(s). Further, estimation approaches should not use dynamic methodologies that incorporate the projected effects of macroeconomic growth because macroeconomic growth is accounted for separately in the framework. Relative to these dynamic scoring methodologies, scoring methodologies that do not incorporate projected effects of macroeconomic growth rely on fewer assumptions and thus provide greater consistency among States and territories. Dynamic scoring that incorporates macroeconomic growth may also increase the likelihood of underestimation of the cost of a reduction in tax revenue.

In general and where possible, reporting should be produced by the agency of the recipient government responsible for estimating the costs and effects of fiscal policy changes. This approach offers recipient governments the flexibility to determine their reporting methodology based on their existing budget scoring practices and capabilities. In addition, the approach of using the projected value of changes in law that enact fiscal policies to estimate the net effect of such policies is consistent with the way many States and territories already consider tax changes.[167]

(2) *In excess of the de minimis.* The recipient government will next calculate the total value of all covered changes in the reporting year resulting in revenue reductions, identified in Step **1**. If the total value of the revenue reductions resulting from these changes is below the de minimis level, the recipient government will be deemed not to have any revenue-reducing changes for the purpose of determining the recognized net reduction. If the total is above the de minimis level, the recipient government must identify sources of in-year revenue to cover the full costs of changes that reduce tax revenue.

The de minimis level is calculated as 1 percent of the reporting year's baseline. Treasury recognizes that, pursuant to their taxing authority, States and territories may make many small changes to alter the composition of their tax revenues or implement other policies with marginal effects on tax revenues. They may also make changes based on projected revenue effects that turn out to differ from actual effects, unintentionally resulting in minor revenue changes that are not fairly described as "resulting from" tax law changes. The de minimis level recognizes the inherent challenges and uncertainties that recipient governments face, and thus allows relatively small reductions in tax revenue without consequence. Treasury determined the 1 percent level by assessing the historical effects of state-level tax policy changes in state EITCs implemented to effect policy goals other than reducing net tax revenues.[168] The 1 percent de minimis level reflects the historical reductions in revenue due to minor changes in state fiscal policies.

(3) *Safe harbor.* The recipient government will then compare the reporting year's actual tax revenue to the baseline. If actual tax revenue is greater than the baseline, Treasury will deem the recipient government not to have any recognized net reduction for the reporting year, and therefore to be in a safe harbor and outside the ambit of the offset provision. This approach is consistent with the ARPA, which contemplates recoupment of Fiscal Recovery Funds only in the event that such funds are used to offset a reduction in net tax revenue. If net tax revenue has not been reduced, this provision does not apply. In the event that actual tax revenue is above the baseline, the organic revenue growth that has occurred, plus any other revenue-raising changes, by definition must have been enough to offset the in-year costs of the covered changes.

(4) *Consideration of other sources of funding.* Next, the recipient government will identify and calculate the total value of changes that could pay for revenue reduction due to covered changes and sum these items. This amount can be used to pay for up to the total value of revenue-reducing changes in the reporting year. These changes consist of two categories:

(a) *Tax and other increases in revenue.* The recipient government must identify and consider covered changes in policy that the recipient government predicts will have the effect of increasing general revenue in a given reporting year. As when identifying and valuing covered changes that reduce tax revenue, the value of revenue-raising changes may be reported based on estimated values produced by a budget model, incorporating reasonable assumptions, aligned with the recipient government's existing approach for measuring the effects of fiscal policies, and measured relative to a current law baseline, or based on actual values using a statistical methodology to isolate the change in year-over-year revenue attributable to the covered change(s). Further, and as discussed above, estimation approaches should not use dynamic scoring methodologies that incorporate the effects of macroeconomic growth because growth is accounted for separately under the interim final rule. In general and where possible, reporting should be produced by the agency of the recipient government responsible for estimating the costs and effects of fiscal policy changes. This approach offers recipient governments the flexibility to determine their reporting methodology based on their existing budget scoring practices and capabilities.

(b) *Covered spending cuts.* A recipient government also may cut spending in certain areas to pay for covered changes that reduce tax revenue, up to the amount of the recipient government's net reduction in total spending as described below. These changes must be reductions in government outlays not in an area where the recipient government has spent Fiscal Recovery Funds. To better align with existing reporting and accounting, the interim final rule considers the department, agency, or

[167] *See, e.g.*, Megan Randall & Kim Rueben, Tax Policy Center, Sustainable Budgeting in the States: Evidence on State Budget Institutions and Practices (Nov. 2017), *available at https://www.taxpolicycenter.org/sites/default/files/publication/149186/sustainable-budgeting-in-the-states_1.pdf.*

[168] Data provided by the Urban-Brookings Tax Policy Center for state-level EITC changes for 2004–2017.

authority from which spending has been cut and whether the recipient government has spent Fiscal Recovery Funds on that same department, agency, or authority. This approach was selected to allow recipient governments to report how Fiscal Recovery Funds have been spent using reporting units already incorporated into their budgeting process. If they have not spent Fiscal Recovery Funds in a department, agency, or authority, the full amount of the reduction in spending counts as a covered spending cut, up to the recipient government's net reduction in total spending. If they have, the Fiscal Recovery Funds generally would be deemed to have replaced the amount of spending cut and only reductions in spending above the amount of Fiscal Recovery Funds spent on the department, agency, or authority would count.

To calculate the amount of spending cuts that are available to offset a reduction in tax revenue, the recipient government must first consider whether there has been a reduction in total net spending, excluding Fiscal Recovery Funds (net reduction in total spending). This approach ensures that reported spending cuts actually create fiscal space, rather than simply offsetting other spending increases. A net reduction in total spending is measured as the difference between total spending in each reporting year, excluding Fiscal Recovery Funds spent, relative to total spending for the recipient's fiscal year ending in 2019, adjusted for inflation. Measuring reductions in spending relative to 2019 reflects the fact that the fiscal space created by a spending cut persists so long as spending remains below its original level, even if it does not decline further, relative to the same amount of revenue. Measuring spending cuts from year to year would, by contrast, not recognize any available funds to offset revenue reductions unless spending continued to decline, failing to reflect the actual availability of funds created by a persistent change and limiting the discretion of States and territories. In general and where possible, reporting should be produced by the agency of the recipient government responsible for estimating the costs and effects of fiscal policy changes. Treasury chose this approach because while many recipient governments may score budget legislation using projections, spending cuts are readily observable using actual values.

This approach—allowing only spending reductions in areas where the recipient government has not spent Fiscal Recovery Funds to be used as an offset for a reduction in net tax revenue—aims to prevent recipient governments from using Fiscal Recovery Funds to supplant State or territory funding in the eligible use areas, and then use those State or territory funds to offset tax cuts. Such an approach helps ensure that Fiscal Recovery Funds are not used to "indirectly" offset revenue reductions due to covered changes.

In order to help ensure recipient governments use Fiscal Recovery Funds in a manner consistent with the prescribed eligible uses and do not use Fiscal Recovery Funds to indirectly offset a reduction in net tax revenue resulting from a covered change, Treasury will monitor changes in spending throughout the covered period. If, over the course of the covered period, a spending cut is subsequently replaced with Fiscal Recovery Funds and used to indirectly offset a reduction in net tax revenue resulting from a covered change, Treasury may consider such change to be an evasion of the restrictions of the offset provision and seek recoupment of such amounts.

(5) *Identification of amounts subject to recoupment.* If a recipient government (i) reports covered changes that reduce tax revenue (Step 1); (ii) to a degree greater than the de minimis (Step 2); (iii) has experienced a reduction in net tax revenue (Step 3); and (iv) lacks sufficient revenue from other, permissible sources to pay for the entirety of the reduction (Step 4), then the recipient government will be considered to have used Fiscal Recovery Funds to offset a reduction in net tax revenue, up to the amount that revenue has actually declined. That is, the maximum value of reduction in revenue due to covered changes which a recipient government must cover is capped at the difference between the baseline and actual tax revenue.[169] In the event that the baseline is above actual tax revenue and the difference between them is less than the sum of revenue reducing changes that are not paid for with other, permissible sources, organic revenue growth has implicitly offset a portion of the reduction. For example, if a recipient government reduces tax revenue by $1 billion, makes no other changes, and experiences revenue growth driven by organic economic growth worth $500 million, it need only pay for the remaining $500 million with sources other than Fiscal Recovery Funds. The revenue reduction cap implements this approach for permitting organic revenue growth to cover the cost of tax cuts.

Finally, as discussed further in Section IV of this **SUPPLEMENTARY INFORMATION**, a recipient government may request reconsideration of any amounts identified as subject to recoupment under this framework. This process ensures that all relevant facts and circumstances, including information regarding planned spending cuts and budgeting assumptions, are considered prior to a determination that an amount must be repaid. Amounts subject to recoupment are calculated on an annual basis; amounts recouped in one year cannot be returned if the State or territory subsequently reports an increase in net tax revenue.

To facilitate the implementation of the framework above, and in addition to reporting required on eligible uses, in each year of the reporting period, each State and territory will report to Treasury the following items:

- Actual net tax revenue for the reporting year;
- Each revenue-reducing change made to date during the covered period and the in-year value of each change;
- Each revenue-raising change made to date during the covered period and the in-year value of each change;
- Each covered spending cut made to date during the covered period, the in-year value of each cut, and documentation demonstrating that each spending cut is covered as prescribed under the interim final rule;

Treasury will provide additional guidance and instructions the reporting requirements at a later date.

Question 28: Does the interim final rule's definition of tax revenue accord with existing State and territorial practice and, if not, are there other definitions or elements Treasury should consider? Discuss why or why not.

Question 29: The interim final rule permits certain spending cuts to cover the costs of reductions in tax revenue, including cuts in a department, agency, or authority in which the recipient government is not using Fiscal Recovery Funds. How should Treasury and recipient governments consider the scope of a department, agency, or authority for the use of funds to ensure spending cuts are not being substituted with Fiscal Recovery Funds while also avoiding an overbroad definition of that captures spending that is, in fact, distinct?

Question 30: Discuss the budget scoring methodologies currently used by States and territories. How should the interim final rule take into consideration differences in approaches? Please discuss the use of

[169] This cap is applied in § 35.8(c) of the interim final rule, calculating the amount of funds used in violation of the tax offset provision.

practices including but not limited to macrodynamic scoring, microdynamic scoring, and length of budget windows.

Question 31: If a recipient government has a balanced budget requirement, how will that requirement impact its use of Fiscal Recovery Funds and ability to implement this framework?

Question 32: To implement the framework described above, the interim final rule establishes certain reporting requirements. To what extent do recipient governments already produce this information and on what timeline? Discuss ways that Treasury and recipient governments may better rely on information already produced, while ensuring a consistent application of the framework.

Question 33: Discuss States' and territories' ability to produce the figures and numbers required for reporting under the interim final rule. What additional reporting tools, such as a standardized template, would facilitate States' and territories' ability to complete the reporting required under the interim final rule?

C. Other Restrictions on Use

Payments from the Fiscal Recovery Funds are also subject to pre-existing limitations provided in other Federal statutes and regulations and may not be used as non-Federal match for other Federal programs whose statute or regulations bar the use of Federal funds to meet matching requirements. For example, payments from the Fiscal Recovery Funds may not be used to satisfy the State share of Medicaid.[170]

As provided for in the award terms, payments from the Fiscal Recovery Funds as a general matter will be subject to the provisions of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR part 200) (the Uniform Guidance), including the cost principles and restrictions on general provisions for selected items of cost.

D. Timeline for Use of Fiscal Recovery Funds

Section 602(c)(1) and section 603(c)(1) require that payments from the Fiscal Recovery Funds be used only to cover costs incurred by the State, territory, Tribal government, or local government by December 31, 2024. Similarly, the CARES Act provided that payments from the CRF be used to cover costs incurred by December 31, 2021.[171] The definition of "incurred" does not have a clear meaning. With respect to the CARES Act, on the understanding that the CRF was intended to be used to meet relatively short-term needs, Treasury interpreted this requirement to mean that, for a cost to be considered to have been incurred, performance of the service or delivery of the goods acquired must occur by December 31, 2021. In contrast, the ARPA, passed at a different stage of the COVID–19 public health emergency, was intended to provide more general fiscal relief over a broader timeline. In addition, the ARPA expressly permits the use of Fiscal Recovery Funds for improvements to water, sewer, and broadband infrastructure, which entail a longer timeframe. In recognition of this, Treasury is interpreting the requirement in section 602 and section 603 that costs be incurred by December 31, 2024, to require only that recipients have obligated the Fiscal Recovery Funds by such date. The interim final rule adopts a definition of "obligation" that is based on the definition used for purposes of the Uniform Guidance, which will allow for uniform administration of this requirement and is a definition with which most recipients will be familiar.

Payments from the Fiscal Recovery Funds are grants provided to recipients to mitigate the fiscal effects of the COVID–19 public health emergency and to respond to the public health emergency, consistent with the eligible uses enumerated in sections 602(c)(1) and 603(c)(1).[172] As such, these funds are intended to provide economic stimulus in areas still recovering from the economic effects of the pandemic. In implementing and interpreting these provisions, including what it means to "respond to" the COVID–19 public health emergency, Treasury takes into consideration pre-pandemic facts and circumstances (*e.g.*, average revenue growth prior to the pandemic) as well as impact of the pandemic that predate the enactment of the ARPA (*e.g.*, replenishing Unemployment Trust balances drawn during the pandemic). While assessing the effects of the COVID–19 public health emergency necessarily takes into consideration the facts and circumstances that predate the ARPA, use of Fiscal Recovery Funds is forward looking.

As discussed above, recipients are permitted to use payments from the Fiscal Recovery Funds to respond to the public health emergency, to respond to workers performing essential work by providing premium pay or providing grants to eligible employers, and to make necessary investments in water, sewer, or broadband infrastructure, which all relate to prospective uses. In addition, sections 602(c)(1)(C) and 603(c)(1)(C) permit recipients to use Fiscal Recovery Funds for the provision of government services. This clause provides that the amount of funds that may be used for this purpose is measured by reference to the reduction in revenue due to the public health emergency relative to revenues collected in the most recent full fiscal year, but this reference does not relate to the period during which recipients may use the funds, which instead refers to prospective uses, consistent with the other eligible uses.

Although as discussed above the eligible uses of payments from the Fiscal Recovery Funds are all prospective in nature, Treasury considers the beginning of the covered period for purposes of determining compliance with section 602(c)(2)(A) to be the relevant reference point for this purpose. The interim final rule thus permits funds to be used to cover costs incurred beginning on March 3, 2021. This aligns the period for use of Fiscal Recovery Funds with the period during which these funds may not be used to offset reductions in net tax revenue. Permitting Fiscal Recovery Funds to be used to cover costs incurred beginning on this date will also mean that recipients that began incurring costs in the anticipation of enactment of the ARPA and in advance of the issuance of this rule and receipt of payment from the Fiscal Recovery Funds would be able to cover them using these payments.[173]

As set forth in the award terms, the period of performance will run until December 31, 2026, which will provide recipients a reasonable amount of time to complete projects funded with payments from the Fiscal Recovery Funds.

IV. Recoupment Process

Under the ARPA, failure to comply with the restrictions on use contained in sections 602(c) and 603(c) of the Act may result in recoupment of funds.[174] The interim final rule implements these provisions by establishing a process for recoupment.

Identification and Notice of Violations. Failure to comply with the restrictions on use will be identified based on reporting provided by the

[170] *See* 42 CFR 433.51 and 45 CFR 75.306.

[171] Section 1001 of Division N of the Consolidated Appropriations Act, 2021 amended section 601(d)(3) of the Act by extending the end of the covered period for CRF expenditures from December 30, 2020 to December 31, 2021.

[172] Sections 602(a), 603(a), 602(c)(1) and 603(c)(1) of the Act.

[173] Given the nature of this program, recipients will not be permitted to use funds to cover pre-award costs, *i.e.*, those incurred prior to March 3, 2021.

[174] Sections 602(e) and 603(e) of the Act.

recipient. As discussed further in Sections III.B and VIII of this **SUPPLEMENTARY INFORMATION**, Treasury will collect information regarding eligible uses on a quarterly basis and on the tax offset provision on an annual basis. Treasury also may consider other information in identifying a violation, such as information provided by members of the public. If Treasury identifies a violation, it will provide written notice to the recipient along with an explanation of such amounts.

Request for Reconsideration. Under the interim final rule, a recipient may submit a request for reconsideration of any amounts identified in the notice provided by Treasury. This reconsideration process provides a recipient the opportunity to submit additional information it believes supports its request in light of the notice of recoupment, including, for example, additional information regarding the recipient's use of Fiscal Recovery Funds or its tax revenues. The process also provides the Secretary with an opportunity to consider all information relevant to whether a violation has occurred, and if so, the appropriate amount for recoupment.

The interim final rule also establishes requirements for the timing of a request for reconsideration. Specifically, if a recipient wishes to request reconsideration of any amounts identified in the notice, the recipient must submit a written request for reconsideration to the Secretary within 60 calendar days of receipt of such notice. The request must include an explanation of why the recipient believes that the finding of a violation or recoupable amount identified in the notice of recoupment should be reconsidered. To facilitate the Secretary's review of a recipient's request for reconsideration, the request should identify all supporting reasons for the request. Within 60 calendar days of receipt of the recipient's request for reconsideration, the recipient will be notified of the Secretary's decision to affirm, withdraw, or modify the notice of recoupment. Such notification will include an explanation of the decision, including responses to the recipient's supporting reasons and consideration of additional information provided.

The process and timeline established by the interim final rule are intended to provide the recipient with an adequate opportunity to fully present any issues or arguments in response to the notice of recoupment.[175] This process will allow the Secretary to respond to the issues and considerations raised in the request for reconsideration taking into account the information and arguments presented by the recipient along with any other relevant information.

Repayment. Finally, the interim final rule provides that any amounts subject to recoupment must be repaid within 120 calendar days of receipt of any final notice of recoupment or, if the recipient has not requested reconsideration, within 120 calendar days of the initial notice provided by the Secretary.

Question 34: Discuss the timeline for requesting reconsideration under the interim final rule. What, if any, challenges does this timeline present?

V. Payments in Tranches to Local Governments and Certain States

Section 603 of the Act provides that the Secretary will make payments to local governments in two tranches, with the second tranche being paid twelve months after the first payment. In addition, section 602(b)(6)(A)(ii) provides that the Secretary may withhold payment of up to 50 percent of the amount allocated to each State and territory for a period of up to twelve months from the date on which the State or territory provides its certification to the Secretary. Any such withholding for a State or territory is required to be based on the unemployment rate in the State or territory as of the date of the certification.

The Secretary has determined to provide in this interim final rule for withholding of 50 percent of the amount of Fiscal Recovery Funds allocated to all States (and the District of Columbia) other than those with an unemployment rate that is 2.0 percentage points or more above its pre-pandemic (*i.e.*, February 2020) level. The Secretary will refer to the latest available monthly data from the Bureau of Labor Statistics as of the date the certification is provided. Based on data available at the time of public release of this interim final rule, this threshold would result in a majority of States being paid in two tranches.

Splitting payments for the majority of States is consistent with the requirement in section 603 of the Act to make payments from the Coronavirus Local Fiscal Recovery Fund to local governments in two tranches.[176] Splitting payments to States into two tranches will help encourage recipients to adapt, as necessary, to new developments that could arise over the coming twelve months, including potential changes to the nature of the public health emergency and its negative economic impacts. While the U.S. economy has been recovering and adding jobs in aggregate, there is still considerable uncertainty in the economic outlook and the interaction between the pandemic and the economy.[177] For these reasons, Treasury believes it will be appropriate for a majority of recipients to adapt their plans as the recovery evolves. For example, a faster-than-expected economic recovery in 2021 could lead a recipient to dedicate more Fiscal Recovery Funds to longer-term investments starting in 2022. In contrast, a slower-than-expected economic recovery in 2021 could lead a recipient to use additional funds for near-term stimulus in 2022.

At the same time, the statute contemplates the possibility that elevated unemployment in certain States could justify a single payment. Elevated unemployment is indicative of a greater need to assist unemployed workers and stimulate a faster economic recovery. For this reason, the interim final rule provides that States and territories with an increase in their unemployment rate over a specified threshold may receive a single payment, with the expectation that a single tranche will better enable these States and territories to take additional immediate action to aid the unemployed and strengthen their economies.

Following the initial pandemic-related spike in unemployment in 2020, States' unemployment rates have been trending back towards pre-pandemic levels. However, some States' labor markets are healing more slowly than others. Moreover, States varied widely in their pre-pandemic levels of unemployment, and some States remain substantially further from their pre-

[175] The interim final rule also provides that Treasury may extend any deadlines.

[176] With respect to Federal financial assistance more generally, States are subject to the requirements of the Cash Management Improvement Act (CMIA), under which Federal funds are drawn upon only on an as needed basis and States are required to remit interest on unused balances to Treasury. Given the statutory requirement for Treasury to make payments to States within a certain period, these requirements of the CMIA and Treasury's implementing regulations at 31 CFR part 205 will not apply to payments from the Fiscal Recovery Funds. Providing funding in two tranches to the majority of States reflects, to the maximum extent permitted by section 602 of the Act, the general principles of Federal cash management and stewardship of Federal funding, yet will be much less restrictive than the usual requirements to which States are subject.

[177] The potential course of the virus, and its impact on the economy, has contributed to a heightened degree of uncertainty relative to prior periods. *See, e.g.*, Dave Altig et al., Economic uncertainty before and during the COVID–19 pandemic, J. of Public Econ. (Nov. 2020), *available at https://www.sciencedirect.com/science/article/abs/pii/S0047272720301389.*

pandemic starting point. Consequently, Treasury is delineating States with significant remaining elevation in the unemployment rate, based on the net difference to pre-pandemic levels.

Treasury has established that significant remaining elevation in the unemployment rate is a net change in the unemployment rate of 2.0 percentage points or more relative to pre-pandemic levels. In the four previous recessions going back to the early 1980s, the national unemployment rate rose by 3.6, 2.3, 2.0, and 5.0 percentage points, as measured from the start of the recession to the eventual peak during or immediately following the recession.[178] Each of these increases can therefore represent a recession's impact on unemployment. To identify States with significant remaining elevation in unemployment, Treasury took the lowest of these four increases, 2.0 percentage points, to indicate states where, despite improvement in the unemployment rate, current labor market conditions are consistent still with a historical benchmark for a recession.

No U.S. territory will be subject to withholding of its payment from the Fiscal Recovery Funds. For Puerto Rico, the Secretary has determined that the current level of the unemployment rate (8.8 percent, as of March 2021[179]) is sufficiently high such that Treasury should not withhold any portion of its payment from the Fiscal Recovery Funds regardless of its change in unemployment rate relative to its pre-pandemic level. For U.S. territories that are not included in the Bureau of Labor Statistics' monthly unemployment rate data, the Secretary will not exercise the authority to withhold amounts from the Fiscal Recovery Funds.

VI. Transfer

The statute authorizes State, territorial, and Tribal governments; counties; metropolitan cities; and nonentitlement units of local government (counties, metropolitan cities, and nonentitlement units of local government are collectively referred to as "local governments") to transfer amounts paid from the Fiscal Recovery Funds to a number of specified entities. By permitting these transfers, Congress recognized the importance of providing flexibility to governments seeking to achieve the greatest impact with their funds, including by working with other levels or units of government or private entities to assist recipient governments in carrying out their programs. This includes special-purpose districts that perform specific functions in the community, such as fire, water, sewer, or mosquito abatement districts.

Specifically, under section 602(c)(3), a State, territory, or Tribal government may transfer funds to a "private nonprofit organization . . . a Tribal organization . . . a public benefit corporation involved in the transportation of passengers or cargo, or a special-purpose unit of State or local government."[180] Similarly, section 603(c)(3) authorizes a local government to transfer funds to the same entities (other than Tribal organizations).

The interim final rule clarifies that the lists of transferees in sections 602(c)(3) and 603(c)(3) are not exclusive. The interim final rule permits State, territorial, and Tribal governments to transfer Fiscal Recovery Funds to other constituent units of government or private entities beyond those specified in the statute. Similarly, local governments are authorized to transfer Fiscal Recovery Funds to other constituent units of government (*e.g.*, a county is able to transfer Fiscal Recovery Funds to a city, town, or school district within it) or to private entities. This approach is intended to help provide funding to local governments with needs that may exceed the allocation provided under the statutory formula.

State, local, territorial, and Tribal governments that receive a Federal award directly from a Federal awarding agency, such as Treasury, are "recipients." A transferee receiving a transfer from a recipient under sections 602(c)(3) and 603(c)(3) will be a subrecipient. Subrecipients are entities that receive a subaward from a recipient to carry out a program or project on behalf of the recipient with the recipient's Federal award funding. The recipient remains responsible for monitoring and overseeing the subrecipient's use of Fiscal Recovery Funds and other activities related to the award to ensure that the subrecipient complies with the statutory and regulatory requirements and the terms and conditions of the award. Recipients also remain responsible for reporting to Treasury on their subrecipients' use of payments from the Fiscal Recovery Funds for the duration of the award.

Transfers under sections 602(c)(3) and 603(c)(3) must qualify as an eligible use of Fiscal Recovery Funds by the transferor. Once Fiscal Recovery Funds are received, the transferee must abide by the restrictions on use applicable to the transferor under the ARPA and other applicable law and program guidance. For example, if a county transferred Fiscal Recovery Funds to a town within its borders to respond to the COVID–19 public health emergency, the town would be bound by the eligible use requirements applicable to the county in carrying out the county's goal. This also means that county A may not transfer Fiscal Recovery Funds to county B for use in county B because such a transfer would not, from the perspective of the transferor (county A), be an eligible use in county A.

Section 603(c)(4) separately provides for transfers by a local government to its State or territory. A transfer under section 603(c)(4) will not make the State a subrecipient of the local government, and such Fiscal Recovery Funds may be used by the State for any purpose permitted under section 602(c). A transfer under section 603(c)(4) will result in a cancellation or termination of the award on the part of the transferor local government and a modification of the award to the transferee State or territory. The transferor must provide notice of the transfer to Treasury in a format specified by Treasury. If the local government does not provide such notice, it will remain legally obligated to Treasury under the award and remain responsible for ensuring that the awarded Fiscal Recovery Funds are being used in accordance with the statute and program guidance and for reporting on such uses to Treasury. A State that receives a transfer from a local government under section 603(c)(4) will be bound by all of the use restrictions set forth in section 602(c) with respect to the use of those Fiscal Recovery Funds, including the prohibitions on use of such Fiscal Recovery Funds to offset certain reductions in taxes or to make deposits into pension funds.

Question 35: What are the advantages and disadvantages of treating the list of transferees in sections 602(c)(3) and 603(c)(3) as nonexclusive, allowing States and localities to transfer funds to entities outside of the list?

Question 36: Are there alternative ways of defining "special-purpose unit of State or local government" and

[178] Includes the period during and immediately following recessions, as defined by the National Bureau of Economic Research. National Bureau of Economic Research, US Business Cycle Expansions and Contractions, *https://www.nber.org/research/data/us-business-cycle-expansions-and-contractions* (last visited Apr. 27, 2021). Based on data from U.S. Bureau of Labor Statistics, Unemployment Rate [UNRATE], retrieved from FRED, Federal Reserve Bank of St. Louis, *https://fred.stlouisfed.org/series/UNRATE* (last visited Apr. 27, 2021).

[179] U.S. Bureau of Labor Statistics, Economic News Release—Table 1. Civilian labor force and unemployment by state and selected area, seasonally adjusted, *https://www.bls.gov/news.release/laus.t01.htm* (last visited Apr. 30, 2021).

[180] Section 602(c)(3) of the Act.

"public benefit corporation" that would better further the aims of the Funds?

VII. Nonentitlement Units of Government

The Fiscal Recovery Funds provides for $19.53 billion in payments to be made to States and territories which will distribute the funds to nonentitlement units of local government (NEUs); local governments which generally have populations below 50,000. These local governments have not yet received direct fiscal relief from the Federal Government during the COVID–19 public health emergency, making Fiscal Recovery Funds payments an important source of support for their public health and economic responses. Section 603 requires Treasury to allocate and pay Fiscal Recovery Funds to the States and territories and requires the States and territories to distribute Fiscal Recovery Funds to NEUs based on population within 30 days of receipt unless an extension is granted by the Secretary. The interim final rule clarifies certain aspects regarding the distribution of Fiscal Recovery by States and territories to NEUs, as well as requirements around timely payments from the Fiscal Recovery Funds.

The ARPA requires that States and territories allocate funding to NEUs in an amount that bears the same proportion as the population of the NEU bears to the total population of all NEUs in the State or territory, subject to a cap (described below). Because the statute requires States and territories to make distributions based on population, States and territories may not place additional conditions or requirements on distributions to NEUs, beyond those required by the ARPA and Treasury's implementing regulations and guidance. For example, a State may not impose stricter limitations than permitted by statute or Treasury regulations or guidance on an NEU's use of Fiscal Recovery Funds based on the NEU's proposed spending plan or other policies. States and territories are also not permitted to offset any debt owed by the NEU against the NEU's distribution. Further, States and territories may not provide funding on a reimbursement basis—*e.g.,* requiring NEUs to pay for project costs up front before being reimbursed with Fiscal Recovery Funds payments—because this funding model would not comport with the statutory requirement that States and territories make distributions to NEUs within the statutory timeframe.

Similarly, States and territories distributing Fiscal Recovery Funds payments to NEUs are responsible for complying with the Fiscal Recovery Funds statutory requirement that distributions to NEUs not exceed 75 percent of the NEU's most recent budget. The most recent budget is defined as the NEU's most recent annual total operating budget, including its general fund and other funds, as of January 27, 2020. Amounts in excess of such cap and therefore not distributed to the NEU must be returned to Treasury by the State or territory. States and territories may rely for this determination on a certified top-line budget total from the NEU.

Under the interim final rule, the total allocation and distribution to an NEU, including the sum of both the first and second tranches of funding, cannot exceed the 75 percent cap. States and territories must permit NEUs without formal budgets as of January 27, 2020 to self-certify their most recent annual expenditures as of January 27, 2020 for the purpose of calculating the cap. This approach will provide an administrable means to implement the cap for small local governments that do not adopt a formal budget.

Section 603(b)(3) of the Social Security Act provides for Treasury to make payments to counties but provides that, in the case of an amount to be paid to a county that is not a unit of general local government, the amount shall instead be paid to the State in which such county is located, and such State shall distribute such amount to each unit of general local government within such county in an amount that bears the same proportion to the amount to be paid to such county as the population of such units of general local government bears to the total population of such county. As with NEUs, States may not place additional conditions or requirements on distributions to such units of general local government, beyond those required by the ARPA and Treasury's implementing regulations and guidance.

In the case of consolidated governments, section 603(b)(4) allows consolidated governments (*e.g.,* a city-county consolidated government) to receive payments under each allocation based on the respective formulas. In the case of a consolidated government, Treasury interprets the budget cap to apply to the consolidated government's NEU allocation under section 603(b)(2) but not to the consolidated government's county allocation under section 603(b)(3).

If necessary, States and territories may use the Fiscal Recovery Funds under section 602(c)(1)(A) to fund expenses related to administering payments to NEUs and units of general local government, as disbursing these funds itself is a response to the public health emergency and its negative economic impacts. If a State or territory requires more time to disburse Fiscal Recovery Funds to NEUs than the allotted 30 days, Treasury will grant extensions of not more than 30 days for States and territories that submit a certification in writing in accordance with section 603(b)(2)(C)(ii)(I). Additional extensions may be granted at the discretion of the Secretary.

Question 37: What are alternative ways for States and territories to enforce the 75 percent cap while reducing the administrative burden on them?

Question 38: What criteria should Treasury consider in assessing requests for extensions for further time to distribute NEU payments?

VIII. Reporting

States (defined to include the District of Columbia), territories, metropolitan cities, counties, and Tribal governments will be required to submit one interim report and thereafter quarterly Project and Expenditure reports through the end of the award period on December 31, 2026. The interim report will include a recipient's expenditures by category at the summary level from the date of award to July 31, 2021 and, for States and territories, information related to distributions to nonentitlement units. Recipients must submit their interim report to Treasury by August 31, 2021. Nonentitlement units of local government are not required to submit an interim report.

The quarterly Project and Expenditure reports will include financial data, information on contracts and subawards over $50,000, types of projects funded, and other information regarding a recipient's utilization of the award funds. The reports will include the same general data (*e.g.,* on obligations, expenditures, contracts, grants, and subawards) as those submitted by recipients of the CRF, with some modifications. Modifications will include updates to the expenditure categories and the addition of data elements related to specific eligible uses, including some of the reporting elements described in sections above. The initial quarterly Project and Expenditure report will cover two calendar quarters from the date of award to September 30, 2021, and must be submitted to Treasury by October 31, 2021. The subsequent quarterly reports will cover one calendar quarter and must be submitted to Treasury within 30 days after the end of each calendar quarter.

Nonentitlement units of local government will be required to submit

annual Project and Expenditure reports until the end of the award period on December 31, 2026. The initial annual Project and Expenditure report for nonentitlement units of local government will cover activity from the date of award to September 30, 2021 and must be submitted to Treasury by October 31, 2021. The subsequent annual reports must be submitted to Treasury by October 31 each year.

States, territories, metropolitan cities, and counties with a population that exceeds 250,000 residents will also be required to submit an annual Recovery Plan Performance report to Treasury. The Recovery Plan Performance report will provide the public and Treasury information on the projects that recipients are undertaking with program funding and how they are planning to ensure project outcomes are achieved in an effective, efficient, and equitable manner. Each jurisdiction will have some flexibility in terms of the form and content of the Recovery Plan Performance report, as long as it includes the minimum information required by Treasury. The Recovery Plan Performance report will include key performance indicators identified by the recipient and some mandatory indicators identified by Treasury, as well as programmatic data in specific eligible use categories and the specific reporting requirements described in the sections above. The initial Recovery Plan Performance report will cover the period from the date of award to July 31, 2021 and must be submitted to Treasury by August 31, 2021. Thereafter, Recovery Plan Performance reports will cover a 12-month period, and recipients will be required to submit the report to Treasury within 30 days after the end of the 12-month period. The second Recovery Plan Performance report will cover the period from July 1, 2021 to June 30, 2022, and must be submitted to Treasury by July 31, 2022. Each annual Recovery Plan Performance report must be posted on the public-facing website of the recipient. Local governments with fewer than 250,000 residents, Tribal governments, and nonentitlement units of local government are not required to develop a Recovery Plan Performance report.

Treasury will provide additional guidance and instructions on the reporting requirements outlined above for the Fiscal Recovery Funds at a later date.

IX. Comments and Effective Date

This interim final rule is being issued without advance notice and public comment to allow for immediate implementation of this program. As discussed below, the requirements of advance notice and public comment do not apply "to the extent that there is involved . . . a matter relating to agency . . . grants." [181] The interim final rule implements statutory conditions on the eligible uses of the Fiscal Recovery Funds grants, and addresses the payment of those funds, the reporting on uses of funds, and potential consequences of ineligible uses. In addition and as discussed below, the Administrative Procedure Act also provides an exception to ordinary notice-and-comment procedures "when the agency for good cause finds (and incorporates the finding and a brief statement of reasons therefor in the rules issued) that notice and public procedure thereon are impracticable, unnecessary, or contrary to the public interest." [182] This good cause justification also supports waiver of the 60-day delayed effective date for major rules under the Congressional Review Act at 5 U.S.C. 808(2). Although this interim final rule is effective immediately, comments are solicited from interested members of the public and from recipient governments on all aspects of the interim final rule.

These comments must be submitted on or before July 16, 2021.

X. Regulatory Analyses

Executive Orders 12866 and 13563

This interim final rule is economically significant for the purposes of Executive Orders 12866 and 13563. Treasury, however, is proceeding under the emergency provision at Executive Order 12866 section 6(a)(3)(D) based on the need to act expeditiously to mitigate the current economic conditions arising from the COVID–19 public health emergency. The rule has been reviewed by the Office of Management and Budget (OMB) in accordance with Executive Order 12866. This rule is necessary to implement the ARPA in order to provide economic relief to State, local, and Tribal governments adversely impacted by the COVID–19 public health emergency.

Under Executive Order 12866, OMB must determine whether this regulatory action is "significant" and, therefore, subject to the requirements of the Executive Order and subject to review by OMB. Section 3(f) of Executive Order 12866 defines a significant regulatory action as an action likely to result in a rule that may:

(1) Have an annual effect on the economy of $100 million or more, or adversely affect a sector of the economy; productivity; competition; jobs; the environment; public health or safety; or State, local, or Tribal governments or communities in a material way (also referred to as "economically significant" regulations);

(2) Create a serious inconsistency or otherwise interfere with an action taken or planned by another agency;

(3) Materially alter the budgetary impacts of entitlements, grants, user fees, or loan programs or the rights and obligations of recipients thereof; or

(4) Raise novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles stated in the Executive order.

This regulatory action is an economically significant regulatory action subject to review by OMB under section 3(f) of Executive Order 12866. Treasury has also reviewed these regulations under Executive Order 13563, which supplements and explicitly reaffirms the principles, structures, and definitions governing regulatory review established in Executive Order 12866. To the extent permitted by law, section 1(b) of Executive Order 13563 requires that an agency:

(1) Propose or adopt regulations only upon a reasoned determination that their benefits justify their costs (recognizing that some benefits and costs are difficult to quantify);

(2) Tailor its regulations to impose the least burden on society, consistent with obtaining regulatory objectives taking into account, among other things, and to the extent practicable, the costs of cumulative regulations;

(3) Select, in choosing among alternative regulatory approaches, those approaches that maximize net benefits (including potential economic, environmental, public health and safety, and other advantages; distributive impacts; and equity);

(4) To the extent feasible, specify performance objectives, rather than the behavior or manner of compliance a regulated entity must adopt; and

(5) Identify and assess available alternatives to direct regulation, including providing economic incentives—such as user fees or marketable permits—to encourage the desired behavior, or providing information that enables the public to make choices.

Executive Order 13563 also requires an agency "to use the best available

[181] 5 U.S.C. 553(a)(2).

[182] 5 U.S.C. 553(b)(3)(B); *see also* 5 U.S.C. 553(d)(3) (creating an exception to the requirement of a 30-day delay before the effective date of a rule "for good cause found and published with the rule").

techniques to quantify anticipated present and future benefits and costs as accurately as possible." OMB's Office of Information and Regulatory Affairs (OIRA) has emphasized that these techniques may include "identifying changing future compliance costs that might result from technological innovation or anticipated behavioral changes."

Treasury has assessed the potential costs and benefits, both quantitative and qualitative, of this regulatory action, and is issuing this interim final rule only on a reasoned determination that the benefits exceed the costs. In choosing among alternative regulatory approaches, Treasury selected those approaches that would maximize net benefits. Based on the analysis that follows and the reasons stated elsewhere in this document, Treasury believes that this interim final rule is consistent with the principles set forth in Executive Order 13563.

Treasury also has determined that this regulatory action does not unduly interfere with States, territories, Tribal governments, and localities in the exercise of their governmental functions.

This Regulatory Impact Analysis discusses the need for regulatory action, the potential benefits, and the potential costs.

Need for Regulatory Action. This interim final rule implements the $350 billion Fiscal Recovery Funds of the ARPA, which Congress passed to help States, territories, Tribal governments, and localities respond to the ongoing COVID–19 public health emergency and its economic impacts. As the agency charged with execution of these programs, Treasury has concluded that this interim final rule is needed to ensure that recipients of Fiscal Recovery Funds fully understand the requirements and parameters of the program as set forth in the statute and deploy funds in a manner that best reflects Congress' mandate for targeted fiscal relief.

This interim final rule is primarily a transfer rule: It transfers $350 billion in aid from the Federal Government to states, territories, Tribal governments, and localities, generating a significant macroeconomic effect on the U.S. economy. In making this transfer, Treasury has sought to implement the program in ways that maximize its potential benefits while minimizing its costs. It has done so by aiming to target relief in key areas according to the congressional mandate; offering clarity to States, territories, Tribal governments, and localities while maintaining their flexibility to respond to local needs; and limiting administrative burdens.

Analysis of Benefits. Relative to a pre-statutory baseline, the Fiscal Recovery Funds provide a combined $350 billion to State, local, and Tribal governments for fiscal relief and support for costs incurred responding to the COVID–19 pandemic. Treasury believes that this transfer will generate substantial additional economic activity, although given the flexibility accorded to recipients in the use of funds, it is not possible to precisely estimate the extent to which this will occur and the timing with which it will occur. Economic research has demonstrated that state fiscal relief is an efficient and effective way to mitigate declines in jobs and output during an economic downturn.[183] Absent such fiscal relief, fiscal austerity among State, local, and Tribal governments could exert a prolonged drag on the overall economic recovery, as occurred following the 2007–09 recession.[184]

This interim final rule provides benefits across several areas by implementing the four eligible funding uses, as defined in statute: Strengthening the response to the COVID–19 public health emergency and its economic impacts; easing fiscal pressure on State, local, and Tribal governments that might otherwise lead to harmful cutbacks in employment or government services; providing premium pay to essential workers; and making necessary investments in certain types of infrastructure. In implementing the ARPA, Treasury also sought to support disadvantaged communities that have been disproportionately impacted by the pandemic. The Fiscal Recovery Funds as implemented by the interim final rule can be expected to channel resources toward these uses in order to achieve substantial near-term economic and public health benefits, as well as longer-term benefits arising from the allowable investments in water, sewer, and broadband infrastructure and aid to families.

These benefits are achieved in the interim final rule through a broadly flexible approach that sets clear guidelines on eligible uses of Fiscal Recovery Funds and provides State, local, and Tribal government officials discretion within those eligible uses to direct Fiscal Recovery Funds to areas of greatest need within their jurisdiction. While preserving recipients' overall flexibility, the interim final rule includes several provisions that implement statutory requirements and will help support use of Fiscal Recovery Funds to achieve the intended benefits. The remainder of this section clarifies how Treasury's approach to key provisions in the interim final rule will contribute to greater realization of benefits from the program.

- *Revenue Loss:* Recipients will compute the extent of reduction in revenue by comparing actual revenue to a counterfactual trend representing what could have plausibly been expected to occur in the absence of the pandemic. The counterfactual trend begins with the last full fiscal year prior to the public health emergency (as required by statute) and projects forward with an annualized growth adjustment. Treasury's decision to incorporate a growth adjustment into the calculation of revenue loss ensures that the formula more fully captures revenue shortfalls relative to recipients' pre-pandemic expectations. Moreover, recipients will have the opportunity to re-calculate revenue loss at several points throughout the program, recognizing that some recipients may experience revenue effects with a lag. This option to re-calculate revenue loss on an ongoing basis should result in more support for recipients to avoid harmful cutbacks in future years. In calculating revenue loss, recipients will look at general revenue in the aggregate, rather than on a source-by-source basis. Given that recipients may have experienced offsetting changes in revenues across sources, Treasury's approach provides a more accurate representation of the effect of the pandemic on overall revenues.
- *Premium Pay:* Per the statute, recipients have broad latitude to designate critical infrastructure sectors and make grants to third-party employers for the purpose of providing premium pay or otherwise respond to essential workers. While the interim final rule generally preserves the flexibility in the statute, it does add a requirement that recipients give written justification in the case that premium pay would increase a worker's annual pay above a certain threshold. To set this threshold, Treasury analyzed data

[183] Gabriel Chodorow-Reich et al., Does State Fiscal Relief during Recessions Increase Employment? Evidence from the American Recovery and Reinvestment Act, American Econ. J.: Econ. Policy, 4:3 118–45 (Aug. 2012), *available at https://www.aeaweb.org/articles?id=10.1257/pol.4.3.118.*

[184] *See, e.g.,* Fitzpatrick, Haughwout & Setren, Fiscal Drag from the State and Local Sector?, Liberty Street Economics Blog, Federal Reserve Bank of New York (June 27, 2012), *https://www.libertystreeteconomics.newyorkfed.org/2012/06/fiscal-drag-from-the-state-and-local-sector.html;* Jiri Jonas, Great Recession and Fiscal Squeeze at U.S. Subnational Government Level, IMF Working Paper 12/184, (July 2012), *available at https://www.imf.org/external/pubs/ft/wp/2012/wp12184.pdf;* Gordon, *supra* note 9.

from the Bureau of Labor Statistics to determine a level that would not require further justification for premium pay to the vast majority of essential workers, while requiring higher scrutiny for provision of premium pay to higher-earners who, even without premium pay, would likely have greater personal financial resources to cope with the effects of the pandemic. Treasury believes the threshold in the interim final rule strikes the appropriate balance between preserving flexibility and helping encourage use of these resources to help those in greatest need. The interim final rule also requires that eligible workers have regular in-person interactions or regular physical handling of items that were also handled by others. This requirement will also help encourage use of financial resources for those who have endured the heightened risk of performing essential work.

• *Withholding of Payments to Recipients:* Treasury believes that for the vast majority of recipient entities, it will be appropriate to receive funds in two separate payments. As discussed above, withholding of payments ensures that recipients can adapt spending plans to evolving economic conditions and that at least some of the economic benefits will be realized in 2022 or later. However, consistent with authorities granted to Treasury in the statute, Treasury recognizes that a subset of States with significant remaining elevation in the unemployment rate could face heightened additional near-term needs to aid unemployed workers and stimulate the recovery. Therefore, for a subset of State governments, Treasury will not withhold any funds from the first payment. Treasury believes that this approach strikes the appropriate balance between the general reasons to provide funds in two payments and the heightened additional near-term needs in specific States. As discussed above, Treasury set a threshold based on historical analysis of unemployment rates in recessions.

• *Hiring Public Sector Employees:* The interim final rule states explicitly that recipients may use funds to restore their workforces up to pre-pandemic levels. Treasury believes that this statement is beneficial because it eliminates any uncertainty that could cause delays or otherwise negatively impact restoring public sector workforces (which, at time of publication, remain significantly below pre-pandemic levels).

Finally, the interim final rule aims to promote and streamline the provision of assistance to individuals and communities in greatest need, particularly communities that have been historically disadvantaged and have experienced disproportionate impacts of the COVID–19 crisis. Targeting relief is in line with Executive Order 13985, "Advancing Racial Equity and Support for Underserved Communities Through the Federal Government," which laid out an Administration-wide priority to support "equity for all, including people of color and others who have been historically underserved, marginalized, and adversely affected by persistent poverty and inequality." [185] To this end, the interim final rule enumerates a list of services that may be provided using Fiscal Recovery Funds in low-income areas to address the disproportionate impacts of the pandemic in these communities; establishes the characteristics of essential workers eligible for premium pay and encouragement to serve workers based on financial need; provides that recipients may use Fiscal Recovery Funds to restore (to pre-pandemic levels) state and local workforces, where women and people of color are disproportionately represented; [186] and targets investments in broadband infrastructure to unserved and underserved areas. Collectively, these provisions will promote use of resources to facilitate the provision of assistance to individuals and communities with the greatest need.

Analysis of Costs. This regulatory action will generate administrative costs relative to a pre-statutory baseline. This includes, chiefly, costs required to administer Fiscal Recovery Funds, oversee subrecipients and beneficiaries, and file periodic reports with Treasury. It also requires States to allocate Fiscal Recovery Funds to nonentitlement units, which are smaller units of local government that are statutorily required to receive their funds through States.

Treasury expects that the administrative burden associated with this program will be moderate for a grant program of its size. Treasury expects that most recipients receive direct or indirect funding from Federal Government programs and that many have familiarity with how to administer and report on Federal funds or grant funding provided by other entities. In particular, States, territories, and large localities will have received funds from the CRF and Treasury expects them to rely heavily on established processes developed last year or through prior grant funding, mitigating burden on these governments.

Treasury expects to provide technical assistance to defray the costs of administration of Fiscal Recovery Funds to further mitigate burden. In making implementation choices, Treasury has hosted numerous consultations with a diverse range of direct recipients—States, small cities, counties, and Tribal governments—along with various communities across the United States, including those that are underserved. Treasury lacks data to estimate the precise extent to which this interim final rule generates administrative burden for State, local, and Tribal governments, but seeks comment to better estimate and account for these costs, as well as on ways to lessen administrative burdens.

Executive Order 13132

Executive Order 13132 (entitled Federalism) prohibits an agency from publishing any rule that has federalism implications if the rule either imposes substantial, direct compliance costs on State, local, and Tribal governments, and is not required by statute, or preempts state law, unless the agency meets the consultation and funding requirements of section 6 of the Executive order. This interim final rule does not have federalism implications within the meaning of the Executive order and does not impose substantial, direct compliance costs on State, local, and Tribal governments or preempt state law within the meaning of the Executive order. The compliance costs are imposed on State, local, and Tribal governments by sections 602 and 603 of the Social Security Act, as enacted by the ARPA. Notwithstanding the above, Treasury has engaged in efforts to consult and work cooperatively with affected State, local, and Tribal government officials and associations in the process of developing the interim final rule. Pursuant to the requirements set forth in section 8(a) of Executive Order 13132, Treasury certifies that it has complied with the requirements of Executive Order 13132.

Administrative Procedure Act

The Administrative Procedure Act (APA), 5 U.S.C. 551 *et seq.*, generally requires public notice and an opportunity for comment before a rule

[185] Executive Order on Advancing Racial Equity and Support for Underserved Communities through the Federal Government (Jan. 20, 2021) (86 FR 7009, January 25, 2021), *https://www.whitehouse.gov/briefing-room/presidential-actions/2021/01/20/executive-order-advancing-racial-equity-and-support-for-underserved-communities-through-the-federal-government/* (last visited May 9, 2021).

[186] David Cooper, Mary Gable & Algernon Austin, Economic Policy Institute Briefing Paper, The Public-Sector Jobs Crisis: Women and African Americans hit hardest by job losses in state and local governments, *https://www.epi.org/publication/bp339-public-sector-jobs-crisis* (last visited May 9, 2021).

becomes effective. However, the APA provides that the requirements of 5 U.S.C. 553 do not apply "to the extent that there is involved . . . a matter relating to agency . . . grants." The interim final rule implements statutory conditions on the eligible uses of the Fiscal Recovery Funds grants, and addresses the payment of those funds, the reporting on uses of funds, and potential consequences of ineligible uses. The rule is thus "both clearly and directly related to a federal grant program." *National Wildlife Federation* v. *Snow,* 561 F.2d 227, 232 (D.C. Cir. 1976). The rule sets forth the "process necessary to maintain state . . . eligibility for federal funds," *id.,* as well as the "method[s] by which states can . . . qualify for federal aid," and other "integral part[s] of the grant program," *Center for Auto Safety* v. *Tiemann,* 414 F. Supp. 215, 222 (D.D.C. 1976). As a result, the requirements of 5 U.S.C. 553 do not apply.

The APA also provides an exception to ordinary notice-and-comment procedures "when the agency for good cause finds (and incorporates the finding and a brief statement of reasons therefor in the rules issued) that notice and public procedure thereon are impracticable, unnecessary, or contrary to the public interest." 5 U.S.C. 553(b)(3)(B); *see also* 5 U.S.C. 553(d)(3) (creating an exception to the requirement of a 30-day delay before the effective date of a rule "for good cause found and published with the rule"). Assuming 5 U.S.C. 553 applied, Treasury would still have good cause under sections 553(b)(3)(B) and 553(d)(3) for not undertaking section 553's requirements. The ARPA is a law responding to a historic economic and public health emergency; it is "extraordinary" legislation about which "both Congress and the President articulated a profound sense of 'urgency.'" *Petry* v. *Block,* 737 F.2d 1193, 1200 (D.C. Cir. 1984). Indeed, several provisions implemented by this interim final rule (sections 602(c)(1)(A) and 603(c)(1)(A)) explicitly provide funds to "respond to the public health emergency," and the urgency is further exemplified by Congress's command (in sections 602(b)(6)(B) and 603(b)(7)(A)) that, "[t]o the extent practicable," funds must be provided to Tribes and cities "not later than 60 days after the date of enactment." *See Philadelphia Citizens in Action* v. *Schweiker,* 669 F.2d 877, 884 (3d Cir. 1982) (finding good cause under circumstances, including statutory time limits, where APA procedures would have been "virtually impossible"). Finally, there is an urgent need for States to undertake the planning necessary for sound fiscal policymaking, which requires an understanding of how funds provided under the ARPA will augment and interact with existing budgetary resources and tax policies. Treasury understands that many states require immediate rules on which they can rely, especially in light of the fact that the ARPA "covered period" began on March 3, 2021. The statutory urgency and practical necessity are good cause to forego the ordinary requirements of notice-and-comment rulemaking.

Congressional Review Act

The Administrator of OIRA has determined that this is a major rule for purposes of Subtitle E of the Small Business Regulatory Enforcement and Fairness Act of 1996 (also known as the Congressional Review Act or CRA) (5 U.S.C. 804(2) *et seq.*). Under the CRA, a major rule takes effect 60 days after the rule is published in the **Federal Register**. 5 U.S.C. 801(a)(3). Notwithstanding this requirement, the CRA allows agencies to dispense with the requirements of section 801 when the agency for good cause finds that such procedure would be impracticable, unnecessary, or contrary to the public interest and the rule shall take effect at such time as the agency promulgating the rule determines. 5 U.S.C. 808(2). Pursuant to section 808(2), for the reasons discussed above, Treasury for good cause finds that a 60-day delay to provide public notice is impracticable and contrary to the public interest.

Paperwork Reduction Act

The information collections associated with State, territory, local, and Tribal government applications materials necessary to receive Fiscal Recovery Funds (*e.g.,* payment information collection and acceptance of award terms) have been reviewed and approved by OMB pursuant to the Paperwork Reduction Act (44 U.S.C. chapter 35) (PRA) emergency processing procedures and assigned control number 1505–0271. The information collections related to ongoing reporting requirements, as discussed in this interim final rule, will be submitted to OMB for emergency processing in the near future. Under the PRA, an agency may not conduct or sponsor and a respondent is not required to respond to, an information collection unless it displays a valid OMB control number.

Estimates of hourly burden under this program are set forth in the table below. Burden estimates below are preliminary.

Reporting	Number of respondents (estimated)	Number of responses per respondent	Total responses	Hours per response	Total burden in hours	Cost to respondent ($48.80 per hour*)
Recipient Payment Form	5,050	1	5,050	.25 (15 minutes)	1,262.5	$61,610
Acceptance of Award Terms	5,050	1	5,050	.25 (15 minutes)	1,262.5	61,610
Title VI Assurances	5,050	1	5,050	.50 (30 minutes)	2,525	123,220
Quarterly Project and Expenditure Report.	5,050	4***	20,200	25	505,000	24,644,000
Annual Project and Expenditure Report from NEUs.	TBD	1 per year	†20,000–40,000	15	300,000–600,000	14,640,000–29,280,000
Annual Recovery Plan Performance report.	418	1 per year	418	100	41,800	2,039,840
Total	(**)	N/A	55,768–75,768	141	851,850–1,151,850	41,570,280–56,210,280

*Bureau of Labor Statistics, U.S. Department of Labor, Occupational Outlook Handbook, Accountants and Auditors, on the internet at *https://www.bls.gov/ooh/business-and-financial/accountants-and-auditors.htm* (visited March 28, 2020). Base wage of $33.89/hour increased by 44 percent to account for fully loaded employer cost of employee compensation (benefits, etc.) for a fully loaded wage rate of $48.80.
**5,050–TBD.
***Per year after first year.
†(Estimate only).

Periodic reporting is required by section 602(c) of Section VI of the Social Security Act and under the interim final rule.

As discussed in Section VIII of this **SUPPLEMENTARY INFORMATION**, recipients of Fiscal Recovery Funds will be required to submit one interim report and thereafter quarterly Project and Expenditure reports until the end of the award period. Recipients must submit interim reports to Treasury by August

31, 2021. The quarterly Project and Expenditure reports will include financial data, information on contracts and subawards over $50,000, types of projects funded, and other information regarding a recipient's utilization of the award funds.

Nonentitlement unit recipients will be required to submit annual Project and Expenditure reports until the end of the award period. The initial annual Project and Expenditure report for Nonentitlement unit recipients must be submitted to Treasury by October 31, 2021. The subsequent annual reports must be submitted to Treasury by October 31 each year. States, territories, metropolitan cities, and counties with a population that exceeds 250,000 residents will also be required to submit an annual Recovery Plan Performance report to Treasury. The Recovery Plan Performance report will include descriptions of the projects funded and information on the performance indicators and objectives of the award. Each annual Recovery Plan Performance report must be posted on the public-facing website of the recipient. Treasury will provide additional guidance and instructions on the all the reporting requirements outlined above for the Fiscal Recovery Funds program at a later date.

These and related periodic reporting requirements are under consideration and will be submitted to OMB for approval under the PRA emergency provisions in the near future.

Treasury invites comments on all aspects of the reporting and recordkeeping requirements including: (a) Whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information has practical utility; (b) the accuracy of the estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; (d) ways to minimize the burden of the collection of information; and (e) estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information. Comments should be sent by the comment deadline to the *www.regulations.gov* docket with a copy to the Office of Information and Regulatory Affairs, U.S. Office of Management and Budget, 725 17th Street NW, Washington, DC 20503; or email to *oira_submission@omb.eop.gov.*

Regulatory Flexibility Analysis

The Regulatory Flexibility Act (RFA) generally requires that when an agency issues a proposed rule, or a final rule pursuant to section 553(b) of the Administrative Procedure Act or another law, the agency must prepare a regulatory flexibility analysis that meets the requirements of the RFA and publish such analysis in the **Federal Register**. 5 U.S.C. 603, 604.

Rules that are exempt from notice and comment under the APA are also exempt from the RFA requirements, including the requirement to conduct a regulatory flexibility analysis, when among other things the agency for good cause finds that notice and public procedure are impracticable, unnecessary, or contrary to the public interest. Since this rule is exempt from the notice and comment requirements of the APA, Treasury is not required to conduct a regulatory flexibility analysis.

List of Subjects in 31 CFR Part 35

Executive compensation, Public health emergency, State and local governments, Tribal governments.

For the reasons stated in the preamble, the Department of the Treasury amends 31 CFR part 35 as follows:

PART 35—PANDEMIC RELIEF PROGRAMS

■ 1. The authority citation for part 35 is revised to read as follows:

Authority: 42 U.S.C. 802(f); 42 U.S.C. 803(f); 31 U.S.C. 321; Division N, Title V, Subtitle B, Pub. L. 116–260, 134 Stat. 1182; Section 104A, Pub. L. 103–325, 108 Stat. 2160, as amended (12 U.S.C. 4701 *et seq.*); Pub. L. 117–2, 135 Stat. 4 (42 U.S.C. 802 *et seq.*).

■ 2. Revise the part heading to read as set forth above.

■ 3. Add subpart A to read as follows:

Subpart A—Coronavirus State and Local Fiscal Recovery Funds

Sec.

35.1 Purpose.
35.2 Applicability.
35.3 Definitions.
35.4 Reservation of authority, reporting.
35.5 Use of funds.
35.6 Eligible uses.
35.7 Pensions.
35.8 Tax.
35.9 Compliance with applicable laws.
35.10 Recoupment.
35.11 Payments to States.
35.12 Distributions to nonentitlement units of local government and units of general local government.

§ 35.1 Purpose.

This subpart implements section 9901 of the American Rescue Plan Act (Subtitle M of Title IX of Pub. L. 117–2), which amends Title VI of the Social Security Act (42 U.S.C. 801 *et seq.*) by adding sections 602 and 603 to establish the Coronavirus State Fiscal Recovery Fund and Coronavirus Local Fiscal Recovery Fund.

§ 35.2 Applicability.

This subpart applies to States, territories, Tribal governments, metropolitan cities, nonentitlement units of local government, counties, and units of general local government that accept a payment or transfer of funds made under section 602 or 603 of the Social Security Act.

§ 35.3 Definitions.

As used in this subpart:

Baseline means tax revenue of the recipient for its fiscal year ending in 2019, adjusted for inflation in each reporting year using the Bureau of Economic Analysis's Implicit Price Deflator for the gross domestic product of the United States.

County means a county, parish, or other equivalent county division (as defined by the Census Bureau).

Covered benefits include, but are not limited to, the costs of all types of leave (vacation, family-related, sick, military, bereavement, sabbatical, jury duty), employee insurance (health, life, dental, vision), retirement (pensions, 401(k)), unemployment benefit plans (Federal and State), workers' compensation insurance, and Federal Insurance Contributions Act taxes (which includes Social Security and Medicare taxes).

Covered change means a change in law, regulation, or administrative interpretation. A change in law includes any final legislative or regulatory action, a new or changed administrative interpretation, and the phase-in or taking effect of any statute or rule if the phase-in or taking effect was not prescribed prior to the start of the covered period.

Covered period means, with respect to a State, Territory, or Tribal government, the period that:

(1) Begins on March 3, 2021; and

(2) Ends on the last day of the fiscal year of such State, Territory, or Tribal government in which all funds received by the State, Territory, or Tribal government from a payment made under section 602 or 603 of the Social Security Act have been expended or returned to, or recovered by, the Secretary.

COVID–19 means the Coronavirus Disease 2019.

COVID–19 public health emergency means the period beginning on January 27, 2020 and until the termination of the national emergency concerning the COVID–19 outbreak declared pursuant to the National Emergencies Act (50 U.S.C. 1601 *et seq.*).

Deposit means an extraordinary payment of an accrued, unfunded liability. The term deposit does not refer to routine contributions made by an employer to pension funds as part of the employer's obligations related to payroll, such as either a pension contribution consisting of a normal cost component related to current employees or a component addressing the amortization of unfunded liabilities calculated by reference to the employer's payroll costs.

Eligible employer means an employer of an eligible worker who performs essential work.

Eligible workers means workers needed to maintain continuity of operations of essential critical infrastructure sectors, including health care; emergency response; sanitation, disinfection, and cleaning work; maintenance work; grocery stores, restaurants, food production, and food delivery; pharmacy; biomedical research; behavioral health work; medical testing and diagnostics; home- and community-based health care or assistance with activities of daily living; family or child care; social services work; public health work; vital services to Tribes; any work performed by an employee of a State, local, or Tribal government; educational work, school nutrition work, and other work required to operate a school facility; laundry work; elections work; solid waste or hazardous materials management, response, and cleanup work; work requiring physical interaction with patients; dental care work; transportation and warehousing; work at hotel and commercial lodging facilities that are used for COVID–19 mitigation and containment; work in a mortuary; work in critical clinical research, development, and testing necessary for COVID–19 response.

(1) With respect to a recipient that is a metropolitan city, nonentitlement unit of local government, or county, workers in any additional sectors as each chief executive officer of such recipient may designate as critical to protect the health and well-being of the residents of their metropolitan city, nonentitlement unit of local government, or county; or

(2) With respect to a State, Territory, or Tribal government, workers in any additional sectors as each Governor of a State or Territory, or each Tribal government, may designate as critical to protect the health and well-being of the residents of their State, Territory, or Tribal government.

Essential work means work that:

(1) Is not performed while teleworking from a residence; and

(2) Involves:

(i) Regular in-person interactions with patients, the public, or coworkers of the individual that is performing the work; or

(ii) Regular physical handling of items that were handled by, or are to be handled by patients, the public, or coworkers of the individual that is performing the work.

Funds means, with respect to a recipient, amounts provided to the recipient pursuant to a payment made under section 602(b) or 603(b) of the Social Security Act or transferred to the recipient pursuant to section 603(c)(4) of the Social Security Act.

General revenue means money that is received from tax revenue, current charges, and miscellaneous general revenue, excluding refunds and other correcting transactions, proceeds from issuance of debt or the sale of investments, agency or private trust transactions, and intergovernmental transfers from the Federal Government, including transfers made pursuant to section 9901 of the American Rescue Plan Act. General revenue does not include revenues from utilities. Revenue from Tribal business enterprises must be included in general revenue.

Intergovernmental transfers means money received from other governments, including grants and shared taxes.

Metropolitan city has the meaning given that term in section 102(a)(4) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)(4)) and includes cities that relinquish or defer their status as a metropolitan city for purposes of receiving allocations under section 106 of such Act (42 U.S.C. 5306) for fiscal year 2021.

Net reduction in total spending is measured as the State or Territory's total spending for a given reporting year excluding its spending of funds, subtracted from its total spending for its fiscal year ending in 2019, adjusted for inflation using the Bureau of Economic Analysis's Implicit Price Deflator for the gross domestic product of the United States.

Nonentitlement unit of local government means a "city," as that term is defined in section 102(a)(5) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)(5)), that is not a metropolitan city.

Nonprofit means a nonprofit organization that is exempt from Federal income taxation and that is described in section 501(c)(3) of the Internal Revenue Code.

Obligation means an order placed for property and services and entering into contracts, subawards, and similar transactions that require payment.

Pension fund means a defined benefit plan and does not include a defined contribution plan.

Premium pay means an amount of up to $13 per hour that is paid to an eligible worker, in addition to wages or remuneration the eligible worker otherwise receives, for all work performed by the eligible worker during the COVID–19 public health emergency. Such amount may not exceed $25,000 with respect to any single eligible worker. Premium pay will be considered to be in addition to wages or remuneration the eligible worker otherwise receives if, as measured on an hourly rate, the premium pay is:

(1) With regard to work that the eligible worker previously performed, pay and remuneration equal to the sum of all wages and remuneration previously received plus up to $13 per hour with no reduction, substitution, offset, or other diminishment of the eligible worker's previous, current, or prospective wages or remuneration; or

(2) With regard to work that the eligible worker continues to perform, pay of up to $13 that is in addition to the eligible worker's regular rate of wages or remuneration, with no reduction, substitution, offset, or other diminishment of the workers' current and prospective wages or remuneration.

Qualified census tract has the same meaning given in 26 U.S.C. 42(d)(5)(B)(ii)(I).

Recipient means a State, Territory, Tribal government, metropolitan city, nonentitlement unit of local government, county, or unit of general local government that receives a payment made under section 602(b) or 603(b) of the Social Security Act or transfer pursuant to section 603(c)(4) of the Social Security Act.

Reporting year means a single year or partial year within the covered period, aligned to the current fiscal year of the State or Territory during the covered period.

Secretary means the Secretary of the Treasury.

State means each of the 50 States and the District of Columbia.

Small business means a business concern or other organization that:

(1) Has no more than 500 employees, or if applicable, the size standard in number of employees established by the Administrator of the Small Business Administration for the industry in which the business concern or organization operates; and

(2) Is a small business concern as defined in section 3 of the Small Business Act (15 U.S.C. 632).

Tax revenue means revenue received from a compulsory contribution that is exacted by a government for public purposes excluding refunds and corrections and, for purposes of § 35.8, intergovernmental transfers. Tax revenue does not include payments for a special privilege granted or service rendered, employee or employer assessments and contributions to finance retirement and social insurance trust systems, or special assessments to pay for capital improvements.

Territory means the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, the Commonwealth of the Northern Mariana Islands, or American Samoa.

Tribal enterprise means a business concern:

(1) That is wholly owned by one or more Tribal governments, or by a corporation that is wholly owned by one or more Tribal governments; or

(2) That is owned in part by one or more Tribal governments, or by a corporation that is wholly owned by one or more Tribal governments, if all other owners are either United States citizens or small business concerns, as these terms are used and consistent with the definitions in 15 U.S.C. 657a(b)(2)(D).

Tribal government means the recognized governing body of any Indian or Alaska Native tribe, band, nation, pueblo, village, community, component band, or component reservation, individually identified (including parenthetically) in the list published by the Bureau of Indian Affairs on January 29, 2021, pursuant to section 104 of the Federally Recognized Indian Tribe List Act of 1994 (25 U.S.C. 5131).

Unemployment rate means the U–3 unemployment rate provided by the Bureau of Labor Statistics as part of the Local Area Unemployment Statistics program, measured as total unemployment as a percentage of the civilian labor force.

Unemployment trust fund means an unemployment trust fund established under section 904 of the Social Security Act (42 U.S.C. 1104).

Unit of general local government has the meaning given to that term in section 102(a)(1) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)(1)).

Unserved and underserved households or businesses means one or more households or businesses that are not currently served by a wireline connection that reliably delivers at least 25 Mbps download speed and 3 Mbps of upload speed.

§ 35.4 Reservation of authority, reporting.

(a) *Reservation of authority.* Nothing in this subpart shall limit the authority of the Secretary to take action to enforce conditions or violations of law, including actions necessary to prevent evasions of this subpart.

(b) *Extensions or accelerations of timing.* The Secretary may extend or accelerate any deadline or compliance date of this subpart, including reporting requirements that implement this subpart, if the Secretary determines that such extension or acceleration is appropriate. In determining whether an extension or acceleration is appropriate, the Secretary will consider the period of time that would be extended or accelerated and how the modified timeline would facilitate compliance with this subpart.

(c) *Reporting and requests for other information.* During the covered period, recipients shall provide to the Secretary periodic reports providing detailed accounting of the uses of funds, all modifications to a State or Territory's tax revenue sources, and such other information as the Secretary may require for the administration of this section. In addition to regular reporting requirements, the Secretary may request other additional information as may be necessary or appropriate, including as may be necessary to prevent evasions of the requirements of this subpart. False statements or claims made to the Secretary may result in criminal, civil, or administrative sanctions, including fines, imprisonment, civil damages and penalties, debarment from participating in Federal awards or contracts, and/or any other remedy available by law.

§ 35.5 Use of funds.

(a) *In general.* A recipient may only use funds to cover costs incurred during the period beginning March 3, 2021, and ending December 31, 2024, for one or more of the purposes enumerated in sections 602(c)(1) and 603(c)(1) of the Social Security Act, as applicable, including those enumerated in section § 35.6, subject to the restrictions set forth in sections 602(c)(2) and 603(c)(2) of the Social Security Act, as applicable.

(b) *Costs incurred.* A cost shall be considered to have been incurred for purposes of paragraph (a) of this section if the recipient has incurred an obligation with respect to such cost by December 31, 2024.

(c) *Return of funds.* A recipient must return any funds not obligated by December 31, 2024, and any funds not expended to cover such obligations by December 31, 2026.

§ 35.6 Eligible uses.

(a) *In general.* Subject to §§ 35.7 and 35.8, a recipient may use funds for one or more of the purposes described in paragraphs (b) through (e) of this section

(b) *Responding to the public health emergency or its negative economic impacts.* A recipient may use funds to respond to the public health emergency or its negative economic impacts, including for one or more of the following purposes:

(1) *COVID–19 response and prevention.* Expenditures for the mitigation and prevention of COVID–19, including:

(i) Expenses related to COVID–19 vaccination programs and sites, including staffing, acquisition of equipment or supplies, facilities costs, and information technology or other administrative expenses;

(ii) COVID–19-related expenses of public hospitals, clinics, and similar facilities;

(iii) COVID–19 related expenses in congregate living facilities, including skilled nursing facilities, long-term care facilities, incarceration settings, homeless shelters, residential foster care facilities, residential behavioral health treatment, and other group living facilities;

(iv) Expenses of establishing temporary public medical facilities and other measures to increase COVID–19 treatment capacity, including related construction costs and other capital investments in public facilities to meet COVID–19-related operational needs;

(v) Expenses of establishing temporary public medical facilities and other measures to increase COVID–19 treatment capacity, including related construction costs and other capital investments in public facilities to meet COVID–19-related operational needs;

(vi) Costs of providing COVID–19 testing and monitoring, contact tracing, and monitoring of case trends and genomic sequencing for variants;

(vii) Emergency medical response expenses, including emergency medical transportation, related to COVID–19;

(viii) Expenses for establishing and operating public telemedicine capabilities for COVID–19-related treatment;

(ix) Expenses for communication related to COVID–19 vaccination programs and communication or enforcement by recipients of public health orders related to COVID–19;

(x) Expenses for acquisition and distribution of medical and protective supplies, including sanitizing products and personal protective equipment;

(xi) Expenses for disinfection of public areas and other facilities in

response to the COVID–19 public health emergency;

(xii) Expenses for technical assistance to local authorities or other entities on mitigation of COVID–19-related threats to public health and safety;

(xiii) Expenses for quarantining or isolation of individuals;

(xiv) Expenses of providing paid sick and paid family and medical leave to public employees to enable compliance with COVID–19 public health precautions;

(xv) Expenses for treatment of the long-term symptoms or effects of COVID–19, including post-intensive care syndrome;

(xvi) Expenses for the improvement of ventilation systems in congregate settings, public health facilities, or other public facilities;

(xvii) Expenses related to establishing or enhancing public health data systems; and

(xviii) Mental health treatment, substance misuse treatment, and other behavioral health services.

(2) *Public health and safety staff.* Payroll and covered benefit expenses for public safety, public health, health care, human services, and similar employees to the extent that the employee's time is spent mitigating or responding to the COVID–19 public health emergency.

(3) *Hiring State and local government staff.* Payroll, covered benefit, and other costs associated with the recipient increasing the number of its employees up to the number of employees that it employed on January 27, 2020.

(4) *Assistance to unemployed workers.* Assistance, including job training, for individuals who want and are available for work, including those who have looked for work sometime in the past 12 months or who are employed part time but who want and are available for full-time work.

(5) *Contributions to State unemployment insurance trust funds.* Contributions to an unemployment trust fund up to the level required to restore the unemployment trust fund to its balance on January 27, 2020 or to pay back advances received under Title XII of the Social Security Act (42 U.S.C. 1321) for the payment of benefits between January 27, 2020 and May 17, 2021.

(6) *Small businesses.* Assistance to small businesses, including loans, grants, in-kind assistance, technical assistance or other services, that responds to the negative economic impacts of the COVID–19 public health emergency.

(7) *Nonprofits.* Assistance to nonprofit organizations, including loans, grants, in-kind assistance, technical assistance or other services, that responds to the negative economic impacts of the COVID–19 public health emergency.

(8) *Assistance to households.* Assistance programs, including cash assistance programs, that respond to the COVID–19 public health emergency.

(9) *Aid to impacted industries.* Aid to tourism, travel, hospitality, and other impacted industries that responds to the negative economic impacts of the COVID–19 public health emergency.

(10) *Expenses to improve efficacy of public health or economic relief programs.* Administrative costs associated with the recipient's COVID–19 public health emergency assistance programs, including services responding to the COVID–19 public health emergency or its negative economic impacts, that are not federally funded.

(11) *Survivor's benefits.* Benefits for the surviving family members of individuals who have died from COVID–19, including cash assistance to widows, widowers, or dependents of individuals who died of COVID–19.

(12) *Disproportionately impacted populations and communities.* A program, service, or other assistance that is provided in a qualified census tract, that is provided to households and populations living in a qualified census tract, that is provided by a Tribal government, or that is provided to other households, businesses, or populations disproportionately impacted by the COVID–19 public health emergency, such as:

(i) Programs or services that facilitate access to health and social services, including:

(A) Assistance accessing or applying for public benefits or services;

(B) Remediation of lead paint or other lead hazards; and

(C) Community violence intervention programs;

(ii) Programs or services that address housing insecurity, lack of affordable housing, or homelessness, including:

(A) Supportive housing or other programs or services to improve access to stable, affordable housing among individuals who are homeless;

(B) Development of affordable housing to increase supply of affordable and high-quality living units; and

(C) Housing vouchers and assistance relocating to neighborhoods with higher levels of economic opportunity and to reduce concentrated areas of low economic opportunity;

(iii) Programs or services that address or mitigate the impacts of the COVID–19 public health emergency on education, including:

(A) New or expanded early learning services;

(B) Assistance to high-poverty school districts to advance equitable funding across districts and geographies; and

(C) Educational and evidence-based services to address the academic, social, emotional, and mental health needs of students; and

(iv) Programs or services that address or mitigate the impacts of the COVID–19 public health emergency on childhood health or welfare, including:

(A) New or expanded childcare;

(B) Programs to provide home visits by health professionals, parent educators, and social service professionals to individuals with young children to provide education and assistance for economic support, health needs, or child development; and

(C) Services for child welfare-involved families and foster youth to provide support and education on child development, positive parenting, coping skills, or recovery for mental health and substance use.

(c) *Providing premium pay to eligible workers.* A recipient may use funds to provide premium pay to eligible workers of the recipient who perform essential work or to provide grants to eligible employers, provided that any premium pay or grants provided under this paragraph (c) must respond to eligible workers performing essential work during the COVID–19 public health emergency. A recipient uses premium pay or grants provided under this paragraph (c) to respond to eligible workers performing essential work during the COVID–19 public health emergency if it prioritizes low- and moderate-income persons. The recipient must provide, whether for themselves or on behalf of a grantee, a written justification to the Secretary of how the premium pay or grant provided under this paragraph (c) responds to eligible workers performing essential work if the premium pay or grant would increase an eligible worker's total wages and remuneration above 150 percent of such eligible worker's residing State's average annual wage for all occupations or their residing county's average annual wage, whichever is higher.

(d) *Providing government services.* For the provision of government services to the extent of a reduction in the recipient's general revenue, calculated according to paragraphs (d)(1) and (2) of this section.

(1) *Frequency.* A recipient must calculate the reduction in its general revenue using information as-of December 31, 2020, December 31, 2021, December 31, 2022, and December 31, 2023 (each, a calculation date) and following each calculation date.

(2) *Calculation.* A reduction in a recipient's general revenue equals:

$$Max\ \{[Base\ Year\ Revenue * (1 + Growth\ Adjustment)^{\left(\frac{n_t}{12}\right)}] - Actual\ General\ Revenue_t; 0\}$$

Where:

Base Year Revenue is the recipient's general revenue for the most recent full fiscal year prior to the COVID–19 public health emergency;

Growth Adjustment is equal to the greater of 4.1 percent (or 0.041) and the recipient's average annual revenue growth over the three full fiscal years prior to the COVID–19 public health emergency.

n equals the number of months elapsed from the end of the base year to the calculation date.

Actual General Revenue is a recipient's actual general revenue collected during 12-month period ending on each calculation date;

Subscript *t* denotes the specific calculation date.

(e) *To make necessary investments in infrastructure.* A recipient may use funds to make investments in:

(1) *Clean Water State Revolving Fund and Drinking Water State Revolving Fund investments.* Projects or activities of the type that would be eligible under section 603(c) of the Federal Water Pollution Control Act (33 U.S.C. 1383(c)) or section 1452 of the Safe Drinking Water Act (42 U.S.C. 300j–12); or,

(2) *Broadband.* Broadband infrastructure that is designed to provide service to unserved or underserved households and businesses and that is designed to, upon completion:

(i) Reliably meet or exceed symmetrical 100 Mbps download speed and upload speeds; or

(ii) In cases where it is not practicable, because of the excessive cost of the project or geography or topography of the area to be served by the project, to provide service meeting the standards set forth in paragraph (e)(2)(i) of this section:

(A) Reliably meet or exceed 100 Mbps download speed and between at least 20 Mbps and 100 Mbps upload speed; and

(B) Be scalable to a minimum of 100 Mbps download speed and 100 Mbps upload speed.

§ 35.7 Pensions.

A recipient may not use funds for deposit into any pension fund.

§ 35.8 Tax.

(a) *Restriction.* A State or Territory shall not use funds to either directly or indirectly offset a reduction in the net tax revenue of the State or Territory resulting from a covered change during the covered period.

(b) *Violation.* Treasury will consider a State or Territory to have used funds to offset a reduction in net tax revenue if, during a reporting year:

(1) *Covered change.* The State or Territory has made a covered change that, either based on a reasonable statistical methodology to isolate the impact of the covered change in actual revenue or based on projections that use reasonable assumptions and do not incorporate the effects of macroeconomic growth to reduce or increase the projected impact of the covered change, the State or Territory assesses has had or predicts to have the effect of reducing tax revenue relative to current law;

(2) *Exceeds the de minimis threshold.* The aggregate amount of the measured or predicted reductions in tax revenue caused by covered changes identified under paragraph (b)(1) of this section, in the aggregate, exceeds 1 percent of the State's or Territory's baseline;

(3) *Reduction in net tax revenue.* The State or Territory reports a reduction in net tax revenue, measured as the difference between actual tax revenue and the State's or Territory's baseline, each measured as of the end of the reporting year; and

(4) *Consideration of other changes.* The aggregate amount of measured or predicted reductions in tax revenue caused by covered changes is greater than the sum of the following, in each case, as calculated for the reporting year:

(i) The aggregate amount of the expected increases in tax revenue caused by one or more covered changes that, either based on a reasonable statistical methodology to isolate the impact of the covered change in actual revenue or based on projections that use reasonable assumptions and do not incorporate the effects of macroeconomic growth to reduce or increase the projected impact of the covered change, the State or Territory assesses has had or predicts to have the effect of increasing tax revenue; and

(ii) Reductions in spending, up to the amount of the State's or Territory's net reduction in total spending, that are in:

(A) Departments, agencies, or authorities in which the State or Territory is not using funds; and

(B) Departments, agencies, or authorities in which the State or Territory is using funds, in an amount equal to the value of the spending cuts in those departments, agencies, or authorities, minus funds used.

(c) *Amount and revenue reduction cap.* If a State or Territory is considered to be in violation pursuant to paragraph (b) of this section, the amount used in violation of paragraph (a) of this section is equal to the lesser of:

(1) The reduction in net tax revenue of the State or Territory for the reporting year, measured as the difference between the State's or Territory's baseline and its actual tax revenue, each measured as of the end of the reporting year; and,

(2) The aggregate amount of the reductions in tax revenues caused by covered changes identified in paragraph (b)(1) of this section, minus the sum of the amounts in identified in paragraphs (b)(4)(i) and (ii).

§ 35.9 Compliance with applicable laws.

A recipient must comply with all other applicable Federal statutes, regulations, and Executive orders, and a recipient shall provide for compliance with the American Rescue Plan Act, this subpart, and any interpretive guidance by other parties in any agreements it enters into with other parties relating to these funds.

§ 35.10 Recoupment.

(a) *Identification of violations*—(1) *In general.* Any amount used in violation of § 35.5, § 35.6, or § 35.7 may be identified at any time prior to December 31, 2026.

(2) *Annual reporting of amounts of violations.* On an annual basis, a recipient that is a State or Territory must calculate and report any amounts used in violation of § 35.8.

(b) *Calculation of amounts subject to recoupment*—(1) *In general.* Except as provided in paragraph (b)(2) of this section, Treasury will calculate any amounts subject to recoupment resulting from a violation of § 35.5, § 35.6, or § 35.7 as the amounts used in violation of such restrictions.

(2) *Violations of § 35.8.* Treasury will calculate any amounts subject to recoupment resulting from a violation of § 35.8, equal to the lesser of:

(i) The amount set forth in § 35.8(c); and,

(ii) The amount of funds received by such recipient.

(c) *Notice.* If Treasury calculates an amount subject to recoupment under paragraph (b) of this section, Treasury will provide the recipient a written notice of the amount subject to recoupment along with an explanation of such amounts.

(d) *Request for reconsideration.* Unless Treasury extends the time period, within 60 calendar days of receipt of a notice of recoupment provided under paragraph (c) of this section, a recipient may submit a written request to Treasury requesting reconsideration of any amounts subject to recoupment under paragraph (b) of this section. To request reconsideration of any amounts subject to recoupment, a recipient must submit to Treasury a written request that includes:

(1) An explanation of why the recipient believes all or some of the amount should not be subject to recoupment; and

(2) A discussion of supporting reasons, along with any additional information.

(e) *Final amount subject to recoupment.* Unless Treasury extends the time period, within 60 calendar days of receipt of the recipient's request for reconsideration provided pursuant to paragraph (d) of this section, the recipient will be notified of the Secretary's decision to affirm, withdraw, or modify the notice of recoupment. Such notification will include an explanation of the decision, including responses to the recipient's supporting reasons and consideration of additional information provided.

(f) *Repayment of funds.* Unless Treasury extends the time period, a recipient shall repay to the Secretary any amounts subject to recoupment in accordance with instructions provided by Treasury:

(1) Within 120 calendar days of receipt of the notice of recoupment provided under paragraph (c) of this section, in the case of a recipient that does not submit a request for reconsideration in accordance with the requirements of paragraph (d) of this section; or

(2) Within 120 calendar days of receipt of the Secretary's decision under paragraph (e) of this section, in the case of a recipient that submits a request for reconsideration in accordance with the requirements of paragraph (d) of this section.

§ 35.11 Payments to States.

(a) *In general.* With respect to any State or Territory that has an unemployment rate as of the date that it submits an initial certification for payment of funds pursuant to section 602(d)(1) of the Social Security Act that is less than two percentage points above its unemployment rate in February 2020, the Secretary will withhold 50 percent of the amount of funds allocated under section 602(b) of the Social Security Act to such State or territory until the date that is twelve months from the date such initial certification is provided to the Secretary.

(b) *Payment of withheld amount.* In order to receive the amount withheld under paragraph (a) of this section, the State or Territory must submit to the Secretary at least 30 days prior to the date referenced in paragraph (a) the following information:

(1) A certification, in the form provided by the Secretary, that such State or Territory requires the payment to carry out the activities specified in section 602(c) of the Social Security Act and will use the payment in compliance with section 602(c) of the Social Security Act; and,

(2) Any reports required to be filed by that date pursuant to this subpart that have not yet been filed.

§ 35.12 Distributions to nonentitlement units of local government and units of general local government.

(a) *Nonentitlement units of local government.* Each State or Territory that receives a payment from Treasury pursuant to section 603(b)(2)(B) of the Social Security Act shall distribute the amount of the payment to nonentitlement units of government in such State or Territory in accordance with the requirements set forth in section 603(b)(2)(C) of the Social Security Act and without offsetting any debt owed by such nonentitlement units of local governments against such payments.

(b) *Budget cap.* A State or Territory may not make a payment to a nonentitlement unit of local government pursuant to section 603(b)(2)(C) of the Social Security Act and paragraph (a) of this section in excess of the amount equal to 75 percent of the most recent budget for the nonentitlement unit of local government as of January 27, 2020. A State or Territory shall permit a nonentitlement unit of local government without a formal budget as of January 27, 2020, to provide a certification from an authorized officer of the nonentitlement unit of local government of its most recent annual expenditures as of January 27, 2020, and a State or Territory may rely on such certification for purposes of complying with this paragraph (b).

(c) *Units of general local government.* Each State or Territory that receives a payment from Treasury pursuant to section 603(b)(3)(B)(ii) of the Social Security Act, in the case of an amount to be paid to a county that is not a unit of general local government, shall distribute the amount of the payment to units of general local government within such county in accordance with the requirements set forth in section 603(b)(3)(B)(ii) of the Social Security Act and without offsetting any debt owed by such units of general local government against such payments.

(d) *Additional conditions.* A State or Territory may not place additional conditions or requirements on distributions to nonentitlement units of local government or units of general local government beyond those required by section 603 of the Social Security Act or this subpart.

Laurie Schaffer,

Acting General Counsel.

[FR Doc. 2021–10283 Filed 5–13–21; 11:15 am]

BILLING CODE 4810–AK–P

APPENDIX G:
COVENANT AGREEMENT

NO FEE FOR RECORDING

PURSUANT TO GOVERNMENT CODE

SECTION 6103

RECORDING REQUESTED BY AND

WHEN RECORDED MAIL TO:

County of Riverside

3403 10th Street, Suite 300

Riverside, CA 92501

Attn: Yvonne Suarez

SPACE ABOVE THIS LINE FOR
RECORDER'S USE

A.P.N.: 214-292-010

COVENANT AGREEMENT

This COVENANT AGREEMENT ("COVENANT AGREEMENT") is made and entered into as of this _____by and between the COUNTY OF RIVERSIDE, a public entity, corporate and politic, ("COUNTY"), and V.I.P. TOTS, a California nonprofit corporation ("SUBRECIPIENT"), on behalf of itself, its successors and assigns and every successor in SUBRECIPIENT's interest in the PROPERTY or any part thereof. COUNTY and SUBRECIPIENT are individually referred to herein as a "Party" and collectively referred to herein as the "Parties."

RECITALS

WHEREAS, the COUNTY administers American Rescue Plan Act (ARPA) funds found at 31 CFR Part 35 and

WHEREAS, ARPA funds may be used for a wide range of housing, social services, program planning, and development costs. These include, but are not limited to, the management; acquisition; rehabilitation; or new construction of early childhood learning centers; and

WHEREAS, the COUNTY desires to use ARPA funding contract with SUBRECIPIENT to provide capacity for early childhood education services for children ages 0 – 3, which include the purchase and construction of an early childhood education building and early childhood education services; and

WHEREAS, SUBRECIPIENT is the owner of that certain real property known as 41915 Acacia Avenue, Hemet, CA 92544, and legally described in the Legal Description attached hereto and incorporated herein as Appendix "A" ("PROPERTY"); and

WHEREAS, to assist in addressing the immediate emergency need for early childhood education service in the County of Riverside, the Parties entered into a certain SUBRECIPIENT Agreement for quality early care and education: ARPA Infrastructure Development 2023 ("SUBRECIPIENT AGREEMENT") on January 25, 2023, wherein, COUNTY granted SUBRECIPIENT up to $1,000,000.00 in ARPA funds ("ARPA GRANT") and 200,000 in Proposition 10 Funds to be used to purchase the PROPERTY, pay for capital improvements to the PROPERTY and operate an early childhood education facility at the PROPERTY as more fully described in the SUBRECIPIENT AGREEMENT; and

WHEREAS, pursuant to the SUBRECIPIENT AGREEMENT, in consideration for the grant of ARPA funds, SUBRECIPIENT agreed to be bound by the covenants, conditions, and restrictions set forth in a covenant agreement; and

WHEREAS, to memorialize SUBRECIPIENT's obligation, among other things, to make the capital improvements to the PROPERTY, retain title to the PROPERTY, use the PROPERTY, maintain the PROPERTY, pay all taxes, assessments, encumbrances, charges, and liens on the PROPERTY, not

discriminate, insure the PROPERTY, and indemnify the COUNTY as more fully described in this COVENANT AGREEMENT, as set forth below; and

WHEREAS, capitalized terms not defined here in this COVENANT AGREEMENT shall have the meanings ascribed to them in the SUBRECIPIENT AGREEMENT;

NOW THEREFORE, in consideration of the mutual covenants and agreements contained in this COVENANT AGREEMENT, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, SUBRECIPIENT, on behalf of itself and its successors, assigns, and each successor in interest to the PROPERTY or any part thereof, hereby declares, covenants, agrees, and restricts the PROPERTY as follows:

1. **INCORPORATION OF RECITALS**. SUBRECIPIENT covenants and agrees for itself, its successors and assigns, and every successor in SUBRECIPIENT's interest in the PROPERTY or any part thereof, that the above recitals are true and correct and are hereby made part of this COVENANT AGREEMENT.

2. **TERM**. For a period of five (5) years commencing with the recordation of the Notice of Completion in the Official Records for the PROPERTY ("Term" or "ARPA Term") the SUBRECIPIENT, its successors and assigns, shall maintain the PROPERTY to provide early childhood care and education services in accordance with the terms of this Declaration, the SUBRECIPIENT Agreement, the Act, and applicable federal, state and local laws.

3. **RECORDS**. SUBRECIPIENT shall maintain complete, accurate, and current records pertaining to the PROPERTY, which include records pertaining to services received by students. SUBRECIPIENT shall retain copies of all materials obtained or produced with respect to occupancy of PROPERTY for a period of at least five (5) years.

4. **ARPA RECORD REQUIREMENTS**. For the period of the ARPA Term, all records maintained by SUBRECIPIENT shall be (i) maintained in compliance with all applicable records and accounting requirements and (ii) open to and available for inspection and copying by any governmental entity and its authorized representatives at reasonable intervals during normal business hours; provide however, records pertaining to program students enrolled, for five (5) years after expiration of the HOPWA Term.

5. **RESIDENTIAL USE**. The PROPERTY shall be operated for quality early childhood care and education use only.

6. **MANAGEMENT RESPONSIBILITIES**. SUBRECIPIENT is responsible for all management functions with respect to the PROPERTY.

7. **NONDISCRIMINATION**. SUBRECIPIENT shall not give preference to any particular class or group of persons in renting the PROPERTY, except to the extent that the PROPERTY is required to be leased to income-eligible households and HOPWA-Eligible Households pursuant to this COVENANT AGREEMENT. SUBRECIPIENT herein covenants by and for SUBRECIPIENT, assigns, and all persons claiming under or through the SUBRECIPIENT, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, sexual orientation, gender, gender identity, gender expression, marital status, national origin, source of income (e.g., SSI), ancestry, or disability, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the PROPERTY, nor shall SUBRECIPIENT or any person claiming under or through SUBRECIPIENT, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees of the PROPERTY or in connection with the employment of persons for the operation and management of PROPERTY. Notwithstanding the above, with respect to familial status, the above should not be construed to apply to housing for older persons as defined in Section 12955.9 of the Government Code and other applicable sections of the Civil Code as identified in Cal. Health & Safety Code 33050(b).

8. **COMPLIANCE WITH PROGRAM REQUIREMENTS**

a. SUBRECIPIENT's actions with respect to the PROPERTY shall at all times be in full conformity with all requirements imposed on projects assisted under ARPA as contained in 31 CFR Part 35, and other implementing rules and regulations.

b. During the ARPA term, SUBRECIPIENT shall comply with the following for Service Eligible Households:

i) ensure the confidentiality of the name of any Eligible Household receiving assistance through this project pursuant to 24 CFR 574.440; and

ii) ensure that the PROPERTY meets all applicable local, state, and federal building codes and laws thought the Term.

9. **COVENANTS TO RUN WITH THE LAND**. COUNTY and SUBRECIPIENT hereby declare their express intent that the covenants and restrictions set forth in this COVENANT AGREEMENT shall run with the land, and shall bind all successors in title to the PROPERTY; provided, however, that on the expiration of the Term of this COVENANT AGREEMENT, said covenants and restrictions shall expire. Each and every contract, deed, or other instrument hereafter executed covering or conveying the PROPERTY or any portion thereof, shall be held conclusively to have been executed, delivered, and accepted subject to such covenants and restrictions, regardless of whether such covenants or restrictions are set forth in such contract, deed or other instrument.

10. **TRANSFER OF THE PROPERTY**. SUBRECIPIENT covenants and agrees for itself, its successors and assigns, and every successor in SUBRECIPIENT's interest in the PROPERTY or any part thereof, that SUBRECIPIENT, and its successors and assigns, shall retain title to the PROPERTY and not Transfer the PROPERTY or any portion thereof, without the written approval of COUNTY, in its sole discretion. The term "Transfer" used herein shall mean the sale, assignment, conveyance, lease, or transfer, voluntary or involuntary, of any interest in the PROPERTY, including the financing or refinancing of the PROPERTY. Any Transfer of the PROPERTY shall be memorialized in an assignment and assumption agreement the form and substance of which have been first approved in writing by the COUNTY in its sole discretion. Such assignment and assumption agreement shall, among other things, provide that the transferee has assumed in writing and in full and is reasonably capable of performing and complying with SUBRECIPIENT's duties and obligations under the SUBRECIPIENT AGREEMENT and this COVENANT AGREEMENT, provided, however, unless otherwise agreed to by the COUNTY in writing, SUBRECIPIENT shall not be released of its obligations under the SUBRECIPIENT AGREEMENT and this COVENANT AGREEMENT. Should SUBRECIPIENT, or its successors and assigns, Transfer the PROPERTY or any portion thereof, without the written approval of COUNTY, in its sole discretion, then SUBRECIPIENT, and its successors and assigns, shall be required to pay to the COUNTY an amount equal to the current market value of the PROPERTY less any portion of the value attributable to expenditures of non-HOPWA funds for the acquisition of, or improvement to, the PROPERTY.

11. **TAXES, ASSESSMENTS, ENCUMBRANCES, CHARGES, AND LIENS**. SUBRECIPIENT covenants and agrees for itself, its successors and assigns, and every successor in SUBRECIPIENT's interest in the PROPERTY or any part thereof, that SUBRECIPIENT, and its successors and assigns, shall pay before delinquency all taxes and assessments affecting said PROPERTY, when due, and all encumbrances, charges, and liens, with interest, on said PROPERTY or any part thereof. Should SUBRECIPIENT, and its successors and assigns, fail to make any payment or to do any act herein provided, then the COUNTY or its designee shall have the right but not the obligation to do so and upon written notice to or demand upon SUBRECIPIENT, and its successors and assigns, and without releasing SUBRECIPIENT, and its successors and assigns, from any obligation hereof, make or do the same in such manner and to such extent as COUNTY may deem necessary to satisfy such delinquency. The cost borne by the COUNTY from such payment shall become a charge, which SUBRECIPIENT, and its successors and assigns, shall promptly pay upon demand and, if unpaid after fifteen (15) days, shall be assessed as a lien against the PROPERTY with interest at the highest rate permitted by law.

12. **INSURANCE**. Without limiting or diminishing SUBRECIPIENT's, its successors', assigns', and each successor in interest to the PROPERTY's or any part thereof, obligation to indemnify or hold COUNTY harmless, SUBRECIPIENT covenants and agrees for itself, its successors and assigns and every successor in SUBRECIPIENT's interest in the PROPERTY or any part thereof, that SUBRECIPIENT, and its successors and assigns, shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverage's during the Term of this COVENANT AGREEMENT.

a. Property Insurance: SUBRECIPIENT, and its successors and assigns, shall maintain property insurance and flood insurance on the PROPERTY, listing the COUNTY as Additional Insured for the Term of this COVENANT AGREEMENT. SUBRECIPIENT, and its successors and assigns, shall keep the improvements now existing or hereafter erected on the PROPERTY insured against loss by fire, hazards included within the term "extended coverage," and such other hazards, including floods or flooding. This insurance shall be maintained in the amount of the replacement value of the PROPERTY.

b. Worker's Compensation Insurance. If subrecipient, or its successors and assigns, have employees as defined by the State of California, SUBRECIPIENT and its successors

and assigns shall maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. The policy shall include Employers' Liability (Coverage B) including Occupational Disease with limits not less than $1,000,000 per person per accident. The policy shall be endorsed to waive subrogation in favor of the COUNTY.

c. Commercial General Liability Insurance. Commercial General Liability insurance coverage, including but not limited to, premises liability, unmodified contractual liability, products and completed operations liability, personal and advertising injury, and cross liability coverage, covering claims which may arise from or out of SUBRECIPIENT's performance of its obligations hereunder. The policy shall name the COUNTY as Additional Insured. The policy's limit of liability shall not be less than $2,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this COVENANT AGREEMENT or be no less than two (2) times the occurrence limit.

d. Vehicle Liability Insurance. If vehicles or mobile equipment are used in the performance of the obligations under the SUBRECIPIENT AGREEMENT or this COVENANT AGREEMENT, then SUBRECIPIENT, and its successors and assigns, shall maintain liability insurance for all owned, non-owned, or hired vehicles so used in an amount not less than $2,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this COVENANT AGREEMENT or be no less than two (2) times the occurrence limit. The policy shall name the COUNTY as Additional Insured.

e. All Risk Builder's Insurance: SUBRECIPIENT, and its successors and assigns, shall cause its Contractor(s) to procure all-risk builder's insurance for the duration of the WORK to be performed to the PROPERTY. Contractor(s) shall provide a policy of builder's all risk (course of construction) insurance coverage including (if the WORK is located in an earthquake or flood zone or if required on financed or bond financing arrangements) coverage for earthquake and flood, covering the SUBRECIPIENT, Contractor and every subcontractor, of every tier, for the duration of the WORK to be performed to the PROPERTY, including property to be used in the construction of the WORK while such property is at off-site storage locations or while in transit or temporary off-site storage. Such policy shall include, but not be limited to, coverage for fire, collapse, faulty workmanship, debris removal, expediting expense, fire department service charges, valuable papers and records, trees, grass, shrubbery, and plants. If scaffolding, falsework, and temporary buildings are insured separately

by the Contractor(s) or others, evidence of such separate coverage shall be provided to SUBRECIPIENT, and its successors and assigns, prior to the start of the WORK. Such policy shall be written on a completed value form. Such policy shall also provide coverage for temporary structures (on-site offices, etc.), fixtures, machinery, and equipment being installed as part of the WORK. Contractor(s) shall be responsible for any and all deductibles under such policy. Upon request by COUNTY, SUBRECIPIENT, and its successors and assigns, shall cause its Contractor(s) to declare all terms, conditions, coverages, and limits of such policy.

f. Professional Liability: If applicable, SUBRECIPIENT, and its successors and assigns, shall cause its Contractor(s) to procure and maintain Professional Liability Insurance providing coverage for the Contractor's performance of WORK included within the SUBRECIPIENT AGREEMENT, with a limit of liability of not less than $1,000,000 per occurrence and $2,000,000 annual aggregate. If Contractor's Professional Liability Insurance is written on a claims made basis rather than an occurrence basis, such insurance shall continue through the Term of this COVENANT AGREEMENT and SUBRECIPIENT shall cause Contractor(s) to purchase at its sole expense either 1) an Extended Reporting Endorsement (also, known as Tail Coverage); or 2) Prior Dates Coverage from new insurer with a retroactive date back to the date of, or prior to, the inception of this COVENANT AGREEMENT; or 3) demonstrate through Certificates of Insurance that Contractor has maintained continuous coverage with the same or original insurer. Coverage provided under items; 1), 2), or 3) shall continue as long as the law allows.

g. General Insurance Provisions – All Lines.

i) Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California and have an A M BEST rating of not less than A: VIII (A:8) unless such requirements are waived, in writing, by the COUNTY Risk Manager. If the COUNTY Risk Manager waives a requirement for a particular insurer such waiver is only valid for that specific insurer and only for one policy term.

ii) The SUBRECIPIENT, and its successors and assigns must declare its insurance self-insured retentions for each coverage required herein. If such self-insured retentions exceed $500,000 per occurrence each such retention shall have the prior written consent of the COUNTY Risk Manager. Upon notification of self-insured retention unacceptable to COUNTY, and at the election of the COUNTY Risk Manager, SUBRECIPIENT's carriers shall either: (a) reduce or

eliminate such self-insured retention, or (b) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.

iii) SUBRECIPIENT, and its successors and assigns, shall cause its insurance carrier(s) to furnish the COUNTY with either 1) a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements effecting coverage as required herein, and 2) if requested to do so orally or in writing by the COUNTY Risk Manager, provide original Certified copies of policies including all Endorsements and all attachments thereto, showing such insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) calendar days written notice shall be given to the COUNTY prior to any material modification, cancellation, expiration, or reduction in coverage of such insurance.

iv) It is understood and agreed to by the Parties hereto that SUBRECIPIENT's, its successors' and assigns', insurance shall be construed as primary insurance, and COUNTY'S insurance and/or deductibles and/or self-insured retentions or self-insured programs shall not be construed as contributory.

v) If, during the Term of this COVENANT AGREEMENT or any extension thereof, there is a material change in the WORK; or, there is a material change in the equipment to be used in the performance of the WORK; or, the Term of this COVENANT AGREEMENT, including any extensions thereof, exceeds five (5) years, the COUNTY reserves the right to adjust the types of insurance required under this COVENANT AGREEMENT, if in the COUNTY Risk Manager's reasonable judgment, the amount or type of insurance carried by the SUBRECIPIENT, and its successors and assigns, has become inadequate.

vi) SUBRECIPIENT, and its successors and assigns, shall pass down the insurance obligations contained herein to all tiers of subcontractors, including Contractor(s), working under the SUBRECIPIENT AGREEMENT or on the PROPERTY.

vii) The insurance requirements contained in this COVENANT AGREEMENT may be met with a program(s) of self-insurance acceptable to the COUNTY.

viii) SUBRECIPIENT, and its successors and assigns, agree to notify COUNTY in writing of any claim by a third party or any incident or event that may give rise to a claim arising from the performance of the COVENANT AGREEMENT.

13. **HOLD HARMLESS AND INDEMNIFICATION**. SUBRECIPIENT covenants and agrees for itself, its successors and assigns, and every successor in SUBRECIPIENT's interest in the PROPERTY or any part thereof, that SUBRECIPIENT, and its successors and assigns, shall indemnify and hold harmless the COUNTY and its Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Commissioners, Board of Supervisors, elected and appointed officials, employees, agents and representatives (individually and collectively hereinafter referred to as Indemnitees) from any liability, action, claim, or damage whatsoever, based or asserted upon any acts, omissions and/or services of SUBRECIPIENT (or its successors and assigns), its officers, employees, subcontractors, agents, or representatives arising out of or in any way relating to the SUBRECIPIENT AGREEMENT or this COVENANT AGREEMENT, including but not limited to property damage, bodily injury, or death, or any other element of any kind or nature. SUBRECIPIENT, and its successors and assigns, shall defend, at its sole expense, including all costs and fees (including, but not limited to, attorney fees, cost of investigation, defense, and settlements or awards), the Indemnitees in any claim or action based upon such alleged acts, omissions, or services. With respect to any action or claim subject to indemnification herein by SUBRECIPIENT, and its successors and assigns, SUBRECIPIENT, and its successors and assigns, shall, its sole cost, have the right to use counsel of its own choice and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of COUNTY; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes SUBRECIPIENT's, its successors' and assigns', indemnification to Indemnitees as set forth herein. SUBRECIPIENT's, its successors' and assigns', obligation hereunder shall be satisfied when SUBRECIPIENT, and its successors and assigns, have provided to COUNTY the appropriate form of dismissal relieving COUNTY from any liability for the action or claim involved. The specified insurance limits required in this COVENANT AGREEMENT shall in no way limit or circumscribe SUBRECIPIENT's, its successors' and assigns' obligations to indemnify and hold harmless the Indemnitees herein from third party claims. The indemnification and hold harmless obligations set forth herein shall survive the termination and expiration of this COVENANT AGREEMENT.

14. **NOTICES**. Formal notices, demands, and communications between the Parties shall be sufficiently given if, and shall not be deemed given unless, dispatched by registered or certified

mail, postage repaid, return receipt requested, or delivered by express delivery service, return receipt requested, or delivered personally, to the principal office of the Parties as follows:

COUNTY	SUBRECIPIENT
First 5 Riverside County	V.I.P. Tots
Tammi Graham, Executive Director	Jared Dobbins, Executive Director
585 Technology Ct	41915 Acacia Avenue
Riverside, CA 92507	Hemet, CA 92544

Such written notices, demands, and communications may be sent in the same manner to such other addresses as the affected Party may from time to time designate by mail as provided in this Section. Receipts shall be deemed to have occurred on the date shown on a written receipt as the date of delivery or refusal of delivery (or attempted delivery if undeliverable).

15. **REMEDIES**. COUNTY shall have the right, in the event of any breach of any agreement or covenant set forth in this COVENANT AGREEMENT, to exercise all available rights and remedies, and to maintain any actions at law or suit in equity or other proper proceedings to enforce the curing of such breach of agreement or covenant. The remedies provided for any breach of any agreement or covenant set forth in this COVENANT AGREEMENT shall be deemed cumulative, and none of such remedies shall be deemed exclusive.

16. **NOTICE AND OPPORTUNITY TO CURE**. COUNTY shall give SUBRECIPIENT, and its successors and assigns, notice of such default pursuant to section 10 above. SUBRECIPIENT covenants and agrees for itself, its successors and assigns, and every successor in SUBRECIPIENT's interest in the PROPERTY or any part thereof, that any monetary default shall be cured within ten (10) days of delivery of written notice. Except as otherwise set forth herein, if a non-monetary default is reasonably capable of being cured within thirty (30) days of delivery of written notice, SUBRECIPIENT, and its successors and assigns, shall have such period to effect a cure prior to exercise of remedies by COUNTY. If the non-monetary default is such that it is not reasonably capable of being cured within thirty (30) days of delivery of written notice, and SUBRECIPIENT, and its successors and assigns, (a) initiates corrective action within said period, and (b) diligently, continually, and in good faith works to effect a cure as soon as possible, then SUBRECIPIENT, and its successors and assigns, shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by the COUNTY; but in no event no later than ninety (90) days from delivery of such written notice.

If a violation of any of the covenants or provisions of this COVENANT AGREEMENT remains uncured after the respective time period set forth in this section, COUNTY and its successors and assigns, without regard to whether COUNTY or its successors and assigns is an owner of any land or interest therein to which these covenants relate, may institute and prosecute any proceedings at law or in equity to abate, prevent or enjoin any such violation or attempted violation or to compel specific performance by SUBRECIPIENT, and its successors and assigns, of its obligations hereunder. No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage, or waive the right of the COUNTY to enforce the provisions hereof or to obtain relief against or recover for the continuation or repetition of such breach or violations or any similar breach or violation hereof at any later time.

17. **SENIOR POSITION OF COVENANT AGREEMENT**. SUBRECIPIENT covenants and agrees for itself, its successors and assigns, and every successor in SUBRECIPIENT's interest in the PROPERTY or any part thereof, that this COVENANT AGREEMENT shall be recorded in the first position senior to all liens and encumbrances against the PROPERTY, other than those expressly agreed to by COUNTY in writing.

18. **TRANSFER OF THE COVENANT AGREEMENT**. As set forth in the SUBRECIPIENT AGREEMENT, COUNTY and SUBRECIPIENT agree that SUBRECIPIENT may transfer the terms and conditions of this COVENANT AGREEMENT to another property with the prior written consent of the COUNTY, which consent shall not be unreasonably withheld, conditioned, or delayed.

19. **MODIFICATIONS OR AMENDMENTS**. This COVENANT AGREEMENT shall be modified or amended only by a written amendment signed by the duly authorized and empowered representatives of both the COUNTY and SUBRECIPIENT and its successors and assigns.

20. **GOVERNING LAW; VENUE; SEVERABILITY**. This COVENANT AGREEMENT shall be governed by the laws of the State of California. Any legal action related to the performance or interpretation of this COVENANT AGREEMENT shall be filed only in the Superior Court of the State of California located in Riverside, California, and the Parties waive any provision of law providing for a change of venue to another location. In the event any provision in this COVENANT AGREEMENT is held by a court of competent jurisdiction to be

invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

21. **BINDING EFFECT**. This COVENANT AGREEMENT shall bind and inure to the benefit of the respective heirs, successors, and assigns of the Parties.

22. **ACCESS TO PROPERTY**. SUBRECIPIENT covenants and agrees for itself, its successors and assigns, and every successor in SUBRECIPIENT's interest in the PROPERTY or any part thereof, that representatives of the COUNTY shall have the right of access to the PROPERTY, upon 24 hours' written notice to SUBRECIPIENT, and its successors and assigns, (except in the case of an emergency, in which COUNTY shall provide such notice as may be practical under the circumstances), without charges or fees, during normal business hours to inspect the PROPERTY and confirm SUBRECIPIENT, and its successors and assigns, are complying with their obligations in accordance with the SUBRECIPIENT AGREEMENT and this COVENANT AGREEMENT.

23. **MONITORING**. SUBRECIPIENT covenants and agrees for itself, its successors and assigns, and every successor in SUBRECIPIENT's interest in the PROPERTY or any part thereof, that SUBRECIPIENT, and its successors and assigns, shall annually report to the COUNTY, in writing, confirming that they continue to retain title to the PROPERTY, have not Transferred the PROPERTY, providing evidence of insurance, providing evidence of the payment of taxes, and any and all other information reasonably requested by the COUNTY to ensure compliance with the terms of the SUBRECIPIENT AGREEMENT and this COVENANT AGREEMENT. Within fifteen (15) days of a written request from the COUNTY, SUBRECIPIENT, and its successors and assigns, shall respond with all information requested to allow the COUNTY to complete its monitoring responsibilities under the terms of this COVENANT AGREEMENT. Failure to completely and timely comply with requests shall be deemed a material default under the terms of this COVENANT AGREEMENT.

24. **COUNTERPARTS**. This COVENANT AGREEMENT may be signed by the different Parties hereto in counterparts, each of which shall be an original, but all of which together shall constitute one and the same agreement.

25. **NON-LIABILITY OF THE COUNTY**. SUBRECIPIENT covenants and agrees for itself, its successors and assigns, and every successor in SUBRECIPIENT's interest in the PROPERTY or any part thereof, that in no event shall the COUNTY become in any way liable or

obligated to the SUBRECIPIENT, or its successors and assigns, by reason of its rights set forth in this COVENANT AGREEMENT for the COUNTY's failure to exercise any such rights set forth herein.

26. **ENTIRE AGREEMENT**. This COVENANT AGREEMENT and the SUBRECIPIENT AGREEMENT sets forth and contains the entire understanding and agreement of the Parties hereto. There are no oral or written representations, understandings, or ancillary covenants, undertakings, or agreements, which are not contained or expressly referred to within this COVENANT AGREEMENT, and the SUBRECIPIENT AGREEMENT, including all amendments and modifications to the SUBRECIPIENT AGREEMENT.

Intentionally left blank

IN WITNESS WHEREOF, COUNTY and SUBRECIPIENT, on behalf of itself, its successors and assigns, and every successor in SUBRECIPIENT's interest in the PROPERTY or any part thereof, have executed this COVENANT AGREEMENT as of the dates written below.

COUNTY:	SUBRECIPIENT:
FIRST 5 RIVERSIDE COUNTY	V.I.P. TOTS
By: _____	By: _____
Tammi Graham, Executive Director	Jared Dobbins, Executive Director Authorized Signatory
Date:_____	Date:_____

ATTEST:

By: _____
Lynn M. Stephens, Commission Coordinator

Date:_____

(Above signatures need to be notarized)

APPROVED AS TO FORM:
MINH TRAN
County Counsel

By:_____
Kristine Bell-Valdez
Deputy County Counsel

APPENDIX "A" to EXHIBIT "G"
LEGAL DESCRIPTION OF PROPERTY

Re: An owner-operated 6,423 SF day care center property located at 41861 Acacia Avenue, in the city of Hemet, Riverside County, CA 92544, hereafter referred to as the subject property. Portion of Assessor's Parcel Number (APN) 449-090-011.

E.9.**23-08:** Approve and Ratify Contract with Bermuda Dunes Learning Center for Early Care and Education Facility Project from October 1, 2022 - June 30, 2024 (CONTRACT NO. CF23107) [$585,600 PROP 10 FUNDS]

AGENDA ITEM: 23-08
DATE OF MEETING: January 25, 2023
ACTION: ☒
INFORMATION: ☐

APPROVE AND RATIFY CONTRACT WITH BERMUDA DUNES LEARNING CENTER FOR EARLY CARE AND EDUCATION FACILITY PROJECT FROM OCTOBER 1, 2022 – JUNE 30, 2024 (CONTRACT NUMBER CF23107) [$585,600 – PROP 10 FUNDS]

SUMMARY OF REQUEST

Approve and Ratify Contract No CF23107 with Bermuda Dunes Learning Center for an amount not to exceed $585,600 effective October 1, 2022 – June 30, 2024, for the Early Care and Education Facility project for improvement of existing real estate to increase the capacity of Bermuda Dunes' Palm Desert facility with fifty (50) additional 0-3 childcare slots.

BACKGROUND

In May 2022, First 5 Riverside County released a Request for Qualifications (RFQu CFARC-0020) and subsequently awarded the three proposals received, one of which is Bermuda Dunes Learning Center. The outcome of this additional space is expected to increase the licensed capacity of Bermuda Dunes' Palm Desert facility by 50 licensed childcare slots.

On September 27, 2021 (Action Item # 21-36), Riverside County Children & Families Commission authorized $5,000,000 of Prop 10 funds, allocated equally in each supervisorial district, to augment early care and education facility projects funded by local, state, or federal funds. The Executive Director was authorized to execute the necessary contracts, documents, budget adjustments, amendments, and other necessary actions to implement the procurement on behalf of the commission subject to approval as to form by County Counsel.

RECOMMENDED ACTION

That the Commission:

1. Approve and Ratify the executed Contract No. CF23107 with Bermuda Dunes Learning Center for an amount not to exceed $585,600 effective October 1, 2022 – June 30, 2024, for the Infrastructure Development project as attached hereto; and

2. Authorize the Executive Director, based on the availability of fiscal funding and as approved by County Counsel to sign amendments that exercise the options of Contract No. CF23107, on behalf of the Commission including modifications of the statement of work that stay within the intent of said contract without requiring further action from the Commission.

BUDGET IMPACT

Adequate appropriation exists in the FY 22/23 budget (Prop 10 $585,600: 938001-25800-92950-527980. Any remaining funding from FY 22/23 will carry forward into FY 23/24 to ensure the completion of the project.

STRATEGIC PLAN RELEVANCE

Goal: 1 Quality Early Learning

POTENTIAL CONFLICTS OF INTEREST

None known.

ATTACHMENTS

1. 23-08 Attachment: CF23107 Bermuda Dunes ECE Facility Project_Executed

FUNDING AGREEMENT

Quality Early Care and Education: Infrastructure Development 2022

The RIVERSIDE COUNTY CHILDREN AND FAMILIES FIRST COMMISSION, ("COMMISSION" or "COUNTY") and Bermuda Dunes Learning Center ("RECIPIENT" or "OWNER") hereby enter into this Funding Agreement ("Agreement") and agree as follows:

1.1 RECITALS

A. RECIPIENT has prepared plans and specifications ("IMPROVEMENT PLANS") for the acquisition, improvement and development of classrooms at the RECIPIENT's facility for child care services, "PROJECT," shown in concept in Exhibit "A" attached hereto and made a part hereof; and

B. RECIPIENT's PROJECT site: Bermuda Dunes Learning Center located at 47-459 Highway 74, Palm Desert, CA 92260 and is hereinafter called "OWNER FACILITY"; and

C. RECIPIENT plans to advertise, award and administer a public works construction contract for PROJECT during Fiscal Years 2022/2023 and 2023/24; and

D. RECIPIENT desires that COMMISSION contribute funding for the construction of PROJECT; and

E. COMMISSION has reviewed IMPROVEMENT PLANS.

F. COMMISSION wishes to support RECIPIENT's efforts to construct PROJECT by providing a financial contribution toward PROJECT's construction costs as set forth herein; and

G. COMMISSION's financial contributions shall be up to one hundred percent (100%) of the proposal amount for the construction of PROJECT ("TOTAL CONTRIBUTION") and as detailed in Exhibit B: Budget;

H. TOTAL CONTRIBUTION for PROJECT shall not exceed a total of FIVE HUNDRED EIGHTY-FIVE THOUSAND SIX HUNDRED DOLLARS, **($585,600)**; and

I. COMMISSION wishes to provide only financial assistance to RECIPIENT and have no other role; and

J. The purpose of this Agreement is to memorialize the mutual understandings by and between RECIPIENT and COMMISSION with respect to the construction, ownership, operation and maintenance of PROJECT and the payment of TOTAL CONTRIBUTION.

K. The term of this Agreement shall be effective **October 1, 2022** through **June 30, 2024** unless terminated earlier as provided herein.

L. This Agreement may be terminated by RECIPIENT or COMMISSION, without cause upon thirty (30) days written notice served upon the non-terminating party, as provided herein. In addition, it is mutually agreed and understood that the obligation of the COMMISSION for payment under this Agreement is limited and contingent upon the availability of Proposition 10 funds from which payment can be made; and that this Agreement may be immediately terminated by the COMMISSION if funds are no longer available. In the event of termination,

the COMMISSION shall make payment for all services provided by RECIPIENT up to the date of written notice of termination.

NOW, THEREFORE, in consideration of the preceding recitals and the mutual covenants hereinafter contained, the parties hereto mutually agree as follows:

1.2 SECTION I

RECIPIENT shall:

1. Obtain, at its sole cost and expense, all necessary permits, approvals or agreements required by any federal, state and local resource or regulatory agencies pertaining to PROJECT ("REGULATORY PERMITS").

2. Secure, at its sole cost and expense, all necessary rights of way, rights of entry and temporary construction easements necessary to construct, inspect, operate and maintain PROJECT.

3. Advertise PROJECT for bids. At the time of advertising for bids, provide COMMISSION with a copy of PROJECT plans, specifications, contracts and any subsequent addenda thereto.

4. Construct or cause to be constructed PROJECT pursuant to a RECIPIENT-administered public works contract in accordance with IMPROVEMENT PLANS.

5. Supervise and inspect all aspects of PROJECT construction.

6. RECIPIENT recognizes and understands that any improvements installed pursuant to this agreement must be completed by RECIPIENT during the term of this Agreement.

7. RECIPIENT shall require that all Contractors and Sub-Contractors will comply with prevailing wage requirements and be subject to restrictions and penalties in accordance with §1770 et seq. of the Labor Code which requires prevailing wages be paid to appropriate work classifications in all bid specifications and subcontracts.

a. The RECIPIENT shall require that Contractors and Sub-Contractors shall furnish all contractors/subcontractors/employees a copy of the Department of Industrial Relations prevailing wage rates at which Lessor will post at the job site. All prevailing wages shall be obtained by the RECIPIENT from:

Department of Industrial Relations
Division of Labor Statistics and Research
455 Golden Gate Avenue, 8th Floor
San Francisco, CA 94102

b. RECIPIENT shall require that Contractors and Sub-Contractors comply with the payroll record keeping and availability requirement of §1776 of the Labor Code.

c. RECIPIENT shall require that Contractors and Sub-Contractors shall make travel and subsistence payments to workers needed for performance of work in accordance with §1773.8 of the Labor Code.

d. Prior to commencement of work, RECIPIENT shall require that Contractor shall Sub-Contractor shall contact the Division of Apprenticeship Standards and comply with §1777.5, §1777.6 and §1777.7 of the Labor Code and applicable regulations.

e. RECIPIENT shall comply and stay current with all applicable local, state and federal building codes and laws as from time to time amended, including, but not limited to, the Americans with Disabilities Act requirements in providing the County with any requested County improvements.

8. If any agency, division or department of any governmental entity with appropriate jurisdiction condemns the Premises or any part of the Premises as unsafe or not in conformity with any of the laws or regulations controlling their construction, occupation or use, or orders or requires any alteration, repair or reconstruction of the Premises the responsible party shall be the RECIPIENT who at its sole cost and expense (and without any right of reimbursement from COMMISSION) immediately effect all necessary alterations and repairs required for the Premises full and exact compliance.

9. Upon completion of PROJECT construction and RECIPIENT's acceptance thereof, accept ownership and sole responsibility for the design, operation and maintenance of PROJECT.

10. Upon completion of PROJECT construction, provide COMMISSION with a copy of RECIPIENT's Notice of Completion.

2.1 SECTION II

COMMISSION shall:

1. Within forty-five (45) days of receiving of RECIPIENT 's appropriate invoice, pay PROJECT costs to RECIPIENT.

3.1 SECTION III

It is further mutually agreed:

1. TOTAL CONTRIBUTION shall not exceed a total FIVE HUNDRED EIGHTY-FIVE THOUSAND SIX HUNDRED DOLLARS, **($585,600)** and shall be used by RECIPIENT solely for the purpose of constructing PROJECT as set forth herein. No additional funding whatsoever shall be provided by COMMISSION for any subsequent PROJECT modifications, extensions or repairs.

2. Under the provisions of this Agreement, COMMISSION shall bear no responsibility whatsoever for the design, construction, ownership, operation or maintenance of PROJECT.

3. RECIPIENT shall indemnify, defend, save and hold harmless County of Riverside (including their agencies, special districts and departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, commissioners, employees, agents, representatives, independent contractors, and subcontractors) from any liabilities, claim, damage, proceeding or action, present or future, based upon, arising out of or in any way relating to RECIPIENT's (including its officers, elected and appointed officials, employees, agents, representatives, independent contractors, and subcontract) actual or alleged acts or omissions related to this Agreement, performance under this Agreement or failure to comply with the requirements of this Agreement including, but not limited to (a) property damage; (b) bodily injury or death; (c) payment of attorney fees; or (d)

any other element of any kind or nature whatsoever. This section shall survive any termination of this agreement until the statute of limitations period has run for any claims that could be asserted under this agreement.

4. RECIPIENT shall act at all times in an independent capacity during the term of this AGREEMENT, and shall not act as, shall not be, nor shall in any manner be construed or deemed to be agents, officers, or employees of COUNTY. It is expressly understood and agreed that the RECIPIENT (including its employees, agents and subcontractor's, including Contractor(s)) shall in no event be entitled to any benefits to which COUNTY employees are entitled, including but not limited to overtime, any retirement benefits, worker's compensation benefits, and injury leave or other leave benefits. There shall be no employer-employee relationship or agency relationship between the Parties; the RECIPIENT shall hold the COUNTY harmless from any and all claims that may be made against the COUNTY based upon any contention by a third party that an employer-employee relationship exists by reason of this AGREEMENT. Nothing contained in this AGREEMENT shall be deemed or construed to create a lending partnership, other partnership, joint venture, or any other relationship between the Parties hereto, or cause COUNTY to be responsible in any way for the debts or obligations of RECIPIENT, or any other party.

5. If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

6. This Agreement is to be construed in accordance with the laws of the State of California. Neither RECIPIENT nor COMMISSION shall assign this Agreement without the written consent of the other party.

7. This Agreement is made and entered into for the sole protection and benefit of the parties hereto. No other person or entity shall have any right of action based upon the provisions of this Agreement.

8. Any and all notices sent or required to be sent to the parties of this Agreement will be mailed by first class mail, postage prepaid, to the following addresses:

Riverside County Children & Families Commission First 5 Riverside 585 Technology Court Riverside, CA 92507 Attn: Tammi Graham	RECIPIENT/OWNER BERMUDA DUNES LEARNING CENTER 42115 Yucca Lane Bermuda Dunes, CA 92203 Attn: Gayle Clark, Executive Director

9. This Agreement is the result of negotiations between the parties hereto and the advice and assistance of their respective counsel. The fact that this Agreement was prepared as a matter of convenience by COMMISSION shall have no import or significance. Any uncertainty or ambiguity in this Agreement shall not be construed against COMMISSION because COMMISSION prepared this Agreement in its final form.

10. Any waiver by COMMISSION or RECIPIENT of any breach by any other party of any provision of this Agreement shall not be construed to be a waiver of any subsequent or other breach of the same or any other provision hereof. Failure on the part of COMMISSION or RECIPIENT to require from any other party exact, full

and complete compliance with any of the provisions of this Agreement shall not be construed as in any manner changing the terms hereof or estopping COMMISSION or RECIPIENT from enforcing this Agreement.

11. The obligations of COMMISSION are limited by and contingent upon the availability of COMMISSION funds for COMMISSION's financial contribution towards the PROJECT as set forth herein. In the event that such funds are not forth coming for any reason, COMMISSION shall immediately notify RECIPIENT in writing. AGREEMENT shall be deemed terminated and have no further force and effect immediately upon receipt of COMMISSION's notification by RECIPIENT.

12. This Agreement is intended by the parties hereto as a final expression of their understanding with respect to the subject matter hereof and as a complete and exclusive statement of the terms and conditions thereof and supersedes any and all prior and contemporaneous agreements and understandings, oral or written, in connection therewith. This Agreement may be changed or modified only upon the written consent of the parties hereto.

13. No alteration or variation of the terms of this Agreement shall be valid unless made in writing and signed by both parties and no oral understanding or agreement not incorporated herein shall be binding on either party hereto.

14. Nothing in the provisions of this Agreement is intended to create duties or obligations to or rights in third parties not parties to this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Funding Agreement:

BERMUDA DUNES LEARNING CENTER:

By: Gayle Clark (Nov 28, 2022 23:03 PST)

Gayle Clark
Executive Director

Date: Nov 28, 2022

RIVERSIDE COUNTY CHILDREN AND FAMILIES COMMISSION:

By: Tammi Graham (Nov 29, 2022 07:25 PST)

Tammi Graham
Executive Director

Date: Nov 29, 2022

ATTEST:

By: Lynn Stephens

Lynn M. Stephens
Commission Coordinator

Date: Nov 29, 2022

APPROVED AS TO FORM:

Ronak Patel (Nov 28, 2022 15:40 PST)

Ronak Patel
Chief Deputy County Counsel

Date: Nov 28, 2022

EXHIBIT A:

PROJECT SCOPE OF WORK & TIMELINE

Project Scope of Work

Funds will be used for eligible expenses as accepted in the application submitted to the COMMISSION in response to RFP #CFARC-0020 for the following site: Bermuda Dunes Learning Center, 47-459 Highway 74, Palm Desert, CA 92260

Project Description

Background

RECIPIENT is a quality early childhood program established in the unincorporated area of Bermuda Dunes. The program was founded in 1993 by Reggie and Gayle Clark, both former teachers in PSUSD and DSUSD.

Gayle Clark, the Executive Director is an advocate for young children serving on the Consortium for Early Learning Services of Riverside County and the Riverside County Local Childcare Planning Council, an advisor for the College of the Desert Early Childhood program and a Mentor Director for the State of California.

Reggie Clark started the robotics program at Palm Desert Charter Middle School and taught for several years. He now implements robotics with school-age children weekly in RECIPIENT's afterschool program.

RECIPIENT operates the only private center accredited by the National Association of Young Children (NAEYC), and the longest-accredited school in the Coachella Valley. RECIPIENT also participates in the Quality Start Program with Riverside County ensuring high-quality programming.

The program curriculum follows a "hands-on" play-based philosophy. It is designed in a way for children to "learn by doing", offering developmentally appropriate experiences with an emphasis on social and emotional development for children 4 months to 10 years of age. Through the experiences offered, children leave prepared for school readiness and lifelong learning. RECIPIENT offers low child-to-teacher ratios, and a team-teaching approach to ensure that the individual needs of children are met. The environments, both indoors and outside have been designed and created to offer essential experiences that help children reach developmental milestones.

RECIPIENT's teaching staff and leadership team have been selectively chosen to ensure the highest level of quality programming. Less than a year ago in August of 2021 a second location in Palm Desert was added to offer pre-school and after-school care for elementary-age children.

Project

The PROJECT, will enable RECIPIENT to expand the Palm Desert location in order to extend services to additional infants, toddlers, and additional preschool children to meet the growing need for childcare in the desert community.

The PROJECT entails completion of indoor and outdoor improvements to accommodate the creation of 50 additional ECE Child Care slots in the 0 – 3 age group. Approximately 25 slots are expected to be filled with fee-paying and the other 25 with AP-subsidized children.

Funding is extended for construction as well as Fixtures, Furnishings and Equipment for both indoor and outdoor learning environments.

Project Timeline and Deliverables

October 2022:

- Storage sheds
- Appliances (for infant and kitchen rooms)
- Security System w cameras
- Misting system

November 2022

- New Playground
- Furniture for 0-3-year-olds (changing tables, cribs, toddler chairs, emergency crib)
- Installation of sinks inside and outdoors

December 2022:

- Enclose office-area to create a secure entrance (including permits)
- Iron fencing 6' on exterior for safety
- Replace broken kitchen counter and installation of appliances

Site Visits

The RECIPIENT's project funded under this Agreement will be subject to a site visit review prior to the commencement of the project to be scheduled on a mutually agreed upon date and time.

Quarterly Progress Reports

RECIPIENT shall submit Program Progress Reports (PPR), which includes quarterly and year-to-date progress on actual achievement of PROJECT milestones as detailed in Exhibit A and other data collection information as requested by the COMMISSION. The PPR shall include narrative information on lessons learned, course corrections, client success stories, sustainability and public awareness/policy change activities for the quarter. RECIPIENT is required by the COMMISSION to complete and submit PPR electronically via the COMMISSION'S data management system.

For each reporting period, RECIPIENT shall provide the COMMISSION with a PPR within thirty (30) calendar days from the end of the reporting period. In rare and justifiable circumstances, an extension may be requested by the RECIPIENT. Such requests are to be submitted in writing prior to the due date and shall be directed through the COMMISSION'S Contracts and Grants Analyst assigned to the RECIPIENT. Quarterly Program Progress Reporting due dates for each period as follows:

• Quarter 1 (October 1 – December 31): Report Due January 20, 2023
• Quarter 2 (January 1 – March 31): Report Due April 20. 2023
• Quarter 3 (April 1 – June 30): Report Due July 11, 2023
• Quarter 4 (July 1 – September 30): Report Due October 20, 2023
• Quarter 5 (October 1 – December 30): Report Due January 20, 2024
• Quarter 6 (January 1 – March 31): Report Due April 20, 2024
• Quarter 7 (April 1 – June 30): Report Due July 11, 2024 (Final Cumulative Program Progress Report)

If the due date falls on a weekend or County, State or nationally recognized holiday, the due date will be on the following business day. The first quarterly report is due **January 20, 2023**.

RECIPIENT agrees that failure to submit reports as specified will be sufficient cause for the COMMISSION to withhold any payment due until reporting requirements have been fulfilled.

EXHBIT B: BUDGET

October 1, 2022 – June 30, 2024

	USE OF FUNDS:	TOTAL REQUESTED:
Development Costs		
1.		
1.1	Architect/Consulting Fees	$20,000
1.2	Construction	$258,000
1.3	Fixtures, Furnishings & Equipment (FF&E)	$210,000
	Sub-Total:	**$488,000**
2. Project-Contingency		
2.1	Contingency (20%)	$97,600
		$585,600

EXHIBIT C: PAYMENT PROVISIONS

A. FISCAL

The maximum amount reimbursable over the life of this Agreement is not to exceed FIVE HUNDRED EIGHTY-FIVE THOUSAND SIX HUNDRED DOLLARS, ($585,600) for the duration of the Agreement period as funded by the Riverside County Children and Families Commission, also known as First 5 Riverside, (hereinafter the "COMMISSION" or "COUNTY"), provided pursuant to the American Rescue Plan Act and California Children and Families Act of 1998, also known as Proposition 10.

AGREEMENT PERIOD: **October 1, 2022 – June 30, 2024**

1. Method, Time, and Schedule Conditions of Payment

   a. The COMMISSION will disburse funds on a reimbursement payment process based on the Exhibit B (Budget) amount for the applicable fiscal year and monthly report submissions. Payment will be rendered thirty (30) business days from submission of all required documentation and/or the reporting deadline.

   b. Disbursement of any payment of funds to RECIPIENT shall be made so long as all of the following conditions have been met:

      1. The Agreement has been fully executed by all parties;
      2. All applicable licenses to comply with the terms of the SOW are current and valid; and
      3. The RECIPIENT submits monthly itemized invoices, via the data management system to include the supporting documentation separated by a cover sheet in front of each expense category. Documentation shall include, but not limited to; statement of costs, copy of invoice or receipt, and proof payment.

   c. Under special circumstances, RECIPIENT may request advance disbursements. A supplemental disbursement request along with justification must be submitted, in writing, to the Executive Director or designee.

   d. The COMMISSION Executive Director, or designee, reserves the right to withhold or reduce disbursement of funds if RECIPIENT fails to 1) comply with monthly and/or quarterly reports by the indicated due date as set forth in Exhibit A; 2) if results achieved are not as projected and no COMMISSION approved plan is in place for improvement; or 3) if the RECIPIENT is not in compliance with any provision contained within this Agreement.

   e. The final funding period amount approved for the applicable fiscal year will be paid based on final expenditures as of June 30th, and reported as of July 11th, which is the final deadline to submit Project expenditures. Expenditures made after June 30th will not be accepted.

2. Allowable Costs

   Funds provided pursuant to this Agreement shall be expended by RECIPIENT in accordance with the Budget.

   a. Such specified expenditures will be further limited to those that are considered both reasonable and necessary as determined by the COMMISSION. RECIPIENT agrees COMMISSION may recover any payments for services or goods, which were not reasonable and necessary, or which exceeded the fair

market value. The recovery shall be limited to payments over and above reasonable or fair market amounts and any costs of recovery.

b. **Stored Materials.** COMMISSION may, in the exercise of its sole and absolute discretion, approve or disapprove for inclusion in RECIPIENT's invoice the cost of materials to be incorporated, but not yet incorporated, in the Work and delivered and suitably stored either at the Site or at some other appropriate location acceptable to the COMMISSION. As part of any request for such approval, RECIPIENT shall furnish evidence satisfactory to COMMISSION: (1) of the cost of such materials; (2) that such materials are under the exclusive control of RECIPIENT, or if not, that title to the materials is in the COMMISSION, free of any lien or encumbrance; and (3) with respect to materials stored off-Site, that the materials are safely and suitably stored in a bonded warehouse with appropriate insurance coverage satisfactory to COMMISSION. No payment or approval by COMMISSION pursuant to this Paragraph shall (a) be construed as an inspection or acceptance of the materials; (b) relieve RECIPIENT of its continuing and sole responsibility for the care and protection of, and sole responsibility for any Loss to, such materials, from any cause whatsoever; or (c) operate as a waiver of rights by COMMISSION.

c. Notwithstanding any other provision herein, RECIPIENT agrees to reimburse, in full, any and all funds received from the COMMISSION, upon request of the COMMISSION, where such funds as determined by the COMMISSION are not, or have not been utilized by RECIPIENT for services provided to children ages 0 through 5 and their families. The terms and conditions of reimbursement shall be at the sole discretion of the COMMISSION.

d. Any capital improvement projects with an aggregate cost of $25,000 or more funded by Proposition 10 funds shall be maintained by the RECIPIENT for services provided to children ages 0 through 5 and their families. RECIPIENT will ensure any capital improvement projects with an aggregate cost of $25,000 or more is utilized for a minimum of five (5) years from the date that the capital-improvement project is complete. RECIPIENT will submit proof of completion of the improvement project to the COMMISSION. The value of the improvement project is listed in the BUDGET as attached and will be amortized over the 5-year period. If RECIPIENT fails to utilize the improvement project as set forth in EXHIBIT A, RECIPIENT will immediately reimburse the COMMISSION upon COMMISSION's written request, based on the following schedule:

Failure to use for 0-5 purposes Required Compensation

0 Months - 1 year after Completion	100% of value
1 year - 2 years after Completion	80%
2 years - 3 years after Completion	60%
3 years - 4 years after Completion	40%
4 years - 5 years after Completion	0%

EXHIBIT D:

COMPREHENSIVE TOBACCO CONTROL POLICY

As a material condition of the Contract, the RECIPIENT shall agree that the RECIPIENT and the RECIPIENT'S employees, while receiving funding from the COMMISSION:

1. Shall not use tobacco products while using the RECIPIENT'S property e.g., vehicle, equipment; and

2. Shall not sell, offer, or provide tobacco products on RECIPIENT'S premises; and

3. Shall have tobacco education and cessation materials visibly available and accessible to clients participating in activities funded by Proposition 10 funds; and

4. Shall assure that the RECIPIENT and its employees have no current business association or relationship with the tobacco industry, and further agrees to neither accept nor solicit financial contributions, sponsorships, gifts, or services from any tobacco company, executive, or tobacco-related function; and

5. Shall make a reasonable effort to divest of all investments in companies that derive fifteen percent (15%) or more of revenues from tobacco.

The COMMISSION may terminate for default or breach of this Contract and any other Contract the RECIPIENT has with the COMMISSION, if the RECIPIENT or RECIPIENT'S employees, are determined by the COMMISSION Executive Director (or designee), not to be in compliance with the conditions set forth herein.

If the RECIPIENT or RECIPIENT'S employees are determined by the COMMISSION Executive Director (or designee) not to be in compliance with the conditions set forth herein, the COMMISSION may terminate for default or breach of this Contract and any other Contract the COMMISSION has with the RECIPIENT.

In instances where the RECIPIENT is part of a larger entity, and where the entity has an investment policy set by governance officials other than the RECIPIENT, and the RECIPIENT is not directly involved in such investment decisions, RECIPIENT agrees to the provisions herein as required in the programs and activities under the direct control of the RECIPIENT to the satisfaction of the COMMISSION Executive Director (or designee). Activities of the larger entity other than investment decisions, which are not under the direct control of RECIPIENT, shall not be considered to be in violation of RECIPIENT'S activities pursuant to the policy.

CF23107 Bermuda Dunes Infrastructure 2022_RP_Final

Final Audit Report 2022-11-29

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By:	Marinus Van Eenennaam (MVEenenn@RIVCO.ORG)
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Agreement completed.

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E.10. **23-09:** Approve and Ratify Contracts for Family Resource Center Network Expansion from October 1, 2022 - June 30, 2026 (CONTRACT NOS. CF23103, CF23104, CF23105 AND CF23106) [$1,500,000 - PROP 10 FUNDS]

AGENDA ITEM: 23-09
DATE OF MEETING: January 25, 2023
ACTION: ☒
INFORMATION: ☐

APPROVE AND RATIFY CONTRACTS FOR FAMILY RESOURCE CENTER NETWORK EXPANSION FROM OCTOBER 1, 2022 – JUNE 30, 2026 (CONTRACT NOS. CF23103, CF23104, CF23105, AND CF23106) [$1,500,000 – PROP 10 FUNDS]

SUMMARY OF REQUEST

Approve and ratify contracts with Greater Hope Foundation for Children, Inc. (CF23103), California Family Life Center (CF23104), and Family Service Association, Inc. (CF23106); and approve Contract No CF23105 with Soboba Band of Luiseno Indians. Each contract maximum amount is $375,000 from October 1, 2022 – June 30, 2026 (Except Soboba), for a collective amount not to exceed $1,500,000. The term of the Contract with Soboba Band of Luiseno Indians is from February 1, 2023 – June 30, 2026.

BACKGROUND

This item formally approves and ratifies the contracts resulting from the RFQ for the Family Network Center Network Expansion. The RFQ and the resulting contracts were authorized by the Commission on May 12, 2021 (Action Item 21-20). The Family Resource Center Network will support high-need and unserved areas of the County.

May 13, 2020: (Action Item No. 20-22), The Riverside County Children & Families Commission committed $2 million annually through the next 5-year strategic plan period to establish and maintain a network of Family Resource Centers (FRCs) and community hubs to strengthen families.

The funding supports child and family well-being in Riverside County by investing in existing sites and community hubs. The FRC network provides a broad range of community-wide prevention services, while also leveraging First 5 Riverside County's current partnerships and investments to ensure shared responsibility to improve the lives of all families in Riverside County.

Through the Family Resource Center Network Expansion, First 5 Riverside County seeks to connect with families in the spaces that are optimal for them, including families' own homes and spaces in the community that are trusted, convenient and create opportunities for parents/caregivers to strengthen connections to each other and their communities.

RECOMMENDED ACTION

That the Commission:

1. Approve and ratify Contract #s CF23103, CF23104, and CF23106 with Greater Hope Foundation for Children Inc., California Family Life Center and Family Service Association, Inc., effective October 1, 2022 – June 30, 2026; and approve Contract No CF23105 with Soboba Band of Luiseno Indians, effective February 1, 2023 – June 30, 2026, for an amount not to exceed $1,500,000 combined, for the Family Network Center Network Expansion, subject to County Counsel approval and as to form; and

2. Authorize the Executive Director, based on the availability of fiscal funding and as approved by County Counsel to sign amendments that exercise the options of Contracts: CF23103, CF23104, CF23105, and CF23106, on behalf of the Commission including modifications of the statement of work that stay within the intent of said contract without requiring further action from the Commission.

BUDGET IMPACT

Adequate appropriation exists in the FY 22/23 budget (938001-25800-92975-527980) and additional appropriation will be included in subsequent budget requests.

STRATEGIC PLAN RELEVANCE

Goal Area 3: Resilient Families

POTENTIAL CONFLICTS OF INTEREST

None Known

ATTACHMENTS

1. CF23103 Greater Hope Foundation for Children Inc - FRC Network Expansion – signed
2. CF23104 California Family Life Center - FRC Network Expansion - Fully executed
3. CF23106 Family Service Association, Inc - FRC Network Expansion – signed
4. CF23105 Soboba Band of Luiseno Indians - FRC Network Expansion – pending signature

RIVERSIDE COUNTY CHILDREN AND FAMILIES COMMISSION
CONTRACT
INVESTMENT OF FUNDS
585 Technology Court
Riverside, California 92507

RCCFC AWARD: **CF23103 FRC Network Expansion**

CONTRACTOR: Greater Hope Foundation for Children, Inc.
CONTRACT TERM: **10/1/2022 – 06/30/2026**

MAXIMUM REIMBURSABLE AMOUNT: **$375,000**

The CONTRACTOR designated above is hereby certified for an investment of funds in an amount not to exceed $375,000.

Compensation: The maximum reimbursable amount over the life of the Contract for Investment of Funds (hereinafter the "Contract") shall not exceed $375,000 as awarded by the Riverside County Children and Families Commission, also known as First 5 Riverside, (hereinafter the "COMMISSION" or "COUNTY"), provided pursuant to the California Children and Families Act of 1998, also known as Proposition 10, to provide services and results as set forth in Attachments A, B, C and D attached hereto as incorporated herein by reference, subject to the following terms and conditions:

IN WITNESS WHEREOF, COMMISSION and CONTRACTOR have executed this Contract.

Authorized Signature for COMMISSION:	Authorized Signature for CONTRACTOR:
Tammi Graham Tammi Graham (Oct 24, 2022 16:59 PDT)	
Tammi Graham, Executive Director	Printed Name of Person Signing: Helena Lopez
Date Signed: Oct 24, 2022	Title: Chief Executive Officer
585 Technology Court Riverside, CA 92507-2423	Address: 14344 Cajon Avenue, Suite102 Victorville, CA 92392
APPROVED AS TO FORM SIGNATURE: Ronak Patel (Oct 17, 2022 15:37 PDT)	Date Signed: Oct 20, 2022
Ronak Patel County Counsel	ATTEST SIGNATURE: Lynn Stephens
Date Signed: Oct 17, 2022	Lynn M. Stephens Commission Coordinator
	Date Signed: Oct 25, 2022

RIVERSIDE COUNTY CHILDREN AND FAMILIES COMMISSION

CONTRACT TERMS AND CONDITIONS

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Terms and Conditions

1. NOTICES

All correspondence and notices required or contemplated by this Contract shall be delivered to the respective parties at the addresses set forth below and are deemed submitted one day after deposit in the United States mail, postage prepaid:

COMMISSION:	CONTRACTOR:
Tammi Graham, Executive Director	Helena Lopez
First 5 Riverside	Greater Hope Foundation for Children, Inc.
585 Technology Court	14344 Cajon Avenue, Suite102
Riverside, California 92507	Victorville, CA 92392

Or to such other address as the parties may hereafter designate in writing.

2. SOURCE AND SCOPE OF CONTRACT

A. This Contract award is valid and enforceable only if sufficient funds are available to the COMMISSION from Proposition 10 tax dollars for the total term of the Contract. It is mutually agreed that if the State does not appropriate sufficient Proposition 10 funds, this Contract shall be amended to reflect any reduction in funds.

B. This Contract is subject to any additional restrictions, limitations, or conditions enacted by the State of California, which may affect the provisions, terms, or funding of this Contract in any manner.

C. This Contract award is designated for an investment of funds to provide services to address Child Health & Development, Quality Early Learning or Resilient Families in accordance with the current COMMISSION Strategic Plan. Services are to be provided to benefit children 0 through 5 years of age (may also be abbreviated as “0-5”) who reside in Riverside County.

3. DEFINITIONS

Terminology included within the Terms and Conditions of the Contract are defined by the Riverside County Children & Families Commission as stated below:

Commission: The Riverside County Children & Families Commission, an assembly of Commissioners appointed by the Riverside County Board of Supervisors, which is responsible for establishing policy and directing Proposition 10 funds at the County level.

Contractor: The government or other legal entity to which the Contract is awarded and which shall be accountable to the Commission for the use of funds provided.

County: The Riverside County Children & Families Commission, the County of Riverside, its Agencies, Districts, Special Districts and Departments, respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives.

Data Management System: An online data management system used to collect and analyze client demographics, services, and target accomplishments.

Executive Director: The designated lead director of the Commission.

Fiscal Year: The Commission’s fiscal year is July 1 through June 30.

Performance Target: The specific results that a CONTRACTOR will commit to achieving as outlined in the Scope of Work.

Performance Target Accomplishment Schedule: The specific timeline that a CONTRACTOR will commit to adhere to achieving specific results as outlined in the Scope of Work.

Probationary Status: CONTRACTOR is given notice of non-compliance after failing to correct deficiencies and has been placed in a status that may require additional monitoring, announced and unannounced visits, additional reporting by CONTRACTOR, an evaluation by COMMISSION staff and a report to the COMMISSION inclusive of recommendations regarding the disposition of the Contract.

Scope of Work (SOW): A documented qualitative and quantitative description of the project deliverables (i.e., what the CONTRACTOR is funded to do).

4. TERM

The term of this Contract shall be from 10/1/2022 through 06/30/2026 unless terminated sooner by the provisions herein by either party. Funds shall not be automatically renewed by the COMMISSION upon or after the term of the Contract except by formal amendment approved by the COMMISSION.

5. COMPLIANCE, DISALLOWANCE, WITHHOLDING

If CONTRACTOR fails to comply with any conditions contained within this Contract, the COMMISSION may place the CONTRACTOR in a probationary status, temporarily withhold payments until the deficiency is corrected, deny funds for all or part of the cost of activity not in compliance, and/or request repayment to the COMMISSION if any disallowance is rendered after audit findings. Written notification of non-compliance will be sent to the identified contact person and the CONTRACTOR'S Executive Director or other lead staff authorized by the CONTRACTOR'S governing board or ownership within twenty (20) working days.

6. TERMINATION

A. By COMMISSION: The COMMISSION may, by written notice to CONTRACTOR, terminate this Contract in whole or in part at any time for the reasons as set forth below. Upon receipt of notice, the CONTRACTOR shall immediately discontinue all services affected (unless the notice directs otherwise).

1. Termination for cause:

a. Due to Default or Breach of Contract. Upon default by the CONTRACTOR in the performance of this Contract or material breach of any of its provisions which include but are not limited to; change in status or delegation, assignment or alteration of the services outlined in Attachment A of this Contract, the COMMISSION may immediately terminate this Contract by written notice, which shall be effective upon receipt by CONTRACTOR, unless COMMISSION provides CONTRACTOR the opportunity to cure breach within twenty (20) working days of receipt of notice, and CONTRACTOR does so to COMMISSION'S satisfaction.

b. Due to Health and Safety Concerns of Clients. The COMMISSION may immediately terminate this Contract, at the sole discretion of the COMMISSION when the CONTRACTOR has been accused and found to be in violation of any county, state, or federal law and/or regulation related to the health and safety of clients. The Contract may also be immediately terminated at the sole discretion of the COMMISSION if the

CONTRACTOR fails to provide for the health and safety of clients served under this Contract where the health and safety of clients are placed at risk by CONTRACTOR.

c. **Due to Non-Appropriation.** It is mutually agreed that if either the federal or state budget of the current year and/or any subsequent years covered under this Contract does not appropriate sufficient funds for the program, this Contract shall be of no further force and effect. In this event, the COMMISSION shall have no liability to pay any funds whatsoever to the CONTRACTOR or to furnish any other considerations under this Contract and CONTRACTOR shall not be obligated to perform any provisions of this Contract. If funding for any fiscal year is reduced or deleted by the federal or state budgetary process for purposes of this program, the COMMISSION shall have the option to either cancel this Contract with no liability occurring to the COMMISSION or offer a Contract amendment to CONTRACTOR to reflect the reduced amount.

d. **Due to Non-Compliance.** Termination may occur if CONTRACTOR fails to provide the COMMISSION with any reports, data and information as required in this Contract. CONTRACTOR may be placed in a probationary status until compliance with the terms of the Contract has been met. CONTRACTOR will be given thirty (30) calendar days after the date of written notice by COMMISSION to cure the deficiency. If compliance is not met within the thirty (30) calendar days, the COMMISSION may move forward with termination of the Contract.

e. **Without Cause.** COMMISSION may terminate this Contract without cause upon thirty (30) days' written notice served upon the CONTRACTOR stating the extent and effective date of termination.

B. **By CONTRACTOR**: CONTRACTOR may terminate this Contract in whole or in part upon thirty (30) calendar days' written notice to the COMMISSION.

7. REQUIREMENT OF SUPPLEMENTING PROGRAM

Funds received pursuant to this Contract shall not be used to supplant any program of the CONTRACTOR. Proposition 10 funds shall ONLY be used to supplement a CONTRACTOR'S program. The COMMISSION endorses the California Children and Families Commission's interpretation of supplanting: The definition of "supplement" is to add to or augment something that currently exists, while "supplant" is defined as taking the place of something currently in existence. As defined in Health and Safety Code sections 130100 et seq. (the Children and Families Act), all monies raised pursuant to the Act shall be appropriated and expended by CONTRACTOR only to supplement existing levels of services. The Act specifically prohibits appropriation and expenditure of funds to supplant state or local general fund money for any purpose. Further, expenditures are prohibited for use to fund any existing levels of service.

8. DATA MANAGEMENT

CONTRACTOR agrees to participate in a comprehensive, countywide, internet-based evaluation and management process as defined by the COMMISSION. Participation shall include, but is not limited to, monthly input of program and financial data, submission of quarterly and annual Program Progress Reports (PPR), utilization of the COMMISSION developed reporting systems and Administrative Review formats and required training(s) to familiarize and implement the results-based accountability framework. The COMMISSION continues to refine its evaluative processes that will assist the COMMISSION, its CONTRACTORS and the community to successfully increase and measure the impact of the Proposition 10 in Riverside County. Where appropriate, CONTRACTOR agrees to participate in the ongoing development of these evaluative

processes. Specific areas may include but are not limited to, the development of outcomes for programmatic performance, standards for service delivery, and assessment tools.

9. SCOPE OF WORK (SOW)

A. CONTRACTOR will be required to submit and adhere to a SOW approved by the COMMISSION and attached to this Contract. The SOW will accurately reflect measurable results of services provided through Proposition 10 funding. The SOW will provide a qualitative and quantitative description of program(s) objectives to be achieved in connection with Proposition 10 funding.

B. The SOW (Attachment A) will be amended each fiscal year of the Contract Term to confirm or adjust specific qualitative and/or quantitative targets for the respective year.

C. SOW revisions that are considered relatively minor adjustments that do not affect the overall deliverables of this Contract shall be accepted for consideration through March 31st of each fiscal year. Requests for these types of SOW adjustments must be submitted to the COMMISSION office in writing or via e-mail and shall not be implemented by CONTRACTOR prior to receipt of written approval from authorized COMMISSION personnel. Upon approval, CONTRACTOR will receive either written or e-mail verification from the COMMISSION Executive Director (or designee).

D. SOW revisions that are considered significant changes to program performance targets and affect the overall deliverables of this Contract include the following: changes that result in the type of customer or numbers served, new staff positions or major staff changes, or significant changes in the Performance Targets. Requests for these types of SOW changes shall be accepted for consideration through March 31 of each fiscal year. SOW revisions shall be submitted to the COMMISSION Executive Director (or designee), via the COMMISSION'S Contracts & Grants Analyst assigned to the CONTRACTOR. The COMMISSION Executive Director (or designee) will respond to the proposed request for SOW revisions within thirty (30) calendar days after receipt at the COMMISSION office. Final approval of any proposed revisions to the SOW shall require the written approval of the COMMISSION Executive Director (or designee). All changes will be incorporated into the Contract and shall become effective on the date of written approval from the COMMISSION Executive Director and/or the COMMISSION.

E. CONTRACTOR agrees to make every possible effort to obtain voluntary consent using the COMMISSION Consent Form for any customer entered into the data management system. CONTRACTOR also agrees to maintain the original signed Consent Form on file for the COMMISSION to review as necessary. Each customer is to receive a copy of the signed Consent Form.

10. REIMBURSEMENT OF COSTS

Payment will not be provided for services performed and/or expenditures accrued prior to the full execution of this Contract unless previously authorized by COMMISSION action. Reimbursement of costs shall be made upon CONTRACTOR'S satisfactory performance, based upon the SOW and methodology contained in Attachment A as determined by the COMMISSION. The COMMISSION shall allocate the funds to CONTRACTOR as follows:

A. All funds provided pursuant to this Contract shall be expended by CONTRACTOR in accordance with the Budget attached hereto.

B. All funds will be distributed as detailed in the attached Payment Provisions, attached hereto.

11. FISCAL AND PROGRAM REPORTING REQUIREMENTS

A. Fiscal Reporting

Fiscal expenditures are required to be input into the data management system by CONTRACTOR on a monthly basis with input completed and submitted by the 20th of the month following Contract performance for expenditures occurring in the 1st, 2nd and 3rd quarters of the fiscal year (July through March). Fiscal expenditures occurring in the 4th quarter (April, May and June) will be required to be input into the data management system on earlier modified due dates to support COUNTY internal deadlines and external audit requirements. These due dates will be communicated to CONTRACTOR through the COMMISSION'S Contracts and Grants Analyst assigned to the CONTRACTOR. CONTRACTOR is required to report expenditures on a monthly basis and apply accruals at year-end. Accruals show costs for services that have occurred but have not yet been paid. If the reporting due date falls on a weekend or County, State or nationally recognized holiday, the due date will be on the following business day. Any changes that occur with expenditures must be reported to COMMISSION staff and adjusted within the data management system before the end of the Quarter following the expense occurrence. Example: Changes to expenditures in the first quarter of performance must be adjusted and reconciled before the end of the second quarter (December 30, as reported in the January 30 report). **A change in CONTRACTOR staff, or other difficulties, does not absolve the CONTRACTOR from this monthly fiscal reporting responsibility.**

In rare and justifiable circumstances, an extension may be requested by the CONTRACTOR. Such requests are to be submitted in writing prior to the due date and shall be directed through the COMMISSION'S Contracts and Grants Analyst assigned to the CONTRACTOR.

If applicable, CONTRACTOR shall provide copies of the claim report submitted monthly for Medi-Cal and/or any other state or federal reimbursements. In addition, the CONTRACTOR will provide the subsequent revenue reports that will reconcile the claim reports.

Costs may be allowed and reviewed for reimbursement up to the time of the Final Fiscal Expenditure Report, which is due as described in paragraph one of this section. All reimbursement costs not submitted at the time of the Final Fiscal Expenditure Report will be disallowed.

Payment information, including amount, payment reduction or payment withheld may be obtained by the CONTRACTOR via the data management system.

B. Program Reporting

As requested by COMMISSION, CONTRACTOR shall participate in research and evaluation studies designed to show the effectiveness of CONTRACTOR'S services or to provide information about CONTRACTOR'S program. CONTRACTOR shall report program and demographic data on participants, where appropriate, service and outcome data with measurement tools approved by COMMISSION. CONTRACTOR shall enter data (quantitative and qualitative) in the evaluation database system designated by COMMISSION. CONTRACTOR shall submit complete data, in accordance with the SOW.

1. Monthly Reporting

CONTRACTOR shall input and submit program data into the COMMISSION'S data management system on a monthly basis and input must be completed by the 20th of the month following Contract performance. If the reporting due date falls on a weekend or holiday, the due date will be on the following business day. The due date for program data

submitted in the 4th quarter (April, May and June) may be modified by COMMISSION as required to meet internal COUNTY and State reporting deadlines. Modified due dates will be communicated to CONTRACTOR through the COMMISSION'S Contracts and Grants Analyst assigned to the CONTRACTOR. Any changes that occur with program data input must be reported to COMMISSION staff and adjusted within the data management system before the end of the Quarter following the change.

Example: Changes to program data in the first quarter must be adjusted and reconciled before the end of the 2nd quarter (December 30th, as reported in the January 30th report). **A change in CONTRACTOR staff, or other difficulties, does not absolve the CONTRACTOR from this monthly program data input and quarterly Program Progress Report (PPR) responsibility.**

2. Quarterly and Annual Reporting

CONTRACTOR shall submit Program Progress Reports (PPR) which includes quarterly and year-to-date progress on actual achievement of performance targets compared to projected achievements as detailed in the SOW and other data collection information as requested by the COMMISSION. The PPR shall include narrative information on lessons learned, course corrections, client success stories, sustainability and public awareness/policy change activities for the quarter. CONTRACTOR is required by the COMMISSION to complete and submit Program Progress Reports electronically via the COMMISSION'S data management system.

For each reporting period, CONTRACTOR shall provide the COMMISSION with a Program Progress Report within thirty (30) calendar days from the end of the reporting period. In rare and justifiable circumstances, an extension may be requested by the CONTRACTOR. Such requests are to be submitted in writing prior to the due date and shall be directed through the COMMISSION'S Contracts and Grants Analyst assigned to the CONTRACTOR. Quarterly Program Progress Reporting due dates for each Contract period are as follows:

- QUARTER 1 (July 1 – September 30): Report Due October 30
- QUARTER 2 (October 1 – December 31): Report Due January 30
- QUARTER 3 (January 1 – March 31): Report Due April 30
- QUARTER 4 (April 1 – June 30): Report Due July 30 (Final Cumulative Program Progress Report), Quarter 4 due date may be modified by COMMISSION as necessary to meet County and/or State reporting deadlines.

If the due date falls on a weekend or County, State or nationally recognized holiday, the due date will be on the following business day. The first quarterly report is due **October 30th of the current fiscal year.**

CONTRACTOR agrees that failure to submit reports as specified will be sufficient cause for the COMMISSION to withhold any payment due until reporting requirements have been fulfilled.

12. <u>REIMBURSEMENT OF FUNDS TO THE COMMISSION</u>

If CONTRACTOR has been overpaid in the previous fiscal year, the COMMISSION will, in instances where the Contract is renewed, reduce subsequent payment(s) to recover the amount overpaid.

Notwithstanding any other provision herein, CONTRACTOR agrees to reimburse, in full, all funds received from the COMMISSION, upon request of the COMMISSION, where such funds as determined by the COMMISSION are not or have not been utilized by CONTRACTOR for purpose as intended by the COMMISSION. The terms and conditions of reimbursement shall be at the sole discretion of the COMMISSION. This provision is not terminated upon termination of this Contract.

13. COMMISSION FISCAL REQUIREMENTS

A. Budget Revisions

A Budget Revision Form may be submitted by the CONTRACTOR to the COMMISSION to modify budget line(s) of the approved budget. The request must indicate the proposed line item change, the budget as amended applying the requested change, a written justification for each requested change, and signed by an authorized representative. The request cannot result in any alteration or degradation to the program services and performance targets as specified in this Contract.

The COMMISSION Executive Director (or designee), on behalf of the COMMISSION, has the authority to approve or deny the request, provided that the modification does not deviate from the original intent of the Contract or increase the total Contract amount. CONTRACTOR is limited to two (2) budget revisions per fiscal year.

The CONTRACTOR must submit any Budget Revision Forms to the COMMISSION or designee no later than **March 31st** of the fiscal year.

B. Amendments

Necessity for budget amendments to this Contract will be determined by the COMMISSION Executive Director (or designee) and may include, but are not limited to, Contract increases or decreases and significant changes to the Scope of Work (SOW). All budget amendments to the Contract shall require formal approval of the COMMISSION Executive Director acting on behalf of the COMMISSION, as provided herein before such amendments are effective. Major budget amendments, as determined by the COMMISSION Executive Director, in consultation with County legal counsel, will require formal approval of the COMMISSION. Contract budget amendments shall be considered until March 31st of each fiscal year.

C. Cost Allocation Plan

CONTRACTOR shall have or will establish a Cost Allocation Plan (CAP) to identify prorated costs shared by multiple funding sources, including Proposition 10 funds. CONTRACTOR shall identify any other funding sources and organizations whose cooperation/participation is necessary to ensure the success of the project. CONTRACTOR'S CAP must be approved by CONTRACTOR'S appropriate governing body and submitted with the executed Contract.

A CAP is defined as a written summarization that documents the methods and procedures CONTRACTOR will use to allocate costs between two or more programs or funding sources. The goal is to ensure that each program or funding source bears its fair share, and only its fair share, of the total costs. The CONTRACTOR must have a method of identifying and distributing program costs that are comprehensive, well documented, and defensible under the Generally Accepted Accounting Principles (GAAP).

A written CAP is required if <u>any</u> of the conditions below are met:

a. Funded staff members share time between a COMMISSION funded program and one or more other grant funded program.

b. A single-funded staff member shares time between two or more COMMISSION funded programs.

c. The same facilities and/or resources are utilized by more than one funded program.

D. Overhead/Indirect Costs

1. Overhead/Indirect costs are defined as costs incurred for a common or joint purpose benefiting more than one cost objective and cannot be readily identified with a particular final cost objective. These costs do not provide a measurable, direct benefit to a particular program or activity, unlike direct costs. Indirect cost may include salaries and benefits. For the purpose of this Contract, operational expenses, capital expenses, and subcontractor costs are **excluded** from the indirect cost calculation.

2. Indirect cost percentage rate included in the Budget, to this Contact, shall not exceed ten percent (10%) calculated against the salaries and benefits expenses only.

3. Indirect costs shall be based on the CONTRACTOR'S official governing board approved CAP. State/federal approved rates in excess of the approved ten percent (10%) indirect cost rate percentage will be reviewed and approved on a case-by-case basis.

4. A pass-through is defined as those instances where the CONTRACTOR forwards funds obtained from the COMMISSION to a subcontractor and the COMMISSION maintains no relationship or responsibility for the performance of the subcontractor. Proposition 10 funds shall not be used in a manner that will cause payment for indirect costs associated with the CONTRACTOR'S funded program more than once. The COMMISSION will not pay for subcontractor indirect costs as part of the CONTRACTOR'S budget.

E. Revenues Received

All revenue received by the CONTRACTOR (except funds received from the COMMISSION) to operate the program funded pursuant to this Contract shall be reported as revenue received within the monthly fiscal report. All such revenues shall be used to fully compensate expenses within the program funded and/or to provide additional services within the program funded pursuant to this Contract. Any unused revenues shall be deducted from Contract reimbursement.

F. Payroll Taxes

The COMMISSION shall not be directly responsible for the payment of any taxes on the CONTRACTOR'S behalf. In the event that the COMMISSION is required to do so by state, federal or local taxing agencies, CONTRACTOR agrees to promptly reimburse the COMMISSION for the full value of such paid taxes plus interest and penalty, if any. Taxes shall include, but are not limited to, the following: FICA (Social Security), unemployment insurance contributions, income tax, disability insurance and workers' compensation insurance.

G. Payor of Last Resort

CONTRACTOR shall obtain funding through sources other than the COMMISSION to provide services or support to participants whenever possible.

In cases where a participant is qualified for benefits from another source (such as Medi-Cal, Healthy Families, federal or state-funded programs, personal insurance, etc.), costs relating to services provided to that participant must be paid for by the primary payor first. Only the costs not covered will be allowable under this Contract. CONTRACTOR must provide written verification upon request.

14. CONTRACTOR AUDIT REQUIREMENTS

A. All CONTRACTORS are required to have an annual financial audit. Each CONTRACTOR shall provide a copy of annual audited financial statements to the COMMISSION covering the fiscal year that funds are received for services provided pursuant to this Contract. The audited financial statements will cover the CONTRACTOR'S fiscal year and will include a report on internal controls over financial reporting and on compliance and other matters in accordance with Government Auditing Standards. All audits shall be performed by a Certified Public Accountant (CPA) who possesses a valid license to practice within the State of California.

B. Audited financial statements are to be submitted to the COMMISSION Executive Director, or designee, within one hundred and eighty (180) calendar days after the close of the CONTRACTOR'S fiscal year for every year covered under this Contract. If the audited financial statements are not received on or before the required due date, and an extension has not been granted, the audited financial statements shall be considered delinquent, and immediate corrective action will be initiated. If the CONTRACTOR fails to produce or submit acceptable audited financial statements, the COMMISSION has the authority to withhold funding, and if necessary, secure an Auditor, and the CONTRACTOR shall be liable for all COMMISSION costs incurred in obtaining an independent audit. The cost of the audit will be applied against the Contract encumbered amount, thereby reducing the amount of funding available to the program.

15. INVENTORIABLE EQUIPMENT

A. Inventoriable equipment includes equipment or fixed assets with a unit cost of one thousand dollars ($1,000.00), or more, or if the aggregate cost of integral components required to fully operate the assembled equipment (i.e., computer processing unit, keyboard, monitor) total one thousand dollars ($1,000.00) or more. Inventoriable equipment derived from approved purchases funded by Proposition 10 funds shall be maintained by the CONTRACTOR. CONTRACTOR shall use such capitalized equipment only for the purposes for which they were granted for children 0 through 5 years of age.

B. The CONTRACTOR shall inventory and report all equipment purchases meeting this criterion on the COMMISSION Inventory Record Form. This record must be submitted within forty-five (45) calendar days of purchase to the COMMISSION'S Contracts and Grants Analyst assigned to the CONTRACTOR. Applicable receipts must be maintained by the CONTRACTOR to validate expenditures and shall be submitted as invoice back-up documentation and uploaded to the COMMISSION'S data management system and made available as requested during the COMMISSION staff site visits. The CONTRACTOR understands that they are liable for all damages and/or loss resulting from the use and/or misuse of equipment purchased with Proposition 10 funds. Equipment shall not be used for personal use by the CONTRACTOR and/or employees, agents, subcontractors, and/or collaborating partners.

C. Any materials and supplies purchased by CONTRACTOR with Proposition 10 funds with a value of less than one thousand dollars ($1,000.00) will be used for children ages 0 through 5 years of age by another of the CONTRACTOR'S programs serving this population or returned to the COMMISSION. If CONTRACTOR is no longer serving this population, all remaining

items will be returned to the COMMISSION within thirty (30) calendar days of the program ceasing operations.

16. REVERSION OF ASSETS

Real or Personal Property Assets. Any real property or moveable or immovable personal property under CONTRACTOR'S control or ownership that was acquired or improved in-whole or in-part with Proposition 10 funds disbursed under this Contract, or under any previous Contract between the COMMISSION and CONTRACTOR, where the original cost exceeded one thousand dollars ($1,000.00) shall either be: (1) used by CONTRACTOR for the services described in the SOW for a period of five (5) years after termination or expiration of this Contract, unless a different period is specified in the SOW; or (2) disposed of and proceeds paid to the COMMISSION in a manner that results in the COMMISSION being reimbursed in the amount of the current fair market value (assuming depreciation in accordance with customary business practices) of the real or personal property less any portion of the current value attributable to CONTRACTOR'S out of pocket expenditures using non-commission funds for acquisition of, or improvement to, such real or personal property and less any direct and reasonable costs of disposition.

A. In furtherance of the foregoing, if the COMMISSION selects continued use of the capital asset, the CONTRACTOR hereby agrees that it will confirm in writing that it will continue to use the capital asset for purposes congruent with the intent of this Contract. This provision shall survive termination or expiration of this Contract and shall be actionable at law or in equity by the COMMISSION against CONTRACTOR and its successors in interest.

B. In the event the COMMISSION selects disposition of the subject real or personal property, the CONTRACTOR shall exercise due diligence to dispose of such property in conformity with applicable laws and regulations and in accordance with customary business practices. The net proceeds of such disposition shall be disbursed directly to and be payable to the COMMISSION upon the close of the applicable disposition transaction, such as close of escrow for the sale of real property, transfer of a motor vehicle "Certificate of Title" in accordance with applicable California Vehicle Code requirements, or completion of sale of personal property by bill of sale in accordance with Uniform Commercial Code (UCC) requirements.

17. TOBACCO CONTROL POLICY

CONTRACTOR shall abide by the Comprehensive Tobacco Control Policy, incorporated herein by reference, and as may be amended from time to time. CONTRACTOR shall have tobacco education and cessation materials visibly available and accessible to clients participating and to staff funded from the COMMISSION funded activities. The Comprehensive Tobacco Control Policy, as attached hereto.

18. CONDUCT OF BUSINESS

CONTRACTOR shall comply with all references listed below. Failure to comply may place the CONTRACTOR in a Probationary Status or result in Termination of Contract.

A. CONTRACTOR shall comply with all applicable state and/or federal laws, regulations, or requirements during the term of the Contract.

B. CONTRACTOR shall conduct its business, pursuant to this Contract, in compliance with all applicable state, and/or federal laws, regulations, or requirements.

C. CONTRACTOR shall obtain and maintain all applicable business and/or professional licenses, insurances, and/or accreditations, in good standing, which are required under the laws of the State of California or the federal government at all times while performing services under this Contract.

D. CONTRACTOR shall notify the COMMISSION Executive Director (or designee) verbally and in writing of the intent to cease operations of the facility or program within sixty (60) calendar days, but no less than thirty (30) calendar days of the event.

E. CONTRACTOR shall notify the COMMISSION Executive Director (or designee) in writing within seventy-two (72) hours of a change of key personnel funded under this Contract. Key personnel is defined as individuals who have a direct bearing on the outcome of the project, who have substantive responsibility for developing or achieving the scope or objectives of the project, and who possess the reputation, knowledge, or skills on which the work of the project is based. This includes, but not limited to, the Director, Chief Executive Officer (CEO), Chief Financial Officer (CFO), Program Manager, or Project Lead.

F. CONTRACTOR shall notify the COMMISSION Executive Director (or designee) verbally and in writing of any condition that could interfere with CONTRACTOR'S ability to perform required services and/or meet material Contract requirements within thirty (30) calendar days of learning of such a condition.

G. Agencies that are governed by a regulatory or licensing entity shall advise and forward to the COMMISSION Executive Director all documentation of regulatory/licensing violations, findings and responses to such violations and/or findings within twenty-four (24) hours of receipt of notice of violation from the governing entity. Agencies shall promptly submit to COMMISSION Executive Director a copy of the response sent to the governing entity.

H. CONTRACTOR shall immediately notify the COMMISSION in writing upon the intent to file or filing of any action of bankruptcy.

I. CONTRACTOR shall immediately notify the COMMISSION in writing upon the commencement of any litigation, whether CONTRACTOR is the plaintiff or defendant, where such litigation may interfere with the ability of CONTRACTOR to perform its duties under this Contract and where the COMMISSION is not a party to such litigation.

J. CONTRACTOR shall immediately notify the COMMISSION in writing upon the commencement of any investigation, and/or activity by a regulatory agency against CONTRACTOR, which may interfere with the ability of CONTRACTOR to perform its duties under this Contract.

K. CONTRACTOR shall provide a grievance policy system to the COMMISSION, through which participants of services shall have an opportunity to express views and complaints regarding the delivery of service. Grievance procedures must be posted prominently in English and Spanish at service sites for participants to review.

19. RECORDS MANAGEMENT AND MAINTENANCE

A. The CONTRACTOR shall make reports to the COMMISSION in the required format and containing information as required by the COMMISSION.

B. The CONTRACTOR shall provide additional reports or information if required by the State or the local COMMISSION that was not reasonably anticipated at the time the Contract was entered into.

C. CONTRACTOR shall input all data required on a monthly basis by the 20th day of the month following the end of the reporting period **and** submit quarterly reports within thirty (30) calendar days following the end of the quarter, and at the end of the term of the Contract.

This requirement includes:

a. All the monthly data necessary to generate demographic, service utilization, results and aggregate activity reports; and

b. Submission of the Program Progress Report on a quarterly basis.

D. CONTRACTOR shall retain such reports and all records associated with this Contract for at least five (5) years following the close of the fiscal year in which this Contract is in effect. This obligation is not terminated upon termination of this Contract, whether by rescission or otherwise. CONTRACTOR agrees to require any subcontractors to retain all records associated with the Contract for the same time period.

E. Accounting information and transactions shall be recorded and reported in accordance with generally accepted accounting principles (GAAP).

F. Where medical records and/or client records are generated under this Contract, CONTRACTOR shall safeguard the confidentiality of the records in accordance with all state and federal laws, and all regulations promulgated hereunder, including the provisions of the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law 104-91, enacted August 21, 1996, and the laws and regulations promulgated subsequent thereto.

G. Each CONTRACTOR must maintain a written customer confidentiality policy and maintain a written protocol to ensure CONTRACTOR'S staff is aware of and abide by said policy.

20. PUBLIC DISCLOSURE OF DOCUMENTS

CONTRACTOR acknowledges and agrees that information, communications, and documents given to the COMMISSION during meetings involving COMMISSION members, staff, finance or COMMISSION Advisory Committee members may be subject to applicable law on public disclosures and/or public meetings. CONTRACTOR shall cooperate with the COMMISSION in order that it may fully comply with the requirements of such laws and regulations.

21. INSPECTIONS, PROGRAM MONITORING, AND CONTRACT ADMINISTRATIVE REVIEW BY COMMISSION

A. COMMISSION representatives shall review and inspect the CONTRACTOR through mandatory periodic Administrative Review visits for compliance with the terms of this Contract. Administrative Review visits will occur at a minimum of two (2) times per Fiscal Year for the duration of the Contract Term. During the Administrative Review visits, CONTRACTOR representatives **must** be present. All books, financial records and program records including verification of target(s) and other documents relating to the performance of this Contract must be open to inspection, examination, or copying during normal business hours by the COMMISSION staff or duly authorized representatives from the state or federal government. Records shall be made available at reasonable times at CONTRACTOR'S place of business or at such other mutually agreeable location in the County of Riverside, State of California.

B. Upon completion of the Program Monitoring and Administrative Review visit, the CONTRACTOR will be mailed a report summarizing the results of the Administrative Review

visit within forty-five (45) calendar days of the visit. The CONTRACTOR may be required to respond to concerns or requests as specified in the Administrative Review report within thirty (30) calendar days of receipt.

C. CONTRACTOR shall reimburse the COMMISSION for all direct and indirect expenditures incurred in conducting an audit or investigation when CONTRACTOR is found in violation of the terms of the Contract. Reimbursement for such costs will be withheld from any amounts due to CONTRACTOR.

D. When additional information (i.e., receipts, paperwork, etc.) is requested of the CONTRACTOR as a result of any audit or monitoring, CONTRACTOR must provide all information requested by the deadline specified by the COMMISSION. Failure to provide the information by the specified deadline will subject the CONTRACTOR to the provisions of Contract section: COMPLIANCE, DISALLOWANCE, and WITHHOLDING.

22. GOVERNING LAW AND VENUE

A. This Contract is entered into under the provisions of Health and Safety Code section 130100 et seq., as may be amended from time to time and any other applicable law.

B. This Contract, its construction, and interpretation as to validity, performance, and breach shall be construed under the laws of the State of California. In the event any provision in this Contract is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

C. The provision of the Government Claims Act (Government Code Section 900 et seq.) must be followed first for any disputes under this Contract.

D. All actions and proceedings arising in connection with this Contract shall be tried and litigated exclusively in state or federal (if permitted by law and a party elects to file an action in federal court) courts located in the County of Riverside, State of California.

23. CONTRACTOR SUBCONTRACTS FOR WORK OR SERVICES

A. The COMMISSION holds CONTRACTOR solely responsible for the performance of all duties and obligations under this Contract. CONTRACTOR agrees and understands that COMMISSION does not enter into or assume any legal relationship with any subcontractor of CONTRACTOR for performance under this Contract. CONTRACTOR agrees to remedy all breaches of any contracts with any subcontractor, and further agrees that CONTRACTOR may not look to the COMMISSION for any payment, liability, or assistance in the remedy of any actual or alleged breach.

B. CONTRACTOR shall identify any other organization whose cooperation/participation is necessary to ensure the success of the project and what specific roles these key partners will play. All subcontractor(s) shall conform to all requirements of the COMMISSION and any Contract between the CONTRACTOR and the COMMISSION.

C. The CONTRACTOR shall not enter into any subcontract with any subcontractor who:

1. Is presently debarred, suspended, proposed for debarment, or declared ineligible or voluntarily excluded from covered transactions by a federal department or agency;

2. Has within a three (3) year period preceding this Contract been convicted of or had a civil judgment rendered against them for the commission of fraud, or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction; violation of Federal or State anti-trust status or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

3. Is presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with the commission of any of the offenses enumerated in the paragraph above; and

4. Within a three (3) year period preceding this Contract, has had one or more public transaction (federal, state, or local) terminated for cause or default.

D. The CONTRACTOR shall be as fully responsible for the acts or omissions of its subcontractors, and of persons either directly or indirectly employed by them as for the acts or omissions of persons directly employed by the CONTRACTOR.

E. The CONTRACTOR shall insert appropriate clauses in all subcontracts to bind subcontractors to the terms and conditions of this Contract insofar as they are applicable to the work of subcontractors.

F. Nothing contained in this Contract shall create any contractual relationship between any subcontractor and the County of Riverside, its Agencies, Districts, Special Districts and Departments, respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives.

24. PUBLICITY AND ATTRIBUTION REQUIREMENTS

A. Upon signing this Contract, CONTRACTOR shall publicize funded program and partnership with the COMMISSION by creating a press release to be distributed to local media outlets. The press release shall be sent to COMMISSION for review and approval within fourteen (14) calendar days of signing of Contract. No later than five (5) calendar days after the press release is reviewed and approved by COMMISSION Public Information Specialist, the press release shall be distributed to local media outlets. Should guidance be needed on this requirement, please contact COMMISSION Public Information Specialist.

B. CONTRACTOR shall include the following acknowledgment of the COMMISSION and Proposition 10 funding in all materials produced for the purpose of public education and outreach related to COMMISSION funded programs. These materials include but are not limited to the following: brochures, workbooks, flyers, circulars, posters, games, television, radio and print advertising, public service announcements and video news releases, calendar/event listings, presentations, telephone hold messages, outdoor advertising and vehicles. The wording of the COMMISSION attribution shall be one of the following:

"Made possible by funding from First 5 Riverside County"

"Funded by First 5 Riverside County"

"Funded by First 5 Riverside County - the Riverside County Children & Families Commission"

"Hecho posible por medio de fondos de Primeros 5 Riverside County"

"Financiado por Primeros 5 Riverside County"

For events, conferences or programs with multiple funders, one of the following attributions shall be used:

"Funded in part by First 5 Riverside County"

“Funded in part by First 5 Riverside County - the Riverside County Children & Families Commission”

“Made possible by funding from First 5 Riverside County”

"Financiado parcialmente por Primeros 5 Riverside County"

"Financiado parcialmente por Primeros 5 Riverside County - Comisión de Niños y Familias del Condado de Riverside"

When space is limited (i.e., buttons, pencils, pens, etc.), attribution may be omitted. However, CONTRACTOR shall contact the COMMISSION’S Public Information Specialist to determine an appropriate method of providing attribution to the public regarding the funding source for such items.

C. The approved First 5 Riverside logo (graphic) shall be used on materials specific to the COMMISSION funded program. CONTRACTOR shall use the approved First 5 Riverside logo (graphic) on public education and outreach materials in accordance with the First 5 Riverside graphics attribution standard as posted on the COMMISSION public website (www.First5Riverside.org).

D. CONTRACTOR shall provide the COMMISSION staff and COMMISSION Public Information Specialist a copy of all public information/relations products (such as flyers, newsletters, posters, etc.) as soon as possible but not later than fourteen (14) calendar days prior to submitting to print. News releases should be submitted as soon as possible but not later than seven (7) calendar days before public release is scheduled.

E. The COMMISSION’S Public Information Specialist shall provide guidance on procedures for logo usage and printed public relations material in accordance with the COMMISSION policies. Policies will be available on the COMMISSION public website (www.First5Riverside.org).

25. PROHIBITION OF POLITICAL/RELIGIOUS ACTIVITY

CONTRACTOR agrees that it shall not require client participation in political or religious activities in order to receive services for programs funded by the COMMISSION. Furthermore, Proposition 10 funds shall be used only for the purposes specified in this Contract and in any attachments, hereto. No Proposition 10 funds shall be used for any political activity, or to further the election or defeat of any candidate for political office. No Proposition 10 funds shall be used for purposes of religious worship, instruction or proselytizing.

26. WORK PRODUCT

A. The COMMISSION shall be the owner of the following items incidental to this Contract upon production, whether or not completed: all data collected, all documents of any type whatsoever, and any material necessary for the practical use of the data and/or documents from the time of collection and/or production whether or not performance under this Contract is completed or terminated prior to completion. CONTRACTOR shall not release any materials under this section except after prior written approval of the COMMISSION.

B. Material produced in whole or in part under this Contract shall not be subject to copyright in the United States or in any other country except as determined at the sole discretion of the

COMMISSION. The COMMISSION will have the unrestricted authority to publish, disclose, distribute, and use in whole or in part, any reports, data, documents or other materials prepared under this Contract.

27. NON-DISCRIMINATION

Pursuant to the Affordable Care Act section 1557 (42 U.S.C. section 18116), during the performance of this Contract, CONTRACTOR shall not, and shall also require and ensure its subcontractors, providers, agents, and employees to not cause an individual, beneficiary, or applicant to be excluded on the grounds prohibited under Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), Title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.), the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.), or section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), or subject to any other applicable State and Federal Laws, from participation in, be denied the benefits of, or be subjected to discrimination under, any health program or activity offered through the California Department of Health Care Services. This Contract hereby incorporates by reference the provisions of Title 2, California Code of Regulations, Section 11105 et seq., as may be amended from time to time. CONTRACTOR agrees to comply with the provisions of Title 2, California Code of Regulations, Section 11105 et seq. and further agrees to include this Non-Discrimination clause in all subcontracts to perform services under this Contract.

28. CHILD ABUSE REPORTING

CONTRACTOR shall ensure that all known or suspected instances of child abuse or neglect are reported to the appropriate law enforcement agency and/or to the appropriate Child Protective Services agency. This responsibility shall include:

A. Assurance that all employees, agents, consultants or volunteers who perform services under this Contract and are mandated by Penal Code Sections 11164 et seq. to report child abuse or neglect, sign a statement, upon the commencement of employment, acknowledging reporting requirements and compliance with them;

B. Development and implementation of procedures for employees, agents, consultants, or volunteers who are not subject to the mandatory reporting laws for child abuse to report any observed or suspected incidents of child abuse to a mandated reporting party, within the program, who will ensure that the incident is reported to the appropriate agency;

C. Provision of or arrangement of training in child abuse reporting laws (Penal Code, Sections 11164 et seq.) for all employees, agents, consultants, and volunteers, or verification that such persons have received training in the law within thirty (30) days of employment/volunteer activity.

29. DEPARTMENT OF JUSTICE CLEARANCE

CONTRACTOR shall obtain from the Department of Justice (DOJ), records of all convictions involving any sex crimes, drug crimes, or crimes of violence of a person who is offered employment, or volunteers, for all positions in which he or she would have contact with a minor, the aged, the blind, the disabled or a domestic violence client, as provided for in Penal Code Section 11105.3. This includes licensed personnel who are not able to provide documentation of prior DOJ clearance. A copy of a license from the State of California is sufficient proof.

CONTRACTOR must have on file for review upon request a signed statement verifying Department of Justice clearance for all appropriate individuals.

30. ADULT AND ELDER ABUSE REPORTING

The CONTRACTOR shall provide documentation of a policy and procedure acceptable to the COUNTY to ensure that all employees, volunteers, consultants, subcontractors, or agents performing services under this Contract report elder and dependent adult abuse pursuant to Welfare & Institutions Code (WIC) Sections 15600 et seq. Suspected incidents of abuse should be immediately reported to the COUNTY, followed by a written report within two (2) working days.

31. INDEPENDENT CONTRACTOR

It is understood and agreed that CONTRACTOR is an independent contractor and that no relationship of employer-employee exists between the CONTRACTOR and the COMMISSION. The CONTRACTOR, nor CONTRACTOR'S officers, agents, employees or subcontractors, shall not be entitled to any COMMISSION paid employee benefits, including Workers' Compensation.

32. HOLD HARMLESS/INDEMNIFICATION

CONTRACTOR shall indemnify and hold harmless COMMISSION, the County of Riverside, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives (individually and collectively hereinafter referred to in this section as the "COUNTY") from any liability whatsoever, based or asserted upon any services of CONTRACTOR, its officers, employees, subcontractors, agents or representatives arising out of or in any way relating to this Contract, including but not limited to property damage, bodily injury, or death or any other element of any kind or nature whatsoever arising from the performance of CONTRACTOR, its officers, employees, subcontractors, agents or representatives under this Contract. CONTRACTOR shall defend the COUNTY at CONTRACTOR'S sole expense, including all costs and fees (including, but not limited, to attorney fees, cost of investigation, defense and settlements or awards), the COUNTY in any claim or action based upon such alleged acts or omissions.

With respect to any action or claim subject to indemnification herein by CONTRACTOR, CONTRACTOR shall, at sole cost, have the right to use counsel of choice and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of COUNTY; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes CONTRACTOR'S indemnification to the COUNTY as set forth herein.

CONTRACTOR'S obligation hereunder shall be satisfied when CONTRACTOR has provided to COUNTY the appropriate form of dismissal relieving COUNTY from any liability for the action or claim involved.

The specified insurance limits required in this Contract shall in no way limit or circumscribe CONTRACTOR'S obligations to indemnify and hold harmless the COUNTY herein from third party claims.

In the event there is a conflict between this clause and California Civil Code Section 2782, this clause shall be interpreted to comply with Civil Code 2782. Such interpretation shall not relieve the CONTRACTOR from indemnifying the COUNTY to the fullest extent allowed by law.

A. If CONTRACTOR is a public entity, as defined by applicable law, the COMMISSION and CONTRACTOR, to the extent that liability may be imposed on the COMMISSION by the provisions of Government Code Section 895.2, shall be liable for acts or omissions, including all claims, liabilities, injuries, suits, and demands and expenses of all kinds which may result or arise out of any alleged malfeasance or neglect, caused or alleged to have been caused by either the COMMISSION or CONTRACTOR'S, employees or representatives, performance or

omission of any act or responsibility of either party under this Contract. In the event that a claim is made against both the COMMISSION and CONTRACTOR, both parties shall cooperate in the defense of said claim and to cause insurers to do likewise.

B. CONTRACTOR agrees to indemnify the COMMISSION for all federal/state withholding or state retirement payments, which the COMMISSION may be required to make by the federal or state government as a result of this Contract. If for any reason, CONTRACTOR is determined not to be an independent contractor to the COMMISSION in carrying out the terms of the Contract, such indemnification shall be paid in full to the COMMISSION upon sixty (60) calendar days written notice to CONTRACTOR if a federal and/or state determination is made that such payment is required.

33. INSURANCE

Without limiting or diminishing the CONTRACTOR'S obligation to indemnify or hold the COUNTY harmless, CONTRACTOR shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverages during the term of this Contract. Pertinent to the insurance section only, the COUNTY herein refers to the County of Riverside, its Agencies, Districts, Special Districts, and Departments, respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insureds.

Workers' Compensation:
If the CONTRACTOR has employees as defined by the State of California, the CONTRACTOR shall maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupational Disease with limits not less than one million dollars ($1,000,000) per person per accident. The policy shall be endorsed to waive subrogation in favor of the County of Riverside, and if applicable, to provide a Borrowed Servant/Alternate Employer Endorsement.

Commercial General Liability:
Commercial General Liability insurance coverage, including but not limited to, premises liability, unmodified contractual liability, products and completed operations liability, personal and advertising injury, and cross-liability coverage, covering claims which may arise from or out of CONTRACTOR'S performance of its obligations hereunder. Policy shall name the COUNTY as Additional Insureds. Policy limit of liability shall not be less than one million dollars ($1,000,000) per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this Contract or be no less than two (2) times the occurrence limit.

Vehicle Liability:
If vehicles or mobile equipment are used in the performance of the obligations under this Contract, then CONTRACTOR shall maintain liability insurance for all owned, non-owned or hired vehicles so used in an amount not less than one million dollars ($1,000,000) per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this Contract or be no less than two (2) times the occurrence limit. The policy shall name the COUNTY as Additional Insured.

Professional Liability Insurance:
CONTRACTOR shall maintain Professional Liability Insurance providing coverage for the CONTRACTOR'S performance of work included within this Contract, with a limit of liability of not less than one million dollars ($1,000,000) per occurrence and two million dollars ($2,000,000) annual aggregate. If CONTRACTOR'S Professional Liability Insurance is written on a claims made basis rather than an occurrence basis, such insurance shall continue through the term of this Contract and CONTRACTOR shall purchase at his sole expense either

1) an Extended Reporting Endorsement (also known as Tail Coverage); or 2) Prior Dates Coverage from new insurer with a retroactive date back to the date of, or prior to, the inception of this Contract; or 3) demonstrate through Certificates of Insurance that CONTRACTOR has maintained continuous coverage with the same or original insurer. Coverage provided under items 1), 2) or 3) will continue as long as the law allows.

General Insurance Provisions - All lines:

1. Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California and have an A.M. BEST rating of not less than A: VIII (A:8) unless such requirements are waived, in writing, by the COUNTY Risk Manager. If the COUNTY'S Risk Manager waives a requirement or a particular insurer, such waiver is only valid for that specific insurer and only for one (1) policy term.

2. The CONTRACTOR must declare its insurance self-insured retention for each coverage required herein. If any such self-insured retention exceeds five hundred thousand dollars ($500,000) per occurrence such retention shall have the prior written consent of the COUNTY Risk Manager before the commencement of operations under this Contract. Upon notification of self-insured retention unacceptable to the COUNTY and at the election of the County's Risk Manager, CONTRACTOR'S carriers shall either; 1) reduce or eliminate such self-insured retention with respect to this Contract with the COUNTY, or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.

3. CONTRACTOR shall cause CONTRACTOR'S insurance carrier(s) to furnish the COUNTY with either 1) a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements effecting coverage as required herein, and/or 2) if requested to do so orally or in writing by the COUNTY Risk Manager, provide original Certified copies of policies including all Endorsements and all attachments thereto, showing such insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) working days written notice shall be given to the COUNTY prior to any material modification, cancellation, expiration or reduction in coverage of such insurance. If CONTRACTOR'S insurance carrier(s) policies does not meet the minimum notice of requirement found herein, CONTRACTOR shall cause CONTRACTOR'S insurance carrier(s) to furnish a thirty (30) day Notice of Cancellation Endorsement.

4. In the event of a material modification, cancellation, expiration or reduction in coverage, this Contract shall terminate forthwith, unless the COUNTY receives, prior to such effective date, another properly executed original Certificate of Insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing coverage's set forth herein and the insurance required herein is in full force and effect. CONTRACTOR shall not commence operations until the COUNTY has been furnished original Certificate(s) of Insurance and certified original copies of endorsement and if requested, certified original policies of insurance including all endorsements and all other attachments as required in this Section. An individual authorized by the insurance carrier to do so on its behalf shall sign the original endorsements for each policy and the Certificate of Insurance.

5. It is understood and agreed to by the parties hereto that the CONTRACTOR'S insurance shall be construed as primary insurance and the COUNTY'S insurance and/or deductibles and/or self-insured retention's or self-insured programs shall not be construed as contributory.

6. If during the term of this Contract or any extension thereof there is a material change in the scope of services; or there is a material change in the equipment to be used in the performance of the SOW; or this Contract, including any extensions thereof, exceeds five (5) years; the COUNTY reserves the right to adjust the types of insurance required under this Contract and the monetary limits of liability for the insurance coverage currently required herein, if in the COUNTY Risk Manager's reasonable judgment the amount or type of insurance carried by the CONTRACTOR has become inadequate.

7. CONTRACTOR shall pass down the insurance obligations contained herein to all tiers of subcontractors working under this Contract.

8. The insurance requirements contained in this Contract may be met with a program(s) of self-insurance acceptable to the COUNTY.

9. CONTRACTOR agrees to immediately notify COUNTY in writing of any claim by a third party or any incident or event that may give rise to a claim arising from the performance of this Contract.

Adjustment and/or Waiver of Requirements:
The COMMISSION Executive Director (or designee), in consultation with the COUNTY'S Risk Manager, may adjust the insurance requirements set forth herein as deemed necessary for the Contract, and/or may waive insurance requirements where not applicable to the Contract. Insurance endorsements shall be submitted to the COMMISSION upon submission of the fully executed Contract, but no later than when contract work commences.

34. ASSIGNMENT

This Contract shall not be assigned by CONTRACTOR, either in whole or in part, without prior written consent of the COMMISSION, as approved and authorized by formal action of the COMMISSION.

35. ALTERATION AND/OR AMENDMENT

No alteration, amendment, or variation of the terms of this Contract shall be valid unless made in writing and signed by the parties hereto. Oral understandings of Contract not incorporated herein shall not be binding on any of the parties hereto. As provided herein, the COMMISSION Executive Director, acting on behalf of the COMMISSION, may alter or revise this Contract on behalf of the COMMISSION. Material alterations and/or amendments, as determined by the COMMISSION Executive Director in consultation with County legal counsel, will require formal approval of the COMMISSION. Except as provided herein, the parties expressly recognized that individual COMMISSION members, COMMISSION Advisory Committee members, or staff to the COMMISSION is without authorization to either change or waive any material requirements of this Contract without formal action of the COMMISSION.

36. CONFLICT OF INTEREST

CONTRACTOR shall have no economic interest and shall not acquire any economic interest, direct or indirect, which will conflict in any manner or degree with the performance of services required under this Contract.

37. WAIVER AND SEVERABILITY

Any waiver by the COMMISSION of any breach or default hereof by CONTRACTOR shall be deemed to be a waiver of any preceding or succeeding breach or default hereof, and no waiver shall be operative unless the same shall be in writing. In the event any provision in this Contract

is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions hereof shall remain in full force and effect without being impaired or invalidated in any way.

38. DISALLOWANCE

In the event CONTRACTOR receives payment for services under this Contract, which is later disallowed for nonconformance with the terms and conditions herein, CONTRACTOR shall promptly refund the disallowed amount to the COMMISSION upon request. The COMMISSION retains the option to offset the amount disallowed from any payment due to the CONTRACTOR under this Contract, or under any other Contract between CONTRACTOR and the COMMISSION.

39. OFFICIAL DOCUMENTS

Upon the Contract approval by the COMMISSION, and full execution of the Contract by COMMISSION and CONTRACTOR, one (1) fully executed copy will be sent to the CONTRACTOR. Such copy shall be the officially approved Contract for the conduct of the approved project.

40. ENTIRE CONTRACT

This Contract, inclusive of all attachments and exhibits, constitutes the entire Contract between the parties. Any modifications to the terms of this Contract shall be by the provisions detailed in the Section entitled “Alteration and/or Amendment” herein.

41. NONEXCLUSIVE CONTRACT

CONTRACTOR understands that this is not an exclusive Contract and that the COMMISSION shall have the right to negotiate with and enter into Contracts with others providing the same or similar services as those provided by CONTRACTOR as the COMMISSION desires and at the sole discretion of the COMMISSION.

42. CERTIFICATION OF AUTHORITY TO EXECUTE THIS CONTRACT

CONTRACTOR certifies that the individual signing herein has authority to execute this Contract on behalf of CONTRACTOR and may legally bind CONTRACTOR to the terms and conditions of this Contract and any attachments hereto.

43. COMPLIANCE WITH LAW

CONTRACTOR shall, at its sole cost and expense, comply with all County, State, and Federal law now in force or which may hereafter be in force with regard to this Contract. The judgment of any court of competent jurisdiction, or the admission of CONTRACTOR in any action against CONTRACTOR, whether the COMMISSION be a party thereto or not, that CONTRACTOR has violated any such ordinance or statute, shall be conclusive of that fact as between CONTRACTOR and the COMMISSION.

44. CONFLICTS IN INTERPRETATION

In the event of conflict in interpretation by the parties of the provisions contained in the numbered sections of this Contract and the provisions contained in the attachments hereto, the provisions of the attachments in the Contract shall prevail over those in numbered sections.

45. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which will be an original, but all of which together will constitute one instrument. Each party of this Agreement agrees to the use of electronic signatures, such as digital signatures that meet the requirements of the California Uniform Electronic Transactions Act ((“CUETA”) Cal. Civ. Code §§ 1633.1 to 1633.17), for executing this Agreement. The parties further agree that the electronic signatures of the parties included in this Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. Electronic signature means an electronic sound, symbol, or process attached to or logically associated with an electronic record and executed or adopted by a person with the intent to sign the electronic record pursuant to the CUETA as amended from time to time. The CUETA authorizes use of an electronic signature for transactions and contracts among parties in California, including a government agency. Digital signature means an electronic identifier, created by computer, intended by the party using it to have the same force and effect as the use of a manual signature, and shall be reasonably relied upon by the parties. For purposes of this section, a digital signature is a type of "electronic signature" as defined in subdivision (i) of Section 1633.2 of the Civil Code.

ATTACHMENT A: SCOPE OF WORK

The *Family Resource Center Network Expansion* will support families from broader population groups by increasing and expanding resources, and by providing linkages to prevention services and direct support to families with young children ages 0 through 5. The Family Resource Centers (FRCs) and Community Hubs are embedded in communities and operate at the neighborhood level to support families where they live and gather. By leveraging existing relationships and partnerships, FRCs and Community-Based Organizations will serve families and connect them to a wide range of services and supports, from responding to families in crisis to promoting children's healthy development and general well-being.

First 5 Riverside County (First 5) seeks to connect with families in convenient and familiar spaces through the FRC Network Expansion. This will allow parents/caregivers to strengthen connections to each other and their communities.

CONTRACTOR shall provide a Family Resource Center Network Specialist position (FRCNWS), office space, equipment, mileage, and/or other operational expenses to complement and enhance the existing family support services in the service areas identified as having a lower Healthy Places Index (HPI) score, including but not limited to San Jacinto, Hemet, Banning, Cabazon, Moreno Valley, Romoland, Calimesa, Anza, Riverside, and Mountain Center.

The FRCNWS will expand the resources, services, and supports families access by linking families with children to existing community-based supports, including First 5's FRCs. This strategy will provide an opportunity to build relationships with families, and act as an ambassador to both social connections, programs, and the safety net as needed and ensure continuity of care following any level of support the family is seeking. This high-level community-facing position helps identify resources for parents, caregivers, and others to strengthen connections that are responsive to each family's needs.

The job description for the FRCNWS is included in Attachment A to this scope of work. In addition to the job duties listed, the FRCNWS will be expected to:

- Attend regularly scheduled meetings with First 5 staff and peers to:
    - Develop goals, objectives, and targets for years 2, 3, and 4 of the program, including data collection requirements;
    - Participate in trainings on the use of First 5's data collection and documentation system.
    - Have access to and be required to input data into the First 5 data system, subject to the terms and conditions of the HIPAA Business Associate Agreement attached and made part of this agreement as Appendix E.
    - The minimum required data points for each family and/or individual served are included in the FRC Intake form.
- FRCNWS will provide a monthly progress report outlining at least the following:
    - A summary of outreach events and activities, including (but not limited to:
        - An Contact Log outlining
        - The name and purpose of the agency
        - Agency contact information
        - Type of engagement (i.e, attended an event or heard a presentation, etc.)
        - Engagement result (i.e. new program referral, new clients referred, new events/activities or partnerships, etc.)
- Participate in and support staffing for Community Outreach events in partnership with First 5 and the FRCs
    - FRCNWS participates in a minimum of five (5) events and/or activities per year as coordinated by First 5. This includes evening or weekend events, as necessary.

- Actively participate with First 5 staff and community stakeholders in the design and implementation of regular Communities of Practice (CoPs) that will include:
    - Training on the 5 Protective Factors
    - Professional development needed for the Family Resource Network
    - Leveraging each partner's and stakeholder's strengths (i.e. resources, services, and networks) to expand both service linkages and outreach to new populations
    - Training in data collection and tracking in F5RC's data collection system
- Participate in an annual review of this Scope of Work in support of the Network-Expansion goal of the Family Resource Centers (FRCs).

CONTRACTOR shall give at least 3 business days written notice for any changes in the staffing of the FRCNWS position. At the time CONTRACTOR gives notice of appointment of a new FRCNWS, a resume of the candidate appointed shall be included.

Respond to Emerging Needs

First 5's FRCs play a critical role in preventing child abuse and neglect, strengthening children and families, and connecting families to systems of care that focus on improving fundamental social and economic structures, environments, and conditions that support the ability of families to reach their full potential. FRCs also play a vital role in communities, serving as trusted partners that help connect children and families to resources and services that can lessen the everyday stressors that families with children face. The FRC network provides a broad range of community-wide prevention services, while also leveraging First 5's current partnerships and investments to ensure shared responsibility to improve the lives of all families in Riverside County. These include but are not limited to the following:

Home-Visiting Programs: include several home-visiting community health programs with over 40 years of evidence showing significant improvements in the health and lives of parents and children with a focus on parent support services to address family needs. The Community hubs are positioned to support pregnant and/or parenting women with these programs. Additional information can be found at https://rccfc.org/Resources/Community-Programs.

Help Me Grow – Inland Empire (HMG-IE), Help Me Grow is a collective approach to strengthening the early identification and intervention system. It works to ensure that all children have developmental screenings and that families can access the services they need. Community hubs are critical partners in this system approach and participate in regional stakeholder convenings.

HealthySteps is an evidence-based, team-based pediatric primary care program designed to promote nurturing parenting and healthy development for babies and toddlers. Community hubs link families served by FQHCs and health and wellness clinics to the HealthySteps programs funded through First 5 Riverside County.

Cross Systems Integration is an intentional strategic approach where programs are coordinated and integrated to simplify access and referrals, streamlining the provision of services to families, and leveraging multiple funding streams and resources. As there is a need to ensure that families are served holistically with a range of integrated and sometimes complex services, it is critical that programs screening for the delivery of comprehensive, coordinated services, also ensure the identification of other possible support services that address broader needs of the family. This may include, but is not limited to, early intervention services, high-quality early learning settings, health and behavioral services (including those listed above), and family support services for families of children from the prenatal through the pre-kindergarten stages.

Racial Equity and Systemic Racism: The *Family Resource Center Network Expansion* supports equitable outcomes for all children and families acting with intentionality to eliminate racial inequities and ensure all families have access to educational success, quality health care, food security, housing, socioeconomic mobility, reduced stress, and more. Through this approach, there is an opportunity to address organizational and systemic biases to advance racial equity for all communities that would positively impact children and families.

APPENDIX A: JOB DESCRIPTION

Job Title: Family Resource Center Network Specialist

Summary:
The Family Resource Center Network Specialist (FRCNWS) is a community-facing position, identifying resources for parents, caregivers, and others to strengthen connections tailored to each family's needs.

In this role, the FRCNWS engages with a variety of service providers, Family Resource Centers, community-based and faith-based organizations, and tribal governments to facilitate conversations and engage in partnership-building among agencies with the focus on improving the access to needed services and other support of local families.

The FRCNWS role also includes attending community meetings and leading and participating in networking-building activities focused on establishing collaborative partnerships throughout Riverside County to improve outcomes for children and families.

This position requires the application of knowledge and skills to educate and network with people of diverse backgrounds and cultures. The position reports to a supervisory level position within the applicant agency, who will review work for professional competence and alignment with established procedures and contracted deliverables.

The FRCNWS is expected to maintain clear, accurate, and timely data and information and is responsible for preparing administrative and program outcome reports as it relates to meeting program goals and objectives; and engaging in strategic thinking to improve and expand services for families and communities. Data and information should be focused dually on families who currently access the Family Resource Center (FRC) and families who have not accessed the FRC but could benefit from doing so, through proactive outreach and engagement. At a systems level, this position will coordinate with several service providers in the community they serve to support the design and development of a Community Network Hub. Using data, the FRCNWS will have a thorough knowledge of the community and its partnerships and contribute to building a much larger coordinated system for child abuse prevention and child well-being efforts.

Capacity meeting milestones will include: training, understanding the community needs; demonstrating knowledge of the 5 Protective Factors in Strengthening Families (as referenced in the First 5 Riverside County Strategic Plan), and building the structures to support the 5 Protective Factors.

Essential Duties

Partnership Building and Relationship Management

1. Demonstrate knowledge of available community resources including an array of early childhood and family support services as well as other community resources.
2. Conduct community outreach, presentations, and workshops.
    a. Develop a list of community events and health fairs, and arrange, organize and work closely with agency staff to ensure participation in community activities.
    b. Provide training to improve understanding of community needs.
    c. Encourage and motivate members of the communities to become involved and develop skills needed to improve their quality of life and related neighborhood issues.
3. Identify, develop, coordinate, and maintain partnerships with community groups and local coalitions within Riverside County.

a. Work collaboratively with First 5 Riverside County staff and other Community Program Staff to expand capacity and community services.
    i. Actively link and build ways to partner with health programs, public schools, Head Start programs, or other childhood educational settings.
b. Working collaboratively with First 5 Riverside County Family Resource Center staff to develop strategies and interventions to remove barriers that prevent families from accessing services.
    i. Contributes to the assessment & understanding of community needs.
    ii. Design strategies that specifically target working with organizations that serve culturally diverse communities.
c. Actively participates in cross-agency coordination and collaborative meetings.

Communications and Marketing

4. Develops, coordinates, implements, and maintains a long-range public education and awareness plan.
5. Performs public speaking activities, including:
    a. Representing the agency and FRC Network at public hearings and community functions; and
    b. Coordinating and/or participating in special community events and public recognition programs as it relates to each program and open house activities.

Case Management Support

6. Participate in case reviews/disposition, and case consultation, with home visiting program staff, FRC social workers, and other related staff as appropriate.
7. Informing home visiting program staff, FRC social workers, and other specialized community support staff of available services for families and potentially assisting staff with the referral of the family to the appropriate agency for continued care.

Administrative Duties

8. Assist in the data management of the agreed-upon program deliverables related to identifying resources and referrals for families.
    a. Assist with program start-up activities and subsequent (ongoing) statistical, recording, and reporting activities.
9. Suggest, organize, and order giveaway items and educational materials; and maintain an inventory of these supplies.
10. Supports in the preparation of program deliverables and budgets of related programs; reviews program progress and outcomes on an ongoing basis to ensure conformance with established deliverables.
11. Contributes to the evaluation of related program activities to ensure program/contract compliance with goals and objectives. Implements corrective measures as required.
12. Tracks new program initiatives and trends related to young children and families to remain updated in the field and participates in relevant training that is offered.

Qualifications

13. CONTRACTOR will be responsible to apply qualifications, experience and education background requirements necessary to fulfill this scope of work in accordance with their job-classification and HR policy framework.

ATTACHMENT B: BUDGET

	FY22/23	FY23/24	FY24/25	FY25/26	Total Contract
Personnel Expenses					
Salaries	$ 52,500.00	$ 70,000.00	$ 70,000.00	$ 70,000.00	$ 262,500.00
Benefits	$ 10,227.27	$ 13,636.36	$ 13,636.36	$ 13,636.36	$ 51,136.35
Salaries & Benefits	**$ 62,727.27**	**$ 83,636.36**	**$ 83,636.36**	**$ 83,636.36**	**$ 313,636.35**
Operational Expenses					
Materials	$ 3,000.00	$ 4,000.00	$ 4,000.00	$ 4,000.00	$ 15,000.00
Transportation	$ 3,000.00	$ 4,000.00	$ 4,000.00	$ 4,000.00	$ 15,000.00
Operational Expenses	**$ 6,000.00**	**$ 8,000.00**	**$ 8,000.00**	**$ 8,000.00**	**$ 30,000.00**
Indirect Expenses*	**$ 6,272.73**	**$ 8,363.64**	**$ 8,363.64**	**$ 8,363.64**	**$ 31,363.65**
Total Expenses	**$ 75,000.00**	**$ 100,000.00**	**$ 100,000.00**	**$ 100,000.00**	**$ 375,000.00**

*: Indirect Expenses are calculated as 10% of Personnel Expenses (Salaries & Benefits), no backup documentation is required for the Indirect Expenses as it is directly related to the Salaries and Benefits.

ATTACHMENT C: PAYMENT PROVISIONS

A. FISCAL

The maximum amount reimbursable over the life of this Contract shall not exceed **$375,000** for the duration of the Contract period as awarded by the Riverside County Children and Families Commission, also known as First 5 Riverside County, (hereinafter the "COMMISSION" or "COUNTY"), provided pursuant to the California Children and Families Act of 1998, also known as Proposition 10.

CONTRACT PERIOD: **10/1/2022** – **06/30/2026**

1. Method, Time, and Schedule Conditions of Payment

   a. The COMMISSION will disburse funds on a reimbursement payment process based on the Contract Budget (Attachment "B") amount for the applicable fiscal year and monthly report submissions. Payment will be rendered thirty (30) business days from submission of all required documentation and/or the reporting deadline.

   b. Disbursement of any payment of funds to CONTRACTOR shall be made so long as all of the following conditions have been met:

      1. The Contract has been approved by the COMMISSION;
      2. The Contract has been fully executed by all parties;
      3. All applicable licenses to comply with the terms of the SOW are current and valid;
      4. CONTRACTOR shall give 3 business days' notice of any change in the qualified staffing of the funded position;
      5. CONTRACTOR shall only be reimbursed for any cost if the funded position is held by a qualified individual in the month for which an invoice is submitted and only for expenses incurred during the period that the position was staffed;
      6. The CONTRACTOR submits monthly itemized invoices, via the data management system to include the supporting documentation separated by a cover sheet in front of each expense category. Documentation shall include; payroll register or report, time & activity report and/or, timesheets, statement of costs of materials with copies of invoices and/or receipts, mileage report(s), copies of check(s) or proof of payment;

   c. Under special circumstances, CONTRACTOR may request advance disbursements. A supplemental disbursement request along with justification must be submitted, in writing, to the Executive Director or designee.

   d. The COMMISSION Executive Director, or designee, reserves the right to withhold or reduce disbursement of funds if CONTRACTOR fails to 1) comply with monthly and/or quarterly reports by the indicated due date as set forth in Section 11 of the Contract; 2) if results achieved are not as projected and no COMMISSION approved plan is in place for improvement; 3) if the funded position is vacant; or 4) if the CONTRACTOR is not in compliance with any provision contained within this Contract.

   e. The final funding period amount approved for the applicable fiscal year will be paid based on final expenditures as of June 30th, and reported as of the final deadline to submit program expenditures defined in Section 11. Fiscal and Program Reporting Requirements, A. Fiscal Reporting. Expenditures made after June 30th will not be accepted.

2. Allowable Costs

Funds provided pursuant to this Contract shall be expended by the CONTRACTOR in accordance with the Budget.

a. Such specified expenditures will be further limited to those that are considered both reasonable and necessary as determined by the COMMISSION. CONTRACTOR agrees COMMISSION may recover any payments for services or goods, including rental of facilities, which were not reasonable and necessary, or which exceeded the fair market value. The recovery shall be limited to payments over and above reasonable or fair market amounts and any costs of recovery.

b. The reasonable and allowable reimbursement rate for use of motor vehicles, travel expenses and food are based on the current IRS allowable rate.

c. Contractor shall obtain approval for all overnight travel and out of State travel as it relates to services provided in this Contract. Reimbursement as it relates to pre-approved travel will be based on the Federal allowable rate. Request must be submitted in writing thirty (30) days in advance of travel date and travel must be approved in advance by COMMISSION management.

ATTACHMENT D:
COMPREHENSIVE TOBACCO CONTROL POLICY

As a material condition of the Contract, the CONTRACTOR shall agree that the CONTRACTOR and the CONTRACTOR'S employees, while receiving funding from the COMMISSION:

1. Shall not use tobacco products while using the CONTRACTOR'S property e.g., vehicle, equipment; and

2. Shall not sell, offer, or provide tobacco products on CONTRACTOR 'S premises; and

3. Shall have tobacco education and cessation materials visibly available and accessible to clients participating in activities funded by Proposition 10 funds; and

4. Shall assure that the CONTRACTOR and its employees have no current business association or relationship with the tobacco industry, and further agrees to neither accept nor solicit financial contributions, sponsorships, gifts, or services from any tobacco company, executive, or tobacco-related function; and

5. Shall make a reasonable effort to divest of all investments in companies that derive fifteen percent (15%) or more of revenues from tobacco.

The COMMISSION may terminate for default or breach of this Contract and any other Contract the CONTRACTOR has with the COMMISSION, if the CONTRACTOR or CONTRACTOR'S employees, are determined by the COMMISSION Executive Director (or designee), not to be in compliance with the conditions set forth herein.

If the CONTRACTOR or CONTRACTOR'S employees are determined by the COMMISSION Executive Director (or designee) not to be in compliance with the conditions set forth herein, the COMMISSION may terminate for default or breach of this Contract and any other Contract the COMMISSION has with the CONTRACTOR.

In instances where the CONTRACTOR is part of a larger entity, and where the entity has an investment policy set by governance officials other than the CONTRACTOR, and the CONTRACTOR is not directly involved in such investment decisions, CONTRACTOR agrees to the provisions herein as required in the programs and activities under the direct control of the CONTRACTOR to the satisfaction of the COMMISSION Executive Director (or designee). Activities of the larger entity other than investment decisions, which are not under the direct control of CONTRACTOR, shall not be considered to be in violation of CONTRACTOR'S activities pursuant to the policy.

ATTACHMENT E:
HIPAA BUSINESS ASSOCIATE AGREEMENT
Addendum to Contract

Between the County of Riverside and Greater Hope Foundation for Children, Inc.

This HIPAA Business Associate Agreement (the "Addendum") supplements, and is made part of the Underlying Agreement between the County of Riverside ("County") and Contractor and shall be effective as of the date the Underlying Agreement approved by both Parties (the "Effective Date").

RECITALS

WHEREAS, County and Contractor entered into the Underlying Agreement pursuant to which the Contractor provides services to County, and in conjunction with the provision of such services certain protected health information ("PHI") and/or certain electronic protected health information ("ePHI") may be created by or made available to Contractor for the purposes of carrying out its obligations under the Underlying Agreement; and,

WHEREAS, the provisions of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), Public Law 104-191 enacted August 21, 1996, and the Health Information Technology for Economic and Clinical Health Act ("HITECH") of the American Recovery and Reinvestment Act of 2009, Public Law 111-5 enacted February 17, 2009, and the laws and regulations promulgated subsequent thereto, as may be amended from time to time, are applicable to the protection of any use or disclosure of PHI and/or ePHI pursuant to the Underlying Agreement; and,

WHEREAS, County is a covered entity, as defined in the Privacy Rule; and,

WHEREAS, to the extent County discloses PHI and/or ePHI to Contractor or Contractor creates, receives, maintains, transmits, or has access to PHI and/or ePHI of County, Contractor is a business associate, as defined in the Privacy Rule; and,

WHEREAS, pursuant to 42 USC §17931 and §17934, certain provisions of the Security Rule and Privacy Rule apply to a business associate of a covered entity in the same manner that they apply to the covered entity, the additional security and privacy requirements of HITECH are applicable to business associates and must be incorporated into the business associate agreement, and a business associate is liable for civil and criminal penalties for failure to comply with these security and/or privacy provisions; and,

WHEREAS, the parties mutually agree that any use or disclosure of PHI and/or ePHI must be in compliance with the Privacy Rule, Security Rule, HIPAA, HITECH and any other applicable law; and,

WHEREAS, the parties intend to enter into this Addendum to address the requirements and obligations set forth in the Privacy Rule, Security Rule, HITECH and HIPAA as they apply to Contractor as a business associate of County, including the establishment of permitted and required uses and disclosures of PHI and/or ePHI created or received by Contractor during the course of performing functions, services and activities on behalf of County, and appropriate limitations and conditions on such uses and disclosures;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties agree as follows:

1. **Definitions.** Terms used, but not otherwise defined, in this Addendum shall have the same meaning as those terms in HITECH, HIPAA, Security Rule and/or Privacy Rule, as may be amended from time to time.

   A. "Breach" when used in connection with PHI means the acquisition, access, use or disclosure of PHI in a manner not permitted under subpart E of the Privacy Rule which compromises the security or privacy of the PHI, and shall have the meaning given such term in 45 CFR §164.402.

(1) Except as provided below in Paragraph (2) of this definition, acquisition, access, use, or disclosure of PHI in a manner not permitted by subpart E of the Privacy Rule is presumed to be a breach unless Contractor demonstrates that there is a low probability that the PHI has been compromised based on a risk assessment of at least the following four factors:

(a) The nature and extent of the PHI involved, including the types of identifiers and the likelihood of re-identification;

(b) The unauthorized person who used the PHI or to whom the disclosure was made;

(c) Whether the PHI was actually acquired or viewed; and

(d) The extent to which the risk to the PHI has been mitigated.

(2) Breach excludes:

(a) Any unintentional acquisition, access or use of PHI by a workforce member or person acting under the authority of a covered entity or business associate, if such acquisition, access or use was made in good faith and within the scope of authority and does not result in further use or disclosure in a manner not permitted under subpart E of the Privacy Rule.

(b) Any inadvertent disclosure by a person who is authorized to access PHI at a covered entity or business associate to another person authorized to access PHI at the same covered entity, business associate, or organized health care arrangement in which County participates, and the information received as a result of such disclosure is not further used or disclosed in a manner not permitted by subpart E of the Privacy Rule.

(c) A disclosure of PHI where a covered entity or business associate has a good faith belief that an unauthorized person to whom the disclosure was made would not reasonably have been able to retain such information.

B. "Business associate" has the meaning given such term in 45 CFR §164.501, including but not limited to a subcontractor that creates, receives, maintains, transmits or accesses PHI on behalf of the business associate.

C. "Data aggregation" has the meaning given such term in 45 CFR §164.501.

D. "Designated record set" as defined in 45 CFR §164.501 means a group of records maintained by or for a covered entity that may include: the medical records and billing records about individuals maintained by or for a covered health care provider; the enrollment, payment, claims adjudication, and case or medical management record systems maintained by or for a health plan; or, used, in whole or in part, by or for the covered entity to make decisions about individuals.

E. "Electronic protected health information" ("ePHI") as defined in 45 CFR §160.103 means protected health information transmitted by or maintained in electronic media.

F. "Electronic health record" means an electronic record of health-related information on an individual that is created, gathered, managed, and consulted by authorized health care clinicians and staff, and shall have the meaning given such term in 42 USC §17921(5).

G. "Health care operations" has the meaning given such term in 45 CFR §164.501.

H. "Individual" as defined in 45 CFR §160.103 means the person who is the subject of protected health information.

I. "Person" as defined in 45 CFR §160.103 means a natural person, trust or estate, partnership, corporation, professional association or corporation, or other entity, public or private.

J. "Privacy Rule" means the HIPAA regulations codified at 45 CFR Parts 160 and 164, Subparts A and E.

K. "Protected health information" ("PHI") has the meaning given such term in 45 CFR §160.103, which includes ePHI.

L. "Required by law" has the meaning given such term in 45 CFR §164.103.

M. "Secretary" means the Secretary of the U.S. Department of Health and Human Services ("HHS").

N. "Security incident" as defined in 45 CFR §164.304 means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system.

O. "Security Rule" means the HIPAA Regulations codified at 45 CFR Parts 160 and 164, Subparts A and C.

P. "Subcontractor" as defined in 45 CFR §160.103 means a person to whom a business associate delegates a function, activity, or service, other than in the capacity of a member of the workforce of such business associate.

Q. "Unsecured protected health information" and "unsecured PHI" as defined in 45 CFR §164.402 means PHI not rendered unusable, unreadable, or indecipherable to unauthorized persons through use of a technology or methodology specified by the Secretary in the guidance issued under 42 USC §17932(h)(2).

2. <u>Scope of Use and Disclosure by Contractor of County's PHI and/or ePHI</u>.

A. Except as otherwise provided in this Addendum, Contractor may use, disclose, or access PHI and/or ePHI as necessary to perform any and all obligations of Contractor under the Underlying Agreement or to perform functions, activities or services for, or on behalf of, County as specified in this Addendum, if such use or disclosure does not violate HIPAA, HITECH, the Privacy Rule and/or Security Rule.

B. Unless otherwise limited herein, in addition to any other uses and/or disclosures permitted or authorized by this Addendum or required by law, in accordance with 45 CFR §164.504(e)(2), Contractor may:

1) Use PHI and/or ePHI if necessary for Contractor's proper management and administration and to carry out its legal responsibilities; and,

2) Disclose PHI and/or ePHI for the purpose of Contractor's proper management and administration or to carry out its legal responsibilities, only if:

a) The disclosure is required by law; or,

b) Contractor obtains reasonable assurances, in writing, from the person to whom Contractor will disclose such PHI and/or ePHI that the person will:

i. Hold such PHI and/or ePHI in confidence and use or further disclose it only for the purpose for which Contractor disclosed it to the person, or as required by law; and,

ii. Notify County of any instances of which it becomes aware in which the confidentiality of the information has been breached; and,

3) Use PHI to provide data aggregation services relating to the health care operations of County pursuant to the Underlying Agreement or as requested by County; and,

4) De-identify all PHI and/or ePHI of County received by Contractor under this Addendum provided that the de-identification conforms to the requirements of the Privacy Rule and/or Security Rule and does not preclude timely payment and/or claims processing and receipt.

C. Notwithstanding the foregoing, in any instance where applicable state and/or federal laws and/or regulations are more stringent in their requirements than the provisions of HIPAA, including, but not limited to, prohibiting disclosure of mental health and/or substance abuse records, the applicable state and/or federal laws and/or regulations shall control the disclosure of records.

3. **Prohibited Uses and Disclosures.**

A. Contractor may neither use, disclose, nor access PHI and/or ePHI in a manner not authorized by the Underlying Agreement or this Addendum without patient authorization or de-identification of the PHI and/or ePHI and as authorized in writing from County.

B. Contractor may neither use, disclose, nor access PHI and/or ePHI it receives from County or from another business associate of County, except as permitted or required by this Addendum, or as required by law.

C. Contractor agrees not to make any disclosure of PHI and/or ePHI that County would be prohibited from making.

D. Contractor shall not use or disclose PHI for any purpose prohibited by the Privacy Rule, Security Rule, HIPAA and/or HITECH, including, but not limited to 42 USC §17935 and §17936. Contractor agrees:

1) Not to use or disclose PHI for fundraising , unless pursuant to the Underlying Agreement and only if permitted by and in compliance with the requirements of 45 CFR §164.514(f) or 45 CFR §164.508;

2) Not to use or disclose PHI for marketing, as defined in 45 CFR §164.501, unless pursuant to the Underlying Agreement and only if permitted by and in compliance with the requirements of 45 CFR §164.508(a)(3);

3) Not to disclose PHI, except as otherwise required by law, to a health plan for purposes of carrying out payment or health care operations, if the individual has requested this restriction pursuant to 42 USC §17935(a) and 45 CFR §164.522, and has paid out of pocket in full for the health care item or service to which the PHI solely relates; and,

4) Not to receive, directly or indirectly, remuneration in exchange for PHI, or engage in any act that would constitute a sale of PHI, as defined in 45 CFR §164.502(a)(5)(ii), unless permitted by the Underlying Agreement and in compliance with the requirements of a valid authorization under 45 CFR §164.508(a)(4). This prohibition shall not apply to payment by County to Contractor for services provided pursuant to the Underlying Agreement.

4. **Obligations of County.**

A. County agrees to make its best efforts to notify Contractor promptly in writing of any restrictions on the use or disclosure of PHI and/or ePHI agreed to by County that may affect Contractor's ability to perform its obligations under the Underlying Agreement, or this Addendum.

B. County agrees to make its best efforts to promptly notify Contractor in writing of any changes in, or revocation of, permission by any individual to use or disclose PHI and/or ePHI, if such changes or revocation may affect Contractor's ability to perform its obligations under the Underlying Agreement, or this Addendum.

C. County agrees to make its best efforts to promptly notify Contractor in writing of any known limitation(s) in its notice of privacy practices to the extent that such limitation may affect Contractor's use or disclosure of PHI and/or ePHI.

D. County agrees not to request Contractor to use or disclose PHI and/or ePHI in any manner that would not be permissible under HITECH, HIPAA, the Privacy Rule, and/or Security Rule.

E. County agrees to obtain any authorizations necessary for the use or disclosure of PHI and/or ePHI, so that Contractor can perform its obligations under this Addendum and/or Underlying Agreement.

5. **Obligations of Contractor.** In connection with the use or disclosure of PHI and/or ePHI, Contractor agrees to:

A. Use or disclose PHI only if such use or disclosure complies with each applicable requirement of 45 CFR §164.504(e). Contractor shall also comply with the additional privacy requirements that are applicable to covered entities in HITECH, as may be amended from time to time.

B. Not use or further disclose PHI and/or ePHI other than as permitted or required by this Addendum or as required by law. Contractor shall promptly notify County if Contractor is required by law to disclose PHI and/or ePHI.

C. Use appropriate safeguards and comply, where applicable, with the Security Rule with respect to ePHI, to prevent use or disclosure of PHI and/or ePHI other than as provided for by this Addendum.

D. Mitigate, to the extent practicable, any harmful effect that is known to Contractor of a use or disclosure of PHI and/or ePHI by Contractor in violation of this Addendum.

E. Report to County any use or disclosure of PHI and/or ePHI not provided for by this Addendum or otherwise in violation of HITECH, HIPAA, the Privacy Rule, and/or Security Rule of which Contractor becomes aware, including breaches of unsecured PHI as required by 45 CFR §164.410.

F. In accordance with 45 CFR §164.502(e)(1)(ii), require that any subcontractors that create, receive, maintain, transmit or access PHI on behalf of the Contractor agree through contract to the same restrictions and conditions that apply to Contractor with respect to such PHI and/or ePHI, including the restrictions and conditions pursuant to this Addendum.

G. Make available to County or the Secretary, in the time and manner designated by County or Secretary, Contractor's internal practices, books and records relating to the use, disclosure and privacy protection of PHI received from County, or created or received by Contractor on behalf of County, for purposes of determining, investigating or auditing Contractor's and/or County's compliance with the Privacy Rule.

H. Request, use or disclose only the minimum amount of PHI necessary to accomplish the intended purpose of the request, use or disclosure in accordance with 42 USC §17935(b) and 45 CFR §164.502(b)(1).

I. Comply with requirements of satisfactory assurances under 45 CFR §164.512 relating to notice or qualified protective order in response to a third party's subpoena, discovery request, or other lawful process for the disclosure of PHI, which Contractor shall promptly notify County upon Contractor's receipt of such request from a third party.

J. Not require an individual to provide patient authorization for use or disclosure of PHI as a condition for treatment, payment, enrollment in any health plan (including the health plan administered by County), or eligibility of benefits, unless otherwise excepted under 45 CFR §164.508(b)(4) and authorized in writing by County.

K. Use appropriate administrative, technical and physical safeguards to prevent inappropriate use, disclosure, or access of PHI and/or ePHI.

L. Obtain and maintain knowledge of applicable laws and regulations related to HIPAA and HITECH, as may be amended from time to time.

M. Comply with the requirements of the Privacy Rule that apply to the County to the extent Contractor is to carry out County's obligations under the Privacy Rule.

N. Take reasonable steps to cure or end any pattern of activity or practice of its subcontractor of which Contractor becomes aware that constitute a material breach or violation of the subcontractor's obligations under the business associate contract with Contractor, and if such steps are unsuccessful, Contractor agrees to terminate its contract with the subcontractor if feasible.

6. **Access to PHI, Amendment and Disclosure Accounting.** Contractor agrees to:

A. **Access to PHI, including ePHI.** Provide access to PHI, including ePHI if maintained electronically, in a designated record set to County or an individual as directed by County, within five (5) days of request from County, to satisfy the requirements of 45 CFR §164.524.

B. **Amendment of PHI.** Make PHI available for amendment and incorporate amendments to PHI in a designated record set County directs or agrees to at the request of an individual, within fifteen (15) days of receiving a written request from County, in accordance with 45 CFR §164.526.

C. **Accounting of disclosures of PHI and electronic health record.** Assist County to fulfill its obligations to provide accounting of disclosures of PHI under 45 CFR §164.528 and, where applicable, electronic health records under 42 USC §17935(c) if Contractor uses or maintains electronic health records. Contractor shall:

1) Document such disclosures of PHI and/or electronic health records, and information related to such disclosures, as would be required for County to respond to a request by an individual for an accounting of disclosures of PHI and/or electronic health record in accordance with 45 CFR §164.528.

2) Within fifteen (15) days of receiving a written request from County, provide to County or any individual as directed by County information collected in accordance with this section to permit County to respond to a request by an individual for an accounting of disclosures of PHI and/or electronic health record.

3) Make available for County information required by this Section 6.C for six (6) years preceding the individual's request for accounting of disclosures of PHI, and for three (3) years preceding the individual's request for accounting of disclosures of electronic health record.

7. **Security of ePHI.** In the event County discloses ePHI to Contractor or Contractor needs to create, receive, maintain, transmit or have access to County ePHI, in accordance with 42 USC §17931 and 45 CFR §164.314(a)(2)(i), and §164.306, Contractor shall:

A. Comply with the applicable requirements of the Security Rule, and implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of ePHI that Contractor creates, receives, maintains, or transmits on behalf of County in accordance with 45 CFR §164.308, §164.310, and §164.312;

B. Comply with each of the requirements of 45 CFR §164.316 relating to the implementation of policies, procedures and documentation requirements with respect to ePHI;

C. Protect against any reasonably anticipated threats or hazards to the security or integrity of ePHI;

D. Protect against any reasonably anticipated uses or disclosures of ePHI that are not permitted or required under the Privacy Rule;

E. Ensure compliance with the Security Rule by Contractor's workforce;

F. In accordance with 45 CFR §164.308(b)(2), require that any subcontractors that create, receive, maintain, transmit, or access ePHI on behalf of Contractor agree through contract to the same restrictions and requirements contained in this Addendum and comply with the applicable requirements of the Security Rule;

G. Report to County any security incident of which Contractor becomes aware, including breaches of unsecured PHI as required by 45 CFR §164.410; and,

H. Comply with any additional security requirements that are applicable to covered entities in Title 42 (Public Health and Welfare) of the United States Code, as may be amended from time to time, including but not limited to HITECH.

8. **Breach of Unsecured PHI.** In the case of breach of unsecured PHI, Contractor shall comply with the applicable provisions of 42 USC §17932 and 45 CFR Part 164, Subpart D, including but not limited to 45 CFR §164.410.

A. **Discovery and notification.** Following the discovery of a breach of unsecured PHI, Contractor shall notify County in writing of such breach without unreasonable delay and in no case later than 60 calendar days after discovery of a breach, except as provided in 45 CFR §164.412.

1) **Breaches treated as discovered.** A breach is treated as discovered by Contractor as of the first day on which such breach is known to Contractor or, by exercising reasonable diligence, would have been known to Contractor, which includes any person, other than the person committing the breach, who is an employee, officer, or other agent of Contractor (determined in accordance with the federal common law of agency).

2) **Content of notification.** The written notification to County relating to breach of unsecured PHI shall include, to the extent possible, the following information if known (or can be reasonably obtained) by Contractor:

a) The identification of each individual whose unsecured PHI has been, or is reasonably believed by Contractor to have been accessed, acquired, used or disclosed during the breach;

b) A brief description of what happened, including the date of the breach and the date of the discovery of the breach, if known;

c) A description of the types of unsecured PHI involved in the breach, such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code, or other types of information were involved;

d) Any steps individuals should take to protect themselves from potential harm resulting from the breach;

e) A brief description of what Contractor is doing to investigate the breach, to mitigate harm to individuals, and to protect against any further breaches; and,

f) Contact procedures for individuals to ask questions or learn additional information, which shall include a toll-free telephone number, an e-mail address, web site, or postal address.

B. **Cooperation.** With respect to any breach of unsecured PHI reported by Contractor, Contractor shall cooperate with County and shall provide County with any information requested by County to enable County to fulfill in a timely manner its own reporting and notification obligations, including but not limited to providing notice to individuals, prominent media outlets and the Secretary in accordance with 42 USC §17932 and 45 CFR §164.404, §164.406 and §164.408.

C. **Breach log.** To the extent breach of unsecured PHI involves less than 500 individuals, Contractor shall maintain a log or other documentation of such breaches and provide such log or other documentation on an annual basis to County not later than fifteen (15) days after the end of each calendar year for submission to the Secretary.

D. **Delay of notification authorized by law enforcement.** If Contractor delays notification of breach of unsecured PHI pursuant to a law enforcement official's statement that required notification, notice or posting would impede a criminal investigation or cause damage to national security, Contractor shall maintain documentation sufficient to demonstrate its compliance with the requirements of 45 CFR §164.412.

E. **Payment of costs.** With respect to any breach of unsecured PHI caused solely by the Contractor's failure to comply with one or more of its obligations under this Addendum and/or the provisions of HITECH, HIPAA, the Privacy Rule or the Security Rule, Contractor agrees to pay any and all costs associated with providing all legally required notifications to individuals, media outlets, and the Secretary. This provision shall not be construed to limit or diminish Contractor's obligations to indemnify, defend and hold harmless County under Section 9 of this Addendum.

F. **Documentation.** Pursuant to 45 CFR §164.414(b), in the event Contractor's use or disclosure of PHI and/or ePHI violates the Privacy Rule, Contractor shall maintain documentation sufficient to demonstrate that all notifications were made by Contractor as required by 45 CFR Part 164, Subpart D, or that such use or disclosure did not constitute a breach, including Contractor's completed risk assessment and investigation documentation.

G. **Additional State Reporting Requirements.** The parties agree that this Section 8.G applies only if and/or when County, in its capacity as a licensed clinic, health facility, home health agency, or hospice, is required to report unlawful or unauthorized access, use, or disclosure of medical information under the more stringent requirements of California Health & Safety Code §1280.15. For purposes of this Section 8.G, "unauthorized" has the meaning given such term in California Health & Safety Code §1280.15(j)(2).

1) Contractor agrees to assist County to fulfill its reporting obligations to affected patients and to the California Department of Public Health ("CDPH") in a timely manner under the California Health & Safety Code §1280.15.

2) Contractor agrees to report to County any unlawful or unauthorized access, use, or disclosure of patient's medical information without unreasonable delay and no later than two (2) business days after Contractor detects such incident. Contractor further agrees such report shall be made in writing, and shall include substantially the same types of information listed above in Section 8.A.2 (Content of Notification) as applicable to the unlawful or unauthorized access, use, or disclosure as defined above in this section, understanding and acknowledging that the term "breach" as used in Section 8.A.2 does not apply to California Health & Safety Code §1280.15.

9. **Hold Harmless/Indemnification.**

A. Contractor agrees to indemnify and hold harmless County, all Agencies, Districts, Special Districts and Departments of County, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives from any liability whatsoever, based or asserted upon any services of Contractor, its officers, employees, subcontractors, agents or representatives arising out

of or in any way relating to this Addendum, including but not limited to property damage, bodily injury, death, or any other element of any kind or nature whatsoever arising from the performance of Contractor, its officers, agents, employees, subcontractors, agents or representatives from this Addendum. Contractor shall defend, at its sole expense, all costs and fees, including but not limited to attorney fees, cost of investigation, defense and settlements or awards, of County, all Agencies, Districts, Special Districts and Departments of County, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents or representatives in any claim or action based upon such alleged acts or omissions.

B. With respect to any action or claim subject to indemnification herein by Contractor, Contractor shall, at their sole cost, have the right to use counsel of their choice, subject to the approval of County, which shall not be unreasonably withheld, and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of County; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes Contractor's indemnification to County as set forth herein. Contractor's obligation to defend, indemnify and hold harmless County shall be subject to County having given Contractor written notice within a reasonable period of time of the claim or of the commencement of the related action, as the case may be, and information and reasonable assistance, at Contractor's expense, for the defense or settlement thereof. Contractor's obligation hereunder shall be satisfied when Contractor has provided to County the appropriate form of dismissal relieving County from any liability for the action or claim involved.

C. The specified insurance limits required in the Underlying Agreement of this Addendum shall in no way limit or circumscribe Contractor's obligations to indemnify and hold harmless County herein from third party claims arising from issues of this Addendum.

D. In the event there is conflict between this clause and California Civil Code §2782, this clause shall be interpreted to comply with Civil Code §2782. Such interpretation shall not relieve the Contractor from indemnifying County to the fullest extent allowed by law.

E. In the event there is a conflict between this indemnification clause and an indemnification clause contained in the Underlying Agreement of this Addendum, this indemnification shall only apply to the subject issues included within this Addendum.

10. **Term.** This Addendum shall commence upon the Effective Date and shall terminate when all PHI and/or ePHI provided by County to Contractor, or created or received by Contractor on behalf of County, is destroyed or returned to County, or, if it is infeasible to return or destroy PHI and/ePHI, protections are extended to such information, in accordance with section 11.B of this Addendum.

11. **Termination.**

A. **Termination for Breach of Contract.** A breach of any provision of this Addendum by either party shall constitute a material breach of the Underlying Agreement and will provide grounds for terminating this Addendum and the Underlying Agreement with or without an opportunity to cure the breach, notwithstanding any provision in the Underlying Agreement to the contrary. Either party, upon written notice to the other party describing the breach, may take any of the following actions:

1) Terminate the Underlying Agreement and this Addendum, effective immediately, if the other party breaches a material provision of this Addendum.

2) Provide the other party with an opportunity to cure the alleged material breach and in the event the other party fails to cure the breach to the satisfaction of the non-breaching party in a timely manner, the non-breaching party has the right to immediately terminate the Underlying Agreement and this Addendum.

3) If termination of the Underlying Agreement is not feasible, the breaching party, upon the request of the non-breaching party, shall implement, at its own expense, a plan to cure the breach and report regularly on its compliance with such plan to the non-breaching party.

B. **Effect of Termination.**

1) Upon termination of this Addendum, for any reason, Contractor shall return or, if agreed to in writing by County, destroy all PHI and/or ePHI received from County, or created or received by the Contractor on behalf of County, and, in the event of destruction, Contractor shall certify such destruction, in writing, to County. This provision shall apply to all PHI and/or ePHI which are in the possession of subcontractors or agents of Contractor. Contractor shall retain no copies of PHI and/or ePHI, except as provided below in paragraph (2) of this section.
2) In the event that Contractor determines that returning or destroying the PHI and/or ePHI is not feasible, Contractor shall provide written notification to County of the conditions that make such return or destruction not feasible. Upon determination by Contractor that return or destruction of PHI and/or ePHI is not feasible, Contractor shall extend the protections of this Addendum to such PHI and/or ePHI and limit further uses and disclosures of such PHI and/or ePHI to those purposes which make the return or destruction not feasible, for so long as Contractor maintains such PHI and/or ePHI.

12. **General Provisions.**

A. **Retention Period.** Whenever Contractor is required to document or maintain documentation pursuant to the terms of this Addendum, Contractor shall retain such documentation for 6 years from the date of its creation or as otherwise prescribed by law, whichever is later.

B. **Amendment.** The parties agree to take such action as is necessary to amend this Addendum from time to time as is necessary for County to comply with HITECH, the Privacy Rule, Security Rule, and HIPAA generally.

C. **Survival.** The obligations of Contractor under Sections 3, 5, 6, 7, 8, 9, 11.B and 12.A of this Addendum shall survive the termination or expiration of this Addendum.

D. **Regulatory and Statutory References.** A reference in this Addendum to a section in HITECH, HIPAA, the Privacy Rule and/or Security Rule means the section(s) as in effect or as amended.

E. **Conflicts.** The provisions of this Addendum shall prevail over any provisions in the Underlying Agreement that conflict or appear inconsistent with any provision in this Addendum.

F. **Interpretation of Addendum.**

1) This Addendum shall be construed to be part of the Underlying Agreement as one document. The purpose is to supplement the Underlying Agreement to include the requirements of the Privacy Rule, Security Rule, HIPAA and HITECH.
2) Any ambiguity between this Addendum and the Underlying Agreement shall be resolved to permit County to comply with the Privacy Rule, Security Rule, HIPAA and HITECH generally.

G. **Notices to County.** All notifications required to be given by Contractor to County pursuant to the terms of this Addendum shall be made in writing and delivered to the County both by fax and to both of the addresses listed below by either registered or certified mail return receipt requested or guaranteed overnight mail with tracing capability, or at such other address as County may hereafter designate. All notices to County provided by Contractor pursuant to this Section shall be deemed given or made when received by County.

County HIPAA Privacy Officer: HIPAA Privacy Manager

County HIPAA Privacy Officer Address: 26520 Cactus Avenue, Moreno Valley, CA 92555

County HIPAA Privacy Officer Phone Number: (951) 486-6471

CF23103 Greater Hope Foundation for Children Inc - FRC Network Expansion

Final Audit Report 2022-10-25

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By:	Marinus Van Eenennaam (MVEenenn@RIVCO.ORG)
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Agreement completed.

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RIVERSIDE COUNTY CHILDREN AND FAMILIES COMMISSION
CONTRACT
INVESTMENT OF FUNDS
585 Technology Court
Riverside, California 92507

RCCFC AWARD: **CF23104 FRC Network Expansion**

CONTRACTOR: California Family Life Center
CONTRACT TERM: **10/1/2022 – 06/30/2026**

MAXIMUM REIMBURSABLE AMOUNT: **$375,000**

The CONTRACTOR designated above is hereby certified for an investment of funds in an amount not to exceed $375,000.

Compensation: The maximum reimbursable amount over the life of the Contract for Investment of Funds (hereinafter the "Contract") shall not exceed $375,000 as awarded by the Riverside County Children and Families Commission, also known as First 5 Riverside, (hereinafter the "COMMISSION" or "COUNTY"), provided pursuant to the California Children and Families Act of 1998, also known as Proposition 10, to provide services and results as set forth in Attachments A, B, C and D attached hereto as incorporated herein by reference, subject to the following terms and conditions:

IN WITNESS WHEREOF, COMMISSION and CONTRACTOR have executed this Contract.

Authorized Signature for COMMISSION:	Authorized Signature for CONTRACTOR:
Tammi Graham Tammi Graham (Oct 17, 2022 18:20 PDT)	Mary Jo Ramirez
Tammi Graham, Executive Director	Printed Name of Person Signing: Mary Jo Ramirez
Date Signed: Oct 17, 2022	Title: Executive Director
585 Technology Court Riverside, CA 92507-2423	Address: 930 North State Street Hemet, CA 92546
APPROVED AS TO FORM SIGNATURE: Ronak Patel (Oct 17, 2022 15:36 PDT)	Date Signed: Oct 17, 2022
Ronak Patel County Counsel	ATTEST SIGNATURE: Lynn Stephens
Date Signed: Oct 17, 2022	Lynn M. Stephens Commission Coordinator
	Date Signed: Oct 18, 2022

RIVERSIDE COUNTY CHILDREN AND FAMILIES COMMISSION

CONTRACT TERMS AND CONDITIONS

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Terms and Conditions

1. NOTICES

All correspondence and notices required or contemplated by this Contract shall be delivered to the respective parties at the addresses set forth below and are deemed submitted one day after deposit in the United States mail, postage prepaid:

COMMISSION:	CONTRACTOR:
Tammi Graham, Executive Director	Mary Jo Ramirez
First 5 Riverside	California Family Life Center
585 Technology Court	930 North State Street
Riverside, California 92507	Hemet, CA 92546

Or to such other address as the parties may hereafter designate in writing.

2. SOURCE AND SCOPE OF CONTRACT

A. This Contract award is valid and enforceable only if sufficient funds are available to the COMMISSION from Proposition 10 tax dollars for the total term of the Contract. It is mutually agreed that if the State does not appropriate sufficient Proposition 10 funds, this Contract shall be amended to reflect any reduction in funds.

B. This Contract is subject to any additional restrictions, limitations, or conditions enacted by the State of California, which may affect the provisions, terms, or funding of this Contract in any manner.

C. This Contract award is designated for an investment of funds to provide services to address Child Health & Development, Quality Early Learning or Resilient Families in accordance with the current COMMISSION Strategic Plan. Services are to be provided to benefit children 0 through 5 years of age (may also be abbreviated as “0-5”) who reside in Riverside County.

3. DEFINITIONS

Terminology included within the Terms and Conditions of the Contract are defined by the Riverside County Children & Families Commission as stated below:

Commission: The Riverside County Children & Families Commission, an assembly of Commissioners appointed by the Riverside County Board of Supervisors, which is responsible for establishing policy and directing Proposition 10 funds at the County level.

Contractor: The government or other legal entity to which the Contract is awarded and which shall be accountable to the Commission for the use of funds provided.

County: The Riverside County Children & Families Commission, the County of Riverside, its Agencies, Districts, Special Districts and Departments, respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives.

Data Management System: An online data management system used to collect and analyze client demographics, services, and target accomplishments.

Executive Director: The designated lead director of the Commission.

Fiscal Year: The Commission’s fiscal year is July 1 through June 30.

Performance Target: The specific results that a CONTRACTOR will commit to achieving as outlined in the Scope of Work.

Performance Target Accomplishment Schedule: The specific timeline that a CONTRACTOR will commit to adhere to achieving specific results as outlined in the Scope of Work.

Probationary Status: CONTRACTOR is given notice of non-compliance after failing to correct deficiencies and has been placed in a status that may require additional monitoring, announced and unannounced visits, additional reporting by CONTRACTOR, an evaluation by COMMISSION staff and a report to the COMMISSION inclusive of recommendations regarding the disposition of the Contract.

Scope of Work (SOW): A documented qualitative and quantitative description of the project deliverables (i.e., what the CONTRACTOR is funded to do).

4. TERM

The term of this Contract shall be from 10/1/2022 through 06/30/2026 unless terminated sooner by the provisions herein by either party. Funds shall not be automatically renewed by the COMMISSION upon or after the term of the Contract except by formal amendment approved by the COMMISSION.

5. COMPLIANCE, DISALLOWANCE, WITHHOLDING

If CONTRACTOR fails to comply with any conditions contained within this Contract, the COMMISSION may place the CONTRACTOR in a probationary status, temporarily withhold payments until the deficiency is corrected, deny funds for all or part of the cost of activity not in compliance, and/or request repayment to the COMMISSION if any disallowance is rendered after audit findings. Written notification of non-compliance will be sent to the identified contact person and the CONTRACTOR'S Executive Director or other lead staff authorized by the CONTRACTOR'S governing board or ownership within twenty (20) working days.

6. TERMINATION

A. By COMMISSION: The COMMISSION may, by written notice to CONTRACTOR, terminate this Contract in whole or in part at any time for the reasons as set forth below. Upon receipt of notice, the CONTRACTOR shall immediately discontinue all services affected (unless the notice directs otherwise).

1. Termination for cause:

a. Due to Default or Breach of Contract. Upon default by the CONTRACTOR in the performance of this Contract or material breach of any of its provisions which include but are not limited to; change in status or delegation, assignment or alteration of the services outlined in Attachment A of this Contract, the COMMISSION may immediately terminate this Contract by written notice, which shall be effective upon receipt by CONTRACTOR, unless COMMISSION provides CONTRACTOR the opportunity to cure breach within twenty (20) working days of receipt of notice, and CONTRACTOR does so to COMMISSION'S satisfaction.

b. Due to Health and Safety Concerns of Clients. The COMMISSION may immediately terminate this Contract, at the sole discretion of the COMMISSION when the CONTRACTOR has been accused and found to be in violation of any county, state, or federal law and/or regulation related to the health and safety of clients. The Contract may also be immediately terminated at the sole discretion of the COMMISSION if the

CONTRACTOR fails to provide for the health and safety of clients served under this Contract where the health and safety of clients are placed at risk by CONTRACTOR.

c. **Due to Non-Appropriation.** It is mutually agreed that if either the federal or state budget of the current year and/or any subsequent years covered under this Contract does not appropriate sufficient funds for the program, this Contract shall be of no further force and effect. In this event, the COMMISSION shall have no liability to pay any funds whatsoever to the CONTRACTOR or to furnish any other considerations under this Contract and CONTRACTOR shall not be obligated to perform any provisions of this Contract. If funding for any fiscal year is reduced or deleted by the federal or state budgetary process for purposes of this program, the COMMISSION shall have the option to either cancel this Contract with no liability occurring to the COMMISSION or offer a Contract amendment to CONTRACTOR to reflect the reduced amount.

d. **Due to Non-Compliance.** Termination may occur if CONTRACTOR fails to provide the COMMISSION with any reports, data and information as required in this Contract. CONTRACTOR may be placed in a probationary status until compliance with the terms of the Contract has been met. CONTRACTOR will be given thirty (30) calendar days after the date of written notice by COMMISSION to cure the deficiency. If compliance is not met within the thirty (30) calendar days, the COMMISSION may move forward with termination of the Contract.

e. **Without Cause.** COMMISSION may terminate this Contract without cause upon thirty (30) days' written notice served upon the CONTRACTOR stating the extent and effective date of termination.

B. **By CONTRACTOR**: CONTRACTOR may terminate this Contract in whole or in part upon thirty (30) calendar days' written notice to the COMMISSION.

7. REQUIREMENT OF SUPPLEMENTING PROGRAM

Funds received pursuant to this Contract shall not be used to supplant any program of the CONTRACTOR. Proposition 10 funds shall ONLY be used to supplement a CONTRACTOR'S program. The COMMISSION endorses the California Children and Families Commission's interpretation of supplanting: The definition of "supplement" is to add to or augment something that currently exists, while "supplant" is defined as taking the place of something currently in existence. As defined in Health and Safety Code sections 130100 et seq. (the Children and Families Act), all monies raised pursuant to the Act shall be appropriated and expended by CONTRACTOR only to supplement existing levels of services. The Act specifically prohibits appropriation and expenditure of funds to supplant state or local general fund money for any purpose. Further, expenditures are prohibited for use to fund any existing levels of service.

8. DATA MANAGEMENT

CONTRACTOR agrees to participate in a comprehensive, countywide, internet-based evaluation and management process as defined by the COMMISSION. Participation shall include, but is not limited to, monthly input of program and financial data, submission of quarterly and annual Program Progress Reports (PPR), utilization of the COMMISSION developed reporting systems and Administrative Review formats and required training(s) to familiarize and implement the results-based accountability framework. The COMMISSION continues to refine its evaluative processes that will assist the COMMISSION, its CONTRACTORS and the community to successfully increase and measure the impact of the Proposition 10 in Riverside County. Where appropriate, CONTRACTOR agrees to participate in the ongoing development of these evaluative

processes. Specific areas may include but are not limited to, the development of outcomes for programmatic performance, standards for service delivery, and assessment tools.

9. SCOPE OF WORK (SOW)

A. CONTRACTOR will be required to submit and adhere to a SOW approved by the COMMISSION and attached to this Contract. The SOW will accurately reflect measurable results of services provided through Proposition 10 funding. The SOW will provide a qualitative and quantitative description of program(s) objectives to be achieved in connection with Proposition 10 funding.

B. The SOW (Attachment A) will be amended each fiscal year of the Contract Term to confirm or adjust specific qualitative and/or quantitative targets for the respective year.

C. SOW revisions that are considered relatively minor adjustments that do not affect the overall deliverables of this Contract shall be accepted for consideration through March 31st of each fiscal year. Requests for these types of SOW adjustments must be submitted to the COMMISSION office in writing or via e-mail and shall not be implemented by CONTRACTOR prior to receipt of written approval from authorized COMMISSION personnel. Upon approval, CONTRACTOR will receive either written or e-mail verification from the COMMISSION Executive Director (or designee).

D. SOW revisions that are considered significant changes to program performance targets and affect the overall deliverables of this Contract include the following: changes that result in the type of customer or numbers served, new staff positions or major staff changes, or significant changes in the Performance Targets. Requests for these types of SOW changes shall be accepted for consideration through March 31 of each fiscal year. SOW revisions shall be submitted to the COMMISSION Executive Director (or designee), via the COMMISSION'S Contracts & Grants Analyst assigned to the CONTRACTOR. The COMMISSION Executive Director (or designee) will respond to the proposed request for SOW revisions within thirty (30) calendar days after receipt at the COMMISSION office. Final approval of any proposed revisions to the SOW shall require the written approval of the COMMISSION Executive Director (or designee). All changes will be incorporated into the Contract and shall become effective on the date of written approval from the COMMISSION Executive Director and/or the COMMISSION.

E. CONTRACTOR agrees to make every possible effort to obtain voluntary consent using the COMMISSION Consent Form for any customer entered into the data management system. CONTRACTOR also agrees to maintain the original signed Consent Form on file for the COMMISSION to review as necessary. Each customer is to receive a copy of the signed Consent Form.

10. REIMBURSEMENT OF COSTS

Payment will not be provided for services performed and/or expenditures accrued prior to the full execution of this Contract unless previously authorized by COMMISSION action. Reimbursement of costs shall be made upon CONTRACTOR'S satisfactory performance, based upon the SOW and methodology contained in Attachment A as determined by the COMMISSION. The COMMISSION shall allocate the funds to CONTRACTOR as follows:

A. All funds provided pursuant to this Contract shall be expended by CONTRACTOR in accordance with the Budget attached hereto.

B. All funds will be distributed as detailed in the attached Payment Provisions, attached hereto.

11. FISCAL AND PROGRAM REPORTING REQUIREMENTS

A. Fiscal Reporting

Fiscal expenditures are required to be input into the data management system by CONTRACTOR on a monthly basis with input completed and submitted by the 20th of the month following Contract performance for expenditures occurring in the 1st, 2nd and 3rd quarters of the fiscal year (July through March). Fiscal expenditures occurring in the 4th quarter (April, May and June) will be required to be input into the data management system on earlier modified due dates to support COUNTY internal deadlines and external audit requirements. These due dates will be communicated to CONTRACTOR through the COMMISSION'S Contracts and Grants Analyst assigned to the CONTRACTOR. CONTRACTOR is required to report expenditures on a monthly basis and apply accruals at year-end. Accruals show costs for services that have occurred but have not yet been paid. If the reporting due date falls on a weekend or County, State or nationally recognized holiday, the due date will be on the following business day. Any changes that occur with expenditures must be reported to COMMISSION staff and adjusted within the data management system before the end of the Quarter following the expense occurrence. Example: Changes to expenditures in the first quarter of performance must be adjusted and reconciled before the end of the second quarter (December 30, as reported in the January 30 report). **A change in CONTRACTOR staff, or other difficulties, does not absolve the CONTRACTOR from this monthly fiscal reporting responsibility.**

In rare and justifiable circumstances, an extension may be requested by the CONTRACTOR. Such requests are to be submitted in writing prior to the due date and shall be directed through the COMMISSION'S Contracts and Grants Analyst assigned to the CONTRACTOR.

If applicable, CONTRACTOR shall provide copies of the claim report submitted monthly for Medi-Cal and/or any other state or federal reimbursements. In addition, the CONTRACTOR will provide the subsequent revenue reports that will reconcile the claim reports.

Costs may be allowed and reviewed for reimbursement up to the time of the Final Fiscal Expenditure Report, which is due as described in paragraph one of this section. All reimbursement costs not submitted at the time of the Final Fiscal Expenditure Report will be disallowed.

Payment information, including amount, payment reduction or payment withheld may be obtained by the CONTRACTOR via the data management system.

B. Program Reporting

As requested by COMMISSION, CONTRACTOR shall participate in research and evaluation studies designed to show the effectiveness of CONTRACTOR'S services or to provide information about CONTRACTOR'S program. CONTRACTOR shall report program and demographic data on participants, where appropriate, service and outcome data with measurement tools approved by COMMISSION. CONTRACTOR shall enter data (quantitative and qualitative) in the evaluation database system designated by COMMISSION. CONTRACTOR shall submit complete data, in accordance with the SOW.

1. Monthly Reporting

CONTRACTOR shall input and submit program data into the COMMISSION'S data management system on a monthly basis and input must be completed by the 20th of the month following Contract performance. If the reporting due date falls on a weekend or holiday, the due date will be on the following business day. The due date for program data

submitted in the 4th quarter (April, May and June) may be modified by COMMISSION as required to meet internal COUNTY and State reporting deadlines. Modified due dates will be communicated to CONTRACTOR through the COMMISSION'S Contracts and Grants Analyst assigned to the CONTRACTOR. Any changes that occur with program data input must be reported to COMMISSION staff and adjusted within the data management system before the end of the Quarter following the change.

Example: Changes to program data in the first quarter must be adjusted and reconciled before the end of the 2nd quarter (December 30th, as reported in the January 30th report). **A change in CONTRACTOR staff, or other difficulties, does not absolve the CONTRACTOR from this monthly program data input and quarterly Program Progress Report (PPR) responsibility.**

2. Quarterly and Annual Reporting

CONTRACTOR shall submit Program Progress Reports (PPR) which includes quarterly and year-to-date progress on actual achievement of performance targets compared to projected achievements as detailed in the SOW and other data collection information as requested by the COMMISSION. The PPR shall include narrative information on lessons learned, course corrections, client success stories, sustainability and public awareness/policy change activities for the quarter. CONTRACTOR is required by the COMMISSION to complete and submit Program Progress Reports electronically via the COMMISSION'S data management system.

For each reporting period, CONTRACTOR shall provide the COMMISSION with a Program Progress Report within thirty (30) calendar days from the end of the reporting period. In rare and justifiable circumstances, an extension may be requested by the CONTRACTOR. Such requests are to be submitted in writing prior to the due date and shall be directed through the COMMISSION'S Contracts and Grants Analyst assigned to the CONTRACTOR. Quarterly Program Progress Reporting due dates for each Contract period are as follows:

- QUARTER 1 (July 1 – September 30): Report Due October 30
- QUARTER 2 (October 1 – December 31): Report Due January 30
- QUARTER 3 (January 1 – March 31): Report Due April 30
- QUARTER 4 (April 1 – June 30): Report Due July 30 (Final Cumulative Program Progress Report), Quarter 4 due date may be modified by COMMISSION as necessary to meet County and/or State reporting deadlines.

If the due date falls on a weekend or County, State or nationally recognized holiday, the due date will be on the following business day. The first quarterly report is due **October 30th of the current fiscal year.**

CONTRACTOR agrees that failure to submit reports as specified will be sufficient cause for the COMMISSION to withhold any payment due until reporting requirements have been fulfilled.

12. <u>REIMBURSEMENT OF FUNDS TO THE COMMISSION</u>

If CONTRACTOR has been overpaid in the previous fiscal year, the COMMISSION will, in instances where the Contract is renewed, reduce subsequent payment(s) to recover the amount overpaid.

Notwithstanding any other provision herein, CONTRACTOR agrees to reimburse, in full, all funds received from the COMMISSION, upon request of the COMMISSION, where such funds as determined by the COMMISSION are not or have not been utilized by CONTRACTOR for purpose as intended by the COMMISSION. The terms and conditions of reimbursement shall be at the sole discretion of the COMMISSION. This provision is not terminated upon termination of this Contract.

13. COMMISSION FISCAL REQUIREMENTS

A. Budget Revisions

A Budget Revision Form may be submitted by the CONTRACTOR to the COMMISSION to modify budget line(s) of the approved budget. The request must indicate the proposed line item change, the budget as amended applying the requested change, a written justification for each requested change, and signed by an authorized representative. The request cannot result in any alteration or degradation to the program services and performance targets as specified in this Contract.

The COMMISSION Executive Director (or designee), on behalf of the COMMISSION, has the authority to approve or deny the request, provided that the modification does not deviate from the original intent of the Contract or increase the total Contract amount. CONTRACTOR is limited to two (2) budget revisions per fiscal year.

The CONTRACTOR must submit any Budget Revision Forms to the COMMISSION or designee no later than **March 31st** of the fiscal year.

B. Amendments

Necessity for budget amendments to this Contract will be determined by the COMMISSION Executive Director (or designee) and may include, but are not limited to, Contract increases or decreases and significant changes to the Scope of Work (SOW). All budget amendments to the Contract shall require formal approval of the COMMISSION Executive Director acting on behalf of the COMMISSION, as provided herein before such amendments are effective. Major budget amendments, as determined by the COMMISSION Executive Director, in consultation with County legal counsel, will require formal approval of the COMMISSION. Contract budget amendments shall be considered until March 31st of each fiscal year.

C. Cost Allocation Plan

CONTRACTOR shall have or will establish a Cost Allocation Plan (CAP) to identify prorated costs shared by multiple funding sources, including Proposition 10 funds. CONTRACTOR shall identify any other funding sources and organizations whose cooperation/participation is necessary to ensure the success of the project. CONTRACTOR'S CAP must be approved by CONTRACTOR'S appropriate governing body and submitted with the executed Contract.

A CAP is defined as a written summarization that documents the methods and procedures CONTRACTOR will use to allocate costs between two or more programs or funding sources. The goal is to ensure that each program or funding source bears its fair share, and only its fair share, of the total costs. The CONTRACTOR must have a method of identifying and distributing program costs that are comprehensive, well documented, and defensible under the Generally Accepted Accounting Principles (GAAP).

A written CAP is required if <u>any</u> of the conditions below are met:

a. Funded staff members share time between a COMMISSION funded program and one or more other grant funded program.

b. A single-funded staff member shares time between two or more COMMISSION funded programs.

c. The same facilities and/or resources are utilized by more than one funded program.

D. Overhead/Indirect Costs

1. Overhead/Indirect costs are defined as costs incurred for a common or joint purpose benefiting more than one cost objective and cannot be readily identified with a particular final cost objective. These costs do not provide a measurable, direct benefit to a particular program or activity, unlike direct costs. Indirect cost may include salaries and benefits. For the purpose of this Contract, operational expenses, capital expenses, and subcontractor costs are **excluded** from the indirect cost calculation.

2. Indirect cost percentage rate included in the Budget, to this Contact, shall not exceed ten percent (10%) calculated against the salaries and benefits expenses only.

3. Indirect costs shall be based on the CONTRACTOR'S official governing board approved CAP. State/federal approved rates in excess of the approved ten percent (10%) indirect cost rate percentage will be reviewed and approved on a case-by-case basis.

4. A pass-through is defined as those instances where the CONTRACTOR forwards funds obtained from the COMMISSION to a subcontractor and the COMMISSION maintains no relationship or responsibility for the performance of the subcontractor. Proposition 10 funds shall not be used in a manner that will cause payment for indirect costs associated with the CONTRACTOR'S funded program more than once. The COMMISSION will not pay for subcontractor indirect costs as part of the CONTRACTOR'S budget.

E. Revenues Received

All revenue received by the CONTRACTOR (except funds received from the COMMISSION) to operate the program funded pursuant to this Contract shall be reported as revenue received within the monthly fiscal report. All such revenues shall be used to fully compensate expenses within the program funded and/or to provide additional services within the program funded pursuant to this Contract. Any unused revenues shall be deducted from Contract reimbursement.

F. Payroll Taxes

The COMMISSION shall not be directly responsible for the payment of any taxes on the CONTRACTOR'S behalf. In the event that the COMMISSION is required to do so by state, federal or local taxing agencies, CONTRACTOR agrees to promptly reimburse the COMMISSION for the full value of such paid taxes plus interest and penalty, if any. Taxes shall include, but are not limited to, the following: FICA (Social Security), unemployment insurance contributions, income tax, disability insurance and workers' compensation insurance.

G. Payor of Last Resort

CONTRACTOR shall obtain funding through sources other than the COMMISSION to provide services or support to participants whenever possible.

In cases where a participant is qualified for benefits from another source (such as Medi-Cal, Healthy Families, federal or state-funded programs, personal insurance, etc.), costs relating to services provided to that participant must be paid for by the primary payor first. Only the costs not covered will be allowable under this Contract. CONTRACTOR must provide written verification upon request.

14. CONTRACTOR AUDIT REQUIREMENTS

A. All CONTRACTORS are required to have an annual financial audit. Each CONTRACTOR shall provide a copy of annual audited financial statements to the COMMISSION covering the fiscal year that funds are received for services provided pursuant to this Contract. The audited financial statements will cover the CONTRACTOR'S fiscal year and will include a report on internal controls over financial reporting and on compliance and other matters in accordance with Government Auditing Standards. All audits shall be performed by a Certified Public Accountant (CPA) who possesses a valid license to practice within the State of California.

B. Audited financial statements are to be submitted to the COMMISSION Executive Director, or designee, within one hundred and eighty (180) calendar days after the close of the CONTRACTOR'S fiscal year for every year covered under this Contract. If the audited financial statements are not received on or before the required due date, and an extension has not been granted, the audited financial statements shall be considered delinquent, and immediate corrective action will be initiated. If the CONTRACTOR fails to produce or submit acceptable audited financial statements, the COMMISSION has the authority to withhold funding, and if necessary, secure an Auditor, and the CONTRACTOR shall be liable for all COMMISSION costs incurred in obtaining an independent audit. The cost of the audit will be applied against the Contract encumbered amount, thereby reducing the amount of funding available to the program.

15. INVENTORIABLE EQUIPMENT

A. Inventoriable equipment includes equipment or fixed assets with a unit cost of one thousand dollars ($1,000.00), or more, or if the aggregate cost of integral components required to fully operate the assembled equipment (i.e., computer processing unit, keyboard, monitor) total one thousand dollars ($1,000.00) or more. Inventoriable equipment derived from approved purchases funded by Proposition 10 funds shall be maintained by the CONTRACTOR. CONTRACTOR shall use such capitalized equipment only for the purposes for which they were granted for children 0 through 5 years of age.

B. The CONTRACTOR shall inventory and report all equipment purchases meeting this criterion on the COMMISSION Inventory Record Form. This record must be submitted within forty-five (45) calendar days of purchase to the COMMISSION'S Contracts and Grants Analyst assigned to the CONTRACTOR. Applicable receipts must be maintained by the CONTRACTOR to validate expenditures and shall be submitted as invoice back-up documentation and uploaded to the COMMISSION'S data management system and made available as requested during the COMMISSION staff site visits. The CONTRACTOR understands that they are liable for all damages and/or loss resulting from the use and/or misuse of equipment purchased with Proposition 10 funds. Equipment shall not be used for personal use by the CONTRACTOR and/or employees, agents, subcontractors, and/or collaborating partners.

C. Any materials and supplies purchased by CONTRACTOR with Proposition 10 funds with a value of less than one thousand dollars ($1,000.00) will be used for children ages 0 through 5 years of age by another of the CONTRACTOR'S programs serving this population or returned to the COMMISSION. If CONTRACTOR is no longer serving this population, all remaining

items will be returned to the COMMISSION within thirty (30) calendar days of the program ceasing operations.

16. REVERSION OF ASSETS

Real or Personal Property Assets. Any real property or moveable or immovable personal property under CONTRACTOR'S control or ownership that was acquired or improved in-whole or in-part with Proposition 10 funds disbursed under this Contract, or under any previous Contract between the COMMISSION and CONTRACTOR, where the original cost exceeded one thousand dollars ($1,000.00) shall either be: (1) used by CONTRACTOR for the services described in the SOW for a period of five (5) years after termination or expiration of this Contract, unless a different period is specified in the SOW; or (2) disposed of and proceeds paid to the COMMISSION in a manner that results in the COMMISSION being reimbursed in the amount of the current fair market value (assuming depreciation in accordance with customary business practices) of the real or personal property less any portion of the current value attributable to CONTRACTOR'S out of pocket expenditures using non-commission funds for acquisition of, or improvement to, such real or personal property and less any direct and reasonable costs of disposition.

A. In furtherance of the foregoing, if the COMMISSION selects continued use of the capital asset, the CONTRACTOR hereby agrees that it will confirm in writing that it will continue to use the capital asset for purposes congruent with the intent of this Contract. This provision shall survive termination or expiration of this Contract and shall be actionable at law or in equity by the COMMISSION against CONTRACTOR and its successors in interest.

B. In the event the COMMISSION selects disposition of the subject real or personal property, the CONTRACTOR shall exercise due diligence to dispose of such property in conformity with applicable laws and regulations and in accordance with customary business practices. The net proceeds of such disposition shall be disbursed directly to and be payable to the COMMISSION upon the close of the applicable disposition transaction, such as close of escrow for the sale of real property, transfer of a motor vehicle "Certificate of Title" in accordance with applicable California Vehicle Code requirements, or completion of sale of personal property by bill of sale in accordance with Uniform Commercial Code (UCC) requirements.

17. TOBACCO CONTROL POLICY

CONTRACTOR shall abide by the Comprehensive Tobacco Control Policy, incorporated herein by reference, and as may be amended from time to time. CONTRACTOR shall have tobacco education and cessation materials visibly available and accessible to clients participating and to staff funded from the COMMISSION funded activities. The Comprehensive Tobacco Control Policy, as attached hereto.

18. CONDUCT OF BUSINESS

CONTRACTOR shall comply with all references listed below. Failure to comply may place the CONTRACTOR in a Probationary Status or result in Termination of Contract.

A. CONTRACTOR shall comply with all applicable state and/or federal laws, regulations, or requirements during the term of the Contract.

B. CONTRACTOR shall conduct its business, pursuant to this Contract, in compliance with all applicable state, and/or federal laws, regulations, or requirements.

C. CONTRACTOR shall obtain and maintain all applicable business and/or professional licenses, insurances, and/or accreditations, in good standing, which are required under the laws of the State of California or the federal government at all times while performing services under this Contract.

D. CONTRACTOR shall notify the COMMISSION Executive Director (or designee) verbally and in writing of the intent to cease operations of the facility or program within sixty (60) calendar days, but no less than thirty (30) calendar days of the event.

E. CONTRACTOR shall notify the COMMISSION Executive Director (or designee) in writing within seventy-two (72) hours of a change of key personnel funded under this Contract. Key personnel is defined as individuals who have a direct bearing on the outcome of the project, who have substantive responsibility for developing or achieving the scope or objectives of the project, and who possess the reputation, knowledge, or skills on which the work of the project is based. This includes, but not limited to, the Director, Chief Executive Officer (CEO), Chief Financial Officer (CFO), Program Manager, or Project Lead.

F. CONTRACTOR shall notify the COMMISSION Executive Director (or designee) verbally and in writing of any condition that could interfere with CONTRACTOR'S ability to perform required services and/or meet material Contract requirements within thirty (30) calendar days of learning of such a condition.

G. Agencies that are governed by a regulatory or licensing entity shall advise and forward to the COMMISSION Executive Director all documentation of regulatory/licensing violations, findings and responses to such violations and/or findings within twenty-four (24) hours of receipt of notice of violation from the governing entity. Agencies shall promptly submit to COMMISSION Executive Director a copy of the response sent to the governing entity.

H. CONTRACTOR shall immediately notify the COMMISSION in writing upon the intent to file or filing of any action of bankruptcy.

I. CONTRACTOR shall immediately notify the COMMISSION in writing upon the commencement of any litigation, whether CONTRACTOR is the plaintiff or defendant, where such litigation may interfere with the ability of CONTRACTOR to perform its duties under this Contract and where the COMMISSION is not a party to such litigation.

J. CONTRACTOR shall immediately notify the COMMISSION in writing upon the commencement of any investigation, and/or activity by a regulatory agency against CONTRACTOR, which may interfere with the ability of CONTRACTOR to perform its duties under this Contract.

K. CONTRACTOR shall provide a grievance policy system to the COMMISSION, through which participants of services shall have an opportunity to express views and complaints regarding the delivery of service. Grievance procedures must be posted prominently in English and Spanish at service sites for participants to review.

19. RECORDS MANAGEMENT AND MAINTENANCE

A. The CONTRACTOR shall make reports to the COMMISSION in the required format and containing information as required by the COMMISSION.

B. The CONTRACTOR shall provide additional reports or information if required by the State or the local COMMISSION that was not reasonably anticipated at the time the Contract was entered into.

C. CONTRACTOR shall input all data required on a monthly basis by the 20th day of the month following the end of the reporting period **and** submit quarterly reports within thirty (30) calendar days following the end of the quarter, and at the end of the term of the Contract.

This requirement includes:

a. All the monthly data necessary to generate demographic, service utilization, results and aggregate activity reports; and

b. Submission of the Program Progress Report on a quarterly basis.

D. CONTRACTOR shall retain such reports and all records associated with this Contract for at least five (5) years following the close of the fiscal year in which this Contract is in effect. This obligation is not terminated upon termination of this Contract, whether by rescission or otherwise. CONTRACTOR agrees to require any subcontractors to retain all records associated with the Contract for the same time period.

E. Accounting information and transactions shall be recorded and reported in accordance with generally accepted accounting principles (GAAP).

F. Where medical records and/or client records are generated under this Contract, CONTRACTOR shall safeguard the confidentiality of the records in accordance with all state and federal laws, and all regulations promulgated hereunder, including the provisions of the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law 104-91, enacted August 21, 1996, and the laws and regulations promulgated subsequent thereto.

G. Each CONTRACTOR must maintain a written customer confidentiality policy and maintain a written protocol to ensure CONTRACTOR'S staff is aware of and abide by said policy.

20. PUBLIC DISCLOSURE OF DOCUMENTS

CONTRACTOR acknowledges and agrees that information, communications, and documents given to the COMMISSION during meetings involving COMMISSION members, staff, finance or COMMISSION Advisory Committee members may be subject to applicable law on public disclosures and/or public meetings. CONTRACTOR shall cooperate with the COMMISSION in order that it may fully comply with the requirements of such laws and regulations.

21. INSPECTIONS, PROGRAM MONITORING, AND CONTRACT ADMINISTRATIVE REVIEW BY COMMISSION

A. COMMISSION representatives shall review and inspect the CONTRACTOR through mandatory periodic Administrative Review visits for compliance with the terms of this Contract. Administrative Review visits will occur at a minimum of two (2) times per Fiscal Year for the duration of the Contract Term. During the Administrative Review visits, CONTRACTOR representatives **must** be present. All books, financial records and program records including verification of target(s) and other documents relating to the performance of this Contract must be open to inspection, examination, or copying during normal business hours by the COMMISSION staff or duly authorized representatives from the state or federal government. Records shall be made available at reasonable times at CONTRACTOR'S place of business or at such other mutually agreeable location in the County of Riverside, State of California.

B. Upon completion of the Program Monitoring and Administrative Review visit, the CONTRACTOR will be mailed a report summarizing the results of the Administrative Review

visit within forty-five (45) calendar days of the visit. The CONTRACTOR may be required to respond to concerns or requests as specified in the Administrative Review report within thirty (30) calendar days of receipt.

C. CONTRACTOR shall reimburse the COMMISSION for all direct and indirect expenditures incurred in conducting an audit or investigation when CONTRACTOR is found in violation of the terms of the Contract. Reimbursement for such costs will be withheld from any amounts due to CONTRACTOR.

D. When additional information (i.e., receipts, paperwork, etc.) is requested of the CONTRACTOR as a result of any audit or monitoring, CONTRACTOR must provide all information requested by the deadline specified by the COMMISSION. Failure to provide the information by the specified deadline will subject the CONTRACTOR to the provisions of Contract section: COMPLIANCE, DISALLOWANCE, and WITHHOLDING.

22. GOVERNING LAW AND VENUE

A. This Contract is entered into under the provisions of Health and Safety Code section 130100 et seq., as may be amended from time to time and any other applicable law.

B. This Contract, its construction, and interpretation as to validity, performance, and breach shall be construed under the laws of the State of California. In the event any provision in this Contract is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

C. The provision of the Government Claims Act (Government Code Section 900 et seq.) must be followed first for any disputes under this Contract.

D. All actions and proceedings arising in connection with this Contract shall be tried and litigated exclusively in state or federal (if permitted by law and a party elects to file an action in federal court) courts located in the County of Riverside, State of California.

23. CONTRACTOR SUBCONTRACTS FOR WORK OR SERVICES

A. The COMMISSION holds CONTRACTOR solely responsible for the performance of all duties and obligations under this Contract. CONTRACTOR agrees and understands that COMMISSION does not enter into or assume any legal relationship with any subcontractor of CONTRACTOR for performance under this Contract. CONTRACTOR agrees to remedy all breaches of any contracts with any subcontractor, and further agrees that CONTRACTOR may not look to the COMMISSION for any payment, liability, or assistance in the remedy of any actual or alleged breach.

B. CONTRACTOR shall identify any other organization whose cooperation/participation is necessary to ensure the success of the project and what specific roles these key partners will play. All subcontractor(s) shall conform to all requirements of the COMMISSION and any Contract between the CONTRACTOR and the COMMISSION.

C. The CONTRACTOR shall not enter into any subcontract with any subcontractor who:

1. Is presently debarred, suspended, proposed for debarment, or declared ineligible or voluntarily excluded from covered transactions by a federal department or agency;

2. Has within a three (3) year period preceding this Contract been convicted of or had a civil judgment rendered against them for the commission of fraud, or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction; violation of Federal or State anti-trust status or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

3. Is presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with the commission of any of the offenses enumerated in the paragraph above; and

4. Within a three (3) year period preceding this Contract, has had one or more public transaction (federal, state, or local) terminated for cause or default.

D. The CONTRACTOR shall be as fully responsible for the acts or omissions of its subcontractors, and of persons either directly or indirectly employed by them as for the acts or omissions of persons directly employed by the CONTRACTOR.

E. The CONTRACTOR shall insert appropriate clauses in all subcontracts to bind subcontractors to the terms and conditions of this Contract insofar as they are applicable to the work of subcontractors.

F. Nothing contained in this Contract shall create any contractual relationship between any subcontractor and the County of Riverside, its Agencies, Districts, Special Districts and Departments, respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives.

24. PUBLICITY AND ATTRIBUTION REQUIREMENTS

A. Upon signing this Contract, CONTRACTOR shall publicize funded program and partnership with the COMMISSION by creating a press release to be distributed to local media outlets. The press release shall be sent to COMMISSION for review and approval within fourteen (14) calendar days of signing of Contract. No later than five (5) calendar days after the press release is reviewed and approved by COMMISSION Public Information Specialist, the press release shall be distributed to local media outlets. Should guidance be needed on this requirement, please contact COMMISSION Public Information Specialist.

B. CONTRACTOR shall include the following acknowledgment of the COMMISSION and Proposition 10 funding in all materials produced for the purpose of public education and outreach related to COMMISSION funded programs. These materials include but are not limited to the following: brochures, workbooks, flyers, circulars, posters, games, television, radio and print advertising, public service announcements and video news releases, calendar/event listings, presentations, telephone hold messages, outdoor advertising and vehicles. The wording of the COMMISSION attribution shall be one of the following:

"Made possible by funding from First 5 Riverside County"

"Funded by First 5 Riverside County"

"Funded by First 5 Riverside County - the Riverside County Children & Families Commission"

"Hecho posible por medio de fondos de Primeros 5 Riverside County"

"Financiado por Primeros 5 Riverside County"

For events, conferences or programs with multiple funders, one of the following attributions shall be used:

"Funded in part by First 5 Riverside County"

“Funded in part by First 5 Riverside County - the Riverside County Children & Families Commission”

“Made possible by funding from First 5 Riverside County”

"Financiado parcialmente por Primeros 5 Riverside County"

"Financiado parcialmente por Primeros 5 Riverside County - Comisión de Niños y Familias del Condado de Riverside"

When space is limited (i.e., buttons, pencils, pens, etc.), attribution may be omitted. However, CONTRACTOR shall contact the COMMISSION’S Public Information Specialist to determine an appropriate method of providing attribution to the public regarding the funding source for such items.

C. The approved First 5 Riverside logo (graphic) shall be used on materials specific to the COMMISSION funded program. CONTRACTOR shall use the approved First 5 Riverside logo (graphic) on public education and outreach materials in accordance with the First 5 Riverside graphics attribution standard as posted on the COMMISSION public website (www.First5Riverside.org).

D. CONTRACTOR shall provide the COMMISSION staff and COMMISSION Public Information Specialist a copy of all public information/relations products (such as flyers, newsletters, posters, etc.) as soon as possible but not later than fourteen (14) calendar days prior to submitting to print. News releases should be submitted as soon as possible but not later than seven (7) calendar days before public release is scheduled.

E. The COMMISSION’S Public Information Specialist shall provide guidance on procedures for logo usage and printed public relations material in accordance with the COMMISSION policies. Policies will be available on the COMMISSION public website (www.First5Riverside.org).

25. PROHIBITION OF POLITICAL/RELIGIOUS ACTIVITY

CONTRACTOR agrees that it shall not require client participation in political or religious activities in order to receive services for programs funded by the COMMISSION. Furthermore, Proposition 10 funds shall be used only for the purposes specified in this Contract and in any attachments, hereto. No Proposition 10 funds shall be used for any political activity, or to further the election or defeat of any candidate for political office. No Proposition 10 funds shall be used for purposes of religious worship, instruction or proselytizing.

26. WORK PRODUCT

A. The COMMISSION shall be the owner of the following items incidental to this Contract upon production, whether or not completed: all data collected, all documents of any type whatsoever, and any material necessary for the practical use of the data and/or documents from the time of collection and/or production whether or not performance under this Contract is completed or terminated prior to completion. CONTRACTOR shall not release any materials under this section except after prior written approval of the COMMISSION.

B. Material produced in whole or in part under this Contract shall not be subject to copyright in the United States or in any other country except as determined at the sole discretion of the

COMMISSION. The COMMISSION will have the unrestricted authority to publish, disclose, distribute, and use in whole or in part, any reports, data, documents or other materials prepared under this Contract.

27. NON-DISCRIMINATION

Pursuant to the Affordable Care Act section 1557 (42 U.S.C. section 18116), during the performance of this Contract, CONTRACTOR shall not, and shall also require and ensure its subcontractors, providers, agents, and employees to not cause an individual, beneficiary, or applicant to be excluded on the grounds prohibited under Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), Title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.), the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.), or section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), or subject to any other applicable State and Federal Laws, from participation in, be denied the benefits of, or be subjected to discrimination under, any health program or activity offered through the California Department of Health Care Services. This Contract hereby incorporates by reference the provisions of Title 2, California Code of Regulations, Section 11105 et seq., as may be amended from time to time. CONTRACTOR agrees to comply with the provisions of Title 2, California Code of Regulations, Section 11105 et seq. and further agrees to include this Non-Discrimination clause in all subcontracts to perform services under this Contract.

28. CHILD ABUSE REPORTING

CONTRACTOR shall ensure that all known or suspected instances of child abuse or neglect are reported to the appropriate law enforcement agency and/or to the appropriate Child Protective Services agency. This responsibility shall include:

A. Assurance that all employees, agents, consultants or volunteers who perform services under this Contract and are mandated by Penal Code Sections 11164 et seq. to report child abuse or neglect, sign a statement, upon the commencement of employment, acknowledging reporting requirements and compliance with them;

B. Development and implementation of procedures for employees, agents, consultants, or volunteers who are not subject to the mandatory reporting laws for child abuse to report any observed or suspected incidents of child abuse to a mandated reporting party, within the program, who will ensure that the incident is reported to the appropriate agency;

C. Provision of or arrangement of training in child abuse reporting laws (Penal Code, Sections 11164 et seq.) for all employees, agents, consultants, and volunteers, or verification that such persons have received training in the law within thirty (30) days of employment/volunteer activity.

29. DEPARTMENT OF JUSTICE CLEARANCE

CONTRACTOR shall obtain from the Department of Justice (DOJ), records of all convictions involving any sex crimes, drug crimes, or crimes of violence of a person who is offered employment, or volunteers, for all positions in which he or she would have contact with a minor, the aged, the blind, the disabled or a domestic violence client, as provided for in Penal Code Section 11105.3. This includes licensed personnel who are not able to provide documentation of prior DOJ clearance. A copy of a license from the State of California is sufficient proof.

CONTRACTOR must have on file for review upon request a signed statement verifying Department of Justice clearance for all appropriate individuals.

30. ADULT AND ELDER ABUSE REPORTING

The CONTRACTOR shall provide documentation of a policy and procedure acceptable to the COUNTY to ensure that all employees, volunteers, consultants, subcontractors, or agents performing services under this Contract report elder and dependent adult abuse pursuant to Welfare & Institutions Code (WIC) Sections 15600 et seq. Suspected incidents of abuse should be immediately reported to the COUNTY, followed by a written report within two (2) working days.

31. INDEPENDENT CONTRACTOR

It is understood and agreed that CONTRACTOR is an independent contractor and that no relationship of employer-employee exists between the CONTRACTOR and the COMMISSION. The CONTRACTOR, nor CONTRACTOR'S officers, agents, employees or subcontractors, shall not be entitled to any COMMISSION paid employee benefits, including Workers' Compensation.

32. HOLD HARMLESS/INDEMNIFICATION

CONTRACTOR shall indemnify and hold harmless COMMISSION, the County of Riverside, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives (individually and collectively hereinafter referred to in this section as the "COUNTY") from any liability whatsoever, based or asserted upon any services of CONTRACTOR, its officers, employees, subcontractors, agents or representatives arising out of or in any way relating to this Contract, including but not limited to property damage, bodily injury, or death or any other element of any kind or nature whatsoever arising from the performance of CONTRACTOR, its officers, employees, subcontractors, agents or representatives under this Contract. CONTRACTOR shall defend the COUNTY at CONTRACTOR'S sole expense, including all costs and fees (including, but not limited, to attorney fees, cost of investigation, defense and settlements or awards), the COUNTY in any claim or action based upon such alleged acts or omissions.

With respect to any action or claim subject to indemnification herein by CONTRACTOR, CONTRACTOR shall, at sole cost, have the right to use counsel of choice and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of COUNTY; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes CONTRACTOR'S indemnification to the COUNTY as set forth herein.

CONTRACTOR'S obligation hereunder shall be satisfied when CONTRACTOR has provided to COUNTY the appropriate form of dismissal relieving COUNTY from any liability for the action or claim involved.

The specified insurance limits required in this Contract shall in no way limit or circumscribe CONTRACTOR'S obligations to indemnify and hold harmless the COUNTY herein from third party claims.

In the event there is a conflict between this clause and California Civil Code Section 2782, this clause shall be interpreted to comply with Civil Code 2782. Such interpretation shall not relieve the CONTRACTOR from indemnifying the COUNTY to the fullest extent allowed by law.

A. If CONTRACTOR is a public entity, as defined by applicable law, the COMMISSION and CONTRACTOR, to the extent that liability may be imposed on the COMMISSION by the provisions of Government Code Section 895.2, shall be liable for acts or omissions, including all claims, liabilities, injuries, suits, and demands and expenses of all kinds which may result or arise out of any alleged malfeasance or neglect, caused or alleged to have been caused by either the COMMISSION or CONTRACTOR'S, employees or representatives, performance or

omission of any act or responsibility of either party under this Contract. In the event that a claim is made against both the COMMISSION and CONTRACTOR, both parties shall cooperate in the defense of said claim and to cause insurers to do likewise.

B. CONTRACTOR agrees to indemnify the COMMISSION for all federal/state withholding or state retirement payments, which the COMMISSION may be required to make by the federal or state government as a result of this Contract. If for any reason, CONTRACTOR is determined not to be an independent contractor to the COMMISSION in carrying out the terms of the Contract, such indemnification shall be paid in full to the COMMISSION upon sixty (60) calendar days written notice to CONTRACTOR if a federal and/or state determination is made that such payment is required.

33. INSURANCE

Without limiting or diminishing the CONTRACTOR'S obligation to indemnify or hold the COUNTY harmless, CONTRACTOR shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverages during the term of this Contract. Pertinent to the insurance section only, the COUNTY herein refers to the County of Riverside, its Agencies, Districts, Special Districts, and Departments, respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insureds.

Workers' Compensation:
If the CONTRACTOR has employees as defined by the State of California, the CONTRACTOR shall maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupational Disease with limits not less than one million dollars ($1,000,000) per person per accident. The policy shall be endorsed to waive subrogation in favor of the County of Riverside, and if applicable, to provide a Borrowed Servant/Alternate Employer Endorsement.

Commercial General Liability:
Commercial General Liability insurance coverage, including but not limited to, premises liability, unmodified contractual liability, products and completed operations liability, personal and advertising injury, and cross-liability coverage, covering claims which may arise from or out of CONTRACTOR'S performance of its obligations hereunder. Policy shall name the COUNTY as Additional Insureds. Policy limit of liability shall not be less than one million dollars ($1,000,000) per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this Contract or be no less than two (2) times the occurrence limit.

Vehicle Liability:
If vehicles or mobile equipment are used in the performance of the obligations under this Contract, then CONTRACTOR shall maintain liability insurance for all owned, non-owned or hired vehicles so used in an amount not less than one million dollars ($1,000,000) per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this Contract or be no less than two (2) times the occurrence limit. The policy shall name the COUNTY as Additional Insured.

Professional Liability Insurance:
CONTRACTOR shall maintain Professional Liability Insurance providing coverage for the CONTRACTOR'S performance of work included within this Contract, with a limit of liability of not less than one million dollars ($1,000,000) per occurrence and two million dollars ($2,000,000) annual aggregate. If CONTRACTOR'S Professional Liability Insurance is written on a claims made basis rather than an occurrence basis, such insurance shall continue through the term of this Contract and CONTRACTOR shall purchase at his sole expense either

1) an Extended Reporting Endorsement (also known as Tail Coverage); or 2) Prior Dates Coverage from new insurer with a retroactive date back to the date of, or prior to, the inception of this Contract; or 3) demonstrate through Certificates of Insurance that CONTRACTOR has maintained continuous coverage with the same or original insurer. Coverage provided under items 1), 2) or 3) will continue as long as the law allows.

General Insurance Provisions - All lines:

1. Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California and have an A.M. BEST rating of not less than A: VIII (A:8) unless such requirements are waived, in writing, by the COUNTY Risk Manager. If the COUNTY'S Risk Manager waives a requirement or a particular insurer, such waiver is only valid for that specific insurer and only for one (1) policy term.

2. The CONTRACTOR must declare its insurance self-insured retention for each coverage required herein. If any such self-insured retention exceeds five hundred thousand dollars ($500,000) per occurrence such retention shall have the prior written consent of the COUNTY Risk Manager before the commencement of operations under this Contract. Upon notification of self-insured retention unacceptable to the COUNTY and at the election of the County's Risk Manager, CONTRACTOR'S carriers shall either; 1) reduce or eliminate such self-insured retention with respect to this Contract with the COUNTY, or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.

3. CONTRACTOR shall cause CONTRACTOR'S insurance carrier(s) to furnish the COUNTY with either 1) a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements effecting coverage as required herein, and/or 2) if requested to do so orally or in writing by the COUNTY Risk Manager, provide original Certified copies of policies including all Endorsements and all attachments thereto, showing such insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) working days written notice shall be given to the COUNTY prior to any material modification, cancellation, expiration or reduction in coverage of such insurance. If CONTRACTOR'S insurance carrier(s) policies does not meet the minimum notice of requirement found herein, CONTRACTOR shall cause CONTRACTOR'S insurance carrier(s) to furnish a thirty (30) day Notice of Cancellation Endorsement.

4. In the event of a material modification, cancellation, expiration or reduction in coverage, this Contract shall terminate forthwith, unless the COUNTY receives, prior to such effective date, another properly executed original Certificate of Insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing coverage's set forth herein and the insurance required herein is in full force and effect. CONTRACTOR shall not commence operations until the COUNTY has been furnished original Certificate(s) of Insurance and certified original copies of endorsement and if requested, certified original policies of insurance including all endorsements and all other attachments as required in this Section. An individual authorized by the insurance carrier to do so on its behalf shall sign the original endorsements for each policy and the Certificate of Insurance.

5. It is understood and agreed to by the parties hereto that the CONTRACTOR'S insurance shall be construed as primary insurance and the COUNTY'S insurance and/or deductibles and/or self-insured retention's or self-insured programs shall not be construed as contributory.

6. If during the term of this Contract or any extension thereof there is a material change in the scope of services; or there is a material change in the equipment to be used in the performance of the SOW; or this Contract, including any extensions thereof, exceeds five (5) years; the COUNTY reserves the right to adjust the types of insurance required under this Contract and the monetary limits of liability for the insurance coverage currently required herein, if in the COUNTY Risk Manager's reasonable judgment the amount or type of insurance carried by the CONTRACTOR has become inadequate.

7. CONTRACTOR shall pass down the insurance obligations contained herein to all tiers of subcontractors working under this Contract.

8. The insurance requirements contained in this Contract may be met with a program(s) of self-insurance acceptable to the COUNTY.

9. CONTRACTOR agrees to immediately notify COUNTY in writing of any claim by a third party or any incident or event that may give rise to a claim arising from the performance of this Contract.

Adjustment and/or Waiver of Requirements:
The COMMISSION Executive Director (or designee), in consultation with the COUNTY'S Risk Manager, may adjust the insurance requirements set forth herein as deemed necessary for the Contract, and/or may waive insurance requirements where not applicable to the Contract. Insurance endorsements shall be submitted to the COMMISSION upon submission of the fully executed Contract, but no later than when contract work commences.

34. ASSIGNMENT

This Contract shall not be assigned by CONTRACTOR, either in whole or in part, without prior written consent of the COMMISSION, as approved and authorized by formal action of the COMMISSION.

35. ALTERATION AND/OR AMENDMENT

No alteration, amendment, or variation of the terms of this Contract shall be valid unless made in writing and signed by the parties hereto. Oral understandings of Contract not incorporated herein shall not be binding on any of the parties hereto. As provided herein, the COMMISSION Executive Director, acting on behalf of the COMMISSION, may alter or revise this Contract on behalf of the COMMISSION. Material alterations and/or amendments, as determined by the COMMISSION Executive Director in consultation with County legal counsel, will require formal approval of the COMMISSION. Except as provided herein, the parties expressly recognized that individual COMMISSION members, COMMISSION Advisory Committee members, or staff to the COMMISSION is without authorization to either change or waive any material requirements of this Contract without formal action of the COMMISSION.

36. CONFLICT OF INTEREST

CONTRACTOR shall have no economic interest and shall not acquire any economic interest, direct or indirect, which will conflict in any manner or degree with the performance of services required under this Contract.

37. WAIVER AND SEVERABILITY

Any waiver by the COMMISSION of any breach or default hereof by CONTRACTOR shall be deemed to be a waiver of any preceding or succeeding breach or default hereof, and no waiver shall be operative unless the same shall be in writing. In the event any provision in this Contract

is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions hereof shall remain in full force and effect without being impaired or invalidated in any way.

38. DISALLOWANCE

In the event CONTRACTOR receives payment for services under this Contract, which is later disallowed for nonconformance with the terms and conditions herein, CONTRACTOR shall promptly refund the disallowed amount to the COMMISSION upon request. The COMMISSION retains the option to offset the amount disallowed from any payment due to the CONTRACTOR under this Contract, or under any other Contract between CONTRACTOR and the COMMISSION.

39. OFFICIAL DOCUMENTS

Upon the Contract approval by the COMMISSION, and full execution of the Contract by COMMISSION and CONTRACTOR, one (1) fully executed copy will be sent to the CONTRACTOR. Such copy shall be the officially approved Contract for the conduct of the approved project.

40. ENTIRE CONTRACT

This Contract, inclusive of all attachments and exhibits, constitutes the entire Contract between the parties. Any modifications to the terms of this Contract shall be by the provisions detailed in the Section entitled “Alteration and/or Amendment” herein.

41. NONEXCLUSIVE CONTRACT

CONTRACTOR understands that this is not an exclusive Contract and that the COMMISSION shall have the right to negotiate with and enter into Contracts with others providing the same or similar services as those provided by CONTRACTOR as the COMMISSION desires and at the sole discretion of the COMMISSION.

42. CERTIFICATION OF AUTHORITY TO EXECUTE THIS CONTRACT

CONTRACTOR certifies that the individual signing herein has authority to execute this Contract on behalf of CONTRACTOR and may legally bind CONTRACTOR to the terms and conditions of this Contract and any attachments hereto.

43. COMPLIANCE WITH LAW

CONTRACTOR shall, at its sole cost and expense, comply with all County, State, and Federal law now in force or which may hereafter be in force with regard to this Contract. The judgment of any court of competent jurisdiction, or the admission of CONTRACTOR in any action against CONTRACTOR, whether the COMMISSION be a party thereto or not, that CONTRACTOR has violated any such ordinance or statute, shall be conclusive of that fact as between CONTRACTOR and the COMMISSION.

44. CONFLICTS IN INTERPRETATION

In the event of conflict in interpretation by the parties of the provisions contained in the numbered sections of this Contract and the provisions contained in the attachments hereto, the provisions of the attachments in the Contract shall prevail over those in numbered sections.

45. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which will be an original, but all of which together will constitute one instrument. Each party of this Agreement agrees to the use of electronic signatures, such as digital signatures that meet the requirements of the California Uniform Electronic Transactions Act ((“CUETA”) Cal. Civ. Code §§ 1633.1 to 1633.17), for executing this Agreement. The parties further agree that the electronic signatures of the parties included in this Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. Electronic signature means an electronic sound, symbol, or process attached to or logically associated with an electronic record and executed or adopted by a person with the intent to sign the electronic record pursuant to the CUETA as amended from time to time. The CUETA authorizes use of an electronic signature for transactions and contracts among parties in California, including a government agency. Digital signature means an electronic identifier, created by computer, intended by the party using it to have the same force and effect as the use of a manual signature, and shall be reasonably relied upon by the parties. For purposes of this section, a digital signature is a type of "electronic signature" as defined in subdivision (i) of Section 1633.2 of the Civil Code.

ATTACHMENT A: SCOPE OF WORK

The *Family Resource Center Network Expansion* will support families from broader population groups by increasing and expanding resources, and by providing linkages to prevention services and direct support to families with young children ages 0 through 5. The Family Resource Centers (FRCs) and Community Hubs are embedded in communities and operate at the neighborhood level to support families where they live and gather. By leveraging existing relationships and partnerships, FRCs and Community-Based Organizations will serve families and connect them to a wide range of services and supports, from responding to families in crisis to promoting children's healthy development and general well-being.

First 5 Riverside County (First 5) seeks to connect with families in convenient and familiar spaces through the FRC Network Expansion. This will allow parents/caregivers to strengthen connections to each other and their communities.

CONTRACTOR shall provide a Family Resource Center Network Specialist position (FRCNWS), office space, equipment, mileage, and/or other operational expenses to complement and enhance the existing family support services in the service areas identified as having a lower Healthy Places Index (HPI) score, including but not limited to San Jacinto, Hemet, Banning, Cabazon, Moreno Valley, Romoland, Calimesa, Anza, Riverside, and Mountain Center.

The FRCNWS will expand the resources, services, and supports families access by linking families with children to existing community-based supports, including First 5's FRCs. This strategy will provide an opportunity to build relationships with families, and act as an ambassador to both social connections, programs, and the safety net as needed and ensure continuity of care following any level of support the family is seeking. This high-level community-facing position helps identify resources for parents, caregivers, and others to strengthen connections that are responsive to each family's needs.

The job description for the FRCNWS is included in Attachment A to this scope of work. In addition to the job duties listed, the FRCNWS will be expected to:

- Attend regularly scheduled meetings with First 5 staff and peers to:
    - Develop goals, objectives, and targets for years 2, 3, and 4 of the program, including data collection requirements;
    - Participate in trainings on the use of First 5's data collection and documentation system.
    - Have access to and be required to input data into the First 5 data system, subject to the terms and conditions of the HIPAA Business Associate Agreement attached and made part of this agreement as Appendix E.
    - The minimum required data points for each family and/or individual served are included in the FRC Intake form.
- FRCNWS will provide a monthly progress report outlining at least the following:
    - A summary of outreach events and activities, including (but not limited to:
        - An Contact Log outlining
        - The name and purpose of the agency
        - Agency contact information
        - Type of engagement (i.e, attended an event or heard a presentation, etc.)
        - Engagement result (i.e. new program referral, new clients referred, new events/activities or partnerships, etc.)
- Participate in and support staffing for Community Outreach events in partnership with First 5 and the FRCs
    - FRCNWS participates in a minimum of five (5) events and/or activities per year as coordinated by First 5. This includes evening or weekend events, as necessary.

- Actively participate with First 5 staff and community stakeholders in the design and implementation of regular Communities of Practice (CoPs) that will include:
    - Training on the 5 Protective Factors
    - Professional development needed for the Family Resource Network
    - Leveraging each partner's and stakeholder's strengths (i.e. resources, services, and networks) to expand both service linkages and outreach to new populations
    - Training in data collection and tracking in F5RC's data collection system
- Participate in an annual review of this Scope of Work in support of the Network-Expansion goal of the Family Resource Centers (FRCs).

CONTRACTOR shall give at least 3 business days written notice for any changes in the staffing of the FRCNWS position. At the time CONTRACTOR gives notice of appointment of a new FRCNWS, a resume of the candidate appointed shall be included.

Respond to Emerging Needs

First 5's FRCs play a critical role in preventing child abuse and neglect, strengthening children and families, and connecting families to systems of care that focus on improving fundamental social and economic structures, environments, and conditions that support the ability of families to reach their full potential. FRCs also play a vital role in communities, serving as trusted partners that help connect children and families to resources and services that can lessen the everyday stressors that families with children face. The FRC network provides a broad range of community-wide prevention services, while also leveraging First 5's current partnerships and investments to ensure shared responsibility to improve the lives of all families in Riverside County. These include but are not limited to the following:

Home-Visiting Programs: include several home-visiting community health programs with over 40 years of evidence showing significant improvements in the health and lives of parents and children with a focus on parent support services to address family needs. The Community hubs are positioned to support pregnant and/or parenting women with these programs. Additional information can be found at https://rccfc.org/Resources/Community-Programs.

Help Me Grow – Inland Empire (HMG-IE), Help Me Grow is a collective approach to strengthening the early identification and intervention system. It works to ensure that all children have developmental screenings and that families can access the services they need. Community hubs are critical partners in this system approach and participate in regional stakeholder convenings.

HealthySteps is an evidence-based, team-based pediatric primary care program designed to promote nurturing parenting and healthy development for babies and toddlers. Community hubs link families served by FQHCs and health and wellness clinics to the HealthySteps programs funded through First 5 Riverside County.

Cross Systems Integration is an intentional strategic approach where programs are coordinated and integrated to simplify access and referrals, streamlining the provision of services to families, and leveraging multiple funding streams and resources. As there is a need to ensure that families are served holistically with a range of integrated and sometimes complex services, it is critical that programs screening for the delivery of comprehensive, coordinated services, also ensure the identification of other possible support services that address broader needs of the family. This may include, but is not limited to, early intervention services, high-quality early learning settings, health and behavioral services (including those listed above), and family support services for families of children from the prenatal through the pre-kindergarten stages.

Racial Equity and Systemic Racism: The *Family Resource Center Network Expansion* supports equitable outcomes for all children and families acting with intentionality to eliminate racial inequities and ensure all families have access to educational success, quality health care, food security, housing, socioeconomic mobility, reduced stress, and more. Through this approach, there is an opportunity to address organizational and systemic biases to advance racial equity for all communities that would positively impact children and families.

APPENDIX A: JOB DESCRIPTION

Job Title: Family Resource Center Network Specialist

Summary:
The Family Resource Center Network Specialist (FRCNWS) is a community-facing position, identifying resources for parents, caregivers, and others to strengthen connections tailored to each family's needs.

In this role, the FRCNWS engages with a variety of service providers, Family Resource Centers, community-based and faith-based organizations, and tribal governments to facilitate conversations and engage in partnership-building among agencies with the focus on improving the access to needed services and other support of local families.

The FRCNWS role also includes attending community meetings and leading and participating in networking-building activities focused on establishing collaborative partnerships throughout Riverside County to improve outcomes for children and families.

This position requires the application of knowledge and skills to educate and network with people of diverse backgrounds and cultures. The position reports to a supervisory level position within the applicant agency, who will review work for professional competence and alignment with established procedures and contracted deliverables.

The FRCNWS is expected to maintain clear, accurate, and timely data and information and is responsible for preparing administrative and program outcome reports as it relates to meeting program goals and objectives; and engaging in strategic thinking to improve and expand services for families and communities. Data and information should be focused dually on families who currently access the Family Resource Center (FRC) and families who have not accessed the FRC but could benefit from doing so, through proactive outreach and engagement. At a systems level, this position will coordinate with several service providers in the community they serve to support the design and development of a Community Network Hub. Using data, the FRCNWS will have a thorough knowledge of the community and its partnerships and contribute to building a much larger coordinated system for child abuse prevention and child well-being efforts.

Capacity meeting milestones will include: training, understanding the community needs; demonstrating knowledge of the 5 Protective Factors in Strengthening Families (as referenced in the First 5 Riverside County Strategic Plan), and building the structures to support the 5 Protective Factors.

Essential Duties

Partnership Building and Relationship Management

1. Demonstrate knowledge of available community resources including an array of early childhood and family support services as well as other community resources.
2. Conduct community outreach, presentations, and workshops.
    a. Develop a list of community events and health fairs, and arrange, organize and work closely with agency staff to ensure participation in community activities.
    b. Provide training to improve understanding of community needs.
    c. Encourage and motivate members of the communities to become involved and develop skills needed to improve their quality of life and related neighborhood issues.
3. Identify, develop, coordinate, and maintain partnerships with community groups and local coalitions within Riverside County.

a. Work collaboratively with First 5 Riverside County staff and other Community Program Staff to expand capacity and community services.
    i. Actively link and build ways to partner with health programs, public schools, Head Start programs, or other childhood educational settings.
b. Working collaboratively with First 5 Riverside County Family Resource Center staff to develop strategies and interventions to remove barriers that prevent families from accessing services.
    i. Contributes to the assessment & understanding of community needs.
    ii. Design strategies that specifically target working with organizations that serve culturally diverse communities.
c. Actively participates in cross-agency coordination and collaborative meetings.

Communications and Marketing

4. Develops, coordinates, implements, and maintains a long-range public education and awareness plan.
5. Performs public speaking activities, including:
    a. Representing the agency and FRC Network at public hearings and community functions; and
    b. Coordinating and/or participating in special community events and public recognition programs as it relates to each program and open house activities.

Case Management Support

6. Participate in case reviews/disposition, and case consultation, with home visiting program staff, FRC social workers, and other related staff as appropriate.
7. Informing home visiting program staff, FRC social workers, and other specialized community support staff of available services for families and potentially assisting staff with the referral of the family to the appropriate agency for continued care.

Administrative Duties

8. Assist in the data management of the agreed-upon program deliverables related to identifying resources and referrals for families.
    a. Assist with program start-up activities and subsequent (ongoing) statistical, recording, and reporting activities.
9. Suggest, organize, and order giveaway items and educational materials; and maintain an inventory of these supplies.
10. Supports in the preparation of program deliverables and budgets of related programs; reviews program progress and outcomes on an ongoing basis to ensure conformance with established deliverables.
11. Contributes to the evaluation of related program activities to ensure program/contract compliance with goals and objectives. Implements corrective measures as required.
12. Tracks new program initiatives and trends related to young children and families to remain updated in the field and participates in relevant training that is offered.

Qualifications

13. CONTRACTOR will be responsible to apply qualifications, experience and education background requirements necessary to fulfill this scope of work in accordance with their job-classification and HR policy framework.

ATTACHMENT B: BUDGET

	FY22/23	FY23/24	FY24/25	FY25/26	Total Contract
Personnel Expenses					
Salaries	$ 52,500.00	$ 70,000.00	$ 70,000.00	$ 70,000.00	$ 262,500.00
Benefits	$ 10,227.27	$ 13,636.36	$ 13,636.36	$ 13,636.36	$ 51,136.35
Salaries & Benefits	**$ 62,727.27**	**$ 83,636.36**	**$ 83,636.36**	**$ 83,636.36**	**$ 313,636.35**
Operational Expenses					
Materials	$ 3,000.00	$ 4,000.00	$ 4,000.00	$ 4,000.00	$ 15,000.00
Transportation	$ 3,000.00	$ 4,000.00	$ 4,000.00	$ 4,000.00	$ 15,000.00
Operational Expenses	**$ 6,000.00**	**$ 8,000.00**	**$ 8,000.00**	**$ 8,000.00**	**$ 30,000.00**
Indirect Expenses*	**$ 6,272.73**	**$ 8,363.64**	**$ 8,363.64**	**$ 8,363.64**	**$ 31,363.65**
Total Expenses	**$ 75,000.00**	**$ 100,000.00**	**$ 100,000.00**	**$ 100,000.00**	**$ 375,000.00**

*: Indirect Expenses are calculated as 10% of Personnel Expenses (Salaries & Benefits), no backup documentation is required for the Indirect Expenses as it is directly related to the Salaries and Benefits.

ATTACHMENT C: PAYMENT PROVISIONS

A. FISCAL

The maximum amount reimbursable over the life of this Contract shall not exceed **$375,000** for the duration of the Contract period as awarded by the Riverside County Children and Families Commission, also known as First 5 Riverside County, (hereinafter the "COMMISSION" or "COUNTY"), provided pursuant to the California Children and Families Act of 1998, also known as Proposition 10.

CONTRACT PERIOD: **10/1/2022** – **06/30/2026**

1. Method, Time, and Schedule Conditions of Payment

    a. The COMMISSION will disburse funds on a reimbursement payment process based on the Contract Budget (Attachment "B") amount for the applicable fiscal year and monthly report submissions. Payment will be rendered thirty (30) business days from submission of all required documentation and/or the reporting deadline.

    b. Disbursement of any payment of funds to CONTRACTOR shall be made so long as all of the following conditions have been met:

        1. The Contract has been approved by the COMMISSION;
        2. The Contract has been fully executed by all parties;
        3. All applicable licenses to comply with the terms of the SOW are current and valid;
        4. CONTRACTOR shall give 3 business days' notice of any change in the qualified staffing of the funded position;
        5. CONTRACTOR shall only be reimbursed for any cost if the funded position is held by a qualified individual in the month for which an invoice is submitted and only for expenses incurred during the period that the position was staffed;
        6. The CONTRACTOR submits monthly itemized invoices, via the data management system to include the supporting documentation separated by a cover sheet in front of each expense category. Documentation shall include; payroll register or report, time & activity report and/or, timesheets, statement of costs of materials with copies of invoices and/or receipts, mileage report(s), copies of check(s) or proof of payment;

    c. Under special circumstances, CONTRACTOR may request advance disbursements. A supplemental disbursement request along with justification must be submitted, in writing, to the Executive Director or designee.

    d. The COMMISSION Executive Director, or designee, reserves the right to withhold or reduce disbursement of funds if CONTRACTOR fails to 1) comply with monthly and/or quarterly reports by the indicated due date as set forth in Section 11 of the Contract; 2) if results achieved are not as projected and no COMMISSION approved plan is in place for improvement; 3) if the funded position is vacant; or 4) if the CONTRACTOR is not in compliance with any provision contained within this Contract.

    e. The final funding period amount approved for the applicable fiscal year will be paid based on final expenditures as of June 30th, and reported as of the final deadline to submit program expenditures defined in Section 11. Fiscal and Program Reporting Requirements, A. Fiscal Reporting. Expenditures made after June 30th will not be accepted.

2. Allowable Costs

Funds provided pursuant to this Contract shall be expended by the CONTRACTOR in accordance with the Budget.

a. Such specified expenditures will be further limited to those that are considered both reasonable and necessary as determined by the COMMISSION. CONTRACTOR agrees COMMISSION may recover any payments for services or goods, including rental of facilities, which were not reasonable and necessary, or which exceeded the fair market value. The recovery shall be limited to payments over and above reasonable or fair market amounts and any costs of recovery.

b. The reasonable and allowable reimbursement rate for use of motor vehicles, travel expenses and food are based on the current IRS allowable rate.

c. Contractor shall obtain approval for all overnight travel and out of State travel as it relates to services provided in this Contract. Reimbursement as it relates to pre-approved travel will be based on the Federal allowable rate. Request must be submitted in writing thirty (30) days in advance of travel date and travel must be approved in advance by COMMISSION management.

Funds provided pursuant to this Contract shall be expended by CONTRACTOR in accordance with the Budget.

d. Such specified expenditures will be further limited to those that are considered both reasonable and necessary as determined by the COMMISSION. CONTRACTOR agrees COMMISSION may recover any payments for services or goods, including rental of facilities, which were not reasonable and necessary, or which exceeded the fair market value. The recovery shall be limited to payments over and above reasonable or fair market amounts and any costs of recovery.

e. The reasonable and allowable reimbursement rate for use of motor vehicles, travel expenses and food are based on the current IRS allowable rate.

f. Contractor shall obtain approval for all overnight travel and out of State travel as it relates to services provided in this Contract. Reimbursement as it relates to pre-approved travel will be based on the Federal allowable rate. Request must be submitted in writing thirty (30) days in advance of travel date and travel must be approved in advance by COMMISSION management.

ATTACHMENT D:
COMPREHENSIVE TOBACCO CONTROL POLICY

As a material condition of the Contract, the CONTRACTOR shall agree that the CONTRACTOR and the CONTRACTOR'S employees, while receiving funding from the COMMISSION:

1. Shall not use tobacco products while using the CONTRACTOR'S property e.g., vehicle, equipment; and

2. Shall not sell, offer, or provide tobacco products on CONTRACTOR 'S premises; and

3. Shall have tobacco education and cessation materials visibly available and accessible to clients participating in activities funded by Proposition 10 funds; and

4. Shall assure that the CONTRACTOR and its employees have no current business association or relationship with the tobacco industry, and further agrees to neither accept nor solicit financial contributions, sponsorships, gifts, or services from any tobacco company, executive, or tobacco-related function; and

5. Shall make a reasonable effort to divest of all investments in companies that derive fifteen percent (15%) or more of revenues from tobacco.

The COMMISSION may terminate for default or breach of this Contract and any other Contract the CONTRACTOR has with the COMMISSION, if the CONTRACTOR or CONTRACTOR'S employees, are determined by the COMMISSION Executive Director (or designee), not to be in compliance with the conditions set forth herein.

If the CONTRACTOR or CONTRACTOR'S employees are determined by the COMMISSION Executive Director (or designee) not to be in compliance with the conditions set forth herein, the COMMISSION may terminate for default or breach of this Contract and any other Contract the COMMISSION has with the CONTRACTOR.

In instances where the CONTRACTOR is part of a larger entity, and where the entity has an investment policy set by governance officials other than the CONTRACTOR, and the CONTRACTOR is not directly involved in such investment decisions, CONTRACTOR agrees to the provisions herein as required in the programs and activities under the direct control of the CONTRACTOR to the satisfaction of the COMMISSION Executive Director (or designee). Activities of the larger entity other than investment decisions, which are not under the direct control of CONTRACTOR, shall not be considered to be in violation of CONTRACTOR'S activities pursuant to the policy.

ATTACHMENT E:
HIPAA BUSINESS ASSOCIATE AGREEMENT
Addendum to Contract

Between the County of Riverside and California Family Life Center

This HIPAA Business Associate Agreement (the "Addendum") supplements, and is made part of the Underlying Agreement between the County of Riverside ("County") and Contractor and shall be effective as of the date the Underlying Agreement approved by both Parties (the "Effective Date").

RECITALS

WHEREAS, County and Contractor entered into the Underlying Agreement pursuant to which the Contractor provides services to County, and in conjunction with the provision of such services certain protected health information ("PHI") and/or certain electronic protected health information ("ePHI") may be created by or made available to Contractor for the purposes of carrying out its obligations under the Underlying Agreement; and,

WHEREAS, the provisions of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), Public Law 104-191 enacted August 21, 1996, and the Health Information Technology for Economic and Clinical Health Act ("HITECH") of the American Recovery and Reinvestment Act of 2009, Public Law 111-5 enacted February 17, 2009, and the laws and regulations promulgated subsequent thereto, as may be amended from time to time, are applicable to the protection of any use or disclosure of PHI and/or ePHI pursuant to the Underlying Agreement; and,

WHEREAS, County is a covered entity, as defined in the Privacy Rule; and,

WHEREAS, to the extent County discloses PHI and/or ePHI to Contractor or Contractor creates, receives, maintains, transmits, or has access to PHI and/or ePHI of County, Contractor is a business associate, as defined in the Privacy Rule; and,

WHEREAS, pursuant to 42 USC §17931 and §17934, certain provisions of the Security Rule and Privacy Rule apply to a business associate of a covered entity in the same manner that they apply to the covered entity, the additional security and privacy requirements of HITECH are applicable to business associates and must be incorporated into the business associate agreement, and a business associate is liable for civil and criminal penalties for failure to comply with these security and/or privacy provisions; and,

WHEREAS, the parties mutually agree that any use or disclosure of PHI and/or ePHI must be in compliance with the Privacy Rule, Security Rule, HIPAA, HITECH and any other applicable law; and,

WHEREAS, the parties intend to enter into this Addendum to address the requirements and obligations set forth in the Privacy Rule, Security Rule, HITECH and HIPAA as they apply to Contractor as a business associate of County, including the establishment of permitted and required uses and disclosures of PHI and/or ePHI created or received by Contractor during the course of performing functions, services and activities on behalf of County, and appropriate limitations and conditions on such uses and disclosures;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties agree as follows:

1. **Definitions.** Terms used, but not otherwise defined, in this Addendum shall have the same meaning as those terms in HITECH, HIPAA, Security Rule and/or Privacy Rule, as may be amended from time to time.

   A. "Breach" when used in connection with PHI means the acquisition, access, use or disclosure of PHI in a manner not permitted under subpart E of the Privacy Rule which compromises the security or privacy of the PHI, and shall have the meaning given such term in 45 CFR §164.402.

(1) Except as provided below in Paragraph (2) of this definition, acquisition, access, use, or disclosure of PHI in a manner not permitted by subpart E of the Privacy Rule is presumed to be a breach unless Contractor demonstrates that there is a low probability that the PHI has been compromised based on a risk assessment of at least the following four factors:

(a) The nature and extent of the PHI involved, including the types of identifiers and the likelihood of re-identification;

(b) The unauthorized person who used the PHI or to whom the disclosure was made;

(c) Whether the PHI was actually acquired or viewed; and

(d) The extent to which the risk to the PHI has been mitigated.

(2) Breach excludes:

(a) Any unintentional acquisition, access or use of PHI by a workforce member or person acting under the authority of a covered entity or business associate, if such acquisition, access or use was made in good faith and within the scope of authority and does not result in further use or disclosure in a manner not permitted under subpart E of the Privacy Rule.

(b) Any inadvertent disclosure by a person who is authorized to access PHI at a covered entity or business associate to another person authorized to access PHI at the same covered entity, business associate, or organized health care arrangement in which County participates, and the information received as a result of such disclosure is not further used or disclosed in a manner not permitted by subpart E of the Privacy Rule.

(c) A disclosure of PHI where a covered entity or business associate has a good faith belief that an unauthorized person to whom the disclosure was made would not reasonably have been able to retain such information.

B. "Business associate" has the meaning given such term in 45 CFR §164.501, including but not limited to a subcontractor that creates, receives, maintains, transmits or accesses PHI on behalf of the business associate.

C. "Data aggregation" has the meaning given such term in 45 CFR §164.501.

D. "Designated record set" as defined in 45 CFR §164.501 means a group of records maintained by or for a covered entity that may include: the medical records and billing records about individuals maintained by or for a covered health care provider; the enrollment, payment, claims adjudication, and case or medical management record systems maintained by or for a health plan; or, used, in whole or in part, by or for the covered entity to make decisions about individuals.

E. "Electronic protected health information" ("ePHI") as defined in 45 CFR §160.103 means protected health information transmitted by or maintained in electronic media.

F. "Electronic health record" means an electronic record of health-related information on an individual that is created, gathered, managed, and consulted by authorized health care clinicians and staff, and shall have the meaning given such term in 42 USC §17921(5).

G. "Health care operations" has the meaning given such term in 45 CFR §164.501.

H. "Individual" as defined in 45 CFR §160.103 means the person who is the subject of protected health information.

I. "Person" as defined in 45 CFR §160.103 means a natural person, trust or estate, partnership, corporation, professional association or corporation, or other entity, public or private.

J. "Privacy Rule" means the HIPAA regulations codified at 45 CFR Parts 160 and 164, Subparts A and E.

K. "Protected health information" ("PHI") has the meaning given such term in 45 CFR §160.103, which includes ePHI.

L. "Required by law" has the meaning given such term in 45 CFR §164.103.

M. "Secretary" means the Secretary of the U.S. Department of Health and Human Services ("HHS").

N. "Security incident" as defined in 45 CFR §164.304 means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system.

O. "Security Rule" means the HIPAA Regulations codified at 45 CFR Parts 160 and 164, Subparts A and C.

P. "Subcontractor" as defined in 45 CFR §160.103 means a person to whom a business associate delegates a function, activity, or service, other than in the capacity of a member of the workforce of such business associate.

Q. "Unsecured protected health information" and "unsecured PHI" as defined in 45 CFR §164.402 means PHI not rendered unusable, unreadable, or indecipherable to unauthorized persons through use of a technology or methodology specified by the Secretary in the guidance issued under 42 USC §17932(h)(2).

2. <u>Scope of Use and Disclosure by Contractor of County's PHI and/or ePHI</u>.

A. Except as otherwise provided in this Addendum, Contractor may use, disclose, or access PHI and/or ePHI as necessary to perform any and all obligations of Contractor under the Underlying Agreement or to perform functions, activities or services for, or on behalf of, County as specified in this Addendum, if such use or disclosure does not violate HIPAA, HITECH, the Privacy Rule and/or Security Rule.

B. Unless otherwise limited herein, in addition to any other uses and/or disclosures permitted or authorized by this Addendum or required by law, in accordance with 45 CFR §164.504(e)(2), Contractor may:

1) Use PHI and/or ePHI if necessary for Contractor's proper management and administration and to carry out its legal responsibilities; and,

2) Disclose PHI and/or ePHI for the purpose of Contractor's proper management and administration or to carry out its legal responsibilities, only if:

a) The disclosure is required by law; or,

b) Contractor obtains reasonable assurances, in writing, from the person to whom Contractor will disclose such PHI and/or ePHI that the person will:

i. Hold such PHI and/or ePHI in confidence and use or further disclose it only for the purpose for which Contractor disclosed it to the person, or as required by law; and,

ii. Notify County of any instances of which it becomes aware in which the confidentiality of the information has been breached; and,

3) Use PHI to provide data aggregation services relating to the health care operations of County pursuant to the Underlying Agreement or as requested by County; and,

4) De-identify all PHI and/or ePHI of County received by Contractor under this Addendum provided that the de-identification conforms to the requirements of the Privacy Rule and/or Security Rule and does not preclude timely payment and/or claims processing and receipt.

C. Notwithstanding the foregoing, in any instance where applicable state and/or federal laws and/or regulations are more stringent in their requirements than the provisions of HIPAA, including, but not limited to, prohibiting disclosure of mental health and/or substance abuse records, the applicable state and/or federal laws and/or regulations shall control the disclosure of records.

3. **Prohibited Uses and Disclosures.**

A. Contractor may neither use, disclose, nor access PHI and/or ePHI in a manner not authorized by the Underlying Agreement or this Addendum without patient authorization or de-identification of the PHI and/or ePHI and as authorized in writing from County.

B. Contractor may neither use, disclose, nor access PHI and/or ePHI it receives from County or from another business associate of County, except as permitted or required by this Addendum, or as required by law.

C. Contractor agrees not to make any disclosure of PHI and/or ePHI that County would be prohibited from making.

D. Contractor shall not use or disclose PHI for any purpose prohibited by the Privacy Rule, Security Rule, HIPAA and/or HITECH, including, but not limited to 42 USC §17935 and §17936. Contractor agrees:

1) Not to use or disclose PHI for fundraising , unless pursuant to the Underlying Agreement and only if permitted by and in compliance with the requirements of 45 CFR §164.514(f) or 45 CFR §164.508;

2) Not to use or disclose PHI for marketing, as defined in 45 CFR §164.501, unless pursuant to the Underlying Agreement and only if permitted by and in compliance with the requirements of 45 CFR §164.508(a)(3);

3) Not to disclose PHI, except as otherwise required by law, to a health plan for purposes of carrying out payment or health care operations, if the individual has requested this restriction pursuant to 42 USC §17935(a) and 45 CFR §164.522, and has paid out of pocket in full for the health care item or service to which the PHI solely relates; and,

4) Not to receive, directly or indirectly, remuneration in exchange for PHI, or engage in any act that would constitute a sale of PHI, as defined in 45 CFR §164.502(a)(5)(ii), unless permitted by the Underlying Agreement and in compliance with the requirements of a valid authorization under 45 CFR §164.508(a)(4). This prohibition shall not apply to payment by County to Contractor for services provided pursuant to the Underlying Agreement.

4. **Obligations of County.**

A. County agrees to make its best efforts to notify Contractor promptly in writing of any restrictions on the use or disclosure of PHI and/or ePHI agreed to by County that may affect Contractor's ability to perform its obligations under the Underlying Agreement, or this Addendum.

B. County agrees to make its best efforts to promptly notify Contractor in writing of any changes in, or revocation of, permission by any individual to use or disclose PHI and/or ePHI, if such changes or revocation may affect Contractor's ability to perform its obligations under the Underlying Agreement, or this Addendum.

C. County agrees to make its best efforts to promptly notify Contractor in writing of any known limitation(s) in its notice of privacy practices to the extent that such limitation may affect Contractor's use or disclosure of PHI and/or ePHI.

D. County agrees not to request Contractor to use or disclose PHI and/or ePHI in any manner that would not be permissible under HITECH, HIPAA, the Privacy Rule, and/or Security Rule.

E. County agrees to obtain any authorizations necessary for the use or disclosure of PHI and/or ePHI, so that Contractor can perform its obligations under this Addendum and/or Underlying Agreement.

5. **Obligations of Contractor.** In connection with the use or disclosure of PHI and/or ePHI, Contractor agrees to:

A. Use or disclose PHI only if such use or disclosure complies with each applicable requirement of 45 CFR §164.504(e). Contractor shall also comply with the additional privacy requirements that are applicable to covered entities in HITECH, as may be amended from time to time.

B. Not use or further disclose PHI and/or ePHI other than as permitted or required by this Addendum or as required by law. Contractor shall promptly notify County if Contractor is required by law to disclose PHI and/or ePHI.

C. Use appropriate safeguards and comply, where applicable, with the Security Rule with respect to ePHI, to prevent use or disclosure of PHI and/or ePHI other than as provided for by this Addendum.

D. Mitigate, to the extent practicable, any harmful effect that is known to Contractor of a use or disclosure of PHI and/or ePHI by Contractor in violation of this Addendum.

E. Report to County any use or disclosure of PHI and/or ePHI not provided for by this Addendum or otherwise in violation of HITECH, HIPAA, the Privacy Rule, and/or Security Rule of which Contractor becomes aware, including breaches of unsecured PHI as required by 45 CFR §164.410.

F. In accordance with 45 CFR §164.502(e)(1)(ii), require that any subcontractors that create, receive, maintain, transmit or access PHI on behalf of the Contractor agree through contract to the same restrictions and conditions that apply to Contractor with respect to such PHI and/or ePHI, including the restrictions and conditions pursuant to this Addendum.

G. Make available to County or the Secretary, in the time and manner designated by County or Secretary, Contractor's internal practices, books and records relating to the use, disclosure and privacy protection of PHI received from County, or created or received by Contractor on behalf of County, for purposes of determining, investigating or auditing Contractor's and/or County's compliance with the Privacy Rule.

H. Request, use or disclose only the minimum amount of PHI necessary to accomplish the intended purpose of the request, use or disclosure in accordance with 42 USC §17935(b) and 45 CFR §164.502(b)(1).

I. Comply with requirements of satisfactory assurances under 45 CFR §164.512 relating to notice or qualified protective order in response to a third party's subpoena, discovery request, or other lawful process for the disclosure of PHI, which Contractor shall promptly notify County upon Contractor's receipt of such request from a third party.

J. Not require an individual to provide patient authorization for use or disclosure of PHI as a condition for treatment, payment, enrollment in any health plan (including the health plan administered by County), or eligibility of benefits, unless otherwise excepted under 45 CFR §164.508(b)(4) and authorized in writing by County.

K. Use appropriate administrative, technical and physical safeguards to prevent inappropriate use, disclosure, or access of PHI and/or ePHI.

L. Obtain and maintain knowledge of applicable laws and regulations related to HIPAA and HITECH, as may be amended from time to time.

M. Comply with the requirements of the Privacy Rule that apply to the County to the extent Contractor is to carry out County's obligations under the Privacy Rule.

N. Take reasonable steps to cure or end any pattern of activity or practice of its subcontractor of which Contractor becomes aware that constitute a material breach or violation of the subcontractor's obligations under the business associate contract with Contractor, and if such steps are unsuccessful, Contractor agrees to terminate its contract with the subcontractor if feasible.

6. **Access to PHI, Amendment and Disclosure Accounting.** Contractor agrees to:

A. **Access to PHI, including ePHI.** Provide access to PHI, including ePHI if maintained electronically, in a designated record set to County or an individual as directed by County, within five (5) days of request from County, to satisfy the requirements of 45 CFR §164.524.

B. **Amendment of PHI.** Make PHI available for amendment and incorporate amendments to PHI in a designated record set County directs or agrees to at the request of an individual, within fifteen (15) days of receiving a written request from County, in accordance with 45 CFR §164.526.

C. **Accounting of disclosures of PHI and electronic health record.** Assist County to fulfill its obligations to provide accounting of disclosures of PHI under 45 CFR §164.528 and, where applicable, electronic health records under 42 USC §17935(c) if Contractor uses or maintains electronic health records. Contractor shall:

1) Document such disclosures of PHI and/or electronic health records, and information related to such disclosures, as would be required for County to respond to a request by an individual for an accounting of disclosures of PHI and/or electronic health record in accordance with 45 CFR §164.528.

2) Within fifteen (15) days of receiving a written request from County, provide to County or any individual as directed by County information collected in accordance with this section to permit County to respond to a request by an individual for an accounting of disclosures of PHI and/or electronic health record.

3) Make available for County information required by this Section 6.C for six (6) years preceding the individual's request for accounting of disclosures of PHI, and for three (3) years preceding the individual's request for accounting of disclosures of electronic health record.

7. **Security of ePHI.** In the event County discloses ePHI to Contractor or Contractor needs to create, receive, maintain, transmit or have access to County ePHI, in accordance with 42 USC §17931 and 45 CFR §164.314(a)(2)(i), and §164.306, Contractor shall:

A. Comply with the applicable requirements of the Security Rule, and implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of ePHI that Contractor creates, receives, maintains, or transmits on behalf of County in accordance with 45 CFR §164.308, §164.310, and §164.312;

B. Comply with each of the requirements of 45 CFR §164.316 relating to the implementation of policies, procedures and documentation requirements with respect to ePHI;

C. Protect against any reasonably anticipated threats or hazards to the security or integrity of ePHI;

D. Protect against any reasonably anticipated uses or disclosures of ePHI that are not permitted or required under the Privacy Rule;

E. Ensure compliance with the Security Rule by Contractor's workforce;

F. In accordance with 45 CFR §164.308(b)(2), require that any subcontractors that create, receive, maintain, transmit, or access ePHI on behalf of Contractor agree through contract to the same restrictions and requirements contained in this Addendum and comply with the applicable requirements of the Security Rule;

G. Report to County any security incident of which Contractor becomes aware, including breaches of unsecured PHI as required by 45 CFR §164.410; and,

H. Comply with any additional security requirements that are applicable to covered entities in Title 42 (Public Health and Welfare) of the United States Code, as may be amended from time to time, including but not limited to HITECH.

8. **Breach of Unsecured PHI.** In the case of breach of unsecured PHI, Contractor shall comply with the applicable provisions of 42 USC §17932 and 45 CFR Part 164, Subpart D, including but not limited to 45 CFR §164.410.

A. **Discovery and notification.** Following the discovery of a breach of unsecured PHI, Contractor shall notify County in writing of such breach without unreasonable delay and in no case later than 60 calendar days after discovery of a breach, except as provided in 45 CFR §164.412.

1) **Breaches treated as discovered.** A breach is treated as discovered by Contractor as of the first day on which such breach is known to Contractor or, by exercising reasonable diligence, would have been known to Contractor, which includes any person, other than the person committing the breach, who is an employee, officer, or other agent of Contractor (determined in accordance with the federal common law of agency).

2) **Content of notification.** The written notification to County relating to breach of unsecured PHI shall include, to the extent possible, the following information if known (or can be reasonably obtained) by Contractor:

a) The identification of each individual whose unsecured PHI has been, or is reasonably believed by Contractor to have been accessed, acquired, used or disclosed during the breach;

b) A brief description of what happened, including the date of the breach and the date of the discovery of the breach, if known;

c) A description of the types of unsecured PHI involved in the breach, such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code, or other types of information were involved;

d) Any steps individuals should take to protect themselves from potential harm resulting from the breach;

e) A brief description of what Contractor is doing to investigate the breach, to mitigate harm to individuals, and to protect against any further breaches; and,

f) Contact procedures for individuals to ask questions or learn additional information, which shall include a toll-free telephone number, an e-mail address, web site, or postal address.

B. **Cooperation.** With respect to any breach of unsecured PHI reported by Contractor, Contractor shall cooperate with County and shall provide County with any information requested by County to enable County to fulfill in a timely manner its own reporting and notification obligations, including but not limited to providing notice to individuals, prominent media outlets and the Secretary in accordance with 42 USC §17932 and 45 CFR §164.404, §164.406 and §164.408.

C. **Breach log.** To the extent breach of unsecured PHI involves less than 500 individuals, Contractor shall maintain a log or other documentation of such breaches and provide such log or other documentation on an annual basis to County not later than fifteen (15) days after the end of each calendar year for submission to the Secretary.

D. **Delay of notification authorized by law enforcement.** If Contractor delays notification of breach of unsecured PHI pursuant to a law enforcement official's statement that required notification, notice or posting would impede a criminal investigation or cause damage to national security, Contractor shall maintain documentation sufficient to demonstrate its compliance with the requirements of 45 CFR §164.412.

E. **Payment of costs.** With respect to any breach of unsecured PHI caused solely by the Contractor's failure to comply with one or more of its obligations under this Addendum and/or the provisions of HITECH, HIPAA, the Privacy Rule or the Security Rule, Contractor agrees to pay any and all costs associated with providing all legally required notifications to individuals, media outlets, and the Secretary. This provision shall not be construed to limit or diminish Contractor's obligations to indemnify, defend and hold harmless County under Section 9 of this Addendum.

F. **Documentation.** Pursuant to 45 CFR §164.414(b), in the event Contractor's use or disclosure of PHI and/or ePHI violates the Privacy Rule, Contractor shall maintain documentation sufficient to demonstrate that all notifications were made by Contractor as required by 45 CFR Part 164, Subpart D, or that such use or disclosure did not constitute a breach, including Contractor's completed risk assessment and investigation documentation.

G. **Additional State Reporting Requirements.** The parties agree that this Section 8.G applies only if and/or when County, in its capacity as a licensed clinic, health facility, home health agency, or hospice, is required to report unlawful or unauthorized access, use, or disclosure of medical information under the more stringent requirements of California Health & Safety Code §1280.15. For purposes of this Section 8.G, "unauthorized" has the meaning given such term in California Health & Safety Code §1280.15(j)(2).

1) Contractor agrees to assist County to fulfill its reporting obligations to affected patients and to the California Department of Public Health ("CDPH") in a timely manner under the California Health & Safety Code §1280.15.

2) Contractor agrees to report to County any unlawful or unauthorized access, use, or disclosure of patient's medical information without unreasonable delay and no later than two (2) business days after Contractor detects such incident. Contractor further agrees such report shall be made in writing, and shall include substantially the same types of information listed above in Section 8.A.2 (Content of Notification) as applicable to the unlawful or unauthorized access, use, or disclosure as defined above in this section, understanding and acknowledging that the term "breach" as used in Section 8.A.2 does not apply to California Health & Safety Code §1280.15.

9. **Hold Harmless/Indemnification.**

A. Contractor agrees to indemnify and hold harmless County, all Agencies, Districts, Special Districts and Departments of County, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives from any liability whatsoever, based or asserted upon any services of Contractor, its officers, employees, subcontractors, agents or representatives arising out

of or in any way relating to this Addendum, including but not limited to property damage, bodily injury, death, or any other element of any kind or nature whatsoever arising from the performance of Contractor, its officers, agents, employees, subcontractors, agents or representatives from this Addendum. Contractor shall defend, at its sole expense, all costs and fees, including but not limited to attorney fees, cost of investigation, defense and settlements or awards, of County, all Agencies, Districts, Special Districts and Departments of County, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents or representatives in any claim or action based upon such alleged acts or omissions.

B. With respect to any action or claim subject to indemnification herein by Contractor, Contractor shall, at their sole cost, have the right to use counsel of their choice, subject to the approval of County, which shall not be unreasonably withheld, and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of County; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes Contractor's indemnification to County as set forth herein. Contractor's obligation to defend, indemnify and hold harmless County shall be subject to County having given Contractor written notice within a reasonable period of time of the claim or of the commencement of the related action, as the case may be, and information and reasonable assistance, at Contractor's expense, for the defense or settlement thereof. Contractor's obligation hereunder shall be satisfied when Contractor has provided to County the appropriate form of dismissal relieving County from any liability for the action or claim involved.

C. The specified insurance limits required in the Underlying Agreement of this Addendum shall in no way limit or circumscribe Contractor's obligations to indemnify and hold harmless County herein from third party claims arising from issues of this Addendum.

D. In the event there is conflict between this clause and California Civil Code §2782, this clause shall be interpreted to comply with Civil Code §2782. Such interpretation shall not relieve the Contractor from indemnifying County to the fullest extent allowed by law.

E. In the event there is a conflict between this indemnification clause and an indemnification clause contained in the Underlying Agreement of this Addendum, this indemnification shall only apply to the subject issues included within this Addendum.

10. **Term.** This Addendum shall commence upon the Effective Date and shall terminate when all PHI and/or ePHI provided by County to Contractor, or created or received by Contractor on behalf of County, is destroyed or returned to County, or, if it is infeasible to return or destroy PHI and/ePHI, protections are extended to such information, in accordance with section 11.B of this Addendum.

11. **Termination.**

A. **Termination for Breach of Contract.** A breach of any provision of this Addendum by either party shall constitute a material breach of the Underlying Agreement and will provide grounds for terminating this Addendum and the Underlying Agreement with or without an opportunity to cure the breach, notwithstanding any provision in the Underlying Agreement to the contrary. Either party, upon written notice to the other party describing the breach, may take any of the following actions:

1) Terminate the Underlying Agreement and this Addendum, effective immediately, if the other party breaches a material provision of this Addendum.

2) Provide the other party with an opportunity to cure the alleged material breach and in the event the other party fails to cure the breach to the satisfaction of the non-breaching party in a timely manner, the non-breaching party has the right to immediately terminate the Underlying Agreement and this Addendum.

3) If termination of the Underlying Agreement is not feasible, the breaching party, upon the request of the non-breaching party, shall implement, at its own expense, a plan to cure the breach and report regularly on its compliance with such plan to the non-breaching party.

B. **Effect of Termination.**

1) Upon termination of this Addendum, for any reason, Contractor shall return or, if agreed to in writing by County, destroy all PHI and/or ePHI received from County, or created or received by the Contractor on behalf of County, and, in the event of destruction, Contractor shall certify such destruction, in writing, to County. This provision shall apply to all PHI and/or ePHI which are in the possession of subcontractors or agents of Contractor. Contractor shall retain no copies of PHI and/or ePHI, except as provided below in paragraph (2) of this section.
2) In the event that Contractor determines that returning or destroying the PHI and/or ePHI is not feasible, Contractor shall provide written notification to County of the conditions that make such return or destruction not feasible. Upon determination by Contractor that return or destruction of PHI and/or ePHI is not feasible, Contractor shall extend the protections of this Addendum to such PHI and/or ePHI and limit further uses and disclosures of such PHI and/or ePHI to those purposes which make the return or destruction not feasible, for so long as Contractor maintains such PHI and/or ePHI.

12. **General Provisions.**

A. **Retention Period.** Whenever Contractor is required to document or maintain documentation pursuant to the terms of this Addendum, Contractor shall retain such documentation for 6 years from the date of its creation or as otherwise prescribed by law, whichever is later.

B. **Amendment.** The parties agree to take such action as is necessary to amend this Addendum from time to time as is necessary for County to comply with HITECH, the Privacy Rule, Security Rule, and HIPAA generally.

C. **Survival.** The obligations of Contractor under Sections 3, 5, 6, 7, 8, 9, 11.B and 12.A of this Addendum shall survive the termination or expiration of this Addendum.

D. **Regulatory and Statutory References.** A reference in this Addendum to a section in HITECH, HIPAA, the Privacy Rule and/or Security Rule means the section(s) as in effect or as amended.

E. **Conflicts.** The provisions of this Addendum shall prevail over any provisions in the Underlying Agreement that conflict or appear inconsistent with any provision in this Addendum.

F. **Interpretation of Addendum.**

1) This Addendum shall be construed to be part of the Underlying Agreement as one document. The purpose is to supplement the Underlying Agreement to include the requirements of the Privacy Rule, Security Rule, HIPAA and HITECH.
2) Any ambiguity between this Addendum and the Underlying Agreement shall be resolved to permit County to comply with the Privacy Rule, Security Rule, HIPAA and HITECH generally.

G. **Notices to County.** All notifications required to be given by Contractor to County pursuant to the terms of this Addendum shall be made in writing and delivered to the County both by fax and to both of the addresses listed below by either registered or certified mail return receipt requested or guaranteed overnight mail with tracing capability, or at such other address as County may hereafter designate. All notices to County provided by Contractor pursuant to this Section shall be deemed given or made when received by County.

County HIPAA Privacy Officer:	HIPAA Privacy Manager
County HIPAA Privacy Officer Address:	26520 Cactus Avenue, Moreno Valley, CA 92555
County HIPAA Privacy Officer Phone Number:	(951) 486-6471

CF23104 California Family Life Center - FRC Network Expansion

Final Audit Report 2022-10-18

Created:	2022-10-17
By:	Marinus Van Eenennaam (MVEenenn@RIVCO.ORG)
Status:	Signed
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"CF23104 California Family Life Center - FRC Network Expansion" History

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Document e-signed by Lynn Stephens (lstephens@rivco.org)

Signature Date: 2022-10-18 - 6:55:17 PM GMT - Time Source: server

Agreement completed.

2022-10-18 - 6:55:17 PM GMT

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RIVERSIDE COUNTY CHILDREN AND FAMILIES COMMISSION
CONTRACT
INVESTMENT OF FUNDS
585 Technology Court
Riverside, California 92507

RCCFC AWARD:	**CF23106 FRC Network Expansion**
CONTRACTOR:	Family Service Association, Inc.
CONTRACT TERM:	**10/1/2022 – 06/30/2026**
MAXIMUM REIMBURSABLE AMOUNT:	**$375,000**

The CONTRACTOR designated above is hereby certified for an investment of funds in an amount not to exceed $375,000.

Compensation: The maximum reimbursable amount over the life of the Contract for Investment of Funds (hereinafter the "Contract") shall not exceed $375,000 as awarded by the Riverside County Children and Families Commission, also known as First 5 Riverside, (hereinafter the "COMMISSION" or "COUNTY"), provided pursuant to the California Children and Families Act of 1998, also known as Proposition 10, to provide services and results as set forth in Attachments A, B, C and D attached hereto as incorporated herein by reference, subject to the following terms and conditions:

IN WITNESS WHEREOF, COMMISSION and CONTRACTOR have executed this Contract.

Authorized Signature for COMMISSION:	Authorized Signature for CONTRACTOR:
	Shannon Gonzalez
Tammi Graham, Executive Director Tammi Graham Tammi Graham (Oct 24, 2022 17:00 PDT)	Printed Name of Person Signing: Shannon Gonzalez
Date Signed: Oct 24, 2022	Title: Chief Operating Officer
585 Technology Court Riverside, CA 92507-2423	Address: 21250 Box Springs Road, Suite 212 Moreno Valley, CA 92570
APPROVED AS TO FORM SIGNATURE: Ronak Patel (Oct 17, 2022 15:35 PDT)	Date Signed: Oct 20, 2022
Ronak Patel County Counsel	ATTEST SIGNATURE: Lynn Stephens
Date Signed: Oct 17, 2022	Lynn M. Stephens Commission Coordinator
	Date Signed: Oct 25, 2022

RIVERSIDE COUNTY CHILDREN AND FAMILIES COMMISSION

CONTRACT TERMS AND CONDITIONS

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Terms and Conditions

1. NOTICES

All correspondence and notices required or contemplated by this Contract shall be delivered to the respective parties at the addresses set forth below and are deemed submitted one day after deposit in the United States mail, postage prepaid:

COMMISSION:	CONTRACTOR:
Tammi Graham, Executive Director	Shannon Gonzalez
First 5 Riverside	Family Service Association, Inc.
585 Technology Court	21250 Box Springs Road, Suite 212
Riverside, California 92507	Moreno Valley, CA 92570

Or to such other address as the parties may hereafter designate in writing.

2. SOURCE AND SCOPE OF CONTRACT

A. This Contract award is valid and enforceable only if sufficient funds are available to the COMMISSION from Proposition 10 tax dollars for the total term of the Contract. It is mutually agreed that if the State does not appropriate sufficient Proposition 10 funds, this Contract shall be amended to reflect any reduction in funds.

B. This Contract is subject to any additional restrictions, limitations, or conditions enacted by the State of California, which may affect the provisions, terms, or funding of this Contract in any manner.

C. This Contract award is designated for an investment of funds to provide services to address Child Health & Development, Quality Early Learning or Resilient Families in accordance with the current COMMISSION Strategic Plan. Services are to be provided to benefit children 0 through 5 years of age (may also be abbreviated as “0-5”) who reside in Riverside County.

3. DEFINITIONS

Terminology included within the Terms and Conditions of the Contract are defined by the Riverside County Children & Families Commission as stated below:

Commission: The Riverside County Children & Families Commission, an assembly of Commissioners appointed by the Riverside County Board of Supervisors, which is responsible for establishing policy and directing Proposition 10 funds at the County level.

Contractor: The government or other legal entity to which the Contract is awarded and which shall be accountable to the Commission for the use of funds provided.

County: The Riverside County Children & Families Commission, the County of Riverside, its Agencies, Districts, Special Districts and Departments, respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives.

Data Management System: An online data management system used to collect and analyze client demographics, services, and target accomplishments.

Executive Director: The designated lead director of the Commission.

Fiscal Year: The Commission’s fiscal year is July 1 through June 30.

Performance Target: The specific results that a CONTRACTOR will commit to achieving as outlined in the Scope of Work.

Performance Target Accomplishment Schedule: The specific timeline that a CONTRACTOR will commit to adhere to achieving specific results as outlined in the Scope of Work.

Probationary Status: CONTRACTOR is given notice of non-compliance after failing to correct deficiencies and has been placed in a status that may require additional monitoring, announced and unannounced visits, additional reporting by CONTRACTOR, an evaluation by COMMISSION staff and a report to the COMMISSION inclusive of recommendations regarding the disposition of the Contract.

Scope of Work (SOW): A documented qualitative and quantitative description of the project deliverables (i.e., what the CONTRACTOR is funded to do).

4. TERM

The term of this Contract shall be from 10/1/2022 through 06/30/2026 unless terminated sooner by the provisions herein by either party. Funds shall not be automatically renewed by the COMMISSION upon or after the term of the Contract except by formal amendment approved by the COMMISSION.

5. COMPLIANCE, DISALLOWANCE, WITHHOLDING

If CONTRACTOR fails to comply with any conditions contained within this Contract, the COMMISSION may place the CONTRACTOR in a probationary status, temporarily withhold payments until the deficiency is corrected, deny funds for all or part of the cost of activity not in compliance, and/or request repayment to the COMMISSION if any disallowance is rendered after audit findings. Written notification of non-compliance will be sent to the identified contact person and the CONTRACTOR'S Executive Director or other lead staff authorized by the CONTRACTOR'S governing board or ownership within twenty (20) working days.

6. TERMINATION

A. By COMMISSION: The COMMISSION may, by written notice to CONTRACTOR, terminate this Contract in whole or in part at any time for the reasons as set forth below. Upon receipt of notice, the CONTRACTOR shall immediately discontinue all services affected (unless the notice directs otherwise).

1. Termination for cause:

a. Due to Default or Breach of Contract. Upon default by the CONTRACTOR in the performance of this Contract or material breach of any of its provisions which include but are not limited to; change in status or delegation, assignment or alteration of the services outlined in Attachment A of this Contract, the COMMISSION may immediately terminate this Contract by written notice, which shall be effective upon receipt by CONTRACTOR, unless COMMISSION provides CONTRACTOR the opportunity to cure breach within twenty (20) working days of receipt of notice, and CONTRACTOR does so to COMMISSION'S satisfaction.

b. Due to Health and Safety Concerns of Clients. The COMMISSION may immediately terminate this Contract, at the sole discretion of the COMMISSION when the CONTRACTOR has been accused and found to be in violation of any county, state, or federal law and/or regulation related to the health and safety of clients. The Contract may also be immediately terminated at the sole discretion of the COMMISSION if the

CONTRACTOR fails to provide for the health and safety of clients served under this Contract where the health and safety of clients are placed at risk by CONTRACTOR.

c. **Due to Non-Appropriation.** It is mutually agreed that if either the federal or state budget of the current year and/or any subsequent years covered under this Contract does not appropriate sufficient funds for the program, this Contract shall be of no further force and effect. In this event, the COMMISSION shall have no liability to pay any funds whatsoever to the CONTRACTOR or to furnish any other considerations under this Contract and CONTRACTOR shall not be obligated to perform any provisions of this Contract. If funding for any fiscal year is reduced or deleted by the federal or state budgetary process for purposes of this program, the COMMISSION shall have the option to either cancel this Contract with no liability occurring to the COMMISSION or offer a Contract amendment to CONTRACTOR to reflect the reduced amount.

d. **Due to Non-Compliance.** Termination may occur if CONTRACTOR fails to provide the COMMISSION with any reports, data and information as required in this Contract. CONTRACTOR may be placed in a probationary status until compliance with the terms of the Contract has been met. CONTRACTOR will be given thirty (30) calendar days after the date of written notice by COMMISSION to cure the deficiency. If compliance is not met within the thirty (30) calendar days, the COMMISSION may move forward with termination of the Contract.

e. **Without Cause.** COMMISSION may terminate this Contract without cause upon thirty (30) days' written notice served upon the CONTRACTOR stating the extent and effective date of termination.

B. **By CONTRACTOR**: CONTRACTOR may terminate this Contract in whole or in part upon thirty (30) calendar days' written notice to the COMMISSION.

7. REQUIREMENT OF SUPPLEMENTING PROGRAM

Funds received pursuant to this Contract shall not be used to supplant any program of the CONTRACTOR. Proposition 10 funds shall ONLY be used to supplement a CONTRACTOR'S program. The COMMISSION endorses the California Children and Families Commission's interpretation of supplanting: The definition of "supplement" is to add to or augment something that currently exists, while "supplant" is defined as taking the place of something currently in existence. As defined in Health and Safety Code sections 130100 et seq. (the Children and Families Act), all monies raised pursuant to the Act shall be appropriated and expended by CONTRACTOR only to supplement existing levels of services. The Act specifically prohibits appropriation and expenditure of funds to supplant state or local general fund money for any purpose. Further, expenditures are prohibited for use to fund any existing levels of service.

8. DATA MANAGEMENT

CONTRACTOR agrees to participate in a comprehensive, countywide, internet-based evaluation and management process as defined by the COMMISSION. Participation shall include, but is not limited to, monthly input of program and financial data, submission of quarterly and annual Program Progress Reports (PPR), utilization of the COMMISSION developed reporting systems and Administrative Review formats and required training(s) to familiarize and implement the results-based accountability framework. The COMMISSION continues to refine its evaluative processes that will assist the COMMISSION, its CONTRACTORS and the community to successfully increase and measure the impact of the Proposition 10 in Riverside County. Where appropriate, CONTRACTOR agrees to participate in the ongoing development of these evaluative

processes. Specific areas may include but are not limited to, the development of outcomes for programmatic performance, standards for service delivery, and assessment tools.

9. SCOPE OF WORK (SOW)

A. CONTRACTOR will be required to submit and adhere to a SOW approved by the COMMISSION and attached to this Contract. The SOW will accurately reflect measurable results of services provided through Proposition 10 funding. The SOW will provide a qualitative and quantitative description of program(s) objectives to be achieved in connection with Proposition 10 funding.

B. The SOW (Attachment A) will be amended each fiscal year of the Contract Term to confirm or adjust specific qualitative and/or quantitative targets for the respective year.

C. SOW revisions that are considered relatively minor adjustments that do not affect the overall deliverables of this Contract shall be accepted for consideration through March 31st of each fiscal year. Requests for these types of SOW adjustments must be submitted to the COMMISSION office in writing or via e-mail and shall not be implemented by CONTRACTOR prior to receipt of written approval from authorized COMMISSION personnel. Upon approval, CONTRACTOR will receive either written or e-mail verification from the COMMISSION Executive Director (or designee).

D. SOW revisions that are considered significant changes to program performance targets and affect the overall deliverables of this Contract include the following: changes that result in the type of customer or numbers served, new staff positions or major staff changes, or significant changes in the Performance Targets. Requests for these types of SOW changes shall be accepted for consideration through March 31 of each fiscal year. SOW revisions shall be submitted to the COMMISSION Executive Director (or designee), via the COMMISSION'S Contracts & Grants Analyst assigned to the CONTRACTOR. The COMMISSION Executive Director (or designee) will respond to the proposed request for SOW revisions within thirty (30) calendar days after receipt at the COMMISSION office. Final approval of any proposed revisions to the SOW shall require the written approval of the COMMISSION Executive Director (or designee). All changes will be incorporated into the Contract and shall become effective on the date of written approval from the COMMISSION Executive Director and/or the COMMISSION.

E. CONTRACTOR agrees to make every possible effort to obtain voluntary consent using the COMMISSION Consent Form for any customer entered into the data management system. CONTRACTOR also agrees to maintain the original signed Consent Form on file for the COMMISSION to review as necessary. Each customer is to receive a copy of the signed Consent Form.

10. REIMBURSEMENT OF COSTS

Payment will not be provided for services performed and/or expenditures accrued prior to the full execution of this Contract unless previously authorized by COMMISSION action. Reimbursement of costs shall be made upon CONTRACTOR'S satisfactory performance, based upon the SOW and methodology contained in Attachment A as determined by the COMMISSION. The COMMISSION shall allocate the funds to CONTRACTOR as follows:

A. All funds provided pursuant to this Contract shall be expended by CONTRACTOR in accordance with the Budget attached hereto.

B. All funds will be distributed as detailed in the attached Payment Provisions, attached hereto.

11. FISCAL AND PROGRAM REPORTING REQUIREMENTS

A. Fiscal Reporting

Fiscal expenditures are required to be input into the data management system by CONTRACTOR on a monthly basis with input completed and submitted by the 20th of the month following Contract performance for expenditures occurring in the 1st, 2nd and 3rd quarters of the fiscal year (July through March). Fiscal expenditures occurring in the 4th quarter (April, May and June) will be required to be input into the data management system on earlier modified due dates to support COUNTY internal deadlines and external audit requirements. These due dates will be communicated to CONTRACTOR through the COMMISSION'S Contracts and Grants Analyst assigned to the CONTRACTOR. CONTRACTOR is required to report expenditures on a monthly basis and apply accruals at year-end. Accruals show costs for services that have occurred but have not yet been paid. If the reporting due date falls on a weekend or County, State or nationally recognized holiday, the due date will be on the following business day. Any changes that occur with expenditures must be reported to COMMISSION staff and adjusted within the data management system before the end of the Quarter following the expense occurrence. Example: Changes to expenditures in the first quarter of performance must be adjusted and reconciled before the end of the second quarter (December 30, as reported in the January 30 report). **A change in CONTRACTOR staff, or other difficulties, does not absolve the CONTRACTOR from this monthly fiscal reporting responsibility.**

In rare and justifiable circumstances, an extension may be requested by the CONTRACTOR. Such requests are to be submitted in writing prior to the due date and shall be directed through the COMMISSION'S Contracts and Grants Analyst assigned to the CONTRACTOR.

If applicable, CONTRACTOR shall provide copies of the claim report submitted monthly for Medi-Cal and/or any other state or federal reimbursements. In addition, the CONTRACTOR will provide the subsequent revenue reports that will reconcile the claim reports.

Costs may be allowed and reviewed for reimbursement up to the time of the Final Fiscal Expenditure Report, which is due as described in paragraph one of this section. All reimbursement costs not submitted at the time of the Final Fiscal Expenditure Report will be disallowed.

Payment information, including amount, payment reduction or payment withheld may be obtained by the CONTRACTOR via the data management system.

B. Program Reporting

As requested by COMMISSION, CONTRACTOR shall participate in research and evaluation studies designed to show the effectiveness of CONTRACTOR'S services or to provide information about CONTRACTOR'S program. CONTRACTOR shall report program and demographic data on participants, where appropriate, service and outcome data with measurement tools approved by COMMISSION. CONTRACTOR shall enter data (quantitative and qualitative) in the evaluation database system designated by COMMISSION. CONTRACTOR shall submit complete data, in accordance with the SOW.

1. Monthly Reporting

CONTRACTOR shall input and submit program data into the COMMISSION'S data management system on a monthly basis and input must be completed by the 20th of the month following Contract performance. If the reporting due date falls on a weekend or holiday, the due date will be on the following business day. The due date for program data

submitted in the 4th quarter (April, May and June) may be modified by COMMISSION as required to meet internal COUNTY and State reporting deadlines. Modified due dates will be communicated to CONTRACTOR through the COMMISSION'S Contracts and Grants Analyst assigned to the CONTRACTOR. Any changes that occur with program data input must be reported to COMMISSION staff and adjusted within the data management system before the end of the Quarter following the change.

Example: Changes to program data in the first quarter must be adjusted and reconciled before the end of the 2nd quarter (December 30th, as reported in the January 30th report). **A change in CONTRACTOR staff, or other difficulties, does not absolve the CONTRACTOR from this monthly program data input and quarterly Program Progress Report (PPR) responsibility.**

2. Quarterly and Annual Reporting

CONTRACTOR shall submit Program Progress Reports (PPR) which includes quarterly and year-to-date progress on actual achievement of performance targets compared to projected achievements as detailed in the SOW and other data collection information as requested by the COMMISSION. The PPR shall include narrative information on lessons learned, course corrections, client success stories, sustainability and public awareness/policy change activities for the quarter. CONTRACTOR is required by the COMMISSION to complete and submit Program Progress Reports electronically via the COMMISSION'S data management system.

For each reporting period, CONTRACTOR shall provide the COMMISSION with a Program Progress Report within thirty (30) calendar days from the end of the reporting period. In rare and justifiable circumstances, an extension may be requested by the CONTRACTOR. Such requests are to be submitted in writing prior to the due date and shall be directed through the COMMISSION'S Contracts and Grants Analyst assigned to the CONTRACTOR. Quarterly Program Progress Reporting due dates for each Contract period are as follows:

- QUARTER 1 (July 1 – September 30): Report Due October 30
- QUARTER 2 (October 1 – December 31): Report Due January 30
- QUARTER 3 (January 1 – March 31): Report Due April 30
- QUARTER 4 (April 1 – June 30): Report Due July 30 (Final Cumulative Program Progress Report), Quarter 4 due date may be modified by COMMISSION as necessary to meet County and/or State reporting deadlines.

If the due date falls on a weekend or County, State or nationally recognized holiday, the due date will be on the following business day. The first quarterly report is due **October 30th of the current fiscal year.**

CONTRACTOR agrees that failure to submit reports as specified will be sufficient cause for the COMMISSION to withhold any payment due until reporting requirements have been fulfilled.

12. <u>REIMBURSEMENT OF FUNDS TO THE COMMISSION</u>

If CONTRACTOR has been overpaid in the previous fiscal year, the COMMISSION will, in instances where the Contract is renewed, reduce subsequent payment(s) to recover the amount overpaid.

Notwithstanding any other provision herein, CONTRACTOR agrees to reimburse, in full, all funds received from the COMMISSION, upon request of the COMMISSION, where such funds as determined by the COMMISSION are not or have not been utilized by CONTRACTOR for purpose as intended by the COMMISSION. The terms and conditions of reimbursement shall be at the sole discretion of the COMMISSION. This provision is not terminated upon termination of this Contract.

13. COMMISSION FISCAL REQUIREMENTS

A. Budget Revisions

A Budget Revision Form may be submitted by the CONTRACTOR to the COMMISSION to modify budget line(s) of the approved budget. The request must indicate the proposed line item change, the budget as amended applying the requested change, a written justification for each requested change, and signed by an authorized representative. The request cannot result in any alteration or degradation to the program services and performance targets as specified in this Contract.

The COMMISSION Executive Director (or designee), on behalf of the COMMISSION, has the authority to approve or deny the request, provided that the modification does not deviate from the original intent of the Contract or increase the total Contract amount. CONTRACTOR is limited to two (2) budget revisions per fiscal year.

The CONTRACTOR must submit any Budget Revision Forms to the COMMISSION or designee no later than **March 31st** of the fiscal year.

B. Amendments

Necessity for budget amendments to this Contract will be determined by the COMMISSION Executive Director (or designee) and may include, but are not limited to, Contract increases or decreases and significant changes to the Scope of Work (SOW). All budget amendments to the Contract shall require formal approval of the COMMISSION Executive Director acting on behalf of the COMMISSION, as provided herein before such amendments are effective. Major budget amendments, as determined by the COMMISSION Executive Director, in consultation with County legal counsel, will require formal approval of the COMMISSION. Contract budget amendments shall be considered until March 31st of each fiscal year.

C. Cost Allocation Plan

CONTRACTOR shall have or will establish a Cost Allocation Plan (CAP) to identify prorated costs shared by multiple funding sources, including Proposition 10 funds. CONTRACTOR shall identify any other funding sources and organizations whose cooperation/participation is necessary to ensure the success of the project. CONTRACTOR'S CAP must be approved by CONTRACTOR'S appropriate governing body and submitted with the executed Contract.

A CAP is defined as a written summarization that documents the methods and procedures CONTRACTOR will use to allocate costs between two or more programs or funding sources. The goal is to ensure that each program or funding source bears its fair share, and only its fair share, of the total costs. The CONTRACTOR must have a method of identifying and distributing program costs that are comprehensive, well documented, and defensible under the Generally Accepted Accounting Principles (GAAP).

A written CAP is required if <u>any</u> of the conditions below are met:

a. Funded staff members share time between a COMMISSION funded program and one or more other grant funded program.

b. A single-funded staff member shares time between two or more COMMISSION funded programs.

c. The same facilities and/or resources are utilized by more than one funded program.

D. Overhead/Indirect Costs

1. Overhead/Indirect costs are defined as costs incurred for a common or joint purpose benefiting more than one cost objective and cannot be readily identified with a particular final cost objective. These costs do not provide a measurable, direct benefit to a particular program or activity, unlike direct costs. Indirect cost may include salaries and benefits. For the purpose of this Contract, operational expenses, capital expenses, and subcontractor costs are **excluded** from the indirect cost calculation.

2. Indirect cost percentage rate included in the Budget, to this Contact, shall not exceed ten percent (10%) calculated against the salaries and benefits expenses only.

3. Indirect costs shall be based on the CONTRACTOR'S official governing board approved CAP. State/federal approved rates in excess of the approved ten percent (10%) indirect cost rate percentage will be reviewed and approved on a case-by-case basis.

4. A pass-through is defined as those instances where the CONTRACTOR forwards funds obtained from the COMMISSION to a subcontractor and the COMMISSION maintains no relationship or responsibility for the performance of the subcontractor. Proposition 10 funds shall not be used in a manner that will cause payment for indirect costs associated with the CONTRACTOR'S funded program more than once. The COMMISSION will not pay for subcontractor indirect costs as part of the CONTRACTOR'S budget.

E. Revenues Received

All revenue received by the CONTRACTOR (except funds received from the COMMISSION) to operate the program funded pursuant to this Contract shall be reported as revenue received within the monthly fiscal report. All such revenues shall be used to fully compensate expenses within the program funded and/or to provide additional services within the program funded pursuant to this Contract. Any unused revenues shall be deducted from Contract reimbursement.

F. Payroll Taxes

The COMMISSION shall not be directly responsible for the payment of any taxes on the CONTRACTOR'S behalf. In the event that the COMMISSION is required to do so by state, federal or local taxing agencies, CONTRACTOR agrees to promptly reimburse the COMMISSION for the full value of such paid taxes plus interest and penalty, if any. Taxes shall include, but are not limited to, the following: FICA (Social Security), unemployment insurance contributions, income tax, disability insurance and workers' compensation insurance.

G. Payor of Last Resort

CONTRACTOR shall obtain funding through sources other than the COMMISSION to provide services or support to participants whenever possible.

In cases where a participant is qualified for benefits from another source (such as Medi-Cal, Healthy Families, federal or state-funded programs, personal insurance, etc.), costs relating to services provided to that participant must be paid for by the primary payor first. Only the costs not covered will be allowable under this Contract. CONTRACTOR must provide written verification upon request.

14. CONTRACTOR AUDIT REQUIREMENTS

A. All CONTRACTORS are required to have an annual financial audit. Each CONTRACTOR shall provide a copy of annual audited financial statements to the COMMISSION covering the fiscal year that funds are received for services provided pursuant to this Contract. The audited financial statements will cover the CONTRACTOR'S fiscal year and will include a report on internal controls over financial reporting and on compliance and other matters in accordance with Government Auditing Standards. All audits shall be performed by a Certified Public Accountant (CPA) who possesses a valid license to practice within the State of California.

B. Audited financial statements are to be submitted to the COMMISSION Executive Director, or designee, within one hundred and eighty (180) calendar days after the close of the CONTRACTOR'S fiscal year for every year covered under this Contract. If the audited financial statements are not received on or before the required due date, and an extension has not been granted, the audited financial statements shall be considered delinquent, and immediate corrective action will be initiated. If the CONTRACTOR fails to produce or submit acceptable audited financial statements, the COMMISSION has the authority to withhold funding, and if necessary, secure an Auditor, and the CONTRACTOR shall be liable for all COMMISSION costs incurred in obtaining an independent audit. The cost of the audit will be applied against the Contract encumbered amount, thereby reducing the amount of funding available to the program.

15. INVENTORIABLE EQUIPMENT

A. Inventoriable equipment includes equipment or fixed assets with a unit cost of one thousand dollars ($1,000.00), or more, or if the aggregate cost of integral components required to fully operate the assembled equipment (i.e., computer processing unit, keyboard, monitor) total one thousand dollars ($1,000.00) or more. Inventoriable equipment derived from approved purchases funded by Proposition 10 funds shall be maintained by the CONTRACTOR. CONTRACTOR shall use such capitalized equipment only for the purposes for which they were granted for children 0 through 5 years of age.

B. The CONTRACTOR shall inventory and report all equipment purchases meeting this criterion on the COMMISSION Inventory Record Form. This record must be submitted within forty-five (45) calendar days of purchase to the COMMISSION'S Contracts and Grants Analyst assigned to the CONTRACTOR. Applicable receipts must be maintained by the CONTRACTOR to validate expenditures and shall be submitted as invoice back-up documentation and uploaded to the COMMISSION'S data management system and made available as requested during the COMMISSION staff site visits. The CONTRACTOR understands that they are liable for all damages and/or loss resulting from the use and/or misuse of equipment purchased with Proposition 10 funds. Equipment shall not be used for personal use by the CONTRACTOR and/or employees, agents, subcontractors, and/or collaborating partners.

C. Any materials and supplies purchased by CONTRACTOR with Proposition 10 funds with a value of less than one thousand dollars ($1,000.00) will be used for children ages 0 through 5 years of age by another of the CONTRACTOR'S programs serving this population or returned to the COMMISSION. If CONTRACTOR is no longer serving this population, all remaining

items will be returned to the COMMISSION within thirty (30) calendar days of the program ceasing operations.

16. REVERSION OF ASSETS

Real or Personal Property Assets. Any real property or moveable or immovable personal property under CONTRACTOR'S control or ownership that was acquired or improved in-whole or in-part with Proposition 10 funds disbursed under this Contract, or under any previous Contract between the COMMISSION and CONTRACTOR, where the original cost exceeded one thousand dollars ($1,000.00) shall either be: (1) used by CONTRACTOR for the services described in the SOW for a period of five (5) years after termination or expiration of this Contract, unless a different period is specified in the SOW; or (2) disposed of and proceeds paid to the COMMISSION in a manner that results in the COMMISSION being reimbursed in the amount of the current fair market value (assuming depreciation in accordance with customary business practices) of the real or personal property less any portion of the current value attributable to CONTRACTOR'S out of pocket expenditures using non-commission funds for acquisition of, or improvement to, such real or personal property and less any direct and reasonable costs of disposition.

A. In furtherance of the foregoing, if the COMMISSION selects continued use of the capital asset, the CONTRACTOR hereby agrees that it will confirm in writing that it will continue to use the capital asset for purposes congruent with the intent of this Contract. This provision shall survive termination or expiration of this Contract and shall be actionable at law or in equity by the COMMISSION against CONTRACTOR and its successors in interest.

B. In the event the COMMISSION selects disposition of the subject real or personal property, the CONTRACTOR shall exercise due diligence to dispose of such property in conformity with applicable laws and regulations and in accordance with customary business practices. The net proceeds of such disposition shall be disbursed directly to and be payable to the COMMISSION upon the close of the applicable disposition transaction, such as close of escrow for the sale of real property, transfer of a motor vehicle "Certificate of Title" in accordance with applicable California Vehicle Code requirements, or completion of sale of personal property by bill of sale in accordance with Uniform Commercial Code (UCC) requirements.

17. TOBACCO CONTROL POLICY

CONTRACTOR shall abide by the Comprehensive Tobacco Control Policy, incorporated herein by reference, and as may be amended from time to time. CONTRACTOR shall have tobacco education and cessation materials visibly available and accessible to clients participating and to staff funded from the COMMISSION funded activities. The Comprehensive Tobacco Control Policy, as attached hereto.

18. CONDUCT OF BUSINESS

CONTRACTOR shall comply with all references listed below. Failure to comply may place the CONTRACTOR in a Probationary Status or result in Termination of Contract.

A. CONTRACTOR shall comply with all applicable state and/or federal laws, regulations, or requirements during the term of the Contract.

B. CONTRACTOR shall conduct its business, pursuant to this Contract, in compliance with all applicable state, and/or federal laws, regulations, or requirements.

C. CONTRACTOR shall obtain and maintain all applicable business and/or professional licenses, insurances, and/or accreditations, in good standing, which are required under the laws of the State of California or the federal government at all times while performing services under this Contract.

D. CONTRACTOR shall notify the COMMISSION Executive Director (or designee) verbally and in writing of the intent to cease operations of the facility or program within sixty (60) calendar days, but no less than thirty (30) calendar days of the event.

E. CONTRACTOR shall notify the COMMISSION Executive Director (or designee) in writing within seventy-two (72) hours of a change of key personnel funded under this Contract. Key personnel is defined as individuals who have a direct bearing on the outcome of the project, who have substantive responsibility for developing or achieving the scope or objectives of the project, and who possess the reputation, knowledge, or skills on which the work of the project is based. This includes, but not limited to, the Director, Chief Executive Officer (CEO), Chief Financial Officer (CFO), Program Manager, or Project Lead.

F. CONTRACTOR shall notify the COMMISSION Executive Director (or designee) verbally and in writing of any condition that could interfere with CONTRACTOR'S ability to perform required services and/or meet material Contract requirements within thirty (30) calendar days of learning of such a condition.

G. Agencies that are governed by a regulatory or licensing entity shall advise and forward to the COMMISSION Executive Director all documentation of regulatory/licensing violations, findings and responses to such violations and/or findings within twenty-four (24) hours of receipt of notice of violation from the governing entity. Agencies shall promptly submit to COMMISSION Executive Director a copy of the response sent to the governing entity.

H. CONTRACTOR shall immediately notify the COMMISSION in writing upon the intent to file or filing of any action of bankruptcy.

I. CONTRACTOR shall immediately notify the COMMISSION in writing upon the commencement of any litigation, whether CONTRACTOR is the plaintiff or defendant, where such litigation may interfere with the ability of CONTRACTOR to perform its duties under this Contract and where the COMMISSION is not a party to such litigation.

J. CONTRACTOR shall immediately notify the COMMISSION in writing upon the commencement of any investigation, and/or activity by a regulatory agency against CONTRACTOR, which may interfere with the ability of CONTRACTOR to perform its duties under this Contract.

K. CONTRACTOR shall provide a grievance policy system to the COMMISSION, through which participants of services shall have an opportunity to express views and complaints regarding the delivery of service. Grievance procedures must be posted prominently in English and Spanish at service sites for participants to review.

19. RECORDS MANAGEMENT AND MAINTENANCE

A. The CONTRACTOR shall make reports to the COMMISSION in the required format and containing information as required by the COMMISSION.

B. The CONTRACTOR shall provide additional reports or information if required by the State or the local COMMISSION that was not reasonably anticipated at the time the Contract was entered into.

C. CONTRACTOR shall input all data required on a monthly basis by the 20th day of the month following the end of the reporting period **and** submit quarterly reports within thirty (30) calendar days following the end of the quarter, and at the end of the term of the Contract.

This requirement includes:

a. All the monthly data necessary to generate demographic, service utilization, results and aggregate activity reports; and

b. Submission of the Program Progress Report on a quarterly basis.

D. CONTRACTOR shall retain such reports and all records associated with this Contract for at least five (5) years following the close of the fiscal year in which this Contract is in effect. This obligation is not terminated upon termination of this Contract, whether by rescission or otherwise. CONTRACTOR agrees to require any subcontractors to retain all records associated with the Contract for the same time period.

E. Accounting information and transactions shall be recorded and reported in accordance with generally accepted accounting principles (GAAP).

F. Where medical records and/or client records are generated under this Contract, CONTRACTOR shall safeguard the confidentiality of the records in accordance with all state and federal laws, and all regulations promulgated hereunder, including the provisions of the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law 104-91, enacted August 21, 1996, and the laws and regulations promulgated subsequent thereto.

G. Each CONTRACTOR must maintain a written customer confidentiality policy and maintain a written protocol to ensure CONTRACTOR'S staff is aware of and abide by said policy.

20. PUBLIC DISCLOSURE OF DOCUMENTS

CONTRACTOR acknowledges and agrees that information, communications, and documents given to the COMMISSION during meetings involving COMMISSION members, staff, finance or COMMISSION Advisory Committee members may be subject to applicable law on public disclosures and/or public meetings. CONTRACTOR shall cooperate with the COMMISSION in order that it may fully comply with the requirements of such laws and regulations.

21. INSPECTIONS, PROGRAM MONITORING, AND CONTRACT ADMINISTRATIVE REVIEW BY COMMISSION

A. COMMISSION representatives shall review and inspect the CONTRACTOR through mandatory periodic Administrative Review visits for compliance with the terms of this Contract. Administrative Review visits will occur at a minimum of two (2) times per Fiscal Year for the duration of the Contract Term. During the Administrative Review visits, CONTRACTOR representatives **must** be present. All books, financial records and program records including verification of target(s) and other documents relating to the performance of this Contract must be open to inspection, examination, or copying during normal business hours by the COMMISSION staff or duly authorized representatives from the state or federal government. Records shall be made available at reasonable times at CONTRACTOR'S place of business or at such other mutually agreeable location in the County of Riverside, State of California.

B. Upon completion of the Program Monitoring and Administrative Review visit, the CONTRACTOR will be mailed a report summarizing the results of the Administrative Review

visit within forty-five (45) calendar days of the visit. The CONTRACTOR may be required to respond to concerns or requests as specified in the Administrative Review report within thirty (30) calendar days of receipt.

C. CONTRACTOR shall reimburse the COMMISSION for all direct and indirect expenditures incurred in conducting an audit or investigation when CONTRACTOR is found in violation of the terms of the Contract. Reimbursement for such costs will be withheld from any amounts due to CONTRACTOR.

D. When additional information (i.e., receipts, paperwork, etc.) is requested of the CONTRACTOR as a result of any audit or monitoring, CONTRACTOR must provide all information requested by the deadline specified by the COMMISSION. Failure to provide the information by the specified deadline will subject the CONTRACTOR to the provisions of Contract section: COMPLIANCE, DISALLOWANCE, and WITHHOLDING.

22. GOVERNING LAW AND VENUE

A. This Contract is entered into under the provisions of Health and Safety Code section 130100 et seq., as may be amended from time to time and any other applicable law.

B. This Contract, its construction, and interpretation as to validity, performance, and breach shall be construed under the laws of the State of California. In the event any provision in this Contract is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

C. The provision of the Government Claims Act (Government Code Section 900 et seq.) must be followed first for any disputes under this Contract.

D. All actions and proceedings arising in connection with this Contract shall be tried and litigated exclusively in state or federal (if permitted by law and a party elects to file an action in federal court) courts located in the County of Riverside, State of California.

23. CONTRACTOR SUBCONTRACTS FOR WORK OR SERVICES

A. The COMMISSION holds CONTRACTOR solely responsible for the performance of all duties and obligations under this Contract. CONTRACTOR agrees and understands that COMMISSION does not enter into or assume any legal relationship with any subcontractor of CONTRACTOR for performance under this Contract. CONTRACTOR agrees to remedy all breaches of any contracts with any subcontractor, and further agrees that CONTRACTOR may not look to the COMMISSION for any payment, liability, or assistance in the remedy of any actual or alleged breach.

B. CONTRACTOR shall identify any other organization whose cooperation/participation is necessary to ensure the success of the project and what specific roles these key partners will play. All subcontractor(s) shall conform to all requirements of the COMMISSION and any Contract between the CONTRACTOR and the COMMISSION.

C. The CONTRACTOR shall not enter into any subcontract with any subcontractor who:

1. Is presently debarred, suspended, proposed for debarment, or declared ineligible or voluntarily excluded from covered transactions by a federal department or agency;

2. Has within a three (3) year period preceding this Contract been convicted of or had a civil judgment rendered against them for the commission of fraud, or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction; violation of Federal or State anti-trust status or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

3. Is presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with the commission of any of the offenses enumerated in the paragraph above; and

4. Within a three (3) year period preceding this Contract, has had one or more public transaction (federal, state, or local) terminated for cause or default.

D. The CONTRACTOR shall be as fully responsible for the acts or omissions of its subcontractors, and of persons either directly or indirectly employed by them as for the acts or omissions of persons directly employed by the CONTRACTOR.

E. The CONTRACTOR shall insert appropriate clauses in all subcontracts to bind subcontractors to the terms and conditions of this Contract insofar as they are applicable to the work of subcontractors.

F. Nothing contained in this Contract shall create any contractual relationship between any subcontractor and the County of Riverside, its Agencies, Districts, Special Districts and Departments, respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives.

24. PUBLICITY AND ATTRIBUTION REQUIREMENTS

A. Upon signing this Contract, CONTRACTOR shall publicize funded program and partnership with the COMMISSION by creating a press release to be distributed to local media outlets. The press release shall be sent to COMMISSION for review and approval within fourteen (14) calendar days of signing of Contract. No later than five (5) calendar days after the press release is reviewed and approved by COMMISSION Public Information Specialist, the press release shall be distributed to local media outlets. Should guidance be needed on this requirement, please contact COMMISSION Public Information Specialist.

B. CONTRACTOR shall include the following acknowledgment of the COMMISSION and Proposition 10 funding in all materials produced for the purpose of public education and outreach related to COMMISSION funded programs. These materials include but are not limited to the following: brochures, workbooks, flyers, circulars, posters, games, television, radio and print advertising, public service announcements and video news releases, calendar/event listings, presentations, telephone hold messages, outdoor advertising and vehicles. The wording of the COMMISSION attribution shall be one of the following:

"Made possible by funding from First 5 Riverside County"

"Funded by First 5 Riverside County"

"Funded by First 5 Riverside County - the Riverside County Children & Families Commission"

"Hecho posible por medio de fondos de Primeros 5 Riverside County"

"Financiado por Primeros 5 Riverside County"

For events, conferences or programs with multiple funders, one of the following attributions shall be used:

"Funded in part by First 5 Riverside County"

“Funded in part by First 5 Riverside County - the Riverside County Children & Families Commission”

“Made possible by funding from First 5 Riverside County”

"Financiado parcialmente por Primeros 5 Riverside County"

"Financiado parcialmente por Primeros 5 Riverside County - Comisión de Niños y Familias del Condado de Riverside"

When space is limited (i.e., buttons, pencils, pens, etc.), attribution may be omitted. However, CONTRACTOR shall contact the COMMISSION’S Public Information Specialist to determine an appropriate method of providing attribution to the public regarding the funding source for such items.

C. The approved First 5 Riverside logo (graphic) shall be used on materials specific to the COMMISSION funded program. CONTRACTOR shall use the approved First 5 Riverside logo (graphic) on public education and outreach materials in accordance with the First 5 Riverside graphics attribution standard as posted on the COMMISSION public website (www.First5Riverside.org).

D. CONTRACTOR shall provide the COMMISSION staff and COMMISSION Public Information Specialist a copy of all public information/relations products (such as flyers, newsletters, posters, etc.) as soon as possible but not later than fourteen (14) calendar days prior to submitting to print. News releases should be submitted as soon as possible but not later than seven (7) calendar days before public release is scheduled.

E. The COMMISSION’S Public Information Specialist shall provide guidance on procedures for logo usage and printed public relations material in accordance with the COMMISSION policies. Policies will be available on the COMMISSION public website (www.First5Riverside.org).

25. PROHIBITION OF POLITICAL/RELIGIOUS ACTIVITY

CONTRACTOR agrees that it shall not require client participation in political or religious activities in order to receive services for programs funded by the COMMISSION. Furthermore, Proposition 10 funds shall be used only for the purposes specified in this Contract and in any attachments, hereto. No Proposition 10 funds shall be used for any political activity, or to further the election or defeat of any candidate for political office. No Proposition 10 funds shall be used for purposes of religious worship, instruction or proselytizing.

26. WORK PRODUCT

A. The COMMISSION shall be the owner of the following items incidental to this Contract upon production, whether or not completed: all data collected, all documents of any type whatsoever, and any material necessary for the practical use of the data and/or documents from the time of collection and/or production whether or not performance under this Contract is completed or terminated prior to completion. CONTRACTOR shall not release any materials under this section except after prior written approval of the COMMISSION.

B. Material produced in whole or in part under this Contract shall not be subject to copyright in the United States or in any other country except as determined at the sole discretion of the

COMMISSION. The COMMISSION will have the unrestricted authority to publish, disclose, distribute, and use in whole or in part, any reports, data, documents or other materials prepared under this Contract.

27. NON-DISCRIMINATION

Pursuant to the Affordable Care Act section 1557 (42 U.S.C. section 18116), during the performance of this Contract, CONTRACTOR shall not, and shall also require and ensure its subcontractors, providers, agents, and employees to not cause an individual, beneficiary, or applicant to be excluded on the grounds prohibited under Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), Title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.), the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.), or section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), or subject to any other applicable State and Federal Laws, from participation in, be denied the benefits of, or be subjected to discrimination under, any health program or activity offered through the California Department of Health Care Services. This Contract hereby incorporates by reference the provisions of Title 2, California Code of Regulations, Section 11105 et seq., as may be amended from time to time. CONTRACTOR agrees to comply with the provisions of Title 2, California Code of Regulations, Section 11105 et seq. and further agrees to include this Non-Discrimination clause in all subcontracts to perform services under this Contract.

28. CHILD ABUSE REPORTING

CONTRACTOR shall ensure that all known or suspected instances of child abuse or neglect are reported to the appropriate law enforcement agency and/or to the appropriate Child Protective Services agency. This responsibility shall include:

A. Assurance that all employees, agents, consultants or volunteers who perform services under this Contract and are mandated by Penal Code Sections 11164 et seq. to report child abuse or neglect, sign a statement, upon the commencement of employment, acknowledging reporting requirements and compliance with them;

B. Development and implementation of procedures for employees, agents, consultants, or volunteers who are not subject to the mandatory reporting laws for child abuse to report any observed or suspected incidents of child abuse to a mandated reporting party, within the program, who will ensure that the incident is reported to the appropriate agency;

C. Provision of or arrangement of training in child abuse reporting laws (Penal Code, Sections 11164 et seq.) for all employees, agents, consultants, and volunteers, or verification that such persons have received training in the law within thirty (30) days of employment/volunteer activity.

29. DEPARTMENT OF JUSTICE CLEARANCE

CONTRACTOR shall obtain from the Department of Justice (DOJ), records of all convictions involving any sex crimes, drug crimes, or crimes of violence of a person who is offered employment, or volunteers, for all positions in which he or she would have contact with a minor, the aged, the blind, the disabled or a domestic violence client, as provided for in Penal Code Section 11105.3. This includes licensed personnel who are not able to provide documentation of prior DOJ clearance. A copy of a license from the State of California is sufficient proof.

CONTRACTOR must have on file for review upon request a signed statement verifying Department of Justice clearance for all appropriate individuals.

30. ADULT AND ELDER ABUSE REPORTING

The CONTRACTOR shall provide documentation of a policy and procedure acceptable to the COUNTY to ensure that all employees, volunteers, consultants, subcontractors, or agents performing services under this Contract report elder and dependent adult abuse pursuant to Welfare & Institutions Code (WIC) Sections 15600 et seq. Suspected incidents of abuse should be immediately reported to the COUNTY, followed by a written report within two (2) working days.

31. INDEPENDENT CONTRACTOR

It is understood and agreed that CONTRACTOR is an independent contractor and that no relationship of employer-employee exists between the CONTRACTOR and the COMMISSION. The CONTRACTOR, nor CONTRACTOR'S officers, agents, employees or subcontractors, shall not be entitled to any COMMISSION paid employee benefits, including Workers' Compensation.

32. HOLD HARMLESS/INDEMNIFICATION

CONTRACTOR shall indemnify and hold harmless COMMISSION, the County of Riverside, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives (individually and collectively hereinafter referred to in this section as the "COUNTY") from any liability whatsoever, based or asserted upon any services of CONTRACTOR, its officers, employees, subcontractors, agents or representatives arising out of or in any way relating to this Contract, including but not limited to property damage, bodily injury, or death or any other element of any kind or nature whatsoever arising from the performance of CONTRACTOR, its officers, employees, subcontractors, agents or representatives under this Contract. CONTRACTOR shall defend the COUNTY at CONTRACTOR'S sole expense, including all costs and fees (including, but not limited, to attorney fees, cost of investigation, defense and settlements or awards), the COUNTY in any claim or action based upon such alleged acts or omissions.

With respect to any action or claim subject to indemnification herein by CONTRACTOR, CONTRACTOR shall, at sole cost, have the right to use counsel of choice and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of COUNTY; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes CONTRACTOR'S indemnification to the COUNTY as set forth herein.

CONTRACTOR'S obligation hereunder shall be satisfied when CONTRACTOR has provided to COUNTY the appropriate form of dismissal relieving COUNTY from any liability for the action or claim involved.

The specified insurance limits required in this Contract shall in no way limit or circumscribe CONTRACTOR'S obligations to indemnify and hold harmless the COUNTY herein from third party claims.

In the event there is a conflict between this clause and California Civil Code Section 2782, this clause shall be interpreted to comply with Civil Code 2782. Such interpretation shall not relieve the CONTRACTOR from indemnifying the COUNTY to the fullest extent allowed by law.

A. If CONTRACTOR is a public entity, as defined by applicable law, the COMMISSION and CONTRACTOR, to the extent that liability may be imposed on the COMMISSION by the provisions of Government Code Section 895.2, shall be liable for acts or omissions, including all claims, liabilities, injuries, suits, and demands and expenses of all kinds which may result or arise out of any alleged malfeasance or neglect, caused or alleged to have been caused by either the COMMISSION or CONTRACTOR'S, employees or representatives, performance or

omission of any act or responsibility of either party under this Contract. In the event that a claim is made against both the COMMISSION and CONTRACTOR, both parties shall cooperate in the defense of said claim and to cause insurers to do likewise.

B. CONTRACTOR agrees to indemnify the COMMISSION for all federal/state withholding or state retirement payments, which the COMMISSION may be required to make by the federal or state government as a result of this Contract. If for any reason, CONTRACTOR is determined not to be an independent contractor to the COMMISSION in carrying out the terms of the Contract, such indemnification shall be paid in full to the COMMISSION upon sixty (60) calendar days written notice to CONTRACTOR if a federal and/or state determination is made that such payment is required.

33. INSURANCE

Without limiting or diminishing the CONTRACTOR'S obligation to indemnify or hold the COUNTY harmless, CONTRACTOR shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverages during the term of this Contract. Pertinent to the insurance section only, the COUNTY herein refers to the County of Riverside, its Agencies, Districts, Special Districts, and Departments, respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insureds.

Workers' Compensation:
If the CONTRACTOR has employees as defined by the State of California, the CONTRACTOR shall maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupational Disease with limits not less than one million dollars ($1,000,000) per person per accident. The policy shall be endorsed to waive subrogation in favor of the County of Riverside, and if applicable, to provide a Borrowed Servant/Alternate Employer Endorsement.

Commercial General Liability:
Commercial General Liability insurance coverage, including but not limited to, premises liability, unmodified contractual liability, products and completed operations liability, personal and advertising injury, and cross-liability coverage, covering claims which may arise from or out of CONTRACTOR'S performance of its obligations hereunder. Policy shall name the COUNTY as Additional Insureds. Policy limit of liability shall not be less than one million dollars ($1,000,000) per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this Contract or be no less than two (2) times the occurrence limit.

Vehicle Liability:
If vehicles or mobile equipment are used in the performance of the obligations under this Contract, then CONTRACTOR shall maintain liability insurance for all owned, non-owned or hired vehicles so used in an amount not less than one million dollars ($1,000,000) per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this Contract or be no less than two (2) times the occurrence limit. The policy shall name the COUNTY as Additional Insured.

Professional Liability Insurance:
CONTRACTOR shall maintain Professional Liability Insurance providing coverage for the CONTRACTOR'S performance of work included within this Contract, with a limit of liability of not less than one million dollars ($1,000,000) per occurrence and two million dollars ($2,000,000) annual aggregate. If CONTRACTOR'S Professional Liability Insurance is written on a claims made basis rather than an occurrence basis, such insurance shall continue through the term of this Contract and CONTRACTOR shall purchase at his sole expense either

1) an Extended Reporting Endorsement (also known as Tail Coverage); or 2) Prior Dates Coverage from new insurer with a retroactive date back to the date of, or prior to, the inception of this Contract; or 3) demonstrate through Certificates of Insurance that CONTRACTOR has maintained continuous coverage with the same or original insurer. Coverage provided under items 1), 2) or 3) will continue as long as the law allows.

General Insurance Provisions - All lines:

1. Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California and have an A.M. BEST rating of not less than A: VIII (A:8) unless such requirements are waived, in writing, by the COUNTY Risk Manager. If the COUNTY'S Risk Manager waives a requirement or a particular insurer, such waiver is only valid for that specific insurer and only for one (1) policy term.

2. The CONTRACTOR must declare its insurance self-insured retention for each coverage required herein. If any such self-insured retention exceeds five hundred thousand dollars ($500,000) per occurrence such retention shall have the prior written consent of the COUNTY Risk Manager before the commencement of operations under this Contract. Upon notification of self-insured retention unacceptable to the COUNTY and at the election of the County's Risk Manager, CONTRACTOR'S carriers shall either; 1) reduce or eliminate such self-insured retention with respect to this Contract with the COUNTY, or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.

3. CONTRACTOR shall cause CONTRACTOR'S insurance carrier(s) to furnish the COUNTY with either 1) a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements effecting coverage as required herein, and/or 2) if requested to do so orally or in writing by the COUNTY Risk Manager, provide original Certified copies of policies including all Endorsements and all attachments thereto, showing such insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) working days written notice shall be given to the COUNTY prior to any material modification, cancellation, expiration or reduction in coverage of such insurance. If CONTRACTOR'S insurance carrier(s) policies does not meet the minimum notice of requirement found herein, CONTRACTOR shall cause CONTRACTOR'S insurance carrier(s) to furnish a thirty (30) day Notice of Cancellation Endorsement.

4. In the event of a material modification, cancellation, expiration or reduction in coverage, this Contract shall terminate forthwith, unless the COUNTY receives, prior to such effective date, another properly executed original Certificate of Insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing coverage's set forth herein and the insurance required herein is in full force and effect. CONTRACTOR shall not commence operations until the COUNTY has been furnished original Certificate(s) of Insurance and certified original copies of endorsement and if requested, certified original policies of insurance including all endorsements and all other attachments as required in this Section. An individual authorized by the insurance carrier to do so on its behalf shall sign the original endorsements for each policy and the Certificate of Insurance.

5. It is understood and agreed to by the parties hereto that the CONTRACTOR'S insurance shall be construed as primary insurance and the COUNTY'S insurance and/or deductibles and/or self-insured retention's or self-insured programs shall not be construed as contributory.

6. If during the term of this Contract or any extension thereof there is a material change in the scope of services; or there is a material change in the equipment to be used in the performance of the SOW; or this Contract, including any extensions thereof, exceeds five (5) years; the COUNTY reserves the right to adjust the types of insurance required under this Contract and the monetary limits of liability for the insurance coverage currently required herein, if in the COUNTY Risk Manager's reasonable judgment the amount or type of insurance carried by the CONTRACTOR has become inadequate.

7. CONTRACTOR shall pass down the insurance obligations contained herein to all tiers of subcontractors working under this Contract.

8. The insurance requirements contained in this Contract may be met with a program(s) of self-insurance acceptable to the COUNTY.

9. CONTRACTOR agrees to immediately notify COUNTY in writing of any claim by a third party or any incident or event that may give rise to a claim arising from the performance of this Contract.

Adjustment and/or Waiver of Requirements:
The COMMISSION Executive Director (or designee), in consultation with the COUNTY'S Risk Manager, may adjust the insurance requirements set forth herein as deemed necessary for the Contract, and/or may waive insurance requirements where not applicable to the Contract. Insurance endorsements shall be submitted to the COMMISSION upon submission of the fully executed Contract, but no later than when contract work commences.

34. ASSIGNMENT

This Contract shall not be assigned by CONTRACTOR, either in whole or in part, without prior written consent of the COMMISSION, as approved and authorized by formal action of the COMMISSION.

35. ALTERATION AND/OR AMENDMENT

No alteration, amendment, or variation of the terms of this Contract shall be valid unless made in writing and signed by the parties hereto. Oral understandings of Contract not incorporated herein shall not be binding on any of the parties hereto. As provided herein, the COMMISSION Executive Director, acting on behalf of the COMMISSION, may alter or revise this Contract on behalf of the COMMISSION. Material alterations and/or amendments, as determined by the COMMISSION Executive Director in consultation with County legal counsel, will require formal approval of the COMMISSION. Except as provided herein, the parties expressly recognized that individual COMMISSION members, COMMISSION Advisory Committee members, or staff to the COMMISSION is without authorization to either change or waive any material requirements of this Contract without formal action of the COMMISSION.

36. CONFLICT OF INTEREST

CONTRACTOR shall have no economic interest and shall not acquire any economic interest, direct or indirect, which will conflict in any manner or degree with the performance of services required under this Contract.

37. WAIVER AND SEVERABILITY

Any waiver by the COMMISSION of any breach or default hereof by CONTRACTOR shall be deemed to be a waiver of any preceding or succeeding breach or default hereof, and no waiver shall be operative unless the same shall be in writing. In the event any provision in this Contract

is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions hereof shall remain in full force and effect without being impaired or invalidated in any way.

38. DISALLOWANCE

In the event CONTRACTOR receives payment for services under this Contract, which is later disallowed for nonconformance with the terms and conditions herein, CONTRACTOR shall promptly refund the disallowed amount to the COMMISSION upon request. The COMMISSION retains the option to offset the amount disallowed from any payment due to the CONTRACTOR under this Contract, or under any other Contract between CONTRACTOR and the COMMISSION.

39. OFFICIAL DOCUMENTS

Upon the Contract approval by the COMMISSION, and full execution of the Contract by COMMISSION and CONTRACTOR, one (1) fully executed copy will be sent to the CONTRACTOR. Such copy shall be the officially approved Contract for the conduct of the approved project.

40. ENTIRE CONTRACT

This Contract, inclusive of all attachments and exhibits, constitutes the entire Contract between the parties. Any modifications to the terms of this Contract shall be by the provisions detailed in the Section entitled “Alteration and/or Amendment” herein.

41. NONEXCLUSIVE CONTRACT

CONTRACTOR understands that this is not an exclusive Contract and that the COMMISSION shall have the right to negotiate with and enter into Contracts with others providing the same or similar services as those provided by CONTRACTOR as the COMMISSION desires and at the sole discretion of the COMMISSION.

42. CERTIFICATION OF AUTHORITY TO EXECUTE THIS CONTRACT

CONTRACTOR certifies that the individual signing herein has authority to execute this Contract on behalf of CONTRACTOR and may legally bind CONTRACTOR to the terms and conditions of this Contract and any attachments hereto.

43. COMPLIANCE WITH LAW

CONTRACTOR shall, at its sole cost and expense, comply with all County, State, and Federal law now in force or which may hereafter be in force with regard to this Contract. The judgment of any court of competent jurisdiction, or the admission of CONTRACTOR in any action against CONTRACTOR, whether the COMMISSION be a party thereto or not, that CONTRACTOR has violated any such ordinance or statute, shall be conclusive of that fact as between CONTRACTOR and the COMMISSION.

44. CONFLICTS IN INTERPRETATION

In the event of conflict in interpretation by the parties of the provisions contained in the numbered sections of this Contract and the provisions contained in the attachments hereto, the provisions of the attachments in the Contract shall prevail over those in numbered sections.

45. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which will be an original, but all of which together will constitute one instrument. Each party of this Agreement agrees to the use of electronic signatures, such as digital signatures that meet the requirements of the California Uniform Electronic Transactions Act ((“CUETA”) Cal. Civ. Code §§ 1633.1 to 1633.17), for executing this Agreement. The parties further agree that the electronic signatures of the parties included in this Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. Electronic signature means an electronic sound, symbol, or process attached to or logically associated with an electronic record and executed or adopted by a person with the intent to sign the electronic record pursuant to the CUETA as amended from time to time. The CUETA authorizes use of an electronic signature for transactions and contracts among parties in California, including a government agency. Digital signature means an electronic identifier, created by computer, intended by the party using it to have the same force and effect as the use of a manual signature, and shall be reasonably relied upon by the parties. For purposes of this section, a digital signature is a type of "electronic signature" as defined in subdivision (i) of Section 1633.2 of the Civil Code.

ATTACHMENT A: SCOPE OF WORK

The *Family Resource Center Network Expansion* will support families from broader population groups by increasing and expanding resources, and by providing linkages to prevention services and direct support to families with young children ages 0 through 5. The Family Resource Centers (FRCs) and Community Hubs are embedded in communities and operate at the neighborhood level to support families where they live and gather. By leveraging existing relationships and partnerships, FRCs and Community-Based Organizations will serve families and connect them to a wide range of services and supports, from responding to families in crisis to promoting children's healthy development and general well-being.

First 5 Riverside County (First 5) seeks to connect with families in convenient and familiar spaces through the FRC Network Expansion. This will allow parents/caregivers to strengthen connections to each other and their communities.

CONTRACTOR shall provide a Family Resource Center Network Specialist position (FRCNWS), office space, equipment, mileage, and/or other operational expenses to complement and enhance the existing family support services in the service areas identified as having a lower Healthy Places Index (HPI) score, including but not limited to San Jacinto, Hemet, Banning, Cabazon, Moreno Valley, Romoland, Calimesa, Anza, Riverside, and Mountain Center.

The FRCNWS will expand the resources, services, and supports families access by linking families with children to existing community-based supports, including First 5's FRCs. This strategy will provide an opportunity to build relationships with families, and act as an ambassador to both social connections, programs, and the safety net as needed and ensure continuity of care following any level of support the family is seeking. This high-level community-facing position helps identify resources for parents, caregivers, and others to strengthen connections that are responsive to each family's needs.

The job description for the FRCNWS is included in Attachment A to this scope of work. In addition to the job duties listed, the FRCNWS will be expected to:

- Attend regularly scheduled meetings with First 5 staff and peers to:
    - Develop goals, objectives, and targets for years 2, 3, and 4 of the program, including data collection requirements;
    - Participate in trainings on the use of First 5's data collection and documentation system.
    - Have access to and be required to input data into the First 5 data system, subject to the terms and conditions of the HIPAA Business Associate Agreement attached and made part of this agreement as Appendix E.
    - The minimum required data points for each family and/or individual served are included in the FRC Intake form.
- FRCNWS will provide a monthly progress report outlining at least the following:
    - A summary of outreach events and activities, including (but not limited to:
        - An Contact Log outlining
        - The name and purpose of the agency
        - Agency contact information
        - Type of engagement (i.e, attended an event or heard a presentation, etc.)
        - Engagement result (i.e. new program referral, new clients referred, new events/activities or partnerships, etc.)
- Participate in and support staffing for Community Outreach events in partnership with First 5 and the FRCs
    - FRCNWS participates in a minimum of five (5) events and/or activities per year as coordinated by First 5. This includes evening or weekend events, as necessary.

- Actively participate with First 5 staff and community stakeholders in the design and implementation of regular Communities of Practice (CoPs) that will include:
    - Training on the 5 Protective Factors
    - Professional development needed for the Family Resource Network
    - Leveraging each partner's and stakeholder's strengths (i.e. resources, services, and networks) to expand both service linkages and outreach to new populations
    - Training in data collection and tracking in F5RC's data collection system
- Participate in an annual review of this Scope of Work in support of the Network-Expansion goal of the Family Resource Centers (FRCs).

CONTRACTOR shall give at least 3 business days written notice for any changes in the staffing of the FRCNWS position. At the time CONTRACTOR gives notice of appointment of a new FRCNWS, a resume of the candidate appointed shall be included.

Respond to Emerging Needs

First 5's FRCs play a critical role in preventing child abuse and neglect, strengthening children and families, and connecting families to systems of care that focus on improving fundamental social and economic structures, environments, and conditions that support the ability of families to reach their full potential. FRCs also play a vital role in communities, serving as trusted partners that help connect children and families to resources and services that can lessen the everyday stressors that families with children face. The FRC network provides a broad range of community-wide prevention services, while also leveraging First 5's current partnerships and investments to ensure shared responsibility to improve the lives of all families in Riverside County. These include but are not limited to the following:

Home-Visiting Programs: include several home-visiting community health programs with over 40 years of evidence showing significant improvements in the health and lives of parents and children with a focus on parent support services to address family needs. The Community hubs are positioned to support pregnant and/or parenting women with these programs. Additional information can be found at https://rccfc.org/Resources/Community-Programs.

Help Me Grow – Inland Empire (HMG-IE), Help Me Grow is a collective approach to strengthening the early identification and intervention system. It works to ensure that all children have developmental screenings and that families can access the services they need. Community hubs are critical partners in this system approach and participate in regional stakeholder convenings.

HealthySteps is an evidence-based, team-based pediatric primary care program designed to promote nurturing parenting and healthy development for babies and toddlers. Community hubs link families served by FQHCs and health and wellness clinics to the HealthySteps programs funded through First 5 Riverside County.

Cross Systems Integration is an intentional strategic approach where programs are coordinated and integrated to simplify access and referrals, streamlining the provision of services to families, and leveraging multiple funding streams and resources. As there is a need to ensure that families are served holistically with a range of integrated and sometimes complex services, it is critical that programs screening for the delivery of comprehensive, coordinated services, also ensure the identification of other possible support services that address broader needs of the family. This may include, but is not limited to, early intervention services, high-quality early learning settings, health and behavioral services (including those listed above), and family support services for families of children from the prenatal through the pre-kindergarten stages.

Racial Equity and Systemic Racism: The *Family Resource Center Network Expansion* supports equitable outcomes for all children and families acting with intentionality to eliminate racial inequities and ensure all families have access to educational success, quality health care, food security, housing, socioeconomic mobility, reduced stress, and more. Through this approach, there is an opportunity to address organizational and systemic biases to advance racial equity for all communities that would positively impact children and families.

APPENDIX A: JOB DESCRIPTION

Job Title: Family Resource Center Network Specialist

Summary:
The Family Resource Center Network Specialist (FRCNWS) is a community-facing position, identifying resources for parents, caregivers, and others to strengthen connections tailored to each family's needs.

In this role, the FRCNWS engages with a variety of service providers, Family Resource Centers, community-based and faith-based organizations, and tribal governments to facilitate conversations and engage in partnership-building among agencies with the focus on improving the access to needed services and other support of local families.

The FRCNWS role also includes attending community meetings and leading and participating in networking-building activities focused on establishing collaborative partnerships throughout Riverside County to improve outcomes for children and families.

This position requires the application of knowledge and skills to educate and network with people of diverse backgrounds and cultures. The position reports to a supervisory level position within the applicant agency, who will review work for professional competence and alignment with established procedures and contracted deliverables.

The FRCNWS is expected to maintain clear, accurate, and timely data and information and is responsible for preparing administrative and program outcome reports as it relates to meeting program goals and objectives; and engaging in strategic thinking to improve and expand services for families and communities. Data and information should be focused dually on families who currently access the Family Resource Center (FRC) and families who have not accessed the FRC but could benefit from doing so, through proactive outreach and engagement. At a systems level, this position will coordinate with several service providers in the community they serve to support the design and development of a Community Network Hub. Using data, the FRCNWS will have a thorough knowledge of the community and its partnerships and contribute to building a much larger coordinated system for child abuse prevention and child well-being efforts.

Capacity meeting milestones will include: training, understanding the community needs; demonstrating knowledge of the 5 Protective Factors in Strengthening Families (as referenced in the First 5 Riverside County Strategic Plan), and building the structures to support the 5 Protective Factors.

Essential Duties

Partnership Building and Relationship Management

1. Demonstrate knowledge of available community resources including an array of early childhood and family support services as well as other community resources.
2. Conduct community outreach, presentations, and workshops.
    a. Develop a list of community events and health fairs, and arrange, organize and work closely with agency staff to ensure participation in community activities.
    b. Provide training to improve understanding of community needs.
    c. Encourage and motivate members of the communities to become involved and develop skills needed to improve their quality of life and related neighborhood issues.
3. Identify, develop, coordinate, and maintain partnerships with community groups and local coalitions within Riverside County.

a. Work collaboratively with First 5 Riverside County staff and other Community Program Staff to expand capacity and community services.
    i. Actively link and build ways to partner with health programs, public schools, Head Start programs, or other childhood educational settings.
b. Working collaboratively with First 5 Riverside County Family Resource Center staff to develop strategies and interventions to remove barriers that prevent families from accessing services.
    i. Contributes to the assessment & understanding of community needs.
    ii. Design strategies that specifically target working with organizations that serve culturally diverse communities.
c. Actively participates in cross-agency coordination and collaborative meetings.

Communications and Marketing

4. Develops, coordinates, implements, and maintains a long-range public education and awareness plan.
5. Performs public speaking activities, including:
    a. Representing the agency and FRC Network at public hearings and community functions; and
    b. Coordinating and/or participating in special community events and public recognition programs as it relates to each program and open house activities.

Case Management Support

6. Participate in case reviews/disposition, and case consultation, with home visiting program staff, FRC social workers, and other related staff as appropriate.
7. Informing home visiting program staff, FRC social workers, and other specialized community support staff of available services for families and potentially assisting staff with the referral of the family to the appropriate agency for continued care.

Administrative Duties

8. Assist in the data management of the agreed-upon program deliverables related to identifying resources and referrals for families.
    a. Assist with program start-up activities and subsequent (ongoing) statistical, recording, and reporting activities.
9. Suggest, organize, and order giveaway items and educational materials; and maintain an inventory of these supplies.
10. Supports in the preparation of program deliverables and budgets of related programs; reviews program progress and outcomes on an ongoing basis to ensure conformance with established deliverables.
11. Contributes to the evaluation of related program activities to ensure program/contract compliance with goals and objectives. Implements corrective measures as required.
12. Tracks new program initiatives and trends related to young children and families to remain updated in the field and participates in relevant training that is offered.

Qualifications

13. CONTRACTOR will be responsible to apply qualifications, experience and education background requirements necessary to fulfill this scope of work in accordance with their job-classification and HR policy framework.

ATTACHMENT B: BUDGET

	FY22/23	FY23/24	FY24/25	FY25/26	Total Contract
Personnel Expenses					
Salaries	$ 52,500.00	$ 70,000.00	$ 70,000.00	$ 70,000.00	$ 262,500.00
Benefits	$ 10,227.27	$ 13,636.36	$ 13,636.36	$ 13,636.36	$ 51,136.35
Salaries & Benefits	**$ 62,727.27**	**$ 83,636.36**	**$ 83,636.36**	**$ 83,636.36**	**$ 313,636.35**
Operational Expenses					
Materials	$ 3,000.00	$ 4,000.00	$ 4,000.00	$ 4,000.00	$ 15,000.00
Transportation	$ 3,000.00	$ 4,000.00	$ 4,000.00	$ 4,000.00	$ 15,000.00
Operational Expenses	**$ 6,000.00**	**$ 8,000.00**	**$ 8,000.00**	**$ 8,000.00**	**$ 30,000.00**
Indirect Expenses*	**$ 6,272.73**	**$ 8,363.64**	**$ 8,363.64**	**$ 8,363.64**	**$ 31,363.65**
Total Expenses	**$ 75,000.00**	**$ 100,000.00**	**$ 100,000.00**	**$ 100,000.00**	**$ 375,000.00**

*: Indirect Expenses are calculated as 10% of Personnel Expenses (Salaries & Benefits), no backup documentation is required for the Indirect Expenses as it is directly related to the Salaries and Benefits.

ATTACHMENT C: PAYMENT PROVISIONS

A. FISCAL

The maximum amount reimbursable over the life of this Contract shall not exceed **$375,000** for the duration of the Contract period as awarded by the Riverside County Children and Families Commission, also known as First 5 Riverside County, (hereinafter the "COMMISSION" or "COUNTY"), provided pursuant to the California Children and Families Act of 1998, also known as Proposition 10.

CONTRACT PERIOD: **10/1/2022** – **06/30/2026**

1. Method, Time, and Schedule Conditions of Payment

   a. The COMMISSION will disburse funds on a reimbursement payment process based on the Contract Budget (Attachment "B") amount for the applicable fiscal year and monthly report submissions. Payment will be rendered thirty (30) business days from submission of all required documentation and/or the reporting deadline.

   b. Disbursement of any payment of funds to CONTRACTOR shall be made so long as all of the following conditions have been met:

      1. The Contract has been approved by the COMMISSION;
      2. The Contract has been fully executed by all parties;
      3. All applicable licenses to comply with the terms of the SOW are current and valid;
      4. CONTRACTOR shall give 3 business days' notice of any change in the qualified staffing of the funded position;
      5. CONTRACTOR shall only be reimbursed for any cost if the funded position is held by a qualified individual in the month for which an invoice is submitted and only for expenses incurred during the period that the position was staffed;
      6. The CONTRACTOR submits monthly itemized invoices, via the data management system to include the supporting documentation separated by a cover sheet in front of each expense category. Documentation shall include; payroll register or report, time & activity report and/or, timesheets, statement of costs of materials with copies of invoices and/or receipts, mileage report(s), copies of check(s) or proof of payment;

   c. Under special circumstances, CONTRACTOR may request advance disbursements. A supplemental disbursement request along with justification must be submitted, in writing, to the Executive Director or designee.

   d. The COMMISSION Executive Director, or designee, reserves the right to withhold or reduce disbursement of funds if CONTRACTOR fails to 1) comply with monthly and/or quarterly reports by the indicated due date as set forth in Section 11 of the Contract; 2) if results achieved are not as projected and no COMMISSION approved plan is in place for improvement; 3) if the funded position is vacant; or 4) if the CONTRACTOR is not in compliance with any provision contained within this Contract.

   e. The final funding period amount approved for the applicable fiscal year will be paid based on final expenditures as of June 30th, and reported as of the final deadline to submit program expenditures defined in Section 11. Fiscal and Program Reporting Requirements, A. Fiscal Reporting. Expenditures made after June 30th will not be accepted.

2. Allowable Costs

Funds provided pursuant to this Contract shall be expended by the CONTRACTOR in accordance with the Budget.

a. Such specified expenditures will be further limited to those that are considered both reasonable and necessary as determined by the COMMISSION. CONTRACTOR agrees COMMISSION may recover any payments for services or goods, including rental of facilities, which were not reasonable and necessary, or which exceeded the fair market value. The recovery shall be limited to payments over and above reasonable or fair market amounts and any costs of recovery.

b. The reasonable and allowable reimbursement rate for use of motor vehicles, travel expenses and food are based on the current IRS allowable rate.

c. Contractor shall obtain approval for all overnight travel and out of State travel as it relates to services provided in this Contract. Reimbursement as it relates to pre-approved travel will be based on the Federal allowable rate. Request must be submitted in writing thirty (30) days in advance of travel date and travel must be approved in advance by COMMISSION management.

ATTACHMENT D:
COMPREHENSIVE TOBACCO CONTROL POLICY

As a material condition of the Contract, the CONTRACTOR shall agree that the CONTRACTOR and the CONTRACTOR'S employees, while receiving funding from the COMMISSION:

1. Shall not use tobacco products while using the CONTRACTOR'S property e.g., vehicle, equipment; and

2. Shall not sell, offer, or provide tobacco products on CONTRACTOR 'S premises; and

3. Shall have tobacco education and cessation materials visibly available and accessible to clients participating in activities funded by Proposition 10 funds; and

4. Shall assure that the CONTRACTOR and its employees have no current business association or relationship with the tobacco industry, and further agrees to neither accept nor solicit financial contributions, sponsorships, gifts, or services from any tobacco company, executive, or tobacco-related function; and

5. Shall make a reasonable effort to divest of all investments in companies that derive fifteen percent (15%) or more of revenues from tobacco.

The COMMISSION may terminate for default or breach of this Contract and any other Contract the CONTRACTOR has with the COMMISSION, if the CONTRACTOR or CONTRACTOR'S employees, are determined by the COMMISSION Executive Director (or designee), not to be in compliance with the conditions set forth herein.

If the CONTRACTOR or CONTRACTOR'S employees are determined by the COMMISSION Executive Director (or designee) not to be in compliance with the conditions set forth herein, the COMMISSION may terminate for default or breach of this Contract and any other Contract the COMMISSION has with the CONTRACTOR.

In instances where the CONTRACTOR is part of a larger entity, and where the entity has an investment policy set by governance officials other than the CONTRACTOR, and the CONTRACTOR is not directly involved in such investment decisions, CONTRACTOR agrees to the provisions herein as required in the programs and activities under the direct control of the CONTRACTOR to the satisfaction of the COMMISSION Executive Director (or designee). Activities of the larger entity other than investment decisions, which are not under the direct control of CONTRACTOR, shall not be considered to be in violation of CONTRACTOR'S activities pursuant to the policy.

ATTACHMENT E:
HIPAA BUSINESS ASSOCIATE AGREEMENT
Addendum to Contract

Between the County of Riverside and Family Service Association, Inc..

This HIPAA Business Associate Agreement (the "Addendum") supplements and is made part of the Underlying Agreement between the County of Riverside ("County") and Contractor and shall be effective as of the date the Underlying Agreement approved by both Parties (the "Effective Date").

RECITALS

WHEREAS, County and Contractor entered into the Underlying Agreement pursuant to which the Contractor provides services to County, and in conjunction with the provision of such services certain protected health information ("PHI") and/or certain electronic protected health information ("ePHI") may be created by or made available to Contractor for the purposes of carrying out its obligations under the Underlying Agreement; and,

WHEREAS, the provisions of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), Public Law 104-191 enacted August 21, 1996, and the Health Information Technology for Economic and Clinical Health Act ("HITECH") of the American Recovery and Reinvestment Act of 2009, Public Law 111-5 enacted February 17, 2009, and the laws and regulations promulgated subsequent thereto, as may be amended from time to time, are applicable to the protection of any use or disclosure of PHI and/or ePHI pursuant to the Underlying Agreement; and,

WHEREAS, County is a covered entity, as defined in the Privacy Rule; and,

WHEREAS, to the extent County discloses PHI and/or ePHI to Contractor or Contractor creates, receives, maintains, transmits, or has access to PHI and/or ePHI of County, Contractor is a business associate, as defined in the Privacy Rule; and,

WHEREAS, pursuant to 42 USC §17931 and §17934, certain provisions of the Security Rule and Privacy Rule apply to a business associate of a covered entity in the same manner that they apply to the covered entity, the additional security and privacy requirements of HITECH are applicable to business associates and must be incorporated into the business associate agreement, and a business associate is liable for civil and criminal penalties for failure to comply with these security and/or privacy provisions; and,

WHEREAS, the parties mutually agree that any use or disclosure of PHI and/or ePHI must be in compliance with the Privacy Rule, Security Rule, HIPAA, HITECH and any other applicable law; and,

WHEREAS, the parties intend to enter into this Addendum to address the requirements and obligations set forth in the Privacy Rule, Security Rule, HITECH and HIPAA as they apply to Contractor as a business associate of County, including the establishment of permitted and required uses and disclosures of PHI and/or ePHI created or received by Contractor during the course of performing functions, services and activities on behalf of County, and appropriate limitations and conditions on such uses and disclosures;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties agree as follows:

1. **Definitions.** Terms used, but not otherwise defined, in this Addendum shall have the same meaning as those terms in HITECH, HIPAA, Security Rule and/or Privacy Rule, as may be amended from time to time.

   A. "Breach" when used in connection with PHI means the acquisition, access, use or disclosure of PHI in a manner not permitted under subpart E of the Privacy Rule which compromises the security or privacy of the PHI, and shall have the meaning given such term in 45 CFR §164.402.

(1) Except as provided below in Paragraph (2) of this definition, acquisition, access, use, or disclosure of PHI in a manner not permitted by subpart E of the Privacy Rule is presumed to be a breach unless Contractor demonstrates that there is a low probability that the PHI has been compromised based on a risk assessment of at least the following four factors:

(a) The nature and extent of the PHI involved, including the types of identifiers and the likelihood of re-identification;

(b) The unauthorized person who used the PHI or to whom the disclosure was made;

(c) Whether the PHI was actually acquired or viewed; and

(d) The extent to which the risk to the PHI has been mitigated.

(2) Breach excludes:

(a) Any unintentional acquisition, access or use of PHI by a workforce member or person acting under the authority of a covered entity or business associate, if such acquisition, access or use was made in good faith and within the scope of authority and does not result in further use or disclosure in a manner not permitted under subpart E of the Privacy Rule.

(b) Any inadvertent disclosure by a person who is authorized to access PHI at a covered entity or business associate to another person authorized to access PHI at the same covered entity, business associate, or organized health care arrangement in which County participates, and the information received as a result of such disclosure is not further used or disclosed in a manner not permitted by subpart E of the Privacy Rule.

(c) A disclosure of PHI where a covered entity or business associate has a good faith belief that an unauthorized person to whom the disclosure was made would not reasonably have been able to retain such information.

B. "Business associate" has the meaning given such term in 45 CFR §164.501, including but not limited to a subcontractor that creates, receives, maintains, transmits or accesses PHI on behalf of the business associate.

C. "Data aggregation" has the meaning given such term in 45 CFR §164.501.

D. "Designated record set" as defined in 45 CFR §164.501 means a group of records maintained by or for a covered entity that may include: the medical records and billing records about individuals maintained by or for a covered health care provider; the enrollment, payment, claims adjudication, and case or medical management record systems maintained by or for a health plan; or, used, in whole or in part, by or for the covered entity to make decisions about individuals.

E. "Electronic protected health information" ("ePHI") as defined in 45 CFR §160.103 means protected health information transmitted by or maintained in electronic media.

F. "Electronic health record" means an electronic record of health-related information on an individual that is created, gathered, managed, and consulted by authorized health care clinicians and staff, and shall have the meaning given such term in 42 USC §17921(5).

G. "Health care operations" has the meaning given such term in 45 CFR §164.501.

H. "Individual" as defined in 45 CFR §160.103 means the person who is the subject of protected health information.

I. "Person" as defined in 45 CFR §160.103 means a natural person, trust or estate, partnership, corporation, professional association or corporation, or other entity, public or private.

J. "Privacy Rule" means the HIPAA regulations codified at 45 CFR Parts 160 and 164, Subparts A and E.

K. "Protected health information" ("PHI") has the meaning given such term in 45 CFR §160.103, which includes ePHI.

L. "Required by law" has the meaning given such term in 45 CFR §164.103.

M. "Secretary" means the Secretary of the U.S. Department of Health and Human Services ("HHS").

N. "Security incident" as defined in 45 CFR §164.304 means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system.

O. "Security Rule" means the HIPAA Regulations codified at 45 CFR Parts 160 and 164, Subparts A and C.

P. "Subcontractor" as defined in 45 CFR §160.103 means a person to whom a business associate delegates a function, activity, or service, other than in the capacity of a member of the workforce of such business associate.

Q. "Unsecured protected health information" and "unsecured PHI" as defined in 45 CFR §164.402 means PHI not rendered unusable, unreadable, or indecipherable to unauthorized persons through use of a technology or methodology specified by the Secretary in the guidance issued under 42 USC §17932(h)(2).

2. <u>Scope of Use and Disclosure by Contractor of County's PHI and/or ePHI</u>.

A. Except as otherwise provided in this Addendum, Contractor may use, disclose, or access PHI and/or ePHI as necessary to perform any and all obligations of Contractor under the Underlying Agreement or to perform functions, activities or services for, or on behalf of, County as specified in this Addendum, if such use or disclosure does not violate HIPAA, HITECH, the Privacy Rule and/or Security Rule.

B. Unless otherwise limited herein, in addition to any other uses and/or disclosures permitted or authorized by this Addendum or required by law, in accordance with 45 CFR §164.504(e)(2), Contractor may:

1) Use PHI and/or ePHI if necessary for Contractor's proper management and administration and to carry out its legal responsibilities; and,

2) Disclose PHI and/or ePHI for the purpose of Contractor's proper management and administration or to carry out its legal responsibilities, only if:

a) The disclosure is required by law; or,

b) Contractor obtains reasonable assurances, in writing, from the person to whom Contractor will disclose such PHI and/or ePHI that the person will:

i. Hold such PHI and/or ePHI in confidence and use or further disclose it only for the purpose for which Contractor disclosed it to the person, or as required by law; and,

ii. Notify County of any instances of which it becomes aware in which the confidentiality of the information has been breached; and,

3) Use PHI to provide data aggregation services relating to the health care operations of County pursuant to the Underlying Agreement or as requested by County; and,

4) De-identify all PHI and/or ePHI of County received by Contractor under this Addendum provided that the de-identification conforms to the requirements of the Privacy Rule and/or Security Rule and does not preclude timely payment and/or claims processing and receipt.

C. Notwithstanding the foregoing, in any instance where applicable state and/or federal laws and/or regulations are more stringent in their requirements than the provisions of HIPAA, including, but not limited to, prohibiting disclosure of mental health and/or substance abuse records, the applicable state and/or federal laws and/or regulations shall control the disclosure of records.

3. **Prohibited Uses and Disclosures.**

A. Contractor may neither use, disclose, nor access PHI and/or ePHI in a manner not authorized by the Underlying Agreement or this Addendum without patient authorization or de-identification of the PHI and/or ePHI and as authorized in writing from County.

B. Contractor may neither use, disclose, nor access PHI and/or ePHI it receives from County or from another business associate of County, except as permitted or required by this Addendum, or as required by law.

C. Contractor agrees not to make any disclosure of PHI and/or ePHI that County would be prohibited from making.

D. Contractor shall not use or disclose PHI for any purpose prohibited by the Privacy Rule, Security Rule, HIPAA and/or HITECH, including, but not limited to 42 USC §17935 and §17936. Contractor agrees:

1) Not to use or disclose PHI for fundraising , unless pursuant to the Underlying Agreement and only if permitted by and in compliance with the requirements of 45 CFR §164.514(f) or 45 CFR §164.508;

2) Not to use or disclose PHI for marketing, as defined in 45 CFR §164.501, unless pursuant to the Underlying Agreement and only if permitted by and in compliance with the requirements of 45 CFR §164.508(a)(3);

3) Not to disclose PHI, except as otherwise required by law, to a health plan for purposes of carrying out payment or health care operations, if the individual has requested this restriction pursuant to 42 USC §17935(a) and 45 CFR §164.522, and has paid out of pocket in full for the health care item or service to which the PHI solely relates; and,

4) Not to receive, directly or indirectly, remuneration in exchange for PHI, or engage in any act that would constitute a sale of PHI, as defined in 45 CFR §164.502(a)(5)(ii), unless permitted by the Underlying Agreement and in compliance with the requirements of a valid authorization under 45 CFR §164.508(a)(4). This prohibition shall not apply to payment by County to Contractor for services provided pursuant to the Underlying Agreement.

4. **Obligations of County.**

A. County agrees to make its best efforts to notify Contractor promptly in writing of any restrictions on the use or disclosure of PHI and/or ePHI agreed to by County that may affect Contractor's ability to perform its obligations under the Underlying Agreement, or this Addendum.

B. County agrees to make its best efforts to promptly notify Contractor in writing of any changes in, or revocation of, permission by any individual to use or disclose PHI and/or ePHI, if such changes or revocation may affect Contractor's ability to perform its obligations under the Underlying Agreement, or this Addendum.

C. County agrees to make its best efforts to promptly notify Contractor in writing of any known limitation(s) in its notice of privacy practices to the extent that such limitation may affect Contractor's use or disclosure of PHI and/or ePHI.

D. County agrees not to request Contractor to use or disclose PHI and/or ePHI in any manner that would not be permissible under HITECH, HIPAA, the Privacy Rule, and/or Security Rule.

E. County agrees to obtain any authorizations necessary for the use or disclosure of PHI and/or ePHI, so that Contractor can perform its obligations under this Addendum and/or Underlying Agreement.

5. **Obligations of Contractor.** In connection with the use or disclosure of PHI and/or ePHI, Contractor agrees to:

A. Use or disclose PHI only if such use or disclosure complies with each applicable requirement of 45 CFR §164.504(e). Contractor shall also comply with the additional privacy requirements that are applicable to covered entities in HITECH, as may be amended from time to time.

B. Not use or further disclose PHI and/or ePHI other than as permitted or required by this Addendum or as required by law. Contractor shall promptly notify County if Contractor is required by law to disclose PHI and/or ePHI.

C. Use appropriate safeguards and comply, where applicable, with the Security Rule with respect to ePHI, to prevent use or disclosure of PHI and/or ePHI other than as provided for by this Addendum.

D. Mitigate, to the extent practicable, any harmful effect that is known to Contractor of a use or disclosure of PHI and/or ePHI by Contractor in violation of this Addendum.

E. Report to County any use or disclosure of PHI and/or ePHI not provided for by this Addendum or otherwise in violation of HITECH, HIPAA, the Privacy Rule, and/or Security Rule of which Contractor becomes aware, including breaches of unsecured PHI as required by 45 CFR §164.410.

F. In accordance with 45 CFR §164.502(e)(1)(ii), require that any subcontractors that create, receive, maintain, transmit or access PHI on behalf of the Contractor agree through contract to the same restrictions and conditions that apply to Contractor with respect to such PHI and/or ePHI, including the restrictions and conditions pursuant to this Addendum.

G. Make available to County or the Secretary, in the time and manner designated by County or Secretary, Contractor's internal practices, books and records relating to the use, disclosure and privacy protection of PHI received from County, or created or received by Contractor on behalf of County, for purposes of determining, investigating or auditing Contractor's and/or County's compliance with the Privacy Rule.

H. Request, use or disclose only the minimum amount of PHI necessary to accomplish the intended purpose of the request, use or disclosure in accordance with 42 USC §17935(b) and 45 CFR §164.502(b)(1).

I. Comply with requirements of satisfactory assurances under 45 CFR §164.512 relating to notice or qualified protective order in response to a third party's subpoena, discovery request, or other lawful process for the disclosure of PHI, which Contractor shall promptly notify County upon Contractor's receipt of such request from a third party.

J. Not require an individual to provide patient authorization for use or disclosure of PHI as a condition for treatment, payment, enrollment in any health plan (including the health plan administered by County), or eligibility of benefits, unless otherwise excepted under 45 CFR §164.508(b)(4) and authorized in writing by County.

K. Use appropriate administrative, technical and physical safeguards to prevent inappropriate use, disclosure, or access of PHI and/or ePHI.

L. Obtain and maintain knowledge of applicable laws and regulations related to HIPAA and HITECH, as may be amended from time to time.

M. Comply with the requirements of the Privacy Rule that apply to the County to the extent Contractor is to carry out County's obligations under the Privacy Rule.

N. Take reasonable steps to cure or end any pattern of activity or practice of its subcontractor of which Contractor becomes aware that constitute a material breach or violation of the subcontractor's obligations under the business associate contract with Contractor, and if such steps are unsuccessful, Contractor agrees to terminate its contract with the subcontractor if feasible.

6. **Access to PHI, Amendment and Disclosure Accounting.** Contractor agrees to:

A. **Access to PHI, including ePHI.** Provide access to PHI, including ePHI if maintained electronically, in a designated record set to County or an individual as directed by County, within five (5) days of request from County, to satisfy the requirements of 45 CFR §164.524.

B. **Amendment of PHI.** Make PHI available for amendment and incorporate amendments to PHI in a designated record set County directs or agrees to at the request of an individual, within fifteen (15) days of receiving a written request from County, in accordance with 45 CFR §164.526.

C. **Accounting of disclosures of PHI and electronic health record.** Assist County to fulfill its obligations to provide accounting of disclosures of PHI under 45 CFR §164.528 and, where applicable, electronic health records under 42 USC §17935(c) if Contractor uses or maintains electronic health records. Contractor shall:

1) Document such disclosures of PHI and/or electronic health records, and information related to such disclosures, as would be required for County to respond to a request by an individual for an accounting of disclosures of PHI and/or electronic health record in accordance with 45 CFR §164.528.

2) Within fifteen (15) days of receiving a written request from County, provide to County or any individual as directed by County information collected in accordance with this section to permit County to respond to a request by an individual for an accounting of disclosures of PHI and/or electronic health record.

3) Make available for County information required by this Section 6.C for six (6) years preceding the individual's request for accounting of disclosures of PHI, and for three (3) years preceding the individual's request for accounting of disclosures of electronic health record.

7. **Security of ePHI.** In the event County discloses ePHI to Contractor or Contractor needs to create, receive, maintain, transmit or have access to County ePHI, in accordance with 42 USC §17931 and 45 CFR §164.314(a)(2)(i), and §164.306, Contractor shall:

A. Comply with the applicable requirements of the Security Rule, and implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of ePHI that Contractor creates, receives, maintains, or transmits on behalf of County in accordance with 45 CFR §164.308, §164.310, and §164.312;

B. Comply with each of the requirements of 45 CFR §164.316 relating to the implementation of policies, procedures and documentation requirements with respect to ePHI;

C. Protect against any reasonably anticipated threats or hazards to the security or integrity of ePHI;

D. Protect against any reasonably anticipated uses or disclosures of ePHI that are not permitted or required under the Privacy Rule;

E. Ensure compliance with the Security Rule by Contractor's workforce;

F. In accordance with 45 CFR §164.308(b)(2), require that any subcontractors that create, receive, maintain, transmit, or access ePHI on behalf of Contractor agree through contract to the same restrictions and requirements contained in this Addendum and comply with the applicable requirements of the Security Rule;

G. Report to County any security incident of which Contractor becomes aware, including breaches of unsecured PHI as required by 45 CFR §164.410; and,

H. Comply with any additional security requirements that are applicable to covered entities in Title 42 (Public Health and Welfare) of the United States Code, as may be amended from time to time, including but not limited to HITECH.

8. **Breach of Unsecured PHI.** In the case of breach of unsecured PHI, Contractor shall comply with the applicable provisions of 42 USC §17932 and 45 CFR Part 164, Subpart D, including but not limited to 45 CFR §164.410.

A. **Discovery and notification.** Following the discovery of a breach of unsecured PHI, Contractor shall notify County in writing of such breach without unreasonable delay and in no case later than 60 calendar days after discovery of a breach, except as provided in 45 CFR §164.412.

1) **Breaches treated as discovered.** A breach is treated as discovered by Contractor as of the first day on which such breach is known to Contractor or, by exercising reasonable diligence, would have been known to Contractor, which includes any person, other than the person committing the breach, who is an employee, officer, or other agent of Contractor (determined in accordance with the federal common law of agency).

2) **Content of notification.** The written notification to County relating to breach of unsecured PHI shall include, to the extent possible, the following information if known (or can be reasonably obtained) by Contractor:

a) The identification of each individual whose unsecured PHI has been, or is reasonably believed by Contractor to have been accessed, acquired, used or disclosed during the breach;

b) A brief description of what happened, including the date of the breach and the date of the discovery of the breach, if known;

c) A description of the types of unsecured PHI involved in the breach, such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code, or other types of information were involved;

d) Any steps individuals should take to protect themselves from potential harm resulting from the breach;

e) A brief description of what Contractor is doing to investigate the breach, to mitigate harm to individuals, and to protect against any further breaches; and,

f) Contact procedures for individuals to ask questions or learn additional information, which shall include a toll-free telephone number, an e-mail address, web site, or postal address.

B. **Cooperation.** With respect to any breach of unsecured PHI reported by Contractor, Contractor shall cooperate with County and shall provide County with any information requested by County to enable County to fulfill in a timely manner its own reporting and notification obligations, including but not limited to providing notice to individuals, prominent media outlets and the Secretary in accordance with 42 USC §17932 and 45 CFR §164.404, §164.406 and §164.408.

C. **Breach log.** To the extent breach of unsecured PHI involves less than 500 individuals, Contractor shall maintain a log or other documentation of such breaches and provide such log or other documentation on an annual basis to County not later than fifteen (15) days after the end of each calendar year for submission to the Secretary.

D. **Delay of notification authorized by law enforcement.** If Contractor delays notification of breach of unsecured PHI pursuant to a law enforcement official's statement that required notification, notice or posting would impede a criminal investigation or cause damage to national security, Contractor shall maintain documentation sufficient to demonstrate its compliance with the requirements of 45 CFR §164.412.

E. **Payment of costs.** With respect to any breach of unsecured PHI caused solely by the Contractor's failure to comply with one or more of its obligations under this Addendum and/or the provisions of HITECH, HIPAA, the Privacy Rule or the Security Rule, Contractor agrees to pay any and all costs associated with providing all legally required notifications to individuals, media outlets, and the Secretary. This provision shall not be construed to limit or diminish Contractor's obligations to indemnify, defend and hold harmless County under Section 9 of this Addendum.

F. **Documentation.** Pursuant to 45 CFR §164.414(b), in the event Contractor's use or disclosure of PHI and/or ePHI violates the Privacy Rule, Contractor shall maintain documentation sufficient to demonstrate that all notifications were made by Contractor as required by 45 CFR Part 164, Subpart D, or that such use or disclosure did not constitute a breach, including Contractor's completed risk assessment and investigation documentation.

G. **Additional State Reporting Requirements.** The parties agree that this Section 8.G applies only if and/or when County, in its capacity as a licensed clinic, health facility, home health agency, or hospice, is required to report unlawful or unauthorized access, use, or disclosure of medical information under the more stringent requirements of California Health & Safety Code §1280.15. For purposes of this Section 8.G, "unauthorized" has the meaning given such term in California Health & Safety Code §1280.15(j)(2).

1) Contractor agrees to assist County to fulfill its reporting obligations to affected patients and to the California Department of Public Health ("CDPH") in a timely manner under the California Health & Safety Code §1280.15.

2) Contractor agrees to report to County any unlawful or unauthorized access, use, or disclosure of patient's medical information without unreasonable delay and no later than two (2) business days after Contractor detects such incident. Contractor further agrees such report shall be made in writing, and shall include substantially the same types of information listed above in Section 8.A.2 (Content of Notification) as applicable to the unlawful or unauthorized access, use, or disclosure as defined above in this section, understanding and acknowledging that the term "breach" as used in Section 8.A.2 does not apply to California Health & Safety Code §1280.15.

9. **Hold Harmless/Indemnification.**

A. Contractor agrees to indemnify and hold harmless County, all Agencies, Districts, Special Districts and Departments of County, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives from any liability whatsoever, based or asserted upon any services of Contractor, its officers, employees, subcontractors, agents or representatives arising out

of or in any way relating to this Addendum, including but not limited to property damage, bodily injury, death, or any other element of any kind or nature whatsoever arising from the performance of Contractor, its officers, agents, employees, subcontractors, agents or representatives from this Addendum. Contractor shall defend, at its sole expense, all costs and fees, including but not limited to attorney fees, cost of investigation, defense and settlements or awards, of County, all Agencies, Districts, Special Districts and Departments of County, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents or representatives in any claim or action based upon such alleged acts or omissions.

B. With respect to any action or claim subject to indemnification herein by Contractor, Contractor shall, at their sole cost, have the right to use counsel of their choice, subject to the approval of County, which shall not be unreasonably withheld, and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of County; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes Contractor's indemnification to County as set forth herein. Contractor's obligation to defend, indemnify and hold harmless County shall be subject to County having given Contractor written notice within a reasonable period of time of the claim or of the commencement of the related action, as the case may be, and information and reasonable assistance, at Contractor's expense, for the defense or settlement thereof. Contractor's obligation hereunder shall be satisfied when Contractor has provided to County the appropriate form of dismissal relieving County from any liability for the action or claim involved.

C. The specified insurance limits required in the Underlying Agreement of this Addendum shall in no way limit or circumscribe Contractor's obligations to indemnify and hold harmless County herein from third party claims arising from issues of this Addendum.

D. In the event there is conflict between this clause and California Civil Code §2782, this clause shall be interpreted to comply with Civil Code §2782. Such interpretation shall not relieve the Contractor from indemnifying County to the fullest extent allowed by law.

E. In the event there is a conflict between this indemnification clause and an indemnification clause contained in the Underlying Agreement of this Addendum, this indemnification shall only apply to the subject issues included within this Addendum.

10. **Term.** This Addendum shall commence upon the Effective Date and shall terminate when all PHI and/or ePHI provided by County to Contractor, or created or received by Contractor on behalf of County, is destroyed or returned to County, or, if it is infeasible to return or destroy PHI and/ePHI, protections are extended to such information, in accordance with section 11.B of this Addendum.

11. **Termination.**

A. **Termination for Breach of Contract.** A breach of any provision of this Addendum by either party shall constitute a material breach of the Underlying Agreement and will provide grounds for terminating this Addendum and the Underlying Agreement with or without an opportunity to cure the breach, notwithstanding any provision in the Underlying Agreement to the contrary. Either party, upon written notice to the other party describing the breach, may take any of the following actions:

1) Terminate the Underlying Agreement and this Addendum, effective immediately, if the other party breaches a material provision of this Addendum.

2) Provide the other party with an opportunity to cure the alleged material breach and in the event the other party fails to cure the breach to the satisfaction of the non-breaching party in a timely manner, the non-breaching party has the right to immediately terminate the Underlying Agreement and this Addendum.

3) If termination of the Underlying Agreement is not feasible, the breaching party, upon the request of the non-breaching party, shall implement, at its own expense, a plan to cure the breach and report regularly on its compliance with such plan to the non-breaching party.

B. **Effect of Termination.**

1) Upon termination of this Addendum, for any reason, Contractor shall return or, if agreed to in writing by County, destroy all PHI and/or ePHI received from County, or created or received by the Contractor on behalf of County, and, in the event of destruction, Contractor shall certify such destruction, in writing, to County. This provision shall apply to all PHI and/or ePHI which are in the possession of subcontractors or agents of Contractor. Contractor shall retain no copies of PHI and/or ePHI, except as provided below in paragraph (2) of this section.
2) In the event that Contractor determines that returning or destroying the PHI and/or ePHI is not feasible, Contractor shall provide written notification to County of the conditions that make such return or destruction not feasible. Upon determination by Contractor that return or destruction of PHI and/or ePHI is not feasible, Contractor shall extend the protections of this Addendum to such PHI and/or ePHI and limit further uses and disclosures of such PHI and/or ePHI to those purposes which make the return or destruction not feasible, for so long as Contractor maintains such PHI and/or ePHI.

12. **General Provisions.**

A. **Retention Period.** Whenever Contractor is required to document or maintain documentation pursuant to the terms of this Addendum, Contractor shall retain such documentation for 6 years from the date of its creation or as otherwise prescribed by law, whichever is later.

B. **Amendment.** The parties agree to take such action as is necessary to amend this Addendum from time to time as is necessary for County to comply with HITECH, the Privacy Rule, Security Rule, and HIPAA generally.

C. **Survival.** The obligations of Contractor under Sections 3, 5, 6, 7, 8, 9, 11.B and 12.A of this Addendum shall survive the termination or expiration of this Addendum.

D. **Regulatory and Statutory References.** A reference in this Addendum to a section in HITECH, HIPAA, the Privacy Rule and/or Security Rule means the section(s) as in effect or as amended.

E. **Conflicts.** The provisions of this Addendum shall prevail over any provisions in the Underlying Agreement that conflict or appear inconsistent with any provision in this Addendum.

F. **Interpretation of Addendum.**

1) This Addendum shall be construed to be part of the Underlying Agreement as one document. The purpose is to supplement the Underlying Agreement to include the requirements of the Privacy Rule, Security Rule, HIPAA and HITECH.
2) Any ambiguity between this Addendum and the Underlying Agreement shall be resolved to permit County to comply with the Privacy Rule, Security Rule, HIPAA and HITECH generally.

G. **Notices to County.** All notifications required to be given by Contractor to County pursuant to the terms of this Addendum shall be made in writing and delivered to the County both by fax and to both of the addresses listed below by either registered or certified mail return receipt requested or guaranteed overnight mail with tracing capability, or at such other address as County may hereafter designate. All notices to County provided by Contractor pursuant to this Section shall be deemed given or made when received by County.

County HIPAA Privacy Officer:	HIPAA Privacy Manager
County HIPAA Privacy Officer Address:	26520 Cactus Avenue, Moreno Valley, CA 92555
County HIPAA Privacy Officer Phone Number:	(951) 486-6471

CF23106 Family Service Association, Inc - FRC Network Expansion

Final Audit Report 2022-10-25

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RIVERSIDE COUNTY CHILDREN AND FAMILIES COMMISSION
CONTRACT
INVESTMENT OF FUNDS
585 Technology Court
Riverside, California 92507

RCCFC AWARD: **CF23105 FRC Network Expansion**

CONTRACTOR: Soboba Band of Luiseno Indians
CONTRACT TERM: **2/1/2023 – 06/30/2026**

MAXIMUM REIMBURSABLE AMOUNT: **$333,333**

The CONTRACTOR designated above is hereby certified for an investment of funds in an amount not to exceed $333,333.

Compensation: The maximum reimbursable amount over the life of the Contract for Investment of Funds (hereinafter the "Contract") shall not exceed $375,000 as awarded by the Riverside County Children and Families Commission, also known as First 5 Riverside, (hereinafter the "COMMISSION" or "COUNTY"), provided pursuant to the California Children and Families Act of 1998, also known as Proposition 10, to provide services and results as set forth in Attachments A, B, C and D attached hereto as incorporated herein by reference, subject to the following terms and conditions:

IN WITNESS WHEREOF, COMMISSION and CONTRACTOR have executed this Contract.

Authorized Signature for COMMISSION:	**Authorized Signature for CONTRACTOR:**
Tammi Graham, Executive Director	Printed Name of Person Signing: Alfonso Hernandez
Date Signed:	Title: Grants Administrator
585 Technology Court Riverside, CA 92507-2423	Address: 23906 Soboba Road San Jacinto, CA 92583
APPROVED AS TO FORM SIGNATURE:	Date Signed:
Ronak Patel County Counsel	ATTEST SIGNATURE:
Date Signed:	Lynn M. Stephens Commission Coordinator
	Date Signed:

RIVERSIDE COUNTY CHILDREN AND FAMILIES COMMISSION

CONTRACT TERMS AND CONDITIONS

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Terms and Conditions

1. NOTICES

All correspondence and notices required or contemplated by this Contract shall be delivered to the respective parties at the addresses set forth below and are deemed submitted one day after deposit in the United States mail, postage prepaid:

COMMISSION:	CONTRACTOR:
Tammi Graham, Executive Director	Alfonso Hernandez
First 5 Riverside	Soboba Band of Luiseno Indians
585 Technology Court	23906 Soboba Road
Riverside, California 92507	San Jacinto, CA 92583

Or to such other address as the parties may hereafter designate in writing.

2. SOURCE AND SCOPE OF CONTRACT

A. This Contract award is valid and enforceable only if sufficient funds are available to the COMMISSION from Proposition 10 tax dollars for the total term of the Contract. It is mutually agreed that if the State does not appropriate sufficient Proposition 10 funds, this Contract shall be amended to reflect any reduction in funds.

B. This Contract is subject to any additional restrictions, limitations, or conditions enacted by the State of California, which may affect the provisions, terms, or funding of this Contract in any manner.

C. This Contract award is designated for an investment of funds to provide services to address Child Health & Development, Quality Early Learning or Resilient Families in accordance with the current COMMISSION Strategic Plan. Services are to be provided to benefit children 0 through 5 years of age (may also be abbreviated as “0-5”) who reside in Riverside County.

3. DEFINITIONS

Terminology included within the Terms and Conditions of the Contract are defined by the Riverside County Children & Families Commission as stated below:

Commission: The Riverside County Children & Families Commission, an assembly of Commissioners appointed by the Riverside County Board of Supervisors, which is responsible for establishing policy and directing Proposition 10 funds at the County level.

Contractor: The government or other legal entity to which the Contract is awarded and which shall be accountable to the Commission for the use of funds provided.

County: The Riverside County Children & Families Commission, the County of Riverside, its Agencies, Districts, Special Districts and Departments, respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives.

Data Management System: An online data management system used to collect and analyze client demographics, services, and target accomplishments.

Executive Director: The designated lead director of the Commission.

Fiscal Year: The Commission’s fiscal year is July 1 through June 30.

Performance Target: The specific results that a CONTRACTOR will commit to achieving as outlined in the Scope of Work.

Performance Target Accomplishment Schedule: The specific timeline that a CONTRACTOR will commit to adhere to achieving specific results as outlined in the Scope of Work.

Probationary Status: CONTRACTOR is given notice of non-compliance after failing to correct deficiencies and has been placed in a status that may require additional monitoring, announced and unannounced visits, additional reporting by CONTRACTOR, an evaluation by COMMISSION staff and a report to the COMMISSION inclusive of recommendations regarding the disposition of the Contract.

Scope of Work (SOW): A documented qualitative and quantitative description of the project deliverables (i.e., what the CONTRACTOR is funded to do).

4. TERM

The term of this Contract shall be from 2/1/2023 through 06/30/2026 unless terminated sooner by the provisions herein by either party. Funds shall not be automatically renewed by the COMMISSION upon or after the term of the Contract except by formal amendment approved by the COMMISSION.

5. COMPLIANCE, DISALLOWANCE, WITHHOLDING

If CONTRACTOR fails to comply with any conditions contained within this Contract, the COMMISSION may place the CONTRACTOR in a probationary status, temporarily withhold payments until the deficiency is corrected, deny funds for all or part of the cost of activity not in compliance, and/or request repayment to the COMMISSION if any disallowance is rendered after audit findings. Written notification of non-compliance will be sent to the identified contact person and the CONTRACTOR'S Executive Director or other lead staff authorized by the CONTRACTOR'S governing board or ownership within twenty (20) working days.

6. TERMINATION

A. By COMMISSION: The COMMISSION may, by written notice to CONTRACTOR, terminate this Contract in whole or in part at any time for the reasons as set forth below. Upon receipt of notice, the CONTRACTOR shall immediately discontinue all services affected (unless the notice directs otherwise).

1. Termination for cause:

a. Due to Default or Breach of Contract. Upon default by the CONTRACTOR in the performance of this Contract or material breach of any of its provisions which include but are not limited to; change in status or delegation, assignment or alteration of the services outlined in Attachment A of this Contract, the COMMISSION may immediately terminate this Contract by written notice, which shall be effective upon receipt by CONTRACTOR, unless COMMISSION provides CONTRACTOR the opportunity to cure breach within twenty (20) working days of receipt of notice, and CONTRACTOR does so to COMMISSION'S satisfaction.

b. Due to Health and Safety Concerns of Clients. The COMMISSION may immediately terminate this Contract, at the sole discretion of the COMMISSION when the CONTRACTOR has been accused and found to be in violation of any county, state, or federal law and/or regulation related to the health and safety of clients. The Contract may also be immediately terminated at the sole discretion of the COMMISSION if the

CONTRACTOR fails to provide for the health and safety of clients served under this Contract where the health and safety of clients are placed at risk by CONTRACTOR.

c. **Due to Non-Appropriation.** It is mutually agreed that if either the federal or state budget of the current year and/or any subsequent years covered under this Contract does not appropriate sufficient funds for the program, this Contract shall be of no further force and effect. In this event, the COMMISSION shall have no liability to pay any funds whatsoever to the CONTRACTOR or to furnish any other considerations under this Contract and CONTRACTOR shall not be obligated to perform any provisions of this Contract. If funding for any fiscal year is reduced or deleted by the federal or state budgetary process for purposes of this program, the COMMISSION shall have the option to either cancel this Contract with no liability occurring to the COMMISSION or offer a Contract amendment to CONTRACTOR to reflect the reduced amount.

d. **Due to Non-Compliance.** Termination may occur if CONTRACTOR fails to provide the COMMISSION with any reports, data and information as required in this Contract. CONTRACTOR may be placed in a probationary status until compliance with the terms of the Contract has been met. CONTRACTOR will be given thirty (30) calendar days after the date of written notice by COMMISSION to cure the deficiency. If compliance is not met within the thirty (30) calendar days, the COMMISSION may move forward with termination of the Contract.

e. **Without Cause.** COMMISSION may terminate this Contract without cause upon thirty (30) days' written notice served upon the CONTRACTOR stating the extent and effective date of termination.

B. **By CONTRACTOR**: CONTRACTOR may terminate this Contract in whole or in part upon thirty (30) calendar days' written notice to the COMMISSION.

7. REQUIREMENT OF SUPPLEMENTING PROGRAM

Funds received pursuant to this Contract shall not be used to supplant any program of the CONTRACTOR. Proposition 10 funds shall ONLY be used to supplement a CONTRACTOR'S program. The COMMISSION endorses the California Children and Families Commission's interpretation of supplanting: The definition of "supplement" is to add to or augment something that currently exists, while "supplant" is defined as taking the place of something currently in existence. As defined in Health and Safety Code sections 130100 et seq. (the Children and Families Act), all monies raised pursuant to the Act shall be appropriated and expended by CONTRACTOR only to supplement existing levels of services. The Act specifically prohibits appropriation and expenditure of funds to supplant state or local general fund money for any purpose. Further, expenditures are prohibited for use to fund any existing levels of service.

8. DATA MANAGEMENT

CONTRACTOR agrees to participate in a comprehensive, countywide, internet-based evaluation and management process as defined by the COMMISSION. Participation shall include, but is not limited to, monthly input of program and financial data, submission of quarterly and annual Program Progress Reports (PPR), utilization of the COMMISSION developed reporting systems and Administrative Review formats and required training(s) to familiarize and implement the results-based accountability framework. The COMMISSION continues to refine its evaluative processes that will assist the COMMISSION, its CONTRACTORS and the community to successfully increase and measure the impact of the Proposition 10 in Riverside County. Where appropriate, CONTRACTOR agrees to participate in the ongoing development of these evaluative

processes. Specific areas may include but are not limited to, the development of outcomes for programmatic performance, standards for service delivery, and assessment tools.

9. SCOPE OF WORK (SOW)

A. CONTRACTOR will be required to submit and adhere to a SOW approved by the COMMISSION and attached to this Contract. The SOW will accurately reflect measurable results of services provided through Proposition 10 funding. The SOW will provide a qualitative and quantitative description of program(s) objectives to be achieved in connection with Proposition 10 funding.

B. The SOW (Attachment A) will be amended each fiscal year of the Contract Term to confirm or adjust specific qualitative and/or quantitative targets for the respective year.

C. SOW revisions that are considered relatively minor adjustments that do not affect the overall deliverables of this Contract shall be accepted for consideration through March 31st of each fiscal year. Requests for these types of SOW adjustments must be submitted to the COMMISSION office in writing or via e-mail and shall not be implemented by CONTRACTOR prior to receipt of written approval from authorized COMMISSION personnel. Upon approval, CONTRACTOR will receive either written or e-mail verification from the COMMISSION Executive Director (or designee).

D. SOW revisions that are considered significant changes to program performance targets and affect the overall deliverables of this Contract include the following: changes that result in the type of customer or numbers served, new staff positions or major staff changes, or significant changes in the Performance Targets. Requests for these types of SOW changes shall be accepted for consideration through March 31 of each fiscal year. SOW revisions shall be submitted to the COMMISSION Executive Director (or designee), via the COMMISSION'S Contracts & Grants Analyst assigned to the CONTRACTOR. The COMMISSION Executive Director (or designee) will respond to the proposed request for SOW revisions within thirty (30) calendar days after receipt at the COMMISSION office. Final approval of any proposed revisions to the SOW shall require the written approval of the COMMISSION Executive Director (or designee). All changes will be incorporated into the Contract and shall become effective on the date of written approval from the COMMISSION Executive Director and/or the COMMISSION.

E. CONTRACTOR agrees to make every possible effort to obtain voluntary consent using the COMMISSION Consent Form for any customer entered into the data management system. CONTRACTOR also agrees to maintain the original signed Consent Form on file for the COMMISSION to review as necessary. Each customer is to receive a copy of the signed Consent Form.

10. REIMBURSEMENT OF COSTS

Payment will not be provided for services performed and/or expenditures accrued prior to the full execution of this Contract unless previously authorized by COMMISSION action. Reimbursement of costs shall be made upon CONTRACTOR'S satisfactory performance, based upon the SOW and methodology contained in Attachment A as determined by the COMMISSION. The COMMISSION shall allocate the funds to CONTRACTOR as follows:

A. All funds provided pursuant to this Contract shall be expended by CONTRACTOR in accordance with the Budget attached hereto.

B. All funds will be distributed as detailed in the attached Payment Provisions, attached hereto.

11. FISCAL AND PROGRAM REPORTING REQUIREMENTS

A. Fiscal Reporting

Fiscal expenditures are required to be input into the data management system by CONTRACTOR on a monthly basis with input completed and submitted by the 20th of the month following Contract performance for expenditures occurring in the 1st, 2nd and 3rd quarters of the fiscal year (July through March). Fiscal expenditures occurring in the 4th quarter (April, May and June) will be required to be input into the data management system on earlier modified due dates to support COUNTY internal deadlines and external audit requirements. These due dates will be communicated to CONTRACTOR through the COMMISSION'S Contracts and Grants Analyst assigned to the CONTRACTOR. CONTRACTOR is required to report expenditures on a monthly basis and apply accruals at year-end. Accruals show costs for services that have occurred but have not yet been paid. If the reporting due date falls on a weekend or County, State or nationally recognized holiday, the due date will be on the following business day. Any changes that occur with expenditures must be reported to COMMISSION staff and adjusted within the data management system before the end of the Quarter following the expense occurrence. Example: Changes to expenditures in the first quarter of performance must be adjusted and reconciled before the end of the second quarter (December 30, as reported in the January 30 report). **A change in CONTRACTOR staff, or other difficulties, does not absolve the CONTRACTOR from this monthly fiscal reporting responsibility.**

In rare and justifiable circumstances, an extension may be requested by the CONTRACTOR. Such requests are to be submitted in writing prior to the due date and shall be directed through the COMMISSION'S Contracts and Grants Analyst assigned to the CONTRACTOR.

If applicable, CONTRACTOR shall provide copies of the claim report submitted monthly for Medi-Cal and/or any other state or federal reimbursements. In addition, the CONTRACTOR will provide the subsequent revenue reports that will reconcile the claim reports.

Costs may be allowed and reviewed for reimbursement up to the time of the Final Fiscal Expenditure Report, which is due as described in paragraph one of this section. All reimbursement costs not submitted at the time of the Final Fiscal Expenditure Report will be disallowed.

Payment information, including amount, payment reduction or payment withheld may be obtained by the CONTRACTOR via the data management system.

B. Program Reporting

As requested by COMMISSION, CONTRACTOR shall participate in research and evaluation studies designed to show the effectiveness of CONTRACTOR'S services or to provide information about CONTRACTOR'S program. CONTRACTOR shall report program and demographic data on participants, where appropriate, service and outcome data with measurement tools approved by COMMISSION. CONTRACTOR shall enter data (quantitative and qualitative) in the evaluation database system designated by COMMISSION. CONTRACTOR shall submit complete data, in accordance with the SOW.

1. Monthly Reporting

CONTRACTOR shall input and submit program data into the COMMISSION'S data management system on a monthly basis and input must be completed by the 20th of the month following Contract performance. If the reporting due date falls on a weekend or holiday, the due date will be on the following business day. The due date for program data

submitted in the 4th quarter (April, May and June) may be modified by COMMISSION as required to meet internal COUNTY and State reporting deadlines. Modified due dates will be communicated to CONTRACTOR through the COMMISSION'S Contracts and Grants Analyst assigned to the CONTRACTOR. Any changes that occur with program data input must be reported to COMMISSION staff and adjusted within the data management system before the end of the Quarter following the change.

Example: Changes to program data in the first quarter must be adjusted and reconciled before the end of the 2nd quarter (December 30th, as reported in the January 30th report). **A change in CONTRACTOR staff, or other difficulties, does not absolve the CONTRACTOR from this monthly program data input and quarterly Program Progress Report (PPR) responsibility.**

2. Quarterly and Annual Reporting

CONTRACTOR shall submit Program Progress Reports (PPR) which includes quarterly and year-to-date progress on actual achievement of performance targets compared to projected achievements as detailed in the SOW and other data collection information as requested by the COMMISSION. The PPR shall include narrative information on lessons learned, course corrections, client success stories, sustainability and public awareness/policy change activities for the quarter. CONTRACTOR is required by the COMMISSION to complete and submit Program Progress Reports electronically via the COMMISSION'S data management system.

For each reporting period, CONTRACTOR shall provide the COMMISSION with a Program Progress Report within thirty (30) calendar days from the end of the reporting period. In rare and justifiable circumstances, an extension may be requested by the CONTRACTOR. Such requests are to be submitted in writing prior to the due date and shall be directed through the COMMISSION'S Contracts and Grants Analyst assigned to the CONTRACTOR. Quarterly Program Progress Reporting due dates for each Contract period are as follows:

- QUARTER 1 of each Fiscal Year (July 1 – September 30): Report Due October 20
- QUARTER 2 of each Fiscal Year (October 1 – December 31): Report Due January 20
- QUARTER 3 of each Fiscal Year (January 1 – March 31): Report Due April 20
- QUARTER 4 of each Fiscal Year (April 1 – June 30): Report Due July 11 (Final Cumulative Program Progress Report), Quarter 4 due date may be modified by COMMISSION as necessary to meet County and/or State reporting deadlines.

If the due date falls on a weekend or County, State or nationally recognized holiday, the due date will be on the following business day. The first quarterly report is due **October 30th of each fiscal year.**

CONTRACTOR agrees that failure to submit reports as specified will be sufficient cause for the COMMISSION to withhold any payment due until reporting requirements have been fulfilled.

12. <u>REIMBURSEMENT OF FUNDS TO THE COMMISSION</u>

If CONTRACTOR has been overpaid in the previous fiscal year, the COMMISSION will, in instances where the Contract is renewed, reduce subsequent payment(s) to recover the amount overpaid.

Notwithstanding any other provision herein, CONTRACTOR agrees to reimburse, in full, all funds received from the COMMISSION, upon request of the COMMISSION, where such funds as determined by the COMMISSION are not or have not been utilized by CONTRACTOR for purpose as intended by the COMMISSION. The terms and conditions of reimbursement shall be at the sole discretion of the COMMISSION. This provision is not terminated upon termination of this Contract.

13. COMMISSION FISCAL REQUIREMENTS

A. Budget Revisions

A Budget Revision Form may be submitted by the CONTRACTOR to the COMMISSION to modify budget line(s) of the approved budget. The request must indicate the proposed line item change, the budget as amended applying the requested change, a written justification for each requested change, and signed by an authorized representative. The request cannot result in any alteration or degradation to the program services and performance targets as specified in this Contract.

The COMMISSION Executive Director (or designee), on behalf of the COMMISSION, has the authority to approve or deny the request, provided that the modification does not deviate from the original intent of the Contract or increase the total Contract amount. CONTRACTOR is limited to two (2) budget revisions per fiscal year.

The CONTRACTOR must submit any Budget Revision Forms to the COMMISSION or designee no later than **March 31st** of the fiscal year.

B. Amendments

Necessity for budget amendments to this Contract will be determined by the COMMISSION Executive Director (or designee) and may include, but are not limited to, Contract increases or decreases and significant changes to the Scope of Work (SOW). All budget amendments to the Contract shall require formal approval of the COMMISSION Executive Director acting on behalf of the COMMISSION, as provided herein before such amendments are effective. Major budget amendments, as determined by the COMMISSION Executive Director, in consultation with County legal counsel, will require formal approval of the COMMISSION. Contract budget amendments shall be considered until March 31st of each fiscal year.

C. Cost Allocation Plan

CONTRACTOR shall have or will establish a Cost Allocation Plan (CAP) to identify prorated costs shared by multiple funding sources, including Proposition 10 funds. CONTRACTOR shall identify any other funding sources and organizations whose cooperation/participation is necessary to ensure the success of the project. CONTRACTOR'S CAP must be approved by CONTRACTOR'S appropriate governing body and submitted with the executed Contract.

A CAP is defined as a written summarization that documents the methods and procedures CONTRACTOR will use to allocate costs between two or more programs or funding sources. The goal is to ensure that each program or funding source bears its fair share, and only its fair share, of the total costs. The CONTRACTOR must have a method of identifying and distributing program costs that are comprehensive, well documented, and defensible under the Generally Accepted Accounting Principles (GAAP).

A written CAP is required if <u>any</u> of the conditions below are met:

a. Funded staff members share time between a COMMISSION funded program and one or more other grant funded program.

b. A single-funded staff member shares time between two or more COMMISSION funded programs.

c. The same facilities and/or resources are utilized by more than one funded program.

D. Overhead/Indirect Costs

1. Overhead/Indirect costs are defined as costs incurred for a common or joint purpose benefiting more than one cost objective and cannot be readily identified with a particular final cost objective. These costs do not provide a measurable, direct benefit to a particular program or activity, unlike direct costs. Indirect cost may include salaries and benefits. For the purpose of this Contract, operational expenses, capital expenses, and subcontractor costs are **excluded** from the indirect cost calculation.

2. Indirect cost percentage rate included in the Budget, to this Contact, shall not exceed ten percent (10%) calculated against the salaries and benefits expenses only.

3. Indirect costs shall be based on the CONTRACTOR'S official governing board approved CAP. State/federal approved rates in excess of the approved ten percent (10%) indirect cost rate percentage will be reviewed and approved on a case-by-case basis.

4. A pass-through is defined as those instances where the CONTRACTOR forwards funds obtained from the COMMISSION to a subcontractor and the COMMISSION maintains no relationship or responsibility for the performance of the subcontractor. Proposition 10 funds shall not be used in a manner that will cause payment for indirect costs associated with the CONTRACTOR'S funded program more than once. The COMMISSION will not pay for subcontractor indirect costs as part of the CONTRACTOR'S budget.

E. Revenues Received

All revenue received by the CONTRACTOR (except funds received from the COMMISSION) to operate the program funded pursuant to this Contract shall be reported as revenue received within the monthly fiscal report. All such revenues shall be used to fully compensate expenses within the program funded and/or to provide additional services within the program funded pursuant to this Contract. Any unused revenues shall be deducted from Contract reimbursement.

F. Payroll Taxes

The COMMISSION shall not be directly responsible for the payment of any taxes on the CONTRACTOR'S behalf. In the event that the COMMISSION is required to do so by state, federal or local taxing agencies, CONTRACTOR agrees to promptly reimburse the COMMISSION for the full value of such paid taxes plus interest and penalty, if any. Taxes shall include, but are not limited to, the following: FICA (Social Security), unemployment insurance contributions, income tax, disability insurance and workers' compensation insurance.

G. Payor of Last Resort

CONTRACTOR shall obtain funding through sources other than the COMMISSION to provide services or support to participants whenever possible.

In cases where a participant is qualified for benefits from another source (such as Medi-Cal, Healthy Families, federal or state-funded programs, personal insurance, etc.), costs relating to services provided to that participant must be paid for by the primary payor first. Only the costs not covered will be allowable under this Contract. CONTRACTOR must provide written verification upon request.

14. CONTRACTOR AUDIT REQUIREMENTS

A. All CONTRACTORS are required to have an annual financial audit. Each CONTRACTOR shall provide a copy of annual audited financial statements to the COMMISSION covering the fiscal year that funds are received for services provided pursuant to this Contract. The audited financial statements will cover the CONTRACTOR'S fiscal year and will include a report on internal controls over financial reporting and on compliance and other matters in accordance with Government Auditing Standards. All audits shall be performed by a Certified Public Accountant (CPA) who possesses a valid license to practice within the State of California.

B. Audited financial statements are to be submitted to the COMMISSION Executive Director, or designee, within one hundred and eighty (180) calendar days after the close of the CONTRACTOR'S fiscal year for every year covered under this Contract. If the audited financial statements are not received on or before the required due date, and an extension has not been granted, the audited financial statements shall be considered delinquent, and immediate corrective action will be initiated. If the CONTRACTOR fails to produce or submit acceptable audited financial statements, the COMMISSION has the authority to withhold funding, and if necessary, secure an Auditor, and the CONTRACTOR shall be liable for all COMMISSION costs incurred in obtaining an independent audit. The cost of the audit will be applied against the Contract encumbered amount, thereby reducing the amount of funding available to the program.

15. INVENTORIABLE EQUIPMENT

A. Inventoriable equipment includes equipment or fixed assets with a unit cost of one thousand dollars ($1,000.00), or more, or if the aggregate cost of integral components required to fully operate the assembled equipment (i.e., computer processing unit, keyboard, monitor) total one thousand dollars ($1,000.00) or more. Inventoriable equipment derived from approved purchases funded by Proposition 10 funds shall be maintained by the CONTRACTOR. CONTRACTOR shall use such capitalized equipment only for the purposes for which they were granted for children 0 through 5 years of age.

B. The CONTRACTOR shall inventory and report all equipment purchases meeting this criterion on the COMMISSION Inventory Record Form. This record must be submitted within forty-five (45) calendar days of purchase to the COMMISSION'S Contracts and Grants Analyst assigned to the CONTRACTOR. Applicable receipts must be maintained by the CONTRACTOR to validate expenditures and shall be submitted as invoice back-up documentation and uploaded to the COMMISSION'S data management system and made available as requested during the COMMISSION staff site visits. The CONTRACTOR understands that they are liable for all damages and/or loss resulting from the use and/or misuse of equipment purchased with Proposition 10 funds. Equipment shall not be used for personal use by the CONTRACTOR and/or employees, agents, subcontractors, and/or collaborating partners.

C. Any materials and supplies purchased by CONTRACTOR with Proposition 10 funds with a value of less than one thousand dollars ($1,000.00) will be used for children ages 0 through 5 years of age by another of the CONTRACTOR'S programs serving this population or returned to the COMMISSION. If CONTRACTOR is no longer serving this population, all remaining

items will be returned to the COMMISSION within thirty (30) calendar days of the program ceasing operations.

16. REVERSION OF ASSETS

Real or Personal Property Assets. Any real property or moveable or immovable personal property under CONTRACTOR'S control or ownership that was acquired or improved in-whole or in-part with Proposition 10 funds disbursed under this Contract, or under any previous Contract between the COMMISSION and CONTRACTOR, where the original cost exceeded one thousand dollars ($1,000.00) shall either be: (1) used by CONTRACTOR for the services described in the SOW for a period of five (5) years after termination or expiration of this Contract, unless a different period is specified in the SOW; or (2) disposed of and proceeds paid to the COMMISSION in a manner that results in the COMMISSION being reimbursed in the amount of the current fair market value (assuming depreciation in accordance with customary business practices) of the real or personal property less any portion of the current value attributable to CONTRACTOR'S out of pocket expenditures using non-commission funds for acquisition of, or improvement to, such real or personal property and less any direct and reasonable costs of disposition.

A. In furtherance of the foregoing, if the COMMISSION selects continued use of the capital asset, the CONTRACTOR hereby agrees that it will confirm in writing that it will continue to use the capital asset for purposes congruent with the intent of this Contract. This provision shall survive termination or expiration of this Contract and shall be actionable at law or in equity by the COMMISSION against CONTRACTOR and its successors in interest.

B. In the event the COMMISSION selects disposition of the subject real or personal property, the CONTRACTOR shall exercise due diligence to dispose of such property in conformity with applicable laws and regulations and in accordance with customary business practices. The net proceeds of such disposition shall be disbursed directly to and be payable to the COMMISSION upon the close of the applicable disposition transaction, such as close of escrow for the sale of real property, transfer of a motor vehicle "Certificate of Title" in accordance with applicable California Vehicle Code requirements, or completion of sale of personal property by bill of sale in accordance with Uniform Commercial Code (UCC) requirements.

17. TOBACCO CONTROL POLICY

CONTRACTOR shall abide by the Comprehensive Tobacco Control Policy, incorporated herein by reference, and as may be amended from time to time. CONTRACTOR shall have tobacco education and cessation materials visibly available and accessible to clients participating and to staff funded from the COMMISSION funded activities. The Comprehensive Tobacco Control Policy, as attached hereto.

18. CONDUCT OF BUSINESS

CONTRACTOR shall comply with all references listed below. Failure to comply may place the CONTRACTOR in a Probationary Status or result in Termination of Contract.

A. CONTRACTOR shall comply with all applicable state and/or federal laws, regulations, or requirements during the term of the Contract.

B. CONTRACTOR shall conduct its business, pursuant to this Contract, in compliance with all applicable state, and/or federal laws, regulations, or requirements.

C. CONTRACTOR shall obtain and maintain all applicable business and/or professional licenses, insurances, and/or accreditations, in good standing, which are required under the laws of the State of California or the federal government at all times while performing services under this Contract.

D. CONTRACTOR shall notify the COMMISSION Executive Director (or designee) verbally and in writing of the intent to cease operations of the facility or program within sixty (60) calendar days, but no less than thirty (30) calendar days of the event.

E. CONTRACTOR shall notify the COMMISSION Executive Director (or designee) in writing within seventy-two (72) hours of a change of key personnel funded under this Contract. Key personnel is defined as individuals who have a direct bearing on the outcome of the project, who have substantive responsibility for developing or achieving the scope or objectives of the project, and who possess the reputation, knowledge, or skills on which the work of the project is based. This includes, but not limited to, the Director, Chief Executive Officer (CEO), Chief Financial Officer (CFO), Program Manager, or Project Lead.

F. CONTRACTOR shall notify the COMMISSION Executive Director (or designee) verbally and in writing of any condition that could interfere with CONTRACTOR'S ability to perform required services and/or meet material Contract requirements within thirty (30) calendar days of learning of such a condition.

G. Agencies that are governed by a regulatory or licensing entity shall advise and forward to the COMMISSION Executive Director all documentation of regulatory/licensing violations, findings and responses to such violations and/or findings within twenty-four (24) hours of receipt of notice of violation from the governing entity. Agencies shall promptly submit to COMMISSION Executive Director a copy of the response sent to the governing entity.

H. CONTRACTOR shall immediately notify the COMMISSION in writing upon the intent to file or filing of any action of bankruptcy.

I. CONTRACTOR shall immediately notify the COMMISSION in writing upon the commencement of any litigation, whether CONTRACTOR is the plaintiff or defendant, where such litigation may interfere with the ability of CONTRACTOR to perform its duties under this Contract and where the COMMISSION is not a party to such litigation.

J. CONTRACTOR shall immediately notify the COMMISSION in writing upon the commencement of any investigation, and/or activity by a regulatory agency against CONTRACTOR, which may interfere with the ability of CONTRACTOR to perform its duties under this Contract.

K. CONTRACTOR shall provide a grievance policy system to the COMMISSION, through which participants of services shall have an opportunity to express views and complaints regarding the delivery of service. Grievance procedures must be posted prominently in English and Spanish at service sites for participants to review.

19. RECORDS MANAGEMENT AND MAINTENANCE

A. The CONTRACTOR shall make reports to the COMMISSION in the required format and containing information as required by the COMMISSION.

B. The CONTRACTOR shall provide additional reports or information if required by the State or the local COMMISSION that was not reasonably anticipated at the time the Contract was entered into.

C. CONTRACTOR shall input all data required on a monthly basis by the 20th day of the month following the end of the reporting period **and** submit quarterly reports within thirty (30) calendar days following the end of the quarter, and at the end of the term of the Contract.

   This requirement includes:

   a. All the monthly data necessary to generate demographic, service utilization, results and aggregate activity reports; and

   b. Submission of the Program Progress Report on a quarterly basis.

D. CONTRACTOR shall retain such reports and all records associated with this Contract for at least five (5) years following the close of the fiscal year in which this Contract is in effect. This obligation is not terminated upon termination of this Contract, whether by rescission or otherwise. CONTRACTOR agrees to require any subcontractors to retain all records associated with the Contract for the same time period.

E. Accounting information and transactions shall be recorded and reported in accordance with generally accepted accounting principles (GAAP).

F. Where medical records and/or client records are generated under this Contract, CONTRACTOR shall safeguard the confidentiality of the records in accordance with all applicable state and federal laws, and all regulations promulgated hereunder, including the provisions of the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law 104-91, enacted August 21, 1996, and the laws and regulations promulgated subsequent thereto.

G. Each CONTRACTOR must maintain a written customer confidentiality policy and maintain a written protocol to ensure CONTRACTOR'S staff is aware of and abide by said policy.

20. PUBLIC DISCLOSURE OF DOCUMENTS

CONTRACTOR acknowledges and agrees that information, communications, and documents given to the COMMISSION during meetings involving COMMISSION members, staff, finance or COMMISSION Advisory Committee members may be subject to applicable law on public disclosures and/or public meetings. CONTRACTOR shall cooperate with the COMMISSION in order that it may fully comply with the requirements of such laws and regulations.

21. INSPECTIONS, PROGRAM MONITORING, AND CONTRACT ADMINISTRATIVE REVIEW BY COMMISSION

A. COMMISSION representatives shall review and inspect the CONTRACTOR through mandatory periodic Administrative Review visits for compliance with the terms of this Contract. Administrative Review visits will occur at a minimum of two (2) times per Fiscal Year for the duration of the Contract Term. During the Administrative Review visits, CONTRACTOR representatives **must** be present. All books, financial records and program records including verification of target(s) and other documents relating to the performance of this Contract must be open to inspection, examination, or copying during normal business hours by the COMMISSION staff or duly authorized representatives from the state or federal government. Records shall be made available at reasonable times at CONTRACTOR'S place of business or at such other mutually agreeable location in the County of Riverside, State of California.

B. Upon completion of the Program Monitoring and Administrative Review visit, the CONTRACTOR will be mailed a report summarizing the results of the Administrative Review visit within forty-five (45) calendar days of the visit. The CONTRACTOR may be required to respond to concerns or requests as specified in the Administrative Review report within thirty (30) calendar days of receipt.

C. CONTRACTOR shall reimburse the COMMISSION for all direct and indirect expenditures incurred in conducting an audit or investigation when CONTRACTOR is found in violation of the terms of the Contract. Reimbursement for such costs will be withheld from any amounts due to CONTRACTOR.

D. When additional information (i.e., receipts, paperwork, etc.) is requested of the CONTRACTOR as a result of any audit or monitoring, CONTRACTOR must provide all information requested by the deadline specified by the COMMISSION. Failure to provide the information by the specified deadline will subject the CONTRACTOR to the provisions of Contract section: COMPLIANCE, DISALLOWANCE, and WITHHOLDING.

22. GOVERNING LAW AND VENUE

A. This Contract is entered into under the provisions of Health and Safety Code section 130100 et seq., as may be amended from time to time and any other applicable law.

B. This Contract, its construction, and interpretation as to validity, performance, and breach shall be construed under the laws of the State of California. In the event any provision in this Contract is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

C. The provision of the Government Claims Act (Government Code Section 900 et seq.) must be followed first for any disputes under this Contract.

D. All actions and proceedings arising in connection with this Contract shall be tried and litigated exclusively in state or federal (if permitted by law and a party elects to file an action in federal court) courts located in the County of Riverside, State of California.

E. CONTRACTOR waives any and all applicable immunities, including sovereign immunity, and submits to jurisdiction as set forth in Section 22, subsections (B) and (D).

23. CONTRACTOR SUBCONTRACTS FOR WORK OR SERVICES

A. The COMMISSION holds CONTRACTOR solely responsible for the performance of all duties and obligations under this Contract. CONTRACTOR agrees and understands that COMMISSION does not enter into or assume any legal relationship with any subcontractor of CONTRACTOR for performance under this Contract. CONTRACTOR agrees to remedy all breaches of any contracts with any subcontractor, and further agrees that CONTRACTOR may not look to the COMMISSION for any payment, liability, or assistance in the remedy of any actual or alleged breach.

B. CONTRACTOR shall identify any other organization whose cooperation/participation is necessary to ensure the success of the project and what specific roles these key partners will play. All subcontractor(s) shall conform to all requirements of the COMMISSION and any Contract between the CONTRACTOR and the COMMISSION.

C. The CONTRACTOR shall not enter into any subcontract with any subcontractor who:

1. Is presently debarred, suspended, proposed for debarment, or declared ineligible or voluntarily excluded from covered transactions by a federal department or agency;

2. Has within a three (3) year period preceding this Contract been convicted of or had a civil judgment rendered against them for the commission of fraud, or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction; violation of Federal or State anti-trust status or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

3. Is presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with the commission of any of the offenses enumerated in the paragraph above; and

4. Within a three (3) year period preceding this Contract, has had one or more public transaction (federal, state, or local) terminated for cause or default.

D. The CONTRACTOR shall be as fully responsible for the acts or omissions of its subcontractors, and of persons either directly or indirectly employed by them as for the acts or omissions of persons directly employed by the CONTRACTOR.

E. The CONTRACTOR shall insert appropriate clauses in all subcontracts to bind subcontractors to the terms and conditions of this Contract insofar as they are applicable to the work of subcontractors.

F. Nothing contained in this Contract shall create any contractual relationship between any subcontractor and the County of Riverside, its Agencies, Districts, Special Districts and Departments, respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives.

24. PUBLICITY AND ATTRIBUTION REQUIREMENTS

A. Upon signing this Contract, CONTRACTOR shall publicize funded program and partnership with the COMMISSION by creating a press release to be distributed to local media outlets. The press release shall be sent to COMMISSION for review and approval within fourteen (14) calendar days of signing of Contract. No later than five (5) calendar days after the press release is reviewed and approved by COMMISSION Public Information Specialist, the press release shall be distributed to local media outlets. Should guidance be needed on this requirement, please contact COMMISSION Public Information Specialist.

B. CONTRACTOR shall include the following acknowledgment of the COMMISSION and Proposition 10 funding in all materials produced for the purpose of public education and outreach related to COMMISSION funded programs. These materials include but are not limited to the following: brochures, workbooks, flyers, circulars, posters, games, television, radio and print advertising, public service announcements and video news releases, calendar/event listings, presentations, telephone hold messages, outdoor advertising and vehicles. The wording of the COMMISSION attribution shall be one of the following:

"Made possible by funding from First 5 Riverside County"

"Funded by First 5 Riverside County"

"Funded by First 5 Riverside County - the Riverside County Children & Families Commission"

"Hecho posible por medio de fondos de Primeros 5 Riverside County"

"Financiado por Primeros 5 Riverside County"

For events, conferences or programs with multiple funders, one of the following attributions shall be used:

"Funded in part by First 5 Riverside County"

"Funded in part by First 5 Riverside County - the Riverside County Children & Families Commission"

"Made possible by funding from First 5 Riverside County"

"Financiado parcialmente por Primeros 5 Riverside County"

"Financiado parcialmente por Primeros 5 Riverside County - Comisión de Niños y Familias del Condado de Riverside"

When space is limited (i.e., buttons, pencils, pens, etc.), attribution may be omitted. However, CONTRACTOR shall contact the COMMISSION'S Public Information Specialist to determine an appropriate method of providing attribution to the public regarding the funding source for such items.

C. The approved First 5 Riverside logo (graphic) shall be used on materials specific to the COMMISSION funded program. CONTRACTOR shall use the approved First 5 Riverside logo (graphic) on public education and outreach materials in accordance with the First 5 Riverside graphics attribution standard as posted on the COMMISSION public website (www.First5Riverside.org).

D. CONTRACTOR shall provide the COMMISSION staff and COMMISSION Public Information Specialist a copy of all public information/relations products (such as flyers, newsletters, posters, etc.) as soon as possible but not later than fourteen (14) calendar days prior to submitting to print. News releases should be submitted as soon as possible but not later than seven (7) calendar days before public release is scheduled.

E. The COMMISSION'S Public Information Specialist shall provide guidance on procedures for logo usage and printed public relations material in accordance with the COMMISSION policies. Policies will be available on the COMMISSION public website (www.First5Riverside.org).

25. PROHIBITION OF POLITICAL/RELIGIOUS ACTIVITY

CONTRACTOR agrees that it shall not require client participation in political or religious activities in order to receive services for programs funded by the COMMISSION. Furthermore, Proposition 10 funds shall be used only for the purposes specified in this Contract and in any attachments, hereto. No Proposition 10 funds shall be used for any political activity, or to further the election or defeat of any candidate for political office. No Proposition 10 funds shall be used for purposes of religious worship, instruction or proselytizing.

26. WORK PRODUCT

A. The COMMISSION shall be the owner of the following items incidental to this Contract upon production, whether or not completed: all data collected, all documents of any type whatsoever, and any material necessary for the practical use of the data and/or documents from the time of collection and/or production whether or not performance under this Contract is completed or terminated prior to completion. CONTRACTOR shall not release any materials under this section except after prior written approval of the COMMISSION.

B. Material produced in whole or in part under this Contract shall not be subject to copyright in the United States or in any other country except as determined at the sole discretion of the COMMISSION. The COMMISSION will have the unrestricted authority to publish, disclose, distribute, and use in whole or in part, any reports, data, documents or other materials prepared under this Contract.

27. NON-DISCRIMINATION

Pursuant to the Affordable Care Act section 1557 (42 U.S.C. section 18116), during the performance of this Contract, CONTRACTOR shall not, and shall also require and ensure its subcontractors, providers, agents, and employees to not cause an individual, beneficiary, or applicant to be excluded on the grounds prohibited under Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), Title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.), the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.), or section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), or subject to any other applicable State and Federal Laws, from participation in, be denied the benefits of, or be subjected to discrimination under, any health program or activity offered through the California Department of Health Care Services. This Contract hereby incorporates by reference the provisions of Title 2, California Code of Regulations, Section 11105 et seq., as may be amended from time to time. CONTRACTOR agrees to comply with the provisions of Title 2, California Code of Regulations, Section 11105 et seq. and further agrees to include this Non-Discrimination clause in all subcontracts to perform services under this Contract.

28. CHILD ABUSE REPORTING

CONTRACTOR shall ensure that all known or suspected instances of child abuse or neglect are reported to the appropriate law enforcement agency and/or to the appropriate Child Protective Services agency. This responsibility shall include:

A. Assurance that all employees, agents, consultants or volunteers who perform services under this Contract and are mandated by Penal Code Sections 11164 et seq. to report child abuse or neglect, sign a statement, upon the commencement of employment, acknowledging reporting requirements and compliance with them;

B. Development and implementation of procedures for employees, agents, consultants, or volunteers who are not subject to the mandatory reporting laws for child abuse to report any observed or suspected incidents of child abuse to a mandated reporting party, within the program, who will ensure that the incident is reported to the appropriate agency;

C. Provision of or arrangement of training in child abuse reporting laws (Penal Code, Sections 11164 et seq.) for all employees, agents, consultants, and volunteers, or verification that such persons have received training in the law within thirty (30) days of employment/volunteer activity.

29. DEPARTMENT OF JUSTICE CLEARANCE

CONTRACTOR shall obtain from the Department of Justice (DOJ), records of all convictions involving any sex crimes, drug crimes, or crimes of violence of a person who is offered employment, or volunteers, for all positions in which he or she would have contact with a minor, the aged, the blind, the disabled or a domestic violence client, as provided for in Penal Code Section 11105.3. This includes licensed personnel who are not able to provide documentation of prior DOJ clearance. A copy of a license from the State of California is sufficient proof.

CONTRACTOR must have on file for review upon request a signed statement verifying Department of Justice clearance for all appropriate individuals.

30. ADULT AND ELDER ABUSE REPORTING

The CONTRACTOR shall provide documentation of a policy and procedure acceptable to the COUNTY to ensure that all employees, volunteers, consultants, subcontractors, or agents performing services under this Contract report elder and dependent adult abuse pursuant to Welfare & Institutions Code (WIC) Sections 15600 et seq. Suspected incidents of abuse should be immediately reported to the COUNTY, followed by a written report within two (2) working days.

31. INDEPENDENT CONTRACTOR

It is understood and agreed that CONTRACTOR is an independent contractor and that no relationship of employer-employee exists between the CONTRACTOR and the COMMISSION. The CONTRACTOR, nor CONTRACTOR'S officers, agents, employees or subcontractors, shall not be entitled to any COMMISSION paid employee benefits, including Workers' Compensation.

32. HOLD HARMLESS/INDEMNIFICATION

CONTRACTOR shall indemnify and hold harmless COMMISSION, the County of Riverside, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives (individually and collectively hereinafter referred to in this section as the "COUNTY") from any liability whatsoever, based or asserted upon any services of CONTRACTOR, its officers, employees, subcontractors, agents or representatives arising out of or in any way relating to this Contract, including but not limited to property damage, bodily injury, or death or any other element of any kind or nature whatsoever arising from the performance of CONTRACTOR, its officers, employees, subcontractors, agents or representatives under this Contract. CONTRACTOR shall defend the COUNTY at CONTRACTOR'S sole expense, including all costs and fees (including, but not limited, to attorney fees, cost of investigation, defense and settlements or awards), the COUNTY in any claim or action based upon such alleged acts or omissions.

With respect to any action or claim subject to indemnification herein by CONTRACTOR, CONTRACTOR shall, at sole cost, have the right to use counsel of choice and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of COUNTY; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes CONTRACTOR'S indemnification to the COUNTY as set forth herein.

CONTRACTOR'S obligation hereunder shall be satisfied when CONTRACTOR has provided to COUNTY the appropriate form of dismissal relieving COUNTY from any liability for the action or claim involved.

The specified insurance limits required in this Contract shall in no way limit or circumscribe CONTRACTOR'S obligations to indemnify and hold harmless the COUNTY herein from third party claims.

In the event there is a conflict between this clause and California Civil Code Section 2782, this clause shall be interpreted to comply with Civil Code 2782. Such interpretation shall not relieve the CONTRACTOR from indemnifying the COUNTY to the fullest extent allowed by law.

A. If CONTRACTOR is a public entity, as defined by applicable law, the COMMISSION and CONTRACTOR, to the extent that liability may be imposed on the COMMISSION by the provisions of Government Code Section 895.2, shall be liable for acts or omissions, including

all claims, liabilities, injuries, suits, and demands and expenses of all kinds which may result or arise out of any alleged malfeasance or neglect, caused or alleged to have been caused by either the COMMISSION or CONTRACTOR'S, employees or representatives, performance or omission of any act or responsibility of either party under this Contract. In the event that a claim is made against both the COMMISSION and CONTRACTOR, both parties shall cooperate in the defense of said claim and to cause insurers to do likewise.

B. CONTRACTOR agrees to indemnify the COMMISSION for all federal/state withholding or state retirement payments, which the COMMISSION may be required to make by the federal or state government as a result of this Contract. If for any reason, CONTRACTOR is determined not to be an independent contractor to the COMMISSION in carrying out the terms of the Contract, such indemnification shall be paid in full to the COMMISSION upon sixty (60) calendar days written notice to CONTRACTOR if a federal and/or state determination is made that such payment is required.

33. INSURANCE

Without limiting or diminishing the CONTRACTOR'S obligation to indemnify or hold the COUNTY harmless, CONTRACTOR shall procure and maintain or cause to be maintained, at its sole cost and expense, the appropriate insurance coverages during the term of this Contract. Pertinent to the insurance section only, the COUNTY herein refers to the County of Riverside, its Agencies, Districts, Special Districts, and Departments, respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insureds.

Workers' Compensation:
If the CONTRACTOR has employees as defined by the State of California, the CONTRACTOR shall maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupational Disease with limits not less than one million dollars ($1,000,000) per person per accident. The policy shall be endorsed to waive subrogation in favor of the County of Riverside, and if applicable, to provide a Borrowed Servant/Alternate Employer Endorsement.

Commercial General Liability:
Commercial General Liability insurance coverage, including but not limited to, premises liability, unmodified contractual liability, products and completed operations liability, personal and advertising injury, and cross-liability coverage, covering claims which may arise from or out of CONTRACTOR'S performance of its obligations hereunder. Policy shall name the COUNTY as Additional Insureds. Policy limit of liability shall not be less than one million dollars ($1,000,000) per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this Contract or be no less than two (2) times the occurrence limit.

Vehicle Liability:
If vehicles or mobile equipment are used in the performance of the obligations under this Contract, then CONTRACTOR shall maintain liability insurance for all owned, non-owned or hired vehicles so used in an amount not less than one million dollars ($1,000,000) per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this Contract or be no less than two (2) times the occurrence limit. The policy shall name the COUNTY as Additional Insured.

Professional Liability Insurance:
CONTRACTOR shall maintain Professional Liability Insurance providing coverage for the CONTRACTOR'S performance of work included within this Contract, with a limit of liability of not less than one million dollars ($1,000,000) per occurrence and two million dollars

($2,000,000) annual aggregate. If CONTRACTOR'S Professional Liability Insurance is written on a claims made basis rather than an occurrence basis, such insurance shall continue through the term of this Contract and CONTRACTOR shall purchase at his sole expense either 1) an Extended Reporting Endorsement (also known as Tail Coverage); or 2) Prior Dates Coverage from new insurer with a retroactive date back to the date of, or prior to, the inception of this Contract; or 3) demonstrate through Certificates of Insurance that CONTRACTOR has maintained continuous coverage with the same or original insurer. Coverage provided under items 1), 2) or 3) will continue as long as the law allows.

General Insurance Provisions - All lines:

1. Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California and have an A.M. BEST rating of not less than A: VIII (A:8) unless such requirements are waived, in writing, by the COUNTY Risk Manager. If the COUNTY'S Risk Manager waives a requirement or a particular insurer, such waiver is only valid for that specific insurer and only for one (1) policy term.

2. The CONTRACTOR must declare its insurance self-insured retention for each coverage required herein. If any such self-insured retention exceeds five hundred thousand dollars ($500,000) per occurrence such retention shall have the prior written consent of the COUNTY Risk Manager before the commencement of operations under this Contract. Upon notification of self-insured retention unacceptable to the COUNTY and at the election of the County's Risk Manager, CONTRACTOR'S carriers shall either; 1) reduce or eliminate such self-insured retention with respect to this Contract with the COUNTY, or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.

3. CONTRACTOR shall cause CONTRACTOR'S insurance carrier(s) to furnish the COUNTY with either 1) a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements effecting appropriate coverage, and/or 2) if requested to do so orally or in writing by the COUNTY Risk Manager, provide original Certified copies of policies including all Endorsements and all attachments thereto, showing such insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) working days written notice shall be given to the COUNTY prior to any material modification, cancellation, expiration or reduction in coverage of such insurance. If CONTRACTOR'S insurance carrier(s) policies does not meet the minimum notice of requirement found herein, CONTRACTOR shall cause CONTRACTOR'S insurance carrier(s) to furnish a thirty (30) day Notice of Cancellation Endorsement.

4. In the event of a material modification, cancellation, expiration or reduction in coverage, this Contract shall terminate forthwith, unless the COUNTY receives, prior to such effective date, another properly executed original Certificate of Insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing coverage's set forth herein and the insurance required herein is in full force and effect. CONTRACTOR shall not commence operations until the COUNTY has been furnished original Certificate(s) of Insurance and certified original copies of endorsement and if requested, certified original policies of insurance including all endorsements and all other attachments as required in this Section. An individual authorized by the insurance carrier to do so on its behalf shall sign the original endorsements for each policy and the Certificate of Insurance.

5. It is understood and agreed to by the parties hereto that the CONTRACTOR'S insurance shall be construed as primary insurance and the COUNTY'S insurance and/or deductibles

and/or self-insured retention's or self-insured programs shall not be construed as contributory.

6. CONTRACTOR shall pass down the insurance obligations contained herein to all tiers of subcontractors working under this Contract.

7. The insurance requirements contained in this Contract may be met with a program(s) of self-insurance acceptable to the COUNTY.

8. CONTRACTOR agrees to immediately notify COUNTY in writing of any claim by a third party or any incident or event that may give rise to a claim arising from the performance of this Contract.

Adjustment and/or Waiver of Requirements:
The COMMISSION Executive Director (or designee), in consultation with the COUNTY'S Risk Manager, may adjust the insurance requirements set forth herein as deemed necessary for the Contract, and/or may waive insurance requirements where not applicable to the Contract. Insurance endorsements shall be submitted to the COMMISSION upon submission of the fully executed Contract, but no later than when contract work commences.

34. ASSIGNMENT

This Contract shall not be assigned by CONTRACTOR, either in whole or in part, without prior written consent of the COMMISSION, as approved and authorized by formal action of the COMMISSION.

35. ALTERATION AND/OR AMENDMENT

No alteration, amendment, or variation of the terms of this Contract shall be valid unless made in writing and signed by the parties hereto. Oral understandings of Contract not incorporated herein shall not be binding on any of the parties hereto. As provided herein, the COMMISSION Executive Director, acting on behalf of the COMMISSION, may alter or revise this Contract on behalf of the COMMISSION. Material alterations and/or amendments, as determined by the COMMISSION Executive Director in consultation with County legal counsel, will require formal approval of the COMMISSION. Except as provided herein, the parties expressly recognized that individual COMMISSION members, COMMISSION Advisory Committee members, or staff to the COMMISSION is without authorization to either change or waive any material requirements of this Contract without formal action of the COMMISSION.

36. CONFLICT OF INTEREST

CONTRACTOR shall have no economic interest and shall not acquire any economic interest, direct or indirect, which will conflict in any manner or degree with the performance of services required under this Contract.

37. WAIVER AND SEVERABILITY

Any waiver by the COMMISSION of any breach or default hereof by CONTRACTOR shall be deemed to be a waiver of any preceding or succeeding breach or default hereof, and no waiver shall be operative unless the same shall be in writing. In the event any provision in this Contract is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions hereof shall remain in full force and effect without being impaired or invalidated in any way.

38. DISALLOWANCE

In the event CONTRACTOR receives payment for services under this Contract, which is later disallowed for nonconformance with the terms and conditions herein, CONTRACTOR shall promptly refund the disallowed amount to the COMMISSION upon request.

39. OFFICIAL DOCUMENTS

Upon the Contract approval by the COMMISSION, and full execution of the Contract by COMMISSION and CONTRACTOR, one (1) fully executed copy will be sent to the CONTRACTOR. Such copy shall be the officially approved Contract for the conduct of the approved project.

40. ENTIRE CONTRACT

This Contract, inclusive of all attachments and exhibits, constitutes the entire Contract between the parties. Any modifications to the terms of this Contract shall be by the provisions detailed in the Section entitled “Alteration and/or Amendment” herein.

41. NONEXCLUSIVE CONTRACT

CONTRACTOR understands that this is not an exclusive Contract and that the COMMISSION shall have the right to negotiate with and enter into Contracts with others providing the same or similar services as those provided by CONTRACTOR as the COMMISSION desires and at the sole discretion of the COMMISSION.

42. CERTIFICATION OF AUTHORITY TO EXECUTE THIS CONTRACT

CONTRACTOR certifies that the individual signing herein has authority to execute this Contract on behalf of CONTRACTOR and may legally bind CONTRACTOR to the terms and conditions of this Contract and any attachments hereto.

43. COMPLIANCE WITH LAW

CONTRACTOR shall, at its sole cost and expense, comply with all County, State, and Federal law now in force or which may hereafter be in force with regard to this Contract. The judgment of any court of competent jurisdiction, or the admission of CONTRACTOR in any action against CONTRACTOR, whether the COMMISSION be a party thereto or not, that CONTRACTOR has violated any such ordinance or statute, shall be conclusive of that fact as between CONTRACTOR and the COMMISSION.

44. CONFLICTS IN INTERPRETATION

In the event of conflict in interpretation by the parties of the provisions contained in the numbered sections of this Contract and the provisions contained in the attachments hereto, the provisions of the attachments in the Contract shall prevail over those in numbered sections.

45. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which will be an original, but all of which together will constitute one instrument. Each party of this Agreement agrees to the use of electronic signatures, such as digital signatures that meet the requirements of the California Uniform Electronic Transactions Act ((“CUETA”) Cal. Civ. Code §§ 1633.1 to 1633.17), for executing this Agreement. The parties further agree that the electronic signatures of the parties included in this Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. Electronic signature means an electronic sound, symbol, or process attached to or logically associated with an electronic record and executed or adopted by a person with the intent to sign the electronic record pursuant to the CUETA as amended from time to time. The CUETA authorizes use of an electronic signature for transactions and contracts among parties in California, including a government agency. Digital signature means an electronic identifier, created by computer, intended by the party using it to have the same force and effect as the use of a manual signature, and shall be reasonably relied upon by the parties. For purposes of this section, a digital signature is a type of "electronic signature" as defined in subdivision (i) of Section 1633.2 of the Civil Code.

ATTACHMENT A: SCOPE OF WORK

The *Family Resource Center Network Expansion* will support families from broader population groups by increasing and expanding resources, and by providing linkages to prevention services and direct support to families with young children ages 0 through 5. The Family Resource Centers (FRCs) and Community Hubs are embedded in communities and operate at the neighborhood level to support families where they live and gather. By leveraging existing relationships and partnerships, FRCs and Community-Based Organizations will serve families and connect them to a wide range of services and supports, from responding to families in crisis to promoting children's healthy development and general well-being.

First 5 Riverside County (First 5) seeks to connect with families in convenient and familiar spaces through the FRC Network Expansion. This will allow parents/caregivers to strengthen connections to each other and their communities.

CONTRACTOR shall provide a Family Resource Center Network Specialist position (FRCNWS), office space, equipment, mileage, and/or other operational expenses to complement and enhance the existing family support services in the service areas identified as having a lower Healthy Places Index (HPI) score, including but not limited to San Jacinto, Hemet, Banning, Cabazon, Moreno Valley, Romoland, Calimesa, Anza, Riverside, and Mountain Center.

The FRCNWS will expand the resources, services, and supports families access by linking families with children to existing community-based supports, including First 5's FRCs. This strategy will provide an opportunity to build relationships with families, and act as an ambassador to both social connections, programs, and the safety net as needed and ensure continuity of care following any level of support the family is seeking. This high-level community-facing position helps identify resources for parents, caregivers, and others to strengthen connections that are responsive to each family's needs.

The job description for the FRCNWS is included in Attachment A to this scope of work. In addition to the job duties listed, the FRCNWS will be expected to:

- Attend regularly scheduled meetings with First 5 staff and peers to:
  - Develop goals, objectives, and targets for years 2, 3, and 4 of the program, including data collection requirements;
  - Participate in trainings on the use of First 5's data collection and documentation system.
  - Have access to and be required to input data into the First 5 data system, subject to the terms and conditions of the HIPAA Business Associate Agreement attached and made part of this agreement as Appendix E.
  - The minimum required data points for each family and/or individual served are included in the FRC Intake form.
- FRCNWS will provide a monthly progress report outlining at least the following:
  - A summary of outreach events and activities, including (but not limited to:
    - An Contact Log outlining
    - The name and purpose of the agency
    - Agency contact information
    - Type of engagement (i.e., attended an event or heard a presentation, etc.)
    - Engagement result (i.e., new program referral, new clients referred, new events/activities or partnerships, etc.)
- Participate in and support staffing for Community Outreach events in partnership with First 5 and the FRCs
  - FRCNWS participates in a minimum of five (5) events and/or activities per year as coordinated by First 5. This includes evening or weekend events, as necessary.

- Actively participate with First 5 staff and community stakeholders in the design and implementation of regular Communities of Practice (CoPs) that will include:
    - Training on the 5 Protective Factors
    - Professional development needed for the Family Resource Network
    - Leveraging each partner's and stakeholder's strengths (i.e., resources, services, and networks) to expand both service linkages and outreach to new populations
    - Training in data collection and tracking in F5RC's data collection system
- Participate in an annual review of this Scope of Work in support of the Network-Expansion goal of the Family Resource Centers (FRCs).

CONTRACTOR shall give at least 3 business days written notice for any changes in the staffing of the FRCNWS position. At the time CONTRACTOR gives notice of appointment of a new FRCNWS, a resume of the candidate appointed shall be included.

Respond to Emerging Needs

First 5's FRCs play a critical role in preventing child abuse and neglect, strengthening children and families, and connecting families to systems of care that focus on improving fundamental social and economic structures, environments, and conditions that support the ability of families to reach their full potential. FRCs also play a vital role in communities, serving as trusted partners that help connect children and families to resources and services that can lessen the everyday stressors that families with children face. The FRC network provides a broad range of community-wide prevention services, while also leveraging First 5's current partnerships and investments to ensure shared responsibility to improve the lives of all families in Riverside County. These include but are not limited to the following:

Home-Visiting Programs: include several home-visiting community health programs with over 40 years of evidence showing significant improvements in the health and lives of parents and children with a focus on parent support services to address family needs. The Community hubs are positioned to support pregnant and/or parenting women with these programs. Additional information can be found at https://rccfc.org/Resources/Community-Programs.

Help Me Grow – Inland Empire (HMG-IE), Help Me Grow is a collective approach to strengthening the early identification and intervention system. It works to ensure that all children have developmental screenings and that families can access the services they need. Community hubs are critical partners in this system approach and participate in regional stakeholder convenings.

HealthySteps is an evidence-based, team-based pediatric primary care program designed to promote nurturing parenting and healthy development for babies and toddlers. Community hubs link families served by FQHCs and health and wellness clinics to the HealthySteps programs funded through First 5 Riverside County.

Cross Systems Integration is an intentional strategic approach where programs are coordinated and integrated to simplify access and referrals, streamlining the provision of services to families, and leveraging multiple funding streams and resources. As there is a need to ensure that families are served holistically with a range of integrated and sometimes complex services, it is critical that programs screening for the delivery of comprehensive, coordinated services, also ensure the identification of other possible support services that address broader needs of the family. This may include, but is not limited to, early intervention services, high-quality early learning settings, health and behavioral services (including those listed above), and family support services for families of children from the prenatal through the pre-kindergarten stages.

Racial Equity and Systemic Racism: The *Family Resource Center Network Expansion* supports equitable outcomes for all children and families acting with intentionality to eliminate racial inequities and ensure all families have access to educational success, quality health care, food security, housing, socioeconomic mobility, reduced stress, and more. Through this approach, there is an opportunity to address organizational and systemic biases to advance racial equity for all communities that would positively impact children and families.

APPENDIX A: JOB DESCRIPTION

Job Title: Family Resource Center Network Specialist

Summary:
The Family Resource Center Network Specialist (FRCNWS) is a community-facing position, identifying resources for parents, caregivers, and others to strengthen connections tailored to each family's needs.

In this role, the FRCNWS engages with a variety of service providers, Family Resource Centers, community-based and faith-based organizations, and tribal governments to facilitate conversations and engage in partnership-building among agencies with the focus on improving the access to needed services and other support of local families.

The FRCNWS role also includes attending community meetings and leading and participating in networking-building activities focused on establishing collaborative partnerships throughout Riverside County to improve outcomes for children and families.

This position requires the application of knowledge and skills to educate and network with people of diverse backgrounds and cultures. The position reports to a supervisory level position within the applicant agency, who will review work for professional competence and alignment with established procedures and contracted deliverables.

The FRCNWS is expected to maintain clear, accurate, and timely data and information and is responsible for preparing administrative and program outcome reports as it relates to meeting program goals and objectives; and engaging in strategic thinking to improve and expand services for families and communities. Data and information should be focused dually on families who currently access the Family Resource Center (FRC) and families who have not accessed the FRC but could benefit from doing so, through proactive outreach and engagement. At a systems level, this position will coordinate with several service providers in the community they serve to support the design and development of a Community Network Hub. Using data, the FRCNWS will have a thorough knowledge of the community and its partnerships and contribute to building a much larger coordinated system for child abuse prevention and child well-being efforts.

Capacity meeting milestones will include: training, understanding the community needs; demonstrating knowledge of the 5 Protective Factors in Strengthening Families (as referenced in the First 5 Riverside County Strategic Plan), and building the structures to support the 5 Protective Factors.

Essential Duties

Partnership Building and Relationship Management

1. Demonstrate knowledge of available community resources including an array of early childhood and family support services as well as other community resources.
2. Conduct community outreach, presentations, and workshops.
    a. Develop a list of community events and health fairs, and arrange, organize and work closely with agency staff to ensure participation in community activities.
    b. Provide training to improve understanding of community needs.
    c. Encourage and motivate members of the communities to become involved and develop skills needed to improve their quality of life and related neighborhood issues.
3. Identify, develop, coordinate, and maintain partnerships with community groups and local coalitions within Riverside County.

a. Work collaboratively with First 5 Riverside County staff and other Community Program Staff to expand capacity and community services.
    i. Actively link and build ways to partner with health programs, public schools, Head Start programs, or other childhood educational settings.
b. Working collaboratively with First 5 Riverside County Family Resource Center staff to develop strategies and interventions to remove barriers that prevent families from accessing services.
    i. Contributes to the assessment & understanding of community needs.
    ii. Design strategies that specifically target working with organizations that serve culturally diverse communities.
c. Actively participates in cross-agency coordination and collaborative meetings.

Communications and Marketing

4. Develops, coordinates, implements, and maintains a long-range public education and awareness plan.
5. Performs public speaking activities, including:
    a. Representing the agency and FRC Network at public hearings and community functions; and
    b. Coordinating and/or participating in special community events and public recognition programs as it relates to each program and open house activities.

Case Management Support

6. Participate in case reviews/disposition, and case consultation, with home visiting program staff, FRC social workers, and other related staff as appropriate.
7. Informing home visiting program staff, FRC social workers, and other specialized community support staff of available services for families and potentially assisting staff with the referral of the family to the appropriate agency for continued care.

Administrative Duties

8. Assist in the data management of the agreed-upon program deliverables related to identifying resources and referrals for families.
    a. Assist with program start-up activities and subsequent (ongoing) statistical, recording, and reporting activities.
9. Suggest, organize, and order giveaway items and educational materials; and maintain an inventory of these supplies.
10. Supports in the preparation of program deliverables and budgets of related programs; reviews program progress and outcomes on an ongoing basis to ensure conformance with established deliverables.
11. Contributes to the evaluation of related program activities to ensure program/contract compliance with goals and objectives. Implements corrective measures as required.
12. Tracks new program initiatives and trends related to young children and families to remain updated in the field and participates in relevant training that is offered.

Qualifications

13. CONTRACTOR will be responsible to apply qualifications, experience and education background requirements necessary to fulfill this scope of work in accordance with their job-classification and HR policy framework.

ATTACHMENT B: BUDGET

	FY22/23	FY23/24	FY24/25	FY25/26	Total Contract
Personnel Expenses					
Salaries	$ 23,333	$ 70,000	$ 70,000	$ 70,000	$ 233,333
Benefits	$ 4,545	$ 13,636	$ 13,636	$ 13,636	$ 45,455
Salaries & Benefits	**$ 27,879**	**$ 83,636**	**$ 83,636**	**$ 83,636**	**$ 278,788**
Operational Expenses					
Materials	$ 1,333	$ 4,000	$ 4,000	$ 4,000	$ 13,333
Transportation	$ 1,333	$ 4,000	$ 4,000	$ 4,000	$ 13,333
Operational Expenses	**$ 2,667**	**$ 8,000**	**$ 8,000**	**$ 8,000**	**$ 26,667**
Indirect Expenses*	**$ 2,788**	**$ 8,364**	**$ 8,364**	**$ 8,364**	**$ 27,879**
Total Expenses	**$ 33,333**	**$ 100,000**	**$ 100,000**	**$ 100,000**	**$ 333,333**

*: Indirect Expenses are calculated as 10% of Personnel Expenses (Salaries & Benefits), no backup documentation is required for the Indirect Expenses as it is directly related to the Salaries and Benefits.

ATTACHMENT C: PAYMENT PROVISIONS

A. FISCAL

The maximum amount reimbursable over the life of this Contract shall not exceed **$375,000** for the duration of the Contract period as awarded by the Riverside County Children and Families Commission, also known as First 5 Riverside County, (hereinafter the "COMMISSION" or "COUNTY"), provided pursuant to the California Children and Families Act of 1998, also known as Proposition 10.

CONTRACT PERIOD: **2/1/2023** – **06/30/2026**

1. Method, Time, and Schedule Conditions of Payment

   a. The COMMISSION will disburse funds on a reimbursement payment process based on the Contract Budget (Attachment "B") amount for the applicable fiscal year and monthly report submissions. Payment will be rendered thirty (30) business days from submission of all required documentation and/or the reporting deadline.

   b. Disbursement of any payment of funds to CONTRACTOR shall be made so long as all of the following conditions have been met:

      1. The Contract has been approved by the COMMISSION;
      2. The Contract has been fully executed by all parties;
      3. All applicable licenses to comply with the terms of the SOW are current and valid;
      4. CONTRACTOR shall give 3 business days' notice of any change in the qualified staffing of the funded position;
      5. CONTRACTOR shall only be reimbursed for any cost if the funded position is held by a qualified individual in the month for which an invoice is submitted and only for expenses incurred during the period that the position was staffed;
      6. The CONTRACTOR submits monthly itemized invoices, via the data management system to include the supporting documentation separated by a cover sheet in front of each expense category. Documentation shall include; payroll register or report, time & activity report and/or, timesheets, statement of costs of materials with copies of invoices and/or receipts, mileage report(s), copies of check(s) or proof of payment;

   c. Under special circumstances, CONTRACTOR may request advance disbursements. A supplemental disbursement request along with justification must be submitted, in writing, to the Executive Director or designee.

   d. The COMMISSION Executive Director, or designee, reserves the right to withhold or reduce disbursement of funds if CONTRACTOR fails to 1) comply with monthly and/or quarterly reports by the indicated due date as set forth in Section 11 of the Contract; 2) if results achieved are not as projected and no COMMISSION approved plan is in place for improvement; 3) if the funded position is vacant; or 4) if the CONTRACTOR is not in compliance with any provision contained within this Contract.

   e. The final funding period amount approved for the applicable fiscal year will be paid based on final expenditures as of June 30th and reported as of the final deadline to submit program expenditures defined in Section 11. Fiscal and Program Reporting Requirements, A. Fiscal Reporting. Expenditures made after June 30th will not be accepted.

2. Allowable Costs

Funds provided pursuant to this Contract shall be expended by the CONTRACTOR in accordance with the Budget.

a. Such specified expenditures will be further limited to those that are considered both reasonable and necessary as determined by the COMMISSION. CONTRACTOR agrees COMMISSION may recover any payments for services or goods, including rental of facilities, which were not reasonable and necessary, or which exceeded the fair market value. The recovery shall be limited to payments over and above reasonable or fair market amounts and any costs of recovery.

b. The reasonable and allowable reimbursement rate for use of motor vehicles, travel expenses and food are based on the current IRS allowable rate.

c. Contractor shall obtain approval for all overnight travel and out of State travel as it relates to services provided in this Contract. Reimbursement as it relates to pre-approved travel will be based on the Federal allowable rate. Request must be submitted in writing thirty (30) days in advance of travel date and travel must be approved in advance by COMMISSION management.

ATTACHMENT D:
COMPREHENSIVE TOBACCO CONTROL POLICY

As a material condition of the Contract, the CONTRACTOR shall agree that the CONTRACTOR and the CONTRACTOR'S employees, while receiving funding from the COMMISSION:

1. Shall not use tobacco products while using the CONTRACTOR'S property e.g., vehicle, equipment; and

2. Shall not sell, offer, or provide tobacco products on CONTRACTOR 'S premises; and

3. Shall have tobacco education and cessation materials visibly available and accessible to clients participating in activities funded by Proposition 10 funds; and

4. Shall assure that the CONTRACTOR and its employees have no current business association or relationship with the tobacco industry, and further agrees to neither accept nor solicit financial contributions, sponsorships, gifts, or services from any tobacco company, executive, or tobacco-related function; and

5. Shall make a reasonable effort to divest of all investments in companies that derive fifteen percent (15%) or more of revenues from tobacco.

The COMMISSION may terminate for default or breach of this Contract and any other Contract the CONTRACTOR has with the COMMISSION, if the CONTRACTOR or CONTRACTOR'S employees, are determined by the COMMISSION Executive Director (or designee), not to be in compliance with the conditions set forth herein.

If the CONTRACTOR or CONTRACTOR'S employees are determined by the COMMISSION Executive Director (or designee) not to be in compliance with the conditions set forth herein, the COMMISSION may terminate for default or breach of this Contract and any other Contract the COMMISSION has with the CONTRACTOR.

In instances where the CONTRACTOR is part of a larger entity, and where the entity has an investment policy set by governance officials other than the CONTRACTOR, and the CONTRACTOR is not directly involved in such investment decisions, CONTRACTOR agrees to the provisions herein as required in the programs and activities under the direct control of the CONTRACTOR to the satisfaction of the COMMISSION Executive Director (or designee). Activities of the larger entity other than investment decisions, which are not under the direct control of CONTRACTOR, shall not be considered to be in violation of CONTRACTOR'S activities pursuant to the policy.

ATTACHMENT E:
HIPAA BUSINESS ASSOCIATE AGREEMENT

Addendum to Contract

Between the County of Riverside and Soboba Band of Luiseno Indians.

This HIPAA Business Associate Agreement (the "Addendum") supplements and is made part of the Underlying Agreement between the County of Riverside ("County") and Contractor and shall be effective as of the date the Underlying Agreement approved by both Parties (the "Effective Date").

RECITALS

WHEREAS, County and Contractor entered into the Underlying Agreement pursuant to which the Contractor provides services to County, and in conjunction with the provision of such services certain protected health information ("PHI") and/or certain electronic protected health information ("ePHI") may be created by or made available to Contractor for the purposes of carrying out its obligations under the Underlying Agreement; and,

WHEREAS, the provisions of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), Public Law 104-191 enacted August 21, 1996, and the Health Information Technology for Economic and Clinical Health Act ("HITECH") of the American Recovery and Reinvestment Act of 2009, Public Law 111-5 enacted February 17, 2009, and the laws and regulations promulgated subsequent thereto, as may be amended from time to time, are applicable to the protection of any use or disclosure of PHI and/or ePHI pursuant to the Underlying Agreement; and,

WHEREAS, County is a covered entity, as defined in the Privacy Rule; and,

WHEREAS, to the extent County discloses PHI and/or ePHI to Contractor or Contractor creates, receives, maintains, transmits, or has access to PHI and/or ePHI of County, Contractor is a business associate, as defined in the Privacy Rule; and,

WHEREAS, pursuant to 42 USC §17931 and §17934, certain provisions of the Security Rule and Privacy Rule apply to a business associate of a covered entity in the same manner that they apply to the covered entity, the additional security and privacy requirements of HITECH are applicable to business associates and must be incorporated into the business associate agreement, and a business associate is liable for civil and criminal penalties for failure to comply with these security and/or privacy provisions; and,

WHEREAS, the parties mutually agree that any use or disclosure of PHI and/or ePHI must be in compliance with the Privacy Rule, Security Rule, HIPAA, HITECH and any other applicable law; and,

WHEREAS, the parties intend to enter into this Addendum to address the requirements and obligations set forth in the Privacy Rule, Security Rule, HITECH and HIPAA as they apply to Contractor as a business associate of County, including the establishment of permitted and required uses and disclosures of PHI and/or ePHI created or received by Contractor during the course of performing functions, services and activities on behalf of County, and appropriate limitations and conditions on such uses and disclosures;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties agree as follows:

Definitions. Terms used, but not otherwise defined, in this Addendum shall have the same meaning as those terms in HITECH, HIPAA, Security Rule and/or Privacy Rule, as may be amended from time to time.

"Breach" when used in connection with PHI means the acquisition, access, use or disclosure of PHI in a manner not permitted under subpart E of the Privacy Rule which compromises the security or privacy of the PHI, and shall have the meaning given such term in 45 CFR §164.402.

Except as provided below in Paragraph (2) of this definition, acquisition, access, use, or disclosure of PHI in a manner not permitted by subpart E of the Privacy Rule is presumed to be a breach unless Contractor demonstrates

that there is a low probability that the PHI has been compromised based on a risk assessment of at least the following four factors:

(a) The nature and extent of the PHI involved, including the types of identifiers and the likelihood of re-identification;

(b) The unauthorized person who used the PHI or to whom the disclosure was made;

(c) Whether the PHI was actually acquired or viewed; and

(d) The extent to which the risk to the PHI has been mitigated.

(2) Breach excludes:

(a) Any unintentional acquisition, access or use of PHI by a workforce member or person acting under the authority of a covered entity or business associate, if such acquisition, access or use was made in good faith and within the scope of authority and does not result in further use or disclosure in a manner not permitted under subpart E of the Privacy Rule.

(b) Any inadvertent disclosure by a person who is authorized to access PHI at a covered entity or business associate to another person authorized to access PHI at the same covered entity, business associate, or organized health care arrangement in which County participates, and the information received as a result of such disclosure is not further used or disclosed in a manner not permitted by subpart E of the Privacy Rule.

(c) A disclosure of PHI where a covered entity or business associate has a good faith belief that an unauthorized person to whom the disclosure was made would not reasonably have been able to retain such information.

"Business associate" has the meaning given such term in 45 CFR §164.501, including but not limited to a subcontractor that creates, receives, maintains, transmits or accesses PHI on behalf of the business associate.

"Data aggregation" has the meaning given such term in 45 CFR §164.501.

"Designated record set" as defined in 45 CFR §164.501 means a group of records maintained by or for a covered entity that may include: the medical records and billing records about individuals maintained by or for a covered health care provider; the enrollment, payment, claims adjudication, and case or medical management record systems maintained by or for a health plan; or, used, in whole or in part, by or for the covered entity to make decisions about individuals.

"Electronic protected health information" ("ePHI") as defined in 45 CFR §160.103 means protected health information transmitted by or maintained in electronic media.

"Electronic health record" means an electronic record of health-related information on an individual that is created, gathered, managed, and consulted by authorized health care clinicians and staff, and shall have the meaning given such term in 42 USC §17921(5).

"Health care operations" has the meaning given such term in 45 CFR §164.501.

"Individual" as defined in 45 CFR §160.103 means the person who is the subject of protected health information.

"Person" as defined in 45 CFR §160.103 means a natural person, trust or estate, partnership, corporation, professional association or corporation, or other entity, public or private.

"Privacy Rule" means the HIPAA regulations codified at 45 CFR Parts 160 and 164, Subparts A and E.

"Protected health information" ("PHI") has the meaning given such term in 45 CFR §160.103, which includes ePHI.

"Required by law" has the meaning given such term in 45 CFR §164.103.

"Secretary" means the Secretary of the U.S. Department of Health and Human Services ("HHS").

"Security incident" as defined in 45 CFR §164.304 means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system.

"Security Rule" means the HIPAA Regulations codified at 45 CFR Parts 160 and 164, Subparts A and C.

"Subcontractor" as defined in 45 CFR §160.103 means a person to whom a business associate delegates a function, activity, or service, other than in the capacity of a member of the workforce of such business associate.

"Unsecured protected health information" and "unsecured PHI" as defined in 45 CFR §164.402 means PHI not rendered unusable, unreadable, or indecipherable to unauthorized persons through use of a technology or methodology specified by the Secretary in the guidance issued under 42 USC §17932(h)(2).

Scope of Use and Disclosure by Contractor of County's PHI and/or ePHI.

Except as otherwise provided in this Addendum, Contractor may use, disclose, or access PHI and/or ePHI as necessary to perform any and all obligations of Contractor under the Underlying Agreement or to perform functions,

activities or services for, or on behalf of, County as specified in this Addendum, if such use or disclosure does not violate HIPAA, HITECH, the Privacy Rule and/or Security Rule.

Unless otherwise limited herein, in addition to any other uses and/or disclosures permitted or authorized by this Addendum or required by law, in accordance with 45 CFR §164.504(e)(2), Contractor may:

Use PHI and/or ePHI if necessary for Contractor's proper management and administration and to carry out its legal responsibilities; and,

Disclose PHI and/or ePHI for the purpose of Contractor's proper management and administration or to carry out its legal responsibilities, only if:

The disclosure is required by law; or,

Contractor obtains reasonable assurances, in writing, from the person to whom Contractor will disclose such PHI and/or ePHI that the person will:

Hold such PHI and/or ePHI in confidence and use or further disclose it only for the purpose for which Contractor disclosed it to the person, or as required by law; and,

Notify County of any instances of which it becomes aware in which the confidentiality of the information has been breached; and,

Use PHI to provide data aggregation services relating to the health care operations of County pursuant to the Underlying Agreement or as requested by County; and,

De-identify all PHI and/or ePHI of County received by Contractor under this Addendum provided that the de-identification conforms to the requirements of the Privacy Rule and/or Security Rule and does not preclude timely payment and/or claims processing and receipt.

Notwithstanding the foregoing, in any instance where applicable state and/or federal laws and/or regulations are more stringent in their requirements than the provisions of HIPAA, including, but not limited to, prohibiting disclosure of mental health and/or substance abuse records, the applicable state and/or federal laws and/or regulations shall control the disclosure of records.

Prohibited Uses and Disclosures.

Contractor may neither use, disclose, nor access PHI and/or ePHI in a manner not authorized by the Underlying Agreement or this Addendum without patient authorization or de-identification of the PHI and/or ePHI and as authorized in writing from County.

Contractor may neither use, disclose, nor access PHI and/or ePHI it receives from County or from another business associate of County, except as permitted or required by this Addendum, or as required by law.

Contractor agrees not to make any disclosure of PHI and/or ePHI that County would be prohibited from making.

Contractor shall not use or disclose PHI for any purpose prohibited by the Privacy Rule, Security Rule, HIPAA and/or HITECH, including, but not limited to 42 USC §17935 and §17936. Contractor agrees:

Not to use or disclose PHI for fundraising , unless pursuant to the Underlying Agreement and only if permitted by and in compliance with the requirements of 45 CFR §164.514(f) or 45 CFR §164.508;

Not to use or disclose PHI for marketing, as defined in 45 CFR §164.501, unless pursuant to the Underlying Agreement and only if permitted by and in compliance with the requirements of 45 CFR §164.508(a)(3);

Not to disclose PHI, except as otherwise required by law, to a health plan for purposes of carrying out payment or health care operations, if the individual has requested this restriction pursuant to 42 USC §17935(a) and 45 CFR §164.522, and has paid out of pocket in full for the health care item or service to which the PHI solely relates; and,

Not to receive, directly or indirectly, remuneration in exchange for PHI, or engage in any act that would constitute a sale of PHI, as defined in 45 CFR §164.502(a)(5)(ii), unless permitted by the Underlying Agreement and in compliance with the requirements of a valid authorization under 45 CFR §164.508(a)(4). This prohibition shall not apply to payment by County to Contractor for services provided pursuant to the Underlying Agreement.

Obligations of County.

County agrees to make its best efforts to notify Contractor promptly in writing of any restrictions on the use or disclosure of PHI and/or ePHI agreed to by County that may affect Contractor's ability to perform its obligations under the Underlying Agreement, or this Addendum.

County agrees to make its best efforts to promptly notify Contractor in writing of any changes in, or revocation of, permission by any individual to use or disclose PHI and/or ePHI, if such changes or revocation may affect Contractor's ability to perform its obligations under the Underlying Agreement, or this Addendum.

County agrees to make its best efforts to promptly notify Contractor in writing of any known limitation(s) in its notice of privacy practices to the extent that such limitation may affect Contractor's use or disclosure of PHI and/or ePHI.

County agrees not to request Contractor to use or disclose PHI and/or ePHI in any manner that would not be permissible under HITECH, HIPAA, the Privacy Rule, and/or Security Rule.

County agrees to obtain any authorizations necessary for the use or disclosure of PHI and/or ePHI, so that Contractor can perform its obligations under this Addendum and/or Underlying Agreement.

Obligations of Contractor. In connection with the use or disclosure of PHI and/or ePHI, Contractor agrees to:

Use or disclose PHI only if such use or disclosure complies with each applicable requirement of 45 CFR §164.504(e). Contractor shall also comply with the additional privacy requirements that are applicable to covered entities in HITECH, as may be amended from time to time.

Not use or further disclose PHI and/or ePHI other than as permitted or required by this Addendum or as required by law. Contractor shall promptly notify County if Contractor is required by law to disclose PHI and/or ePHI.

Use appropriate safeguards and comply, where applicable, with the Security Rule with respect to ePHI, to prevent use or disclosure of PHI and/or ePHI other than as provided for by this Addendum.

Mitigate, to the extent practicable, any harmful effect that is known to Contractor of a use or disclosure of PHI and/or ePHI by Contractor in violation of this Addendum.

Report to County any use or disclosure of PHI and/or ePHI not provided for by this Addendum or otherwise in violation of HITECH, HIPAA, the Privacy Rule, and/or Security Rule of which Contractor becomes aware, including breaches of unsecured PHI as required by 45 CFR §164.410.

In accordance with 45 CFR §164.502(e)(1)(ii), require that any subcontractors that create, receive, maintain, transmit or access PHI on behalf of the Contractor agree through contract to the same restrictions and conditions that apply to Contractor with respect to such PHI and/or ePHI, including the restrictions and conditions pursuant to this Addendum.

Make available to County or the Secretary, in the time and manner designated by County or Secretary, Contractor's internal practices, books and records relating to the use, disclosure and privacy protection of PHI received from County, or created or received by Contractor on behalf of County, for purposes of determining, investigating or auditing Contractor's and/or County's compliance with the Privacy Rule.

Request, use or disclose only the minimum amount of PHI necessary to accomplish the intended purpose of the request, use or disclosure in accordance with 42 USC §17935(b) and 45 CFR §164.502(b)(1).

Comply with requirements of satisfactory assurances under 45 CFR §164.512 relating to notice or qualified protective order in response to a third party's subpoena, discovery request, or other lawful process for the disclosure of PHI, which Contractor shall promptly notify County upon Contractor's receipt of such request from a third party.

Not require an individual to provide patient authorization for use or disclosure of PHI as a condition for treatment, payment, enrollment in any health plan (including the health plan administered by County), or eligibility of benefits, unless otherwise excepted under 45 CFR §164.508(b)(4) and authorized in writing by County.

Use appropriate administrative, technical and physical safeguards to prevent inappropriate use, disclosure, or access of PHI and/or ePHI.

Obtain and maintain knowledge of applicable laws and regulations related to HIPAA and HITECH, as may be amended from time to time.

Comply with the requirements of the Privacy Rule that apply to the County to the extent Contractor is to carry out County's obligations under the Privacy Rule.

Take reasonable steps to cure or end any pattern of activity or practice of its subcontractor of which Contractor becomes aware that constitute a material breach or violation of the subcontractor's obligations under the business associate contract with Contractor, and if such steps are unsuccessful, Contractor agrees to terminate its contract with the subcontractor if feasible.

Access to PHI, Amendment and Disclosure Accounting. Contractor agrees to:

Access to PHI, including ePHI. Provide access to PHI, including ePHI if maintained electronically, in a designated record set to County or an individual as directed by County, within five (5) days of request from County, to satisfy the requirements of 45 CFR §164.524.

Amendment of PHI. Make PHI available for amendment and incorporate amendments to PHI in a designated record set County directs or agrees to at the request of an individual, within fifteen (15) days of receiving a written request from County, in accordance with 45 CFR §164.526.

Accounting of disclosures of PHI and electronic health record. Assist County to fulfill its obligations to provide accounting of disclosures of PHI under 45 CFR §164.528 and, where applicable, electronic health records under 42 USC §17935(c) if Contractor uses or maintains electronic health records. Contractor shall:

Document such disclosures of PHI and/or electronic health records, and information related to such disclosures, as would be required for County to respond to a request by an individual for an accounting of disclosures of PHI and/or electronic health record in accordance with 45 CFR §164.528.

Within fifteen (15) days of receiving a written request from County, provide to County or any individual as directed by County information collected in accordance with this section to permit County to respond to a request by an individual for an accounting of disclosures of PHI and/or electronic health record.

Make available for County information required by this Section 6.C for six (6) years preceding the individual's request for accounting of disclosures of PHI, and for three (3) years preceding the individual's request for accounting of disclosures of electronic health record.

Security of ePHI. In the event County discloses ePHI to Contractor or Contractor needs to create, receive, maintain, transmit or have access to County ePHI, in accordance with 42 USC §17931 and 45 CFR §164.314(a)(2)(i), and §164.306, Contractor shall:

Comply with the applicable requirements of the Security Rule, and implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of ePHI that Contractor creates, receives, maintains, or transmits on behalf of County in accordance with 45 CFR §164.308, §164.310, and §164.312;

Comply with each of the requirements of 45 CFR §164.316 relating to the implementation of policies, procedures and documentation requirements with respect to ePHI;

Protect against any reasonably anticipated threats or hazards to the security or integrity of ePHI;

Protect against any reasonably anticipated uses or disclosures of ePHI that are not permitted or required under the Privacy Rule;

Ensure compliance with the Security Rule by Contractor's workforce;

In accordance with 45 CFR §164.308(b)(2), require that any subcontractors that create, receive, maintain, transmit, or access ePHI on behalf of Contractor agree through contract to the same restrictions and requirements contained in this Addendum and comply with the applicable requirements of the Security Rule;

Report to County any security incident of which Contractor becomes aware, including breaches of unsecured PHI as required by 45 CFR §164.410; and,

Comply with any additional security requirements that are applicable to covered entities in Title 42 (Public Health and Welfare) of the United States Code, as may be amended from time to time, including but not limited to HITECH.

Breach of Unsecured PHI. In the case of breach of unsecured PHI, Contractor shall comply with the applicable provisions of 42 USC §17932 and 45 CFR Part 164, Subpart D, including but not limited to 45 CFR §164.410.

Discovery and notification. Following the discovery of a breach of unsecured PHI, Contractor shall notify County in writing of such breach without unreasonable delay and in no case later than 60 calendar days after discovery of a breach, except as provided in 45 CFR §164.412.

Breaches treated as discovered. A breach is treated as discovered by Contractor as of the first day on which such breach is known to Contractor or, by exercising reasonable diligence, would have been known to Contractor, which includes any person, other than the person committing the breach, who is an employee, officer, or other agent of Contractor (determined in accordance with the federal common law of agency).

Content of notification. The written notification to County relating to breach of unsecured PHI shall include, to the extent possible, the following information if known (or can be reasonably obtained) by Contractor:

The identification of each individual whose unsecured PHI has been, or is reasonably believed by Contractor to have been accessed, acquired, used or disclosed during the breach;

A brief description of what happened, including the date of the breach and the date of the discovery of the breach, if known;

A description of the types of unsecured PHI involved in the breach, such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code, or other types of information were involved;

Any steps individuals should take to protect themselves from potential harm resulting from the breach;

A brief description of what Contractor is doing to investigate the breach, to mitigate harm to individuals, and to protect against any further breaches; and,

Contact procedures for individuals to ask questions or learn additional information, which shall include a toll-free telephone number, an e-mail address, web site, or postal address.

Cooperation. With respect to any breach of unsecured PHI reported by Contractor, Contractor shall cooperate with County and shall provide County with any information requested by County to enable County to fulfill in a timely manner its own reporting and notification obligations, including but not limited to providing notice to individuals, prominent media outlets and the Secretary in accordance with 42 USC §17932 and 45 CFR §164.404, §164.406 and §164.408.

Breach log. To the extent breach of unsecured PHI involves less than 500 individuals, Contractor shall maintain a log or other documentation of such breaches and provide such log or other documentation on an annual basis to County not later than fifteen (15) days after the end of each calendar year for submission to the Secretary.

Delay of notification authorized by law enforcement. If Contractor delays notification of breach of unsecured PHI pursuant to a law enforcement official's statement that required notification, notice or posting would impede a criminal investigation or cause damage to national security, Contractor shall maintain documentation sufficient to demonstrate its compliance with the requirements of 45 CFR §164.412.

Payment of costs. With respect to any breach of unsecured PHI caused solely by the Contractor's failure to comply with one or more of its obligations under this Addendum and/or the provisions of HITECH, HIPAA, the Privacy Rule or the Security Rule, Contractor agrees to pay any and all costs associated with providing all legally required notifications to individuals, media outlets, and the Secretary. This provision shall not be construed to limit or diminish Contractor's obligations to indemnify, defend and hold harmless County under Section 9 of this Addendum.

Documentation. Pursuant to 45 CFR §164.414(b), in the event Contractor's use or disclosure of PHI and/or ePHI violates the Privacy Rule, Contractor shall maintain documentation sufficient to demonstrate that all notifications were made by Contractor as required by 45 CFR Part 164, Subpart D, or that such use or disclosure did not constitute a breach, including Contractor's completed risk assessment and investigation documentation.

Additional State Reporting Requirements. The parties agree that this Section 8.G applies only if and/or when County, in its capacity as a licensed clinic, health facility, home health agency, or hospice, is required to report unlawful or unauthorized access, use, or disclosure of medical information under the more stringent requirements of California Health & Safety Code §1280.15. For purposes of this Section 8.G, "unauthorized" has the meaning given such term in California Health & Safety Code §1280.15(j)(2).

Contractor agrees to assist County to fulfill its reporting obligations to affected patients and to the California Department of Public Health ("CDPH") in a timely manner under the California Health & Safety Code §1280.15. Contractor agrees to report to County any unlawful or unauthorized access, use, or disclosure of patient's medical information without unreasonable delay and no later than two (2) business days after Contractor detects such incident. Contractor further agrees such report shall be made in writing, and shall include substantially the same types of information listed above in Section 8.A.2 (Content of Notification) as applicable to the unlawful or unauthorized access, use, or disclosure as defined above in this section, understanding and acknowledging that the term "breach" as used in Section 8.A.2 does not apply to California Health & Safety Code §1280.15.

Hold Harmless/Indemnification.

Contractor agrees to indemnify and hold harmless County, all Agencies, Districts, Special Districts and Departments of County, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives from any liability whatsoever, based or asserted upon any services of Contractor, its officers, employees, subcontractors, agents or representatives arising out of or in any way relating to this Addendum, including but not limited to property damage, bodily injury, death, or any other element of any kind or nature whatsoever arising from the performance of Contractor, its officers, agents, employees, subcontractors, agents or representatives from this Addendum. Contractor shall defend, at its sole expense, all costs and fees, including but not limited to attorney fees, cost of investigation, defense and settlements or awards, of County, all Agencies, Districts, Special Districts and Departments of County, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents or representatives in any claim or action based upon such alleged acts or omissions.

With respect to any action or claim subject to indemnification herein by Contractor, Contractor shall, at their sole cost, have the right to use counsel of their choice, subject to the approval of County, which shall not be unreasonably withheld, and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of County; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes Contractor's indemnification to County as set forth herein. Contractor's obligation to defend, indemnify and hold harmless County shall be subject to County having given Contractor written notice within a reasonable period of time of the claim or of the commencement of the related action, as the case may be, and information and reasonable assistance, at Contractor's expense, for the defense or settlement thereof. Contractor's obligation hereunder shall be satisfied when Contractor has provided to County the appropriate form of dismissal relieving County from any liability for the action or claim involved.

The specified insurance limits required in the Underlying Agreement of this Addendum shall in no way limit or circumscribe Contractor's obligations to indemnify and hold harmless County herein from third party claims arising from issues of this Addendum.

In the event there is conflict between this clause and California Civil Code §2782, this clause shall be interpreted to comply with Civil Code §2782. Such interpretation shall not relieve the Contractor from indemnifying County to the fullest extent allowed by law.

In the event there is a conflict between this indemnification clause and an indemnification clause contained in the Underlying Agreement of this Addendum, this indemnification shall only apply to the subject issues included within this Addendum.

Term. This Addendum shall commence upon the Effective Date and shall terminate when all PHI and/or ePHI provided by County to Contractor, or created or received by Contractor on behalf of County, is destroyed or returned to County, or, if it is infeasible to return or destroy PHI and/ePHI, protections are extended to such information, in accordance with section 11.B of this Addendum.

Termination.

Termination for Breach of Contract. A breach of any provision of this Addendum by either party shall constitute a material breach of the Underlying Agreement and will provide grounds for terminating this Addendum and the Underlying Agreement with or without an opportunity to cure the breach, notwithstanding any provision in the Underlying Agreement to the contrary. Either party, upon written notice to the other party describing the breach, may take any of the following actions:

Terminate the Underlying Agreement and this Addendum, effective immediately, if the other party breaches a material provision of this Addendum.

Provide the other party with an opportunity to cure the alleged material breach and in the event the other party fails to cure the breach to the satisfaction of the non-breaching party in a timely manner, the non-breaching party has the right to immediately terminate the Underlying Agreement and this Addendum.

If termination of the Underlying Agreement is not feasible, the breaching party, upon the request of the non-breaching party, shall implement, at its own expense, a plan to cure the breach and report regularly on its compliance with such plan to the non-breaching party.

Effect of Termination.

Upon termination of this Addendum, for any reason, Contractor shall return or, if agreed to in writing by County, destroy all PHI and/or ePHI received from County, or created or received by the Contractor on behalf of County, and, in the event of destruction, Contractor shall certify such destruction, in writing, to County. This provision shall apply to all PHI and/or ePHI which are in the possession of subcontractors or agents of Contractor. Contractor shall retain no copies of PHI and/or ePHI, except as provided below in paragraph (2) of this section.

In the event that Contractor determines that returning or destroying the PHI and/or ePHI is not feasible, Contractor shall provide written notification to County of the conditions that make such return or destruction not feasible.

Upon determination by Contractor that return or destruction of PHI and/or ePHI is not feasible, Contractor shall extend the protections of this Addendum to such PHI and/or ePHI and limit further uses and disclosures of such PHI and/or ePHI to those purposes which make the return or destruction not feasible, for so long as Contractor maintains such PHI and/or ePHI.

General Provisions.

Retention Period. Whenever Contractor is required to document or maintain documentation pursuant to the terms of this Addendum, Contractor shall retain such documentation for 6 years from the date of its creation or as otherwise prescribed by law, whichever is later.

Amendment. The parties agree to take such action as is necessary to amend this Addendum from time to time as is necessary for County to comply with HITECH, the Privacy Rule, Security Rule, and HIPAA generally.

Survival. The obligations of Contractor under Sections 3, 5, 6, 7, 8, 9, 11.B and 12.A of this Addendum shall survive the termination or expiration of this Addendum.

Regulatory and Statutory References. A reference in this Addendum to a section in HITECH, HIPAA, the Privacy Rule and/or Security Rule means the section(s) as in effect or as amended.

Conflicts. The provisions of this Addendum shall prevail over any provisions in the Underlying Agreement that conflict or appear inconsistent with any provision in this Addendum.

Interpretation of Addendum.

This Addendum shall be construed to be part of the Underlying Agreement as one document. The purpose is to supplement the Underlying Agreement to include the requirements of the Privacy Rule, Security Rule, HIPAA and HITECH.

Any ambiguity between this Addendum and the Underlying Agreement shall be resolved to permit County to comply with the Privacy Rule, Security Rule, HIPAA and HITECH generally.

Notices to County. All notifications required to be given by Contractor to County pursuant to the terms of this Addendum shall be made in writing and delivered to the County both by fax and to both of the addresses listed below by either registered or certified mail return receipt requested or guaranteed overnight mail with tracing capability, or at such other address as County may hereafter designate. All notices to County provided by Contractor pursuant to this Section shall be deemed given or made when received by County.

County HIPAA Privacy Officer: HIPAA Privacy Manager
County HIPAA Privacy Officer Address: 26520 Cactus Avenue,
Moreno Valley, CA 92555

County HIPAA Privacy Officer Phone Number: (951) 486-6471

F. **Presentations/Action Items – Zachary Ginder, Vice Chair**

F.1. Review and Conduct a Public Hearing of First 5 Riverside County Children & Families Commission Strategic Plan 2023-2026 Pursuant to the California Children and Families Act, Health and Safety Code section 130140 and Ordinance 784 and Adopt the Riverside County Children & Families Commission July 1, 2023 through June 30, 2026 Strategic Plan - Tammi Graham, Executive Director

AGENDA ITEM: 23-10
DATE OF MEETING: January 25, 2023
ACTION: ☒
INFORMATION: ☐

ADOPT FIRST 5 RIVERSIDE COUNTY CHILDREN AND FAMILIES COMMISSION STRATEGIC PLAN JULY 1, 2023 THROUGH JUNE 30, 2026

SUMMARY OF REQUEST

Adopt First 5 Riverside County Children and Families Commission Strategic Plan for three years from July 1, 2023, through June 30, 2026.

Pursuant to the California Children and Families Act, Health and Safety Code section 130140, and Ordinance 784, review and conduct public hearing of the Strategic Plan.

BACKGROUND

May 11, 2022, Action Item No. 22-15: Annual Review and Public Hearing of First 5 Riverside County Children and Families Commission Revised Strategic Plan Fiscal Years 2018 – 2023.

Statutory Requirement

The California Children and Families Act, Health, and Safety Code Section 13140 (Proposition 10) requires local county commissions to adopt a strategic plan for the support and improvement of early childhood development. It further requires that the plan be consistent with, and in furtherance of the purposes of, the act and any guidelines adopted by the state commission.

At a minimum, Commissions are to annually review strategic plans and adjust accordingly based on revised priorities. In addition, legislation requires the Commission to conduct at least one public hearing on its proposed county strategic plan annually and before changes to the plan are adopted. All funding allocations by the Commission must be consistent with the adopted strategic plan.

RECOMMENDED ACTION

That the Commission:

1. Adopt the current First 5 Riverside County Children and Families Commission Strategic Plan through June 30, 2026, following a review and public hearing; and

2. Authorize staff to develop recommendations for investments for July 1, 2023, through June 30, 2026, for Commission consideration.

BUDGET IMPACT

Funding for approved contracts will be included in future budget requests.

STRATEGIC PLAN RELEVANCE

Quality Early Learning
Comprehensive Health and Development
Resilient Families

POTENTIAL CONFLICTS OF INTEREST

None Known

ATTACHMENTS

1. Draft 2023-2026 First 5 Riverside County Children and Families Commission Strategic Plan

FIRST 5
Riverside County
Children & Families Commission

STRATEGIC PLAN

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Fiscal Years
2023-2026

CONNECTING FAMILIES and the **COMMUNITY** with resources to build a **STRONG FOUNDATION** for **SUCCESS** for children 0 through 5 years of age.

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VISION

All children in Riverside County are healthy and thrive in

SUPPORTIVE, NUTURING, *and* LOVING

environments

AND enter school ready to learn &

embrace

Lifelong Learning

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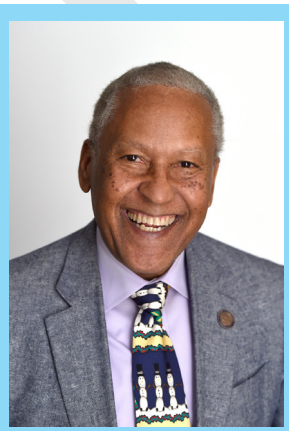
I. OVERVIEW

On August 4, 2020, the Riverside County Board of Supervisors voted unanimously to declare racism as a public health crisis. The resolution passed by the Board listed several planned actions describing what the County will do to act on this, including seeking more diversity in county's workforce and in leadership positions, implementing solutions to eliminate systemic inequality in all external services provided by the county, and enhancing public education to increase understanding and awareness of systemic inequality and its impact. Similarly, the First 5 Association has established a commitment to "center race, equity, diversity, inclusion (REDI) in all we do" in its 2022-2025 strategic plan, including an objective to build local First 5 capacity to advance REDI locally. While both entities are still formulating plans for what this work will entail, First 5 Riverside County shares the commitment to centering race equity.

The County of Riverside is blessed with incredible diversity that makes us unique and is one of our many strengths. Therefore, we will focus on developing programs and initiatives that are equitable to create a better future for our residents. This will build a solid foundation to improve the health and wellbeing of our community. We have a strong sense of community, and we must ensure this is inclusive of all. I am proud that we are moving forward together to address the needs of our residents to further health, wellness, and success in every aspect of all lives.



-Chuck Washington, District 3 Supervisor
First 5 Riverside County Commissioner 2022

First 5 Riverside County understands that this commitment will have a significant bearing on its own work to advance the vision stated above through its investment of its resources, which are largely but decreasingly comprised of revenues from Proposition 10.

State voters passed Proposition 10, the "California Children and Families Act of 1998," in November of that year. Subsequently, the Riverside County Board of Supervisors created the Riverside County Children & Families Commission, also known as First 5 Riverside County. The act levies a $.50 tax increase on cigarettes and other tobacco products to provide funding for early childhood development programs. The revenue generated from this tax, which was increased in 2016 by Prop 56, is distributed by the state to the counties to ensure that our youngest Californians, from prenatal through age 5, get the best start in life.

Revenues generated from the tobacco tax must be used to enhance the early growth experiences of children, enabling them to be more successful in school and ultimately to give them an equal opportunity to succeed in life. Since inception, First 5 Riverside County has invested more than $505 million of Proposition 10 and Prop 56 funds

in local programs. Additionally, since 2016, First 5 Riverside County has identified and accessed an additional $22 million in federal, state, and inter-county funding to expand and support integrated whole child and whole family supports. In the past 23 years, through diverse funding strategies, approximately $527 million has been invested in the County.

First 5 Riverside County supports and advocates for the strong start all children deserve and is committed to engaging in partnerships that maximize investments to ensure children and families have every opportunity to succeed.

II. ANNUAL STRATEGIC PLAN REVIEW

The Commission is required to conduct an annual review of the adopted strategic plan and to adjust the plan to respond to opportunities, challenges, or changes in the environment. In 2018, a mid-course revision reflected the evolution of the entire First 5 system, which is occurring in the context of a slow but steady decline in the tobacco taxes that are the main revenue source for First 5 Commissions. In 2020, the Commission revised and extended the Plan through 2023.

Since inception, many First 5 Commissions initiated their work by funding direct services for children and families since it was an obvious need, evidenced by services that were limited and not supporting children and families adequately. These efforts also gave First 5 Commissions an opportunity to gain valuable practice knowledge and to identify where gaps existed in the provision of programs and associated systems that resulted in inadequate and/or interrupted services, especially for vulnerable children. Grants to fund services created the possibility to address these issues quickly and efficiently. Although the majority of Proposition 10 funds have been focused on supporting families through direct services, First 5 Commissions have shifted increasingly toward funding services with an intent to change the core practice of organizations and improve or develop systemic approaches. The First 5 Association defines system change as: "working with organizations, communities, and public agencies in new ways to change how services and supports are organized and delivered."[1] This approach reflects First 5 Commissions' role as stewards of public resources, and the associated imperative to maximize the public's investment and invest those funds strategically in a way that creates real and lasting change for children and families. Furthermore, given that funding entities can be politically influential, First 5's are in a unique position to engage relevant and significant stakeholders, such as elected officials and senior leaders of public agencies, to highlight the challenges faced by children and families in respective communities.

Several important changes have occurred in recent years that shift the context for this work even further. Building on, and leveraging, its role as leader and convener, First 5 Riverside County has become an official department of Riverside County, more deeply embedding it within the public systems it seeks to improve on behalf

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of children. First 5 Riverside County and the county's Department of Public Social Services established a partnership to redesign county-operated family resource centers (FRCs) to be essential sites for innovation and a part of the larger county-wide prevention and early intervention strategy for children and families. This includes supporting and nurturing a larger family resource center network beyond the county operated FRCs to contribute to building a much larger coordinated system of care for child abuse prevention and child well-being efforts. Combined with additional learning based on recent experimentation and innovation in engaging formal and informal systems of care, First 5 Riverside County is investing in meaningful and lasting systems change on behalf of children and families. This learning and success have engendered another evolution in the First 5 system: an increase in the level of coordination between and alignment of approaches taken by individual First 5 Commissions. This alignment has reflected an effort to incorporate and codify the learning and success on the one hand, and to set the stage for more effective system-wide and statewide advocacy on the other.

Since the adoption of the 2016-2021 Strategic Plan, the Commission has made timely revisions to support the evolution of its work and has extended the Plan through 2023. To account for and leverage its changing context, First 5 Riverside County has updated both the content of the strategies (an increase in level and sophistication of systems-change investments) and the structure and language of its planning framework (to reflect a more intentional change model and align with the rest of the First 5 system wherever possible). The strategies contained in this document reflect the updated content and the following sections explain and present First 5 Riverside County's updated strategic framework.

Riverside County Profile

Riverside County is the fourth largest county in California and the 10th largest in the United States. It covers more than 7,300 square miles and is home to 2.4 million residents.[2] There are 28 cities, large areas of unincorporated land, and several Native American tribal entities. The population by race is as follows: 56.24% White, 6.63% Black/African American, 1.12% American Indian/Alaskan Native, 6.82% Asian, 0.34% Native Hawaiian/Pacific Islander, 23.36% Other Race and 5.49% Multiracial.[2] The population by ethnicity is 51.97% Hispanic/Latino and 48.03% Non-Hispanic/Latino.[2]

The median household income of Riverside County is $70,732 compared to $78,672 for the State of California.[2] In Riverside County, 33.6% of individuals are living in households with income below 200% of the Federal Poverty Level (FPL) compared to 31.0% in California.[3]

In 2020, Riverside County was home to approximately 175,500 children under age 6.[4] Births average 30,000 annually.[5] Enrollment in Medi-Cal for children 0 through 5 years is at 48.2% for Riverside County compared to 44.7% for the state.[6] In the 2018-19 academic year, 23.2% of 3rd graders met English language arts/literacy (ELA/literacy) Common Core State Standards, and 28.5% in Riverside County met

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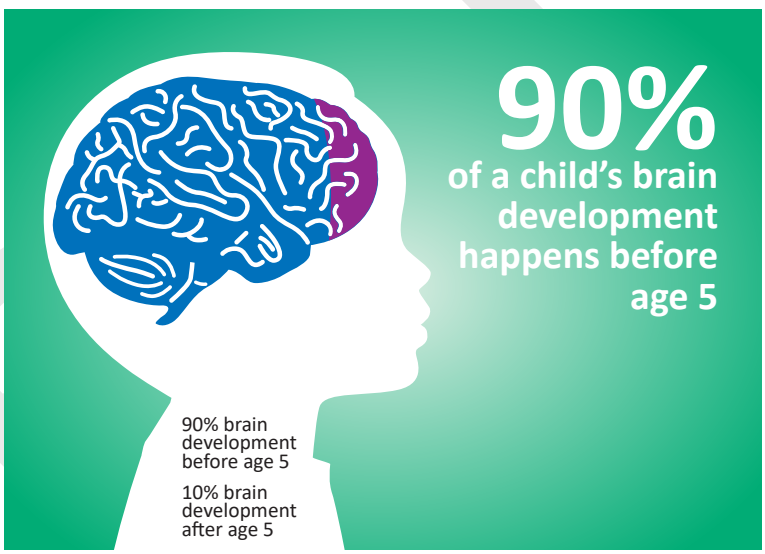
the mathematics Common Core State Standards.[7]

While this County-level data is critical for informing our County-wide approach, understanding the regional variation in needs and assets of children and their families can help us determine how to focus our resources even more efficiently. To this end, First 5 Riverside County will begin work to develop datasets at the supervisorial district level, so that strategy refinements can be made that are responsive to community need at the local level. This work is anticipated to be complete in time to inform our next strategic plan in 2023.

The Importance of Early Childhood

First 5 Riverside County's commitment to serving our youngest children stems from research in brain development showing that the experiences of children in their earliest years significantly affect the way they grow and develop. The first years are the most rapid period of brain growth, with nearly 90% of brain development occurring by age 5. This remarkable growth happens in response to, and in the context of, a child's experiences. During the early years, critical connections form between nerve cells, creating pathways that determine an individual's emotional, social, and intellectual makeup. Investments in the early years, when children's brains are developing and taking permanent shape, are the best investments First 5 Riverside County can make.



Early Learning Matters

Research demonstrates that children who attend a quality early learning and care program are more likely to do well in school and experience better outcomes as adults. In fact, for every dollar invested in quality early childhood education, there is up to a 13% return on investment per year through better outcomes in education, health, sociability, economic productivity, and reduction in crime.[8] This is especially true for children living in poverty and those who experience multiple risk factors and in Riverside County, nearly one-fifth of children under age 5 live in poverty. Moreover, over half of the County's 3rd graders score below grade level in English Language Arts.[7] Families have a continued need for quality early learning and care programs. As of February 2022, 569 early learning providers are a part of Quality Start Riverside County. Of the 501 sites that have a quality

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higher on quality standards established by the Quality Counts California Quality Rating Matrix. These standards include quality elements at five tiers in three core areas of child development and school readiness, teachers and teaching, and program and environment.

While the availability of licensed early learning and care increased between 2017 and 2019 (4% increase in center-based spaces and 7% increase in family child care spaces)[9], the impact of the COVID-19 pandemic on the availability of licensed child care is still being felt. Another challenge, that is in part due to the ongoing impact of the COVID-19 pandemic, is the lack of qualified early educators. During the pandemic many early educators left the field due to the low wages, lack of benefits, the high risk of working with young children during a pandemic, as well as the economic impact of program closures and lack of enrollment during the pandemic.

Over three quarters of parents who request assistance from the Riverside County Office of Education (RCOE) Resource and Referral program need early learning and care for their children so that they can work. However, even for families earning the median family income of $70,732 who have a preschool age child and an infant, the cost of child care is greater than the cost of housing (25% compared to 20% of the family's income, respectively).[9] For lower income households and those who qualify for subsidized early learning and care, the availability of subsidized care is inadequate to meet the need, particularly for infant and toddler care. In fact, only 5% of the eligible infants and toddlers in Riverside County receive the care for which they are eligible, compared to over one-third of preschool age children.

Universal preschool/Kindergarten (UPK), which offers families free preschool to all 4-year-old children in the state for a minimum of 3 hours per day, is expected to have a dramatic impact on the early learning and care field. Pre-Kindergarten (PK) expansion is expected to not only increase the number of 4-year-olds enrolled in PK but will also shift the early learning and care system to serve more children ages 0-3 years. While the shift is intended to increase the availability of spaces for infants and toddlers, there is concern that the higher cost of providing care to younger children (primarily due to the lower adult/child ratios) coupled with the anticipated shift of qualified early educators to UPK, will be too great for the early learning and care system to bear. Fortunately, the state recognizes this challenge and the rates at which providers are reimbursed for serving income eligible children has increased and will continue to increase with rate reform efforts.

In addition, there is a growing prevalence of children with a wide range of special needs. Children with high needs are 50% more likely to be placed in special education classes, 25% more likely to drop out of school, 70% more likely to be arrested for a violent crime and 40% more likely to become a teen parent.[10] Children with high needs who participate in high-quality early learning environments benefit greatly, often exceeding national averages on measures of school readiness. In Riverside County, families have a continued need for services in early learning settings which support inclusion.

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Whole Child, Whole Family

With the number of critical developmental processes that are at play during early childhood in mind, the First 5 Association has adopted a whole child, whole family framework to put child development into an even more explicit ecological context that includes connections between a child and their family and community that they are a part of. While First 5 Riverside County has always incorporated these vital connections, its direct involvement and strategic investment in the Family Resource Center network in Riverside County puts it in an even stronger position to address these connections as a part of its work. As it approaches its next strategy cycle, First 5 Riverside County will be looking for ways to identify and address opportunities to strengthen comprehensive family systems in ways that promote the healthy development of children, as well as other social determinants of health that have a significant bearing on the developmental environment for children growing up in Riverside County.

Growing Need for Health Equity

Riverside County ranks 39th out of 58 California counties in relation to overall health factors. For quality of life, it ranks 42nd, 47th for clinical care, and 56th for the physical environment.[11] The combination of nearly all health indicators strongly correlated with race and/or class with a saturation of users to the health care system make health equity a growing area of concern for the county as a whole.

In Riverside County access to both prenatal and pediatric care are trailing state averages. There is one primary care pediatrician available for every 2,800 children through age 5 in the county; this is six times lower than the statewide rate. In addition, rates of timely prenatal and postpartum care are declining in the county in recent years and preterm, and very preterm births in the county are higher than the state average, a poor outcome that disproportionately impacts Black women and babies.[12]

Persistent health inequities exist statewide and within the county. In California Black and Latinx women experience higher rates of postpartum depression.[12] The county also has lower than State average rates of children visiting the dentist, with only two-thirds of children 2 to 3 years of age having ever visited a dentist.[13] In addition, childhood obesity rates have more than tripled in the last four decades,[14] only 77% of mothers receive prenatal care,[15] and asthma prevalence continues to be higher in Riverside County (21% compared to 15% statewide in 2013-2014).[16] There is also a significant increase in behavioral health needs particularly among children age 17 and younger; a challenge exacerbated by low rates of developmental screening (nationally, fewer than one in three children receive developmental screening).

Overall healthcare coverage in California has increased and reduced the need for local investment in providing premium subsidies. However, gaps in services remain and navigation of the health system and other services is not consistently available to families. A healthcare system that can effectively achieve positive birth and early childhood health outcomes will include (1) a stronger focus on prevention; (2) enhanced care coordination to assist families in meeting multi-faceted healthcare

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needs and (3) resources to address social determinants of health and trauma. Most children in Riverside under age 6 have health insurance and over 40% of those children are Medi-Cal recipients, making Medi-Cal the largest health insurance provider for children in the county. Further, the 0-5 population is expected to increase over the next decade increasing the population insured by Medi-Cal.[5]

California Advancing and Innovating Medi-Cal (CalAIM) is a long-term commitment from the State to transform and strengthen Medi-Cal, offering Californians a more equitable, coordinated, and person-centered approach to maximizing their health and life trajectory[17]. Improvements in the Medi-Cal managed care system can catalyze population-level improvements in health, especially for young children. The CA Department of Health Care Services Medi-Cal procurement in 2022 is redefining how care is delivered to more than 12 million Californians by raising the state's expectations of plans in the Medi-Cal program to be committed to:

1. High-quality, accessible, and comprehensive care across all settings and levels of care
2. Reducing health disparities
3. Improving Health outcomes

Increase in Family Stress

Approximately one-third (30%) of households in Riverside County have a child under age 6.[18] The physical and emotional well-being of children is largely dependent on the strength, health, and resilience of their family.

There is an increasing number of families facing critical challenges in Riverside County. The COVID-19 pandemic exacerbated these longstanding challenges resulting in more children experiencing homelessness, child abuse and neglect, and food and housing insecurities. At some point in the 19-20 school year, 2,365 children ages birth-kindergarten (which includes infants, toddlers, pre-kindergarteners, and kindergarteners) were reported as being homeless in Riverside County.[19] Approximately 19.2% of children ages 5 and under are living below the poverty level in Riverside County.[20] In 2020, for children under 1, the rate of substantiated reports is 26.4 per 1,000 children compared to California's rate of 22.2 per 1,000 children, 11.4 for ages 1-2 compared to 8.7 for the state, and 9.2 for ages 3-5 compared to 7.2 for the state.[21]

According to the California Office of the Surgeon General, "widespread stress and anxiety regarding COVID-19, compounded by the economic distress due to lost wages, employment and financial assets, mass school closures, and necessary physical distancing can result in an increase of stress-related health outcomes.[22] Families continued to struggle to find affordable quality child care and early learning options keeping some parents from returning to work. Other challenges include a significant percentage of children in foster care and grandparents who are responsible

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for raising their grandchildren while dealing with their own aging needs and health issues. These all contribute to a high number of families with limited access to the resources necessary to help children grow up healthy and ready to succeed.

III. STRATEGIC ESSENTIALS AND INVESTMENT GUIDELINES

In 2016, the Commission developed three strategic essentials to ensure the success and sustainability of the Commission's efforts to advance its vision, mission, and long-term objectives. The Strategic Essentials include:

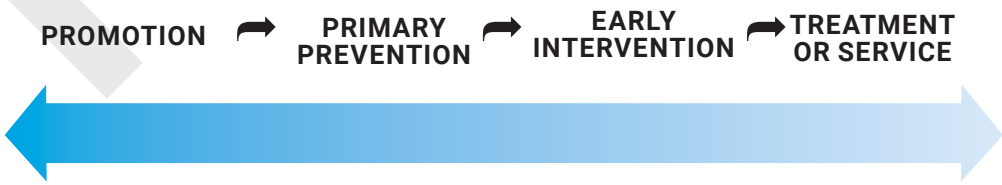
- **Support strategic positioning and partnerships:** Maximize return on the Commission's future investments through leveraging resources
- **Support the development of organizations and providers:** Provide technical assistance and support to programs to build capacity and increase independence from First 5 funding
- **Integrate direct services:** Provide funding for services that integrate other First 5 programs and link to existing programs and services

Investment Guidelines

To help define and support First 5 Riverside County's shifting focus, the Commission developed five investment guidelines to express First 5 Riverside County's point of view about how and where it can have the most impact and advance the strategic essentials.

Five Investment Guidelines to Implement the Strategic Essentials

Upstream (Prevention) → Downstream (Intervention)



Upstream strategies focus on improving fundamental social and economic structures, environments, and conditions that support the ability of individuals and groups to reach their full health potential and to withstand challenges. Downstream strategies focus on providing equitable access to care and services to ensure that any presenting problems or challenges are addressed effectively.[23]

First 5 Riverside County position: First 5 Riverside County investments will fall on the upstream/prevention side of the continuum, prioritizing support for promotion, primary prevention, and early intervention strategies.

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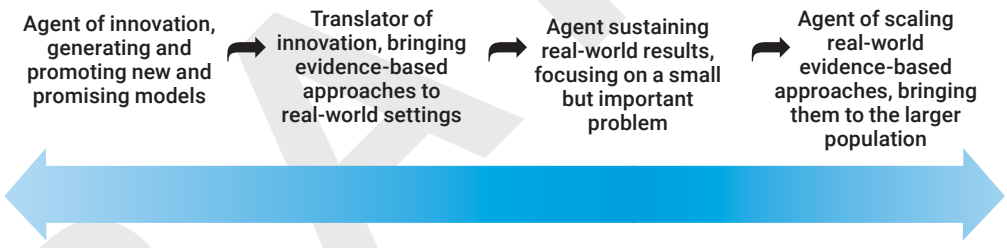
Going Broad ➚ Going Deep

Going broad means engaging in strategies that have less impact on a greater number of people, while going deep means engaging in strategies that have a greater impact but reach fewer people.

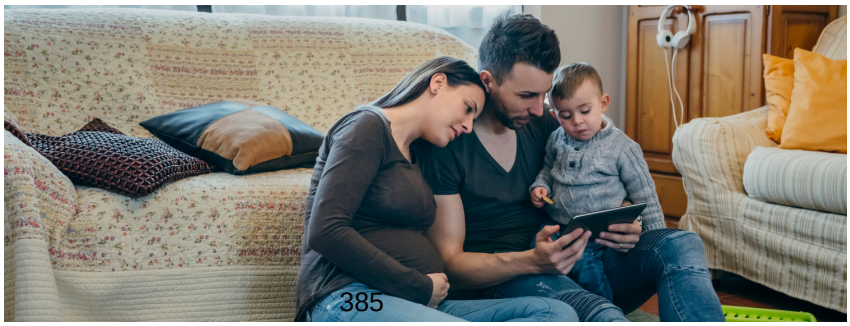
First 5 Riverside County position: First 5 Riverside County investments will fall on the left to middle section of this continuum, with most investments ranging from low intensity with high reach to moderate intensity and reach.

Growing Local Models ➚ Leveraging Evidence-Based Models



Growing local models means being an agent of innovation, generating and promoting new and promising models. In the middle of this continuum means being a translator of innovation, bringing evidence-based approaches to real-world settings, and being an agent sustaining real-world results, focusing on a small but important problem. Leveraging evidence-based models means being an agent of scaling real-world evidence-based approaches by bringing them to the larger population.

First 5 Riverside County position: Investments will generally fall in the middle of this continuum, and thus First 5 Riverside County will largely serve as a translator of innovation and agent of sustaining real-world results.



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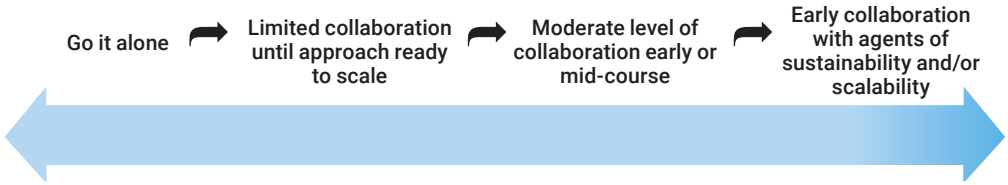
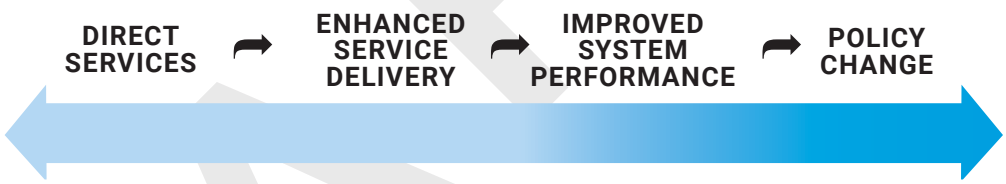
Go It Alone ➚ Start with Partnership Opportunity



Going it alone means engaging in limited collaboration until an approach is ready to replicate or scale, while starting with partnership opportunities means engaging in collaboration early in the process with agents of sustainability and/or scalability.

First 5 Riverside County position: Investments will primarily follow a model of collaborating early with other partners and/or agents of sustainability and/or scalability.

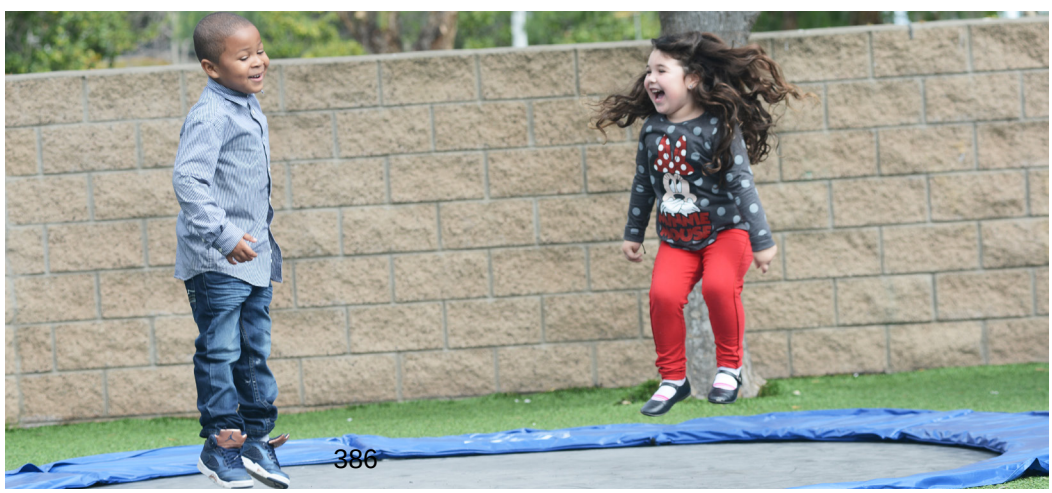
Direct Services ➚ Systems and Policy Change



On one side of this continuum is a focus on funding direct services; the middle of this continuum includes enhancing service delivery; and the other side of this continuum focuses on working towards systems improvement and being a champion for policy change.

First 5 Riverside County position: Investments will primarily be directed towards systems and policy change.

These guidelines establish the Commission's preferences for how future investments will be allocated and are to be considered both in evaluating individual proposals and assessing the overall portfolio of First 5 Riverside County investments.



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IV. OUR STRATEGIC FRAMEWORK

First 5 Riverside County's vision, mission, and values remain constant and continue to anchor and guide the Commission's work:

Vision

All children in Riverside County are healthy and thrive in supportive, nurturing, and loving environments and enter school ready to learn and embrace lifelong learning.

Mission

First 5 Riverside County invests in partnerships that promote, support and enhance the health and early development of children, prenatal through age 5, their families and communities.

Values

- Child & Family
- Outcomes-Driven
- Collaboration
- Sustainability

Protective Factors

In addition to mission, vision, and values, First 5 Riverside County utilizes the Strengthening Families™ Protective Factors Framework[24] (see Appendix C) as a foundational philosophy for its approach to improving the lives of young children. Extensive evidence supports the common-sense notion that, when these Protective Factors are present and robust in a family, the likelihood of a child achieving optimal health and development is greatly increased.

First 5 Riverside County's Impact Model reflects its ideal role in supporting improvements to systems that primarily serve children prenatal through age 5 and their families.

Impact Model

First 5 Riverside County's Impact Model is organized around three developmental areas for children:

1. Quality Early Learning
2. Comprehensive Health and Development; and
3. Resilient Families

These three developmental areas, aligned with the First 5 Association, correspond to the three program areas around which First 5 Riverside County organizes its investments.

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The Impact Model establishes an outcomes framework for the system changes First 5 Riverside County is working towards, which is divided into four different kinds of systems change outcomes and expressed in terms of what will be different for children and their families in relation to the services and supports they need to thrive:

1. Increased access
2. Increased quality
3. Increased coordination
4. Increased consumer and community capacity to utilize services and supports, as well as to successfully face challenges

These outcome areas are important because they define how First 5 Riverside County will measure the success of its investments: in terms of their effectiveness in advancing these systems change outcomes on behalf of young children and their families. These outcome areas are used to organize the measurable results listed in the program strategies that specify what each of the program strategies is designed to achieve.

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The Impact Model organizes the different types of investments First 5 Riverside County makes to strengthen the system of services and supports for young children and their families. This organizing principle divides investments into two meta-categories: direct services and systems change.

Direct services can take the form of services for children or services for families and caregivers, while systems change investments take the form of efforts to build provider capacity, to support organizations and communities to work better together through strengthened partnerships and service integration, to increase and leverage financial resources, and to educate parents and policymakers about the importance of supporting a child's early development. Within each program area, those systems change investments target a set of stakeholders specific to that program area, while First 5 Riverside County continues to lead and advocate for change at a county-wide, cross-systems level.

The Impact Model provides clarity and consistency of First 5 Riverside County's investment strategies and helps to build connection and alignment between streams of work across program areas that have characteristics in common. For example, provider capacity building efforts in the Quality Early Learning program area could be leveraged in services of similar capacity building efforts in Comprehensive Health and Development.

Two significant recent developments – First 5 Riverside County's direct involvement and investment in Family Resource Centers and its commitment to centering a heightened focus on race equity – may lead to a revision of this Impact Model in the next strategy cycle; in the interim, First 5 Riverside County will continue to use it to guide its thinking about how it invests its resources and to what end.

In the following section, goals, strategies, activities, and results are organized according to this Impact Model.

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First 5 Riverside County Impact Model

How We Invest Prop 10 Resources

What is needed to Meet Children and Family/Caregiver Needs

Outcomes for Children 0-5 and Their Families

Direct Services

- Services for Children 0-5
- Services for Family/Caregivers

Systems Change

CAPACITY BUILDING

- Building provider capacity
- Supporting organizations and communities to work better together
- Increasing and leveraging financial resources
- Educating parents and policymakers

LEADERSHIP AS CONVENER & PARTNER

- Increased access
- Increased quality
- Increased coordination
- Increased consumer/community capacity

- Children develop cognitively, socially, and emotionally (Quality Early Learning)
- Children achieve optimal physical health and socio-emotional development (Comprehensive Health & Development)
- Familes/caregivers support the healthy cognitive, social, emotional, and physical development of children (resilient families)

Countywide communications, advocacy, & innnovation and learning

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V. PROGRAM GOALS

Goal 1

QUALITY EARLY LEARNING

Goal Statement

Children, birth through age 5, benefit from high-quality early education, early intervention, family engagement, and support that prepares all children to reach their optimal potential in school and life.

Strategy Narrative

First 5 Riverside County increases access to quality child care through two major collaborative initiatives: Quality Start Riverside County (QSRC) and the Riverside Hybrid Alternative Payment (RHAP) program. In addition, First 5 Riverside County addresses key gaps in the early learning landscape.

QSRC is the region's Quality Improvement System (QIS) and provides four critical supports:

1. establishing and promulgating quality standards for early care and education,
2. supporting quality improvements with early childhood education (ECE) providers using these standards,
3. providing professional development opportunities for providers to help them increase the quality of their care, and
4. providing parents and caregivers with tools and resources to select quality programs.

The RHAP program increases the number of children accessing high-quality early learning environments. RHAP is a systems approach that aligns with and supplements the existing California Alternative Payment Program (CAPP) administered by Riverside County Office of Education (RCOE). In 2019, RCOE received increased state funds to enroll children into CAPP reducing the need for Proposition 10 funded RHAP scholarships.

RHAP leverages QSRC and provides scholarships for families who do not qualify for other child care subsidies. RHAP also leverages the capacity of RCOE to administer scholarships, collect data, and provide enhanced reimbursement for quality programs participating in QSRC.

Further, the Commission continues to address barriers to families' access to high quality early learning opportunities committing Proposition 10 funds to expand ECE facilities. Analysis of existing childcare licensing data has revealed that Riverside County currently has only six active, licensed ECE facilities per 1,000 children ages 0-5. The Bipartisan Policy Center indicates that, across all income levels, Riverside

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County needs to add 59,750 licensed childcare slots to meet estimated current demand. The Low Income Investment Fund cost model finds that meeting this demand could cost the county more than $1.4 billion in ECE facilities construction and expansion efforts.

The Riverside County Board of Supervisors approved the County Executive Office and First 5 Riverside County's recommendation to direct American Rescue Plan Act (ARPA) funds to provide wage enhancement payment to the ECE workforce and expand facilities. This was an innovative approach to support a workforce that is critical to both the educational and economic success of the county and to effectively utilize Federal relief funds.

The need for increased funding for childcare is broadly recognized and legislative efforts are underway to increase funding at the State and Federal levels. These legislative initiatives are essential to establish on-going funding streams to stabilize the child care system and increase access to a comprehensive, quality, and affordable care. In California, child care rate reform is underway that will align all child care and preschool programs, including school-based, to a single regionalized reimbursement rate structure that addresses quality standards for equity and accessibility while supporting positive learning and developmental outcomes for children. Rate reform is projected to be adopted for all child care programs and implemented in 2023.

edsource.org/wp-content/uploads/2022/01/EarlyChildhoodBudgetSummary.pdf

Goal 1 Activities

A. DIRECT SERVICES

Services for children

- Support early literacy efforts such as Ready for K and Raising a Reader
- Support the Alternative Payment system for child care and early childhood education to low-income families through the RHAP program, including scholarships for special populations and tiered reimbursement to support increases in levels of quality of QSRC Providers, in preparation for and in alignment with, rate reform at the State.

Services for families/caregivers

- Provide education and tools to parents/caregivers on how to choose a quality early learning program
- Provide parents/caregivers with evidence-based early language and literacy tools, through the use of technology and traditional resources, to maximize existing family routines to engage in more home and center-based learning.

B. SYSTEMS CHANGE

Building provider capacity

- Strengthen the professional development system for early care and education providers by making available a cohort of experts that provide mentoring, training and assessments, with a focus on increasing the quality of curriculum, teacher-child engagement, and enhanced teaching practices.
- Increase supply of high-quality early learning programs across our mixed delivery system for children 0–5.
- Support infrastructure/facility expansion of Quality Start Riverside County early learning center-based infant and toddler settings.
- Support improved facility safety in Quality Start Riverside County sites, including supporting providers' responsiveness to public health COVID-19 guidance.
- Support community and home-based child care settings that are not subsidized child care or preschool sites and provide early learning and school readiness services to parents and young children. These may include, but are not limited to, home visitation programs, family resource centers, Boys and Girls Clubs, and libraries.

Supporting organizations and communities to work better together

- Convene a consortium comprising of ECE and health-related stakeholders that share the same vision for children in Riverside County to improve the quality of early learning, and to implement the QIS framework in Riverside County.

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Increasing and leveraging financial resources

- Leverage resources and capacity to expand access to outside funding, including awards to First 5 Riverside County via Federal, State, local, foundations or other private sector funding, including CARES & ARPA funds.
- Align partnerships and investments that support infrastructure expansion for child development centers for infants and toddlers.

Educating parents and policymakers

- Inform and drive policy decisions and investments across the early education sector in Riverside County.

Goal 1 Results

Increased access

- Increased access to high-quality early care and education for infants, toddlers, and preschoolers with a focus on families who fall between low-income level ranks who are not supported by other subsidized programs.

Increased quality

- Increased level of quality in early learning centers and family child care homes as demonstrated by site-specific improvements or implementation of evidence-based practices in alternative sites.
- Increased safety and outdoor learning environments.
- Increased supply of high-quality child development centers in Riverside County.
- Increased capacity of ECE providers to provide high quality care and learning environments.
- Utilize assessments to understand need, tailor learning experiences, and prepare children for seamless transition into kindergarten.
- Increased positive engagement and quality interactions between child and parent/caregiver or child and teacher.
- Increased knowledge and understanding on the part of early learning providers of children's development of motor, social, emotional, literacy, and numeracy skills.

Increased efficiency

- Existing professional development and subsidy programs are leveraged to expand reach.
- Early education stakeholders embed workforce development strategies to increase alignment across qualifications, competencies, preparation and training.

Increased consumer/community capacity

- Increased parent's awareness regarding the importance of choosing quality licensed learning environments and how to choose quality care.

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- Increased community understanding of the important role that high quality early learning plays in young children's school-readiness and long-term success.
- A shared vision for systems reform amongst early learning stakeholders and communities and a joint approach to solving early childhood development barriers and challenges, aligning countywide data and measurement of indicators.

Quality Early Learning Program Spotlight:
MASTER PLAN FOR EARLY LEARNING AND CARE

In December 2020 a team of researchers led by WestEd, authored the Master Plan for Early Learning and Care: Making California For All Kids funded by the California Health and Human Services Agency. The intent of the Master Plan is to provide an actionable roadmap to achieving the vision that "all California children thrive physically, emotionally and educationally in the early years, through access to high-quality early learning and care resources; equitable opportunities for the workforce that advance equitable outcomes for children; and greater efficiencies to the state today and every day through structures for continuous improvement" by 2020.[25] The Master Plan lays out the following four key objectives:

1. Improve the life outcomes of infants and toddlers by providing comprehensive early learning and care.
2. Ensure that all families can easily identify and access a variety of quality early learning and care choices that fit the diverse needs of their children, their financial resources, and workday.
3. Promote school readiness through preschool for all three-year-old children experiencing poverty and universally for all four-year-old children.
4. Advance better outcomes for all children by growing the quality, size, and stability of the early learning and care workforce through improved and accessible career pathways, competency-based professional development supports, and greater funding.

The Master Plan also lays out the following four policy goals:

1. Unify programs to improve access and equity.
2. Support children's learning and development by enhancing educator competencies, incentivizing, and funding career pathways, and implementing supportive program standards.
3. Unify funding to advance equity and opportunity.
4. Streamline early childhood governance and administration to improve equity

Strategies outlined within the Master Plan focus on (1) Unifying a continuum of early and development opportunities from Paid Family Leave to Universal Preschool; (2) Enhancing workforce competencies, career pathways and standards; (3) Aligning funding and reforming rates of pay; (3) and Establishing more equitable and efficient administration of programs, including facilities and integrated data development. F5RC is well-positioned to continue to promote a systems approach to expanding, improving and achieving equitable access to early learning opportunities for young children that align with the Master Plan goals and objectives.

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Goal 2

COMPREHENSIVE HEALTH AND DEVELOPMENT

Goal Statement

Children, prenatal through age 5, and their families access the full spectrum of health and behavioral health services needed to support their healthy physical and socio-emotional development and overall health.

Strategy Narrative

First 5 Riverside County improves capacity of health and behavioral systems to meet the needs of children and families through a systemic and coordinated network, enabling increased effectiveness and navigation of services. Strengthening the system of care for children and families allows for better connection and access to the services they need and creates enhanced opportunities for high quality and seamless services.

First 5 Riverside County has identified multiple approaches for advancing improvements across health-related systems to help the greatest number of children and families. Investments in this goal area focus on improving how health-related systems connect, coordinate, and assist families in receiving early intervention services needed for their child's healthy development. Specifically, First 5 Riverside County will work to improve how systems work together to provide timely screening, effective care coordination, and appropriate referrals so that more young children at risk of developmental delays have access to the care they need to thrive. In addition, some investments will focus on directly serving children and families, including drowning prevention efforts delivered through funded partners that provide water safety and swim lessons for young children and prevention strategies for parents.

Help Me Grow Inland Empire (HMGIE) is a system integration effort conducted in partnership with First 5 San Bernardino and Loma Linda University Children's Health (LLUCH). HMGIE provides both an access point for our most vulnerable families to be connected to community resources, and a system framework for providers to work together to ensure an organized system of support is available in our community. The centralized access point assists families in connecting with specialized professionals in community-based settings, following early detection through screenings for cognitive, physical, or behavioral issues. 2020-2021 marked the first full year of HMGIE Access Center operations.

HMGIE has been intentional in its outreach and partnership development with organizations across the region's early identification and intervention system, strengthening relationships to improve services and activating new opportunities to increase the number of children who receive developmental screenings. These efforts were completed against the backdrop of the ongoing COVID-19 pandemic and resulting economic hardships facing many Inland Empire families. HMGIE's dual focus on developmental delays and risk factors for delays, the

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social determinants of health, enabled supports to families with a range of needs during this challenging time by linking them to needed resources and providing an important throughline as they navigate new and unfamiliar systems of care.

In partnership with California Northstate University (CNU), the Early Childhood Oral Health Assessment (ECOHA) is continuing with training provided to home visitors, improving cross system integration with Help Me Grow Inland Empire, and expanding educational training and resource materials for home visitors and families. Sustainability and expansion of ECOHA will continue through CNU's development of a network system of dentists to accept referrals resulting from ECOHA assessments and the establishment of a program dental hygienist to provide additional assessment, education and referral pathways for families determined to be at risk by the ECOHA assessment. The CNU dental hygienist identifies dentists willing to provide treatment to children ages 0-5 who are on Medi-Cal. This program was developed to sustain and expand the ECOHA created for children ages 0-5 and to embed into home visiting programs to be utilized with the families.

HealthySteps Pilot in Riverside County

In 2017, First 5 Riverside County Children and Families Commission approved an investment to pilot the HealthySteps model in a variety of healthcare settings with three pediatric/primary care agencies across the county serving children with the highest needs in partnership with the national organization, ZERO TO THREE.

HealthySteps Pilot Agencies and Sites:

- Riverside University Health System: A public general hospital that also operates Federally Qualified Health Centers. Piloted at the main campus in Moreno Valley
- Borrego Community Health Foundation: A non-profit, Federally Qualified Health Center (FQHC). Piloted in Cathedral City, Desert Hot Springs, San Jacinto, and Riverside
- Rady's Children's Hospital: A non-profit children's hospital. Piloted in satellite locations in Murrieta and Temecula-Expansion plan for Hemet in 2022

HealthySteps is increasing access to quality care, expanding screenings, connecting families to services and supports, increasing physician satisfaction, and reducing health care costs.

Underlying these comprehensive health and development initiatives is the continued emphasis on systems integration and coordination through expansion and capacity building of providers and existing services. The presence of a responsive health care system is key to universal access for children and families and to addressing children's physical and developmental needs, as well as the social determinants of health.

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Goal 2
Activities

A. DIRECT SERVICES

Services for children

- Provide swimming instruction and water safety classes for children.
- Care coordination for families/caregivers for children dental screenings and assessments for caries risk. Provide culturally relevant developmental screenings, comprehensive assessments, and early intervention services through an integrated system of care.
- Connect families to HMGIE for care coordination and systems navigation to community resources for early identification and early intervention.
- Provide team-based well-child visits in a primary care setting that ensures infants and toddlers receive nurturing parenting and healthy development. HealthySteps model will be embedded through primary pediatric care practices and Federally Qualified Health Centers (FQHCs) across the county serving various communities and will provide:
  - Child development, social-emotional and behavioral screening.
  - Screening for family risk/protective factors and social determinants of health.
  - Connections to community resources.
  - Care coordination and systems navigation.
  - Access to HealthySteps Specialist (HSS) support between well-child visits.

Services for families/caregivers

- Through HealthySteps, provide parents with parenting guidance, information, and personalized support regarding child development needs.

B. SYSTEMS CHANGE

Building provider capacity

- ECE provider training on using Ages and Stages Questionnaire (ASQ-3; ASQ:SE-2).
- Support pediatric providers, early learning specialists and home visitors to use evidence-based validated screenings in accordance with American Academy of Pediatrics (AAP) guidelines.
- Support providers' ability to ensure continuity of care across the spectrum of developmental and behavioral services and supports.
- Support expansion of specialized practices in maternal medicine that address at-risk pregnant and/or parenting mothers through the development of fellowship and other research and clinical residency programs.

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- Support telemedicine practices that increase access.

Supporting organizations and communities to work better together

- Through HMGIE, provide information, referrals and linkages to health services for high risk children and families through a coordinated and responsive system.
- Create cross-county regional systems that leverage resources, skills and partnerships to deliver comprehensive health programs. Examples of existing platforms include partnerships with First 5 San Bernardino for HMGIE and LDPP-IE.
- Facilitate the exchange of information and best practices amongst private and public organizations that deliver services for children and their families.
- Create an integrated system involving community health centers, early care and education centers, schools, and home visitors to improve coordination and better assist families in receiving early identification and intervention services.
- Create a system that encourages ownership of child outcomes using data to inform decision making at the population and community level.

Increasing and leveraging financial resources

- Acquire sustainable financial resources for a HMGIE system that has the capacity to develop a robust inventory of resources and services for children and families.

Educating parents and policymakers

- Increased community knowledge about healthy child development through public education campaigns and cross-disciplinary workforce development.

Goal 2 Results

Increased access

- Increased access to swim and water safety lessons for children.
- Increased number of children receiving developmental screenings per the AAP guidelines.
- Increased number of Medi-Cal enrolled children who have had an ECOHA and preventative dental visit.
- Increased continuity of care across the spectrum of developmental, health, oral health, and behavioral health services.
- Increased early identification and early intervention services for children, especially for high-risk and at-risk children.
- Increased number of children receiving an oral health assessment.
- Increased number of specialized medical practitioners in the maternal mental health and Maternal Fetal Medicine disciplines.
- Increased coordination across systems of care to connect young children to

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screening and early intervention, including through the expansion of HMGIE.

Increased quality

- Increased understanding of social emotional learning and its value by health and early learning providers.
- Increased application of validated screening tools in accordance with AAP guidelines.
- Increased health provider knowledge about developmental screenings.
- Increased wellness checks within clinics with a HealthySteps Specialist.

Increased efficiency

- Early identification and intervention:
  - Increased number of referrals.
  - Increased number of referrals that lead to service uptake.
  - Decreased inappropriate utilization of the emergency room.

Increased consumer/community capacity

- Increased understanding by parents and the community of social emotional learning and its value.
- Strengthened connections for families to pediatric practice.
- Parents are empowered to identify child health care needs and participate fully in decision-making and care planning.
- Increased awareness by parents/caregivers around water safety.
- Increased utilization of specialized services by parents through targeted care coordination.

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Comprehensive Health & Development Program Spotlight:
FIRST 5 RIVERSIDE COUNTY HEALTHYSTEPS COMMUNITY IMPACT REPORT 2018-2021

HealthySteps
PEDIATRIC CARE • SUPPORTING • PARENTING

HealthySteps: Changing Pediatric Care in Riverside County

Each year nearly 30,000 babies are born in Riverside County. Decades of research show how important the first three years will be to each one of these babies. This is the time when critical connections are made in the brain that will shape how they will grow, learn, and develop. During this time some children may experience developmental delays that can affect their ability to meet their full unique potential. Unfortunately, children who are born to families living below the poverty line and children of color are more likely to have delays that go undetected.

The good news is that early identification through screenings and linkages to supportive services can make a big difference. In Riverside County, with funding from First 5 Riverside County, an innovative model of pediatric care–HealthySteps– is being demonstrated in pediatric care settings. The model integrates a child development specialist into the pediatric primary care team to promote nurturing parenting and healthy development for babies and toddlers. "HealthySteps Specialists" connect with families during and between well-child visits, providing families with guidance, referrals, and care coordination tailored to their needs as identified by developmental and behavioral screenings.

HealthySteps: Changing Pediatric Care in Riverside County

In 2017, First 5 Riverside County Children and Families Commission approved a three-year investment to test the HealthySteps model in a variety of healthcare settings across the county serving children with the highest needs. First 5 invested more than $4.45 million and partnered with ZERO TO THREE to pilot HealthySteps in three pediatric primary care agencies between October 2018 and 2021.

HealthySteps Pilot Agencies and Sites:

Although still in the early stages of implementation, HealthySteps is already making a significant impact in its first years by:

- Increasing Access to Quality Care: HealthySteps is reaching more than 6,000 children and their families each year
- Expanding Screenings: Over a 2-year period more than 10,000 child development, social and emotional, autism, maternal depression, and family needs screenings were conducted
- Connecting Families to Services & Support: In that same period, more than 4,000 referrals and follow up was conducted for child and family needs for early intervention, mental health, early care and education, and maternal depression
- Demonstrating a Model for Practice Improvement: Across sites, physicians reported significantly higher satisfaction with HealthySteps and that they felt emotionally supported by the HealthySteps Specialist.
- Reducing Health Care Costs: A financial analysis in one HealthySteps practice serving a diverse pediatric population found that an estimated $641 - $959 of costs were averted by services provided by HealthySteps.

STRENGTHENING THE SYSTEM BY:

SYSTEMATIZING PREVENTION

20-25%
SAFETY NET
(Secondary & Tertiary)
HIGH NEED

- HealthySteps Tier 3
- Intensive Home Visiting
- Help Me Grow

35-40%
PREVENTATIVE CARE
(Primary)
MODERATE NEED

- HealthySteps Tier 2
- Moderate-Touch Home Visiting
- Help Me Grow

35-40%
UNIVERSAL ASSESSMENT
(Promotion)
LOW NEED

- HealthySteps Tier 1
- Light-Touch Home Visiting
- Help Me Grow

Early Intervention Investments

- HealthySteps
- Help Me Grow Inland Empire
- Home Visiting

Goal 3

RESILIENT FAMILIES

Goal Statement

Families and communities are engaged, supported, and strengthened through culturally effective resources and opportunities that assist them in nurturing, caring, and providing for their children's success and well-being.

Strategy Narrative

First 5 Riverside County strives to support the community in understanding the importance of, and ways of building, resilient families. The Protective Factors™ are the foundation of First 5 Riverside County's approach to strengthening families; the factors are:

1. parental resilience,
2. knowledge of parenting and child development,
3. social and emotional competence of children,
4. social connections, and
5. concrete support in times of need.

Research shows that these factors are essential to create healthy environments for the optimal development of all children. By helping to create safe physical and emotional environments at home, in school and in neighborhoods, First 5 Riverside County can support building vibrant and resilient communities throughout Riverside County. To this end, First 5 Riverside County's approach to supporting family resilience is based on the expectation that all parents and caregivers can benefit from some level of support ranging from information about child development and social connections to support in navigating the safety net and behavioral health systems. By investing in Home Visiting and Family Resource Centers (FRCs), First 5 Riverside County has an opportunity to promote healthy family functioning and prevent maltreatment of children through a multi-platform approach that reaches families in their homes and communities. Both Home Visiting and FRCs are service delivery models that are able to respond to a range of needs in family-friendly spaces.

Home Visiting

First 5 Riverside County is partnering with key stakeholders and associated sector leaders to co-design a system of home visiting. The stakeholders envision a system where all families have access to home visiting services for the prenatal to five year period through an integrated system that positively impacts healthy development and early learning. The envisioned system will:

- Ensure equity in access.
- Be responsive to family strengths and needs.

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- Empower and support families to speak to their own needs and advocate for the child and family.
- Advance strengths-based programming and use a relationship-based approach.
- Function as part of a bigger system of supports within communities and the county.
- To make effective home visitation available to more families who need it.

First 5 Riverside County has worked to expand funding and implementation of multiple evidence-based home visiting models that have been shown to make a positive difference for children and families on a range of outcomes related to the Protective Factors. Expansion of these models has included leveraging additional funds, including CalWORKs, and working with key partners to establish upstream efforts to assess family strengths and needs and make offers of home visiting and other supportive services from which families can most benefit.

First 5 Riverside County's investments in family resiliency draw heavily on evidence-based and promising-practice models, most of which require National affiliation and entail annual monitoring of outcomes and measurements to ensure and maintain the fidelity of the model. In addition to Nurse Family Partnership (NFP) and SafeCare, other prominent family strengthening models that First 5 Riverside County supports include Parents As Teachers (PAT), Home Instruction for Parents of Preschool Youngsters (HIPPY), Healthy Families America (HFA), Parent Child Plus (PC+), and Nurturing Parent Program (NPP).

Investments will primarily address direct services for children who are living in communities of highest need and/or are at risk of abuse or neglect. Risk factors may include childhood-related trauma, poverty, parental substance abuse, and repeated changes in caregivers and schools, which result in poor emotional response in children, affecting their early learning development and opportunities to grow in stable environments. Supported programs will serve overlapping populations with some programs targeting first-time parents, children with incarcerated parents, and pregnant women. Other approaches focus specifically on teenage parents, low-income families, or geographically-isolated families.

The parent/caregiver and service provider relationship is foundational to increasing Protective Factors, given the critical role parents/caregivers play in their child's development. Therefore, First 5 Riverside County, in partnership with others, will seek to impact systems of services and supports to better engage parents/caregivers in fostering their child's early learning and healthy development. This will be undertaken through the expansion of existing programs that create a continuum of services for children and families and improves child outcomes through strengthening families.

Strategy Narrative

Family Resource Centers are collaborative partnerships of public and non-profit

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organizations that bring together services and activities which support and promote healthy family functioning. Model Family Resource Centers are prevention focused, community responsive, strength-based spaces for families to connect, learn and exercise their leadership. FRCs may provide:

- Comprehensive Case Management
- Access to concrete supports
- Differential response programming that supports families with child welfare involvement
- Treatment programs
- Parenting education and supports
- Formal services for children and youth
- Social activities and peer support opportunities

First 5 Riverside County partners with the Department of Public Social Services to fund the county-operated FRCs, while also committing to expanding access to family resource centers by partnering with community-based and trusted agencies to provide stronger linkages for families to an array of support services through a family resource center network. Further, the Commission has matched county child welfare dollars to invest in enhancing early childhood programming within FRCs.

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Goal 3 Activities

A. DIRECT SERVICES

Services for children

- Prevent children experiencing housing instability from becoming homeless through FRCs and home visiting programs.
    - Operate Riverside County Family Resource Centers through a partnership with the Department of Public Social Services, the Child Abuse Prevention Council and community-based providers, with funding targeted for the prevention of child maltreatment and matching funds from Proposition 10 to enhance services for the prenatal to five population.
    - Expand the network of family resource centers in Riverside County by investing in community-based organizations that are trusted by families to function as part of a network of Family Resource locations.

Services for families/caregivers

- Provide families/caregivers with access to evidence-based home visiting models through partnerships with providers who have expertise in the provision of home visiting programs, parent education, and parent and father-friendly practices, to optimize child development and reduce the risk of abuse and neglect:
    - Connect families to community supports and resources to meet basic needs.
    - Address personal and environmental health, parenting, life course development, relationships with family and friends and community connections.
    - Provide parenting tools to support positive parent-child interactions and respond appropriately to challenging child behaviors.
    - Increase families'/caregivers' knowledge of child development.
    - Build positive parenting skills and resilient families.
- Support parent engagement on child brain development, including Talk. Read. Sing.®

B. SYSTEMS CHANGE

Building provider capacity

- Mobilize health providers to systematically engage parents/caregivers in supporting their child's development through the promotion of evidence-based programs that increase protective factors in home and community settings.
- Identify data collection tools and performance measures that inform best practice and continuous improvement in building resilient families.
- Harness local leadership to improve local services.

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Goal 3 Results

Supporting organizations and communities to work better together

- Develop partnerships to strengthen the coordination of existing home visiting programs, FRCs, community hubs and alternative settings by convening and creating shared opportunities for learning and problem-solving.

Increasing and leveraging financial resources

- Align investments with programs that use the Protective Factors Framework and promote community hubs for integrated services and crisis supports for children and families.
- Align partnerships and investments supporting collaborative frameworks and local policies that address housing instability and homelessness in the region.
- Improve workforce development through leveraged skills and resources with organizational partners.

Educating parents and policymakers

- Build sustainable infrastructure through advocacy efforts with legislators and policymakers, increasing their understanding of the needs of children at risk of abuse and neglect and ensuring mutual responsibility for better outcomes for children and families.

Increased access

- Increased social supports for families.
- Increased connection for families to additional concrete support.

Increased quality

- Increased provider knowledge about child development and parenting and ability to integrate this knowledge into programming.
- Increased environments that provide safe and nurturing experiences for children.

Increased efficiency

- Strengthened and better coordinated social safety net which supports family resiliency and promotes self-sufficiency.

Increased consumer/community capacity

- Increased capacity of parents to support their child's development. Increased parent-provider engagement.
- Increased community capacity to support and promote the safety, healthy development, and well-being of children, prenatal through age 5, and their families.

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Resilient Families Program Spotlight:
HOME VISITING

What is home visiting?
Evidence-based home visitation models provide families of children, prenatal through age 5, with in-home support from a trained professional to strengthen protective factors and ensure that young children are safe, healthy, and ready to learn. Research demonstrates that home visiting programs that provide parent education and support to at-risk families can help to reduce rates of child abuse and neglect, and improve children's health, development, and school readiness outcomes. Home visiting increases families' access to services and resources that support family resiliency, building provider capacity to support families in caring for their children, and educating parents to have the skills and tools to help their children achieve their fullest potential.

How does home visiting strengthen the system of care for children and families?
A home visiting system that is nested within larger systems such as the healthcare, public health, child welfare and self-sufficiency systems is well-positioned to make contact with families at a time when they can most benefit from learning about resources available to support their child's development in the context of families' unique circumstances. A home visiting system with diverse offerings is able to act as a universal touchpoint for assessing how families may benefit and make best-fit offers of support. Systems of universal contact with families:

1. lower stigma associated with asking for help;
2. reduce isolation;
3. prevent poor child outcomes;
4. maximize the use of public funds; and
5. reduce longer-term need for higher-cost interventions

This approach prioritizes ensuring families are offered services commensurate with their strengths and needs and which optimizes system resources.

VI. COUNTYWIDE IMPACT

Goal 4

CROSS-PROGRAM GOAL

Goal Statement

Work with early childhood stakeholders, including State and County agencies, local educational agencies, the child care planning council, institutions of higher education, and elected officials to strengthen countywide efforts to create a comprehensive, integrated early childhood system to improve outcomes for children, prenatal through age 5, and their families.

Strategy Narrative

First 5 statute calls for County Commissions to focus on integrated and comprehensive systems of care for children 0 through 5 years of age. The Commission plays a significant role in working with partners that mirror First 5 Riverside County's commitment towards enhancing early childhood systems and to leverage resources as a mechanism to advance the well-being of Riverside County's youngest children and to strengthen families.

First 5 Riverside County has prioritized early intervention investments that build a foundation for a system of care that emphasizes (i) prevention, (ii) support for clinical and community linkages, and (iii) promotion of population-based approaches to addressing children's comprehensive needs. Riverside's investments in HealthySteps, Help Me Grow Inland Empire, and Home Visiting programs act as key drivers in actualizing a comprehensive care model of "systemized prevention." This involves addressing three levels of preventive care, as illustrated in the graphic below: 1) universal assessment: providing universal access to early identification and basic services; 2) preventative care: providing services to families with moderate needs and preventing the need for safety net services; and 3) safety net: providing comprehensive service and safety net navigation to children and families exhibiting the highest needs for care.

SYSTEMATIZING PREVENTION

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Goal 4
Activities

A. COMMUNICATIONS

- Utilize technology, including the First 5 Riverside County website, e-newsletter, and social media platforms to share information and resources such as trainings, best practices, latest research, and funding opportunities.
- Identify, update, design, and disseminate community resource materials to increase public awareness on the importance of early childhood investments.
- Participate in workgroups to facilitate communication, share learnings, and reduce silos among stakeholders on current priorities, goals, and projects to increase services for children and families and maximize resources.

B. RESEARCH AND DATA

- Support and guide efforts by Riverside County to conduct a needs assessment for children 0 through age 5 that accurately reflects the diversity of our communities.
- Improve data collection and coordination with other First 5 Commissions to enhance research and evaluation capacity.
- Develop internal measurement and learning plans, data collection processes and tools, and learning systems; train and orient staff as needed to new systems, tools, and processes.
- Integrate data systems where possible to enhance efficiencies.
- Support the dissemination and implementation of the Early Development Instrument that measures physical well-being and motor development, social and emotional development, cognitive skills, language and developing literacy and the ability to concentrate and follow directions.
- Maximize the use of technological tools such as Geographical Information Systems (GIS) to enhance visual interpretation of data in a mapping format (such as story mapping) that leads to better informed decision-making for investments.

C. ADVOCACY

- Promote and support First 5 California (F5CA) and the First 5 Association of California (F5A) policy platforms, and to the extent possible, align and collaborate on shared policy goals.
- Advocate for and support state legislative efforts for Medi-Cal expansion of home visitation to achieve sustainability.
- Explore and promote innovative funding models that have the potential to support infrastructure and increase affordable housing units within the region.
- Elevate the early care and education profession by increasing compensation,

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providing professional development opportunities, and emphasizing diversity across the field.

- Regulate tobacco products and promote smoking cessation.
- Explore and advance additional revenue sources for services to children and families.
- Improve and integrate data systems to track and evaluate children's outcomes.
- Increase use of and integrate essential Medi-Cal services across systems of care, including dental, mental health, and vision services.
- Expand access to evidence-based family strengthening programs, including home visiting and parent education, and parent and father friendly practices to optimize child development and reduce the risk of abuse and neglect.
- Strengthen the social safety net to build family resiliency and promote early relational health.

Goal 4 Results

Communications

- Policymakers and legislators have an increased understanding of the importance of early brain development and the impact on families, especially those living in poverty.
- Community members have a greater understanding of early childhood challenges through educational campaigns such as Talk.Read.Sing.®, Kit for New Parents, and Quality Start Riverside County.

Research and Data

- Riverside County specific early childhood needs assessment utilized as a tool to make data-informed decisions.
- First 5 Riverside has a robust system and internal capability for monitoring and evaluation practices that support program excellence and continuous improvement.
- Evidence-based models, practices, and positive outcomes are at the core of investments undertaken by the Commission.

Advocacy

- Shared policy goals and legislative platform recommendations developed annually.
- New, diverse, and innovative funding sources secured for prenatal through age 5 programs in the county.

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VII. PROCUREMENT AND ACCOUNTABILITY

First 5 Riverside County is committed to funding strategies and programs that make positive impacts within the community. All strategies in this plan include results and measurable indicators that will be used to assess progress and performance. The results and indicators for each goal are all connected to the First 5 Riverside County Impact Model and will be used as the basis for contracts with external entities to carry out its work, and to guide the monitoring processes in place to ensure contract compliance and learn whether, and for what reasons, results are or are not being achieved. Annual plans for all goal areas are based on the strategies presented in this document and results will be assessed and reported to the Commission on an annual basis.

Evaluation identifies the success of past investments and defines future priorities. Evidence-based models are the premise of First 5 Riverside County's efforts in moving the needle towards positive results for children and families in the county. As collaborative functioning increasingly characterizes how we engage with partners across the county, evaluation of our efforts to build capacity will be paramount to our implementation of programs and investments. This work will involve reviewing the framework of our service systems and consider the effectiveness of the service pathways.

Systems change is complex and requires strong stakeholder engagement, commitment, and accountability. Given First 5 Riverside County's focus on systems change, the evaluation of these efforts across the service system will be critical to the ongoing prioritization for Commission investments. This provides the opportunity to identify different strategies that lead to better outcomes for children and their families.

This also aligns with the Riverside County mission to identify collaboration opportunities and innovative partnerships to maximize public funds to impact a greater number of citizens. As tobacco tax revenues continue to decrease, First 5 Riverside County will increase its efforts to increase and diversify funding streams for children and families in order to ensure the development of comprehensive, integrated systems and services for children and families.

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APPENDIX A: PLAN UPDATE PROCESS

The Strategic Plan Revision Process

Following are the Commission Review actions relating to the current strategic plan and preceding the approval of this plan:

- December 9, 2020 – Action Item 20-41, Commission approved extension of the Riverside County Children and Families Commission Strategic plan through June 30, 2023.
- December 11, 2019 – Action Item 19-33, Annal Review and Public Hearing of Riverside County Children and Families Commission Strategic Plan Fiscal Years 2018 – 2021.
- December 13, 2017 – Action Item 17-19, Commission approved revised Strategic Plan for July 1, 2018 implementation.
- May 10, 2017 – Action Item 17-06, Commission approved existing plan, with no changes.
- October 28, 2015 – Action Item 15-25, Commission approved and adopted 2016 – 2021, five-year Strategic Plan.

The California Children and Families Act, Health and Safety Code Section 13140 (Proposition 10) requires Commissions to annually review strategic plans and adjust accordingly based on revised priorities. First 5 Riverside County engaged Learning for Action (LFA) to guide the updating of its 2018-2023 Strategic Plan and to support the 2022 Annual Review, which upon approval by the Commission, will be Version IV of the current strategic plan. The process included the following components:

Management Team Workshop: LFA designed and facilitated a session with First 5 Riverside County's Management Team on September 14, 2021 to brainstorm environmental factors and recent developments that should inform the update of the strategic plan.

Executive Management Team Collaboration: LFA worked with First 5 Riverside County's Executive Management Team to integrate input from the full Management Team and solicit targeted input from other staff and board members to update information about First 5 Riverside County's context and progress towards objectives.

Strategy Development: LFA worked with First 5 Riverside County staff to use the updated information about context and progress towards objectives to refine the activities and results articulated in each of First 5 Riverside County's 4 program areas: Quality Early Learning, Comprehensive Health and Development, Resilient Families, and Countywide Impact strategies.

Strategic Plan Approval: The plan was presented and approved by the Commission during a regularly scheduled meeting held on May 11, 2022. First 5 Riverside County staff and LFA made refinements to the plan based on Commissioner feedback.

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APPENDIX B: GLOSSARY

Programs, Terms & Acronyms to Know

Alternative Payment (AP) Program: State programs that provide assistance with child care payments through a subsidized (alternative) payment.

American Rescue Plan Act (ARPA): The American Rescue Plan Act of 2021, also called the COVID-19 Stimulus Package or the American Rescue Plan (ARP), is a $1.9 trillion economic stimulus bill passed by the 117th United States Congress and signed into law by President Biden on March 11, 2021, to accelerate the United States' recovery from the economic and health impacts of the COVID-19 pandemic. The American Rescue Plan includes $350 billion for eligible state, local, territorial, and Tribal governments. These funds known as the Coronavirus State and Local Fiscal Recovery Funds provide a substantial infusion of resources to help turn the tide of the pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery.

California Advancing and Innovating Medi-Cal (CalAIM): CalAIM is a long-term commitment to transform and strengthen Medi-Cal, offering Californians a more equitable, coordinated, and person-centered approach to maximizing their health and life trajectory.

California Alternative Payment Program (CAPP): The program provides vouchers for families to obtain childcare in licensed childcare centers, licensed family childcare homes, or license-exempt care. The family may choose the type of care that their child receives. Alternative payment programs use federal and state funding to provide vouchers for low-income families ranked on income eligibility. The Riverside County Office of Education administers CAPP and provides support to families to arrange childcare services and makes payment for those services directly to the childcare provider selected by the family.

California Department of Health Care Services: State department dedicated to providing Californians with access to affordable, integrated, high-quality health care, including medical, dental, mental health, substance use treatment services and long-term care.

Care Coordination: Involves an intentional and deliberate approach in organizing various services and activities (such as healthcare and social services) for individuals and families through a person-centered approach, including sharing information among all participants concerned to achieve better outcomes for participants seeking support. This includes ensuring appropriate delivery of services and active follow up of resources are aligned with individual and family needs and priorities.

CARES Act: The Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act, is a $2.2 trillion economic stimulus bill passed by the 116th U.S. Congress and signed into law by President Donald Trump on March 27, 2020, in response to the economic fallout of the COVID-19 pandemic in the United States. The Act provided fast and direct economic assistance for American workers, families, small businesses, and industries.

Department of Public Social Services (DPSS): A county department that provides temporary financial assistance and employment services for families and individuals, programs and services to protect children and adults from abuse and/or neglect, and access to health care coverage to low income individuals and families.

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Early Childhood Oral Health Assessment (ECOHA): A new screening tool for non-dental providers for children 0 through 5 to assess the current condition of the teeth and overall health of children aged 0 through 5.

Early Development Instrument (EDI): The EDI is a validated, population-based measure of early child development in five key domains (physical health, emotional maturity, social competence, language and cognitive skills, and communications skills and general knowledge). The EDI is a 103-item questionnaire completed by kindergarten teachers in the second half of the school year which has shown to predict later school success.

Evidence-Based: Refers to the use of research and scientific studies as a base for determining best practices.

Federally Qualified Health Center (FQHC): Entities as defined by the Social Security Act at section 1905(l)(2) which is receiving a grant under section 330 of the Public Health Service Act. Programs meeting the FQHC requirements commonly include the following: Community Health Centers, Migrant Health Centers, Health Care for the Homeless Programs, Public Housing Primary Care Programs, Federally Qualified Health Center Look-Alikes, and Tribal Health Centers.

First 5 Association of California (F5A): A nonprofit membership organization for the fifty eight First 5 County Commissions. The Association connects Commissions to other public and nonprofit partners, including county departments, foundations and child advocacy organizations to ensure collaboration and a common statewide agenda to ensure the best future for children.

First 5 California (F5CA): A statewide Commission created by voters under Proposition 10 to recognize that children's health and education are a top priority, especially in the early years of development.

First 5 Riverside Hybrid Alternative Payment Program (RHAP): RHAP is a subsidized reimbursement program that provides scholarship slots for families with children 0 through 5 years of age that meet eligibility criteria to access early care and education in quality settings. The RHAP program supplements and enhances the existing California Alternative Payment Program by funding additional scholarship slots for families at a higher income or with specific needs therefore expanding services to a greater number of children.

Geographic Information System (GIS): A system designed to capture, store, manipulate, analyze, manage and present all types of spatial or geographical data.

Healthy Families America (HFA): A home visiting approach for at-risk families that supports positive parent-child engagement, promotes optimal child health and development, and enhances parental resiliency.

HealthySteps: A national initiative that focuses on the importance of the first three years of life. Healthy Steps emphasizes a close relationship between health care professionals and parents in addressing the physical, emotional and intellectual growth and development of children from birth to age three.

Help Me Grow (HMG): A system model that works to promote cross-sector collaboration to build efficient and effective early childhood systems that mitigate the impact of adversity and support protective factors among families, so that all children can grow, develop, and thrive to their full potential.

Home Instruction for Parents of Preschool Youngsters (HIPPY): A home visiting model that provides parents with moderate to intensive support that promotes early literacy practices, focuses on school readiness through

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parent-involved and parent-directed early learning.

Improve and Maximize Programs so All Children Thrive (IMPACT): First 5 California initiative aimed at increasing the number of high-quality early learning settings, including supporting and engaging families in the early learning process.

Low Income Investment Fund (LIIF): LIIF is a non-profit community development financial institution (CDFI) that has invested over $2 billion in capital to high-impact community development projections nationally, including $200 million in investments to support ECE nationwide. LIIF has a dedicated focus on improving access to quality ECE and has served the ECE sector for nearly 30 years. Additionally, LIIF served as the facilities-lead on the California Early Learning and Care Master Plan.

Managed Care: Managed Care is a health care delivery system organized to manage cost, utilization, and quality. Medicaid managed care provides for the delivery of Medicaid health benefits and additional services through contracted arrangements between state Medicaid agencies and managed care organizations (MCOs) that accept a set per member per month (capitation) payment for these services.

Medi-Cal Managed Care: California's approach to healthcare and consists of established networks of organized systems of care, which emphasize primary and preventive care.

The National Association for the Education of Young Children (NAEYC): A professional membership organization that works to promote high-quality early learning for all young children, birth through age 8, by connecting early childhood practice, policy and research.

Nurse Family Partnership (NFP): A maternal and early childhood health home visitation program that fosters long-term success for first-time moms, their babies and society.

Nurturing Parenting Program (NPP): A low intensity in-home (and/or group-based) program for multiple specific populations (such as parents of teens, parents of children birth to five) to increase parenting skills and strengthen parent-child relationships

ParentChild Plus (PC+): Early Learning Specialists from the community who share language/culture background from the family, provide home visiting support to parents/caregivers to support children's heathy development, increase cognitive, social-emotional and early literacy skills through reading, conversation and play.

Parents as Teachers (PAT): A parent education home visitation program designed to give children the best start in life, based on the philosophy that parents are their first and most influential teachers.

Proposition 56: California ballot proposition that passed on the November 8, 2016 ballot. It increased the cigarette tax by $2.00 per pack, effective April 1, 2017, with equivalent increases on other tobacco products and electronic cigarettes containing nicotine. Proposition 56 backfill replaces revenue lost attributable to the decline in consumption due to this tax increase

Quality Rating & Improvement System (QRIS): A QRIS is a systemic approach to assess, improve, and communicate the level of quality in early and school-age care and education programs. Similar to rating systems for restaurants and hotels, QRIS awards quality ratings to early and school-age care and education programs that meet a set of defined program standards. By participating in their State's QRIS, early and school-age care providers embark on a path of continuous quality improvement. Even providers that have met the standards

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of the lowest QRIS levels have achieved a level of quality that is beyond the minimum requirements to operate.

Raising A Reader: A model designed to engage caregivers in a routine of book sharing with children from birth through age 8 to foster healthy brain development, healthy relationships, a love of reading and the literacy skills critical for school success.

Reach Out and Read (ROR): An evidence-based model recommended by the American Academy of Pediatrics which incorporates early literacy into pediatric practice to equip parents with tools and knowledge to ensure children are prepared to learn when they start school.

Riverside County Office of Education (RCOE): The agency that provides specific educational, financial, legislative and leadership services and support to all K-12 school districts in Riverside County.

SafeCare: An evidence-based curriculum for parents who are at-risk or have been reported for child maltreatment.

Social Determinants of Health (SDOH): SDOH refers to factors in the external environment (non-medical factors) where people are born, live, work, and play that affect a wide range of health and quality-of-life risks and outcomes. Examples of SDOH are: safe housing, transportation, neighborhoods, education, job opportunities, racism, discrimination, violence, access to nutritious food and physical activity, polluted air/water, language and literacy skills. Screening for risk factors of SDOH support a holistic approach in identifying and addressing circumstances for individuals and families.

Virtual Dental Home (VDH): Using tele-health technology, the VDH creates a community-based oral health delivery system in which children 0 through 20 years of age receive preventive and simple therapeutic services in community settings.

Sources

1 "Systems Building and Policy Engagement." Presentation by the First 5 Association of California to a First 5 Riverside Commission meeting on February 23, 2017.
2 SHAPE Riverside County, Demographic information provided by Claritas, updated January 2021.
3 American Community Survey (ACS) 5-Year Estimates 2016-2020
4 Kidsdata.org (CITATION ADDED)
5 CA Dept. of Finance
6 U.S. Census Bureau, 2019 American Community Survey 1-Year Estimates. Public Health Insurance Coverage by Type and Selected Characteristics.
7 California Assessment of Student Performance and Progress. Smarter Balanced Summative Assessments 2018-19 academic year.
8 The Heckman 13% ROI Research Toolkit
9 The 2015 Child Care Portfolio produced by the California Child Care Resource & Referral Network
10 Center for American Progress's 2013 study of the effects of budget cuts on Early Childhood Education programs
11 County Health Ranking & Roadmaps: Building a Culture of Health, County by County, California. 2017 State Level Data and Ranks. (CITATION ADDED 1ST INSTANCE)
12 CA Health Care Foundation, October 2019
13 Riverside County Indicators Report 2014
14 Family Health Outcomes Project: Community Health Status Report 2010
15 CA Department of Public Health Status Profiles
16 Kidsdata.org
17 Department of Health Care Services (DHCS): California Advancing and Innovating Medi-Cal (CalAIM) Our Journey to a Healthier California for All
18 US Census Bureau American Community Survey
19 Kidsdata.org, a program of PRB, analysis of California Department of Education custom tabulation (Dec. 2021)
20 SHAPE Riverside County, Children Living Below Poverty Level, Measurement Period 2015-2019
21 University of California, Berkley, Center for Social Services Research, Child Welfare Research Center cited in 2020 Substantiated Child Abuse Rate under 30 Community Dashboard in SHAPE Riverside County
22 Office of the California Surgeon General, Information and Resources: COVID-19 – Manage Stress for Health
23 National Collaborating Centre for Determinants of Health
24 Created by the Center for the Study of Social Policy, the Strengthening Families™ Protective Factors Framework is a strength-based initiative for preventing child abuse and neglect in families with children birth to age 5 https://www.cssp.org/reform/strengthening-families/basic-one-pagers/Strengthening-Families-Protective-Factors.pdf
25 Led by WestEd, California for all Kids: Master Plan for Early Learning and Care, https://www.ctc.ca.gov/docs/default-source/educator- prep/files/master-plan-for-early-learning-and-care.pdf?sfvrsn=b6512bb1_2

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APPENDIX C: FAMILY PROTECTIVE FACTORS

The Family Protective Factors include the following:

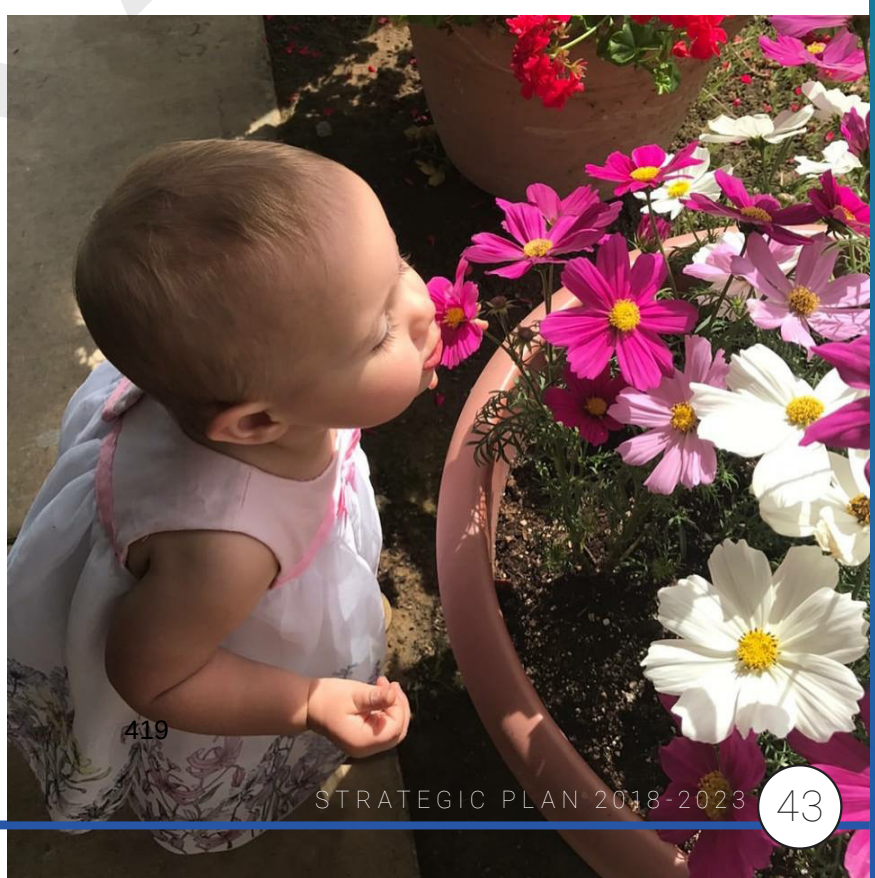
1. **Parent Resilience:** No one can eliminate stress from parenting but building parental resilience can affect how a parent deals with stress. Parental resilience is the ability to constructively cope with and bounce back from all types of challenges. It is about creatively solving problems, building trusting relationships, maintaining a positive attitude and seeking help when it is needed.

2. **Knowledge of Parenting and Child Development:** Having accurate information about raising young children and appropriate expectations for their behavior help parents better understand and care for children. It is important that information is available when parents need it, that is when it is relevant to their life and their child. Parents whose own families used harsh discipline techniques or parents of children with developmental or behavior problems or special needs require extra support in building this Protective Factor.

3. **Social and Emotional Competence of Children:** A child's ability to interact positively with others, to self-regulate, and to effectively communicate his or her emotions has a great impact on the parent-child relationship. Children with challenging behaviors are more likely to be abused, so early identification and working with them helps keep their development on track and keeps them safe. Also, children who have experienced or witnessed violence need a safe environment that offers opportunities to develop normally.

4. **Social Connections:** Friends, family, neighbors, and other members of a community provide emotional support and concrete assistance to parents. Social connections help parents build networks of support that serve multiple purposes: they can help parents develop and reinforce community norms around childrearing, provide assistance in times of need, and serve as a resource for parenting information or help solving problems. Because isolation is a common risk factor for abuse and neglect, parents who are isolated need support in building positive friendships.

5. **Concrete Support in Times of Need:** Parents need access to the types of concrete supports and services that can minimize the stress of difficult situations, such as a family crisis, a condition such as substance abuse, or stress associated with lack of resources. Building this Protective Factor is about helping to ensure the basic needs of a family, such as food, clothing, and shelter, are met and connecting parents and children to services, especially those that have a stigma associated with them, like domestic violence shelter or substance abuse counseling, in times of crisis.



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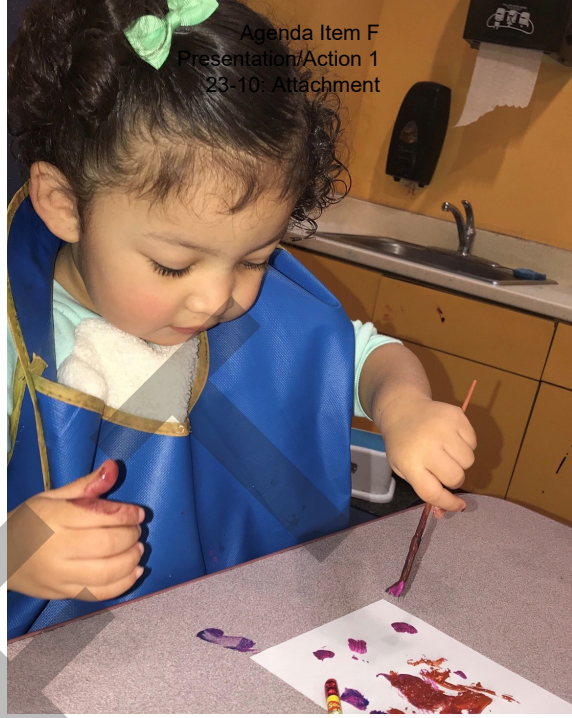

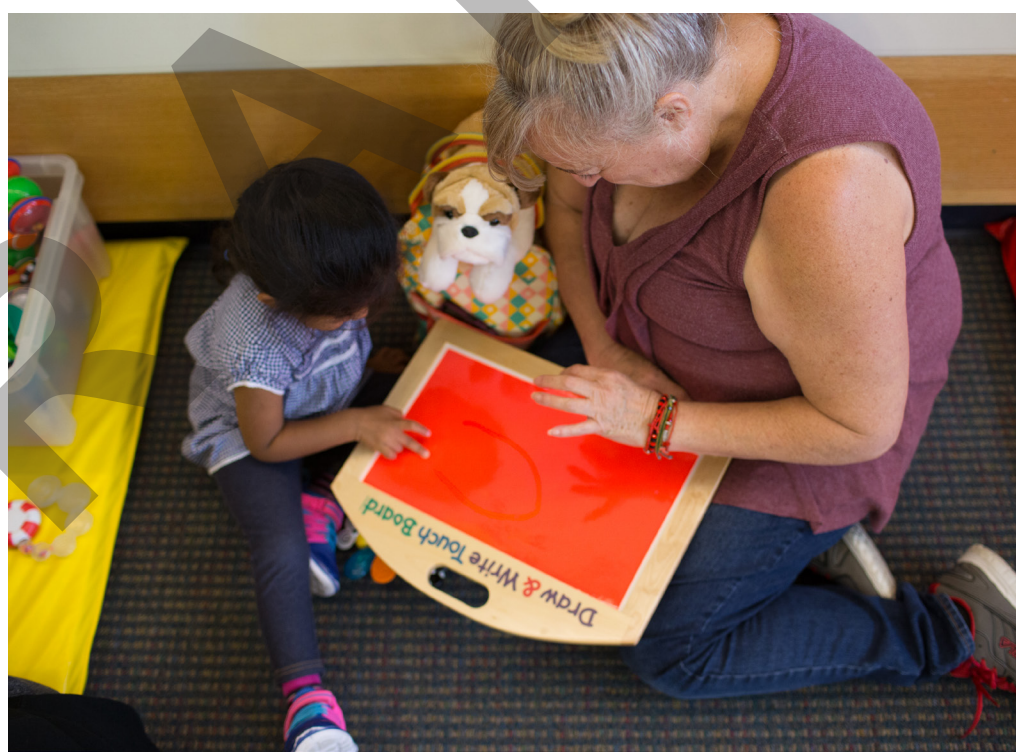

FIRST 5
Riverside County
Children & Families Commission

585 Technology Court, Riverside, CA 92507
1.800.266.3880 • www.First5Riverside.org

Revised December 28, 2022

F.1.a. **Public Hearing:** First 5 Riverside County Strategic Plan - **Zachary Ginder, Vice Chair**

F.1.b. **23-10:** Adopt First 5 Riverside County Strategic Plan 2023-2026 - **Zachary Ginder, Vice Chair**

G. **Future Agenda Items:**
   - G.1. Annual review and public hearing of First 5 California Annual Report
   - G.2. Family Resource Centers Presentation
   - G.3. HARC Presentation
   - G.4. Adopt First 5 Riverside County 2023 Policy Agenda

H. **Adjournment**: Adjournment to the next Regular Meeting of the Riverside County Children and Families Commission to be held on March 8, 2023 beginning at 2:00 p.m.at:
   First 5 Riverside County Children and Families Commission Office
   585 Technology Court - Conference Room A
   Riverside, CA 92507

Conflict of Interest: Any person, or group of persons present at this meeting, who wish (es) to speak on a matter may be required to state for the record any contributions, in excess of $250.00 made in the past (12) twelve months, made to any Commission member, the Commission member receiving the contribution, and the matter of consideration with which they are involved.

Agenda Posting: Agendas will be posted at the Clerk of the Board of Riverside County and the Commission Business Office.

All public record documents for matters on the open session of the Agenda are available for inspection at the meeting listed in this Agenda, and at the following location beginning three (3) days prior to the meeting date:

Riverside County Children and Families Commission
585 Technology Court
Riverside, CA 92507

If a public record document that relates to a matter on the open session of the Agenda is distributed less than 72 hours prior to the meeting date, the public record document shall be available for inspection, at the same time it is distributed, at the address listed above. Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities, as required by Section 202 of the Americans with Disabilities Act of 1990.