

# A G E N D A

## REGULAR MEETING FIRST 5 ORANGE COUNTY, CHILDREN & FAMILIES COMMISSION

*Wednesday, April 3, 2024, 9:00 A.M.*

Orange County Transportation Authority Conference Center  
550 South Main Street  
Orange, California

**RAMIN BASCHSHI, MD**  
Chair

**DOUG CHAFFEE**  
Vice Chair

**JACKIE FILBECK**  
Commissioner

**YVETTE LAVERY, MPA, MBE**  
Commissioner

**VERONICA KELLEY**  
Commissioner

**SUSAN MCCLINTIC**  
Commissioner

**SOLEDAD L. RIVERA**  
Commissioner

**ANGIE ROWE**  
Commissioner

**AN TRAN**  
Commissioner

President/CEO  
Kimberly Goll

Commission Counsel  
Cassie Trapesonian

Clerk of the Commission  
Jamie Ross, Deputy

The First 5 Orange County, Children & Families Commission welcomes you to this meeting. This agenda contains a brief general description of each item to be considered. The Commission encourages your participation. Except as otherwise provided by law, no action shall be taken on any item not appearing in the agenda.

Members of the public can either attend the meeting in-person or participate via Zoom by clicking the link or calling in as described below:

Please click the link below to join the webinar:

<https://us02web.zoom.us/j/88359930264?pwd=Ym9SSmxoRnJlOWcvdDcxM0w0cVBWZz09>

Passcode: 302048

Or One tap mobile: US: +16699009128,, 883 5993 0264#,,, \*302048# or +16694449171,, 883 5993 0264#,,, \*302048# Or

Telephone: Dial(for higher quality, dial a number based on your current location): US: +1 669 900 9128 or +1 669 444

9171 or +1 253 205 0468

Webinar ID: 883 5993 0264

Passcode: 302048

Instructions for Public Comments: Members of the public may address the Commission regarding any item in person, via Zoom, or by submitting in written comments as outlined below. All speakers providing public comment in person or through Zoom will be recognized by the Chair at the time the agenda item is to be considered. If you wish to speak on a matter that does not appear on the agenda, you may do so during the Public Comments period at the close of the meeting. A speaker's comments shall be limited to three minutes.

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1. In-Person Comment - Members of the public may attend the meeting in person and address the Commission regarding any item contained in the agenda. If you wish to speak on an agenda item, please complete a Speaker Form identifying the item(s) and deposit it in the Speaker Form Return box located next to the Clerk. Speaker Forms are available at the entrance of the Conference Center
2. Verbal Comment (Zoom) – Public Comment may also be made by member of the public participating via Zoom. When the item is called, use the “Raise Hand” feature in Zoom or dial \*9 if participating by phone. Please wait to be called upon by staff.
3. Written Comment - Public comments may be submitted in writing by emailing them to [First5OC@cfcoc.ocgov.com](mailto:First5OC@cfcoc.ocgov.com). The comments will be distributed to all of the Commissioners and read into the meeting record. If you wish to comment on a specific agenda item, please identify the item in your email. General public comments will be addressed during the general public comment item on the agenda. In order to ensure that staff has the ability to provide comments to the Commissioners in a timely manner, please submit your comments by 12:00 p.m. on **April 2, 2024**. Public comments will be made available to the public upon request.

Any member of the public requiring a reasonable accommodation to participate in this meeting should contact the Commission at least 48 hours prior to the meeting at [First5OC@cfcoc.ocgov.com](mailto:First5OC@cfcoc.ocgov.com) or (714) 834-2206.

*All supporting documentation is available for public review in the office of the Clerk of the Board of Supervisors located in the County Administration North, 400 W. Civic Center Dr., 6<sup>th</sup> Floor, Santa Ana, California 92701 during regular business hours, 8:00 a.m. - 5:00 p.m., Monday through Friday.*

**9:00 A.M.**

## **PLEDGE OF ALLEGIANCE**

### **PRESENTATIONS:** (Item 1)

1. Receive Presentation from the Orange County Treasurer-Tax Collector

### **CONSENT CALENDAR:** (Item 2)

*All matters are approved by one motion unless pulled by a Commission Member for discussion or separate action. At this time, any member of the public may ask the Commission to be heard on any item on the Consent Calendar.*

2. Approve Revised Standard Form Program Services Agreements

### **PUBLIC HEARING:** (Item 3)

3. Conduct Public Hearing and Receive the First 5 California 2022-2023 Annual Report and the California State Controller’s Results of Audit Oversight of County Commissions

### **REGULAR ITEMS:** (Items 4 - 14)

*At this time, members of the public may ask the Commission to be heard on the following items as those items are called.*

4. Adopt Resolution Acknowledging Receipt of the Children and Families Commission of Orange County Investment Policy Statement and Affirm Delegation of Authority to the Orange County Treasurer as the First 5 Orange County Treasurer for Fiscal Year 2024-2025

# A G E N D A

5. Receive and Confirm Update to the Annual Long-Term Financial Plan
6. Approve Updated Term Sheet and Adopt Resolution Authorizing an Amendment to the Lease Agreement with the Orange County Shared Spaces Foundation and Adopt Resolution Authorizing the President/CEO to Select and Purchase Office Furniture
7. Approve Updated Rosters for Qualified Applicants and Adopt Resolution Approving Various Consultant Agreements
8. Authorize Receipt of Funds and Adopt Resolutions Authorizing Agreements with the Orange County Social Services Agency and designated subcontractors for participation in the CalWORKs Home Visiting Program Services
9. Adopt Resolutions Authorizing Grant Agreement with CalOptima to Receive Funding to Expand HealthySteps and Agreements with Designated Consultants for Technical Support
10. Authorize Receipt of Funds and Adopt Resolution Authorizing a Grant Agreement with CalOptima for participation in the Community Health Worker Learning Academy
11. Adopt Resolution Authorizing New Agreements with Designated Hospitals for Maternal Screening and Linkage to Services and Additional Organizations and Individuals Providing Technical and Data Support
12. Adopt Resolution Authorizing an Amendment to Agreement No. FCI-HCA-13 with the Orange County Health Care Agency for Home Visiting Services
13. Receive Update on Homeless Prevention Funding Strategy and Adopt Resolutions Authorizing Agreement with Charitable Ventures of Orange County and Amendment to Agreement with Anila Neumeister
14. Adopt Resolution Approving Agreement and Amendments to Agreements with Designated Organizations to Implement First 5 California's Improve and Maximize Programs so All Children Thrive (IMPACT) Legacy

## **PRESIDENT/CEO REPORT:** (Item 15)

15. Receive the President/Chief Executive Officers Report
  - a. Board Recruitment
  - b. Policy Update
  - c. Work on Special Populations Support
  - d. Action Plan Update
  - e. Financial Report Update

## **PUBLIC & COMMISSION COMMENTS & ADJOURNMENT:**

*At this time members of the public may address the Commission on any matter not on the agenda but within the jurisdiction of the Commission. The Commission or Chair may limit the length of time each individual may have to address the Commission.*

### **PUBLIC COMMENTS:**

### **COMMISSION COMMENTS:**

### **ADJOURNED:**

# A G E N D A

## NEXT MEETINGS:

June 5, 2024 Regular Meeting, 9:00 A.M.  
August 7, 2024 Regular Meeting, 9:00 A.M.

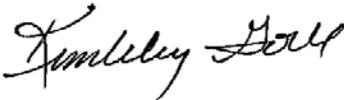


1505 E. 17th Street, Suite 230  
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**Commissioners:**

Ramin Baschshi, M.D., Chair  
Doug Chaffee, Vice Chair, Jackie Filbeck, Yvette Lavery  
Susan McClintic, Soledad Rivera, Angie Rowe,  
An Tran, Mindy Winterswyk  
**CEO/President:** Kimberly Goll

**PRESENTATION  
Agenda Item 1  
April 3, 2024**

**DATE:** March 25, 2024  
**TO:** First 5 Orange County  
**FROM:** Kimberly Goll, President/CEO   
**ACTION:** Receive Presentation from the Orange County Treasurer Tax Collector

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**SUMMARY:**

Annually, First 5 Orange County reviews and approves the investment policy, as well as approving the County Treasurer and Tax Collector, Shari Freidenrich, as our Treasurer. In this role, she oversees all of First 5 OC's investments to ensure compliance with the policy and maximizes our return on investment to the extent possible. Shari will be at the April 3<sup>rd</sup> meeting to present on her work for us.

Shari Freidenrich was elected as Orange County's Treasurer-Tax Collector in 2010 and re-elected in 2014, 2018 and 2022. As the banker for the County and the Community and School Districts in Orange County, Shari's primary responsibility is the deposit, investment, collection and paying out of public funds. She is responsible for overseeing the County of Orange's \$12 billion investment pool and serves as a trustee for the \$20 billion Orange County Employee Retirement System. Shari is a member of the Audit Oversight Committee, the Public Financing Advisory Committee, and the Deferred Compensation Committee and is also the liaison to the Treasury Oversight Committee.

Treasurer Freidenrich holds a bachelor's degree from Washington State University in Business Administration with an emphasis in Accounting and graduated summa cum laude. She is a Certified Public Accountant (CPA) as well as a Certified California Municipal Treasurer (CCMT), a Certified Public Finance Administrator (CPFA), a Certified Public Finance Investment Manager (CPFIM), and an Advanced Certified Public Finance Investment Manager (ACPFIM).



**Agenda Item 2**  
**April 3, 2024**

**DATE:** March 3, 2024  
**TO:** First 5 Orange County  
**FROM:** Kimberly Goll, President/CEO

A handwritten signature in black ink that reads "Kimberly Goll".

**ACTION:** Approve Revised Standard Form Program Services Agreements

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**SUMMARY:**

First 5 Orange County has agreements with various organizations that receive First 5 Orange County funding to provide services for children and families prenatally through age five. These agreements include standard terms and conditions, which define the requirements for contracting with First 5 OC. The standard form agreements are periodically reviewed, and this item requests approval of updates to the Grantee (including both for-profit and non-profit grantees), Public Entity, and School District standard form agreements.

**DISCUSSION:**

Historically, the First 5 OC Board has approved all boilerplate agreements to be used for contracts valued over \$50,000 and authorized the President/CEO and Commission Counsel to make minor and non-substantive revisions and to include language required by external funding sources (such as State or County funding). The boilerplate Program Services Agreement templates were recently reviewed and updated to clarify contracting language, remove outdated and duplicative provisions, clarify other requirements consistent with standard contracting terms by public agencies, and to accommodate different requirements that come with leveraging other funding sources.

The revised boilerplate language has been reviewed by Staff and Commission Counsel and is recommended for Board approval. The complete revised standard form agreements are provided as Attachment 1 (Grantee Agreement boilerplate), Attachment 2 (Public Entity Agreement boilerplate), and Attachment 3 (School District Agreement boilerplate). With approval of the revised Program Services Agreement boilerplates, staff requests continued authorization for the President/CEO and Commission Counsel to make minor, non-substantive revisions to the agreements when necessary and to include any language in the agreements that may be required by external funding sources. Staff's request to make non-substantive revisions also includes authority to make revisions such as permitting mutual indemnification/termination when warranted, removing or modifying inapplicable contract terms from the templates when appropriate, and the discretion to determine which exhibits are appropriate to include. Staff requests this authorization for all Commission-approved boilerplate templates, including the Program Services Agreements as well as the Consultant/Professional Services Agreement templates, which were previously approved by the Commission in April of 2023.

**STRATEGIC PLAN & FISCAL SUMMARY:**

This action has no funding impact.

**PRIOR COMMISSION ACTIONS:**

- April 2023 – Revised Professional Services and Consultant Agreements
- December 2016 – Revised Standard Form Agreements
- December 2013 – Revised Standard Form Agreements
- May 2010 – Approved updated Standard Form Agreements

**RECOMMENDED ACTION:**

Approve revised Standard Form Program Services Agreements.

**ATTACHMENT:**

1. Grantee Agreement Boilerplate
2. Public Entity Agreement Boilerplate
3. School District Agreement Boilerplate

**CONTACT:** Cassie Trapesonian/Michael Garcell

**AGREEMENT FCI-XX-XX**

**BY AND BETWEEN**

**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY**

**AND**

\_\_\_\_\_,  
**FOR THE PROVISION OF SERVICES**

This **AGREEMENT** (“Agreement”) entered into as of the [day] day of [month], 20[XX] (“Date of Agreement”) is by and between the **CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY**, a public body and legal public entity (“COMMISSION”), and [Entity Name], a California [Entity Type] (“CONTRACTOR”). This Agreement shall be administered by the President/CEO of COMMISSION, or his or her authorized designee (“ADMINISTRATOR”).

**RECITALS**

**A.** In order to facilitate the creation and implementation of an integrated, comprehensive, and collaborative system of information and services to enhance optimal early childhood development, the legislature adopted legislation set forth in the California Children and Families Act of 1998, Health and Safety Code Section 130100, *et seq.* (as amended, the “Act”), implementing the Children and Families First Initiative passed by the California electorate in November of 1998, establishing the California Children and Families Commission, and providing for establishment in each county of Children and Families Commissions, including COMMISSION.

**B.** COMMISSION adopted its Strategic Plan to define how funds authorized under the Act should best be used to meet the critical needs of Orange County’s children prenatal through age five as codified in the Act, which plan has been amended and after the Date of Agreement may be further amended, updated, or revised (“Strategic Plan”).

**C.** CONTRACTOR is a [entity type].

**D.** On [date], [describe Commission action, President/CEO authority, or other authorization to enter into agreement].

**E.** COMMISSION desires to contract with CONTRACTOR to provide services, carry out certain performance obligations, and achieve certain outcomes, while promoting the purposes of the Act and the Strategic Plan on the terms and conditions set forth in this Agreement and the Project Summary, Exhibit A; Work Plan, Exhibit A-1; and Project Budget, Exhibit B (together, “Services”).

**F.** As and if applicable, COMMISSION and CONTRACTOR desire to enter into matching fund program opportunities with the California Children and Families Commission (“First 5 California”) and other matching fund opportunities as may become available.

**G.** CONTRACTOR desires to provide Services in furtherance of the purposes of the Act and the Strategic Plan on the terms and conditions set forth in this Agreement. CONTRACTOR represents and maintains that it is uniquely qualified by virtue of its experience, training, education,



reputation, and expertise to provide these Services to COMMISSION and has agreed to provide such Services as provided herein. COMMISSION does not have the personnel or specialized technical expertise able to perform the Services contracted for herein.

**NOW, THEREFORE**, based on the Recitals, which are a substantive part of this Agreement, and agreed mutual consideration, COMMISSION and CONTRACTOR agree as follows:

**1. TERM OF AGREEMENT.** The term of this Agreement shall commence on [date] and terminate on [date] (“Term”), unless earlier terminated pursuant to the provisions of Paragraph 22 of this Agreement. CONTRACTOR and ADMINISTRATOR may mutually agree in writing to extend the Term of this Agreement, provided that COMMISSION’s Maximum Payment Obligation in this Agreement does not increase as a result.

**2. ALTERATION OF TERMS.** This Agreement, together with and including any Exhibits, fully expresses all understanding of the parties with respect to the subject matter of this Agreement, and shall constitute the total Agreement between the parties, except as otherwise expressly provided in this Paragraph 2. No amendment, addition to, or alteration of, the terms of this Agreement shall be valid unless the amendment is made in writing and formally approved and executed by both parties, except as provided in this Paragraph 2.

**2.1** CONTRACTOR’s work plans, budgets, and scopes of services will be subject to an annual review to determine consistency with the COMMISSION’s strategic direction. Changes to these documents may be directed by ADMINISTRATOR to bring the Agreement scope into better alignment with the COMMISSION’s evolving strategic direction. These changes may include, but are not limited to, reprioritization of the targeted service population, redirection of resources to provide more intensive services, and increased focus on sustainability strategies. Should any changes directed by ADMINISTRATOR result in increased or decreased costs of Services contemplated by this Agreement, CONTRACTOR shall submit a request for equitable adjustment within ten (10) days of the directed change, which adjustment shall be negotiated between the parties. If CONTRACTOR is unable to redirect its program to be consistent with this direction, COMMISSION may reduce funding provided under this Agreement or exercise its termination rights.

**2.2 Administrator Modification Authority.** Notwithstanding anything to the contrary, and provided any modifications do not alter the overall goals and purpose of the Agreement and do not increase COMMISSION’s Maximum Payment Obligation, ADMINISTRATOR has the authority to, with the agreement of CONTRACTOR, make modification(s) to the activities, tasks, deliverables, and performance timeframes specified in the Project Summary as set forth in the Scope of Work, Exhibit A; the Work Plan, Exhibit A-1; the funding allocation between and among the line items and the “Funds Due” period(s) budgeted in the Project Budget, Exhibit B; the Payment interval; and the percentage of Initial Payment(s).

**3. STATUS OF CONTRACTOR.** CONTRACTOR is, and shall at all times remain, an independent contractor to COMMISSION in providing Services for this Agreement. As a condition to commencing performance of any Services for this Agreement and to be eligible for any compensation for Services rendered, CONTRACTOR shall execute an Acknowledgment of Independent Contractor Status, Exhibit C, attached hereto and fully incorporated by this reference. CONTRACTOR is and shall remain wholly responsible for the manner in which it performs the Services required by the terms of this Agreement. Nothing in this Agreement shall be construed as creating the relationship of employer and employee (neither a contract nor regular employee), or principal and agent, between

COMMISSION and CONTRACTOR or any of CONTRACTOR's employees, subcontractors, or agents. CONTRACTOR assumes exclusive responsibility for the acts of its employees, subcontractors, or agents as they relate to the Services to be provided during the Term of this Agreement and the course and scope of employment of any such employees, subcontractors, or agents. Neither CONTRACTOR or its officials, officers, agents, employees, or subcontractors shall, in any respect whatsoever, be entitled to any rights or privileges of COMMISSION employees and shall not be considered in any manner to be COMMISSION employees. COMMISSION shall neither have nor exercise any control or direction over the methods by which CONTRACTOR shall perform its obligations under this Agreement. COMMISSION shall not be responsible or liable for the acts or failure to act, whether intentional or negligent, of any employee, agent, subcontractor, or volunteer of CONTRACTOR (hereinafter referred to as "personnel"). CONTRACTOR shall pay all wages, salaries, and other amounts due its employees in connection with this Agreement and shall be responsible for all reports and obligations respecting them, such as social security, income tax withholding, unemployment compensation, workers' compensation, and similar matters. CONTRACTOR shall indemnify and hold harmless COMMISSION from any liability, damages, costs, and expenses of any nature arising from alleged violations of personnel practices and employment laws. Should any of CONTRACTOR's personnel or a state or federal agency allege claims against COMMISSION involving the status of COMMISSION as employer, joint or otherwise, of said personnel, or allegations involving any other independent contractor misclassification issues, CONTRACTOR shall defend and indemnify COMMISSION in relation to any allegations made and shall reimburse COMMISSION for any costs, including attorneys' fees, the COMMISSION incurs arising out of such claim or determination, including, but not limited to, any benefits COMMISSION is required to provide, or payroll taxes or workers' compensation claims it is required to pay, as well as for the payment of any penalties and interest.

**4. CONTRACTOR DELEGATION AND ASSIGNMENT.** Neither this Agreement nor any interest herein nor claim hereunder may be assigned by CONTRACTOR either voluntarily or by operation of law without the prior written consent of ADMINISTRATOR. Any attempted assignment in violation of this paragraph shall be ineffective, null and void, and constitute a material breach of this Agreement entitling COMMISSION to any and all remedies at law or in equity, including termination of this Agreement.

**5. SUBCONTRACTS.** Except to the extent expressly provided for in the Project Summary, Exhibit A, or as approved by ADMINISTRATOR, CONTRACTOR shall not enter into any subcontract for the provision of any Services required by this Agreement (hereinafter referred to as a "Subcontract") without the prior written consent of ADMINISTRATOR. Any Subcontracts approved by ADMINISTRATOR shall not alter in any way any legal responsibility or performance obligation of CONTRACTOR to perform or cause performance of the Services required under this Agreement. ADMINISTRATOR may require CONTRACTOR to submit a copy of any permitted Subcontract.

**6. GENERAL INDEMNIFICATION.** CONTRACTOR agrees to and shall indemnify, defend with counsel approved in writing by COMMISSION, hold harmless COMMISSION, its Commissioners, officers, agents, and employees from and against all liability, claims, losses, demands, injuries to or death of any person or persons, or damages to property, including but not limited to property of Commissioners, officers, employees, or agents of COMMISSION (together, "Claims"), including defense costs, resulting from court action or in any manner arising out of, pertaining to, related to, or incident to any intentional, malicious, negligent acts, inactions, errors, or omissions of CONTRACTOR, its officers, employees, agents, or Subcontractors in the performance of this Agreement.

**6.1** No elected official, no public official, no Commissioner, no officer, no committee member, no employee, and no agent of COMMISSION shall be personally liable to CONTRACTOR, any successor in interest, or to any Subcontractor in the event of any default or breach by COMMISSION or for any amount that may become due to CONTRACTOR or to its successor or for breach of any obligation of the terms of this Agreement.

**7. INSURANCE.** Without limiting CONTRACTOR's liability for indemnification of COMMISSION as set forth in Paragraph 6 above, CONTRACTOR shall obtain and maintain in effect, during the term of this Agreement, the following insurance coverage and provisions:

**7.1 Evidence of Coverage.** Prior to commencement of any Services under this Agreement, CONTRACTOR shall provide on an insurance industry approved form a Certificate of Insurance (COI) certifying that coverage as required in this Paragraph 7 has been obtained and remains in force for the period required by this Agreement. A certified copy of the policy or policies shall be provided by CONTRACTOR upon request of ADMINISTRATOR at the address specified in Paragraph 21. Each policy shall meet the following requirements:

**7.1.1 Required Coverage Forms**

(a) Commercial General Liability coverage shall be written on Insurance Services Office (ISO) form CG 00 01, or a substitute form providing liability coverage at least as broad.

(b) Business Auto Liability coverage shall be written on ISO form CA 00 01, CA 00 05, CA 0012, CA 00 20, or a substitute form providing coverage at least as broad.

**7.1.2 Required Endorsements.** Commercial General Liability policy shall contain the following endorsements, which shall accompany the Certificate of Insurance:

(a) An Additional Insured endorsement using ISO form CG 2010 or CG 2033 or a form at least as broad naming the COMMISSION, and its elected and appointed officials, officers, employees, agents as Additional Insureds.

(b) A primary non-contributing endorsement evidencing that CONTRACTOR's insurance is primary and any insurance or self-insurance maintained by the COMMISSION shall be excess and non-contributing.

**7.1.3 Notice of Cancellation or Change of Coverage Endorsement:** Each policy shall include an endorsement evidencing that the policy shall not be canceled or changed so as to no longer meet the specified COMMISSION insurance requirements without thirty (30) days prior written notice of the cancellation or change being delivered to ADMINISTRATOR at the address shown on the COI; or, ten (10) days' notice for non-payment of premium. This shall be evidenced by policy provisions or an endorsement separate from the COI.

**7.1.4 Separation Clause Endorsement:** Each policy shall include an endorsement evidencing that the policy provides coverage separately to each insured who is seeking coverage or against whom a Claim is made or a suit is brought, except with respect to the company's limit of liability (standard in the ISO CG 0001 policy).

**7.1.5 Termination of Insurance.** If insurance is terminated for any reason, CONTRACTOR agrees to purchase an extended reporting provision of at least two (2) years to report Claims arising from work performed, or any action or any inaction in connection with this Agreement.

**7.1.6 Qualifying Insurers.** All coverages shall be issued by insurance companies that must be:

(a) Rated A-:VIII or better or FPR Ratings of 9 through 7, and have a Financial Size Category (FSC) of VIII or better according to the current Best's Key Rating Guide/Property-Casualty/United States or [ambest.com](http://ambest.com); or

(b) A company of equal financial stability that is approved by ADMINISTRATOR or his or her Risk Management designee; and

(c) Admitted in the State of California.

**7.1.7 Deductible Amounts in Standard Policy.** COMMISSION acknowledges that a deductible amount on a policy of insurance is acceptable, but only as approved in writing in the sole discretion of ADMINISTRATOR, or his or her Risk Management designee; provided no approved deductible shall in any way limit liabilities assumed by CONTRACTOR under this Agreement, including:

(a) Any policy deductible or self-insured retention on any insurance policy (except auto) which exceeds \$25,000. Such policy requires prior written approval of ADMINISTRATOR or his or her Risk Management designee.

(b) Any policy deductible or self-insured retention on automobile liability over \$5,000. Such policy requires prior written approval of ADMINISTRATOR or his or her Risk Management designee.

(c) All self-insured retentions or deductibles shall be clearly stated on the COI. If no self-insured retentions or deductibles apply, indicate this on the COI.

**7.1.8 Subcontractor Insurance Requirements.** Should any of the Services under this Agreement be provided by a Subcontract, CONTRACTOR shall require each Subcontractor, of any tier, to provide the coverages mentioned in this Paragraph 7, or CONTRACTOR may insure any Subcontractor under its own policies.

**7.1.9 Occurrence Versus Claims Made Coverage.** It is the intent of COMMISSION to secure "occurrence" rather than "claims made" coverage whenever possible. If coverage is written on a "claims made" basis, the COI shall clearly so state. In addition to coverage requirements above, each policy shall provide that:

(a) Policy retroactive date coincides with or precedes CONTRACTOR's start of work (including subsequent policies purchased as renewals or replacements).

(b) CONTRACTOR will make every effort to maintain similar insurance during the required extended period of coverage following completion of Services, including the requirement of adding all additional insureds.

(c) Policy allows for reporting of circumstances or incidents that might give rise to future claims.

**7.2 Types of Insurance Policies/Coverages Required.** CONTRACTOR shall provide insurance through a policy or policies with the following types and coverages, subject to the requirements of Subparagraph 7.1 above.

**7.2.1 Comprehensive General Liability Insurance.** Comprehensive General Liability Insurance for bodily injury, including death, and property damage which provides not less than One Million Dollars (\$1,000,000) combined single limit (CSL) per occurrence and not less than Two Million Dollars (\$2,000,000) annual aggregate.

(a) The coverage shall include:

(i) Premises and Operations.

(ii) Products/Completed Operations with limits of One Million Dollars (\$1,000,000) per occurrence and One Million Dollars (\$1,000,000) annual aggregate to be maintained for two (2) years following the end of the term of this Agreement.

(iii) Contractual Liability expressly including liability assumed under this agreement, except such requirement does not apply to service contracts.

(iv) Personal Injury Liability.

**7.2.2 Comprehensive Automobile Liability Insurance.** Comprehensive Automobile Liability Insurance for bodily injury, including death, and property damage which provides total limits of not less than One Million Dollars (\$1,000,000) CSL per occurrence and One Million Dollars (\$1,000,000) annual aggregate applicable to all owned, non-owned, and hired vehicles/watercraft.

**7.2.3 Workers' Compensation Insurance.** Workers' Compensation Insurance shall be maintained. Statutory California Workers' Compensation coverage shall include a broad form all-states endorsement and waiver of subrogation.

**7.2.4 Employers' Liability Coverage.** Employers' Liability Coverage of not less than One Million Dollars (\$1,000,000) per occurrence for all employees engaged in Services or operations under this Agreement.

**7.2.5 Professional Liability.** If the Project Summary, Exhibit A, includes or requires staffing or services by a licensed professional, such as physician, dentist, pharmacist, registered nurse, psychologist, accountant, engineer, architect, etc., then insurance policy(ies) and coverage for professional liability/errors and omissions is required in an amount not less than One Million Dollars (\$1,000,000) per claims made or per occurrence and One Million Dollars (\$1,000,000) aggregate. If CONTRACTOR's professional liability policy is a "claims made" policy, CONTRACTOR shall agree to maintain professional liability coverage for two (2) years following the termination of this Agreement.

**7.2.6 Sexual Misconduct Liability.** If the Project Summary, Exhibit A, includes Services which require custody, transportation, or unsupervised contact by CONTRACTOR, or any

Subcontractor, with recipients of Services under the Agreement, then insurance policy(ies) and coverage for Sexual Misconduct Liability is required in an amount not less than One Million Dollars (\$1,000,000) per occurrence and One Million Dollars (\$1,000,000) annual aggregate.

**7.3 Change in Coverage.** COMMISSION expressly retains the right to require CONTRACTOR to increase or decrease insurance of any of the above insurance types throughout the term of this Agreement. Any increase, decrease, or waiver of insurance requirements will be as deemed by ADMINISTRATOR, or his or her Risk Management designee, as appropriate to adequately protect COMMISSION. COMMISSION shall notify CONTRACTOR in writing of changes in the insurance requirements. If CONTRACTOR does not provide copies of acceptable COIs and endorsements incorporating such changes within thirty (30) days of receipt of such notice, this Agreement may be in breach without further notice to CONTRACTOR, and COMMISSION shall be entitled to all legal remedies.

**7.4 Duration of Insurance.** CONTRACTOR shall maintain all coverage and insurance for the entire term and for any extended period agreed upon within this Agreement.

**7.5 Maintain Records of Insurance Coverage.** CONTRACTOR shall maintain records regarding all coverage and insurance for the term of this Agreement and for any extended period agreed upon within this Agreement.

**7.6 Withhold Payment for Lack of Required Coverage.** COMMISSION reserves the right to withhold payments to CONTRACTOR in the event of material noncompliance with the applicable insurance requirements outlined in this Paragraph 7.

**7.7 Remedies for Failure to Provide or Maintain Required Insurance or Endorsements.** In addition to any other remedies COMMISSION may have if CONTRACTOR or any Subcontractor fails to provide or maintain any insurance required by this Paragraph 7 to the extent and within the time required by this Agreement, COMMISSION may, at its sole option:

(a) Obtain the insurance and deduct and retain the amount of the premiums for the insurance from any monies due under this Agreement.

(b) Order CONTRACTOR and any Subcontractor to cease performance of the Services and withhold any payment(s) which become due to CONTRACTOR or any Subcontractor until CONTRACTOR or Subcontractor demonstrates compliance with the insurance requirements of this Agreement.

(c) Immediately and without further cause terminate this Agreement.

**7.8** Exercise of any of the above remedies are in addition to any other remedies COMMISSION may have and are not the exclusive remedies for CONTRACTOR's or Subcontractor's failure to maintain or secure appropriate policies or endorsements. Nothing in this Agreement shall be construed as limiting in any way the extent to which CONTRACTOR or any Subcontractor may be held responsible for payments of damages to persons or property resulting from CONTRACTOR's or any Subcontractor's performance under this Agreement.

## **8. RESPONSIBILITIES OF CONTRACTOR.**

**8.1 Scope of Services.** CONTRACTOR shall provide the Services set forth and described in the Project Summary, Exhibit A; Work Plan, Exhibit A-1; and within Project Budget, Exhibit B. The Services shall include CONTRACTOR's proposal or bid, if any, which is incorporated herein by this reference. In the event of any inconsistency or conflicting terms between the proposal and this Agreement, the terms of this Agreement, inclusive of Exhibits, shall take precedence.

**8.2 No Supplanting Government Funds.** In furtherance of the express directives of the Act, CONTRACTOR shall not supplant government funds intended for the purposes of this Agreement with any other funds intended for the purposes of this Agreement. CONTRACTOR shall not submit an invoice for payment from COMMISSION or apply sums received from COMMISSION with respect to that portion of its obligations which have been paid by another governmental source of revenue. CONTRACTOR is required to ensure that, in the performance of this Agreement, all funding shall be expended and used to supplement, not supplant, existing levels of service.

### **8.3 Staffing**

**8.3.1 Staffing Obligations.** CONTRACTOR agrees to provide the level and type of staffing, facilities, equipment, and supplies necessary to provide the Services required by this Agreement. Upon the request of ADMINISTRATOR, CONTRACTOR agrees to send appropriate staff to attend orientation session(s) and progress meeting(s) arranged or given by COMMISSION or ADMINISTRATOR.

**8.3.2 Personnel Disclosure.** Upon request, CONTRACTOR shall make available to ADMINISTRATOR a current list of all employees, volunteers, or other personnel providing Services or performing any work under this Agreement ("Personnel"), including Personnel of any Subcontractor. Changes to the list shall be immediately provided to ADMINISTRATOR.

(a) If requested by ADMINISTRATOR and to the extent permitted by applicable laws, CONTRACTOR make available to ADMINISTRATOR the following information/records regarding Personnel:

(i) All full-time and all part-time staff positions by name and title, including volunteer positions, who are assigned to this Agreement and/or providing Services thereunder.

(ii) The qualifications and experience, including professional degree(s) and required licensing, if applicable, required for each position.

(iii) The language skill(s), if applicable, of the Personnel, such as bi-lingual, sign language, Braille, or other communication skills.

(b) CONTRACTOR shall immediately notify ADMINISTRATOR concerning the arrest or subsequent conviction, for other than minor traffic offenses, of any Personnel when the information becomes known to CONTRACTOR.

**8.3.3 CONTRACTOR to Maintain Complete Personnel Records.** CONTRACTOR shall maintain complete and accurate records relating to all Personnel listed or required to be listed in Subparagraph 8.3.2 above. The record keeping shall include evidence that CONTRACTOR has conducted adequate pre-employment and pre-volunteer screening, such as information that CONTRACTOR has conducted or caused to be conducted on each employee or volunteer a pre-employment/hiring background check and that CONTRACTOR has taken all

reasonable steps to assure all Personnel assigned to perform Services under this Agreement are suitable to perform the work and do not pose a reasonably foreseeable risk of harm to children or other persons receiving or participating in the Services. CONTRACTOR acknowledges it has a duty to disclose to COMMISSION and ADMINISTRATOR information within its knowledge that may pose a reasonably foreseeable risk of harm to children. Nothing in the above provisions shall obligate CONTRACTOR to disclose to COMMISSION or ADMINISTRATOR confidential Personnel information about employees or volunteers except and to the extent disclosure is permitted by applicable laws or authorized by judicial or administrative order. Nothing in the above provisions shall affect or modify the provisions of this Agreement affirming the independent contractor status of CONTRACTOR.

## **9. GENERAL TERMS AND CONDITIONS.**

**9.1 Compliance with Laws.** CONTRACTOR shall provide all Services in accordance with all applicable federal and state laws, statutes, regulations, and local ordinances and resolutions, including all provisions of the Act, as any may now exist or as amended or added after the Date of Agreement.

**9.2 Familiarity with Work.** By executing this Agreement and prior to performing or providing any Services under this Agreement, CONTRACTOR warrants and shall be satisfied that (a) it has thoroughly investigated and considered the Services, (b) it has carefully considered how the Services should be performed, will be implemented, and will be completed, and (c) it fully understands the facilities, difficulties, and restrictions, attending carrying out the performance obligations of this Agreement.

**9.3 Care of Work.** CONTRACTOR shall adopt reasonable methods during the term of this Agreement to furnish continuous protection to the property (real and personal property), facilities, equipment, persons providing or receiving Services, work product, records, and other papers to prevent losses or damages. CONTRACTOR shall be responsible for all losses or damages to persons or property (including real property, personal property, both tangible and intangible), except the losses or damages caused by COMMISSION's sole negligence. CONTRACTOR shall correct any incomplete, inaccurate, or defective work or service at no further cost to COMMISSION when the inaccuracies are due to negligence, inaction, or intentional misconduct of CONTRACTOR.

**9.4 Severability.** Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be determined to be invalid by a final judgment or decree of a court of competent jurisdiction, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of that provision, or the remaining provisions of this Agreement unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

**9.5 California Law.** This Agreement shall be construed and interpreted both as to validity and to performance in accordance with the laws of the State of California. Legal actions concerning any dispute, claim, or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Orange, State of California, and CONTRACTOR covenants and agrees to submit to the personal jurisdiction of the court in the event of any action.

**9.6 Waiver.** No delay or omission in the exercise of any right or remedy of a non-defaulting party on any default shall impair any right or remedy or be construed as a waiver. One



party's consent or approval of any act by the other party requiring the other party's consent or approval shall not be deemed to waive or render unnecessary the party's consent to or approval of any subsequent act of the party. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

**9.7 Rights and Remedies Cumulative.** Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of the rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

**9.8 Covenant Against Discrimination.** In the performance of this Agreement, CONTRACTOR shall not engage in, nor permit any employee or agent to engage in, discrimination in employment of persons or provision of Services or assistance, nor exclude any person from participation in, nor deny any person the benefits of, nor or subject any person to discrimination under any program or activity funded in whole or in part with COMMISSION funds on the grounds of race, religion, color, national origin, ancestry, physical handicap, medical condition, marital status, gender, or sexual orientation, except as permitted by applicable provisions of federal and state law. CONTRACTOR shall comply with Title II of the Americans with Disabilities Act, (42 U.S.C. §12101, *et. seq.*) as it relates to public accommodations.

**9.9 Legal Action.** In addition to any other rights or remedies, either party may take legal action, at law or at equity, to cure, correct, or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement.

**9.10 Attorneys' Fees.** If either party commences an action against the other party arising out of or in connection with this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs of suit from the non-prevailing party.

**9.11 Use of Commission Name and Logo.** CONTRACTOR shall use COMMISSION's name and logo on all materials, promotional information, and products that relate to Commission-funded programs, unless otherwise agreed to between CONTRACTOR and ADMINISTRATOR at ADMINISTRATOR's sole discretion. CONTRACTOR shall comply with COMMISSION's guidelines related to the use of COMMISSION's name and logo as stated in its Policies and Procedures Guide.

**9.12 Time of Essence.** Time is of the essence in the performance of this Agreement.

**9.13 No Broker or Finders' Fee.** CONTRACTOR warrants that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this Agreement.

**9.14 No Use of Funds for Lobbying.** CONTRACTOR shall not expend any monies paid or payable under this Agreement for the purpose of influencing or attempting to influence an officer, member, or employee of COMMISSION, any County of Orange officer or employee, any member or employee of First 5 California, any member of the State legislature or member of Congress, or any other officer or employee of any public agency or entity, in connection with the awarding of any contract, the making of any contract, the entering into of any cooperative agreement, or the extension,

continuation, renewal, amendment, or modification of any contract, grant, loan, or cooperative agreement.

**9.15 Constitutional Use of Funds.** As an express condition to this Agreement, CONTRACTOR agrees that the funds provided by COMMISSION to CONTRACTOR shall not be used to promote any religion, religious creed or cult, denomination, sectarian organization or religious belief or to fund any proselytizing activities. The parties agree the above covenant is intended to and shall be construed for the limited purpose of assuring compliance with respect to the use of COMMISSION funds by CONTRACTOR with applicable constitutional limitations respecting the establishment of religion as set forth in the establishment clause under the First Amendment of the United States Constitution and Article I, Section 4 of California Constitution, and is not in any manner intended to restrict other activities of CONTRACTOR.

**9.16 Child Abuse Reporting.** CONTRACTOR shall establish a procedure to ensure that all employees, volunteers, consultants, agents, or Subcontractors performing Services under this Agreement report child abuse or neglect to a child protective agency as defined in Penal Code Section 11165.9 to the extent required by applicable law. CONTRACTOR shall require each employee, volunteer, agent, and Subcontractor who provides Services to or for CONTRACTOR in implementation of the Scope of Work described in Exhibit A and funded by this Agreement, to the extent each person is legally subject to the requirements, to sign a statement acknowledging the reporting requirements and to comply with the reporting requirements to the extent required by applicable law.

**9.17 CONTRACTOR Cooperation with Other COMMISSION Contractors.** CONTRACTOR acknowledges that the goal of COMMISSION and its Strategic Plan is to develop an integrated quality service system to ensure access to a quality child and family support services delivery system for Orange County children. CONTRACTOR agrees to cooperate reasonably with other COMMISSION contractors and consultants to achieve the objectives of the Strategic Plan and support COMMISSION by forming cooperative partnerships to serve children, ages prenatal through five, and their families with other services funded through COMMISSION.

**9.18 Political Activity.** CONTRACTOR agrees that the funds provided in this Agreement shall not be used to promote, directly or indirectly, any political party, political candidate, or political activity, except as permitted by law.

**9.19 Child Care Provider Notification; Admission Procedures and Parental and Authorized Representative's Rights.** If applicable to the Services, CONTRACTOR shall establish and carry out the requirements of Title 22 of the California Code of Regulations (CCR) relating to childcare providers and provision of licensed childcare, day care, or other early care and education. To the extent required by applicable laws and regulations, CONTRACTOR shall complete the following:

**9.19.1** CONTRACTOR shall comply with 22 CCR Section 101218.1 to ensure all parents and authorized representatives of minor children receiving Services under this Agreement are notified regarding any employee, volunteer, consultant, or agent of CONTRACTOR with a criminal record exemption.

**9.19.2** CONTRACTOR shall (i) post a current copy of the California Department of Social Services (CDSS) Parents' Rights Poster in a prominent location; (ii) provide all parents and authorized representatives current copies of all CDSS notification forms and retain all parent signature

or acknowledgement portions of those forms in the child's file; (iii) upon request, provide parents and authorized representatives with the name of any person associated with CONTRACTOR (including any employee, volunteer, consultant, or agent of CONTRACTOR) who has been granted a criminal record exemption and that person's relationship to CONTRACTOR.

**9.20** CONTRACTOR shall document all requests by parents or authorized representatives for criminal exemption information. Such documentation shall be jointly signed by an authorized representative of CONTRACTOR and the parent or authorized representative and maintained in the child's file.

**9.21 Suspension and Debarment.** CONTRACTOR certifies that neither CONTRACTOR nor its officers or principals are debarred or suspended from any federal financial assistance programs or activities.

**10. REPRESENTATIONS AND WARRANTIES OF CONTRACTOR.** CONTRACTOR makes the following representations and warranties to COMMISSION. These representations and warranties are ongoing, and CONTRACTOR shall advise ADMINISTRATOR in writing if there is any change pertaining to any matters set forth or referenced in the following Subparagraphs 10.1 through 10.5. Any changes may give rise for COMMISSION to terminate for cause due to default.

**10.1 Conflicts of Interest.** CONTRACTOR covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of COMMISSION or which would in any way hinder CONTRACTOR's performance of Services under this Agreement. CONTRACTOR further covenants that, in the performance of this Agreement, no person having any such interest shall be employed by it as an officer, employee, agent, or subcontractor without the express written consent of the COMMISSION. CONTRACTOR agrees to at all times avoid conflicts of interest or the appearance of any conflicts of interest with the interests of COMMISSION in the performance of this Agreement.

**10.2 No Bankruptcy.** CONTRACTOR is not the subject of any current or threatened bankruptcy.

**10.3 No Pending Legal Proceedings.** CONTRACTOR is not the subject of a current or threatened litigation that would or may materially affect CONTRACTOR's performance under this Agreement.

**10.4 No Pending Investigation.** CONTRACTOR is not aware that it is the subject of any current or threatened criminal or civil action investigation by any public agency, including, without limitation, a police agency or prosecuting authority, related, directly or indirectly, to the provision of Services under this Agreement.

**10.5 Licenses and Standards; Compliance with Laws.** CONTRACTOR warrants that it has all necessary licenses and permits required by the laws of the United States, State of California, County of Orange, any local jurisdiction in which it may do business or provide Services, and all other appropriate governmental agencies. CONTRACTOR agrees to maintain these licenses and permits in effect for the duration of this Agreement. CONTRACTOR shall only contract with Subcontractors that are duly licensed, insured, and qualified to provide Services under this Agreement, as applicable. CONTRACTOR warrants that its employees, agents, contractors, and Subcontractors shall conduct themselves in compliance with the laws and licensure requirements. CONTRACTOR shall notify

ADMINISTRATOR immediately and in writing of its inability to obtain or maintain, irrespective of the pendency of any appeal, any of the permits, licenses, approvals, certificates, waivers, or exemptions. The inability shall be cause for termination of this Agreement by COMMISSION.

**11. CONFIDENTIALITY.** CONTRACTOR shall maintain the confidentiality of all records in accordance with all applicable state and federal laws and regulations relating to privacy and confidentiality and with COMMISSION's adopted Confidentiality and Data Sharing Protocol, which is incorporated herein by this reference, as each now exists or may be amended after the Date of Agreement, and as may be required by any other funding sources allocated through this Agreement.

**11.1** All records and information concerning any and all persons referred to CONTRACTOR by COMMISSION, or COMMISSION's designee, shall be considered and kept confidential by CONTRACTOR and CONTRACTOR's staff, agents, employees, Subcontractors, and volunteers.

**11.2** CONTRACTOR shall require its employees, agents, and volunteers to sign an acknowledgement or other certification which certifies that each will keep the identities and any information with respect to any and all service recipients of CONTRACTOR related to Services authorized under this Agreement confidential except as may be required to provide Services under this Agreement, to comply with any reporting and auditing requirements specified in this Agreement, as required by COMMISSION in the administration of this Agreement, or as otherwise permitted by law.

**11.3** CONTRACTOR agrees that any and all approved subcontracts entered into shall include the confidentiality requirements of this Agreement.

**11.4** CONTRACTOR shall inform all of its employees, agents, Subcontractors, volunteers, and partners of this provision that any person who knowingly and intentionally violates the provisions of federal, state, or local confidentiality laws may be guilty of a crime and subject to civil action.

**11.5 Authorized Data Sharing.** The provisions of Subparagraphs 11.1.1 through 11.1.4 are not applicable to authorized data sharing pursuant to COMMISSION-funded projects or as permitted by law.

**11.6 HIPAA Business Associate Agreement.** If the Services require access to protected health information governed by the Health Insurance Portability and Accountability Act (HIPAA), CONTRACTOR agrees to comply, and to require its employees, Subcontractors, agents, and volunteers to comply, with the HIPAA Business Associate Agreement, which is attached hereto as Exhibit D and incorporated into this Agreement by this reference.

## **12. REPORTING REQUIREMENTS.**

**12.1 Reports.** Separate from any other reports required in the Project Summary, Exhibit A, or the Work Plan, Exhibit A-1, CONTRACTOR shall prepare and submit to ADMINISTRATOR reports concerning the performance of the Services required by this Agreement and any other reports as ADMINISTRATOR may reasonably require.

**12.2 Ancillary Reporting Requirement Related to Enforcement of Child Support Obligations.**

**12.2.1 County Requirements.** In order to comply with child support enforcement requirements of the County of Orange, CONTRACTOR agrees to furnish to ADMINISTRATOR within thirty (30) days of the award of this Agreement:

(a) in the case of an individual contractor, his or her name, date of birth, Social Security number, and residence address;

(b) in the case of a contractor doing business in a form other than as an individual, the name, date of birth, Social Security number, and residence address of each individual who owns an interest of ten percent (10%) or more in the contracting entity;

(c) a certification that contractor has fully complied with all applicable federal and state reporting requirements regarding its employees; and

(d) a certification that contractor has fully complied with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment, and will continue to so comply.

**12.2.2 Failure to Comply Breach.** The failure of CONTRACTOR to timely submit any of the data or certifications required by Subparagraph 12.2.1; to comply with all federal and state employee reporting requirements for child support enforcement; or to comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment shall constitute a material breach of this Agreement. Failure to cure such breach within sixty (60) calendar days of notice from the County of Orange or COMMISSION shall constitute grounds for termination of this Agreement.

**12.2.3 Use of Data Solely for Government Enforcement of Child Support Orders.** It is expressly understood that this data will be transmitted to governmental agencies charged with the establishment and enforcement of child support orders, and for no other purposes.

**12.2.4 Exemptions.** Agreements with public entities shall be exempt from the requirements of Subparagraph 12.2 above. Agreements with non-profit organizations which have no owners shall be exempt from the requirements of Subparagraph 12.2.1(b) above.

**13. AUDITS.** CONTRACTOR shall perform an audit(s) of records as described in this Agreement.

**13.1 Fiscal Audit of Contract.** CONTRACTOR shall employ an independent, licensed Certified Public Accountant (“CPA”) who shall prepare and file with ADMINISTRATOR a “Fiscal Audit” of this Agreement that shall include a review of the invoices submitted and paid for the reasonable cost of Services under this Agreement and a sampling (test) of the supporting documentation. CONTRACTOR shall require the CPA to provide an unqualified professional written opinion that states whether the invoices for payment submitted by CONTRACTOR under this Agreement were for actual and reasonably necessary costs and expenses to pay for work performed or goods purchased pursuant to the terms and conditions of this Agreement and whether the indirect cost rate applied to staffing for invoices submitted and paid, if any, is in accordance with the requirements of Paragraph 14.5. CONTRACTOR shall ensure that corrective action is taken with respect to audit exceptions for lack of internal controls or adequate procedures noted in the Fiscal Audit within six (6) months after issuance of the applicable Fiscal Audit report.

**13.1.1 Multi-Year Funding.** There shall be a Fiscal Audit completed for each year of this Agreement. Each annual Fiscal Audit shall become due within sixty (60) days after the anniversary of the Date of Agreement. The final Fiscal Audit shall become due within sixty (60) days after the end of the term of the Agreement or the date of termination of this Agreement, whichever occurs earlier. CONTRACTOR and ADMINISTRATOR may mutually agree in writing to extend the date by which each Fiscal Audit is due.

**13.1.2 Retention Amount.** The COMMISSION shall withhold the Retention Amount discussed in Paragraph 14.7 pending timely and successful completion of each Fiscal Audit.

**13.2 Retention of Rights to Audit and Monitor Performance under Agreement.** COMMISSION, First 5 California, and their respective representatives (collectively, “Representatives”), reserve all rights and shall have access to any books, documents, papers, and records, including medical records, of CONTRACTOR and any Subcontractor performing Services under this Agreement for the purpose of monitoring or auditing CONTRACTOR’s performance under this Agreement. The Representatives have the right at all reasonable times to monitor, inspect, or otherwise evaluate the work performed or being performed under this Agreement and the premises in which it is being performed, including unannounced on-site monitoring. Monitoring activities may also include, but are not limited to, questioning employees, volunteers, and participants for the subject Services and entering any premises or any site in which any of the Services funded by this Agreement are conducted or in which any of the records of CONTRACTOR or any Subcontractor are kept. Nothing in this Agreement shall be construed to require access to any privileged or confidential information unless authorized by federal or state law. CONTRACTOR shall make available its records within the borders of Orange County within ten (10) days after receipt of written demand by ADMINISTRATOR. In the event CONTRACTOR does not make available its records within the borders of Orange County, CONTRACTOR agrees to pay all necessary and reasonable direct and indirect expenses incurred by COMMISSION or COMMISSION’s designee(s) necessary to obtain CONTRACTOR’s records.

**13.3 Compliance with Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.** If CONTRACTOR receives federal funding under this Agreement, CONTRACTOR shall comply with 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. CONTRACTOR shall employ a licensed CPA who shall prepare and file with ADMINISTRATOR an annual organization-wide audit of related expenditures during the term of this Agreement in compliance with the Audit requirements in 2 CFR Part 200.500, et seq. The audit must be performed in accordance with generally accepted government auditing standards and 2 CFR Part 200.500, et seq.

**14. MAXIMUM PAYMENT OBLIGATION.** The “Maximum Payment Obligation” of COMMISSION to CONTRACTOR under this Agreement shall be \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) or the actual reasonable cost incurred and paid for performance of the Services, whichever is *less*.

**14.1 Multi-Year Contracts.** For multi-year contracts, the Maximum Payment Obligation for each period shall be as follows: *[If not a multi-year contract, rather than deleting this section in its entirety, please just delete the text of 14.1 and the subparagraphs but leave the heading so that the paragraph numbering for the subsequent sections do not change. Change to “14.1 [Reserved]”]*

**14.1.1** The Maximum Payment Obligation of COMMISSION to CONTRACTOR for the Services to be provided for the period \_\_\_\_\_ through \_\_\_\_\_ shall be \$\_\_\_\_\_.

**14.1.2** The Maximum Payment Obligation of COMMISSION to CONTRACTOR for the Services to be provided for the period \_\_\_\_\_ through \_\_\_\_\_ shall be \$\_\_\_\_\_.

**14.1.3** The Maximum Payment Obligation of COMMISSION to CONTRACTOR for the Services to be provided for the period \_\_\_\_\_ through \_\_\_\_\_ shall be \$\_\_\_\_\_.

**14.2 Initial Payment.** ADMINISTRATOR may, in his or her sole discretion, authorize an initial payment to CONTRACTOR in an amount not to exceed 25% [*or 12.5% per year for a two year agreement or 8.33% per year for a three year agreement*] of COMMISSION's Maximum Payment Obligation upon receipt of a written request(s) by CONTRACTOR. Request(s) shall be accompanied by the justification as ADMINISTRATOR may require. ADMINISTRATOR may approve subsequent requests for initial payments not to exceed twenty-five percent (25%) of any budget period, contingent upon CONTRACTOR having repaid all prior initial payment amounts in any prior budget period. The initial payment is intended to cover initial costs that are estimated to have been incurred or are expected to be incurred in the performance of Services by CONTRACTOR. ADMINISTRATOR may, in his or her sole discretion, deduct the initial payment(s) from any one or more subsequent payments owed to CONTRACTOR during the term of this Agreement. If, at the end of the term of this Agreement, there is any balance of the initial payment not deducted from subsequent payment requests, CONTRACTOR shall owe and shall immediately refund said monies to COMMISSION.

**14.3 Provisional Payment.** At ADMINISTRATOR's sole discretion, CONTRACTOR may submit an invoice prior to the beginning of the mutually agreed upon billing period to perform the Services required by this Agreement, and COMMISSION may pay CONTRACTOR's provisional payment invoice within a reasonable period of time estimated to be thirty (30) days after receipt of a correctly completed invoice. CONTRACTOR shall submit to ADMINISTRATOR a reconciliation of actual costs incurred during the billing period covered by the provisional payment no later than ninety (90) days after the provisional payment invoice is submitted or within thirty (30) days of the end date of this Agreement, whichever occurs earlier. Any overpayment resulting from a Provisional Payment(s) and subsequent reconciliation of actual cost incurred for the period shall be deducted from subsequent invoices submitted by CONTRACTOR or repaid by CONTRACTOR to COMMISSION in accordance with the provisions of Paragraph 15 below.

**14.4 Billing/Payment Interval.** COMMISSION shall pay CONTRACTOR invoice payments monthly or quarterly in arrears, at ADMINISTRATOR's sole discretion, as specified in Exhibit A, for actual reasonable costs incurred and paid by CONTRACTOR to perform the Services required by this Agreement in accordance with the amounts and categories specified in the Project Budget, Exhibit B, for the Services; provided, however, that payments for each line item shall not exceed the amount specified, and ADMINISTRATOR may approve adjustments of the amount set forth within each line item, so long as the total of all amounts within all line items, as adjusted, shall not exceed COMMISSION's Maximum Payment Obligation. The total of all invoice payments and provisional payments shall not exceed COMMISSION's Maximum Payment Obligation.

**14.5 Indirect Cost Rate.** CONTRACTOR shall apportion any indirect costs attributable to this Agreement determined by the Maximum Payment Obligation solely attributable and allocable to Services under this Agreement as the percentage of CONTRACTOR's total revenue received during the previous fiscal year. Notwithstanding anything to the contrary, CONTRACTOR's indirect cost rate shall in no event exceed ten percent (10%) of the applicable funding under this Agreement.

**14.6 Invoices.** CONTRACTOR shall submit completed invoices monthly or quarterly upon a form approved or supplied by ADMINISTRATOR.

**14.6.1** Each monthly or quarterly invoice shall be submitted with an express written certification by CONTRACTOR representing and affirming to COMMISSION the following:

(a) CONTRACTOR has and maintains accurate records evidencing the requested monthly or quarterly payment including, without limitation, the following: (1) original invoice(s); (2) original or true copies of source documents including, including, but not limited to, statement of work performed, itemized on a monthly basis, general ledgers, supporting journals, time sheets, invoices, canceled checks (if received), or bank statements, receipts, and receiving records; and (3) originals or true copies of other receipts, agreement(s), or other documentation supporting and evidencing how the funds have been expended during the applicable quarter; provided, however, for the first monthly or quarterly payment, ADMINISTRATOR, in his or her sole discretion, may consider and approve an invoice from CONTRACTOR that includes reimbursement of CONTRACTOR expenses incurred prior to the Date of Agreement, as more fully set forth in the Project Budget, Exhibit B; and

(b) the Services provided during the preceding quarter (or other period for which payment is requested) have not and do not supplant existing services but enhance or establish new services to Orange County's children ages prenatal through five.

**14.7 Retention Amount.** CONTRACTOR expressly acknowledges and agrees that an amount equal to ten percent (10%) of each monthly or quarterly invoice for Services ("Retention Amount") may be withheld by COMMISSION pending the timely and successful completion and performance of each Fiscal Audit for the Services as described in Paragraph 13. The ADMINISTRATOR retains sole discretion to increase or decrease the Retention Amount, including withholding the CONTRACTOR's entire final monthly or quarterly invoice for each fiscal year.

**14.8 Final Invoice/Settlement.** Any and all final invoices for Services must be received by ADMINISTRATOR no later than sixty (60) days from the termination of this Agreement. Invoices for Services received after this date and time may not be processed for payment or reimbursed. CONTRACTOR and ADMINISTRATOR may mutually agree in writing to modify the date upon which the final invoice must be received.

**14.9 Source of COMMISSION Funding.** CONTRACTOR knowingly and expressly acknowledges and agrees that the source of funding provided pursuant to this Agreement is from monies allocated, received, and available to COMMISSION from the surcharges, taxes, and revenues collected and allocated to COMMISSION through the provisions of the Act. To the extent, if at all, any or all provisions of the Act are found invalid, stayed, tolled, or are modified by litigation, subsequent initiative, or legislation, and the funding provided for under this Agreement is affected, COMMISSION is and shall be relieved of obligations under this Agreement, or this Agreement shall be modified or amended to conform to the changes to the Act, as elected by COMMISSION. If



COMMISSION is not allocated or does not receive adequate funding for its performance under this Agreement, then COMMISSION shall be relieved of obligations under this Agreement, or this Agreement shall be amended to conform to the changes in funding allocations or changes to the Act, as elected by COMMISSION.

#### **14.10 PROGRAM FEES**

**14.10.1** The parties agree that the following guidelines apply in the event fees of any amount are charged by CONTRACTOR to COMMISSION's target population of Orange County's children ages prenatal to five years of age and their families ("Program Participants") for any Services provided under this Agreement:

**14.10.2** CONTRACTOR shall not charge fees to COMMISSION's Program Participants prior to obtaining ADMINISTRATOR's acknowledgement in writing.

**14.10.3** CONTRACTOR shall advise each COMMISSION Program Participant that fees may be charged and shall notify the Program Participant of any such fees prior to rendering Services.

**14.10.4** CONTRACTOR shall advise each COMMISSION Program Participant that all fees may be waived if the Program Participant indicates an inability to pay, and CONTRACTOR shall waive all fees if the Program Participant is unable to pay, upon approval by ADMINISTRATOR.

**14.10.5** CONTRACTOR shall not deny Services to any COMMISSION Program Participant for any reason, including Program Participant's inability to pay for Services.

**14.10.6** A full accounting of all fees charged and collected shall be documented by CONTRACTOR and shall be provided to ADMINISTRATOR upon request. At no time is CONTRACTOR permitted to collect fees for any purpose other than to continually provide Services identified in this Agreement.

**14.10.7** All fees collected shall be fully accounted for and included in CONTRACTOR's Fiscal Audit as described in Paragraph 13.1 of this Agreement.

**15. OVERPAYMENTS.** Any payment(s) made by COMMISSION to CONTRACTOR in excess of that to which CONTRACTOR is entitled under this Agreement shall be immediately due to COMMISSION and repaid by CONTRACTOR. CONTRACTOR shall make repayment on any overpayment within thirty (30) days of COMMISSION's request. In the event the overpayment exceeds the final payment, the amount is immediately due and payable, and CONTRACTOR shall pay COMMISSION the sum within five (5) days of written notice from ADMINISTRATOR. CONTRACTOR agrees to pay all fees and costs, including attorneys' fees, incurred by COMMISSION necessary to enforce the provisions set forth in this Agreement.

**15.1 Offset Permitted.** In the event of an overpayment, ADMINISTRATOR may reconcile and offset the amount of the overpayment against the next installment payment due or against the final invoice amount due and to be paid, as elected in the sole discretion of ADMINISTRATOR. Nothing in this Agreement shall be construed as limiting the remedies of COMMISSION in the event that an overpayment has been made.

**15.2 Offset Permitted under Subsequent Renewal or Other Pending Contract.** COMMISSION's Strategic Plan is implemented through funding of various initiatives, and certain contractors/funding recipients are and have been awarded multiple or renewed funding for services related to or comparable to the Services provided under this Agreement. CONTRACTOR agrees that if this Agreement is either (i) a renewal contract related to prior funding to CONTRACTOR for services comparable to the Services, or (ii) CONTRACTOR has one or more other contracts pending with COMMISSION with a term or terms concurrent in whole or in part with this Agreement, then in the event of an overpayment under this Agreement, ADMINISTRATOR may reconcile and offset the amount of the overpayment against monies payable under the renewal contract or other contract pending with COMMISSION.

## **16. MAINTENANCE AND OWNERSHIP OF RECORDS.**

**16.1 Maintain Complete Books and Records.** In accordance with generally accepted accounting principles, CONTRACTOR and its Subcontractors shall maintain reasonably full and complete books, documents, papers, accounting records, medical records, and all other information (collectively, the "records") pertaining to the costs of and completion of Services performed under this Agreement. CONTRACTOR shall maintain all such records for a period of at least three (3) years from the date of payment on the final invoice submitted to ADMINISTRATOR or three (3) years after all pending audits are completed, whichever occurs later.

**16.2 Release of Records.** The records of Services, data, surveys, drawings, specifications, reports, records, documents, evaluation reports, and other materials prepared by CONTRACTOR in the performance of this Agreement shall not be released publicly without the prior written approval of ADMINISTRATOR or as required by law. CONTRACTOR shall not disclose any information regarding the activities of COMMISSION, except as required by law or as authorized by ADMINISTRATOR.

**16.3 Ownership of Records.** Specialized methodology, formulae, software programs of CONTRACTOR and other intellectual processes which have been specifically designed and developed by CONTRACTOR and which were not funded by or assisted in the development by COMMISSION or its agents which shall be deemed proprietary in nature and shall be and remain the proprietary property of CONTRACTOR. All other documents, information, software, and intellectual property and records, including, without limitation, the originals of all drawings, specifications, reports, records, data, surveys, documents, and other materials, whether in hard copy or electronic form, which are prepared by CONTRACTOR, its employees, Subcontractors, or agents in the performance of this Agreement, are and shall remain the property of COMMISSION and shall be delivered to ADMINISTRATOR, as appropriate, upon the termination of this Agreement or upon the earlier request of ADMINISTRATOR. CONTRACTOR shall have no right to further contracts or additional compensation of whatever kind or nature as a result of the exercise by COMMISSION of its full rights of ownership of the documents and materials under this Agreement. CONTRACTOR may retain copies of the documents and materials for its own use but shall not enter into any contract or license for use or for payment of the documents. CONTRACTOR shall cause each Subcontractor to assign to COMMISSION any documents or materials prepared by it. In the event CONTRACTOR fails to secure the assignment, CONTRACTOR shall indemnify COMMISSION for all damages suffered by the failure to obtain the assignment. COMMISSION agrees that, if necessary, it will undertake reasonable and appropriate steps to maintain the proprietary nature of CONTRACTOR's proprietary property, except as may be required by applicable laws.

**17. PATENT AND COPYRIGHT INFRINGEMENT.**

**17.1** In lieu of any other warranty by COMMISSION or CONTRACTOR against patent or copyright infringement, statutory or otherwise, it is agreed that CONTRACTOR shall defend at its expense any claim or suit against COMMISSION on account of any allegation that any item furnished under this Agreement or the normal use or sale thereof arising out of the performance of this Agreement, infringes upon any presently existing U.S. letters patent or copyright, and CONTRACTOR shall pay all costs and damages finally awarded in any such suit or claim, provided that CONTRACTOR is promptly notified in writing of the suit or claim and given authority, information, and assistance at CONTRACTOR's expense for the defense of same. CONTRACTOR will not indemnify COMMISSION if the suit or claim results from: (1) COMMISSION's alteration of a deliverable, such that said deliverable in its altered form infringes upon any presently existing U.S. letters patent or copyright; or (2) the use of a deliverable in combination with other material not provided by CONTRACTOR when such use in combination infringes upon an existing U.S. letters patent or copyright.

**17.2** CONTRACTOR shall have sole control of the defense of any such claim or suit and all negotiations for settlement thereof. CONTRACTOR shall not be obligated to indemnify COMMISSION under any settlement made without CONTRACTOR's consent or in the event COMMISSION fails to cooperate fully in the defense of any suit or claim, provided, however, that said defense shall be at CONTRACTOR's expense. If the use or sale of said item is enjoined as a result of such suit or claim, CONTRACTOR, at no expense to COMMISSION, shall obtain for COMMISSION the right to use and sell said item, or shall substitute an equivalent item acceptable to COMMISSION and extend this patent and copyright indemnity thereto.

**18. CONTRACTOR OBLIGATION TO PROVIDE DATA FOR COMMISSION'S EVALUATION AND CONTRACTS MANAGEMENT SYSTEM.**

**18.1 Evaluation and Contracts Management System.** Services under this Agreement may include tracking service data related to client outcomes about Orange County children in furtherance of the goals and objectives of COMMISSION's Strategic Plan. CONTRACTOR acknowledges and agrees that as a part of the integrated data structure of the evaluation and contract management system (hereinafter referred to as "System") in its performance under this Agreement, there may be individual client-shared core data elements. Upon request by ADMINISTRATOR, CONTRACTOR shall participate in the System using the COMMISSION Confidentiality and Data Sharing Protocol. CONTRACTOR agrees to cooperate with COMMISSION, ADMINISTRATOR, and COMMISSION's designated System contractor/consultant and other information technology contractors; it shall provide data to COMMISSION's designated System contractor/consultant; and it shall utilize the System, or other data system, as elected by COMMISSION and its ADMINISTRATOR in their sole discretion, for reporting data related to or created by the Services provided under this Agreement in order for COMMISSION to track, analyze, and evaluate all Services provided by CONTRACTOR. The level of participation with the System required by CONTRACTOR shall be determined by ADMINISTRATOR.

**18.2 Confidentiality.** Nothing in the above paragraph shall require CONTRACTOR to release or disclose confidential health data or other patient identification which is expressly protected from disclosure by applicable federal and state laws; provided, however, if there are any applicable exceptions set forth in federal or state laws that permit disclosure by CONTRACTOR to

COMMISSION of health or other confidential data, then CONTRACTOR shall input the disclosable data into the System.

**18.3 Technical Requirements for PCs and Software Used by CONTRACTOR for all Recordkeeping and Reporting for the Services and Agreement.** CONTRACTOR agrees to obtain and maintain all computer hardware and software necessary to meet the requirements of this paragraph. CONTRACTOR is required to contact COMMISSION's designated System contractor/consultant prior to the commencement of Services to ensure that CONTRACTOR is capable of meeting all System requirements.

**19. OWNERSHIP OF INTELLECTUAL PROPERTY RIGHTS.** To the extent any intellectual property, tangible or intangible, is developed, created, or modified with the monies provided by COMMISSION under this Agreement, or is otherwise separately funded by COMMISSION under other projects, programs, contracts, or agreements and utilized by CONTRACTOR under this Agreement, COMMISSION does and shall own all right, title and interest (including patent rights, copyrights, trade secret rights, and other intellectual property rights throughout the world) relating to any and all the inventions (whether or not patentable), works of authorship, designs, know-how, ideas, and information made or conceived or reduced to practice, in whole or in part, by CONTRACTOR pursuant to the scope of Services provided under this Agreement (collectively the "Inventions"). CONTRACTOR agrees it shall promptly disclose all Inventions to COMMISSION. CONTRACTOR agrees to make all assignments and execute the legal documents necessary to accomplish the ownership and control for the benefit of COMMISSION. CONTRACTOR shall further assist COMMISSION, at COMMISSION's expense, to further evidence, record, and perfect the assignments and documentation, and to perfect, obtain, maintain, enforce, and defend any rights relating to the Inventions. CONTRACTOR irrevocably designates and appoints COMMISSION as its agent to lawfully perfect ownership and control of the Inventions (and if legally required for force and effect in order to perfect the ownership and control of the Inventions as its attorney-in-fact). As agent, COMMISSION may act for and on CONTRACTOR's behalf to execute and file any document and to do all other lawfully permitted and required acts to effect the ownership and control of the Inventions. If CONTRACTOR uses, provides, or discloses any of the Inventions when acting within the scope of CONTRACTOR's performance of Services or otherwise on behalf of COMMISSION, COMMISSION will have and CONTRACTOR grants COMMISSION a perpetual, irrevocable, worldwide royalty-free, non-exclusive, sublicensable right and license to exercise all rights to the Inventions.

**20. COPYRIGHT ACCESS.** COMMISSION, the State of California, and First 5 California, shall have a royalty-free, nonexclusive, and irrevocable license to publish, translate, or use all material and work product (both tangible and intangible), if any, developed under this Agreement including those materials covered by copyright.

**21. NOTICES.**

**21.1 Method and Form of Notice.** Unless otherwise specified, all formal notices, invoices, claims, correspondence, or reports shall be addressed as follows:

**COMMISSION:** Children and Families Commission of Orange County  
Contracts Manager  
1505 E. 17<sup>th</sup> Street, Suite 230  
Santa Ana, CA 92705

**CONTRACTOR:** See Exhibit A

All notices shall be deemed effective when in writing and personally delivered or deposited in the United States mail, express, priority, or first class, postage prepaid and addressed as above. ADMINISTRATOR and CONTRACTOR may mutually agree in writing to change the addresses to which notices are sent.

**21.2 Advisory Notices Required.** CONTRACTOR shall notify COMMISSION, in writing, within twenty-four (24) hours of becoming aware of any occurrence of a serious nature that may expose COMMISSION to liability. These occurrences shall include, but not be limited to, accidents, injuries, or acts of negligence, or loss or damage to any COMMISSION property in possession of CONTRACTOR.

## **22. RIGHTS OF TERMINATION.**

**22.1 Termination for Convenience Prior to Expiration of Term.** COMMISSION may terminate this Agreement for its convenience at any time upon fifteen (15) days' written notice to CONTRACTOR. Upon receipt of a notice of termination for convenience, CONTRACTOR shall immediately cease performance of Services under this Agreement except such as may be specifically approved by ADMINISTRATOR. CONTRACTOR shall be entitled to compensation for all Services satisfactorily rendered prior to receipt of the notice of termination and for the part of the Services authorized by ADMINISTRATOR after the notice in accordance with the compensation provisions of this Agreement, or other arrangement for compensation as may be approved by the ADMINISTRATOR in writing. COMMISSION shall be not liable for any claim of lost profits or damages arising out of such termination.

**22.2 Termination for Cause Due to Default of CONTRACTOR.** COMMISSION may terminate this Agreement for cause due to the default by CONTRACTOR in its performance obligations under this Agreement. In the event of termination, CONTRACTOR shall immediately cease performance and provision of Services as of the date the notice of default is received or deemed received, whichever occurs earlier. COMMISSION may take over the work and prosecute the same to completion by contract or otherwise. CONTRACTOR shall be liable to the extent that the total cost for completion of the Services required by this Agreement exceeds the compensation stipulated in this Agreement, provided that COMMISSION shall use reasonable efforts to mitigate damages. COMMISSION may withhold any outstanding payments to CONTRACTOR for the purpose of set off or partial payment of the amounts owed COMMISSION as previously set forth in this Agreement. The withholding or failure to withhold payments to CONTRACTOR shall not limit CONTRACTOR's liability for completion of the Services as provided herein.

**22.3** Upon a default or breach by CONTRACTOR, ADMINISTRATOR may, in his or her sole discretion, elect any or all of the following in addition to the termination provisions set forth in this paragraph and any other remedies available at law, in equity, or otherwise specified in this Agreement:

**22.3.1** Afford CONTRACTOR a time period of fifteen (15) days from the date the notice is deemed effective pursuant to Paragraph 21 to cure the default, or to commence to cure the breach and diligently pursue to completion the cure of the breach within thirty (30) days of the date the notice is effective;

**22.3.2** Discontinue payment and eligibility for payment to CONTRACTOR for and during the period in which CONTRACTOR is in breach, which payment may not be entitled to later recovery;

**22.3.3** Offset against any funds invoiced by CONTRACTOR but yet unpaid by COMMISSION those monies disallowed pursuant to the above offset authority; and

**22.3.4** Withhold from any monies payable to CONTRACTOR sufficient funds to compensate COMMISSION for any losses, costs, liabilities, or damages it reasonably believes were suffered by or have been incurred by COMMISSION due to the default of CONTRACTOR in the performance of the Services required by this Agreement.

## **23. REVERSION OF ASSETS.**

**23.1 Unencumbered or Unexpended Funds.** Upon the termination or expiration of the term of this Agreement, CONTRACTOR shall transfer to COMMISSION any unexpended and unencumbered COMMISSION funds on hand at the time of the termination or expiration and any accounts receivable attributable to the use of subject funds.

**23.2 Real or Personal Property Assets.** Any real property or moveable or immovable personal property (hereinafter referred to as "Property") under CONTRACTOR's control or ownership that was acquired or improved in whole or in part with COMMISSION funds disbursed under this Agreement, for which the original cost of the Property exceeded five thousand dollars (\$5,000) shall either be, at the election of ADMINISTRATOR: (1) used by CONTRACTOR for the Services or comparable services meeting the purposes of the Act and Strategic Plan for a period of five (5) years after termination or expiration of this Agreement, unless a longer period is specified in the Project Summary, Exhibit A; or (2) disposed of and proceeds paid to COMMISSION in a manner that results in COMMISSION being reimbursed in the amount of the fair market value at the time of termination or expiration of this Agreement (assuming depreciation in accordance with customary business practices) of the Property less any portion of the value attributable to CONTRACTOR's out of pocket expenditures using non-COMMISSION funds for acquisition of, or improvements to, the Property and less any direct and reasonable costs of disposition, including a reasonable and customary broker's fee incurred in listing and completion of sale of the asset.

**23.2.1** If ADMINISTRATOR selects continued use of the Property, then CONTRACTOR agrees that it shall be subject to an ongoing operating and use covenant, which shall survive the termination or expiration of this Agreement and shall be actionable at law or in equity by COMMISSION against CONTRACTOR and its successors in interest.

**23.2.2** In the event ADMINISTRATOR selects disposition of the Property, then CONTRACTOR shall exercise due diligence to dispose of the Property in conformity with applicable laws and regulations and in accordance with customary business practices. The net proceeds of the disposition shall be disbursed directly to and be payable to COMMISSION upon the close of the disposition transaction, such as close of escrow for the sale of real property, transfer of motor vehicle "pink slip" in accordance with applicable California Vehicle Code requirements, or completion of sale of personal property by bill of sale in accordance with UCC requirements.

**24. COUNTERPARTS.** This Agreement may be executed in several counterparts, all of which shall constitute but one and the same instrument. Faxed or electronically scanned signatures shall have the same force and effect as an original signature.

**25. FORCE MAJEURE**

Either party shall be excused from performing its obligations under this Agreement during the time and to the extent that it is prevented from performing by an unforeseeable cause beyond its control, including but not limited to: any incidence of fire, flood; acts of God; commandeering of material, products, plants or facilities by the federal, state or local government; national fuel shortage; or a material act or omission by the other party; when satisfactory evidence of such cause is presented to the other party, and provided further that such nonperformance is unforeseeable, beyond the control and is not due to the fault or negligence of the party not performing.

**26. KEY PERSONNEL**

Project partners, managers, other supervisory staff, and specialists may be changed if those personnel leave the agency, are promoted, or are assigned to another office. The personnel may also be changed for other reasons with the express prior written permission of ADMINISTRATOR. However, in either case, ADMINISTRATOR reserves the right to accept or reject any or all replacements. Except as provided in this Agreement, CONTRACTOR reserves the right to determine the assignment of its own employees to the performance of Services under this Agreement, but COMMISSION reserves the right in its sole discretion to exclude any employee from performing Services under this Agreement.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

**IN WITNESS WHEREOF**, COMMISSION and CONTRACTOR have caused this Agreement to be effective in the County of Orange, State of California, on the date first above written.

**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY**, a public body and legal public entity

Dated: \_\_\_\_\_ By: \_\_\_\_\_  
Chair

SIGNED AND CERTIFIED THAT A COPY OF THIS DOCUMENT HAS BEEN DELIVERED TO THE CHAIR OF COMMISSION

By: \_\_\_\_\_  
Robin Stieler  
Clerk of the Commission

Dated: \_\_\_\_\_

APPROVED AS TO FORM:

WOODRUFF & SMART, APC

By: \_\_\_\_\_  
Cassie Trapesonian, Commission Counsel

**[Signature block for CONTRACTOR on next page.]**



**[Signature block continued from previous page.]**

**CONTRACTOR**

\_\_\_\_\_, a  
California [Entity Type]

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
[Name], [Board Title]

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
[Name], [Board Title]

*See requirements below for authorized signatures (remove note prior to execution):*

<i>Corporation</i>	<i>Default - California Corporations Code, Section 313 - requires 2 signatures - one signature from each list below.</i>		
	<i>Board Resolution – corporations can adopted a resolution delegating signature authority to a specific person or persons (the reso should have the name and title of those signers)</i>		
	<i>Signature 1</i>	<i>and</i>	<i>Signature 2</i>
	<ul style="list-style-type: none"> <li>• <i>Chairman of the Board,</i></li> <li>• <i>President, or</i></li> <li>• <i>Any Vice President</i></li> </ul>		<ul style="list-style-type: none"> <li>• <i>Secretary</i></li> <li>• <i>Any Assistant Secretary, or</i></li> <li>• <i>the CFO or an Assistant Treasurer</i></li> </ul>
<i>Limited Liability Company</i>	<i>Depends on the LLC Operating Agreement. Can be a Member or a Manager or someone else with delegated authority. Need to obtain documentation from the LLC.</i>		
<i>Partnership</i>	<i>Generally a General Partner would sign agreements but again, may have an internal document delegating signature authority.</i>		
<i>Sole Proprietor</i>	<i>Someone who has not formed a corporation, LLC or partnership, so they are acting as an individual.</i>		

**EXHIBIT A**

**PROJECT SUMMARY**

**\_\_\_\_\_ CONTRACTOR**

**Agreement # \_\_\_\_\_ FXX-XX-XX**

**Project Name**

**Term: \_\_\_\_\_**

**1. FUNDING RECIPIENT**

Contractor  
a California \_\_\_\_\_  
Address  
\_\_\_\_\_, CA \_\_\_\_

Contact:       Name/Title/Telephone Number/email address  
                  Name/Title/Telephone Number/email address

Work Plan and Data Entry Contact: Name/Title/Telephone Number/email address

Invoices/Documentation Contact: Name/Title/Telephone Number/email address

Designated Level of Data Reporting: AMM and CLDM

Signatories:   Name/Board Title  
                  Name/Board Title

**2. BACKGROUND**

As appropriate...

**3. PURPOSE AND SCOPE OF WORK**

The purpose of this Agreement is to provide \_\_\_\_\_

CONTRACTOR shall provide Services described in Exhibit A to achieve the outcomes described in the Work Plan, Exhibit A-1, within the funding limitations of the Project Budget, Exhibit B, and the staffing described in Attachment 1 to Exhibit B. CONTRACTOR shall:

**3.1**    ...

**3.2**    ...

**4. ATTACHMENTS TO EXHIBIT B**

**4.1**    Staffing

**4.2**    Direct Project Expenses

**4.3**    Subcontractors List

**4.4**    Location of Services to be Provided

**4.5** Indirect/Administrative Expenses

**5. WAIVERS/AMENDMENTS TO AGREEMENT**

None. [as applicable, list approved waiver(s)]

**6. INVOICING/PAYMENT ELECTIONS**

As of the Date of Agreement, the Parties mutually agree to the following invoicing/payment elections. Notwithstanding anything to the contrary and provided that any modifications to these elections do not alter the overall goals and basic purpose of the Agreement, and provided these modifications do not increase COMMISSION's Maximum Payment Obligation during the term of the Agreement, ADMINISTRATOR and CONTRACTOR may, in accordance with the authority described in Section 2.2 of this Agreement; make future modifications to the following invoicing/payment elections.

**6.1** Initial Payment. The Parties [*do/do not*] anticipate an Initial Payment request as described in Paragraph 14.2 of this Agreement.

**6.2** Billing/Payment Interval. The Parties agree that the interval for Billing and/or Payment for this Agreement as described in Paragraph 14.4 is [*quarterly/monthly*].

**6.3** Retention Timing. The Parties agree an amount equal to ten percent (10%) of each [*quarterly/monthly*] invoice attributable and allocable to Services [CONTRACTOR's entire final [*quarterly/monthly*] invoice attributable and allocable to Services] ("Retention Amount") as described in Subparagraph 14.8 shall be withheld by COMMISSION through ADMINISTRATOR pending the timely and successful completion and performance of each Fiscal Audit for the Services as described in Paragraph 13 of this Agreement.

**7. Funding Source and Additional Requirements (as applicable)**

**7.1** The parties acknowledge that funding for this Agreement includes (federal funding, or California Child Signature Program grant funds).

**7.2** The records retention period for this Agreement shall be five (5) years from the date of final disbursement of funds under this Agreement or the completion of any pending.

**8. CMAA and TCM (as applicable)**

**EXHIBIT A-1**

**WORK PLAN**

(See attached)

**EXHIBIT B**  
**PROJECT BUDGET**

<b>Entity Name</b>	<b>Funds Due 7/1/24 – 6/30/25</b>	<b>Funds Due 7/1/24 – 6/30/25</b>	<b>Funds Due 7/1/24 – 6/30/25</b>
Staffing			
Direct Project Expenses			
Capital Equipment			
Subcontracts			
Indirect/Administrative			
<b>TOTAL FUNDS DUE</b>			

**MAXIMUM PAYMENT OBLIGATION: \$ \_\_\_\_\_**

**Attachment 1 to Exhibit B**

**STAFFING TABLE**

	<b>7/1/24 - 6/30/25</b>	<b>7/1/24 - 6/30/25</b>	<b>7/1/24 - 6/30/25</b>
<b>Position Title:</b>	<b>FTE</b>	<b>FTE</b>	<b>FTE</b>
	<b>Salary &amp; Benefits</b>	<b>Salary &amp; Benefits</b>	<b>Salary &amp; Benefits</b>
	FTE	FTE	FTE
	\$	\$	\$

Minimum Qualifications:(Include education, licenses, and experience as applicable)

Job Duties: Provide services as described in subparagraphs \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_ of Exhibit A to this Agreement.

**Position Title:**

Minimum Qualifications:(Include education, licenses, and experience as applicable)

Job Duties: Provide services as described in subparagraphs \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_ of Exhibit A to this Agreement.

**Position Title:**

Minimum Qualifications:(Include education, licenses, and experience as applicable)

Job Duties: Provide services as described in subparagraphs \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_ of Exhibit A to this Agreement.

**Summary Table of Staffing Costs**

<b>07/01/24 – 06/30/25</b>	<b>07/01/24 – 06/30/25</b>	<b>\$07/01/24 – 06/30/25</b>
\$	\$	\$

**Attachment 2 to Exhibit B**

**DIRECT PROJECT EXPENSES TABLE**

<b>Expense Type</b>	<b>7/1/24 – 6/30/25</b>	<b>7/1/24 – 6/30/25</b>	<b>7/1/24 – 6/30/25</b>	<b>1-2 sentence narrative description of expenses.</b>
Category				Annual cost for
Category				Annual cost for
Category				Annual cost for
Category				Annual cost for
Category				Annual cost for
Category				Annual cost for
Category				Annual cost for
<b>Total Direct Project Expenses</b>				

**Attachment 3 to Exhibit B**

**SUBCONTRACTOR TABLE**

<b>Subcontractor Name, Address, Email and Phone Number</b>	<b>7/1/24 – 6/30/25</b>	<b>7/1/24 – 6/30/25</b>	<b>7/1/24 – 6/30/25</b>	<b>1-2 sentence description of services sub-contracted. This table is for services outsourced to a third Party.</b>

<b>Total Subcontract Costs</b>	<b>7/1/24 – 6/30/25</b>	<b>7/1/24 – 6/30/25</b>	<b>7/1/24 – 6/30/25</b>
	\$	\$	\$





**Attachment 5 to Exhibit B**

**INDIRECT PROJECT EXPENSES TABLE**

Definition: General management costs consist of administrative activities necessary for the general operation of the agency. Costs incurred for a common or joint objective: Services of the accounting staff, cost of utilities, local telephone service and communication infrastructure and salaries of personnel engaged in providing a broad range of departmental support activities.

**\*\*Indirect costs are to be prorated and specifically based on this Agreement only\*\***

Example: Expense Type	7/1/24 – 6/30/25	7/1/24 – 6/30/25	7/1/24 – 6/30/25	1-2 sentence narrative description of expenses.
Human resources, legal counsel				Annual cost
Office space				Annual cost
Utility costs: heating, lighting				Annual cost
Insurance				Annual cost
Telecommunications and Infrastructure				Annual cost
Building maintenance, custodial services				Annual cost
Security services				Annual cost

Total Indirect Project Expenses	\$	\$	\$
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## EXHIBIT C

### ACKNOWLEDGMENT OF INDEPENDENT CONTRACTOR STATUS

This **Acknowledgment of Independent Contractor Status** (“Acknowledgment”) is an exhibit and fully incorporated into that certain Agreement for provision of Services (“Agreement”) dated [date], 20\_\_ by and between **Children and Families Commission of Orange County** (“COMMISSION”) and [Entity name], a [Entity type] (“CONTRACTOR”). This Acknowledgment is intended to define and affirm the relationship between COMMISSION and CONTRACTOR as set forth in the Agreement. CONTRACTOR has been fully informed, has had the opportunity to be advised or has been advised by counsel of its choosing, and knowingly and willingly acknowledges and agrees as follows:

1. CONTRACTOR on behalf of itself and each and every person acting by, through, or for CONTRACTOR (together, “CONTRACTOR”), is not an employee of COMMISSION.
2. CONTRACTOR is an independent contractor to COMMISSION.
3. Because CONTRACTOR is not an employee of COMMISSION, CONTRACTOR is not entitled to receive health benefits or any other benefits provided by COMMISSION to its regular employees.
4. CONTRACTOR is not eligible to join in or participate in any benefit plans offered to those individuals listed on COMMISSION’s payroll as regular employees.
5. CONTRACTOR is and shall remain ineligible for employment benefits provided to COMMISSION’s regular employees, or for participation in such benefit plans, even if it is later determined that COMMISSION has misclassified CONTRACTOR as an independent contractor for tax or other purposes.
6. CONTRACTOR hereby waives any right it may have to claim it is an employee or challenge its status as an independent contractor of COMMISSION.
7. CONTRACTOR releases COMMISSION and its Commissioners, officers, board members, employees, and agents (together, “COMMISSION”) from any and all obligations, liabilities, causes of action, and/or claims that exist or may arise under applicable laws that relate to CONTRACTOR’s acknowledgement, release, and agreement of its status as an independent contractor (not an employee) of COMMISSION.
8. In making this Acknowledgment and the release and waiver for this Agreement, CONTRACTOR acknowledges it has been advised concerning the content and meaning or and understands and is familiar with the provisions of California Civil Code Paragraph 1542, which provides as follows:

**“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.”**

CONTRACTOR represents and warrants it understands the purpose, meaning, and effect of Paragraph 1542 above, but nevertheless freely and knowingly waives and relinquishes any right or benefit that it has or may have under Paragraph 1542 of the Civil Code of the State of California, or any similar provision of law as such relates to the status of CONTRACTOR as an independent contractor, not an employee, of COMMISSION.

**CONTRACTOR**

\_\_\_\_\_, a \_\_\_\_\_

By: \_\_\_\_\_  
**Signature**

Date: \_\_\_\_\_

**EXHIBIT D**  
**BUSINESS ASSOCIATE ADDENDUM**

This Business Associate Addendum (“Addendum”) supplements and is made a part of Agreement [*Agreement Number*] dated [*date*] (“Agreement”) by and between the **CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY**, a public body and legal public entity (“Business Associate 1” or “BA-1”), and [*Entity Name*] (“Business Associate 2” or “BA-2”). This Addendum is effective as of [*Agreement Date*] (the “Addendum Effective Date”).

**ADDENDUM RECITALS**

A. This Addendum is made between two Business Associates to comply with the Health Insurance Portability and Accountability Act of 1996 Public Law 104-191 (HIPAA) 2013 Omnibus Requirements under which BA-1 passes through all HIPAA restrictions and requirements to BA-2.

B. BA-1 wishes to disclose certain information to BA-2 pursuant to the terms of the Agreement, some of which may constitute Protected Health Information (“PHI”) (defined below).

C. BA-1 and BA-2 intend to protect the privacy and provide for the security of PHI disclosed to BA-2 pursuant to the Agreement in compliance with HIPAA; the Health Information Technology for Economic and Clinical Health Act, Public Law 111-005 (“the HITECH Act”); and regulations promulgated thereunder by the U.S. Department of Health and Human Services (DHHS) (the “HIPAA Regulations”); and other applicable state and federal laws and regulations.

D. As part of the HIPAA Regulations, the Privacy Rule, and the Security Rule (defined below), BA-1 is required to enter into this Addendum that contains specific requirements with BA-2 prior to the disclosure of any PHI as set forth in Title 45 of the Code of Federal Regulations (C.F.R.) Sections 164.314(a), 164.502(e), and 164.504(e); applicable laws and regulations; and as provided in this Addendum.

NOW, THEREFORE, based on the Addendum Recitals, which are a substantive part of this Addendum, and agreed mutual consideration, BA-1 and BA-2 agree as follows:

**1. Definitions**

a. “Breach” shall have the meaning given to such term under HIPAA, the HIPAA Regulations, the HITECH Act, and as described in California Civil Code Section 1798.82.

b. “Business Associate” shall have the meaning given to such term under the Privacy Rule, the Security Rule, and the HITECH Act, including 45 C.F.R. Section 160.103.

c. “Covered Entity” shall have the meaning given to such term under the Privacy Rule and the Security Rule, including, but not limited to, 45 C.F.R. Section 160.103.

d. “Data Aggregation” shall have the meaning given to such term under the Privacy Rule, including but not limited to, 45 C.F.R. Section 164.501.

**Exhibit D**

Page 1 of 7

e. “Designated Record Set” shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.501.

f. “Electronic Protected Health Information” (Electronic PHI) means Protected Health Information that is maintained in or transmitted by electronic media.

g. “Electronic Health Record” shall have the meaning given to such term in the HITECH Act, including, but not limited to, 42 U.S.C. Section 17921.

h. “Health Care Operations” shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.501.

i. “HITECH Compliance Date” shall mean February 17, 2010, unless a separate effective date is specified by law for a particular requirement, in which case such effective date shall apply for that particular requirement.

j. “Privacy Rule” shall mean the HIPAA Regulation that is codified at 45 C.F.R. Parts 160 and 164, Subparts A and E.

k. “Protected Health Information” (PHI) means any information, whether oral or recorded in any form or medium: (i) that relates to the past, present or future physical or mental condition of an individual; the provision of health care to an individual; or the past, present or future payment for the provision of health care to an individual; and (ii) that identifies the individual or with respect to which there is a reasonable basis to believe the information can be used to identify the individual, and shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.501. Protected Health Information includes Electronic Protected Health Information.

l. “Protected Information” shall mean PHI provided by BA-1 to BA-2 or created or received by BA-2 on BA-1’s behalf.

m. Any use of the phrase “required by law” shall have the meaning given to such term under the Privacy Rule, the Security Rule, and the HITECH Act, including 45 C.F.R. Section 160.103.

n. “Security Rule” shall mean the HIPAA Regulation that is codified at 45 C.F.R. Parts 160 and 164, Subparts A and C.

o. “Unsecured PHI” shall have the meaning given to such term under the HITECH Act and any guidance issued pursuant to such Act including, but not limited to, 42 U.S.C. Section 17932(h).

## 2. **Obligations of Business Associate 2**

a. Permitted Uses. BA-2 shall not use Protected Information except for the purpose of performing BA-2’s obligations under the Agreement and as permitted under the Agreement and this Addendum. Further, BA-2 shall not use Protected Information in any manner that would

constitute a violation of the Privacy Rule or the HITECH Act if so used by BA-1. However, BA-2 may use Protected Information (i) for the proper management and administration of BA-2, (ii) to carry out the legal responsibilities of BA-2, or (iii) for Data Aggregation purposes for the Health Care Operations of BA-1.

b. Permitted Disclosures. BA-2 shall not disclose Protected Information except for the purpose of performing BA-2's obligations under the Agreement and as permitted under the Agreement and this Addendum. BA-2 shall not disclose Protected Information in any manner that would constitute a violation of the Privacy Rule or the HITECH Act if so disclosed by BA-1. However, BA-2 may disclose Protected Information (i) for the proper management and administration of BA-2, (ii) to carry out the legal responsibilities of BA-2, (iii) as required by law, or (iv) for Data Aggregation purposes. If BA-2 discloses Protected Information to a third party, BA-2 must obtain, prior to making any such disclosure, (i) reasonable written assurances from such third party that such Protected Information will be held confidential, as provided pursuant to this Addendum, and only disclosed as required by law or for the purposes for which it was disclosed to such third party and (ii) a written agreement from such third party to immediately notify BA-2 of any breaches of confidentiality of the Protected Information, to the extent the third party has obtained knowledge of such breach.

c. Prohibited Uses and Disclosures under HITECH. Notwithstanding any other provision in this Addendum, no later than the HITECH Compliance Date, BA-2 shall comply with the following requirements: (i) BA-2 shall not use or disclose Protected Information for fundraising or marketing purposes, except as provided under the Agreement and consistent with the requirements of 42 United States Code (U.S.C.) Section 17936; (ii) BA-2 shall not disclose Protected Information to a health plan for payment or health care operations purposes if the patient has requested this special restriction and has paid out of pocket in full for the health care item or service to which the PHI solely relates, pursuant to 42 U.S.C. Section 17935(a); and (iii) BA-2 shall not directly or indirectly receive remuneration in exchange for Protected Information, except with the prior written consent of BA-1 and as permitted by the HITECH Act and 42 U.S.C. Section 17935(d)(2); however, this prohibition shall not affect payment by BA-1 to BA-2 for Services provided pursuant to the Agreement.

d. Appropriate Safeguards. BA-2 shall implement appropriate safeguards as are necessary to prevent the use or disclosure of Protected Information other than as permitted by the Agreement or this Addendum. BA-2 further agrees to use administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of Electronic PHI. No later than the HITECH Compliance Date, BA-2 shall comply with each of the requirements of 45 C.F.R. Sections 164.308, 164.310, and 164.312 and the policies, procedures, and documentation requirements of the HIPAA Security Rule, including, but not limited to, 45 C.F.R. Section 164.316. To the extent that BA-2 creates, maintains, receives, or transmits Electronic PHI on behalf of BA-1, BA-2 shall implement the safeguards required by paragraph 2.c above with respect to Electronic PHI.

e. Mitigation. BA-2 agrees to mitigate, to the extent practicable, any harmful effect that is known to BA-2 of a use or disclosure of PHI in violation of this Addendum.

f. Reporting of Improper Access, Use, or Disclosure. BA-2 shall, following the discovery of any Breach of Unsecured PHI; Security Incident, as defined in the Security Rule; and/or any actual or suspected access, use, or disclosure of Protected Information not permitted by the Agreement or this Addendum or applicable law; notify BA-1 in writing of such breach or disclosure

without unreasonable delay and in no case later than three (3) business days after discovery. BA-2 shall take prompt corrective action in addition to any action required by applicable state or federal laws and regulations relating to such disclosure. BA-2 agrees to pay the actual costs incurred by BA-1 to provide required notifications and any associated costs incurred by BA-1, such as credit monitoring for affected patients, and including any civil or criminal monetary penalties or fines levied by any federal or state authority having jurisdiction if BA-1 reasonably determines that the nature of the breach warrants such measures.

g. Subcontractors and Agents of Business Associate 2. BA-2 shall ensure that any agents or subcontractors to whom it provides Protected Information agree in writing to the same restrictions and conditions that apply to BA-2 with respect to such PHI.

h. Access to Protected Information. To the extent BA-2 maintains a Designated Record Set on behalf of BA-1, BA-2 shall make Protected Information maintained by BA-2 or its agents or subcontractors in Designated Record Sets available to BA-1 for inspection and copying within five (5) days of a request by BA-1 to enable BA-1 to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.524. No later than the HITECH Compliance Date, if BA-2 maintains an Electronic Health Record, BA-2 shall provide such information in electronic format to enable BA-1 to fulfill its obligations under the HITECH Act, including, but not limited to, 42 U.S.C. Section 17935(e).

i. Amendment of PHI. To the extent BA-2 maintains a Designated Record Set on behalf of BA-1, within thirty (30) days of receipt of a request from BA-1 or an individual for an amendment of Protected Information or a record about an individual contained in a Designated Record Set, BA-2 or its agents or subcontractors shall make any amendments that BA-1 directs or agrees to in accordance with the Privacy Rule.

j. Accounting Rights. Within thirty (30) days' written notice by BA-1 of a request for an accounting of disclosures of Protected Information, BA-2, its agents, and/or subcontractors shall make available to BA-1 the information required to provide an accounting of disclosures to enable BA-1 to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.528 and its obligations under the HITECH Act including, 42 U.S.C. Section 17935(c), as determined by BA-1. The provisions of this subparagraph 2.j shall survive the termination of this Addendum.

k. Governmental Access to Records. BA-2 shall make its internal practices, books, and records relating to the use and disclosure of Protected Information available to BA-1 and to the Secretary of DHHS (the "Secretary"), or Secretary's designated representative, for purposes of determining BA-2's compliance with the Privacy Rule.

l. Minimum Necessary. No later than the HITECH Compliance Date, BA-2 and its agents and subcontractors shall request, use, and disclose only the minimum amount of Protected Information necessary to accomplish the purpose of the request, use, or disclosure. BA-2 understands and agrees that the definition of "minimum necessary" may change from time to time, and BA-2 shall keep itself informed of any guidance issued by the Secretary with respect to what constitutes "minimum necessary."



m. Compliance with Laws. BA-2 shall comply with all applicable state and federal privacy and security laws, including, but not limited to, HIPAA, the HIPAA Regulations, HITECH, and California Civil Code Section 1798.82, as each may be amended from time to time.

### 3. **Termination**

a. Material Breach by BA-2. A breach by BA-2 of any provision of this Addendum, as determined by BA-1, shall constitute a material breach of the Agreement and shall provide grounds for termination of the Agreement, any provision in the Agreement to the contrary notwithstanding, with or without an opportunity to cure the breach. If termination of the Agreement is not feasible, BA-1 will report the problem to the DHHS Secretary.

b. Material Breach by BA-1. As of the HITECH Compliance Date, pursuant to 42 U.S.C. Section 17934(b), if BA-2 knows of a pattern of activity or practice of BA-1 that constitutes a material breach or violation of BA-1's obligations under the Agreement, this Addendum, or other arrangement, then BA-2 must take reasonable steps to cure the breach or end the violation. If the steps are unsuccessful, BA-2 must terminate the Agreement or other arrangement if feasible, or if termination is not feasible, report the problem to the DHHS Secretary.

c. Effect of Termination. Upon termination of the Agreement for any reason, BA-2 shall, at the option of BA-1, return or destroy all Protected Information that BA-2 or its agents or subcontractors maintain in any form, and shall retain no copies of such Protected Information. If return or destruction is not feasible, as determined by BA-1, BA-2 shall continue to extend the protections of Section 2 of this Addendum to such information and limit further use of such PHI to those purposes that make the return or destruction of such PHI infeasible. If BA-1 elects destruction of the PHI, BA-2 shall certify in writing to BA-1 that such PHI has been destroyed.

4. **Indemnification; Limitation of Liability.** To the extent permitted by law, BA-2 shall indemnify, defend, and hold harmless BA-1 from any and all liability, claim, lawsuit, injury, loss, expense or damage resulting from or relating to the acts or omissions of BA-2 in connection with the representations, duties, and obligations of BA-2 under this Addendum. Any limitation of liability contained in the Agreement shall not apply to the indemnification requirement of this provision. This provision shall survive the termination of the Addendum.

5. **Assistance in Litigation.** BA-2 shall make itself and any subcontractors, employees, and agents assisting BA-2 in the performance of its obligations under the Agreement or this Addendum available to BA-1, at no cost to BA-1, to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against BA-1, its directors, officers, or employees based upon a claim of violation of HIPAA, the HITECH Act, or other state or federal laws related to security and privacy.

6. **Amendment to Comply with Law.** The parties acknowledge that state and federal laws relating to data security and privacy are rapidly evolving and that amendment of the Agreement or this Addendum may be required to ensure compliance with such developments. The parties specifically agree to take such action as is necessary to implement the standards and requirements of HIPAA, the HIPAA Regulations, the HITECH Act, and other applicable state and federal laws and regulations relating to the security or confidentiality of PHI. Upon the compliance date of any such

applicable laws and regulations, this Addendum shall automatically be amended such that this Addendum remains in compliance with such laws and regulations.

7. **No Third-Party Beneficiaries.** Nothing express or implied in the Agreement or this Addendum is intended to confer; nor shall anything herein confer upon any person other than BA-1, BA-2, and their respective successors or assigns; any rights, remedies, obligations or liabilities whatsoever.

8. **Interpretation.** The provisions of this Addendum shall prevail over any provisions in the Agreement that may conflict or appear inconsistent with any provision in this Addendum. This Addendum and the Agreement shall be interpreted as broadly as necessary to implement and comply with HIPAA, the HITECH Act, the Privacy Rule, and the Security Rule. The parties agree that any ambiguity in this Addendum shall be resolved in favor of a meaning that complies and is consistent with HIPAA, the HITECH Act, the Privacy Rule, and the Security Rule. Except as specifically required to implement the purposes of this Addendum, or to the extent inconsistent with this Addendum, all other terms of the Agreement shall remain in force and effect.

9. **Regulatory References.** A reference in this Addendum to a section of any regulations means the section as in effect, or as amended, and for which compliance is required.

10. **Identity Theft Program Compliance.** To the extent that BA-1 is required to comply with the final rule entitled “Identity Theft Red Flags and Address Discrepancies under the Fair and Accurate Credit Transactions Act of 2003,” as promulgated and enforced by the Federal Trade Commission (16 C.F.R. Part 681) (the “Red Flags Rule”); and that BA-2 is performing an activity in connection with one or more “covered accounts,” as that term is defined in the Red Flags Rule, pursuant to the Agreement; BA-2 shall establish and comply with its own reasonable policies and procedures designed to detect, prevent, and mitigate the risk of identity theft, which shall be consistent with and no less stringent than those required under the Red Flags Rule or the policies and procedures of BA-1’s Red Flags Program. BA-2 shall provide its Services pursuant to the Agreement in accordance with such policies and procedures. BA-2 shall report any detected “red flags,” as that term is defined in the Red Flags Rule, to BA-1 and shall, in cooperation with BA-1, take appropriate steps to prevent or mitigate identity theft.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum as of the Addendum Effective Date.

BUSINESS ASSOCIATE 1

BUSINESS ASSOCIATE 2

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: Kimberly Goll  
Title: President/CEO

Name:  
Title: Contractor

**AGREEMENT FCI-XX-XX**

**BY AND BETWEEN**

**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY**

**AND**

\_\_\_\_\_,  
**FOR THE PROVISION OF SERVICES**

This **AGREEMENT** (“Agreement”) entered into as of the [day] day of [month], 20[XX] (“Date of Agreement”) is by and between the **CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY**, a public body and legal public entity (“COMMISSION”), and [Entity Name], a California [Public Entity Type] (“CONTRACTOR”). This Agreement shall be administered by the President/CEO of COMMISSION, or his or her authorized designee (“ADMINISTRATOR”).

**RECITALS**

**A.** In order to facilitate the creation and implementation of an integrated, comprehensive, and collaborative system of information and services to enhance optimal early childhood development, the legislature adopted legislation set forth in the California Children and Families Act of 1998, Health and Safety Code Section 130100, *et seq.* (as amended, the “Act”), implementing the Children and Families First Initiative passed by the California electorate in November of 1998, establishing the California Children and Families Commission, and providing for establishment in each county of Children and Families Commissions, including COMMISSION.

**B.** COMMISSION adopted its Strategic Plan to define how funds authorized under the Act should best be used to meet the critical needs of Orange County’s children prenatal through age five as codified in the Act, which plan has been amended and after the Date of Agreement may be further amended, updated, or revised (“Strategic Plan”).

**C.** CONTRACTOR is a [public entity type].

**D.** On [date], [describe Commission action, President/CEO authority, or other authorization to enter into agreement].

**E.** COMMISSION desires to contract with CONTRACTOR to provide services, carry out certain performance obligations, and achieve certain outcomes, while promoting the purposes of the Act and the Strategic Plan on the terms and conditions set forth in this Agreement and the Project Summary, Exhibit A; Work Plan, Exhibit A-1; and Project Budget, Exhibit B (together, “Services”).

**F.** As and if applicable, COMMISSION and CONTRACTOR desire to enter into matching fund program opportunities with the California Children and Families Commission (“First 5 California”) and other matching fund opportunities as may become available.

**G.** CONTRACTOR desires to provide Services in furtherance of the purposes of the Act and the Strategic Plan on the terms and conditions set forth in this Agreement. CONTRACTOR represents and maintains that it is uniquely qualified by virtue of its experience, training, education,

reputation, and expertise to provide these Services to COMMISSION and has agreed to provide such Services as provided herein. COMMISSION does not have the personnel or specialized technical expertise able to perform the Services contracted for herein.

**NOW, THEREFORE**, based on the Recitals, which are a substantive part of this Agreement, and agreed mutual consideration, COMMISSION and CONTRACTOR agree as follows:

**1. TERM OF AGREEMENT.** The term of this Agreement shall commence on [date] and terminate on [date] (“Term”), unless earlier terminated pursuant to the provisions of Paragraph 22 of this Agreement. CONTRACTOR and ADMINISTRATOR may mutually agree in writing to extend the Term of this Agreement, provided that COMMISSION’s Maximum Payment Obligation in this Agreement does not increase as a result.

**2. ALTERATION OF TERMS.** This Agreement, together with and including any Exhibits, fully expresses all understanding of the parties with respect to the subject matter of this Agreement, and shall constitute the total Agreement between the parties, except as otherwise expressly provided in this Paragraph 2. No amendment, addition to, or alteration of, the terms of this Agreement shall be valid unless the amendment is made in writing and formally approved and executed by both parties, except as provided in this Paragraph 2.

**2.1** CONTRACTOR’s work plans, budgets, and scopes of services will be subject to an annual review to determine consistency with the COMMISSION’s strategic direction. Changes to these documents may be directed by ADMINISTRATOR to bring the Agreement scope into better alignment with the COMMISSION’s evolving strategic direction. These changes may include, but are not limited to, reprioritization of the targeted service population, redirection of resources to provide more intensive services, and increased focus on sustainability strategies. Should any changes directed by ADMINISTRATOR result in increased or decreased costs of Services contemplated by this Agreement, CONTRACTOR shall submit a request for equitable adjustment within ten (10) days of the directed change, which adjustment shall be negotiated between the parties. If CONTRACTOR is unable to redirect its program to be consistent with this direction, COMMISSION may reduce funding provided under this Agreement or exercise its termination rights.

**2.2 Administrator Modification Authority.** Notwithstanding anything to the contrary, and provided any modifications do not alter the overall goals and purpose of the Agreement and do not increase COMMISSION’s Maximum Payment Obligation, ADMINISTRATOR has the authority to, with the agreement of CONTRACTOR, make modification(s) to the activities, tasks, deliverables, and performance timeframes specified in the Project Summary as set forth in the Scope of Work, Exhibit A; the Work Plan, Exhibit A-1; the funding allocation between and among the line items and the “Funds Due” period(s) budgeted in the Project Budget, Exhibit B; the Payment interval; and the percentage of Initial Payment(s).

**3. STATUS OF CONTRACTOR.** CONTRACTOR is, and shall at all times remain, an independent contractor to COMMISSION in providing Services for this Agreement. As a condition to commencing performance of any Services for this Agreement and to be eligible for any compensation for Services rendered, CONTRACTOR shall execute an Acknowledgment of Independent Contractor Status, Exhibit C, attached hereto and fully incorporated by this reference. CONTRACTOR is and shall remain wholly responsible for the manner in which it performs the Services required by the terms of this Agreement. Nothing in this Agreement shall be construed as creating the relationship of employer and employee (neither a contract nor regular employee), or principal and agent, between

COMMISSION and CONTRACTOR or any of CONTRACTOR's employees, subcontractors, or agents. CONTRACTOR assumes exclusive responsibility for the acts of its employees, subcontractors, or agents as they relate to the Services to be provided during the Term of this Agreement and the course and scope of employment of any such employees, subcontractors, or agents. Neither CONTRACTOR or its officials, officers, agents, employees, or subcontractors shall, in any respect whatsoever, be entitled to any rights or privileges of COMMISSION employees and shall not be considered in any manner to be COMMISSION employees. COMMISSION shall neither have nor exercise any control or direction over the methods by which CONTRACTOR shall perform its obligations under this Agreement. COMMISSION shall not be responsible or liable for the acts or failure to act, whether intentional or negligent, of any employee, agent, subcontractor, or volunteer of CONTRACTOR (hereinafter referred to as "personnel"). CONTRACTOR shall pay all wages, salaries, and other amounts due its employees in connection with this Agreement and shall be responsible for all reports and obligations respecting them, such as social security, income tax withholding, unemployment compensation, workers' compensation, and similar matters. CONTRACTOR shall indemnify and hold harmless COMMISSION from any liability, damages, costs, and expenses of any nature arising from alleged violations of personnel practices and employment laws. Should any of CONTRACTOR's personnel or a state or federal agency allege claims against COMMISSION involving the status of COMMISSION as employer, joint or otherwise, of said personnel, or allegations involving any other independent contractor misclassification issues, CONTRACTOR shall defend and indemnify COMMISSION in relation to any allegations made and shall reimburse COMMISSION for any costs, including attorneys' fees, the COMMISSION incurs arising out of such claim or determination, including, but not limited to, any benefits COMMISSION is required to provide, or payroll taxes or workers' compensation claims it is required to pay, as well as for the payment of any penalties and interest.

**4. CONTRACTOR DELEGATION AND ASSIGNMENT.** Neither this Agreement nor any interest herein nor claim hereunder may be assigned by CONTRACTOR either voluntarily or by operation of law without the prior written consent of ADMINISTRATOR. Any attempted assignment in violation of this paragraph shall be ineffective, null and void, and constitute a material breach of this Agreement entitling COMMISSION to any and all remedies at law or in equity, including termination of this Agreement.

**5. SUBCONTRACTS.** Except to the extent expressly provided for in the Project Summary, Exhibit A, or as approved by ADMINISTRATOR, CONTRACTOR shall not enter into any subcontract for the provision of any Services required by this Agreement (hereinafter referred to as a "Subcontract") without the prior written consent of ADMINISTRATOR. Any Subcontracts approved by ADMINISTRATOR shall not alter in any way any legal responsibility or performance obligation of CONTRACTOR to perform or cause performance of the Services required under this Agreement. ADMINISTRATOR may require CONTRACTOR to submit a copy of any permitted Subcontract.

**6. GENERAL INDEMNIFICATION.** CONTRACTOR agrees to and shall indemnify, defend with counsel approved in writing by COMMISSION, hold harmless COMMISSION, its Commissioners, officers, agents, and employees from and against all liability, claims, losses, demands, injuries to or death of any person or persons, or damages to property, including but not limited to property of Commissioners, officers, employees, or agents of COMMISSION (together, "Claims"), including defense costs, resulting from court action or in any manner arising out of, pertaining to, related to, or incident to any intentional, malicious, negligent acts, inactions, errors, or omissions of CONTRACTOR, its officers, employees, agents, or Subcontractors in the performance of this Agreement.

**6.1** No elected official, no public official, no Commissioner, no officer, no committee member, no employee, and no agent of COMMISSION shall be personally liable to CONTRACTOR, any successor in interest, or to any Subcontractor in the event of any default or breach by COMMISSION or for any amount that may become due to CONTRACTOR or to its successor or for breach of any obligation of the terms of this Agreement.

**7. INSURANCE.** Without limiting CONTRACTOR's liability for indemnification of COMMISSION as set forth in Paragraph 6 above, CONTRACTOR shall obtain and maintain, in effect, during the term of this Agreement, certain minimum coverage of insurance through any or all of the following types of insurance, as further described, and as applicable, in Subparagraphs 7.1, 7.2, and 7.3 below: (a) self-insurance through the State or as otherwise approved by ADMINISTRATOR or his or her Risk Management designee; (b) insurance via a pooled or joint powers insurance authority; or (c) insurance policies secured from insurance companies that are admitted in California and rated A-:VIII or better or FPR Ratings of 9 through 7 and have a Financial Size Category (FSC) of VIII or better according to the current Best's Key Rating Guide/Property-Casualty/United States, ambest.com, or from an insurance company of equal financial stability as approved by ADMINISTRATOR or his or her Risk Management designee. Evidence of required insurance coverages obtained under (a), (b), or (c) in this Paragraph 7 shall be submitted to ADMINISTRATOR prior to and as a condition precedent to commencement of any Services or proceeding with any work under this Agreement. Submittal and approval of insurance coverage, including self-insurance or pooled coverage, shall neither relieve nor decrease the liability of CONTRACTOR.

**7.1 Certificate of Self-Insurance Coverage.** In lieu of maintaining insurance coverage by separate insurance policies secured through third party insurance companies as described in Paragraph 7 above and Subparagraph 7.3 below, CONTRACTOR may be self-insured with respect to the minimum amounts and types of required insurance coverage under this Agreement.

**7.1.1 Certificate of Self-Insurance.** A certificate signed by a duly authorized officer or member of CONTRACTOR shall be submitted to ADMINISTRATOR evidencing self-insurance prior to and as a condition precedent to commencement of Services or proceeding with any work under this Agreement. Further, during the term of this Agreement ADMINISTRATOR may, in his or her reasonable discretion, request reconfirmation of CONTRACTOR's status as self-insured for the required coverage. The self-insurance certificate(s) shall verify that CONTRACTOR has and maintains self-insurance in the following categories and amounts of coverage, including the amounts and companies, if any, that may provide any secondary or additional level of coverage. Further the certification shall state that the self-insurance is intended to cover as additional insureds (or the equivalent of being an additional insured) COMMISSION, its Commissioners, officers, agents, and employees, individually and collectively, and that the self-insurance shall apply as primary insurance and that other insurance maintained by COMMISSION (whether through insurance policies, self-insurance, or pooled/joint powers coverage) shall be excess only and not contributing with insurance provided under the self-insurance. In the event CONTRACTOR elects to no longer self-insure under any of the required types of coverage in this Subparagraph 7.1, then CONTRACTOR shall provide to ADMINISTRATOR not less than thirty (30) days prior written notice of the cancellation or change in coverage. In this event, CONTRACTOR shall obtain and maintain insurance coverages pursuant to Subparagraphs 7.2 or 7.3 below.

**7.1.2 Types of Self-Insurance Coverage.** CONTRACTOR shall evidence it is self-insured through the State or as otherwise approved by ADMINISTRATOR or his or her Risk Management designee in his or her sole discretion for the following required coverage:

(a) **Comprehensive General Liability** coverage for bodily injury (including death) and property damage equivalent to not less than One Million Dollars (\$1,000,000) combined single limit (CSL) per occurrence and not less than Two Million Dollars (\$2,000,000) annual aggregate, including self-insurance covering premises and operations, products/completed operations, contractual liability, and personal injury liability.

(b) **Comprehensive Automobile Liability** coverage for bodily injury (including death) and property damage equivalent to not less than One Million Dollars (\$1,000,000) combined single limit per occurrence applicable to all owned, non-owned, and hired vehicles/watercraft, with not less than One Million Dollars (\$1,000,000) annual aggregate.

(c) **Workers' Compensation** coverage shall be maintained for workers' compensation risk claims in amounts equivalent to coverage required by the State of California, applicable statutory requirements, and including the equivalent of a broad form all-states endorsement and waiver of subrogation.

(d) **Employers' Liability** coverage for all employees engaged in Services or operations under this Agreement equivalent to not less than One Million Dollars (\$1,000,000) per occurrence.

(e) **Professional Liability.** If the Project Summary, Exhibit A, includes or requires staffing or Services by a licensed professional, such as physician, dentist, pharmacist, registered nurse, psychologist, engineer, architect, etc., then coverage for professional liability/errors and omissions is required equivalent to not less than One Million Dollars (\$1,000,000) per claims made or per occurrence and One Million Dollars (\$1,000,000) annual aggregate. If CONTRACTOR's professional liability policy is a "claims made" policy, CONTRACTOR shall agree to maintain professional liability coverage for two (2) years following the termination of this Agreement.

(f) **Sexual Misconduct Liability.** If the Project Summary, Exhibit A, includes services which require custody, transportation or unsupervised contact by CONTRACTOR, or any Subcontractor, with recipients of services under this Agreement, then insurance policies and coverage for Sexual Misconduct Liability is required in an amount not less than One Million Dollars (\$1,000,000) per occurrence and One Million Dollars (\$1,000,000) annual aggregate.

**7.2 Pooled and/or Joint Powers Insurance Coverage.** CONTRACTOR may provide insurance coverage through membership and participation in a pooled insurance cooperative or joint powers insurance authority, or both, with respect to the minimum amounts and types of required insurance coverage under this Agreement.

**7.2.1 Certificate of Pooled/Joint Powers Insurance.** A certificate signed by an authorized officer or member of CONTRACTOR and by an authorized officer of the pooled and/or joint powers insurance authority shall be submitted to ADMINISTRATOR evidencing membership and participation in pooled or joint powers insurance prior to and as a condition precedent to commencement of Services or proceeding with any work under this Agreement. Further, during the term of this Agreement ADMINISTRATOR may in his or her reasonable discretion request reconfirmation of CONTRACTOR's status as a member in good standing and participant in pooled and/or joint powers insurance for the required coverage. The certificate shall verify that CONTRACTOR has and maintains insurance in the categories and amounts of coverage described for self-insurance above in Subparagraph 7.1, including the amounts and companies, if any, that may

provide any secondary or additional level of coverage. Further the certificate shall state that the pooled or joint powers insurance is intended to cover as additional insureds (or the equivalent of being an additional insured) COMMISSION, its Commissioners, officers, agents, and employees, individually and collectively, and that the pooled and/or joint powers insurance shall apply as primary insurance and other insurance maintained by COMMISSION (whether through insurance policies, self-insurance, or pooled/joint powers coverage) shall be excess only and not contributing with insurance provided under the pooled or joint powers insurance. Pooled or joint powers insurance provided under this Subparagraph 7.2 shall not be canceled or changed so as to no longer meet the specified COMMISSION or County insurance requirements without thirty (30) days prior written notice of the cancellation or change being delivered to ADMINISTRATOR.

**7.3 Insurance Policies through Independent Insurance Companies.** CONTRACTOR may obtain and maintain insurance policies for the required coverage under this Agreement.

**7.3.1 Evidence of Coverage.** Prior to commencement of any Services or proceeding with any work under this Agreement, CONTRACTOR shall provide on an insurance industry approved form a Certificate of Insurance (COI) certifying that coverage as required in this Subparagraph 7.3 has been obtained and remains in force for the period required by this Agreement. In addition, a certified copy of the policy or policies shall be provided by CONTRACTOR upon request of ADMINISTRATOR at the address specified in Paragraph 22. Each policy shall meet the following requirements:

(a) **Required Coverage Forms**

(i) Commercial General Liability coverage shall be written on Insurance Services Office (ISO) form CG 00 01, or a substitute form providing liability coverage at least as broad.

(ii) Business Auto Liability coverage shall be written on ISO form CA 00 01, CA 00 05, CA 0012, CA 00 20, or a substitute form providing coverage at least as broad.

(b) **Required Endorsements.** Commercial General Liability policy shall contain the following endorsements, which shall accompany the Certificate of Insurance:

(i) An Additional Insured endorsement using ISO form CG 2010 or CG 2033 or a form at least as broad naming the COMMISSION and its elected and appointed officials, officers, employees, agents as Additional Insureds.

(ii) A primary non-contributing endorsement evidencing that CONTRACTOR's insurance is primary and any insurance or self-insurance maintained by the COMMISSION shall be excess and non-contributing.

(c) **Notice of Cancellation or Change of Coverage Endorsement.** Each policy shall include an endorsement evidencing that the policy shall not be canceled or changed so as to no longer meet the specified COMMISSION or County insurance requirements without thirty (30) days prior written notice of the cancellation or change being delivered to ADMINISTRATOR at the address shown on the COI; or, ten (10) days' notice for non-payment of premium. This shall be evidenced by policy provisions or an endorsement separate from the COI.



(d) **Separation Clause Endorsement.** Each policy shall include an endorsement evidencing that the policy provides coverage separately to each insured who is seeking coverage or against whom a Claim is made or a suit is brought, except with respect to the company's limit of liability (standard in the ISO CG 0001 policy).

(e) **Termination of Insurance.** If insurance is terminated for any reason, CONTRACTOR agrees to purchase an extended reporting provision of at least two (2) years to report Claims arising from work performed, or any action or any inaction in connection with this Agreement.

(f) **Qualifying Insurers.** All coverages shall be issued by qualified insurance companies meeting the criteria described in Paragraph 7 above.

(g) **Deductible Amounts in Standard Policy.** COMMISSION acknowledges that a deductible amount on a policy of insurance is acceptable, but only as approved in writing in the sole discretion of ADMINISTRATOR or his or her Risk Management designee; provided no approved deductible shall in any way limit liabilities assumed by CONTRACTOR under this Agreement, including:

(i) Any policy deductible or self-insured retention on any insurance policy (except auto) which exceeds \$25,000. Such policy requires prior written approval of ADMINISTRATOR or his or her Risk Management designee.

(ii) Any policy deductible or self-insured retention on automobile liability over \$5,000. Such policy requires prior written approval of ADMINISTRATOR or his/her Risk Management designee.

(iii) All self-insured retentions or deductibles shall be clearly stated on the COI. If no self-insured retentions or deductibles apply, indicate this on the COI.

(h) **Subcontractor Insurance Requirements.** Should any of the Services under this Agreement be provided by a Subcontract, CONTRACTOR shall require each Subcontractor of any tier to provide the coverages mentioned in this Paragraph 7, or CONTRACTOR may insure any Subcontractor under its own policies.

(i) **Occurrence Versus Claims Made Coverage.** It is the intent of COMMISSION to secure "occurrence" rather than "claims made" coverage whenever possible. If coverage is written on a "claims made" basis, the COI shall clearly so state. In addition to coverage requirements above, each policy shall provide that:

(i) Policy retroactive date coincides with or precedes CONTRACTOR's start of work (including subsequent policies purchased as renewals or replacements).

(ii) CONTRACTOR will make every effort to maintain similar insurance during the required extended period of coverage following completion of services, including the requirement of adding all additional insureds.

(iii) Policy allows for reporting of circumstances or incidents that might give rise to future claims.

**7.3.2 Types of Insurance Policies/Coverages.** If CONTRACTOR provides insurance through a policy or policies, then the following types and coverages are required.

(a) **Comprehensive General Liability Insurance.** Comprehensive General Liability Insurance for bodily injury, including death and property damage which provides not less than One Million Dollars (\$1,000,000) combined single limit (CSL) per occurrence and not less than Two Million Dollars (\$2,000,000) annual aggregate.

(i) The coverage shall include:

(A) Premises and Operations.

(a) Products/Completed Operations with limits of One Million Dollars (\$1,000,000) per occurrence and One Million Dollars (\$1,000,000) annual aggregate to be maintained for two (2) years following the end of the term of this Agreement.

(b) Contractual Liability expressly including liability assumed under this agreement, except such requirement does not apply to service contracts.

(c) Personal Injury Liability.

(d) **Comprehensive Automobile Liability Insurance.** Comprehensive Automobile Liability Insurance for bodily injury, including death, and property damage which provides total limits of not less than One Million Dollars (\$1,000,000) CSL per occurrence and One Million Dollars (\$1,000,000) annual aggregate applicable to all owned, non-owned and hired vehicles/watercraft,

(b) **Workers' Compensation Insurance.** Workers' Compensation Insurance shall be maintained. Statutory California Workers' Compensation coverage shall include a broad form all-states endorsement and waiver of subrogation.

(c) **Employers' Liability Coverage.** Employers' Liability Coverage of not less than One Million Dollars (\$1,000,000) per occurrence for all employees engaged in Services or operations under this Agreement.

(d) **Professional Liability.** If the Project Summary, Exhibit A, includes or requires staffing or services by a licensed professional, such as physician, dentist, pharmacist, registered nurse, psychologist, accountant, engineer, architect, etc., then insurance policy(ies) and coverage for professional liability/errors and omissions is required in an amount not less than One Million Dollars (\$1,000,000) per claims made or per occurrence and One Million Dollars (\$1,000,000) aggregate. If CONTRACTOR's professional liability policy is a "claims made" policy, CONTRACTOR shall agree to maintain professional liability coverage for two (2) years following the termination of this Agreement.

(e) **Sexual Misconduct Liability.** If the Project Summary, Exhibit A, includes services which require custody, transportation or unsupervised contact by CONTRACTOR, or any Subcontractor, with recipients of services under the Agreement, then insurance policies and coverage for Sexual Misconduct Liability is required in an amount not less than One Million Dollars (\$1,000,000) per occurrence and One Million Dollars (\$1,000,000) annual aggregate.

#### **7.4 Change in Coverage.**

COMMISSION expressly retains the right to require CONTRACTOR to increase or decrease insurance of any of the above insurance types throughout the term of this Agreement. Any increase or decrease in insurance will be as deemed by ADMINISTRATOR or his or her Risk Management designee as appropriate to adequately protect COMMISSION. COMMISSION shall notify CONTRACTOR in writing of changes in the insurance requirements. If CONTRACTOR does not provide copies of acceptable COIs and endorsements incorporating such changes within thirty (30) days of receipt of such notice, this Agreement may be in breach without further notice to CONTRACTOR, and COMMISSION shall be entitled to all legal remedies.

**7.5 Duration of Insurance.** CONTRACTOR shall maintain all coverage and insurance for the entire term and for any extended period agreed upon within this Agreement.

**7.6 Maintain Records of Insurance Coverage.** CONTRACTOR shall maintain records regarding all coverage and insurance for the term of this Agreement and for any extended period agreed upon within this Agreement.

**7.7 Withhold Payment for Lack of Required Coverage.** COMMISSION reserves the right to withhold payments to CONTRACTOR in the event of material noncompliance with the applicable insurance requirements outlined in this Paragraph 7.

**7.8 Remedies for Failure to Provide or Maintain Required Insurance or Endorsements.** In addition to any other remedies COMMISSION may have if CONTRACTOR (or any Subcontractor) fails to provide or maintain any insurance required by this Paragraph 7 to the extent and within the time required by this Agreement, COMMISSION may, at its sole option:

(a) Obtain the insurance and deduct and retain the amount of the premiums for the insurance from any monies due under this Agreement.

(b) Order CONTRACTOR and any Subcontractor to cease performance of the Services and withhold any payment(s) which become due to CONTRACTOR or any Subcontractor until CONTRACTOR or Subcontractor demonstrates compliance with the insurance requirements of this Agreement.

(c) Immediately and without further cause terminate this Agreement.

**7.9** Exercise of any of the above remedies are in addition to any other remedies COMMISSION may have and are not the exclusive remedies for CONTRACTOR's or its Subcontractor's failure to maintain or secure appropriate policies or endorsements. Nothing in this Agreement shall be construed as limiting in any way the extent to which CONTRACTOR or any Subcontractor) may be held responsible for payments of damages to persons or property resulting from CONTRACTOR's or any Subcontractor's performance under this Agreement.

## **8. RESPONSIBILITIES OF CONTRACTOR.**

**8.1 Scope of Services.** CONTRACTOR shall provide the Services set forth and described in the Project Summary, Exhibit A; Work Plan, Exhibit A-1; and within Project Budget, Exhibit B. The Services shall include CONTRACTOR's proposal or bid, if any, which is incorporated herein by

this reference. In the event of any inconsistency or conflicting terms between the proposal and this Agreement, the terms of this Agreement, inclusive of Exhibits, shall take precedence.

**8.2 No Supplanting Government Funds.** In furtherance of the express directives of the Act, CONTRACTOR shall not supplant government funds intended for the purposes of this Agreement with any other funds intended for the purposes of this Agreement. CONTRACTOR shall not submit an invoice for payment from COMMISSION or apply sums received from COMMISSION with respect to that portion of its obligations which have been paid by another governmental source of revenue. CONTRACTOR is required to ensure that, in the performance of this Agreement, all funding shall be expended and used to supplement, not supplant, existing levels of service.

### **8.3 Staffing**

**8.3.1 Staffing Obligations.** CONTRACTOR agrees to provide the level and type of staffing, facilities, equipment, and supplies necessary to provide the Services required by this Agreement. Upon the request of ADMINISTRATOR, CONTRACTOR agrees to send appropriate staff to attend orientation session(s) and progress meeting(s) arranged or given by COMMISSION or ADMINISTRATOR.

**8.3.2 Personnel Disclosure.** Upon request, CONTRACTOR shall make available to ADMINISTRATOR a current list of all employees, volunteers, or other personnel providing Services or performing any work under this Agreement (“Personnel”), including Personnel of any Subcontractor. Changes to the list shall be immediately provided to ADMINISTRATOR.

(a) If requested by ADMINISTRATOR and to the extent permitted by applicable laws, CONTRACTOR make available to ADMINISTRATOR the following information/records regarding Personnel:

(i) All full-time and all part-time staff positions by name and title, including volunteer positions, who are assigned to this Agreement and/or providing Services thereunder.

(ii) The qualifications and experience, including professional degree(s) and required licensing, if applicable, required for each position.

(iii) The language skill(s), if applicable, of the Personnel, such as bi-lingual, sign language, Braille, or other communication skills.

(b) CONTRACTOR shall immediately notify ADMINISTRATOR concerning the arrest or subsequent conviction, for other than minor traffic offenses, of any Personnel when the information becomes known to CONTRACTOR.

**8.3.3 CONTRACTOR to Maintain Complete Personnel Records.** CONTRACTOR shall maintain complete and accurate records relating to all Personnel listed or required to be listed in Subparagraph 8.3.2 above. The record keeping shall include evidence that CONTRACTOR has conducted adequate pre-employment and pre-volunteer screening, such as information that CONTRACTOR has conducted or caused to be conducted on each employee or volunteer a pre-employment/hiring background check and that CONTRACTOR has taken all reasonable steps to assure all Personnel assigned to perform Services under this Agreement are suitable to perform the work and do not pose a reasonably foreseeable risk of harm to children or other persons receiving or participating in the Services. CONTRACTOR acknowledges it has a duty to disclose to

COMMISSION and ADMINISTRATOR information within its knowledge that may pose a reasonably foreseeable risk of harm to children. Nothing in the above provisions shall obligate CONTRACTOR to disclose to COMMISSION or ADMINISTRATOR confidential Personnel information about employees or volunteers except and to the extent disclosure is permitted by applicable laws or authorized by judicial or administrative order. Nothing in the above provisions shall affect or modify the provisions of this Agreement affirming the independent contractor status of CONTRACTOR.

## **9. GENERAL TERMS AND CONDITIONS.**

**9.1 Compliance with Laws.** CONTRACTOR shall provide all Services in accordance with all applicable federal and state laws, statutes, regulations, and local ordinances and resolutions, including all provisions of the Act, as any may now exist or as amended or added after the Date of Agreement.

**9.2 Familiarity with Work.** By executing this Agreement and prior to performing or providing any Services under this Agreement, CONTRACTOR warrants and shall be satisfied that (a) it has thoroughly investigated and considered the Services, (b) it has carefully considered how the Services should be performed, will be implemented, and will be completed, and (c) it fully understands the facilities, difficulties, and restrictions, attending carrying out the performance obligations of this Agreement.

**9.3 Care of Work.** CONTRACTOR shall adopt reasonable methods during the term of this Agreement to furnish continuous protection to the property (real and personal property), facilities, equipment, persons providing or receiving Services, work product, records, and other papers to prevent losses or damages. CONTRACTOR shall be responsible for all losses or damages to persons or property (including real property, personal property, both tangible and intangible), except the losses or damages caused by COMMISSION's sole negligence. CONTRACTOR shall correct any incomplete, inaccurate, or defective work or service at no further cost to COMMISSION when the inaccuracies are due to negligence, inaction, or intentional misconduct of CONTRACTOR.

**9.4 Severability.** Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be determined to be invalid by a final judgment or decree of a court of competent jurisdiction, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of that provision, or the remaining provisions of this Agreement unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

**9.5 California Law.** This Agreement shall be construed and interpreted both as to validity and to performance in accordance with the laws of the State of California. Legal actions concerning any dispute, claim, or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Orange, State of California, and CONTRACTOR covenants and agrees to submit to the personal jurisdiction of the court in the event of any action.

**9.6 Waiver.** No delay or omission in the exercise of any right or remedy of a non-defaulting party on any default shall impair any right or remedy or be construed as a waiver. One party's consent or approval of any act by the other party requiring the other party's consent or approval shall not be deemed to waive or render unnecessary the party's consent to or approval of any

subsequent act of the party. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

**9.7 Rights and Remedies Cumulative.** Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of the rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

**9.8 Covenant Against Discrimination.** In the performance of this Agreement, CONTRACTOR shall not engage in, nor permit any employee or agent to engage in, discrimination in employment of persons or provision of Services or assistance, nor exclude any person from participation in, nor deny any person the benefits of, nor or subject any person to discrimination under any program or activity funded in whole or in part with COMMISSION funds on the grounds of race, religion, color, national origin, ancestry, physical handicap, medical condition, marital status, gender, or sexual orientation, except as permitted by applicable provisions of federal and state law. CONTRACTOR shall comply with Title II of the Americans with Disabilities Act, (42 U.S.C. §12101, *et. seq.*) as it relates to public accommodations.

**9.9 Legal Action.** In addition to any other rights or remedies, either party may take legal action, at law or at equity, to cure, correct, or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement.

**9.10 Attorneys' Fees.** If either party commences an action against the other party arising out of or in connection with this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs of suit from the non-prevailing party.

**9.11 Use of Commission Name and Logo.** CONTRACTOR shall use COMMISSION's name and logo on all materials, promotional information, and products that relate to Commission-funded programs, unless otherwise agreed to between CONTRACTOR and ADMINISTRATOR at ADMINISTRATOR's sole discretion. CONTRACTOR shall comply with COMMISSION's guidelines related to the use of COMMISSION's name and logo as stated in its Policies and Procedures Guide.

**9.12 Time of Essence.** Time is of the essence in the performance of this Agreement.

**9.13 No Broker or Finders' Fee.** CONTRACTOR warrants that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this Agreement.

**9.14 No Use of Funds for Lobbying.** CONTRACTOR shall not expend any monies paid or payable under this Agreement for the purpose of influencing or attempting to influence an officer, member, or employee of COMMISSION, any County of Orange officer or employee, any member or employee of First 5 California, any member of the State legislature or member of Congress, or any other officer or employee of any public agency or entity, in connection with the awarding of any contract, the making of any contract, the entering into of any cooperative agreement, or the extension, continuation, renewal, amendment, or modification of any contract, grant, loan, or cooperative agreement.

**9.15 Constitutional Use of Funds.** As an express condition to this Agreement, CONTRACTOR agrees that the funds provided by COMMISSION to CONTRACTOR shall not be used to promote any religion, religious creed or cult, denomination, sectarian organization or religious belief or to fund any proselytizing activities. The parties agree the above covenant is intended to and shall be construed for the limited purpose of assuring compliance with respect to the use of COMMISSION funds by CONTRACTOR with applicable constitutional limitations respecting the establishment of religion as set forth in the establishment clause under the First Amendment of the United States Constitution and Article I, Section 4 of California Constitution, and is not in any manner intended to restrict other activities of CONTRACTOR.

**9.16 Child Abuse Reporting.** CONTRACTOR shall establish a procedure to ensure that all employees, volunteers, consultants, agents, or Subcontractors performing Services under this Agreement report child abuse or neglect to a child protective agency as defined in Penal Code Section 11165.9 to the extent required by applicable law. CONTRACTOR shall require each employee, volunteer, agent, and Subcontractor who provides Services to or for CONTRACTOR in implementation of the Scope of Work described in Exhibit A and funded by this Agreement, to the extent each person is legally subject to the requirements, to sign a statement acknowledging the reporting requirements and to comply with the reporting requirements to the extent required by applicable law.

**9.17 CONTRACTOR Cooperation with Other COMMISSION Contractors.** CONTRACTOR acknowledges that the goal of COMMISSION and its Strategic Plan is to develop an integrated quality service system to ensure access to a quality child and family support services delivery system for Orange County children. CONTRACTOR agrees to cooperate reasonably with other COMMISSION contractors and consultants to achieve the objectives of the Strategic Plan and support COMMISSION by forming cooperative partnerships to serve children, ages prenatal through five, and their families with other services funded through COMMISSION.

**9.18 Political Activity.** CONTRACTOR agrees that the funds provided in this Agreement shall not be used to promote, directly or indirectly, any political party, political candidate, or political activity, except as permitted by law.

**9.19 Child Care Provider Notification; Admission Procedures and Parental and Authorized Representative's Rights.** If applicable to the Services, CONTRACTOR shall establish and carry out the requirements of Title 22 of the California Code of Regulations (CCR) relating to childcare providers and provision of licensed childcare, day care, or other early care and education. To the extent required by applicable laws and regulations, CONTRACTOR shall complete the following:

**9.19.1** CONTRACTOR shall comply with 22 CCR Section 101218.1 to ensure all parents and authorized representatives of minor children receiving Services under this Agreement are notified regarding any employee, volunteer, consultant, or agent of CONTRACTOR with a criminal record exemption.

**9.19.2** CONTRACTOR shall (i) post a current copy of the California Department of Social Services (CDSS) Parents' Rights Poster in a prominent location; (ii) provide all parents and authorized representatives current copies of all CDSS notification forms and retain all parent signature or acknowledgement portions of those forms in the child's file; (iii) upon request, provide parents and authorized representatives with the name of any person associated with CONTRACTOR (including

any employee, volunteer, consultant, or agent of CONTRACTOR) who has been granted a criminal record exemption and that person's relationship to CONTRACTOR.

**9.20** CONTRACTOR shall document all requests by parents or authorized representatives for criminal exemption information. Such documentation shall be jointly signed by an authorized representative of CONTRACTOR and the parent or authorized representative and maintained in the child's file.

**9.21 Suspension and Debarment.** CONTRACTOR certifies that neither CONTRACTOR nor its officers or principals are debarred or suspended from any federal financial assistance programs or activities.

**10. REPRESENTATIONS AND WARRANTIES OF CONTRACTOR.** CONTRACTOR makes the following representations and warranties to COMMISSION. These representations and warranties are ongoing, and CONTRACTOR shall advise ADMINISTRATOR in writing if there is any change pertaining to any matters set forth or referenced in the following Subparagraphs 10.1 through 10.5. Any changes may give rise for COMMISSION to terminate for cause due to default.

**10.1 Conflicts of Interest.** CONTRACTOR covenants that neither it, nor any officer or public official, has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of COMMISSION or which would in any way hinder CONTRACTOR's performance of Services under this Agreement. CONTRACTOR further covenants that, in the performance of this Agreement, no person having any such interest shall be employed by it as an officer, employee, agent, or subcontractor without the express written consent of the COMMISSION. CONTRACTOR agrees to at all times avoid conflicts of interest or the appearance of any conflicts of interest with the interests of COMMISSION in the performance of this Agreement. CONTRACTOR warrants that no conflicts of interest exist under the California Political Reform Act, Government Code Section 81000, et seq. or Government Code Section 1090, et seq.

**10.2 No Bankruptcy.** CONTRACTOR is not the subject of any current or threatened bankruptcy.

**10.3 No Pending Legal Proceedings.** CONTRACTOR is not the subject of a current or threatened litigation that would or may materially affect CONTRACTOR's performance under this Agreement.

**10.4 No Pending Investigation.** CONTRACTOR is not aware that it is the subject of any current or threatened criminal or civil action investigation by any public agency, including, without limitation, a police agency or prosecuting authority, related, directly or indirectly, to the provision of Services under this Agreement.

**10.5 Licenses and Standards; Compliance with Laws.** CONTRACTOR warrants that it has all necessary licenses and permits required by the laws of the United States, State of California, County of Orange, any local jurisdiction in which it may do business or provide Services, and all other appropriate governmental agencies. CONTRACTOR agrees to maintain these licenses and permits in effect for the duration of this Agreement. CONTRACTOR shall only contract with Subcontractors that are duly licensed, insured, and qualified to provide Services under this Agreement, as applicable. CONTRACTOR warrants that its employees, agents, contractors, and Subcontractors shall conduct themselves in compliance with the laws and licensure requirements. CONTRACTOR shall notify



ADMINISTRATOR immediately and in writing of its inability to obtain or maintain, irrespective of the pendency of any appeal, any of the permits, licenses, approvals, certificates, waivers, or exemptions. The inability shall be cause for termination of this Agreement by COMMISSION.

**11. CONFIDENTIALITY.** CONTRACTOR shall maintain the confidentiality of all records in accordance with all applicable state and federal laws and regulations relating to privacy and confidentiality and with COMMISSION's adopted Confidentiality and Data Sharing Protocol, which is incorporated herein by this reference, as each now exists or may be amended after the Date of Agreement, and as may be required by any other funding sources allocated through this Agreement.

**11.1** All records and information concerning any and all persons referred to CONTRACTOR by COMMISSION, or COMMISSION's designee, shall be considered and kept confidential by CONTRACTOR and CONTRACTOR's staff, agents, employees, Subcontractors, and volunteers.

**11.2** CONTRACTOR shall require its employees, agents, and volunteers to sign an acknowledgement or other certification which certifies that each will keep the identities and any information with respect to any and all service recipients of CONTRACTOR related to Services authorized under this Agreement confidential except as may be required to provide Services under this Agreement, to comply with any reporting and auditing requirements specified in this Agreement, as required by COMMISSION in the administration of this Agreement, or as otherwise permitted by law.

**11.3** CONTRACTOR agrees that any and all approved subcontracts entered into shall include the confidentiality requirements of this Agreement.

**11.4** CONTRACTOR shall inform all of its employees, agents, Subcontractors, volunteers, and partners of this provision that any person who knowingly and intentionally violates the provisions of federal, state, or local confidentiality laws may be guilty of a crime and subject to civil action.

**11.5 Authorized Data Sharing.** The provisions of Subparagraphs 11.1.1 through 11.1.4 are not applicable to authorized data sharing pursuant to COMMISSION-funded projects or as permitted by law.

**11.6 HIPAA Business Associate Agreement.** If the Services require access to protected health information governed by the Health Insurance Portability and Accountability Act (HIPAA), CONTRACTOR agrees to comply, and to require its employees, Subcontractors, agents, and volunteers to comply, with the HIPAA Business Associate Agreement, which is attached hereto as Exhibit D and incorporated into this Agreement by this reference.

## **12. REPORTING REQUIREMENTS.**

**12.1 Reports.** Separate from any other reports required in the Project Summary, Exhibit A, or the Work Plan, Exhibit A-1, CONTRACTOR shall prepare and submit to ADMINISTRATOR reports concerning the performance of the Services required by this Agreement and any other reports as ADMINISTRATOR may reasonably require.

**12.2 Ancillary Reporting Requirement Related to Enforcement of Child Support Obligations.**

**12.2.1 County Requirements.** In order to comply with child support enforcement requirements of the County of Orange, CONTRACTOR agrees to furnish to ADMINISTRATOR within thirty (30) days of the award of this Agreement:

(a) in the case of an individual contractor, his or her name, date of birth, Social Security number, and residence address;

(b) in the case of a contractor doing business in a form other than as an individual, the name, date of birth, Social Security number, and residence address of each individual who owns an interest of ten percent (10%) or more in the contracting entity;

(c) a certification that contractor has fully complied with all applicable federal and state reporting requirements regarding its employees; and

(d) a certification that contractor has fully complied with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment, and will continue to so comply.

**12.2.2 Failure to Comply Breach.** The failure of CONTRACTOR to timely submit any of the data or certifications required by Subparagraph 12.2.1; to comply with all federal and state employee reporting requirements for child support enforcement; or to comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment shall constitute a material breach of this Agreement. Failure to cure such breach within sixty (60) calendar days of notice from the County of Orange or COMMISSION shall constitute grounds for termination of this Agreement.

**12.2.3 Use of Data Solely for Government Enforcement of Child Support Orders.** It is expressly understood that this data will be transmitted to governmental agencies charged with the establishment and enforcement of child support orders, and for no other purposes.

**12.2.4 Exemptions.** Agreements with public entities shall be exempt from the requirements of Subparagraph 12.2 above. Agreements with non-profit organizations which have no owners shall be exempt from the requirements of Subparagraph 12.2.1(b) above.

**13. AUDITS.** CONTRACTOR shall perform an audit(s) of records as described in this Agreement.

**13.1 Fiscal Audit of Contract.** CONTRACTOR shall employ an independent, licensed Certified Public Accountant (“CPA”) who shall prepare and file with ADMINISTRATOR a “Fiscal Audit” of this Agreement that shall include a review of the invoices submitted and paid for the reasonable cost of Services under this Agreement and a sampling (test) of the supporting documentation. CONTRACTOR shall require the CPA to provide an unqualified professional written opinion that states whether the invoices for payment submitted by CONTRACTOR under this Agreement were for actual and reasonably necessary costs and expenses to pay for work performed or goods purchased pursuant to the terms and conditions of this Agreement and whether the indirect cost rate applied to staffing for invoices submitted and paid, if any, is in accordance with the requirements of Paragraph 14.5. CONTRACTOR shall ensure that corrective action is taken with respect to audit exceptions for lack of internal controls or adequate procedures noted in the Fiscal Audit within six (6) months after issuance of the applicable Fiscal Audit report.

**13.1.1 Multi-Year Funding.** There shall be a Fiscal Audit completed for each year of this Agreement. Each annual Fiscal Audit shall become due within sixty (60) days after the anniversary of the Date of Agreement. The final Fiscal Audit shall become due within sixty (60) days after the end of the term of the Agreement or the date of termination of this Agreement, whichever occurs earlier. CONTRACTOR and ADMINISTRATOR may mutually agree in writing to extend the date by which each Fiscal Audit is due.

**13.1.2 Retention Amount.** The COMMISSION shall withhold the Retention Amount discussed in Paragraph 14.7 pending timely and successful completion of each Fiscal Audit.

**13.2 Retention of Rights to Audit and Monitor Performance under Agreement.** COMMISSION, First 5 California, and their respective representatives (collectively, “Representatives”), reserve all rights and shall have access to any books, documents, papers, and records, including medical records, of CONTRACTOR and any Subcontractor performing Services under this Agreement for the purpose of monitoring or auditing CONTRACTOR’s performance under this Agreement. The Representatives have the right at all reasonable times to monitor, inspect, or otherwise evaluate the work performed or being performed under this Agreement and the premises in which it is being performed, including unannounced on-site monitoring. Monitoring activities may also include, but are not limited to, questioning employees, volunteers, and participants for the subject Services and entering any premises or any site in which any of the Services funded by this Agreement are conducted or in which any of the records of CONTRACTOR or any Subcontractor are kept. Nothing in this Agreement shall be construed to require access to any privileged or confidential information unless authorized by federal or state law. CONTRACTOR shall make available its records within the borders of Orange County within ten (10) days after receipt of written demand by ADMINISTRATOR. In the event CONTRACTOR does not make available its records within the borders of Orange County, CONTRACTOR agrees to pay all necessary and reasonable direct and indirect expenses incurred by COMMISSION or COMMISSION’s designee(s) necessary to obtain CONTRACTOR’s records.

**13.3 Compliance with Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.** If CONTRACTOR receives federal funding under this Agreement, CONTRACTOR shall comply with 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. CONTRACTOR shall employ a licensed CPA who shall prepare and file with ADMINISTRATOR an annual organization-wide audit of related expenditures during the term of this Agreement in compliance with the Audit requirements in 2 CFR Part 200.500, et seq. The audit must be performed in accordance with generally accepted government auditing standards and 2 CFR Part 200.500, et seq.

**14. MAXIMUM PAYMENT OBLIGATION.** The “Maximum Payment Obligation” of COMMISSION to CONTRACTOR under this Agreement shall be \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) or the actual reasonable cost incurred and paid for performance of the Services, whichever is *less*.

**14.1 Multi-Year Contracts.** For multi-year contracts, the Maximum Payment Obligation for each period shall be as follows: *[If not a multi-year contract, rather than deleting this section in its entirety, please just delete the text of 14.1 and the subparagraphs but leave the heading so that the paragraph numbering for the subsequent sections do not change. Change to “14.1 [Reserved]”]*

**14.1.1** The Maximum Payment Obligation of COMMISSION to CONTRACTOR for the Services to be provided for the period \_\_\_\_\_ through \_\_\_\_\_ shall be \$\_\_\_\_\_.

**14.1.2** The Maximum Payment Obligation of COMMISSION to CONTRACTOR for the Services to be provided for the period \_\_\_\_\_ through \_\_\_\_\_ shall be \$\_\_\_\_\_.

**14.1.3** The Maximum Payment Obligation of COMMISSION to CONTRACTOR for the Services to be provided for the period \_\_\_\_\_ through \_\_\_\_\_ shall be \$\_\_\_\_\_.

**14.2 Initial Payment.** ADMINISTRATOR may, in his or her sole discretion, authorize an initial payment to CONTRACTOR in an amount not to exceed 25% [*or 12.5% per year for a two year agreement or 8.33% per year for a three year agreement*] of COMMISSION's Maximum Payment Obligation upon receipt of a written request(s) by CONTRACTOR. Request(s) shall be accompanied by the justification as ADMINISTRATOR may require. ADMINISTRATOR may approve subsequent requests for initial payments not to exceed twenty-five percent (25%) of any budget period, contingent upon CONTRACTOR having repaid all prior initial payment amounts in any prior budget period. The initial payment is intended to cover initial costs that are estimated to have been incurred or are expected to be incurred in the performance of Services by CONTRACTOR. ADMINISTRATOR may, in his or her sole discretion, deduct the initial payment(s) from any one or more subsequent payments owed to CONTRACTOR during the term of this Agreement. If, at the end of the term of this Agreement, there is any balance of the initial payment not deducted from subsequent payment requests, CONTRACTOR shall owe and shall immediately refund said monies to COMMISSION.

**14.3 Provisional Payment.** At ADMINISTRATOR's sole discretion, CONTRACTOR may submit an invoice prior to the beginning of the mutually agreed upon billing period to perform the Services required by this Agreement, and COMMISSION may pay CONTRACTOR's provisional payment invoice within a reasonable period of time estimated to be thirty (30) days after receipt of a correctly completed invoice. CONTRACTOR shall submit to ADMINISTRATOR a reconciliation of actual costs incurred during the billing period covered by the provisional payment no later than ninety (90) days after the provisional payment invoice is submitted or within thirty (30) days of the end date of this Agreement, whichever occurs earlier. Any overpayment resulting from a Provisional Payment(s) and subsequent reconciliation of actual cost incurred for the period shall be deducted from subsequent invoices submitted by CONTRACTOR or repaid by CONTRACTOR to COMMISSION in accordance with the provisions of Paragraph 15 below.

**14.4 Billing/Payment Interval.** COMMISSION shall pay CONTRACTOR invoice payments monthly or quarterly in arrears, at ADMINISTRATOR's sole discretion, as specified in Exhibit A, for actual reasonable costs incurred and paid by CONTRACTOR to perform the Services required by this Agreement in accordance with the amounts and categories specified in the Project Budget, Exhibit B, for the Services; provided, however, that payments for each line item shall not exceed the amount specified, and ADMINISTRATOR may approve adjustments of the amount set forth within each line item, so long as the total of all amounts within all line items, as adjusted, shall not exceed COMMISSION's Maximum Payment Obligation. The total of all invoice payments and provisional payments shall not exceed COMMISSION's Maximum Payment Obligation.

**14.5 Indirect Cost Rate.** CONTRACTOR shall apportion any indirect costs attributable to this Agreement determined by the Maximum Payment Obligation solely attributable and allocable to Services under this Agreement as the percentage of CONTRACTOR's total revenue received during the previous fiscal year. Notwithstanding anything to the contrary, CONTRACTOR's indirect cost rate shall in no event exceed ten percent (10%) of the applicable funding under this Agreement.

**14.6 Invoices.** CONTRACTOR shall submit completed invoices monthly or quarterly upon a form approved or supplied by ADMINISTRATOR.

**14.6.1** Each monthly or quarterly invoice shall be submitted with an express written certification by CONTRACTOR representing and affirming to COMMISSION the following:

(a) CONTRACTOR has and maintains accurate records evidencing the requested monthly or quarterly payment including, without limitation, the following: (1) original invoice(s); (2) original or true copies of source documents including, including, but not limited to, statement of work performed, itemized on a monthly basis, general ledgers, supporting journals, time sheets, invoices, canceled checks (if received), or bank statements, receipts, and receiving records; and (3) originals or true copies of other receipts, agreement(s), or other documentation supporting and evidencing how the funds have been expended during the applicable quarter; provided, however, for the first monthly or quarterly payment, ADMINISTRATOR, in his or her sole discretion, may consider and approve an invoice from CONTRACTOR that includes reimbursement of CONTRACTOR expenses incurred prior to the Date of Agreement, as more fully set forth in the Project Budget, Exhibit B; and

(b) the Services provided during the preceding quarter (or other period for which payment is requested) have not and do not supplant existing services but enhance or establish new services to Orange County's children ages prenatal through five.

**14.7 Retention Amount.** CONTRACTOR expressly acknowledges and agrees that an amount equal to ten percent (10%) of each monthly or quarterly invoice for Services ("Retention Amount") may be withheld by COMMISSION pending the timely and successful completion and performance of each Fiscal Audit for the Services as described in Paragraph 13. The ADMINISTRATOR retains sole discretion to increase or decrease the Retention Amount, including withholding the CONTRACTOR's entire final monthly or quarterly invoice for each fiscal year.

**14.8 Final Invoice/Settlement.** Any and all final invoices for Services must be received by ADMINISTRATOR no later than sixty (60) days from the termination of this Agreement. Invoices for Services received after this date and time may not be processed for payment or reimbursed. CONTRACTOR and ADMINISTRATOR may mutually agree in writing to modify the date upon which the final invoice must be received.

**14.9 Source of COMMISSION Funding.** CONTRACTOR knowingly and expressly acknowledges and agrees that the source of funding provided pursuant to this Agreement is from monies allocated, received, and available to COMMISSION from the surcharges, taxes, and revenues collected and allocated to COMMISSION through the provisions of the Act. To the extent, if at all, any or all provisions of the Act are found invalid, stayed, tolled, or are modified by litigation, subsequent initiative, or legislation, and the funding provided for under this Agreement is affected, COMMISSION is and shall be relieved of obligations under this Agreement, or this Agreement shall be modified or amended to conform to the changes to the Act, as elected by COMMISSION. If

COMMISSION is not allocated or does not receive adequate funding for its performance under this Agreement, then COMMISSION shall be relieved of obligations under this Agreement, or this Agreement shall be amended to conform to the changes in funding allocations or changes to the Act, as elected by COMMISSION.

#### **14.10 PROGRAM FEES**

**14.10.1** The parties agree that the following guidelines apply in the event fees of any amount are charged by CONTRACTOR to COMMISSION's target population of Orange County's children ages prenatal to five years of age and their families ("Program Participants") for any Services provided under this Agreement:

**14.10.2** CONTRACTOR shall not charge fees to COMMISSION's Program Participants prior to obtaining ADMINISTRATOR's acknowledgement in writing.

**14.10.3** CONTRACTOR shall advise each COMMISSION Program Participant that fees may be charged and shall notify the Program Participant of any such fees prior to rendering Services.

**14.10.4** CONTRACTOR shall advise each COMMISSION Program Participant that all fees may be waived if the Program Participant indicates an inability to pay, and CONTRACTOR shall waive all fees if the Program Participant is unable to pay, upon approval by ADMINISTRATOR.

**14.10.5** CONTRACTOR shall not deny Services to any COMMISSION Program Participant for any reason, including Program Participant's inability to pay for Services.

**14.10.6** A full accounting of all fees charged and collected shall be documented by CONTRACTOR and shall be provided to ADMINISTRATOR upon request. At no time is CONTRACTOR permitted to collect fees for any purpose other than to continually provide Services identified in this Agreement.

**14.10.7** All fees collected shall be fully accounted for and included in CONTRACTOR's Fiscal Audit as described in Paragraph 13.1 of this Agreement.

**15. OVERPAYMENTS.** Any payment(s) made by COMMISSION to CONTRACTOR in excess of that to which CONTRACTOR is entitled under this Agreement shall be immediately due to COMMISSION and repaid by CONTRACTOR. CONTRACTOR shall make repayment on any overpayment within thirty (30) days of COMMISSION's request. In the event the overpayment exceeds the final payment, the amount is immediately due and payable, and CONTRACTOR shall pay COMMISSION the sum within five (5) days of written notice from ADMINISTRATOR. CONTRACTOR agrees to pay all fees and costs, including attorneys' fees, incurred by COMMISSION necessary to enforce the provisions set forth in this Agreement.

**15.1 Offset Permitted.** In the event of an overpayment, ADMINISTRATOR may reconcile and offset the amount of the overpayment against the next installment payment due or against the final invoice amount due and to be paid, as elected in the sole discretion of ADMINISTRATOR. Nothing in this Agreement shall be construed as limiting the remedies of COMMISSION in the event that an overpayment has been made.

**15.2 Offset Permitted under Subsequent Renewal or Other Pending Contract.** COMMISSION's Strategic Plan is implemented through funding of various initiatives, and certain contractors/funding recipients are and have been awarded multiple or renewed funding for services related to or comparable to the Services provided under this Agreement. CONTRACTOR agrees that if this Agreement is either (i) a renewal contract related to prior funding to CONTRACTOR for services comparable to the Services, or (ii) CONTRACTOR has one or more other contracts pending with COMMISSION with a term or terms concurrent in whole or in part with this Agreement, then in the event of an overpayment under this Agreement, ADMINISTRATOR may reconcile and offset the amount of the overpayment against monies payable under the renewal contract or other contract pending with COMMISSION.

## **16. MAINTENANCE AND OWNERSHIP OF RECORDS.**

**16.1 Maintain Complete Books and Records.** In accordance with generally accepted accounting principles, CONTRACTOR and its Subcontractors shall maintain reasonably full and complete books, documents, papers, accounting records, medical records, and all other information (collectively, the "records") pertaining to the costs of and completion of Services performed under this Agreement. CONTRACTOR shall maintain all such records for a period of at least three (3) years from the date of payment on the final invoice submitted to ADMINISTRATOR or three (3) years after all pending audits are completed, whichever occurs later.

**16.2 Release of Records.** The records of Services, data, surveys, drawings, specifications, reports, records, documents, evaluation reports, and other materials prepared by CONTRACTOR in the performance of this Agreement shall not be released publicly without the prior written approval of ADMINISTRATOR or as required by law. CONTRACTOR shall not disclose any information regarding the activities of COMMISSION, except as required by law or as authorized by ADMINISTRATOR.

**16.3 Ownership of Records.** Specialized methodology, formulae, software programs of CONTRACTOR and other intellectual processes which have been specifically designed and developed by CONTRACTOR and which were not funded by or assisted in the development by COMMISSION or its agents which shall be deemed proprietary in nature and shall be and remain the proprietary property of CONTRACTOR. All other documents, information, software, and intellectual property and records, including, without limitation, the originals of all drawings, specifications, reports, records, data, surveys, documents, and other materials, whether in hard copy or electronic form, which are prepared by CONTRACTOR, its employees, Subcontractors, or agents in the performance of this Agreement, are and shall remain the property of COMMISSION and shall be delivered to ADMINISTRATOR, as appropriate, upon the termination of this Agreement or upon the earlier request of ADMINISTRATOR. CONTRACTOR shall have no right to further contracts or additional compensation of whatever kind or nature as a result of the exercise by COMMISSION of its full rights of ownership of the documents and materials under this Agreement. CONTRACTOR may retain copies of the documents and materials for its own use but shall not enter into any contract or license for use or for payment of the documents. CONTRACTOR shall cause each Subcontractor to assign to COMMISSION any documents or materials prepared by it. In the event CONTRACTOR fails to secure the assignment, CONTRACTOR shall indemnify COMMISSION for all damages suffered by the failure to obtain the assignment. COMMISSION agrees that, if necessary, it will undertake reasonable and appropriate steps to maintain the proprietary nature of CONTRACTOR's proprietary property, except as may be required by applicable laws.

## **17. PATENT AND COPYRIGHT INFRINGEMENT.**

**17.1** In lieu of any other warranty by COMMISSION or CONTRACTOR against patent or copyright infringement, statutory or otherwise, it is agreed that CONTRACTOR shall defend at its expense any claim or suit against COMMISSION on account of any allegation that any item furnished under this Agreement or the normal use or sale thereof arising out of the performance of this Agreement, infringes upon any presently existing U.S. letters patent or copyright, and CONTRACTOR shall pay all costs and damages finally awarded in any such suit or claim, provided that CONTRACTOR is promptly notified in writing of the suit or claim and given authority, information, and assistance at CONTRACTOR's expense for the defense of same. CONTRACTOR will not indemnify COMMISSION if the suit or claim results from: (1) COMMISSION's alteration of a deliverable, such that said deliverable in its altered form infringes upon any presently existing U.S. letters patent or copyright; or (2) the use of a deliverable in combination with other material not provided by CONTRACTOR when such use in combination infringes upon an existing U.S. letters patent or copyright.

**17.2** CONTRACTOR shall have sole control of the defense of any such claim or suit and all negotiations for settlement thereof. CONTRACTOR shall not be obligated to indemnify COMMISSION under any settlement made without CONTRACTOR's consent or in the event COMMISSION fails to cooperate fully in the defense of any suit or claim, provided, however, that said defense shall be at CONTRACTOR's expense. If the use or sale of said item is enjoined as a result of such suit or claim, CONTRACTOR, at no expense to COMMISSION, shall obtain for COMMISSION the right to use and sell said item, or shall substitute an equivalent item acceptable to COMMISSION and extend this patent and copyright indemnity thereto.

## **18. CONTRACTOR OBLIGATION TO PROVIDE DATA FOR COMMISSION'S EVALUATION AND CONTRACTS MANAGEMENT SYSTEM.**

**18.1 Evaluation and Contracts Management System.** Services under this Agreement may include tracking service data related to client outcomes about Orange County children in furtherance of the goals and objectives of COMMISSION's Strategic Plan. CONTRACTOR acknowledges and agrees that as a part of the integrated data structure of the evaluation and contract management system (hereinafter referred to as "System") in its performance under this Agreement, there may be individual client-shared core data elements. Upon request by ADMINISTRATOR, CONTRACTOR shall participate in the System using the COMMISSION Confidentiality and Data Sharing Protocol. CONTRACTOR agrees to cooperate with COMMISSION, ADMINISTRATOR, and COMMISSION's designated System contractor/consultant and other information technology contractors; it shall provide data to COMMISSION's designated System contractor/consultant; and it shall utilize the System, or other data system, as elected by COMMISSION and its ADMINISTRATOR in their sole discretion, for reporting data related to or created by the Services provided under this Agreement in order for COMMISSION to track, analyze, and evaluate all Services provided by CONTRACTOR. The level of participation with the System required by CONTRACTOR shall be determined by ADMINISTRATOR.

**18.2 Confidentiality.** Nothing in the above paragraph shall require CONTRACTOR to release or disclose confidential health data or other patient identification which is expressly protected from disclosure by applicable federal and state laws; provided, however, if there are any applicable exceptions set forth in federal or state laws that permit disclosure by CONTRACTOR to



COMMISSION of health or other confidential data, then CONTRACTOR shall input the disclosable data into the System.

**18.3 Technical Requirements for PCs and Software Used by CONTRACTOR for all Recordkeeping and Reporting for the Services and Agreement.** CONTRACTOR agrees to obtain and maintain all computer hardware and software necessary to meet the requirements of this paragraph. CONTRACTOR is required to contact COMMISSION’s designated System contractor/consultant prior to the commencement of Services to ensure that CONTRACTOR is capable of meeting all System requirements.

**19. OWNERSHIP OF INTELLECTUAL PROPERTY RIGHTS.** To the extent any intellectual property, tangible or intangible, is developed, created, or modified with the monies provided by COMMISSION under this Agreement, or is otherwise separately funded by COMMISSION under other projects, programs, contracts, or agreements and utilized by CONTRACTOR under this Agreement, COMMISSION does and shall own all right, title and interest (including patent rights, copyrights, trade secret rights, and other intellectual property rights throughout the world) relating to any and all the inventions (whether or not patentable), works of authorship, designs, know-how, ideas, and information made or conceived or reduced to practice, in whole or in part, by CONTRACTOR pursuant to the scope of Services provided under this Agreement (collectively the “Inventions”). CONTRACTOR agrees it shall promptly disclose all Inventions to COMMISSION. CONTRACTOR agrees to make all assignments and execute the legal documents necessary to accomplish the ownership and control for the benefit of COMMISSION. CONTRACTOR shall further assist COMMISSION, at COMMISSION’s expense, to further evidence, record, and perfect the assignments and documentation, and to perfect, obtain, maintain, enforce, and defend any rights relating to the Inventions. CONTRACTOR irrevocably designates and appoints COMMISSION as its agent to lawfully perfect ownership and control of the Inventions (and if legally required for force and effect in order to perfect the ownership and control of the Inventions as its attorney-in-fact). As agent, COMMISSION may act for and on CONTRACTOR’s behalf to execute and file any document and to do all other lawfully permitted and required acts to effect the ownership and control of the Inventions. If CONTRACTOR uses, provides, or discloses any of the Inventions when acting within the scope of CONTRACTOR’s performance of Services or otherwise on behalf of COMMISSION, COMMISSION will have and CONTRACTOR grants COMMISSION a perpetual, irrevocable, worldwide royalty-free, non-exclusive, sublicensable right and license to exercise all rights to the Inventions.

**20. COPYRIGHT ACCESS.** COMMISSION, the State of California, and First 5 California, shall have a royalty-free, nonexclusive, and irrevocable license to publish, translate, or use all material and work product (both tangible and intangible), if any, developed under this Agreement including those materials covered by copyright.

**21. NOTICES.**

**21.1 Method and Form of Notice.** Unless otherwise specified, all formal notices, invoices, claims, correspondence, or reports shall be addressed as follows:

**COMMISSION:** Children and Families Commission of Orange County  
Contracts Manager  
1505 E. 17<sup>th</sup> Street, Suite 230  
Santa Ana, CA 92705

**CONTRACTOR:** See Exhibit A

All notices shall be deemed effective when in writing and personally delivered or deposited in the United States mail, express, priority, or first class, postage prepaid and addressed as above. ADMINISTRATOR and CONTRACTOR may mutually agree in writing to change the addresses to which notices are sent.

**21.2 Advisory Notices Required.** CONTRACTOR shall notify COMMISSION, in writing, within twenty-four (24) hours of becoming aware of any occurrence of a serious nature that may expose COMMISSION to liability. These occurrences shall include, but not be limited to, accidents, injuries, or acts of negligence, or loss or damage to any COMMISSION property in possession of CONTRACTOR.

## **22. RIGHTS OF TERMINATION.**

**22.1 Termination for Convenience Prior to Expiration of Term.** COMMISSION may terminate this Agreement for its convenience at any time upon fifteen (15) days' written notice to CONTRACTOR. Upon receipt of a notice of termination for convenience, CONTRACTOR shall immediately cease performance of Services under this Agreement except such as may be specifically approved by ADMINISTRATOR. CONTRACTOR shall be entitled to compensation for all Services satisfactorily rendered prior to receipt of the notice of termination and for the part of the Services authorized by ADMINISTRATOR after the notice in accordance with the compensation provisions of this Agreement, or other arrangement for compensation as may be approved by the ADMINISTRATOR in writing. COMMISSION shall be not liable for any claim of lost profits or damages arising out of such termination.

**22.2 Termination for Cause Due to Default of CONTRACTOR.** COMMISSION may terminate this Agreement for cause due to the default by CONTRACTOR in its performance obligations under this Agreement. In the event of termination, CONTRACTOR shall immediately cease performance and provision of Services as of the date the notice of default is received or deemed received, whichever occurs earlier. COMMISSION may take over the work and prosecute the same to completion by contract or otherwise. CONTRACTOR shall be liable to the extent that the total cost for completion of the Services required by this Agreement exceeds the compensation stipulated in this Agreement, provided that COMMISSION shall use reasonable efforts to mitigate damages. COMMISSION may withhold any outstanding payments to CONTRACTOR for the purpose of set off or partial payment of the amounts owed COMMISSION as previously set forth in this Agreement. The withholding or failure to withhold payments to CONTRACTOR shall not limit CONTRACTOR's liability for completion of the Services as provided herein.

**22.3** Upon a default or breach by CONTRACTOR, ADMINISTRATOR may, in his or her sole discretion, elect any or all of the following in addition to the termination provisions set forth in this paragraph and any other remedies available at law, in equity, or otherwise specified in this Agreement:

**22.3.1** Afford CONTRACTOR a time period of fifteen (15) days from the date the notice is deemed effective pursuant to Paragraph 21 to cure the default, or to commence to cure the breach and diligently pursue to completion the cure of the breach within thirty (30) days of the date the notice is effective;

**22.3.2** Discontinue payment and eligibility for payment to CONTRACTOR for and during the period in which CONTRACTOR is in breach, which payment may not be entitled to later recovery;

**22.3.3** Offset against any funds invoiced by CONTRACTOR but yet unpaid by COMMISSION those monies disallowed pursuant to the above offset authority; and

**22.3.4** Withhold from any monies payable to CONTRACTOR sufficient funds to compensate COMMISSION for any losses, costs, liabilities, or damages it reasonably believes were suffered by or have been incurred by COMMISSION due to the default of CONTRACTOR in the performance of the Services required by this Agreement.

## **23. REVERSION OF ASSETS.**

**23.1 Unencumbered or Unexpended Funds.** Upon the termination or expiration of the term of this Agreement, CONTRACTOR shall transfer to COMMISSION any unexpended and unencumbered COMMISSION funds on hand at the time of the termination or expiration and any accounts receivable attributable to the use of subject funds.

**23.2 Real or Personal Property Assets.** Any real property or moveable or immovable personal property (hereinafter referred to as “Property”) under CONTRACTOR’s control or ownership that was acquired or improved in whole or in part with COMMISSION funds disbursed under this Agreement, for which the original cost of the Property exceeded five thousand dollars (\$5,000) shall either be, at the election of ADMINISTRATOR: (1) used by CONTRACTOR for the Services or comparable services meeting the purposes of the Act and Strategic Plan for a period of five (5) years after termination or expiration of this Agreement, unless a longer period is specified in the Project Summary, Exhibit A; or (2) disposed of and proceeds paid to COMMISSION in a manner that results in COMMISSION being reimbursed in the amount of the fair market value at the time of termination or expiration of this Agreement (assuming depreciation in accordance with customary business practices) of the Property less any portion of the value attributable to CONTRACTOR’s out of pocket expenditures using non-COMMISSION funds for acquisition of, or improvements to, the Property and less any direct and reasonable costs of disposition, including a reasonable and customary broker’s fee incurred in listing and completion of sale of the asset.

**23.2.1** If ADMINISTRATOR selects continued use of the Property, then CONTRACTOR agrees that it shall be subject to an ongoing operating and use covenant, which shall survive the termination or expiration of this Agreement and shall be actionable at law or in equity by COMMISSION against CONTRACTOR and its successors in interest.

**23.2.2** In the event ADMINISTRATOR selects disposition of the Property, then CONTRACTOR shall exercise due diligence to dispose of the Property in conformity with applicable laws and regulations and in accordance with customary business practices. The net proceeds of the disposition shall be disbursed directly to and be payable to COMMISSION upon the close of the disposition transaction, such as close of escrow for the sale of real property, transfer of motor vehicle “pink slip” in accordance with applicable California Vehicle Code requirements, or completion of sale of personal property by bill of sale in accordance with UCC requirements.

**24. COUNTERPARTS.** This Agreement may be executed in several counterparts, all of which shall constitute but one and the same instrument. Faxed or electronically scanned signatures shall have the same force and effect as an original signature.

**25. FORCE MAJEURE**

Either party shall be excused from performing its obligations under this Agreement during the time and to the extent that it is prevented from performing by an unforeseeable cause beyond its control, including but not limited to: any incidence of fire, flood; acts of God; commandeering of material, products, plants or facilities by the federal, state or local government; national fuel shortage; or a material act or omission by the other party; when satisfactory evidence of such cause is presented to the other party, and provided further that such nonperformance is unforeseeable, beyond the control and is not due to the fault or negligence of the party not performing.

**26. KEY PERSONNEL**

Project partners, managers, other supervisory staff, and specialists may be changed if those personnel leave the agency, are promoted, or are assigned to another office. The personnel may also be changed for other reasons with the express prior written permission of ADMINISTRATOR. However, in either case, ADMINISTRATOR reserves the right to accept or reject any or all replacements. Except as provided in this Agreement, CONTRACTOR reserves the right to determine the assignment of its own employees to the performance of Services under this Agreement, but COMMISSION reserves the right in its sole discretion to exclude any employee from performing Services under this Agreement.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

**IN WITNESS WHEREOF**, COMMISSION and CONTRACTOR have caused this Agreement to be effective in the County of Orange, State of California, on the date first above written.

**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY**, a public body and legal public entity

Dated: \_\_\_\_\_ By: \_\_\_\_\_  
Chair

SIGNED AND CERTIFIED THAT A COPY OF THIS DOCUMENT HAS BEEN DELIVERED TO THE CHAIR OF COMMISSION

By: \_\_\_\_\_  
Robin Stieler  
Clerk of the Commission

Dated: \_\_\_\_\_

APPROVED AS TO FORM:

WOODRUFF & SMART, APC

By: \_\_\_\_\_  
Cassie Trapesonian, Commission Counsel

**[Signature block for CONTRACTOR on next page.]**

[Signature block continued from previous page.]

**CONTRACTOR**

\_\_\_\_\_, a  
California [*Public Entity Type*]

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
*[Name], [Title]*

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
*[Name], [Title]*

**Following signatures as appropriate**

**ATTEST**

\_\_\_\_\_  
Clerk/Secretary of CONTRACTOR

**APPROVED AS TO FORM**

\_\_\_\_\_  
Counsel to CONTRACTOR

*See requirements below for authorized signatures (remove note prior to execution):*

<i>Public Entity</i>	<i>Provide evidence of the approval of this Agreement by resolution of CONTRACTOR's governing board, or a true copy of the minutes of the public meeting at which this Agreement was considered and approved, or other evidence of approval satisfactory to the ADMINISTRATOR</i>
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**EXHIBIT A**

**PROJECT SUMMARY**

**\_\_\_\_\_ CONTRACTOR**

**Agreement # \_\_\_\_\_ FXX-XX-XX**

**Project Name**

**Term: \_\_\_\_\_**

**1. FUNDING RECIPIENT**

Contractor  
a California \_\_\_\_\_  
Address  
\_\_\_\_\_, CA \_\_\_\_

Contact: Name/Title/Telephone Number/email address  
Name/Title/Telephone Number/email address

Work Plan and Data Entry Contact: Name/Title/Telephone Number/email address

Invoices/Documentation Contact: Name/Title/Telephone Number/email address

Designated Level of Data Reporting: AMM and CLDM

Signatories: Name/Board Title  
Name/Board Title

**2. BACKGROUND**

As appropriate...

**3. PURPOSE AND SCOPE OF WORK**

The purpose of this Agreement is to provide \_\_\_\_\_

CONTRACTOR shall provide Services described in Exhibit A to achieve the outcomes described in the Work Plan, Exhibit A-1, within the funding limitations of the Project Budget, Exhibit B, and the staffing described in Attachment 1 to Exhibit B. CONTRACTOR shall:

**3.1** ...

**3.2** ...

**4. ATTACHMENTS TO EXHIBIT B**

**4.1** Staffing

**4.2** Direct Project Expenses

**4.3** Subcontractors List

**4.4** Location of Services to be Provided

**4.5** Indirect/Administrative Expenses

**5. WAIVERS/AMENDMENTS TO AGREEMENT**

None. [as applicable, list approved waiver(s)]

**6. INVOICING/PAYMENT ELECTIONS**

As of the Date of Agreement, the Parties mutually agree to the following invoicing/payment elections. Notwithstanding anything to the contrary and provided that any modifications to these elections do not alter the overall goals and basic purpose of the Agreement, and provided these modifications do not increase COMMISSION's Maximum Payment Obligation during the term of the Agreement, ADMINISTRATOR and CONTRACTOR may, in accordance with the authority described in Section 2.2 of this Agreement; make future modifications to the following invoicing/payment elections.

**6.1** Initial Payment. The Parties [*do/do not*] anticipate an Initial Payment request as described in Paragraph 14.2 of this Agreement.

**6.2** Billing/Payment Interval. The Parties agree that the interval for Billing and/or Payment for this Agreement as described in Paragraph 14.4 is [*quarterly/monthly*].

**6.3** Retention Timing. The Parties agree an amount equal to ten percent (10%) of each [*quarterly/monthly*] invoice attributable and allocable to Services [CONTRACTOR's entire final [*quarterly/monthly*] invoice attributable and allocable to Services] ("Retention Amount") as described in Subparagraph 14.8 shall be withheld by COMMISSION through ADMINISTRATOR pending the timely and successful completion and performance of each Fiscal Audit for the Services as described in Paragraph 13 of this Agreement.

**7. Funding Source and Additional Requirements (as applicable)**

**7.1** The parties acknowledge that funding for this Agreement includes (federal funding, or California Child Signature Program grant funds).

**7.2** The records retention period for this Agreement shall be five (5) years from the date of final disbursement of funds under this Agreement or the completion of any pending.

**8. CMAA and TCM (as applicable)**



**EXHIBIT A-1**

**WORK PLAN**

(See attached)

**EXHIBIT B**  
**PROJECT BUDGET**

<b>Public Entity Name</b>	<b>Funds Due 7/1/24 – 6/30/25</b>	<b>Funds Due 7/1/24 – 6/30/25</b>	<b>Funds Due 7/1/24 – 6/30/25</b>
Staffing			
Direct Project Expenses			
Capital Equipment			
Subcontracts			
Indirect/Administrative			
<b>TOTAL FUNDS DUE</b>			

**MAXIMUM PAYMENT OBLIGATION: \$ \_\_\_\_\_**

**Attachment 1 to Exhibit B**

**STAFFING TABLE**

	<b>7/1/24 - 6/30/25</b>	<b>7/1/24 - 6/30/25</b>	<b>7/1/24 - 6/30/25</b>
	<b>FTE</b>	<b>FTE</b>	<b>FTE</b>
<b>Position Title:</b>	<b>Salary &amp; Benefits</b>	<b>Salary &amp; Benefits</b>	<b>Salary &amp; Benefits</b>
	FTE	FTE	FTE
	\$	\$	\$

Minimum Qualifications:(Include education, licenses, and experience as applicable)

Job Duties: Provide services as described in subparagraphs \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_ of Exhibit A to this Agreement.

**Position Title:**

Minimum Qualifications:(Include education, licenses, and experience as applicable)

Job Duties: Provide services as described in subparagraphs \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_ of Exhibit A to this Agreement.

**Position Title:**

Minimum Qualifications:(Include education, licenses, and experience as applicable)

Job Duties: Provide services as described in subparagraphs \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_ of Exhibit A to this Agreement.

**Summary Table of Staffing Costs**

<b>07/01/24 – 06/30/25</b>	<b>07/01/24 – 06/30/25</b>	<b>\$07/01/24 – 06/30/25</b>
\$	\$	\$

**Attachment 2 to Exhibit B**

**DIRECT PROJECT EXPENSES TABLE**

<b>Expense Type</b>	<b>7/1/24 – 6/30/25</b>	<b>7/1/24 – 6/30/25</b>	<b>7/1/24 – 6/30/25</b>	<b>1-2 sentence narrative description of expenses.</b>
Category				Annual cost for
Category				Annual cost for
Category				Annual cost for
Category				Annual cost for
Category				Annual cost for
Category				Annual cost for
Category				Annual cost for
<b>Total Direct Project Expenses</b>				

**Attachment 3 to Exhibit B**

**SUBCONTRACTOR TABLE**

<b>Subcontractor Name, Address, Email and Phone Number</b>	<b>7/1/24 – 6/30/25</b>	<b>7/1/24 – 6/30/25</b>	<b>7/1/24 – 6/30/25</b>	<b>1-2 sentence description of services sub-contracted. This table is for services outsourced to a third Party.</b>

<b>Total Subcontract Costs</b>	<b>7/1/24 – 6/30/25</b>	<b>7/1/24 – 6/30/25</b>	<b>7/1/24 – 6/30/25</b>
	\$	\$	\$

**Attachment 4 to Exhibit B**

**LOCATION TABLE**

<b>Location (Name)</b>	<b>Address (Street, City, Zip Code)</b>	<b>Contact Name, Phone Number</b>	<b>Services Provided at Location</b>

**Attachment 5 to Exhibit B**

**INDIRECT PROJECT EXPENSES TABLE**

Definition: General management costs consist of administrative activities necessary for the general operation of the agency. Costs incurred for a common or joint objective: Services of the accounting staff, cost of utilities, local telephone service and communication infrastructure and salaries of personnel engaged in providing a broad range of departmental support activities.

**\*\*Indirect costs are to be prorated and specifically based on this Agreement only\*\***

Example: Expense Type	7/1/24 – 6/30/25	7/1/24 – 6/30/25	7/1/24 – 6/30/25	1-2 sentence narrative description of expenses.
Human resources, legal counsel				Annual cost
Office space				Annual cost
Utility costs: heating, lighting				Annual cost
Insurance				Annual cost
Telecommunications and Infrastructure				Annual cost
Building maintenance, custodial services				Annual cost
Security services				Annual cost

Total Indirect Project Expenses	\$	\$	\$
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## EXHIBIT C

### ACKNOWLEDGMENT OF INDEPENDENT CONTRACTOR STATUS

This **Acknowledgment of Independent Contractor Status** (“Acknowledgment”) is an exhibit and fully incorporated into that certain Agreement for provision of Services (“Agreement”) dated [date], 20\_\_ by and between **Children and Families Commission of Orange County** (“COMMISSION”) and [Entity name], a [Entity type] (“CONTRACTOR”). This Acknowledgment is intended to define and affirm the relationship between COMMISSION and CONTRACTOR as set forth in the Agreement. CONTRACTOR has been fully informed, has had the opportunity to be advised or has been advised by counsel of its choosing, and knowingly and willingly acknowledges and agrees as follows:

1. CONTRACTOR on behalf of itself and each and every person acting by, through, or for CONTRACTOR (together, “CONTRACTOR”), is not an employee of COMMISSION.
2. CONTRACTOR is an independent contractor to COMMISSION.
3. Because CONTRACTOR is not an employee of COMMISSION, CONTRACTOR is not entitled to receive health benefits or any other benefits provided by COMMISSION to its regular employees.
4. CONTRACTOR is not eligible to join in or participate in any benefit plans offered to those individuals listed on COMMISSION’s payroll as regular employees.
5. CONTRACTOR is and shall remain ineligible for employment benefits provided to COMMISSION’s regular employees, or for participation in such benefit plans, even if it is later determined that COMMISSION has misclassified CONTRACTOR as an independent contractor for tax or other purposes.
6. CONTRACTOR hereby waives any right it may have to claim it is an employee or challenge its status as an independent contractor of COMMISSION.
7. CONTRACTOR releases COMMISSION and its Commissioners, officers, board members, employees, and agents (together, “COMMISSION”) from any and all obligations, liabilities, causes of action, and/or claims that exist or may arise under applicable laws that relate to CONTRACTOR’s acknowledgement, release, and agreement of its status as an independent contractor (not an employee) of COMMISSION.
8. In making this Acknowledgment and the release and waiver for this Agreement, CONTRACTOR acknowledges it has been advised concerning the content and meaning or and understands and is familiar with the provisions of California Civil Code Paragraph 1542, which provides as follows:



**“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.”**

CONTRACTOR represents and warrants it understands the purpose, meaning, and effect of Paragraph 1542 above, but nevertheless freely and knowingly waives and relinquishes any right or benefit that it has or may have under Paragraph 1542 of the Civil Code of the State of California, or any similar provision of law as such relates to the status of CONTRACTOR as an independent contractor, not an employee, of COMMISSION.

**CONTRACTOR**

\_\_\_\_\_, a \_\_\_\_\_

By: \_\_\_\_\_  
**Signature**

Date: \_\_\_\_\_

**EXHIBIT D**  
**BUSINESS ASSOCIATE ADDENDUM**

This Business Associate Addendum (“Addendum”) supplements and is made a part of Agreement [*Agreement Number*] dated [*date*] (“Agreement”) by and between the **CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY**, a public body and legal public entity (“Business Associate 1” or “BA-1”), and [*Entity Name*] (“Business Associate 2” or “BA-2”). This Addendum is effective as of [*Agreement Date*] (the “Addendum Effective Date”).

**ADDENDUM RECITALS**

A. This Addendum is made between two Business Associates to comply with the Health Insurance Portability and Accountability Act of 1996 Public Law 104-191 (HIPAA) 2013 Omnibus Requirements under which BA-1 passes through all HIPAA restrictions and requirements to BA-2.

B. BA-1 wishes to disclose certain information to BA-2 pursuant to the terms of the Agreement, some of which may constitute Protected Health Information (“PHI”) (defined below).

C. BA-1 and BA-2 intend to protect the privacy and provide for the security of PHI disclosed to BA-2 pursuant to the Agreement in compliance with HIPAA; the Health Information Technology for Economic and Clinical Health Act, Public Law 111-005 (“the HITECH Act”); and regulations promulgated thereunder by the U.S. Department of Health and Human Services (DHHS) (the “HIPAA Regulations”); and other applicable state and federal laws and regulations.

D. As part of the HIPAA Regulations, the Privacy Rule, and the Security Rule (defined below), BA-1 is required to enter into this Addendum that contains specific requirements with BA-2 prior to the disclosure of any PHI as set forth in Title 45 of the Code of Federal Regulations (C.F.R.) Sections 164.314(a), 164.502(e), and 164.504(e); applicable laws and regulations; and as provided in this Addendum.

NOW, THEREFORE, based on the Addendum Recitals, which are a substantive part of this Addendum, and agreed mutual consideration, BA-1 and BA-2 agree as follows:

**1. Definitions**

a. “Breach” shall have the meaning given to such term under HIPAA, the HIPAA Regulations, the HITECH Act, and as described in California Civil Code Section 1798.82.

b. “Business Associate” shall have the meaning given to such term under the Privacy Rule, the Security Rule, and the HITECH Act, including 45 C.F.R. Section 160.103.

c. “Covered Entity” shall have the meaning given to such term under the Privacy Rule and the Security Rule, including, but not limited to, 45 C.F.R. Section 160.103.

d. “Data Aggregation” shall have the meaning given to such term under the Privacy Rule, including but not limited to, 45 C.F.R. Section 164.501.

**Exhibit D**

Page 1 of 7

e. “Designated Record Set” shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.501.

f. “Electronic Protected Health Information” (Electronic PHI) means Protected Health Information that is maintained in or transmitted by electronic media.

g. “Electronic Health Record” shall have the meaning given to such term in the HITECH Act, including, but not limited to, 42 U.S.C. Section 17921.

h. “Health Care Operations” shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.501.

i. “HITECH Compliance Date” shall mean February 17, 2010, unless a separate effective date is specified by law for a particular requirement, in which case such effective date shall apply for that particular requirement.

j. “Privacy Rule” shall mean the HIPAA Regulation that is codified at 45 C.F.R. Parts 160 and 164, Subparts A and E.

k. “Protected Health Information” (PHI) means any information, whether oral or recorded in any form or medium: (i) that relates to the past, present or future physical or mental condition of an individual; the provision of health care to an individual; or the past, present or future payment for the provision of health care to an individual; and (ii) that identifies the individual or with respect to which there is a reasonable basis to believe the information can be used to identify the individual, and shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.501. Protected Health Information includes Electronic Protected Health Information.

l. “Protected Information” shall mean PHI provided by BA-1 to BA-2 or created or received by BA-2 on BA-1’s behalf.

m. Any use of the phrase “required by law” shall have the meaning given to such term under the Privacy Rule, the Security Rule, and the HITECH Act, including 45 C.F.R. Section 160.103.

n. “Security Rule” shall mean the HIPAA Regulation that is codified at 45 C.F.R. Parts 160 and 164, Subparts A and C.

o. “Unsecured PHI” shall have the meaning given to such term under the HITECH Act and any guidance issued pursuant to such Act including, but not limited to, 42 U.S.C. Section 17932(h).

## 2. **Obligations of Business Associate 2**

a. Permitted Uses. BA-2 shall not use Protected Information except for the purpose of performing BA-2’s obligations under the Agreement and as permitted under the Agreement and this Addendum. Further, BA-2 shall not use Protected Information in any manner that would

constitute a violation of the Privacy Rule or the HITECH Act if so used by BA-1. However, BA-2 may use Protected Information (i) for the proper management and administration of BA-2, (ii) to carry out the legal responsibilities of BA-2, or (iii) for Data Aggregation purposes for the Health Care Operations of BA-1.

b. Permitted Disclosures. BA-2 shall not disclose Protected Information except for the purpose of performing BA-2's obligations under the Agreement and as permitted under the Agreement and this Addendum. BA-2 shall not disclose Protected Information in any manner that would constitute a violation of the Privacy Rule or the HITECH Act if so disclosed by BA-1. However, BA-2 may disclose Protected Information (i) for the proper management and administration of BA-2, (ii) to carry out the legal responsibilities of BA-2, (iii) as required by law, or (iv) for Data Aggregation purposes. If BA-2 discloses Protected Information to a third party, BA-2 must obtain, prior to making any such disclosure, (i) reasonable written assurances from such third party that such Protected Information will be held confidential, as provided pursuant to this Addendum, and only disclosed as required by law or for the purposes for which it was disclosed to such third party and (ii) a written agreement from such third party to immediately notify BA-2 of any breaches of confidentiality of the Protected Information, to the extent the third party has obtained knowledge of such breach.

c. Prohibited Uses and Disclosures under HITECH. Notwithstanding any other provision in this Addendum, no later than the HITECH Compliance Date, BA-2 shall comply with the following requirements: (i) BA-2 shall not use or disclose Protected Information for fundraising or marketing purposes, except as provided under the Agreement and consistent with the requirements of 42 United States Code (U.S.C.) Section 17936; (ii) BA-2 shall not disclose Protected Information to a health plan for payment or health care operations purposes if the patient has requested this special restriction and has paid out of pocket in full for the health care item or service to which the PHI solely relates, pursuant to 42 U.S.C. Section 17935(a); and (iii) BA-2 shall not directly or indirectly receive remuneration in exchange for Protected Information, except with the prior written consent of BA-1 and as permitted by the HITECH Act and 42 U.S.C. Section 17935(d)(2); however, this prohibition shall not affect payment by BA-1 to BA-2 for Services provided pursuant to the Agreement.

d. Appropriate Safeguards. BA-2 shall implement appropriate safeguards as are necessary to prevent the use or disclosure of Protected Information other than as permitted by the Agreement or this Addendum. BA-2 further agrees to use administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of Electronic PHI. No later than the HITECH Compliance Date, BA-2 shall comply with each of the requirements of 45 C.F.R. Sections 164.308, 164.310, and 164.312 and the policies, procedures, and documentation requirements of the HIPAA Security Rule, including, but not limited to, 45 C.F.R. Section 164.316. To the extent that BA-2 creates, maintains, receives, or transmits Electronic PHI on behalf of BA-1, BA-2 shall implement the safeguards required by paragraph 2.c above with respect to Electronic PHI.

e. Mitigation. BA-2 agrees to mitigate, to the extent practicable, any harmful effect that is known to BA-2 of a use or disclosure of PHI in violation of this Addendum.

f. Reporting of Improper Access, Use, or Disclosure. BA-2 shall, following the discovery of any Breach of Unsecured PHI; Security Incident, as defined in the Security Rule; and/or any actual or suspected access, use, or disclosure of Protected Information not permitted by the Agreement or this Addendum or applicable law; notify BA-1 in writing of such breach or disclosure

without unreasonable delay and in no case later than three (3) business days after discovery. BA-2 shall take prompt corrective action in addition to any action required by applicable state or federal laws and regulations relating to such disclosure. BA-2 agrees to pay the actual costs incurred by BA-1 to provide required notifications and any associated costs incurred by BA-1, such as credit monitoring for affected patients, and including any civil or criminal monetary penalties or fines levied by any federal or state authority having jurisdiction if BA-1 reasonably determines that the nature of the breach warrants such measures.

g. Subcontractors and Agents of Business Associate 2. BA-2 shall ensure that any agents or subcontractors to whom it provides Protected Information agree in writing to the same restrictions and conditions that apply to BA-2 with respect to such PHI.

h. Access to Protected Information. To the extent BA-2 maintains a Designated Record Set on behalf of BA-1, BA-2 shall make Protected Information maintained by BA-2 or its agents or subcontractors in Designated Record Sets available to BA-1 for inspection and copying within five (5) days of a request by BA-1 to enable BA-1 to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.524. No later than the HITECH Compliance Date, if BA-2 maintains an Electronic Health Record, BA-2 shall provide such information in electronic format to enable BA-1 to fulfill its obligations under the HITECH Act, including, but not limited to, 42 U.S.C. Section 17935(e).

i. Amendment of PHI. To the extent BA-2 maintains a Designated Record Set on behalf of BA-1, within thirty (30) days of receipt of a request from BA-1 or an individual for an amendment of Protected Information or a record about an individual contained in a Designated Record Set, BA-2 or its agents or subcontractors shall make any amendments that BA-1 directs or agrees to in accordance with the Privacy Rule.

j. Accounting Rights. Within thirty (30) days' written notice by BA-1 of a request for an accounting of disclosures of Protected Information, BA-2, its agents, and/or subcontractors shall make available to BA-1 the information required to provide an accounting of disclosures to enable BA-1 to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.528 and its obligations under the HITECH Act including, 42 U.S.C. Section 17935(c), as determined by BA-1. The provisions of this subparagraph 2.j shall survive the termination of this Addendum.

k. Governmental Access to Records. BA-2 shall make its internal practices, books, and records relating to the use and disclosure of Protected Information available to BA-1 and to the Secretary of DHHS (the "Secretary"), or Secretary's designated representative, for purposes of determining BA-2's compliance with the Privacy Rule.

l. Minimum Necessary. No later than the HITECH Compliance Date, BA-2 and its agents and subcontractors shall request, use, and disclose only the minimum amount of Protected Information necessary to accomplish the purpose of the request, use, or disclosure. BA-2 understands and agrees that the definition of "minimum necessary" may change from time to time, and BA-2 shall keep itself informed of any guidance issued by the Secretary with respect to what constitutes "minimum necessary."

m. Compliance with Laws. BA-2 shall comply with all applicable state and federal privacy and security laws, including, but not limited to, HIPAA, the HIPAA Regulations, HITECH, and California Civil Code Section 1798.82, as each may be amended from time to time.

### 3. **Termination**

a. Material Breach by BA-2. A breach by BA-2 of any provision of this Addendum, as determined by BA-1, shall constitute a material breach of the Agreement and shall provide grounds for termination of the Agreement, any provision in the Agreement to the contrary notwithstanding, with or without an opportunity to cure the breach. If termination of the Agreement is not feasible, BA-1 will report the problem to the DHHS Secretary.

b. Material Breach by BA-1. As of the HITECH Compliance Date, pursuant to 42 U.S.C. Section 17934(b), if BA-2 knows of a pattern of activity or practice of BA-1 that constitutes a material breach or violation of BA-1's obligations under the Agreement, this Addendum, or other arrangement, then BA-2 must take reasonable steps to cure the breach or end the violation. If the steps are unsuccessful, BA-2 must terminate the Agreement or other arrangement if feasible, or if termination is not feasible, report the problem to the DHHS Secretary.

c. Effect of Termination. Upon termination of the Agreement for any reason, BA-2 shall, at the option of BA-1, return or destroy all Protected Information that BA-2 or its agents or subcontractors maintain in any form, and shall retain no copies of such Protected Information. If return or destruction is not feasible, as determined by BA-1, BA-2 shall continue to extend the protections of Section 2 of this Addendum to such information and limit further use of such PHI to those purposes that make the return or destruction of such PHI infeasible. If BA-1 elects destruction of the PHI, BA-2 shall certify in writing to BA-1 that such PHI has been destroyed.

4. **Indemnification; Limitation of Liability.** To the extent permitted by law, BA-2 shall indemnify, defend, and hold harmless BA-1 from any and all liability, claim, lawsuit, injury, loss, expense or damage resulting from or relating to the acts or omissions of BA-2 in connection with the representations, duties, and obligations of BA-2 under this Addendum. Any limitation of liability contained in the Agreement shall not apply to the indemnification requirement of this provision. This provision shall survive the termination of the Addendum.

5. **Assistance in Litigation.** BA-2 shall make itself and any subcontractors, employees, and agents assisting BA-2 in the performance of its obligations under the Agreement or this Addendum available to BA-1, at no cost to BA-1, to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against BA-1, its directors, officers, or employees based upon a claim of violation of HIPAA, the HITECH Act, or other state or federal laws related to security and privacy.

6. **Amendment to Comply with Law.** The parties acknowledge that state and federal laws relating to data security and privacy are rapidly evolving and that amendment of the Agreement or this Addendum may be required to ensure compliance with such developments. The parties specifically agree to take such action as is necessary to implement the standards and requirements of HIPAA, the HIPAA Regulations, the HITECH Act, and other applicable state and federal laws and regulations relating to the security or confidentiality of PHI. Upon the compliance date of any such

applicable laws and regulations, this Addendum shall automatically be amended such that this Addendum remains in compliance with such laws and regulations.

7. **No Third-Party Beneficiaries.** Nothing express or implied in the Agreement or this Addendum is intended to confer; nor shall anything herein confer upon any person other than BA-1, BA-2, and their respective successors or assigns; any rights, remedies, obligations or liabilities whatsoever.

8. **Interpretation.** The provisions of this Addendum shall prevail over any provisions in the Agreement that may conflict or appear inconsistent with any provision in this Addendum. This Addendum and the Agreement shall be interpreted as broadly as necessary to implement and comply with HIPAA, the HITECH Act, the Privacy Rule, and the Security Rule. The parties agree that any ambiguity in this Addendum shall be resolved in favor of a meaning that complies and is consistent with HIPAA, the HITECH Act, the Privacy Rule, and the Security Rule. Except as specifically required to implement the purposes of this Addendum, or to the extent inconsistent with this Addendum, all other terms of the Agreement shall remain in force and effect.

9. **Regulatory References.** A reference in this Addendum to a section of any regulations means the section as in effect, or as amended, and for which compliance is required.

10. **Identity Theft Program Compliance.** To the extent that BA-1 is required to comply with the final rule entitled “Identity Theft Red Flags and Address Discrepancies under the Fair and Accurate Credit Transactions Act of 2003,” as promulgated and enforced by the Federal Trade Commission (16 C.F.R. Part 681) (the “Red Flags Rule”); and that BA-2 is performing an activity in connection with one or more “covered accounts,” as that term is defined in the Red Flags Rule, pursuant to the Agreement; BA-2 shall establish and comply with its own reasonable policies and procedures designed to detect, prevent, and mitigate the risk of identity theft, which shall be consistent with and no less stringent than those required under the Red Flags Rule or the policies and procedures of BA-1’s Red Flags Program. BA-2 shall provide its Services pursuant to the Agreement in accordance with such policies and procedures. BA-2 shall report any detected “red flags,” as that term is defined in the Red Flags Rule, to BA-1 and shall, in cooperation with BA-1, take appropriate steps to prevent or mitigate identity theft.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum as of the Addendum Effective Date.

BUSINESS ASSOCIATE 1

BUSINESS ASSOCIATE 2

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: Kimberly Goll  
Title: President/CEO

Name:  
Title: Contractor

**AGREEMENT FCI-XX-XX**

**BY AND BETWEEN**

**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY**

**AND**

\_\_\_\_\_ **SCHOOL DISTRICT**

**FOR THE PROVISION OF SERVICES**

This **AGREEMENT** (“Agreement”) entered into as of the [day] day of [month], 20[XX] (“Date of Agreement”) is by and between the **CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY**, a public body and legal public entity (“COMMISSION”), and [School District Name] **SCHOOL DISTRICT**, a California public school district organized and existing under the laws of the State of California (“CONTRACTOR”). This Agreement shall be administered by the President/CEO of COMMISSION, or his or her authorized designee (“ADMINISTRATOR”).

**RECITALS**

**A.** In order to facilitate the creation and implementation of an integrated, comprehensive, and collaborative system of information and services to enhance optimal early childhood development, the legislature adopted legislation set forth in the California Children and Families Act of 1998, Health and Safety Code Section 130100, *et seq.* (as amended, the “Act”), implementing the Children and Families First Initiative passed by the California electorate in November of 1998, establishing the California Children and Families Commission, and providing for establishment in each county of Children and Families Commissions, including COMMISSION.

**B.** COMMISSION adopted its Strategic Plan to define how funds authorized under the Act should best be used to meet the critical needs of Orange County’s children prenatal through age five as codified in the Act, which plan has been amended and after the Date of Agreement may be further amended, updated, or revised (“Strategic Plan”).

**C.** CONTRACTOR is a school district organized and existing under the laws of the State of California, and its powers include without limitation, provision of services to and activities for the benefit of Orange County’s children through age five (5).

**D.** On [date], [describe Commission action, President/CEO authority, or other authorization to enter into agreement].

**E.** COMMISSION desires to contract with CONTRACTOR to provide services, carry out certain performance obligations, and achieve certain outcomes, while promoting the purposes of the Act and the Strategic Plan on the terms and conditions set forth in this Agreement and the Project Summary, Exhibit A; Work Plan, Exhibit A-1; and Project Budget, Exhibit B (together, “Services”).

**F.** As and if applicable, COMMISSION and CONTRACTOR desire to enter into matching fund program opportunities with the California Children and Families Commission (“First 5 California”) and other matching fund opportunities as may become available.



**G.** CONTRACTOR desires to provide Services in furtherance of the purposes of the Act and the Strategic Plan on the terms and conditions set forth in this Agreement. CONTRACTOR represents and maintains that it is uniquely qualified by virtue of its experience, training, education, reputation, and expertise to provide these Services to COMMISSION and has agreed to provide such Services as provided herein. COMMISSION does not have the personnel or specialized technical expertise able to perform the Services contracted for herein.

**NOW, THEREFORE**, based on the Recitals, which are a substantive part of this Agreement, and agreed mutual consideration, COMMISSION and CONTRACTOR agree as follows:

**1. TERM OF AGREEMENT.** The term of this Agreement shall commence on [date] and terminate on [date] (“Term”), unless earlier terminated pursuant to the provisions of Paragraph 22 of this Agreement. CONTRACTOR and ADMINISTRATOR may mutually agree in writing to extend the Term of this Agreement, provided that COMMISSION’s Maximum Payment Obligation in this Agreement does not increase as a result.

**2. ALTERATION OF TERMS.** This Agreement, together with and including any Exhibits, fully expresses all understanding of the parties with respect to the subject matter of this Agreement, and shall constitute the total Agreement between the parties, except as otherwise expressly provided in this Paragraph 2. No amendment, addition to, or alteration of, the terms of this Agreement shall be valid unless the amendment is made in writing and formally approved and executed by both parties, except as provided in this Paragraph 2.

**2.1** CONTRACTOR’s work plans, budgets, and scopes of services will be subject to an annual review to determine consistency with the COMMISSION's strategic direction. Changes to these documents may be directed by ADMINISTRATOR to bring the Agreement scope into better alignment with the COMMISSION's evolving strategic direction. These changes may include, but are not limited to, reprioritization of the targeted service population, redirection of resources to provide more intensive services, and increased focus on sustainability strategies. Should any changes directed by ADMINISTRATOR result in increased or decreased costs of Services contemplated by this Agreement, CONTRACTOR shall submit a request for equitable adjustment within ten (10) days of the directed change, which adjustment shall be negotiated between the parties. If CONTRACTOR is unable to redirect its program to be consistent with this direction, COMMISSION may reduce funding provided under this Agreement or exercise its termination rights.

**2.2 Administrator Modification Authority.** Notwithstanding anything to the contrary, and provided any modifications do not alter the overall goals and purpose of the Agreement and do not increase COMMISSION’s Maximum Payment Obligation, ADMINISTRATOR has the authority to, with the agreement of CONTRACTOR, make modification(s) to the activities, tasks, deliverables, and performance timeframes specified in the Project Summary as set forth in the Scope of Work, Exhibit A; the Work Plan, Exhibit A-1; the funding allocation between and among the line items and the “Funds Due” period(s) budgeted in the Project Budget, Exhibit B; the Payment interval; and the percentage of Initial Payment(s).

**3. STATUS OF CONTRACTOR.** CONTRACTOR is, and shall at all times remain, an independent contractor to COMMISSION in providing Services for this Agreement. As a condition to commencing performance of any Services for this Agreement and to be eligible for any compensation for Services rendered, CONTRACTOR shall execute an Acknowledgment of Independent Contractor Status, Exhibit C, attached hereto and fully incorporated by this reference. CONTRACTOR is and

shall remain wholly responsible for the manner in which it performs the Services required by the terms of this Agreement. Nothing in this Agreement shall be construed as creating the relationship of employer and employee (neither a contract nor regular employee), or principal and agent, between COMMISSION and CONTRACTOR or any of CONTRACTOR's employees, subcontractors, or agents. CONTRACTOR assumes exclusive responsibility for the acts of its employees, subcontractors, or agents as they relate to the Services to be provided during the Term of this Agreement and the course and scope of employment of any such employees, subcontractors, or agents. Neither CONTRACTOR or its officials, officers, agents, employees, or subcontractors shall, in any respect whatsoever, be entitled to any rights or privileges of COMMISSION employees and shall not be considered in any manner to be COMMISSION employees. COMMISSION shall neither have nor exercise any control or direction over the methods by which CONTRACTOR shall perform its obligations under this Agreement. COMMISSION shall not be responsible or liable for the acts or failure to act, whether intentional or negligent, of any employee, agent, subcontractor, or volunteer of CONTRACTOR (hereinafter referred to as "personnel"). CONTRACTOR shall pay all wages, salaries, and other amounts due its employees in connection with this Agreement and shall be responsible for all reports and obligations respecting them, such as social security, income tax withholding, unemployment compensation, workers' compensation, and similar matters. CONTRACTOR shall indemnify and hold harmless COMMISSION from any liability, damages, costs, and expenses of any nature arising from alleged violations of personnel practices and employment laws. Should any of CONTRACTOR's personnel or a state or federal agency allege claims against COMMISSION involving the status of COMMISSION as employer, joint or otherwise, of said personnel, or allegations involving any other independent contractor misclassification issues, CONTRACTOR shall defend and indemnify COMMISSION in relation to any allegations made and shall reimburse COMMISSION for any costs, including attorneys' fees, the COMMISSION incurs arising out of such claim or determination, including, but not limited to, any benefits COMMISSION is required to provide, or payroll taxes or workers' compensation claims it is required to pay, as well as for the payment of any penalties and interest.

**4. CONTRACTOR DELEGATION AND ASSIGNMENT.** Neither this Agreement nor any interest herein nor claim hereunder may be assigned by CONTRACTOR either voluntarily or by operation of law without the prior written consent of ADMINISTRATOR. Any attempted assignment in violation of this paragraph shall be ineffective, null and void, and constitute a material breach of this Agreement entitling COMMISSION to any and all remedies at law or in equity, including termination of this Agreement.

**5. SUBCONTRACTS.** Except to the extent expressly provided for in the Project Summary, Exhibit A, or as approved by ADMINISTRATOR, CONTRACTOR shall not enter into any subcontract for the provision of any Services required by this Agreement (hereinafter referred to as a "Subcontract") without the prior written consent of ADMINISTRATOR. Any Subcontracts approved by ADMINISTRATOR shall not alter in any way any legal responsibility or performance obligation of CONTRACTOR to perform or cause performance of the Services required under this Agreement. ADMINISTRATOR may require CONTRACTOR to submit a copy of any permitted Subcontract.

**6. GENERAL INDEMNIFICATION.** CONTRACTOR agrees to and shall indemnify, defend with counsel approved in writing by COMMISSION, hold harmless COMMISSION, its Commissioners, officers, agents, and employees from and against all liability, claims, losses, demands, injuries to or death of any person or persons, or damages to property, including but not limited to property of Commissioners, officers, employees, or agents of COMMISSION (together, "Claims"), including defense costs, resulting from court action or in any manner arising out of, pertaining to,

related to, or incident to any intentional, malicious, negligent acts, inactions, errors, or omissions of CONTRACTOR, its officers, employees, agents, or Subcontractors in the performance of this Agreement.

**6.1** No elected official, no public official, no Commissioner, no officer, no committee member, no employee, and no agent of COMMISSION shall be personally liable to CONTRACTOR, any successor in interest, or to any Subcontractor in the event of any default or breach by COMMISSION or for any amount that may become due to CONTRACTOR or to its successor or for breach of any obligation of the terms of this Agreement.

**7. INSURANCE.** Without limiting CONTRACTOR's liability for indemnification of COMMISSION as set forth in Paragraph 6 above, CONTRACTOR shall obtain and maintain, in effect, during the term of this Agreement, certain minimum coverage of insurance through any or all of the following types of insurance, as further described, and as applicable, in Subparagraphs 7.1, 7.2, and 7.3 below: (a) self-insurance through the State or as otherwise approved by ADMINISTRATOR or his or her Risk Management designee; (b) insurance via a pooled or joint powers insurance authority; or (c) insurance policies secured from insurance companies that are admitted in California and rated A-:VIII or better or FPR Ratings of 9 through 7 and have a Financial Size Category (FSC) of VIII or better according to the current Best's Key Rating Guide/Property-Casualty/United States, ambest.com, or from an insurance company of equal financial stability as approved by ADMINISTRATOR or his or her Risk Management designee. Evidence of required insurance coverages obtained under (a), (b), or (c) in this Paragraph 7 shall be submitted to ADMINISTRATOR prior to and as a condition precedent to commencement of any Services or proceeding with any work under this Agreement. Submittal and approval of insurance coverage, including self-insurance or pooled coverage, shall neither relieve nor decrease the liability of CONTRACTOR.

**7.1 Certificate of Self-Insurance Coverage.** In lieu of maintaining insurance coverage by separate insurance policies secured through third party insurance companies as described in Paragraph 7 above and Subparagraph 7.3 below, CONTRACTOR may be self-insured with respect to the minimum amounts and types of required insurance coverage under this Agreement.

**7.1.1 Certificate of Self-Insurance.** A certificate signed by a duly authorized officer or member of CONTRACTOR shall be submitted to ADMINISTRATOR evidencing self-insurance prior to and as a condition precedent to commencement of Services or proceeding with any work under this Agreement. Further, during the term of this Agreement ADMINISTRATOR may, in his or her reasonable discretion, request reconfirmation of CONTRACTOR's status as self-insured for the required coverage. The self-insurance certificates shall verify that CONTRACTOR has and maintains self-insurance in the following categories and amounts of coverage, including the amounts and companies, if any, that may provide any secondary or additional level of coverage. Further the certification shall state that the self-insurance is intended to cover as additional insureds (or the equivalent of being an additional insured) COMMISSION, its Commissioners, officers, agents, and employees, individually and collectively, and that the self-insurance shall apply as primary insurance and that other insurance maintained by COMMISSION (whether through insurance policies, self-insurance, or pooled/joint powers coverage) shall be excess only and not contributing with insurance provided under the self-insurance. In the event CONTRACTOR elects to no longer self-insure under any of the required types of coverage in this Subparagraph 7.1, then CONTRACTOR shall provide to ADMINISTRATOR not less than thirty (30) days prior written notice of the cancellation or change in coverage. In this event, CONTRACTOR shall obtain and maintain insurance coverages pursuant to Subparagraphs 7.2 or 7.3 below.

**7.1.2 Types of Self-Insurance Coverage.** CONTRACTOR shall evidence it is self-insured through the State or as otherwise approved by ADMINISTRATOR or his or her Risk Management designee in his or her sole discretion for the following required coverage:

(a) **Comprehensive General Liability** coverage for bodily injury, including death, and property damage which provides total limits of not less than One Million Dollars (\$1,000,000) CSL per occurrence and One Million Dollars (\$1,000,000) annual aggregate applicable to all owned, non-owned, and hired vehicles/watercraft.

(b) **Comprehensive Automobile Liability** coverage for bodily injury (including death) and property damage equivalent to not less than One Million Dollars (\$1,000,000) combined single limit per occurrence applicable to all owned, non-owned, and hired vehicles/watercraft, with not less than One Million Dollars (\$1,000,000) annual aggregate.

(c) **Workers' Compensation** coverage shall be maintained for workers' compensation risk Claims in amounts equivalent to coverage required by the State of California, applicable statutory requirements, and including the equivalent of a broad form all-states endorsement and waiver of subrogation.

(d) **Employers' Liability** coverage for all employees engaged in Services or operations under this Agreement equivalent to not less than One Million Dollars (\$1,000,000) per occurrence.

(e) **Professional Liability.** If the Project Summary, Exhibit A, includes or requires staffing or Services by a licensed professional, such as physician, dentist, pharmacist, registered nurse, psychologist, engineer, architect, etc., then coverage for professional liability/errors and omissions is required equivalent to not less than One Million Dollars (\$1,000,000) per claims made or per occurrence and One Million Dollars (\$1,000,000) annual aggregate. If CONTRACTOR's professional liability policy is a "claims made" policy, CONTRACTOR shall agree to maintain professional liability coverage for two (2) years following the termination of this Agreement.

(f) **Sexual Misconduct Liability.** If the Project Summary, Exhibit A, includes services which require custody, transportation or unsupervised contact by CONTRACTOR , or any Subcontractor, with recipients of services under this agreement, then insurance policy(ies) and coverage for Sexual Misconduct Liability is required in an amount not less than One Million Dollars (\$1,000,000) per occurrence and One Million Dollars (\$1,000,000) annual aggregate.

**7.2 Pooled or Joint Powers Insurance Coverage.** CONTRACTOR may provide insurance coverage through membership and participation in a pooled insurance cooperative or joint powers insurance authority, or both, with respect to the minimum amounts and types of required insurance coverage under this Agreement.

**7.2.1 Certificate of Pooled/Joint Powers Insurance.** A certificate signed by an authorized officer or member of CONTRACTOR and by an authorized officer of the pooled or joint powers insurance authority shall be submitted to ADMINISTRATOR evidencing membership and participation in pooled or joint powers insurance prior to and as a condition precedent to commencement of Services or proceeding with any work under this Agreement. Further, during the term of this Agreement ADMINISTRATOR may in his or her reasonable discretion request reconfirmation of CONTRACTOR's status as a member in good standing and participant in pooled or

joint powers insurance for the required coverage. The certificate shall verify that CONTRACTOR has and maintains insurance in the categories and amounts of coverage described for self-insurance above in Subparagraph 7.1, including the amounts and companies, if any, that may provide any secondary or additional level of coverage. Further the certificate shall state that the pooled or joint powers insurance is intended to cover as additional insureds (or the equivalent of being an additional insured) COMMISSION, its Commissioners, officers, agents, and employees, individually and collectively, and that the pooled and/or joint powers insurance shall apply as primary insurance and other insurance maintained by COMMISSION (whether through insurance policies, self-insurance, or pooled/joint powers coverage) shall be excess only and not contributing with insurance provided under the pooled or joint powers insurance. Pooled or joint powers insurance provided under this Subparagraph 7.2 shall not be canceled or changed so as to no longer meet the specified COMMISSION or County insurance requirements without thirty (30) days prior written notice of the cancellation or change being delivered to ADMINISTRATOR.

**7.3 Insurance Policies through Independent Insurance Companies.** CONTRACTOR may obtain and maintain insurance policies for the required coverage under this Agreement.

**7.3.1 Evidence of Coverage.** Prior to commencement of any Services or proceeding with any work under this Agreement, CONTRACTOR shall provide on an insurance industry approved form a Certificate of Insurance (COI) certifying that coverage as required in this Subparagraph 7.3 has been obtained and remains in force for the period required by this Agreement. In addition, a certified copy of the policy or policies shall be provided by CONTRACTOR upon request of ADMINISTRATOR at the address specified in Paragraph 22. Each policy shall meet the following requirements.

(a) **Required Coverage Forms**

(i) Commercial General Liability coverage shall be written on Insurance Services Office (ISO) form CG 00 01, or a substitute form providing liability coverage at least as broad.

(ii) Business Auto Liability coverage shall be written on ISO form CA 00 01, CA 00 05, CA 0012, CA 00 20, or a substitute form providing coverage at least as broad.

(b) **Required Endorsements.** Commercial General Liability policy shall contain the following endorsements, which shall accompany the Certificate of Insurance:

(i) An Additional Insured endorsement using ISO form CG 2010 or CG 2033 or a form at least as broad naming the COMMISSION and its elected and appointed officials, officers, employees, agents as Additional Insureds.

(ii) A primary non-contributing endorsement evidencing that CONTRACTOR's insurance is primary and any insurance or self-insurance maintained by the COMMISSION shall be excess and non-contributing.

(c) **Notice of Cancellation or Change of Coverage Endorsement:** Each policy shall include an endorsement evidencing that the policy shall not be canceled or changed so as to no longer meet the specified COMMISSION or County insurance requirements without thirty (30) days prior written notice of the cancellation or change being delivered to ADMINISTRATOR at the

address shown on the COI; or ten (10) days notice for non-payment of premium. This shall be evidenced by policy provisions or an endorsement separate from the COI.

(d) **Separation Clause Endorsement:** Each policy shall include an endorsement evidencing that the policy provides coverage separately to each insured who is seeking coverage or against whom a Claim is made or a suit is brought, except with respect to the company's limit of liability (standard in the ISO CG 0001 policy).

(e) **Termination of Insurance.** If insurance is terminated for any reason, CONTRACTOR agrees to purchase an extended reporting provision of at least two (2) years to report Claims arising from work performed, or any action or any inaction in connection with this Agreement.

(f) **Qualifying Insurers.** All coverages shall be issued by qualified insurance companies meeting the criteria described in Paragraph 7 above.

(g) **Deductible Amounts in Standard Policy.** COMMISSION acknowledges that a deductible amount on a policy of insurance is acceptable, but only as approved in writing in the sole discretion of ADMINISTRATOR or his or her Risk Management designee; provided no approved deductible shall in any way limit liabilities assumed by CONTRACTOR under this Agreement, including:

(i) Any policy deductible or self-insured retention on any insurance policy (except auto) which exceeds \$25,000. Such policy requires prior written approval of ADMINISTRATOR or his or her Risk Management designee.

(ii) Any policy deductible or self-insured retention on automobile liability over \$5,000. Such policy requires prior written approval of ADMINISTRATOR or his/her Risk Management designee.

(iii) All self-insured retentions or deductibles shall be clearly stated on the COI. If no self-insured retentions or deductibles apply, indicate this on the COI.

(h) **Subcontractor Insurance Requirements.** Should any of the Services under this Agreement be provided by a Subcontract, CONTRACTOR shall require each Subcontractor (of any tier) to provide the coverages mentioned in this Paragraph 7, or CONTRACTOR may insure any Subcontractor under its own policies.

(i) **Occurrence Versus Claims Made Coverage.** It is the intent of COMMISSION to secure "occurrence" rather than "claims made" coverage whenever possible. If coverage is written on a "claims made" basis, the COI shall clearly so state. In addition to coverage requirements above, each policy shall provide that:

(i) Policy retroactive date coincides with or precedes CONTRACTOR's start of work (including subsequent policies purchased as renewals or replacements).

(ii) CONTRACTOR will make every effort to maintain similar insurance during the required extended period of coverage following completion of services, including the requirement of adding all additional insureds.

(iii) Policy allows for reporting of circumstances or incidents that might give rise to future claims.

**7.3.2 Types of Insurance Policies/Coverages.** If CONTRACTOR provides insurance through a policy or policies, then the following types and coverages are required.

(a) **Comprehensive General Liability Insurance.** Comprehensive General Liability Insurance for bodily injury, including death and property damage which provides not less than One Million Dollars (\$1,000,000) combined single limit (CSL) per occurrence and not less than Two Million Dollars (\$2,000,000) annual aggregate.

(i) The coverage shall include:

(A) Premises and Operations.

(B) Products/Completed Operations with limits of One Million Dollars (\$1,000,000) per occurrence One Million Dollars (\$1,000,000) annual aggregate to be maintained for two (2) years following the end of the term of this Agreement.

(C) Contractual Liability expressly including liability assumed under this agreement, except such requirement does not apply to service contracts.

(D) Personal Injury Liability.

(b) **Comprehensive Automobile Liability Insurance.** Comprehensive Automobile Liability Insurance for bodily injury, including death, and property damage which provides total limits of not less than One Million Dollars (\$1,000,000) CSL per occurrence and One Million Dollars (\$1,000,000) annual aggregate applicable to all owned, non-owned and hired vehicles/watercraft.

(c) **Workers' Compensation Insurance.** Workers' Compensation Insurance shall be maintained. Statutory California Workers' Compensation coverage shall include a broad form all-states endorsement and waiver of subrogation.

(d) **Employers' Liability Coverage.** Employers' Liability Coverage of not less than One Million Dollars (\$1,000,000) per occurrence for all employees engaged in Services or operations under this Agreement.

(e) **Professional Liability.** If the Project Summary, Exhibit A, includes or requires staffing or services by a licensed professional, such as physician, dentist, pharmacist, registered nurse, psychologist, accountant, engineer, architect, etc., then insurance policy(ies) and coverage for professional liability/errors and omissions is required in an amount not less than One Million Dollars (\$1,000,000) per claims made or per occurrence and One Million Dollars (\$1,000,000) aggregate. If CONTRACTOR's professional liability policy is a "claims made" policy, CONTRACTOR shall agree to maintain professional liability coverage for two (2) years following the termination of this Agreement.

(f) **Sexual Misconduct Liability.** If the Project Summary, Exhibit A, includes services which require custody, transportation or unsupervised contact by CONTRACTOR , or any Subcontractor, with recipients of services under this Agreement, then insurance policies and

coverage for Sexual Misconduct Liability is required in an amount not less than One Million Dollars (\$1,000,000) per occurrence and One Million Dollars (\$1,000,000) annual aggregate.

**7.4 Change in Coverage.** COMMISSION expressly retains the right to require CONTRACTOR to increase or decrease insurance of any of the above insurance types throughout the term of this Agreement. Any increase or decrease in insurance will be as deemed by ADMINISTRATOR or his or her Risk Management designee as appropriate to adequately protect COMMISSION. COMMISSION shall notify CONTRACTOR in writing of changes in the insurance requirements. If CONTRACTOR does not provide copies of acceptable COIs and endorsements incorporating such changes within thirty (30) days of receipt of such notice, this Agreement may be in breach without further notice to CONTRACTOR, and COMMISSION shall be entitled to all legal remedies.

**7.5 Duration of Insurance.** CONTRACTOR shall maintain all coverage and insurance for the entire term and for any extended period agreed upon within this Agreement.

**7.6 Maintain Records of Insurance Coverage.** CONTRACTOR shall maintain records regarding all coverage and insurance for the term of this Agreement and for any extended period agreed upon within this Agreement.

**7.7 Withhold Payment for Lack of Required Coverage.** COMMISSION reserves the right to withhold payments to CONTRACTOR in the event of material noncompliance with the applicable insurance requirements outlined in this Paragraph 7.

**7.8 Remedies for Failure to Provide or Maintain Required Coverage, Insurance, or Endorsements.** In addition to any other remedies COMMISSION may have if CONTRACTOR (or any Subcontractor) fails to provide or maintain any insurance required by this Paragraph 7 to the extent and within the time required by this Agreement, COMMISSION may, at its sole option:

- (a) Obtain the insurance and deduct and retain the amount of the premiums for the insurance from any monies due under this Agreement.
- (b) Order CONTRACTOR and any Subcontractor to cease performance of the Services and withhold any payments which become due to CONTRACTOR or any Subcontractor until CONTRACTOR or Subcontractor demonstrates compliance with the insurance requirements of this Agreement.
- (c) Immediately and without further cause terminate this Agreement.

**7.9** Exercise of any of the above remedies are in addition to any other remedies COMMISSION may have and are not the exclusive remedies for CONTRACTOR's or its Subcontractor's failure to maintain or secure appropriate policies or endorsements. Nothing in this Agreement shall be construed as limiting in any way the extent to which CONTRACTOR or any Subcontractor may be held responsible for payments of damages to persons or property resulting from CONTRACTOR's or any Subcontractor's performance under this Agreement.

## **8. RESPONSIBILITIES OF CONTRACTOR.**

**8.1 Scope of Services.** CONTRACTOR shall provide the Services set forth and described in the Project Summary, Exhibit A; Work Plan, Exhibit A-1; and within Project Budget, Exhibit B.



The Services shall include CONTRACTOR's proposal or bid, if any, which is incorporated herein by this reference. In the event of any inconsistency or conflicting terms between the proposal and this Agreement, the terms of this Agreement, inclusive of Exhibits, shall take precedence.

**8.2 No Supplanting Government Funds.** In furtherance of the express directives of the Act, CONTRACTOR shall not supplant government funds intended for the purposes of this Agreement with any other funds intended for the purposes of this Agreement. CONTRACTOR shall not submit an invoice for payment from COMMISSION or apply sums received from COMMISSION with respect to that portion of its obligations which have been paid by another governmental source of revenue. CONTRACTOR is required to ensure that, in the performance of this Agreement, all funding shall be expended and used to supplement, not supplant, existing levels of service.

### **8.3 Staffing**

**8.3.1 Staffing Obligations.** CONTRACTOR agrees to provide the level and type of staffing, facilities, equipment, and supplies necessary to provide the Services required by this Agreement. Upon the request of ADMINISTRATOR, CONTRACTOR agrees to send appropriate staff to attend orientation session(s) and progress meeting(s) arranged or given by COMMISSION or ADMINISTRATOR.

**8.3.2 Personnel Disclosure.** Upon request, CONTRACTOR shall make available to ADMINISTRATOR a current list of all employees, volunteers, or other personnel providing Services or performing any work under this Agreement ("Personnel"), including Personnel of any Subcontractor. Changes to the list shall be immediately provided to ADMINISTRATOR.

(a) If requested by ADMINISTRATOR and to the extent permitted by applicable laws, CONTRACTOR make available to ADMINISTRATOR the following information/records regarding Personnel:

(i) All full-time and all part-time staff positions by name and title, including volunteer positions, who are assigned to this Agreement and/or providing Services thereunder.

(ii) The qualifications and experience, including professional degree(s) and required licensing, if applicable, required for each position.

(iii) The language skill(s), if applicable, of the Personnel, such as bi-lingual, sign language, Braille, or other communication skills.

(b) CONTRACTOR shall immediately notify ADMINISTRATOR concerning the arrest or subsequent conviction, for other than minor traffic offenses, of any Personnel when the information becomes known to CONTRACTOR.

**8.3.3 CONTRACTOR to Maintain Complete Personnel Records.** CONTRACTOR shall maintain complete and accurate records relating to all Personnel listed or required to be listed in Subparagraph 8.3.2 above. The record keeping shall include evidence that CONTRACTOR has conducted adequate pre-employment and pre-volunteer screening, such as information that CONTRACTOR has conducted or caused to be conducted on each employee or volunteer a pre-employment/hiring background check and that CONTRACTOR has taken all reasonable steps to assure all Personnel assigned to perform Services under this Agreement are suitable to perform the work and do not pose a reasonably foreseeable risk of harm to children or other persons

receiving or participating in the Services. CONTRACTOR acknowledges it has a duty to disclose to COMMISSION and ADMINISTRATOR information within its knowledge that may pose a reasonably foreseeable risk of harm to children. Nothing in the above provisions shall obligate CONTRACTOR to disclose to COMMISSION or ADMINISTRATOR confidential Personnel information about employees or volunteers except and to the extent disclosure is permitted by applicable laws or authorized by judicial or administrative order. Nothing in the above provisions shall affect or modify the provisions of this Agreement affirming the independent contractor status of CONTRACTOR.

## **9. GENERAL TERMS AND CONDITIONS.**

**9.1 Compliance with Laws.** CONTRACTOR shall provide all Services in accordance with all applicable federal and state laws, statutes, regulations, and local ordinances and resolutions, including all provisions of the Act, as any may now exist or as amended or added after the Date of Agreement.

**9.2 Familiarity with Work.** By executing this Agreement and prior to performing or providing any Services under this Agreement, CONTRACTOR warrants and shall be satisfied that (a) it has thoroughly investigated and considered the Services, (b) it has carefully considered how the Services should be performed, will be implemented, and will be completed, and (c) it fully understands the facilities, difficulties, and restrictions, attending carrying out the performance obligations of this Agreement.

**9.3 Care of Work.** CONTRACTOR shall adopt reasonable methods during the term of this Agreement to furnish continuous protection to the property (real and personal property), facilities, equipment, persons providing or receiving Services, work product, records, and other papers to prevent losses or damages. CONTRACTOR shall be responsible for all losses or damages to persons or property (including real property, personal property, both tangible and intangible), except the losses or damages caused by COMMISSION's sole negligence. CONTRACTOR shall correct any incomplete, inaccurate, or defective work or service at no further cost to COMMISSION when the inaccuracies are due to negligence, inaction, or intentional misconduct of CONTRACTOR.

**9.4 Severability.** Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be determined to be invalid by a final judgment or decree of a court of competent jurisdiction, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of that provision, or the remaining provisions of this Agreement unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

**9.5 California Law.** This Agreement shall be construed and interpreted both as to validity and to performance in accordance with the laws of the State of California. Legal actions concerning any dispute, claim, or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Orange, State of California, and CONTRACTOR covenants and agrees to submit to the personal jurisdiction of the court in the event of any action.

**9.6 Waiver.** No delay or omission in the exercise of any right or remedy of a non-defaulting party on any default shall impair any right or remedy or be construed as a waiver. One party's consent or approval of any act by the other party requiring the other party's consent or approval shall not be deemed to waive or render unnecessary the party's consent to or approval of any

subsequent act of the party. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

**9.7 Rights and Remedies Cumulative.** Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of the rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

**9.8 Covenant Against Discrimination.** In the performance of this Agreement, CONTRACTOR shall not engage in, nor permit any employee or agent to engage in, discrimination in employment of persons or provision of Services or assistance, nor exclude any person from participation in, nor deny any person the benefits of, nor or subject any person to discrimination under any program or activity funded in whole or in part with COMMISSION funds on the grounds of race, religion, color, national origin, ancestry, physical handicap, medical condition, marital status, gender, or sexual orientation, except as permitted by applicable provisions of federal and state law. CONTRACTOR shall comply with Title II of the Americans with Disabilities Act, (42 U.S.C. §12101, *et. seq.*) as it relates to public accommodations.

**9.9 Legal Action.** In addition to any other rights or remedies, either party may take legal action, at law or at equity, to cure, correct, or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement.

**9.10 Attorneys' Fees.** If either party commences an action against the other party arising out of or in connection with this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs of suit from the non-prevailing party.

**9.11 Use of Commission Name and Logo.** CONTRACTOR shall use COMMISSION's name and logo on all materials, promotional information, and products that relate to Commission-funded programs, unless otherwise agreed to between CONTRACTOR and ADMINISTRATOR at ADMINISTRATOR's sole discretion. CONTRACTOR shall comply with COMMISSION's guidelines related to the use of COMMISSION's name and logo as stated in its Policies and Procedures Guide.

**9.12 Time of Essence.** Time is of the essence in the performance of this Agreement.

**9.13 No Broker or Finders' Fee.** CONTRACTOR warrants that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this Agreement.

**9.14 No Use of Funds for Lobbying.** CONTRACTOR shall not expend any monies paid or payable under this Agreement for the purpose of influencing or attempting to influence an officer, member, or employee of COMMISSION, any County of Orange officer or employee, any member or employee of First 5 California, any member of the State legislature or member of Congress, or any other officer or employee of any public agency or entity, in connection with the awarding of any contract, the making of any contract, the entering into of any cooperative agreement, or the extension, continuation, renewal, amendment, or modification of any contract, grant, loan, or cooperative agreement.

**9.15 Constitutional Use of Funds.** As an express condition to this Agreement, CONTRACTOR agrees that the funds provided by COMMISSION to CONTRACTOR shall not be used to promote any religion, religious creed or cult, denomination, sectarian organization or religious belief or to fund any proselytizing activities. The parties agree the above covenant is intended to and shall be construed for the limited purpose of assuring compliance with respect to the use of COMMISSION funds by CONTRACTOR with applicable constitutional limitations respecting the establishment of religion as set forth in the establishment clause under the First Amendment of the United States Constitution and Article I, Section 4 of California Constitution, and is not in any manner intended to restrict other activities of CONTRACTOR.

**9.16 Child Abuse Reporting.** CONTRACTOR shall establish a procedure to ensure that all employees, volunteers, consultants, agents, or Subcontractors performing Services under this Agreement report child abuse or neglect to a child protective agency as defined in Penal Code Section 11165.9 to the extent required by applicable law. CONTRACTOR shall require each employee, volunteer, agent, and Subcontractor who provides Services to or for CONTRACTOR in implementation of the Scope of Work described in Exhibit A and funded by this Agreement, to the extent each person is legally subject to the requirements, to sign a statement acknowledging the reporting requirements and to comply with the reporting requirements to the extent required by applicable law.

**9.17 CONTRACTOR Cooperation with Other COMMISSION Contractors.** CONTRACTOR acknowledges that the goal of COMMISSION and its Strategic Plan is to develop an integrated quality service system to ensure access to a quality child and family support services delivery system for Orange County children. CONTRACTOR agrees to cooperate reasonably with other COMMISSION contractors and consultants to achieve the objectives of the Strategic Plan and support COMMISSION by forming cooperative partnerships to serve children, ages prenatal through five, and their families with other services funded through COMMISSION.

**9.18 Political Activity.** CONTRACTOR agrees that the funds provided in this Agreement shall not be used to promote, directly or indirectly, any political party, political candidate, or political activity, except as permitted by law.

**9.19 Child Care Provider Notification; Admission Procedures and Parental and Authorized Representative's Rights.** If applicable to the Services, CONTRACTOR shall establish and carry out the requirements of Title 22 of the California Code of Regulations (CCR) relating to childcare providers and provision of licensed childcare, day care, or other early care and education. To the extent required by applicable laws and regulations, CONTRACTOR shall complete the following:

**9.19.1** CONTRACTOR shall comply with 22 CCR Section 101218.1 to ensure all parents and authorized representatives of minor children receiving Services under this Agreement are notified regarding any employee, volunteer, consultant, or agent of CONTRACTOR with a criminal record exemption.

**9.19.2** CONTRACTOR shall (i) post a current copy of the California Department of Social Services (CDSS) Parents' Rights Poster in a prominent location; (ii) provide all parents and authorized representatives current copies of all CDSS notification forms and retain all parent signature or acknowledgement portions of those forms in the child's file; (iii) upon request, provide parents and authorized representatives with the name of any person associated with CONTRACTOR (including

any employee, volunteer, consultant, or agent of CONTRACTOR) who has been granted a criminal record exemption and that person's relationship to CONTRACTOR.

**9.20** CONTRACTOR shall document all requests by parents or authorized representatives for criminal exemption information. Such documentation shall be jointly signed by an authorized representative of CONTRACTOR and the parent or authorized representative and maintained in the child's file.

**9.21 Suspension and Debarment.** CONTRACTOR certifies that neither CONTRACTOR nor its officers or principals are debarred or suspended from any federal financial assistance programs or activities.

**10. REPRESENTATIONS AND WARRANTIES OF CONTRACTOR.** CONTRACTOR makes the following representations and warranties to COMMISSION. These representations and warranties are ongoing, and CONTRACTOR shall advise ADMINISTRATOR in writing if there is any change pertaining to any matters set forth or referenced in the following Subparagraphs 10.1 through 10.5. Any changes may give rise for COMMISSION to terminate for cause due to default.

**10.1 Conflicts of Interest.** CONTRACTOR covenants that neither it, nor any officer or public official, has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of COMMISSION or which would in any way hinder CONTRACTOR's performance of Services under this Agreement. CONTRACTOR further covenants that, in the performance of this Agreement, no person having any such interest shall be employed by it as an officer, employee, agent, or subcontractor without the express written consent of the COMMISSION. CONTRACTOR agrees to at all times avoid conflicts of interest or the appearance of any conflicts of interest with the interests of COMMISSION in the performance of this Agreement. CONTRACTOR warrants that no conflicts of interest exist under the California Political Reform Act, Government Code Section 81000, et seq. or Government Code Section 1090, et seq.

**10.2 No Bankruptcy.** CONTRACTOR is not the subject of any current or threatened bankruptcy.

**10.3 No Pending Legal Proceedings.** CONTRACTOR is not the subject of a current or threatened litigation that would or may materially affect CONTRACTOR's performance under this Agreement.

**10.4 No Pending Investigation.** CONTRACTOR is not aware that it is the subject of any current or threatened criminal or civil action investigation by any public agency, including, without limitation, a police agency or prosecuting authority, related, directly or indirectly, to the provision of Services under this Agreement.

**10.5 Licenses and Standards; Compliance with Laws.** CONTRACTOR warrants that it has all necessary licenses and permits required by the laws of the United States, State of California, County of Orange, any local jurisdiction in which it may do business or provide Services, and all other appropriate governmental agencies. CONTRACTOR agrees to maintain these licenses and permits in effect for the duration of this Agreement. CONTRACTOR shall only contract with Subcontractors that are duly licensed, insured, and qualified to provide Services under this Agreement, as applicable. CONTRACTOR warrants that its employees, agents, contractors, and Subcontractors shall conduct themselves in compliance with the laws and licensure requirements. CONTRACTOR shall notify

ADMINISTRATOR immediately and in writing of its inability to obtain or maintain, irrespective of the pendency of any appeal, any of the permits, licenses, approvals, certificates, waivers, or exemptions. The inability shall be cause for termination of this Agreement by COMMISSION.

**11. CONFIDENTIALITY.** CONTRACTOR shall maintain the confidentiality of all records in accordance with all applicable state and federal laws and regulations relating to privacy and confidentiality and with COMMISSION's adopted Confidentiality and Data Sharing Protocol, which is incorporated herein by this reference, as each now exists or may be amended after the Date of Agreement, and as may be required by any other funding sources allocated through this Agreement.

**11.1** All records and information concerning any and all persons referred to CONTRACTOR by COMMISSION, or COMMISSION's designee, shall be considered and kept confidential by CONTRACTOR and CONTRACTOR's staff, agents, employees, Subcontractors, and volunteers.

**11.2** CONTRACTOR shall require its employees, agents, and volunteers to sign an acknowledgement or other certification which certifies that each will keep the identities and any information with respect to any and all service recipients of CONTRACTOR related to Services authorized under this Agreement confidential except as may be required to provide Services under this Agreement, to comply with any reporting and auditing requirements specified in this Agreement, as required by COMMISSION in the administration of this Agreement, or as otherwise permitted by law.

**11.3** CONTRACTOR agrees that any and all approved subcontracts entered into shall include the confidentiality requirements of this Agreement.

**11.4** CONTRACTOR shall inform all of its employees, agents, Subcontractors, volunteers, and partners of this provision that any person who knowingly and intentionally violates the provisions of federal, state, or local confidentiality laws may be guilty of a crime and subject to civil action.

**11.5 Authorized Data Sharing.** The provisions of Subparagraphs 11.1.1 through 11.1.4 are not applicable to authorized data sharing pursuant to COMMISSION-funded projects or as permitted by law.

**11.6 HIPAA Business Associate Agreement.** If the Services require access to protected health information governed by the Health Insurance Portability and Accountability Act (HIPAA), CONTRACTOR agrees to comply, and to require its employees, Subcontractors, agents, and volunteers to comply, with the HIPAA Business Associate Agreement, which is attached hereto as Exhibit D and incorporated into this Agreement by this reference.

## **12. REPORTING REQUIREMENTS.**

**12.1 Reports.** Separate from any other reports required in the Project Summary, Exhibit A, or the Work Plan, Exhibit A-1, CONTRACTOR shall prepare and submit to ADMINISTRATOR reports concerning the performance of the Services required by this Agreement and any other reports as ADMINISTRATOR may reasonably require.

**12.2 Ancillary Reporting Requirement Related to Enforcement of Child Support Obligations.**

**12.2.1 County Requirements.** In order to comply with child support enforcement requirements of the County of Orange, CONTRACTOR agrees to furnish to ADMINISTRATOR within thirty (30) days of the award of this Agreement:

(a) in the case of an individual contractor, his or her name, date of birth, Social Security number, and residence address;

(b) in the case of a contractor doing business in a form other than as an individual, the name, date of birth, Social Security number, and residence address of each individual who owns an interest of ten percent (10%) or more in the contracting entity;

(c) a certification that contractor has fully complied with all applicable federal and state reporting requirements regarding its employees; and

(d) a certification that contractor has fully complied with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment, and will continue to so comply.

**12.2.2 Failure to Comply Breach.** The failure of CONTRACTOR to timely submit any of the data or certifications required by Subparagraph 12.2.1; to comply with all federal and state employee reporting requirements for child support enforcement; or to comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment shall constitute a material breach of this Agreement. Failure to cure such breach within sixty (60) calendar days of notice from the County of Orange or COMMISSION shall constitute grounds for termination of this Agreement.

**12.2.3 Use of Data Solely for Government Enforcement of Child Support Orders.** It is expressly understood that this data will be transmitted to governmental agencies charged with the establishment and enforcement of child support orders, and for no other purposes.

**12.2.4 Exemptions.** Agreements with public entities shall be exempt from the requirements of Subparagraph 12.2 above. Agreements with non-profit organizations which have no owners shall be exempt from the requirements of Subparagraph 12.2.1(b) above.

**13. AUDITS.** CONTRACTOR shall perform an audit(s) of records as described in this Agreement.

**13.1 Fiscal Audit of Contract.** CONTRACTOR shall employ an independent, licensed Certified Public Accountant (“CPA”) who shall prepare and file with ADMINISTRATOR a “Fiscal Audit” of this Agreement that shall include a review of the invoices submitted and paid for the reasonable cost of Services under this Agreement and a sampling (test) of the supporting documentation. CONTRACTOR shall require the CPA to provide an unqualified professional written opinion that states whether the invoices for payment submitted by CONTRACTOR under this Agreement were for actual and reasonably necessary costs and expenses to pay for work performed or goods purchased pursuant to the terms and conditions of this Agreement and whether the indirect cost rate applied to staffing for invoices submitted and paid, if any, is in accordance with the requirements of Paragraph 14.5. CONTRACTOR shall ensure that corrective action is taken with respect to audit exceptions for lack of internal controls or adequate procedures noted in the Fiscal Audit within six (6) months after issuance of the applicable Fiscal Audit report.

**13.1.1 Multi-Year Funding.** There shall be a Fiscal Audit completed for each year of this Agreement. Each annual Fiscal Audit shall become due within sixty (60) days after the anniversary of the Date of Agreement. The final Fiscal Audit shall become due within sixty (60) days after the end of the term of the Agreement or the date of termination of this Agreement, whichever occurs earlier. CONTRACTOR and ADMINISTRATOR may mutually agree in writing to extend the date by which each Fiscal Audit is due.

**13.1.2 Retention Amount.** The COMMISSION shall withhold the Retention Amount discussed in Paragraph 14.7 pending timely and successful completion of each Fiscal Audit.

**13.2 Retention of Rights to Audit and Monitor Performance under Agreement.** COMMISSION, First 5 California, and their respective representatives (collectively, “Representatives”), reserve all rights and shall have access to any books, documents, papers, and records, including medical records, of CONTRACTOR and any Subcontractor performing Services under this Agreement for the purpose of monitoring or auditing CONTRACTOR’s performance under this Agreement. The Representatives have the right at all reasonable times to monitor, inspect, or otherwise evaluate the work performed or being performed under this Agreement and the premises in which it is being performed, including unannounced on-site monitoring. Monitoring activities may also include, but are not limited to, questioning employees, volunteers, and participants for the subject Services and entering any premises or any site in which any of the Services funded by this Agreement are conducted or in which any of the records of CONTRACTOR or any Subcontractor are kept. Nothing in this Agreement shall be construed to require access to any privileged or confidential information unless authorized by federal or state law. CONTRACTOR shall make available its records within the borders of Orange County within ten (10) days after receipt of written demand by ADMINISTRATOR. In the event CONTRACTOR does not make available its records within the borders of Orange County, CONTRACTOR agrees to pay all necessary and reasonable direct and indirect expenses incurred by COMMISSION or COMMISSION’s designee(s) necessary to obtain CONTRACTOR’s records.

**13.3 Compliance with Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.** If CONTRACTOR receives federal funding under this Agreement, CONTRACTOR shall comply with 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. CONTRACTOR shall employ a licensed CPA who shall prepare and file with ADMINISTRATOR an annual organization-wide audit of related expenditures during the term of this Agreement in compliance with the Audit requirements in 2 CFR Part 200.500, et seq. The audit must be performed in accordance with generally accepted government auditing standards and 2 CFR Part 200.500, et seq.

**14. MAXIMUM PAYMENT OBLIGATION.** The “Maximum Payment Obligation” of COMMISSION to CONTRACTOR under this Agreement shall be \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) or the actual reasonable cost incurred and paid for performance of the Services, whichever is *less*.

**14.1 Multi-Year Contracts.** For multi-year contracts, the Maximum Payment Obligation for each period shall be as follows: *[If not a multi-year contract, rather than deleting this section in its entirety, please just delete the text of 14.1 and the subparagraphs but leave the heading so that the paragraph numbering for the subsequent sections do not change. Change to “14.1 [Reserved]”]*



**14.1.1** The Maximum Payment Obligation of COMMISSION to CONTRACTOR for the Services to be provided for the period \_\_\_\_\_ through \_\_\_\_\_ shall be \$\_\_\_\_\_.

**14.1.2** The Maximum Payment Obligation of COMMISSION to CONTRACTOR for the Services to be provided for the period \_\_\_\_\_ through \_\_\_\_\_ shall be \$\_\_\_\_\_.

**14.1.3** The Maximum Payment Obligation of COMMISSION to CONTRACTOR for the Services to be provided for the period \_\_\_\_\_ through \_\_\_\_\_ shall be \$\_\_\_\_\_.

**14.2 Initial Payment.** ADMINISTRATOR may, in his or her sole discretion, authorize an initial payment to CONTRACTOR in an amount not to exceed 25% [*or 12.5% per year for a two year agreement or 8.33% per year for a three year agreement*] of COMMISSION's Maximum Payment Obligation upon receipt of a written request(s) by CONTRACTOR. Request(s) shall be accompanied by the justification as ADMINISTRATOR may require. ADMINISTRATOR may approve subsequent requests for initial payments not to exceed twenty-five percent (25%) of any budget period, contingent upon CONTRACTOR having repaid all prior initial payment amounts in any prior budget period. The initial payment is intended to cover initial costs that are estimated to have been incurred or are expected to be incurred in the performance of Services by CONTRACTOR. ADMINISTRATOR may, in his or her sole discretion, deduct the initial payment(s) from any one or more subsequent payments owed to CONTRACTOR during the term of this Agreement. If, at the end of the term of this Agreement, there is any balance of the initial payment not deducted from subsequent payment requests, CONTRACTOR shall owe and shall immediately refund said monies to COMMISSION.

**14.3 Provisional Payment.** At ADMINISTRATOR's sole discretion, CONTRACTOR may submit an invoice prior to the beginning of the mutually agreed upon billing period to perform the Services required by this Agreement, and COMMISSION may pay CONTRACTOR's provisional payment invoice within a reasonable period of time estimated to be thirty (30) days after receipt of a correctly completed invoice. CONTRACTOR shall submit to ADMINISTRATOR a reconciliation of actual costs incurred during the billing period covered by the provisional payment no later than ninety (90) days after the provisional payment invoice is submitted or within thirty (30) days of the end date of this Agreement, whichever occurs earlier. Any overpayment resulting from a Provisional Payment(s) and subsequent reconciliation of actual cost incurred for the period shall be deducted from subsequent invoices submitted by CONTRACTOR or repaid by CONTRACTOR to COMMISSION in accordance with the provisions of Paragraph 15 below.

**14.4 Billing/Payment Interval.** COMMISSION shall pay CONTRACTOR invoice payments monthly or quarterly in arrears, at ADMINISTRATOR's sole discretion, as specified in Exhibit A, for actual reasonable costs incurred and paid by CONTRACTOR to perform the Services required by this Agreement in accordance with the amounts and categories specified in the Project Budget, Exhibit B, for the Services; provided, however, that payments for each line item shall not exceed the amount specified, and ADMINISTRATOR may approve adjustments of the amount set forth within each line item, so long as the total of all amounts within all line items, as adjusted, shall not exceed COMMISSION's Maximum Payment Obligation. The total of all invoice payments and provisional payments shall not exceed COMMISSION's Maximum Payment Obligation.

**14.5 Indirect Cost Rate.** Notwithstanding anything to the contrary, CONTRACTOR's indirect cost rate shall in no event exceed ten percent (10%) of the applicable funding under this Agreement. CONTRACTOR and ADMINISTRATOR may mutually agree to an annual increase or decrease of the indirect cost rate listed in Exhibit B (Budget) to this Agreement based on a review of the State of California Department of Education independently assigned indirect cost rate(s), provided that COMMISSION's Maximum Payment Obligation in this Agreement does not increase as a result.

**14.6 Invoices.** CONTRACTOR shall submit completed invoices monthly or quarterly upon a form approved or supplied by ADMINISTRATOR.

**14.6.1** Each monthly or quarterly invoice shall be submitted with an express written certification by CONTRACTOR representing and affirming to COMMISSION the following:

(a) CONTRACTOR has and maintains accurate records evidencing the requested monthly or quarterly payment including, without limitation, the following: (1) original invoice(s); (2) original or true copies of source documents including, including, but not limited to, statement of work performed, itemized on a monthly basis, general ledgers, supporting journals, time sheets, invoices, canceled checks (if received), or bank statements, receipts, and receiving records; and (3) originals or true copies of other receipts, agreement(s), or other documentation supporting and evidencing how the funds have been expended during the applicable quarter; provided, however, for the first monthly or quarterly payment, ADMINISTRATOR, in his or her sole discretion, may consider and approve an invoice from CONTRACTOR that includes reimbursement of CONTRACTOR expenses incurred prior to the Date of Agreement, as more fully set forth in the Project Budget, Exhibit B; and

(b) the Services provided during the preceding quarter (or other period for which payment is requested) have not and do not supplant existing services but enhance or establish new services to Orange County's children ages prenatal through five.

**14.7 Retention Amount.** CONTRACTOR expressly acknowledges and agrees that an amount equal to ten percent (10%) of each monthly or quarterly invoice for Services ("Retention Amount") may be withheld by COMMISSION pending the timely and successful completion and performance of each Fiscal Audit for the Services as described in Paragraph 13. The ADMINISTRATOR retains sole discretion to increase or decrease the Retention Amount, including withholding the CONTRACTOR's entire final monthly or quarterly invoice for each fiscal year.

**14.8 Final Invoice/Settlement.** Any and all final invoices for Services must be received by ADMINISTRATOR no later than sixty (60) days from the termination of this Agreement. Invoices for Services received after this date and time may not be processed for payment or reimbursed. CONTRACTOR and ADMINISTRATOR may mutually agree in writing to modify the date upon which the final invoice must be received.

**14.9 Source of COMMISSION Funding.** CONTRACTOR knowingly and expressly acknowledges and agrees that the source of funding provided pursuant to this Agreement is from monies allocated, received, and available to COMMISSION from the surcharges, taxes, and revenues collected and allocated to COMMISSION through the provisions of the Act. To the extent, if at all, any or all provisions of the Act are found invalid, stayed, tolled, or are modified by litigation, subsequent initiative, or legislation, and the funding provided for under this Agreement is affected, COMMISSION is and shall be relieved of obligations under this Agreement, or this Agreement shall

be modified or amended to conform to the changes to the Act, as elected by COMMISSION. If COMMISSION is not allocated or does not receive adequate funding for its performance under this Agreement, then COMMISSION shall be relieved of obligations under this Agreement, or this Agreement shall be amended to conform to the changes in funding allocations or changes to the Act, as elected by COMMISSION.

#### **14.10 PROGRAM FEES**

**14.10.1** The parties agree that the following guidelines apply in the event fees of any amount are charged by CONTRACTOR to COMMISSION's target population of Orange County's children ages prenatal to five years of age and their families ("Program Participants") for any Services provided under this Agreement:

**14.10.2** CONTRACTOR shall not charge fees to COMMISSION's Program Participants prior to obtaining ADMINISTRATOR's acknowledgement in writing.

**14.10.3** CONTRACTOR shall advise each COMMISSION Program Participant that fees may be charged and shall notify the Program Participant of any such fees prior to rendering Services.

**14.10.4** CONTRACTOR shall advise each COMMISSION Program Participant that all fees may be waived if the Program Participant indicates an inability to pay, and CONTRACTOR shall waive all fees if the Program Participant is unable to pay, upon approval by ADMINISTRATOR.

**14.10.5** CONTRACTOR shall not deny Services to any COMMISSION Program Participant for any reason, including Program Participant's inability to pay for Services.

**14.10.6** A full accounting of all fees charged and collected shall be documented by CONTRACTOR and shall be provided to ADMINISTRATOR upon request. At no time is CONTRACTOR permitted to collect fees for any purpose other than to continually provide Services identified in this Agreement.

**14.10.7** All fees collected shall be fully accounted for and included in CONTRACTOR's Fiscal Audit as described in Paragraph 13.1 of this Agreement.

**15. OVERPAYMENTS.** Any payment(s) made by COMMISSION to CONTRACTOR in excess of that to which CONTRACTOR is entitled under this Agreement shall be immediately due to COMMISSION and repaid by CONTRACTOR. CONTRACTOR shall make repayment on any overpayment within thirty (30) days of COMMISSION's request. In the event the overpayment exceeds the final payment, the amount is immediately due and payable, and CONTRACTOR shall pay COMMISSION the sum within five (5) days of written notice from ADMINISTRATOR. CONTRACTOR agrees to pay all fees and costs, including attorneys' fees, incurred by COMMISSION necessary to enforce the provisions set forth in this Agreement.

**15.1 Offset Permitted.** In the event of an overpayment, ADMINISTRATOR may reconcile and offset the amount of the overpayment against the next installment payment due or against the final invoice amount due and to be paid, as elected in the sole discretion of ADMINISTRATOR. Nothing in this Agreement shall be construed as limiting the remedies of COMMISSION in the event that an overpayment has been made.

**15.2 Offset Permitted under Subsequent Renewal or Other Pending Contract.** COMMISSION's Strategic Plan is implemented through funding of various initiatives, and certain contractors/funding recipients are and have been awarded multiple or renewed funding for services related to or comparable to the Services provided under this Agreement. CONTRACTOR agrees that if this Agreement is either (i) a renewal contract related to prior funding to CONTRACTOR for services comparable to the Services, or (ii) CONTRACTOR has one or more other contracts pending with COMMISSION with a term or terms concurrent in whole or in part with this Agreement, then in the event of an overpayment under this Agreement, ADMINISTRATOR may reconcile and offset the amount of the overpayment against monies payable under the renewal contract or other contract pending with COMMISSION.

## **16. MAINTENANCE AND OWNERSHIP OF RECORDS.**

**16.1 Maintain Complete Books and Records.** In accordance with generally accepted accounting principles, CONTRACTOR and its Subcontractors shall maintain reasonably full and complete books, documents, papers, accounting records, medical records, and all other information (collectively, the "records") pertaining to the costs of and completion of Services performed under this Agreement. CONTRACTOR shall maintain all such records for a period of at least three (3) years from the date of payment on the final invoice submitted to ADMINISTRATOR or three (3) years after all pending audits are completed, whichever occurs later.

**16.2 Release of Records.** The records of Services, data, surveys, drawings, specifications, reports, records, documents, evaluation reports, and other materials prepared by CONTRACTOR in the performance of this Agreement shall not be released publicly without the prior written approval of ADMINISTRATOR or as required by law. CONTRACTOR shall not disclose any information regarding the activities of COMMISSION, except as required by law or as authorized by ADMINISTRATOR.

**16.3 Ownership of Records.** Specialized methodology, formulae, software programs of CONTRACTOR and other intellectual processes which have been specifically designed and developed by CONTRACTOR and which were not funded by or assisted in the development by COMMISSION or its agents which shall be deemed proprietary in nature and shall be and remain the proprietary property of CONTRACTOR. All other documents, information, software, and intellectual property and records, including, without limitation, the originals of all drawings, specifications, reports, records, data, surveys, documents, and other materials, whether in hard copy or electronic form, which are prepared by CONTRACTOR, its employees, Subcontractors, or agents in the performance of this Agreement, are and shall remain the property of COMMISSION and shall be delivered to ADMINISTRATOR, as appropriate, upon the termination of this Agreement or upon the earlier request of ADMINISTRATOR. CONTRACTOR shall have no right to further contracts or additional compensation of whatever kind or nature as a result of the exercise by COMMISSION of its full rights of ownership of the documents and materials under this Agreement. CONTRACTOR may retain copies of the documents and materials for its own use but shall not enter into any contract or license for use or for payment of the documents. CONTRACTOR shall cause each Subcontractor to assign to COMMISSION any documents or materials prepared by it. In the event CONTRACTOR fails to secure the assignment, CONTRACTOR shall indemnify COMMISSION for all damages suffered by the failure to obtain the assignment. COMMISSION agrees that, if necessary, it will undertake reasonable and appropriate steps to maintain the proprietary nature of CONTRACTOR's proprietary property, except as may be required by applicable laws.

## **17. PATENT AND COPYRIGHT INFRINGEMENT.**

**17.1** In lieu of any other warranty by COMMISSION or CONTRACTOR against patent or copyright infringement, statutory or otherwise, it is agreed that CONTRACTOR shall defend at its expense any claim or suit against COMMISSION on account of any allegation that any item furnished under this Agreement or the normal use or sale thereof arising out of the performance of this Agreement, infringes upon any presently existing U.S. letters patent or copyright, and CONTRACTOR shall pay all costs and damages finally awarded in any such suit or claim, provided that CONTRACTOR is promptly notified in writing of the suit or claim and given authority, information, and assistance at CONTRACTOR's expense for the defense of same. CONTRACTOR will not indemnify COMMISSION if the suit or claim results from: (1) COMMISSION's alteration of a deliverable, such that said deliverable in its altered form infringes upon any presently existing U.S. letters patent or copyright; or (2) the use of a deliverable in combination with other material not provided by CONTRACTOR when such use in combination infringes upon an existing U.S. letters patent or copyright.

**17.2** CONTRACTOR shall have sole control of the defense of any such claim or suit and all negotiations for settlement thereof. CONTRACTOR shall not be obligated to indemnify COMMISSION under any settlement made without CONTRACTOR's consent or in the event COMMISSION fails to cooperate fully in the defense of any suit or claim, provided, however, that said defense shall be at CONTRACTOR's expense. If the use or sale of said item is enjoined as a result of such suit or claim, CONTRACTOR, at no expense to COMMISSION, shall obtain for COMMISSION the right to use and sell said item, or shall substitute an equivalent item acceptable to COMMISSION and extend this patent and copyright indemnity thereto.

## **18. CONTRACTOR OBLIGATION TO PROVIDE DATA FOR COMMISSION'S EVALUATION AND CONTRACTS MANAGEMENT SYSTEM.**

**18.1 Evaluation and Contracts Management System.** Services under this Agreement may include tracking service data related to client outcomes about Orange County children in furtherance of the goals and objectives of COMMISSION's Strategic Plan. CONTRACTOR acknowledges and agrees that as a part of the integrated data structure of the evaluation and contract management system (hereinafter referred to as "System") in its performance under this Agreement, there may be individual client-shared core data elements. Upon request by ADMINISTRATOR, CONTRACTOR shall participate in the System using the COMMISSION Confidentiality and Data Sharing Protocol. CONTRACTOR agrees to cooperate with COMMISSION, ADMINISTRATOR, and COMMISSION's designated System contractor/consultant and other information technology contractors; it shall provide data to COMMISSION's designated System contractor/consultant; and it shall utilize the System, or other data system, as elected by COMMISSION and its ADMINISTRATOR in their sole discretion, for reporting data related to or created by the Services provided under this Agreement in order for COMMISSION to track, analyze, and evaluate all Services provided by CONTRACTOR. The level of participation with the System required by CONTRACTOR shall be determined by ADMINISTRATOR.

**18.2 Confidentiality.** Nothing in the above paragraph shall require CONTRACTOR to release or disclose confidential health data or other patient identification which is expressly protected from disclosure by applicable federal and state laws; provided, however, if there are any applicable exceptions set forth in federal or state laws that permit disclosure by CONTRACTOR to

COMMISSION of health or other confidential data, then CONTRACTOR shall input the disclosable data into the System.

**18.3 Technical Requirements for PCs and Software Used by CONTRACTOR for all Recordkeeping and Reporting for the Services and Agreement.** CONTRACTOR agrees to obtain and maintain all computer hardware and software necessary to meet the requirements of this paragraph. CONTRACTOR is required to contact COMMISSION’s designated System contractor/consultant prior to the commencement of Services to ensure that CONTRACTOR is capable of meeting all System requirements.

**19. OWNERSHIP OF INTELLECTUAL PROPERTY RIGHTS.** To the extent any intellectual property, tangible or intangible, is developed, created, or modified with the monies provided by COMMISSION under this Agreement, or is otherwise separately funded by COMMISSION under other projects, programs, contracts, or agreements and utilized by CONTRACTOR under this Agreement, COMMISSION does and shall own all right, title and interest (including patent rights, copyrights, trade secret rights, and other intellectual property rights throughout the world) relating to any and all the inventions (whether or not patentable), works of authorship, designs, know-how, ideas, and information made or conceived or reduced to practice, in whole or in part, by CONTRACTOR pursuant to the scope of Services provided under this Agreement (collectively the “Inventions”). CONTRACTOR agrees it shall promptly disclose all Inventions to COMMISSION. CONTRACTOR agrees to make all assignments and execute the legal documents necessary to accomplish the ownership and control for the benefit of COMMISSION. CONTRACTOR shall further assist COMMISSION, at COMMISSION’s expense, to further evidence, record, and perfect the assignments and documentation, and to perfect, obtain, maintain, enforce, and defend any rights relating to the Inventions. CONTRACTOR irrevocably designates and appoints COMMISSION as its agent to lawfully perfect ownership and control of the Inventions (and if legally required for force and effect in order to perfect the ownership and control of the Inventions as its attorney-in-fact). As agent, COMMISSION may act for and on CONTRACTOR’s behalf to execute and file any document and to do all other lawfully permitted and required acts to effect the ownership and control of the Inventions. If CONTRACTOR uses, provides, or discloses any of the Inventions when acting within the scope of CONTRACTOR’s performance of Services or otherwise on behalf of COMMISSION, COMMISSION will have and CONTRACTOR grants COMMISSION a perpetual, irrevocable, worldwide royalty-free, non-exclusive, sublicensable right and license to exercise all rights to the Inventions.

**20. COPYRIGHT ACCESS.** COMMISSION, the State of California, and First 5 California, shall have a royalty-free, nonexclusive, and irrevocable license to publish, translate, or use all material and work product (both tangible and intangible), if any, developed under this Agreement including those materials covered by copyright.

**21. NOTICES.**

**21.1 Method and Form of Notice.** Unless otherwise specified, all formal notices, invoices, claims, correspondence, or reports shall be addressed as follows:

**COMMISSION:** Children and Families Commission of Orange County  
Contracts Manager  
1505 E. 17<sup>th</sup> Street, Suite 230  
Santa Ana, CA 92705

**CONTRACTOR:** See Exhibit A

All notices shall be deemed effective when in writing and personally delivered or deposited in the United States mail, express, priority, or first class, postage prepaid and addressed as above. ADMINISTRATOR and CONTRACTOR may mutually agree in writing to change the addresses to which notices are sent.

**21.2 Advisory Notices Required.** CONTRACTOR shall notify COMMISSION, in writing, within twenty-four (24) hours of becoming aware of any occurrence of a serious nature that may expose COMMISSION to liability. These occurrences shall include, but not be limited to, accidents, injuries, or acts of negligence, or loss or damage to any COMMISSION property in possession of CONTRACTOR.

## **22. RIGHTS OF TERMINATION.**

**22.1 Termination for Convenience Prior to Expiration of Term.** COMMISSION may terminate this Agreement for its convenience at any time upon fifteen (15) days' written notice to CONTRACTOR. Upon receipt of a notice of termination for convenience, CONTRACTOR shall immediately cease performance of Services under this Agreement except such as may be specifically approved by ADMINISTRATOR. CONTRACTOR shall be entitled to compensation for all Services satisfactorily rendered prior to receipt of the notice of termination and for the part of the Services authorized by ADMINISTRATOR after the notice in accordance with the compensation provisions of this Agreement, or other arrangement for compensation as may be approved by the ADMINISTRATOR in writing. COMMISSION shall be not liable for any claim of lost profits or damages arising out of such termination.

**22.2 Termination for Cause Due to Default of CONTRACTOR.** COMMISSION may terminate this Agreement for cause due to the default by CONTRACTOR in its performance obligations under this Agreement. In the event of termination, CONTRACTOR shall immediately cease performance and provision of Services as of the date the notice of default is received or deemed received, whichever occurs earlier. COMMISSION may take over the work and prosecute the same to completion by contract or otherwise. CONTRACTOR shall be liable to the extent that the total cost for completion of the Services required by this Agreement exceeds the compensation stipulated in this Agreement, provided that COMMISSION shall use reasonable efforts to mitigate damages. COMMISSION may withhold any outstanding payments to CONTRACTOR for the purpose of set off or partial payment of the amounts owed COMMISSION as previously set forth in this Agreement. The withholding or failure to withhold payments to CONTRACTOR shall not limit CONTRACTOR's liability for completion of the Services as provided herein.

**22.3** Upon a default or breach by CONTRACTOR, ADMINISTRATOR may, in his or her sole discretion, elect any or all of the following in addition to the termination provisions set forth in this paragraph and any other remedies available at law, in equity, or otherwise specified in this Agreement:

**22.3.1** Afford CONTRACTOR a time period of fifteen (15) days from the date the notice is deemed effective pursuant to Paragraph 21 to cure the default, or to commence to cure the breach and diligently pursue to completion the cure of the breach within thirty (30) days of the date the notice is effective;

**22.3.2** Discontinue payment and eligibility for payment to CONTRACTOR for and during the period in which CONTRACTOR is in breach, which payment may not be entitled to later recovery;

**22.3.3** Offset against any funds invoiced by CONTRACTOR but yet unpaid by COMMISSION those monies disallowed pursuant to the above offset authority; and

**22.3.4** Withhold from any monies payable to CONTRACTOR sufficient funds to compensate COMMISSION for any losses, costs, liabilities, or damages it reasonably believes were suffered by or have been incurred by COMMISSION due to the default of CONTRACTOR in the performance of the Services required by this Agreement.

## **23. REVERSION OF ASSETS.**

**23.1 Unencumbered or Unexpended Funds.** Upon the termination or expiration of the term of this Agreement, CONTRACTOR shall transfer to COMMISSION any unexpended and unencumbered COMMISSION funds on hand at the time of the termination or expiration and any accounts receivable attributable to the use of subject funds.

**23.2 Real or Personal Property Assets.** Any real property or moveable or immovable personal property (hereinafter referred to as “Property”) under CONTRACTOR’s control or ownership that was acquired or improved in whole or in part with COMMISSION funds disbursed under this Agreement, for which the original cost of the Property exceeded five thousand dollars (\$5,000) shall either be, at the election of ADMINISTRATOR: (1) used by CONTRACTOR for the Services or comparable services meeting the purposes of the Act and Strategic Plan for a period of five (5) years after termination or expiration of this Agreement, unless a longer period is specified in the Project Summary, Exhibit A; or (2) disposed of and proceeds paid to COMMISSION in a manner that results in COMMISSION being reimbursed in the amount of the fair market value at the time of termination or expiration of this Agreement (assuming depreciation in accordance with customary business practices) of the Property less any portion of the value attributable to CONTRACTOR’s out of pocket expenditures using non-COMMISSION funds for acquisition of, or improvements to, the Property and less any direct and reasonable costs of disposition, including a reasonable and customary broker’s fee incurred in listing and completion of sale of the asset.

**23.2.1** If ADMINISTRATOR selects continued use of the Property, then CONTRACTOR agrees that it shall be subject to an ongoing operating and use covenant, which shall survive the termination or expiration of this Agreement and shall be actionable at law or in equity by COMMISSION against CONTRACTOR and its successors in interest.

**23.2.2** In the event ADMINISTRATOR selects disposition of the Property, then CONTRACTOR shall exercise due diligence to dispose of the Property in conformity with applicable laws and regulations and in accordance with customary business practices. The net proceeds of the disposition shall be disbursed directly to and be payable to COMMISSION upon the close of the disposition transaction, such as close of escrow for the sale of real property, transfer of motor vehicle “pink slip” in accordance with applicable California Vehicle Code requirements, or completion of sale of personal property by bill of sale in accordance with UCC requirements.



**24. COUNTERPARTS.** This Agreement may be executed in several counterparts, all of which shall constitute but one and the same instrument. Faxed or electronically scanned signatures shall have the same force and effect as an original signature.

**25. FORCE MAJEURE**

Either party shall be excused from performing its obligations under this Agreement during the time and to the extent that it is prevented from performing by an unforeseeable cause beyond its control, including but not limited to: any incidence of fire, flood; acts of God; commandeering of material, products, plants or facilities by the federal, state or local government; national fuel shortage; or a material act or omission by the other party; when satisfactory evidence of such cause is presented to the other party, and provided further that such nonperformance is unforeseeable, beyond the control and is not due to the fault or negligence of the party not performing.

**26. KEY PERSONNEL**

Project partners, managers, other supervisory staff, and specialists may be changed if those personnel leave the agency, are promoted, or are assigned to another office. The personnel may also be changed for other reasons with the express prior written permission of ADMINISTRATOR. However, in either case, ADMINISTRATOR reserves the right to accept or reject any or all replacements. Except as provided in this Agreement, CONTRACTOR reserves the right to determine the assignment of its own employees to the performance of Services under this Agreement, but COMMISSION reserves the right in its sole discretion to exclude any employee from performing Services under this Agreement.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

**IN WITNESS WHEREOF**, COMMISSION and CONTRACTOR have caused this Agreement to be effective in the County of Orange, State of California, on the date first above written.

**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY**, a public body and legal public entity

Dated: \_\_\_\_\_ By: \_\_\_\_\_  
Chair

SIGNED AND CERTIFIED THAT A COPY OF THIS DOCUMENT HAS BEEN DELIVERED TO THE CHAIR OF COMMISSION

By: \_\_\_\_\_  
Robin Stieler  
Clerk of the Commission

Dated: \_\_\_\_\_

APPROVED AS TO FORM:

WOODRUFF & SMART, APC

By: \_\_\_\_\_  
Cassie Trapesonian, Commission Counsel

**[Signature block for CONTRACTOR on next page.]**

[Signature block continued from previous page.]

**CONTRACTOR**

\_\_\_\_\_, a  
California [Entity Type]

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
[Name], [Board Title]

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
[Name], [Board Title]

**Following signatures as appropriate**

**ATTEST**

\_\_\_\_\_  
Clerk/Secretary of CONTRACTOR

**APPROVED AS TO FORM**

\_\_\_\_\_  
Counsel to CONTRACTOR

*See requirements below for authorized signatures (remove note prior to execution):*

<i>School District</i>	<i>Provide evidence of the approval of this Agreement by resolution of CONTRACTOR's governing board, or a true copy of the minutes of the public meeting at which this Agreement was considered and approved, or other evidence of approval satisfactory to the ADMINISTRATOR</i>
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**EXHIBIT A**

**PROJECT SUMMARY**

**\_\_\_\_\_ CONTRACTOR**

**Agreement # \_\_\_\_\_ FXX-XX-XX**

**Project Name**

**Term: \_\_\_\_\_**

**1. FUNDING RECIPIENT**

[CONTRACTOR]

a California \_\_\_\_\_

Address

\_\_\_\_\_, CA \_\_\_\_

Contact: Name/Title/Telephone Number/email address  
Name/Title/Telephone Number/email address

Work Plan and Data Entry Contact: Name/Title/Telephone Number/email address

Invoices/Documentation Contact: Name/Title/Telephone Number/email address

Designated Level of Data Reporting: AMM and CLDM

Signatories: Name/Title  
Name/Title

**2. BACKGROUND**

As appropriate...

**3. PURPOSE AND SCOPE OF WORK**

The purpose of this Agreement is to provide \_\_\_\_\_

CONTRACTOR shall provide Services described in Exhibit A to achieve the outcomes described in the Work Plan, Exhibit A-1, within the funding limitations of the Project Budget, Exhibit B, and the staffing described in Attachment 1 to Exhibit B. CONTRACTOR shall:

**3.1** ...

**3.2** ...

**4. ATTACHMENTS TO EXHIBIT B**

**4.1** Staffing

**4.2** Direct Project Expenses

**4.3** Subcontractors List

**4.4** Location of Services to be Provided

**4.5** Indirect/Administrative Expenses

**5. WAIVERS/AMENDMENTS TO AGREEMENT**

None. [as applicable, list approved waiver(s)]

**6. INVOICING/PAYMENT ELECTIONS**

As of the Date of Agreement, the Parties mutually agree to the following invoicing/payment elections. Notwithstanding anything to the contrary and provided that any modifications to these elections do not alter the overall goals and basic purpose of the Agreement, and provided these modifications do not increase COMMISSION's Maximum Payment Obligation during the term of the Agreement, ADMINISTRATOR and CONTRACTOR may, in accordance with the authority described in Section 2.2 of this Agreement; make future modifications to the following invoicing/payment elections.

**6.1** Initial Payment. The Parties [*do/do not*] anticipate an Initial Payment request as described in Paragraph 14.2 of this Agreement.

**6.2** Billing/Payment Interval. The Parties agree that the interval for Billing and/or Payment for this Agreement as described in Paragraph 14.4 is [*quarterly/monthly*].

**6.3** Retention Timing. The Parties agree an amount equal to ten percent (10%) of each [*quarterly/monthly*] invoice attributable and allocable to Services [CONTRACTOR's entire final [*quarterly/monthly*] invoice attributable and allocable to Services] ("Retention Amount") as described in Subparagraph 14.8 shall be withheld by COMMISSION through ADMINISTRATOR pending the timely and successful completion and performance of each Fiscal Audit for the Services as described in Paragraph 13 of this Agreement.

**7. Funding Source and Additional Requirements (as applicable)**

**7.1** The parties acknowledge that funding for this Agreement includes (federal funding, or California Child Signature Program grant funds).

**7.2** The records retention period for this Agreement shall be five (5) years from the date of final disbursement of funds under this Agreement or the completion of any pending.

**8. CMAA and TCM (as applicable)**

**EXHIBIT A-1**

**WORK PLAN**

(See attached)

**EXHIBIT B**  
**PROJECT BUDGET**

<b>District Name</b>	<b>Funds Due 7/1/23 – 6/30/25</b>	<b>Funds Due 7/1/24 – 6/30/25</b>	<b>Funds Due 7/1/24 – 6/30/25</b>
Staffing			
Direct Project Expenses			
Capital Equipment			
Subcontracts			
Indirect/Administrative			
<b>TOTAL FUNDS DUE</b>			

**MAXIMUM PAYMENT OBLIGATION: \$ \_\_\_\_\_**

**Attachment 1 to Exhibit B**

**STAFFING TABLE**

	<b>7/1/24 - 6/30/25</b>	<b>7/1/24 - 6/30/25</b>	<b>7/1/24 - 6/30/25</b>
<b>Position Title:</b>	<b>FTE</b>	<b>FTE</b>	<b>FTE</b>
	<b>Salary &amp; Benefits</b>	<b>Salary &amp; Benefits</b>	<b>Salary &amp; Benefits</b>
	FTE	FTE	FTE
	\$	\$	\$

Minimum Qualifications:(Include education, licenses, and experience as applicable)

Job Duties: Provide services as described in subparagraphs \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_ of Exhibit A to this Agreement.

**Position Title:**

Minimum Qualifications:(Include education, licenses, and experience as applicable)

Job Duties: Provide services as described in subparagraphs \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_ of Exhibit A to this Agreement.

**Position Title:**

Minimum Qualifications:(Include education, licenses, and experience as applicable)

Job Duties: Provide services as described in subparagraphs \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_ of Exhibit A to this Agreement.

**Summary Table of Staffing Costs**

<b>07/01/24 – 06/30/25</b>	<b>07/01/24 – 06/30/25</b>	<b>\$07/01/24 – 06/30/25</b>
\$	\$	\$



**Attachment 2 to Exhibit B**

**DIRECT PROJECT EXPENSES TABLE**

<b>Expense Type</b>	<b>7/1/24 – 6/30/25</b>	<b>7/1/24 – 6/30/25</b>	<b>7/1/24 – 6/30/25</b>	<b>1-2 sentence narrative description of expenses.</b>
Category				Annual cost for
Category				Annual cost for
Category				Annual cost for
Category				Annual cost for
Category				Annual cost for
Category				Annual cost for
Category				Annual cost for
<b>Total Direct Project Expenses</b>				

**Attachment 3 to Exhibit B**

**SUBCONTRACTOR TABLE**

<b>Subcontractor Name, Address, Email and Phone Number</b>	<b>7/1/24 – 6/30/25</b>	<b>7/1/24 – 6/30/25</b>	<b>7/1/24 – 6/30/25</b>	<b>1-2 sentence description of services sub-contracted. This table is for services outsourced to a third Party.</b>

<b>Total Subcontract Costs</b>	<b>7/1/24 – 6/30/25</b>	<b>7/1/24 – 6/30/25</b>	<b>7/1/24 – 6/30/25</b>
	\$	\$	\$

**Attachment 4 to Exhibit B**

**LOCATION TABLE**

<b>Location (Name)</b>	<b>Address (Street, City, Zip Code)</b>	<b>Contact Name, Phone Number</b>	<b>Services Provided at Location</b>

**Attachment 5 to Exhibit B**

**INDIRECT PROJECT EXPENSES TABLE**

Definition: General management costs consist of administrative activities necessary for the general operation of the agency. Costs incurred for a common or joint objective: Services of the accounting staff, cost of utilities, local telephone service and communication infrastructure and salaries of personnel engaged in providing a broad range of departmental support activities.

**\*\*Indirect costs are to be prorated and specifically based on this Agreement only\*\***

Example: Expense Type	7/1/24 – 6/30/25	7/1/24 – 6/30/25	7/1/24 – 6/30/25	1-2 sentence narrative description of expenses.
Human resources, legal counsel				Annual cost
Office space				Annual cost
Utility costs: heating, lighting				Annual cost
Insurance				Annual cost
Telecommunications and Infrastructure				Annual cost
Building maintenance, custodial services				Annual cost
Security services				Annual cost

Total Indirect Project Expenses	\$	\$	\$
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## EXHIBIT C

### ACKNOWLEDGMENT OF INDEPENDENT CONTRACTOR STATUS

This **Acknowledgment of Independent Contractor Status** (“Acknowledgment”) is an exhibit and fully incorporated into that certain Agreement for provision of Services (“Agreement”) dated [date], 20\_\_ by and between **Children and Families Commission of Orange County** (“COMMISSION”) and [Entity name], a [Entity type] (“CONTRACTOR”). This Acknowledgment is intended to define and affirm the relationship between COMMISSION and CONTRACTOR as set forth in the Agreement. CONTRACTOR has been fully informed, has had the opportunity to be advised or has been advised by counsel of its choosing, and knowingly and willingly acknowledges and agrees as follows:

1. CONTRACTOR on behalf of itself and each and every person acting by, through, or for CONTRACTOR (together, “CONTRACTOR”), is not an employee of COMMISSION.
2. CONTRACTOR is an independent contractor to COMMISSION.
3. Because CONTRACTOR is not an employee of COMMISSION, CONTRACTOR is not entitled to receive health benefits or any other benefits provided by COMMISSION to its regular employees.
4. CONTRACTOR is not eligible to join in or participate in any benefit plans offered to those individuals listed on COMMISSION’s payroll as regular employees.
5. CONTRACTOR is and shall remain ineligible for employment benefits provided to COMMISSION’s regular employees, or for participation in such benefit plans, even if it is later determined that COMMISSION has misclassified CONTRACTOR as an independent contractor for tax or other purposes.
6. CONTRACTOR hereby waives any right it may have to claim it is an employee or challenge its status as an independent contractor of COMMISSION.
7. CONTRACTOR releases COMMISSION and its Commissioners, officers, board members, employees, and agents (together, “COMMISSION”) from any and all obligations, liabilities, causes of action, and/or claims that exist or may arise under applicable laws that relate to CONTRACTOR’s acknowledgement, release, and agreement of its status as an independent contractor (not an employee) of COMMISSION.
8. In making this Acknowledgment and the release and waiver for this Agreement, CONTRACTOR acknowledges it has been advised concerning the content and meaning or and understands and is familiar with the provisions of California Civil Code Paragraph 1542, which provides as follows:

**“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.”**

CONTRACTOR represents and warrants it understands the purpose, meaning, and effect of Paragraph 1542 above, but nevertheless freely and knowingly waives and relinquishes any right or benefit that it has or may have under Paragraph 1542 of the Civil Code of the State of California, or any similar provision of law as such relates to the status of CONTRACTOR as an independent contractor, not an employee, of COMMISSION.

**CONTRACTOR**

\_\_\_\_\_, a \_\_\_\_\_

By: \_\_\_\_\_  
**Signature**

Date: \_\_\_\_\_

**EXHIBIT D**  
**BUSINESS ASSOCIATE ADDENDUM**

This Business Associate Addendum (“Addendum”) supplements and is made a part of Agreement [*Agreement Number*] dated [*date*] (“Agreement”) by and between the **CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY**, a public body and legal public entity (“Business Associate 1” or “BA-1”), and [*Entity Name*] (“Business Associate 2” or “BA-2”). This Addendum is effective as of [*Agreement Date*] (the “Addendum Effective Date”).

**ADDENDUM RECITALS**

A. This Addendum is made between two Business Associates to comply with the Health Insurance Portability and Accountability Act of 1996 Public Law 104-191 (HIPAA) 2013 Omnibus Requirements under which BA-1 passes through all HIPAA restrictions and requirements to BA-2.

B. BA-1 wishes to disclose certain information to BA-2 pursuant to the terms of the Agreement, some of which may constitute Protected Health Information (“PHI”) (defined below).

C. BA-1 and BA-2 intend to protect the privacy and provide for the security of PHI disclosed to BA-2 pursuant to the Agreement in compliance with HIPAA; the Health Information Technology for Economic and Clinical Health Act, Public Law 111-005 (“the HITECH Act”); and regulations promulgated thereunder by the U.S. Department of Health and Human Services (DHHS) (the “HIPAA Regulations”); and other applicable state and federal laws and regulations.

D. As part of the HIPAA Regulations, the Privacy Rule, and the Security Rule (defined below), BA-1 is required to enter into this Addendum that contains specific requirements with BA-2 prior to the disclosure of any PHI as set forth in Title 45 of the Code of Federal Regulations (C.F.R.) Sections 164.314(a), 164.502(e), and 164.504(e); applicable laws and regulations; and as provided in this Addendum.

NOW, THEREFORE, based on the Addendum Recitals, which are a substantive part of this Addendum, and agreed mutual consideration, BA-1 and BA-2 agree as follows:

**1. Definitions**

a. “Breach” shall have the meaning given to such term under HIPAA, the HIPAA Regulations, the HITECH Act, and as described in California Civil Code Section 1798.82.

b. “Business Associate” shall have the meaning given to such term under the Privacy Rule, the Security Rule, and the HITECH Act, including 45 C.F.R. Section 160.103.

c. “Covered Entity” shall have the meaning given to such term under the Privacy Rule and the Security Rule, including, but not limited to, 45 C.F.R. Section 160.103.

d. “Data Aggregation” shall have the meaning given to such term under the Privacy Rule, including but not limited to, 45 C.F.R. Section 164.501.

**Exhibit D**

Page 1 of 7

e. “Designated Record Set” shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.501.

f. “Electronic Protected Health Information” (Electronic PHI) means Protected Health Information that is maintained in or transmitted by electronic media.

g. “Electronic Health Record” shall have the meaning given to such term in the HITECH Act, including, but not limited to, 42 U.S.C. Section 17921.

h. “Health Care Operations” shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.501.

i. “HITECH Compliance Date” shall mean February 17, 2010, unless a separate effective date is specified by law for a particular requirement, in which case such effective date shall apply for that particular requirement.

j. “Privacy Rule” shall mean the HIPAA Regulation that is codified at 45 C.F.R. Parts 160 and 164, Subparts A and E.

k. “Protected Health Information” (PHI) means any information, whether oral or recorded in any form or medium: (i) that relates to the past, present or future physical or mental condition of an individual; the provision of health care to an individual; or the past, present or future payment for the provision of health care to an individual; and (ii) that identifies the individual or with respect to which there is a reasonable basis to believe the information can be used to identify the individual, and shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.501. Protected Health Information includes Electronic Protected Health Information.

l. “Protected Information” shall mean PHI provided by BA-1 to BA-2 or created or received by BA-2 on BA-1’s behalf.

m. Any use of the phrase “required by law” shall have the meaning given to such term under the Privacy Rule, the Security Rule, and the HITECH Act, including 45 C.F.R. Section 160.103.

n. “Security Rule” shall mean the HIPAA Regulation that is codified at 45 C.F.R. Parts 160 and 164, Subparts A and C.

o. “Unsecured PHI” shall have the meaning given to such term under the HITECH Act and any guidance issued pursuant to such Act including, but not limited to, 42 U.S.C. Section 17932(h).

## 2. **Obligations of Business Associate 2**

a. Permitted Uses. BA-2 shall not use Protected Information except for the purpose of performing BA-2’s obligations under the Agreement and as permitted under the Agreement and this Addendum. Further, BA-2 shall not use Protected Information in any manner that would



constitute a violation of the Privacy Rule or the HITECH Act if so used by BA-1. However, BA-2 may use Protected Information (i) for the proper management and administration of BA-2, (ii) to carry out the legal responsibilities of BA-2, or (iii) for Data Aggregation purposes for the Health Care Operations of BA-1.

b. Permitted Disclosures. BA-2 shall not disclose Protected Information except for the purpose of performing BA-2's obligations under the Agreement and as permitted under the Agreement and this Addendum. BA-2 shall not disclose Protected Information in any manner that would constitute a violation of the Privacy Rule or the HITECH Act if so disclosed by BA-1. However, BA-2 may disclose Protected Information (i) for the proper management and administration of BA-2, (ii) to carry out the legal responsibilities of BA-2, (iii) as required by law, or (iv) for Data Aggregation purposes. If BA-2 discloses Protected Information to a third party, BA-2 must obtain, prior to making any such disclosure, (i) reasonable written assurances from such third party that such Protected Information will be held confidential, as provided pursuant to this Addendum, and only disclosed as required by law or for the purposes for which it was disclosed to such third party and (ii) a written agreement from such third party to immediately notify BA-2 of any breaches of confidentiality of the Protected Information, to the extent the third party has obtained knowledge of such breach.

c. Prohibited Uses and Disclosures under HITECH. Notwithstanding any other provision in this Addendum, no later than the HITECH Compliance Date, BA-2 shall comply with the following requirements: (i) BA-2 shall not use or disclose Protected Information for fundraising or marketing purposes, except as provided under the Agreement and consistent with the requirements of 42 United States Code (U.S.C.) Section 17936; (ii) BA-2 shall not disclose Protected Information to a health plan for payment or health care operations purposes if the patient has requested this special restriction and has paid out of pocket in full for the health care item or service to which the PHI solely relates, pursuant to 42 U.S.C. Section 17935(a); and (iii) BA-2 shall not directly or indirectly receive remuneration in exchange for Protected Information, except with the prior written consent of BA-1 and as permitted by the HITECH Act and 42 U.S.C. Section 17935(d)(2); however, this prohibition shall not affect payment by BA-1 to BA-2 for Services provided pursuant to the Agreement.

d. Appropriate Safeguards. BA-2 shall implement appropriate safeguards as are necessary to prevent the use or disclosure of Protected Information other than as permitted by the Agreement or this Addendum. BA-2 further agrees to use administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of Electronic PHI. No later than the HITECH Compliance Date, BA-2 shall comply with each of the requirements of 45 C.F.R. Sections 164.308, 164.310, and 164.312 and the policies, procedures, and documentation requirements of the HIPAA Security Rule, including, but not limited to, 45 C.F.R. Section 164.316. To the extent that BA-2 creates, maintains, receives, or transmits Electronic PHI on behalf of BA-1, BA-2 shall implement the safeguards required by paragraph 2.c above with respect to Electronic PHI.

e. Mitigation. BA-2 agrees to mitigate, to the extent practicable, any harmful effect that is known to BA-2 of a use or disclosure of PHI in violation of this Addendum.

f. Reporting of Improper Access, Use, or Disclosure. BA-2 shall, following the discovery of any Breach of Unsecured PHI; Security Incident, as defined in the Security Rule; and/or any actual or suspected access, use, or disclosure of Protected Information not permitted by the Agreement or this Addendum or applicable law; notify BA-1 in writing of such breach or disclosure

without unreasonable delay and in no case later than three (3) business days after discovery. BA-2 shall take prompt corrective action in addition to any action required by applicable state or federal laws and regulations relating to such disclosure. BA-2 agrees to pay the actual costs incurred by BA-1 to provide required notifications and any associated costs incurred by BA-1, such as credit monitoring for affected patients, and including any civil or criminal monetary penalties or fines levied by any federal or state authority having jurisdiction if BA-1 reasonably determines that the nature of the breach warrants such measures.

g. Subcontractors and Agents of Business Associate 2. BA-2 shall ensure that any agents or subcontractors to whom it provides Protected Information agree in writing to the same restrictions and conditions that apply to BA-2 with respect to such PHI.

h. Access to Protected Information. To the extent BA-2 maintains a Designated Record Set on behalf of BA-1, BA-2 shall make Protected Information maintained by BA-2 or its agents or subcontractors in Designated Record Sets available to BA-1 for inspection and copying within five (5) days of a request by BA-1 to enable BA-1 to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.524. No later than the HITECH Compliance Date, if BA-2 maintains an Electronic Health Record, BA-2 shall provide such information in electronic format to enable BA-1 to fulfill its obligations under the HITECH Act, including, but not limited to, 42 U.S.C. Section 17935(e).

i. Amendment of PHI. To the extent BA-2 maintains a Designated Record Set on behalf of BA-1, within thirty (30) days of receipt of a request from BA-1 or an individual for an amendment of Protected Information or a record about an individual contained in a Designated Record Set, BA-2 or its agents or subcontractors shall make any amendments that BA-1 directs or agrees to in accordance with the Privacy Rule.

j. Accounting Rights. Within thirty (30) days' written notice by BA-1 of a request for an accounting of disclosures of Protected Information, BA-2, its agents, and/or subcontractors shall make available to BA-1 the information required to provide an accounting of disclosures to enable BA-1 to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.528 and its obligations under the HITECH Act including, 42 U.S.C. Section 17935(c), as determined by BA-1. The provisions of this subparagraph 2.j shall survive the termination of this Addendum.

k. Governmental Access to Records. BA-2 shall make its internal practices, books, and records relating to the use and disclosure of Protected Information available to BA-1 and to the Secretary of DHHS (the "Secretary"), or Secretary's designated representative, for purposes of determining BA-2's compliance with the Privacy Rule.

l. Minimum Necessary. No later than the HITECH Compliance Date, BA-2 and its agents and subcontractors shall request, use, and disclose only the minimum amount of Protected Information necessary to accomplish the purpose of the request, use, or disclosure. BA-2 understands and agrees that the definition of "minimum necessary" may change from time to time, and BA-2 shall keep itself informed of any guidance issued by the Secretary with respect to what constitutes "minimum necessary."

m. Compliance with Laws. BA-2 shall comply with all applicable state and federal privacy and security laws, including, but not limited to, HIPAA, the HIPAA Regulations, HITECH, and California Civil Code Section 1798.82, as each may be amended from time to time.

### 3. **Termination**

a. Material Breach by BA-2. A breach by BA-2 of any provision of this Addendum, as determined by BA-1, shall constitute a material breach of the Agreement and shall provide grounds for termination of the Agreement, any provision in the Agreement to the contrary notwithstanding, with or without an opportunity to cure the breach. If termination of the Agreement is not feasible, BA-1 will report the problem to the DHHS Secretary.

b. Material Breach by BA-1. As of the HITECH Compliance Date, pursuant to 42 U.S.C. Section 17934(b), if BA-2 knows of a pattern of activity or practice of BA-1 that constitutes a material breach or violation of BA-1's obligations under the Agreement, this Addendum, or other arrangement, then BA-2 must take reasonable steps to cure the breach or end the violation. If the steps are unsuccessful, BA-2 must terminate the Agreement or other arrangement if feasible, or if termination is not feasible, report the problem to the DHHS Secretary.

c. Effect of Termination. Upon termination of the Agreement for any reason, BA-2 shall, at the option of BA-1, return or destroy all Protected Information that BA-2 or its agents or subcontractors maintain in any form, and shall retain no copies of such Protected Information. If return or destruction is not feasible, as determined by BA-1, BA-2 shall continue to extend the protections of Section 2 of this Addendum to such information and limit further use of such PHI to those purposes that make the return or destruction of such PHI infeasible. If BA-1 elects destruction of the PHI, BA-2 shall certify in writing to BA-1 that such PHI has been destroyed.

4. **Indemnification; Limitation of Liability.** To the extent permitted by law, BA-2 shall indemnify, defend, and hold harmless BA-1 from any and all liability, claim, lawsuit, injury, loss, expense or damage resulting from or relating to the acts or omissions of BA-2 in connection with the representations, duties, and obligations of BA-2 under this Addendum. Any limitation of liability contained in the Agreement shall not apply to the indemnification requirement of this provision. This provision shall survive the termination of the Addendum.

5. **Assistance in Litigation.** BA-2 shall make itself and any subcontractors, employees, and agents assisting BA-2 in the performance of its obligations under the Agreement or this Addendum available to BA-1, at no cost to BA-1, to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against BA-1, its directors, officers, or employees based upon a claim of violation of HIPAA, the HITECH Act, or other state or federal laws related to security and privacy.

6. **Amendment to Comply with Law.** The parties acknowledge that state and federal laws relating to data security and privacy are rapidly evolving and that amendment of the Agreement or this Addendum may be required to ensure compliance with such developments. The parties specifically agree to take such action as is necessary to implement the standards and requirements of HIPAA, the HIPAA Regulations, the HITECH Act, and other applicable state and federal laws and regulations relating to the security or confidentiality of PHI. Upon the compliance date of any such

applicable laws and regulations, this Addendum shall automatically be amended such that this Addendum remains in compliance with such laws and regulations.

7. **No Third-Party Beneficiaries.** Nothing express or implied in the Agreement or this Addendum is intended to confer; nor shall anything herein confer upon any person other than BA-1, BA-2, and their respective successors or assigns; any rights, remedies, obligations or liabilities whatsoever.

8. **Interpretation.** The provisions of this Addendum shall prevail over any provisions in the Agreement that may conflict or appear inconsistent with any provision in this Addendum. This Addendum and the Agreement shall be interpreted as broadly as necessary to implement and comply with HIPAA, the HITECH Act, the Privacy Rule, and the Security Rule. The parties agree that any ambiguity in this Addendum shall be resolved in favor of a meaning that complies and is consistent with HIPAA, the HITECH Act, the Privacy Rule, and the Security Rule. Except as specifically required to implement the purposes of this Addendum, or to the extent inconsistent with this Addendum, all other terms of the Agreement shall remain in force and effect.

9. **Regulatory References.** A reference in this Addendum to a section of any regulations means the section as in effect, or as amended, and for which compliance is required.

10. **Identity Theft Program Compliance.** To the extent that BA-1 is required to comply with the final rule entitled “Identity Theft Red Flags and Address Discrepancies under the Fair and Accurate Credit Transactions Act of 2003,” as promulgated and enforced by the Federal Trade Commission (16 C.F.R. Part 681) (the “Red Flags Rule”); and that BA-2 is performing an activity in connection with one or more “covered accounts,” as that term is defined in the Red Flags Rule, pursuant to the Agreement; BA-2 shall establish and comply with its own reasonable policies and procedures designed to detect, prevent, and mitigate the risk of identity theft, which shall be consistent with and no less stringent than those required under the Red Flags Rule or the policies and procedures of BA-1’s Red Flags Program. BA-2 shall provide its Services pursuant to the Agreement in accordance with such policies and procedures. BA-2 shall report any detected “red flags,” as that term is defined in the Red Flags Rule, to BA-1 and shall, in cooperation with BA-1, take appropriate steps to prevent or mitigate identity theft.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum as of the Addendum Effective Date.

BUSINESS ASSOCIATE 1

BUSINESS ASSOCIATE 2

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: Kimberly Goll  
Title: President/CEO


Name:  
Title: Contractor



## Agenda Item 3 April 3, 2024

**DATE:** March 7, 2024

**TO:** First 5 Orange County

**FROM:** Kimberly Goll, President/CEO 

**ACTION:** Conduct Public Hearing and Receive the First 5 California 2022-2023 Annual Report and the California State Controller's Results of Audit Oversight of County Commissions

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### **SUMMARY:**

First 5 Orange County is required to conduct a public hearing to receive First 5 California's Annual Report and the State Controller's report on their independent review of the county commission audits. This item is to conduct the Public Hearing to receive the Fiscal Year 2022-2023 First 5 California Annual Report and the California State Controller's Annual Report to the First 5 Commission: Results of the Audit Oversight of County Commissions for 2021-2022.

### **DISCUSSION:**

The Children and Families Act of 1998 requires the State Children and Families Commission (First 5 California) to submit an annual report to the Governor and Legislature by January 31 of each year. The report includes a comprehensive review of First 5 California progress and a review and summary of the 58 county commissions' work. Each county commission is then required to conduct a public hearing on First 5 California's Annual Report and provide opportunities for public comment.

### **2022-2023 First 5 California Annual Report**

Over the past 20 years, county commissions have produced annual reports to document the variety of programs, services, and other accomplishments that have helped support the healthy development of young children. These reports are submitted to First 5 California for analysis and consolidation. First 5 California produces an annual report that provides information on both the county and state programs, and fiscal data.

The annual report includes information on the First 5 California program investments and the total number of services provided to children and families by First 5 California and the 58 county commissions, along with expenditures. In Fiscal Year 2022-2023, 681,081 services were provided to California children, and over 724,934 services were provided to adults. Of the total \$371 million in expenditures, \$285 million was focused on the three result areas of Improved Child Health (29%), Improved Family Functioning (26%), and Improved Child Development (20%). The fourth result area was Improved Systems of Care.

Other highlights from the First 5 California 2022-2023 Annual Report include accomplishments and collaborations at both state and local levels.

New investments include:

- \$125 million for Improve and Maximize Programs so All Children Thrive (IMPACT) Legacy, a comprehensive effort to enhance the quality of early learning and care and support the workforce, with a focus on addressing the needs of the whole child, including health, behavioral health, child development, and family strengthening.
- \$10 million to strengthen and elevate the 0–5 strategy, investments, and impact under the Children and Youth Behavioral Health Initiative in partnership with the California Health and Human Services Agency.
- \$2 million for the Twenty-Five Year Lookback Project to evaluate the overall impact of First 5 since the passage of Proposition 10.
- \$3 million to work with the Children’s Data Network for the Prenatal to Age Five Data Landscape Project, focused on the development of a First 5 California early childhood dashboard, possible online public-facing portal/dashboard, and indicators that speak to the health, safety, and well-being of young children and their families.
- Foundational research for a Fatherhood Initiative including a communications plan assessment, academic peer review, and environmental scan to identify the key issues regarding the changing definition of fatherhood and exemplary fatherhood initiatives within the local First 5 Network.

In addition to new investments approved in FY 2022-2023, several investments approved in previous years continued to be implemented this year:

- Grant dissemination and enhanced education, training and technical assistance, communications, and system of change collaboration with local First 5s on Home Visiting Coordination and the Small Population County Funding Augmentation (SPCFA).
- The Dragon Song campaign was developed and released to provide the first step toward creating awareness of the importance that calmness plays in connecting children and caregivers to their emotions. The campaign featured English and Spanish video and radio spots, outdoor ads, a new website landing page, web ads, social media posts, a TikTok and Instagram influencer campaign, and campaign collateral and messaging toolkits for county commissions.
- The Stronger Starts public education and awareness campaign launched in the spring of 2023, introducing messaging around adverse childhood experiences (ACEs) and toxic stress response to families and caregivers of young children. The campaign featured three videos as well as radio ads, outdoor creative signage, and web and social including a TikTok and Instagram influencer campaign.
- Many new partnerships were established including with the Sacramento Kings, Los Angeles Dodgers, Sacramento Zoo, Oakland Zoo, San Francisco Zoo, Los Angeles Zoo, Sequoia Zoo, Univision Los Angeles, BabyCenter, PBS Kids, Univision LA, Doggyland, and Kings forward Domantas Sabonis, extending and amplifying First 5’s presence and reach.

Locally, each county commission was provided the opportunity to highlight several significant accomplishments achieved during Fiscal Year 2022-2023. Attachment 1 includes an excerpt from the state report including the introductory message from First 5 California’s Executive Director as well as First 5 Orange County’s highlights.

### **California State Controller/Results of Audit Oversight**

As mandated by law, First 5 California's Annual Report agenda item, filed to their Commission, includes the California State Controller's annual review of the county commissions' independent audit (Attachment 2). This annual audit review is consistent with the expanded audit statutes chaptered into law in 2005.

The complete First 5 California 2021-2022 Annual Report and Results of Audit are on file with the Clerk of the Commission and available on the First 5 California website at: [www.cffc.ca.gov](http://www.cffc.ca.gov).

### **STRATEGIC PLAN & FISCAL SUMMARY:**

The recommended action has been reviewed in relation to the Strategic Plan and is consistent with all goal areas. This agenda item does not include a funding request.

### **PRIOR COMMISSION ACTIONS:**

- April 2023 – Conducted the Public Hearing to receive and file the First 5 California 2021-2022 Annual Report and Audit Results Excerpts
- April 2022 – Conducted the Public Hearing to receive and file the First 5 California 2020-2021 Annual Report and Audit Results Excerpts

### **RECOMMENDED ACTIONS:**

1. Conduct the Public Hearing.
2. Receive and file the First 5 California 2022-2023 Annual Report and the California State Controller's Annual Report to the First 5 Commission: Results of the Audit Oversight of County Commissions for 2021-2022.

### **ATTACHMENTS:**

1. First 5 California 2022-2023 Annual Report Excerpt
2. Cover Letter and Executive Summary - California State Controller's Annual Report to the First 5 California Commission: Results of Audit Oversight Commissions for the Period July 1, 2021 through June 30, 2022

**CONTACT:** Michael Garcell



# First 5 California

## 2022-23 Annual Report





## Message from First 5 California

As we reflect on the milestones and achievements of the past year, we are delighted to present the 2022–2023 Annual Report. This past year has been marked by unwavering dedication to advancing our North Star and Audacious Goal: that in a generation, all children 0–5 will have the safe, stable, nurturing relationships and environments necessary to achieve healthy development.

We began the past year looking at the future of First 5 California and our work, rooting all that we do in equity, with the Commission prioritizing new investments in the areas of early childhood workforce development, early childhood behavioral health, newcomer support, preschool through age 5 data, and fatherhood. As we close out this past year's chapter, we are proud to share that we have made significant strides in moving every one of these investments forward.

In the face of new challenges brought on by declining revenue, First 5 California has remained committed to our charge of advancing statewide systems change efforts, including making additional strategic investments in counties across the state. Our collective efforts have empowered families, strengthened communities, and fostered the early development and well-being of children across California. From innovative early childhood programs to impactful state and local partnerships, First 5s continue to be a catalyst for transformational change.

New investments include:

- \$125 million for Improve and Maximize Programs so All Children Thrive (IMPACT) Legacy, a comprehensive effort to enhance the quality of early learning and care and support the workforce, with a focus on addressing the needs of the whole child, including health, behavioral health, child development, and family strengthening.
- \$10 million to strengthen and elevate the 0–5 strategy, investments, and impact under the Children and Youth Behavioral Health Initiative in partnership with the California Health and Human Services Agency.
- \$2 million for the Twenty-Five Year Lookback Project to evaluate the overall impact of First 5 since the passage of Proposition 10.
- \$3 million to work with the Children's Data Network for the Prenatal to Age Five Data Landscape Project, focused on the development of a First 5 California early childhood dashboard, possible online public-facing portal/ dashboard, and indicators that speak to the health, safety, and well-being of young children and their families.
- Foundational research for a Fatherhood Initiative including a communications plan assessment, academic peer review, and environmental scan to identify the key issues regarding the changing definition of fatherhood and exemplary fatherhood initiatives within the local First 5 Network.

In addition to new investments approved in FY 2022–2023, several investments approved in previous years continued to be implemented during the year:

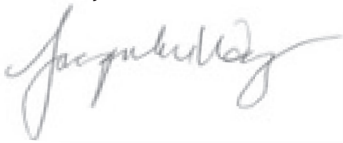
- Grant dissemination and enhanced education, training and technical assistance, communications, and system of change collaboration with local First 5s on Home Visiting Coordination and the Small Population County Funding Augmentation (SPCFA).
- The Dragon Song campaign was developed and released to provide the first step toward creating awareness of the importance that calmness plays in connecting children and caregivers to their emotions. The campaign featured English and Spanish video and radio spots, outdoor ads, a new website landing page, web ads, social media posts, a TikTok and Instagram influencer campaign, and campaign collateral and messaging toolkits for county commissions.
- The Stronger Starts public education and awareness campaign launched in the spring of 2023, introducing messaging around adverse childhood experiences (ACEs) and toxic stress response to families and caregivers of young children. The campaign featured three videos as well as radio ads, outdoor creative signage, and web and social including a TikTok and Instagram influencer campaign.

- Many new partnerships were established including with the Sacramento Kings, Los Angeles Dodgers, Sacramento Zoo, Oakland Zoo, San Francisco Zoo, Los Angeles Zoo, Sequoia Zoo, Univision Los Angeles, BabyCenter, PBS Kids, Univision LA, Doggyland, and Kings forward Domantas Sabonis, extending and amplifying First 5's presence and reach.

As we look toward the future, First 5 California remains steadfast in our commitment to ensuring every child has the best possible start in life and can thrive. The partnerships we've forged and the initiatives we've undertaken this past year lay the foundation for continued success in the years to come.

We extend our deepest gratitude to our dedicated staff, commissioners, and partners who have made these achievements possible. Together, we will continue to grow and evolve to meet the needs of California's youngest residents, their families, and communities.

Sincerely,



Jackie Thu-Huong Wong (she/her)  
Executive Director  
First 5 California



First 5 Fresno, Community Learning Center

# Ensuring California Children Receive the Best Start in Life



## Proposition 10 and the Legacy of First 5 California

In 1998, California voters passed Proposition 10—the California Children and Families Act (the Act)—and declared the importance of investing in a better future for California’s youngest children.

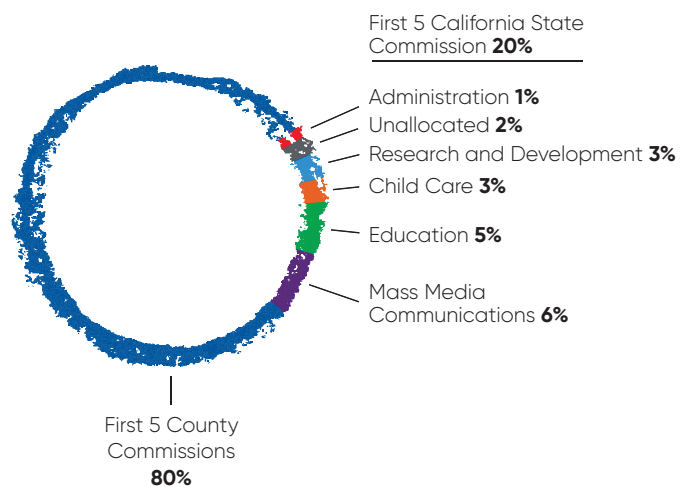
Proposition 10 imposes a 50-cent tax on tobacco products to generate revenue. Eighty percent of the revenue is allocated to the 58 First 5 county commissions based on annual birth rate, and 20 percent is allocated to the California Children and Families Commission (First 5 California). County commissions determine how to allocate their portion of the funds based on the specific needs and priorities of their communities. First 5 California’s funds are used to advance statewide systems change efforts including making additional strategic investments in counties across the state.

For nearly 25 years, First 5 California has invested in the development of programs, services, and systems emphasizing improvement in early care and education, child health and development, family resiliency, research, and community awareness.

## Accountability: Funding and Audit Results

Under the California Children and Families Act, the California Department of Tax and Fee Administration (CDTFA) collects an excise tax levied on all cigarette and tobacco products and deposits revenue, less refunds and administrative expenses, into the California Children and Families Trust Fund, allocating 20% to First 5 California and 80% to county commissions. The amount of funding allocated annually to county commissions is based on the annual number of births in the county relative to the total number of births in the state.

**Exhibit 1: First 5 California Children and Families Commission Funds—Allocation of State Portion**



Source: Health and Safety Code Section 130105

During FY 2022–2023, two bills went into effect impacting revenues. Senate Bill (SB) 793 (Stats. 2020, ch. 34) went into effect December 21, 2022, prohibiting the retail sale of most flavored tobacco products and tobacco product flavor enhancers, and Senate Bill (SB) 395 (Stats. 2021, ch. 489) enacted the Healthy Outcomes and Prevention Education (HOPE) Act. The HOPE Act imposed the California Electronic Cigarette Excise Tax (CECET), which became effective July 1, 2022, imposing a 12.5% excise tax on purchases of electronic cigarettes containing or sold with nicotine. Of the CECET revenues collected, less refunds and administrative expenses, 12% is deposited by CDTFA to the Children and Families Trust Fund, with county commissions receiving 80% of the total deposited.

In FY 2022–2023, First 5 California received \$67.5 million, and county commissions received \$270.3 million in Proposition 10, Proposition 56 (backfill), and CECET revenues. First 5 California’s state-administered funds ended the fiscal year with \$171 million in fund balance, with money assigned toward the development of programs, services, and systems that support California’s youngest children. In addition to Commission-approved county program investments such as Home Visiting, Refugee Family Support, Shared Services Alliances, and Small Population County Augmentation, the Commission approved \$125.8 million for IMPACT Legacy in October 2022. This investment and the continued aforementioned investments, which are committed investments in the fund balance, will be awarded to counties beginning in FY 2023–2024.

First 5 California consists of our Executive Office, External and Governmental Affairs, Program Innovation and Evaluation Division, Administration, Fiscal Services, Contracts and Procurement, and Information Technology Services, providing staff support in the following functions, operations, and systems:

- Fiscal management of the California Children and Families Trust Fund
- Tax revenue disbursements to county commissions
- Audits and annual fiscal reports
- Local agreement and program-disbursement management
- Public education and outreach
- Evaluation of First 5 California programs
- Procurement and contract management
- Workforce recruitment and development
- Information technology
- Business services
- Legislative advocacy efforts

The counties invest their dollars in locally designed programs, as well as in First 5 California’s statewide programs focusing on priorities such as child health, child development, and family resiliency for California’s children prenatal through age 5 and their families. The administration of these and other programs is consistent with all applicable state and federal laws, rules, and regulations. Each county must prepare an independent annual audit report subject to guidelines prepared by the State Controller’s Office. The State Controller’s Office conducts an annual review of the 58 county commission independent audits. In November 2022, the Controller published its review of the counties’ audits for FY 2021–2022. Audits can be viewed on First 5 California’s website at <https://www.cffc.ca.gov/about/budget.html#annual>.



Toxic Stress Takedown

## Building Public Will and Investment

In 2021, First 5 California adopted a North Star Statement and Audacious Goal. As part of this process, a theory of change was developed, and systems levers were identified to frame the work of First 5 California. To better integrate this into the current strategic plan, First 5 California developed a Results-Based Accountability (RBA) framework that identified the process for establishing population-level indicators; specific, measurable, achievable, relevant, and timely (SMART) goals; and performance measures that align to the North Star Statement and Audacious Goal.

## North Star

*Trauma-informed, healing-centered, and culturally responsive systems promote the safe, stable, nurturing relationships and environments necessary to eliminate inequities and ensure healthy development for all children.*

## Audacious Goal

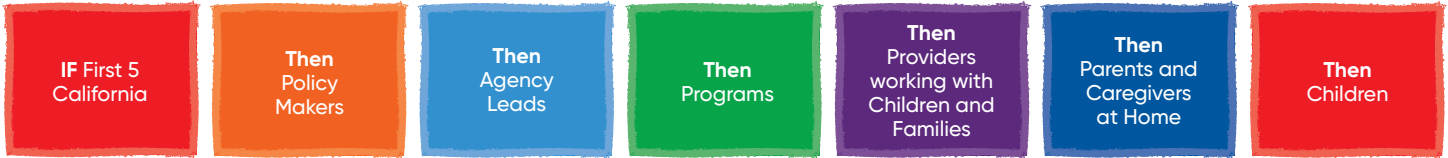
*In a generation, all children 0–5 will have the safe, stable, nurturing relationships and environments necessary to achieve healthy development.*



First 5 San Bernardino, Gift a Kid a Book Campaign

# First 5 CA Theory of Change

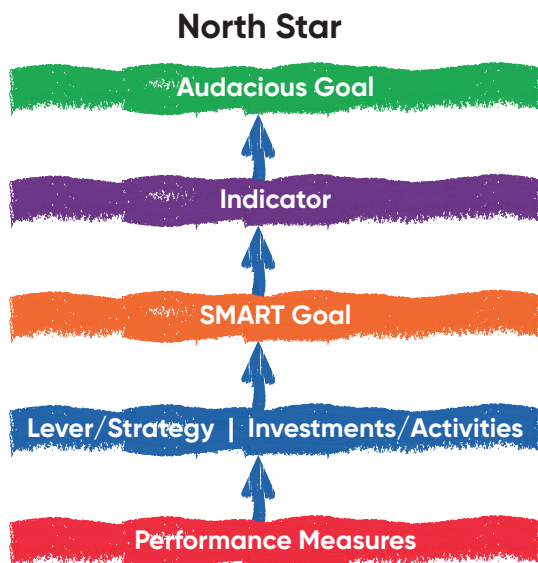
Theory of change describes the levers, actions, and outcomes of F5CA's work:



## F5CA System Levers:

- **Advocate:** Advocate to federal and state policy makers
- **Convener/Connector:** Bring together state agencies that support young children and their families
- **Catalyst:** Provide funding for research and evaluation, innovative practices, and collaboration between different systems
- **Broadcaster:** Communicate to the general public utilizing television, radio, newspapers, and other mass media

## Results-Based Accountability (RBA) Framework: Principles



- North Star orients all our work
- Population-level indicator informs us about statewide well-being
- SMART goals are developed for each audience (parents, providers, programs, state agency leaders, policymakers)
- Multiple investments/activities may support the same SMART goal
- Investments/activities operate as levers
- Performance measures may be similar across programs and be project specific
- Staff workplans will detail source of data for performance measures, baseline, and frequency of collection

## Legislative and Budget Engagement

As First 5 California embarked on advocating for trauma-informed, healing-centered, and culturally responsive systems that promote the safe, stable, nurturing relationships and environments necessary to eliminate inequities and ensure healthy development for all children, it provided an opportunity to solidify and establish new partnerships in First 5 California's public policy engagement around the following four policy pillars:

- Build resilient families and communities.
- Optimize child health.
- Promote sustainability of early childhood investments.
- Strengthen the state's quality early learning mixed-delivery system.

The 2023 budget year included historic investments in children and families, thanks to the advocacy efforts of the Early Care and Education (ECE) Coalition. The Child Care Providers Union (CCPU) reached a new agreement with the Administration that will lead to better care for children by investing in the workforce. These advocacy wins include:

- \$2.8 billion over two fiscal years, 2023–2024 and 2024–2025 to align with a ratified CCPU agreement.
- \$80 million per year for a historic first-of-its-kind retirement fund.
- New requirement to develop a new cost-based methodology for reimbursement rates, to be implemented if approved by federal government.
- Significant changes in how family fees are assessed: Beginning October 1, 2023, family fees will begin at 75% of the State Median Income (SMI) and will be assessed at families over that income at 1%. Historically, family fees began at 40% SMI and were set at a much higher percentage of incomes. In addition, family fee debt pre-pandemic will be forgiven.
- New provision that allows agencies to collect one month of income documentation (rather than 12 months) for families with variable schedules and estimated income based on this.

On the legislative front, the Governor signed SB 326 (Eggman), which seeks to reform the Mental Health Services Act to earmark more money for housing for people experiencing homelessness with severe mental illness and substance use disorders. Its companion legislation, AB 531 (Irwin), is a \$6.38 billion bond to fund new treatment facilities and housing and will go to voters for approval on the March 2024 ballot. If passed by voters, the initiative would create the Behavioral

Health Services Act in which the funds are divided into four pots: housing intervention services (30%), full-service partnerships with county behavioral health programs (35%), services for children and youth (35%), and planning costs (5%).

In June 2023, Governmental Affairs staff testified at an informational hearing put on by the Assembly Select Committee on California's Mental Health Crisis, which provided an opportunity to discuss the Stronger Starts media campaign and First 5 California resources for parents and caregivers of young children.

Additionally, the Governor signed SB 616 (Gonzalez), which expanded the minimum amount of paid sick days that an employer is required to provide all employees. Previously, employers were required to provide 24 hours or three paid sick days. With SB 616, employers now must provide 40 hours, or five paid sick days. These days allow parents and guardians to keep children home from school or child care when they have viruses and to take children to well-child visits and receive vaccinations.

Governmental Affairs staff developed a strong relationship with the Office of Community Partnerships and Strategic Communications, under the Governor's Office of Planning and Research. Through this connection, First 5 California has engaged with the First 5 Association and local First 5 commissions to create awareness of vaccinations for children 6 months through 5 years of age and the impact extreme heat has on vulnerable populations, specifically on pregnant people and children ages 0–5.

Lastly, First 5 California engaged with California's Congressional leaders to educate them on the State's pressing need to stabilize funding supports with the California Chamber of Commerce for child care programs, early learning workforce and infrastructure, behavioral health funding, and maternal and child health.



Toxic Stress Takedown



# 2023-2024 Young Children's Policy Agenda

First 5 California's Young Children's Policy Agenda guides and prioritizes the state and federal public policy and regulatory advocacy, aligned to our mission statement and strategic plan. The four policy pillars ensure that First 5 California can meet its Audacious Goal that in a generation, all children 0-5 will have the **safe, stable, nurturing relationships and environments** necessary to achieve healthy development.

First 5 California's North Star articulates our commitment to trauma-informed, healing-centered, and culturally responsive systems that promote the safe, stable, nurturing relationships and environments necessary to eliminate inequities and ensure healthy development for all children.

## Build Resilient Families and Communities

Support efforts to ensure economic security and financial stability for families and children through:

- Expansion of paid family leave programs
- Creation and continuation of tax credits and incentives
- Investments in stable food and housing security

### Progress made:

- Developed and co-branded user-friendly factsheets on paid family leave with Legal Aid at Work.

## Optimize Child Health

Ensure that families and children have access to equitable and just health care coverage and services, that also include:

- Adverse childhood experience screening
- Behavioral and mental health
- Developmental screenings, referrals, and access to appropriate early intervention services
- Prenatal and postpartum care, such as doula services and home visitation programs
- Intervention and preventive care
- Nutritional programs and services

### Progress made:

- Supported the launch of First 5 California's Stronger Starts by presenting at the Assembly Select Committee on California's Mental Health Crisis.
- Developed a strong relationship with the Office of Community Partnerships and Strategic Communications, under the Governor's Office of Planning and Research and the State Surgeon General's office.



## Strengthen the State's Quality Early Learning Mixed-Delivery System

- Promote access to safe, high-quality early care and education programs for infants, toddlers, and children through age 5 via statewide rate reform efforts based on equitable and professional compensation, foster diversity in the field, and provide continuous professional development.
- Address workforce capacity needs of child care, preschool, transitional kindergarten, and kindergarten educators and support staff through recruitment and retention initiatives, such as the development of micro-credentialing and apprenticeship programs, in partnership with community-based organizations, higher education institutions, and credentialing preparation programs.

### Progress made:

- Supported the Early Care and Education Coalition's budget and policy positions to strengthen the child care workforce, access to high-quality care for eligible families, the elimination of outstanding family fees, and a pathway toward a new cost-based methodology for rate reimbursement.

## Promote Sustainability of Early Childhood Investments

- Advocate for funding prioritization and inclusion of children, prenatal to age 5, and their families, in existing and new revenue policy proposals and tax funding structures.
- Support braiding and leveraging opportunities that provide fiscal resiliency to the First 5 Network, which includes the First 5 California State Commission, the First 5 Association, and the 58 local First 5 county commissions, to ensure in each of California's 58 counties every family and child have access to critical prenatal services and programs through age 5.

### Progress made:

- Introduced First 5 California recent endeavors to newly elected legislators and their staff.
- Joined the California Chamber of Commerce's Cap-to-Cap annual advocacy trip as the voice for families with young children. Discussed the importance of critical services and programs that support working families through stronger child care programs, paid family leave, child tax credits, and health care.

## Kit for New Parents

The award-winning Kit for New Parents provides essential supports in the early stages of parenting, providing key information and resources for first-time parents, grandparents, and caregivers.

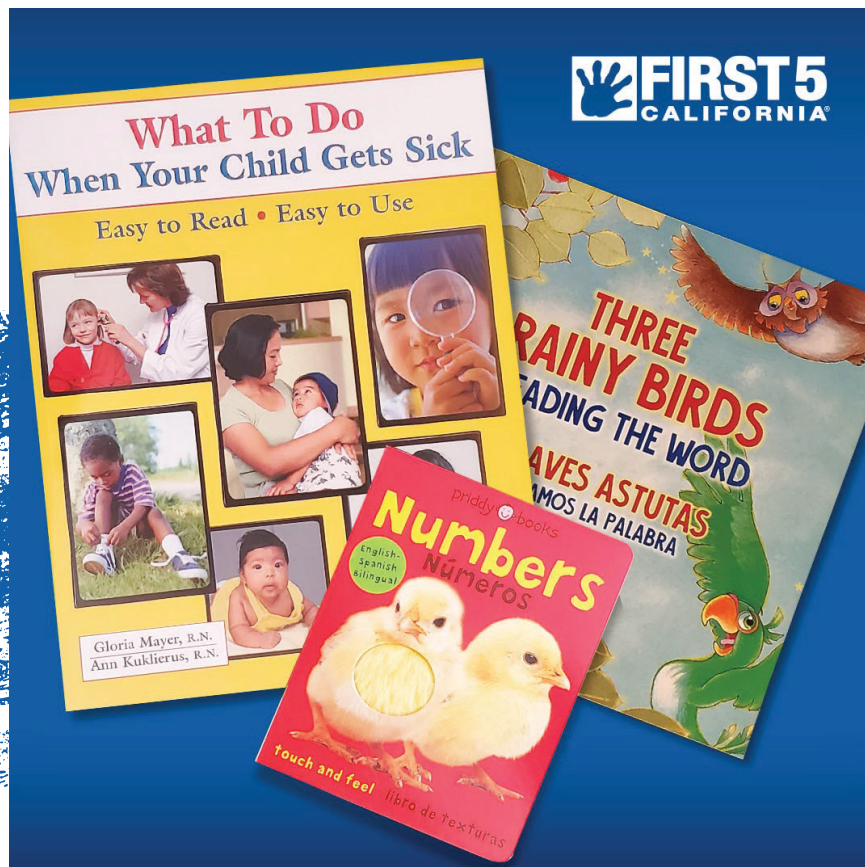
The Kit is a core function of First 5 California and a foundational resource to help parents and caregivers give their child the best start. Since 2001, over 5.4 million kits have been distributed throughout California, with 130,000 distributed in FY 2022–2023. This is a 57% increase from FY 2021–2022.

First 5 California has distributed the Kit free of charge to local hospitals, physicians, and community groups to reach new parents. Kits are available in English, Spanish, Chinese, Korean, and Vietnamese.

The Kit includes a Parent Guide, Numbers Touch-and-Feel book, What to Do When Your Child Gets Sick book, and infant toothbrush and massager, and many more informational resources. The Parent Guide can also be accessed online:

- English: <https://parentguide.first5california.com/en-US>
- Spanish: <https://parentguide.first5california.com/es-MX>

Local First 5 county commissions are encouraged to customize the Kit with up to three items of local references and resources to help inform parents about services in their own communities. We encourage parents, caregivers, and community members to order the Kit, which can be shipped directly to them by visiting First 5 California's ordering portal at <https://first5parentingkits.com>.



# First 5 County Commission Result Areas



## Four Result Areas

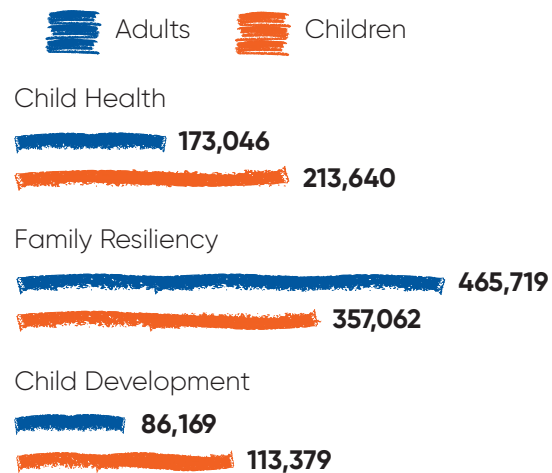
For annual reporting, First 5 California and First 5 county commissions track progress in four result areas to inform evidence-based funding decisions, program planning, and policies:

- Improved Family Resiliency
- Improved Child Development
- Improved Child Health
- Improved Systems of Care

These result areas comprise a framework for reporting early childhood investments and provide an overview of the number, type, and cost of services to children and adults. Stakeholders can use this information to assess statewide resource allocation and impact of First 5 county commissions.

Exhibit 1 contains the total numbers of services provided to children ages birth to 5 and adults (including primary caregivers and providers) for Improved Family Resiliency, Improved Child Development, and Improved Child Health. During FY 2022–2023, First 5 county commissions provided a total of 684,081 child services and 724,934 adult services. The distribution of expenditures in these three result areas totals \$285 million.

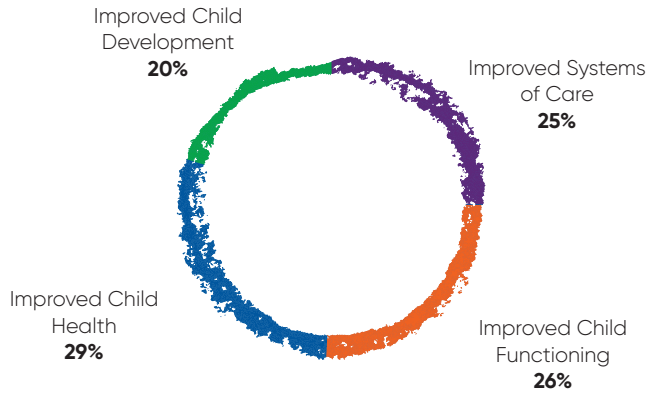
**Exhibit 1: Total Number of Services Provided to Children Ages 0 to 5 and Adults\* in FY 2022–2023 Across Result Areas**



\*Totals for Adults include both Primary Caregiver and Provider counts

The result area, Improved Systems of Care, with expenditures of \$86 million, differs from the others. It consists of programs and initiatives for system-wide structural supports for efforts within the other three result areas. The four result areas combined show total expenditures of \$371 million.

**Exhibit 2: Total Expenditures for Children Ages 0 to 5 and Adults\* in FY 2022–2023 by Result Area**



\*Adults include both Primary Caregivers and Providers

First 5 county commissions are required to report to First 5 California revenues, expenditures, and fund balances. In collaboration with the First 5 Association, First 5 California annually develops and adopts annual reporting guidelines to standardize data collection. County commission revenues are reported in Appendix A1. For expenditures, county commission fiscal and service data are aggregated to the statewide level under four result areas (Appendix A2) using specific definitions for each result area with service category detail (Appendix B). The four result areas are listed below.

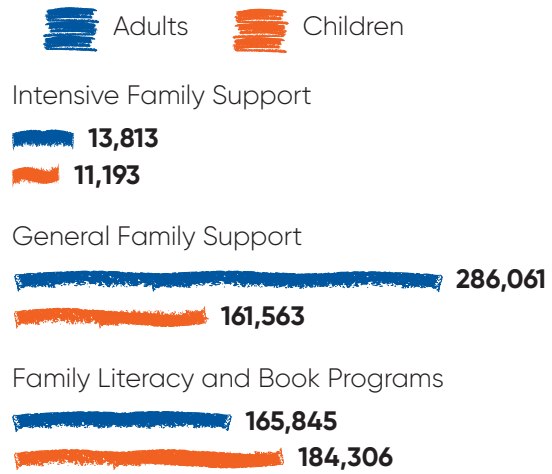
**Improved Family Resiliency**

Family Resiliency includes the categories Family Literacy and Book Programs, General Family Support, and Intensive Family Support. Services include instruction on general parenting topics, support for basic family needs and case management, parent education and literacy, referrals to community resources, assistance for parents and families, and support to schools and educational institutions, nonprofit community-based agencies, government agencies, and private institutions.

In FY 2022–2023, First 5 county commissions provided a total of 357,062 services to improve family resiliency for children ages birth to 5, with 184,306 child services in Family Literacy and Book Programs, 161,563 child services in General Family Support and 11,193 child services in Intensive Family Support.

First 5 county commissions provided a total of 465,719 services to adults (parents, guardians, primary caregivers, relatives, and providers), with 165,845 adult services in Family Literacy and Book Programs, 286,061 adult services in General Family Support and 13,813 adult services in Intensive Family Support. Exhibit 3 displays the numbers of services provided.

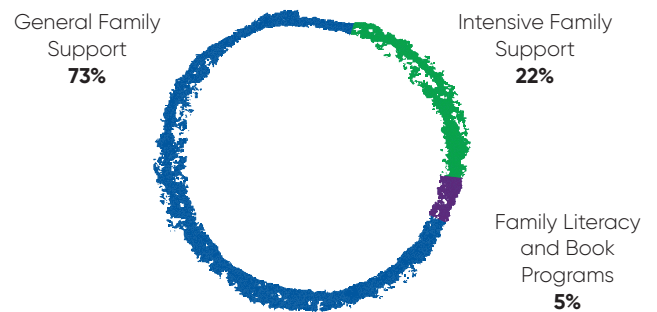
**Exhibit 3: Family Resiliency—Total Numbers of Services Provided to Children Ages 0 to 5 and Adults\* in FY 2022–2023 by Service**



\*Totals for Adults include both Primary Caregiver and Provider counts

First 5 county commissions expended \$97 million to improve Family Resiliency, with 5 percent of expenditures in Family Literacy and Book Programs, 73 percent of expenditures in General Family Support, and 22 percent of expenditures in Intensive Family Support. Exhibit 4 shows the distribution of expenditures by service category.

**Exhibit 4: Family Resiliency—Distribution of Expenditures for Children Ages 0 to 5 and Adults\* in FY 2021–22 by Service**



\*Adults include both Primary Caregivers and Providers

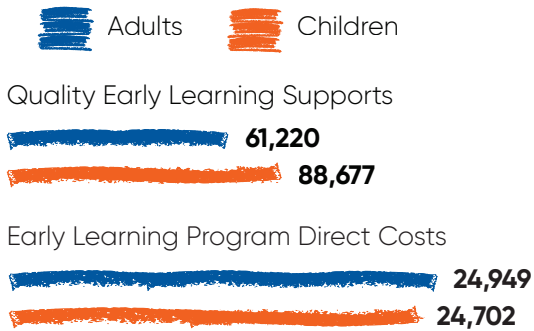
## Improved Child Development

Child Development includes the categories Early Learning Program Direct Costs and Quality Early Learning Supports. Programs include professional development for educators, high-quality preschool, services for diverse populations, and school readiness.

In FY 2022–2023, First 5 county commissions delivered 113,379 child development services to children ages birth to 5, with 88,677 child services in Early Learning Program Direct Costs and 24,702 child services in Quality Early Learning Supports.

First 5 county commissions provided 86,169 services to adults (parents, guardians, primary caregivers, relatives, and providers), with 61,220 adult services in Early Learning Program Direct Costs and 24,949 adult services in Quality Early Learning Supports. Exhibit 5 displays the numbers of services provided.

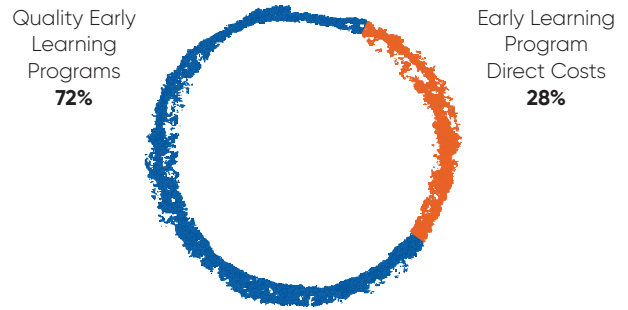
### Exhibit 5: Child Development—Total Number of Services Provided to Children Ages 0 to 5 and Adults\* in FY 2022–2023 By Service



\*Totals for Adults include both Primary Caregiver and Provider counts

In FY 2022–2023, county commissions expended \$78 million to improve Child Development, with 28 percent of expenditures in Early Learning Program Direct Costs and 72 percent of expenditures in Quality Early Learning Supports.

### Exhibit 6: Child Development—Distribution of Expenditures for Children Ages 0 to 5 and Adults\* in FY 2022–2023 by Service



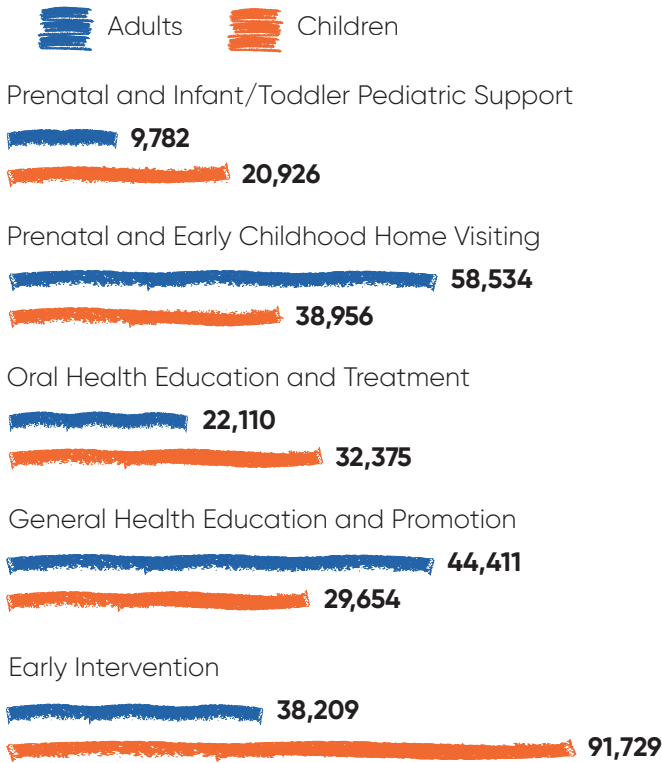
\*Adults include both Primary Caregivers and Providers



## Improved Child Health

First 5 county commissions fund a variety of Child Health services promoting identification, treatment, and elimination of risks that threaten health and may cause developmental delays and disabilities. First 5 Child Health services are far-ranging and include the categories Early Intervention, General Health Education and Promotion, Oral Health Education and Treatment, Perinatal and Early Childhood Home Visiting, and Prenatal and Infant/Toddler Pediatric Support.

**Exhibit 7: Child Health—Total Number of Services Provided to Children Ages 0 to 5 and Adults\* in FY 2022–2023 By Service**

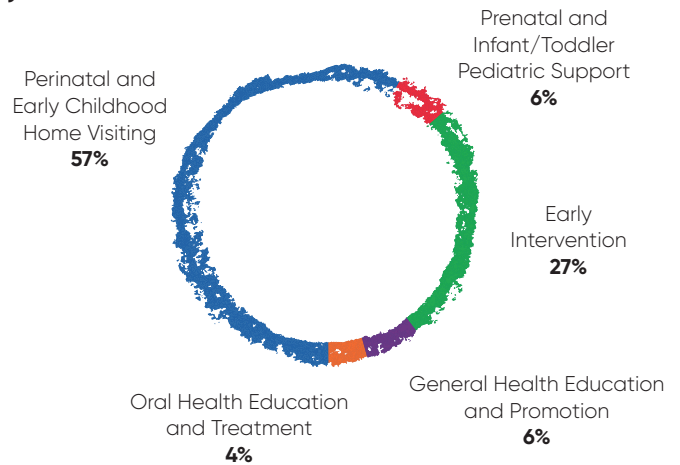


\*Totals for Adults include both Primary Caregiver and Provider counts

In FY 2022–2023, First 5 county commissions provided a total of 213,640 services to children ages birth to 5, with 91,729 child services in Early Intervention, 29,654 child services in General Health Education and Promotion, 32,375 child services in Oral Health Education and Treatment, 38,956 child services in Perinatal and Early Childhood Home Visiting, and 20,926 child services in Prenatal and Infant/Toddler Pediatric Support.

First 5 county commissions provided 173,046 services to adults (parents, guardians, primary caregivers, relatives, and providers), with 38,209 adult services in Early Intervention, 44,411 adult services in General Health Education and Promotion, 22,110 adult services in Oral Health Education and Treatment, 58,534 adult services in Perinatal and Early Childhood Home Visiting, and 9,782 adult services in Prenatal and Infant/Toddler Pediatric Support.

**Exhibit 8: Child Health— Distribution of Expenditures for Children Ages 0 to 5 and Adults\* in FY 2021–22 by Service**



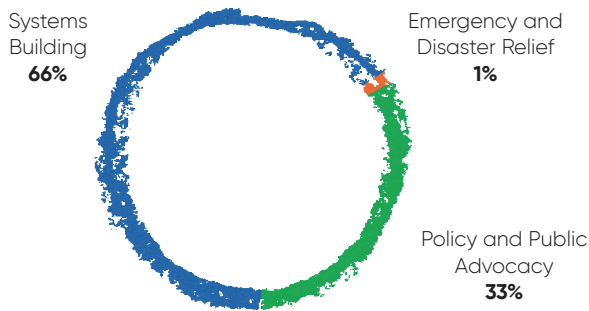
\*Adults include both Primary Caregivers and Providers

In FY 2022–2023, county commissions expended \$110 million to improve Child Health, with 27 percent of expenditures in Early Intervention, 6 percent of expenditures in General Health Education and Promotion, 4 percent of expenditures in Oral Health Education and Treatment, 57 percent of expenditures in Perinatal and Early Childhood Home Visiting, and 6 percent of expenditures in Prenatal and Infant/Toddler Pediatric Support.

## Improved Systems of Care

Systems of Care addresses system-wide structural supports as county commissions focus efforts within the result areas of Family Resiliency, Child Development, and Child Health. For example, interagency collaboration allows coordinated wrap-around efforts from multiple organizations providing focused client services. Since this result is at a systems level, counties do not report numbers of children and adults served. Expenditure data indicate that for FY 2022–2023, county commissions expended \$86 million to improve Systems of Care, with 1 percent focused on Emergency and Disaster Relief, 33 percent on Policy and Public Advocacy, and 66 percent of expenditures toward Systems Building.

**Exhibit 9: Systems of Care—Distribution of Expenditures in FY 2022–2023 by Service**



\*Adults include both Primary Caregivers and Providers

## Populations Served

County commissions served a diversity of populations by age, race/ethnicity, and language (Appendix C). Statewide, 643,624 children were served by county commission programs. The total of 687,864 adults served included primary caregivers such as parents and other family members (600,395) and service providers (87,469).

By age, 31 percent of children served were under 3 years old, 32 percent were ages 3 through 5 years old, and 37 percent were of unknown age.

By race/ethnicity, children served included Hispanic or Latino as the largest group (38 percent), followed by White (10 percent), Asian (5 percent), Black or African American (4 percent), Other (2 percent), Two or More Races (3 percent), Alaska Native or American Indian (less than 1 percent), Native Hawaiian or Pacific Islander (less than 1 percent) and unknown race/ethnicity (41 percent).

With respect to primary language of children served, the two largest groups served were speakers of English (42 percent) and Spanish (20 percent), followed by speakers of Asian languages (Vietnamese, Cantonese, Mandarin, Korean, 2 percent) and language unknown (34 percent).

\*Missing data from Glenn, Lake and Madera counties.



First 5 San Luis Obispo, Parent Pods, Jan. 2023, Bubbles

- **Childcare Workforce:** With OC Community Foundation's Workforce Development Initiative, launched a Child Care Business Incubator that leverages partnerships to grow small businesses in child care and sustain a vital workforce. Goal is to create a new pipeline of Family Child Care providers taking care of children from their homes. Anticipate that 400–700 additional child care slots could be created through this Incubator project.
- **Elevate Voices:** Helped launch OC Fatherhood Coalition (OCFC) that has finalized goals and started working on activities like provider trainings and surveys. Connected fatherhood work with Engaged Neighborhoods and requested participation by two new ambassadors in the OCFC steering committee.

## Orange

In FY 2022–2023, First 5 Orange County (F5OC) supported the county's early intervention system, strengthened the early childhood workforce, and elevated family voices.

- **Early Intervention:**
  - Supported HealthySteps implementation at FQHCs in five priority communities. Clinics completed practice transformation to effectively implement timely well-child visits—screening for maternal depression, developmental screenings, and real-time behavioral treatment.
  - Launched Vital Village to model/learn about alternative 0–3 services, holding six events between January and June 2023. Vital Village events bring birthing families together, increasing awareness/access to prenatal support services, teaching about healthy living practices, engaging in community-building activities, and providing concrete support.
  - Updated Kid Builder activities to provide practical ways parents can help their children develop. Held a launch event in May with approximately 180 participants, then held four events at Mission Viejo Library to help F5OC gain additional experience hosting Kid Builder events with children and families (about 300 children and families attended these events).

## Placer

First 5 Placer (F5P) has been proud to support the healthy development of our community's youngest children. By partnering with local systems and community leaders, and strategically investing Proposition 10 revenues, we've helped to improve early literacy, pre- and neonatal care, oral health, and maternal mental health supports. We've increased the availability of culturally responsive supports and services for parents, and helped grow and strengthen the grassroots nonprofit organizations that directly serve our communities. Two multi-partner collaborative initiatives coordinated by F5P were key to equitable and culturally appropriate access to services for families. The Refugee Family Services grant by First 5 California provided learnings across three counties (Yolo, Placer, and Sutter) to address needs of newcomer families and assist with resettlement in local communities. Partnering with Child Advocates of Placer County, local faith-based entities, the Latino Leadership Council, Placer County Human Services, and the Placer County Office of Education, F5P was able to assist 50 families from Afghanistan, Ukraine, and Latin and South America with resettlement in Placer County. Chapa-De Indian Health Services, Sierra Native Alliance, KidsFirst, and Granite Wellness Centers are partners on the Road to Resilience program (funding from the Office of Child Abuse Prevention) targeting mothers with a history of substance abuse. Together, partners provided navigation services toward health access for moms and babies, home visiting, and community referrals to support recovery and wellness.





MALIA M. COHEN  
CALIFORNIA STATE CONTROLLER

November 1, 2023

Jackie Thu-Huong Wong, Executive Director  
First 5 California Commission  
2389 Gateway Oaks Drive, Suite 260  
Sacramento, CA 95833

Dear Ms. Wong:

I am pleased to submit our annual report to the First 5 California Commission in accordance with Senate Bill 35 (Chapter 243, Statutes of 2005). The State Controller's Office oversight responsibility includes providing audit guidelines, reviewing county commissions' annual audit reports for compliance with applicable auditing standards and guidelines, and following up on findings contained in the audit reports to ensure compliance with policies and practices specified in the California Health and Safety Code.

This report summarizes the results of our review and certification of the independent annual audits of the First 5 county commissions submitted for fiscal year 2021-22. Additionally, this report summarizes our review of the audit findings disclosed in the independent annual auditor's reports on the First 5 county commissions and our follow-up on the status of the corrective actions.

I hope that our report will be useful to you in assessing the county commissions' activities and compiling your annual report to the California State Legislature. Please direct any comments regarding the content of the report to Joel James, Chief of the Controller's Financial Audits Bureau, at [jjames@sco.ca.gov](mailto:jjames@sco.ca.gov) or (916) 323-1573.

Sincerely,

*Original signed by*

KIMBERLY TARVIN, CPA  
Chief, Division of Audits

KT/ac

Attachment

cc: Marcia Thomas, Fiscal Services Director  
First 5 California Commission

## **Executive Summary**

The California Children and Families Act was created in 1998 by the passage of Proposition 10. The California Children and Families Act was amended in 2005, giving the State Controller's Office (SCO) oversight responsibility for audits of the First 5 county commissions. The objective of the amendment was to provide the First 5 California Commission with independently verified fiscal and state compliance information obtained from audits performed in accordance with applicable standards and requirements.

SCO oversight responsibilities include:

- Providing audit guidelines;
- Reviewing county commissions' annual audit reports for compliance with applicable auditing standards and guidelines; and
- Following up on findings contained in the audit reports to ensure compliance with policies and practices specified in the California Health and Safety Code.

SCO approves and makes substantive changes to the audit guide as necessary after consultation with an audit guide committee composed of representatives from the First 5 California Commission and county commissions. Our review of the county commissions' independent audit reports for fiscal year (FY) 2021-22 identified the following:

- Of the 58 independent audit reports, 13 (22%) complied with audit guide requirements and/or audit standards. In comparison, compliance was 91% in FY 2020-21 and FY 2019-20.
- Of the 58 counties, 35 (60%) submitted the required audit reports by the November 1 deadline. In comparison, 76% of the reports in FY 2020-21 and 67% of the reports in FY 2019-20 were submitted by the deadline.

In addition to the observations we made during our review of the reports, the independent auditors identified a total of seven audit findings at seven county commissions; six of the audit findings were categorized as internal control and one was categorized as state compliance. In comparison, independent auditors for seven county commissions identified a total of eight audit findings (seven internal control and one state compliance) in FY 2020-21, and

independent auditors for six county commissions identified a total of eight audit findings (all internal control) in FY 2019-20.

We also noted that the independent auditor for one of the 58 county commissions issued qualified opinions on the local commissions' Governmental Activities.<sup>1</sup> The local commission did not comply with the Governmental Activities reporting requirements. During the review cycles for FY 2020-21 and FY 2019-20, the independent auditor for one local commission issued a qualified opinion.

For FY 2021-22, SCO did not recommend withholding funding allocations from any commission based on our audit finding follow-up reviews of the corrective action plans, commission meeting minutes, other documentation, and a telephone conference. See the Findings Reported by Independent Auditors and the SCO Follow-up of Reported Audit findings sections of this report for additional details.

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<sup>1</sup> The auditor expresses a qualified opinion when either: 1) the auditor, having obtained sufficient appropriate audit evidence, concludes that misstatements, individually or in the aggregate, are material but not pervasive to the financial statements; or 2) the auditor is unable to obtain sufficient appropriate audit evidence on which to base an opinion, but the auditor concludes that the possible effects on the financial statements of undetected misstatements, if any, could be material but not pervasive.



**Agenda Item 4  
April 3, 2024**

**DATE:** March 2, 2024

**TO:** First 5 Orange County

**FROM:** Kimberly Goll, President/CEO

**ACTION:** Adopt Resolution Acknowledging Receipt of the Children and Families Commission of Orange County Investment Policy Statement and Affirm Delegation of Authority to the Orange County Treasurer as the First 5 Orange County Treasurer for Fiscal Year 2024-2025

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**SUMMARY:**

First 5 Orange County annually reviews its Investment Policy Statement and the delegation of investment authority to the County Treasurer. This item reconfirms the delegated investment authority to the Orange County Treasurer and presents the Children and Families Commission of Orange County Investment Policy Statement for Fiscal Year 2024-2025.

**DISCUSSION:**

All First 5 Orange County funds are managed as part of the Orange County Investment Pool (OCIP). As approved in May 2012, First 5 Orange County does not operate a separate investment program but delegates authority to the Orange County Treasurer.

**Annual Delegation of Investment Authority to First 5 Orange County Treasurer**

Pursuant to Government Code Section 53607, First 5 Orange County may delegate the investment authority to a designated Treasurer for a one-year period and must renew the delegation of authority each year. In May 2012, the Orange County Treasurer was first designated to serve as the Commission's Treasurer for the balance of Fiscal Year 2011-2012, and investment authority was delegated to the Orange County Treasurer. The delegation included the authority to manage, deposit and invest First 5 OC funds not required for immediate needs. Staff recommends formally reappointing the Orange County Treasurer as the First 5 Orange County Treasurer and delegating authority to manage, deposit and invest First 5 funds for Fiscal Year 2024-2025 in accordance with Government Code Section 53607.

**Investment Policy Statement**

California Government Code contains specific provisions regarding the types of investments and practices permitted after considering the broad requirement of preserving principal and maintaining liquidity before seeking yield. First 5 Orange County, as a local agency, may invest only in those instruments specified by State law.

By statute, consideration of the Children and Families Commission of Orange County Investment Policy Statement is annually required. The Orange County Treasurer has reviewed the Children and Families Commission of Orange County Investment Policy Statement for Fiscal Year 2023-2024 that was adopted in June 2023. The policy statement is designed to be compliant with State law and provides the flexibility to explore specific investments when directed by First 5 Orange

County. Minor revisions are recommended for the Children and Families Commission of Orange County Investment Policy Statement Fiscal Year 2024-2025 (Attachment 2), which are detailed in the redline version (Attachment 3).

**STRATEGIC PLAN & FISCAL SUMMARY:**

The recommended actions have been reviewed in relation to the Strategic Plan and are consistent with all goal areas.

**PRIOR COMMISSION ACTIONS:**

- June 2023 – Received and considered Investment Policy Statement and affirmed delegation of authority to the Orange County Treasurer as the Commission Treasurer for Fiscal Year 2023-2024
- April 2022 – Received and considered Investment Policy Statement and affirmed delegation of authority to the Orange County Treasurer as the Commission Treasurer for Fiscal Year 2022-2023
- May 2012 – Orange County Treasurer designated to serve as the Commission’s Treasurer

**RECOMMENDED ACTIONS:**

1. Receive and review the Children and Families Commission of Orange County Investment Policy Statement for Fiscal Year 2024-2025.
2. Adopt resolution (Attachment 4) to acknowledge receipt and consideration of the Children and Families Commission of Orange County Investment Policy Statement and affirm delegation of authority to the Orange County Treasurer as the First 5 Orange County Treasurer to manage, deposit, and invest First 5 funds for Fiscal Year 2024-2025 that are not required for the immediate needs of the Commission.
3. Direct the First 5 Orange County Children and Families Commission/Orange County Treasurer to continue to report First 5 OC investment transactions and activities in the Quarterly Investment Reports.

**ATTACHMENTS:**

1. Orange County Treasurer-Tax Collector Memorandum: Consideration of Commission Investment Policy and Delegation of Investment Authority
2. Children and Families Commission of Orange County Investment Policy Statement Fiscal Year 2024-2025
3. Children and Families Commission of Orange County Investment Policy Statement Fiscal Year 2024-2025 (redline)
4. Resolution

**CONTACT:** Michael Garcell



**OFFICE OF THE TREASURER-TAX COLLECTOR**  
**SHARI L. FREIDENRICH, C.P.A.**




POST OFFICE BOX 4515  
 SANTA ANA, CA 92702-4515  
[ttc.ocgov.com](http://ttc.ocgov.com)

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**INTERDEPARTMENTAL COMMUNICATION**

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Date: March 12, 2024  
 To: First 5 Orange County  
 From: Shari Freidenrich, CPA, Treasurer   
 Subject: Commission Investment Policy Statement and Delegation of Investment Authority

As Treasurer for the First 5 Orange County (First 5 OC) I am submitting the First 5 OC Investment Policy Statement (IPS) for Fiscal Year 2024/2025 that also delegates the investment authority to the Treasurer for approval by the First 5 OC.

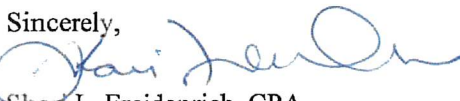
**Delegation of Investment Authority:** First 5 OC is vested with certain public funds investment authority and may delegate this authority to the Treasurer. If First 5 OC delegates its investment authority, then the Treasurer shall thereafter assume full responsibility for investing for First 5 OC's funds for a period of one year. Approval of this will ensure that the Treasurer will continue to be authorized to do the investing of First 5 OC's funds.

**Compliance with First 5 OC IPS:** An IPS will be rendered at the beginning of each fiscal year to the First 5 OC in accordance with the current First 5 OC IPS. The First 5 OC IPS provides for investing in the Orange County Treasurer's Pool (OCTP) and also includes other investment types such as U.S. Treasuries and U.S. Government Sponsored Agencies as allowed by California Government Code (CGC). One hundred percent of all First 5 OC funds are currently invested in the OCTP. The proposed draft of the First 5 OC IPS contains non-substantive changes to reflect some of the recent changes in the County's approved IPS. The only significant non-substantive change is in the Internal Control section, which added the Treasurer's responsibility for establishing a system of Internal Controls and slightly reworded the external audit annual compliance requirement.

**Oversight of First 5 OC Funds:** The County Board of Supervisors has established a Treasury Oversight Committee (TOC) that monitors compliance under CGC Article 6 over the funds in the County Treasury including OCTP and also reviews and approves the County IPS annually. This act requires an annual audit to determine if the Treasurer complies with CGC Article 6 including Sections 27130-17137, and which includes limited tests of compliance with laws and regulations. In addition, the Auditor-Controller Internal Audit Division performs regular audits as required by CGC 26920(a) and (b) and as required by a TOC Directive. We have also attached a copy of the TOC 2023 Annual Report presented to the Board of Supervisors on March 26, 2024, on the County Treasury funds, which includes the cash and investments of First 5 OC in the OCTP. Finally, we are pleased to announce that we contracted with a credit rating agency, FitchRatings (Fitch), to independently assess the investment and credit guidelines, expected credit quality and diversification of the OCTP. On November 1, 2023, Fitch assigned the OCTP the highest Fund Quality Rating of AA+ and a Fund Market Risk Sensitivity Rating of S1, which indicates a very low sensitivity to market risk.

The Treasurer will continue to work with First 5 OC and First 5 OC's Executive Director to ensure the annual IPS presented to the board meets the needs of First 5 OC. The Treasurer and staff are available to meet with First 5 OC at any subsequent First 5 OC meeting to answer any questions.

Sincerely,



Shari L. Freidenrich, CPA  
 Treasurer-Tax Collector

Attachments: First 5 Orange County IPS  
 First 5 Orange County IPS (redlined)  
 Treasury Oversight Committee 2023 Annual Report

*Mission: Ensure safe and timely receipt, deposit, collection and investment of public funds.*

## FIRST 5 ORANGE COUNTY INVESTMENT POLICY STATEMENT FISCAL YEAR 2024/2025

### POLICY

This Statement of Investment Policy outlines the policies for the prudent investment of funds to safeguard the principal and to meet the liquidity needs of the First 5 Orange County ("First 5 OC"). The Treasurer will annually render to the First 5 OC a statement of investment policy in accordance with Government Code Section (GCS) 53646. The First 5 will annually approve this investment policy.

State law and prudent money management principles and practices guide the investment policy of the funds. The Treasurer shall invest the First 5 OC's funds in a manner that maximizes security of principal with a secondary emphasis on adequate liquidity of cash flows, while achieving a reasonable rate of return within the parameters of prudent risk management.

### SCOPE

This policy covers all funds and investment activities under the direct control of the First 5 OC.

### PRUDENCE

The Treasurer serves as a fiduciary of public funds and is subject to the "prudent investor" standard per GCSs 27000.3 and 53600.3. This standard provides that when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, the Treasurer shall act with care, skill, prudence, and diligence under the circumstances then prevailing, specifically including, but not limited to, the general economic conditions and the anticipated needs of the First 5 OC and other depositors that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the First 5 OC and the other depositors. Within the limitation of this section and considering individual investments as part of an overall investment strategy, investments may be acquired as authorized by law.

The Treasurer and authorized designees, while acting in accordance with the intent and scope of the investment policy and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported to the First 5 OC in a timely fashion and appropriate action is taken to control adverse developments.

## **OBJECTIVE**

The objective of the investment portfolio is to safeguard principal, meet the liquidity needs and achieve a return on the funds of the First 5 OC.

### **A. Safety of Principal**

The safety and preservation of invested principal is the foremost objective of the First 5 OC. The First 5 OC shall seek to preserve principal by mitigating two types of risk: credit risk and market risk.

1. **Credit Risk:** Credit risk, defined as the risk of loss due to failure of an issuer to make a payment, shall be mitigated by diversifying the investments among issuers and issues so that the failure of any one issuer or issue would not result in a significant loss of income or principal.
2. **Market Risk:** Defined as the risk of market value fluctuations due to changes in the general level of interest rates. Investments with final maturities up to five years or less may be purchased to match cash flow needs and limit interest rate exposure.

### **B. Liquidity**

The portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that all funds mature concurrent with anticipated cash needs. Furthermore, since all cash needs cannot be anticipated, the portfolio will maintain sufficient cash for current operations (over next 6 months) in funds with daily liquidity, such as the Orange County Treasurer's Pool.

### **C. Yield**

Yield is the least import objective and refers to the objective of attaining a market rate of return commensurate with the risk securities issued or backed by the United States government can result in zero- or negative- interest accrual if held to maturity, in the event of, and for the duration of, a period of negative market interest rates.

## **DELEGATION OF AUTHORITY**

The First 5 OC delegates to the Treasurer the authority to invest the funds of the First 5 OC as specified in GCSs 53607 and 53608 and as further limited by this Investment Policy Statement. The Treasurer may further delegate investment authority to such persons within the Office of the Treasurer-Tax Collector as deemed appropriate. Adoption of this Investment Policy Statement constitutes delegation of investment authority to the Treasurer for the following year unless revoked in writing. Within the Treasurer's office, the responsibility for the day-to-day investment of the First 5 OC funds will be the Treasurer or authorized designees. The Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.



## **ETHICS AND CONFLICTS OF INTEREST**

The Treasurer and authorized designees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or that could impair their ability to make impartial investment decisions. All individuals involved in the investment process shall disclose any material interest in financial institutions with which they conduct business. They shall further disclose any personal financial or investment positions that could be related to the performance of the investment portfolio and shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the First 5 OC. The Treasurer and authorized designees are required to file annual disclosure statements as required for "public officials who manage public investments" (as defined and required by the Political Reform Act and related regulations, specifically GCS 81000 and the Fair Political Practices Commission.)

### **AUTHORIZED BROKER DEALERS AND FINANCIAL INSTITUTIONS:**

The Treasurer will maintain a list of brokers and dealers and financial institutions authorized to provide investment and depository services, and will perform an annual review of the financial condition and require annual audited financial statements to be on file for each company.

### **AUTHORIZED INVESTMENTS**

All investments under this Investment Policy shall be made in accordance with California GCS 53600 et seq. to invest in specific types of securities. Investments not specifically listed below are prohibited. Authorized investment instruments include:

- Certificates of Deposit (insured or collateralized)
- Orange County Treasurer's Pool (OCTP)
- "AAAm" rated Money Market Mutual Funds
- U.S. Treasury securities
- U.S. Government Agency securities: Debt securities issued by U.S. Government sponsored enterprises and federally related institutions. These government agencies include:
  - Federal Home Loan Banks (FHLB),
  - Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac),
  - Federal National Mortgage Association (FNMA or Fannie Mae),
  - Federal Farm Credit Banks (FFCB).

All Money Market Mutual Funds must attain the highest ranking or highest letter and numerical rating provided by two Nationally Recognized Statistical Ratings Organizations (NRSRO), invest only in direct obligations in US Treasury bills, notes, bonds, U.S. Government Agencies, Municipal debt and repurchase agreements with a weighted average maturity of 60 days or less, and have a minimum of \$500 million in assets under management. Money Market Mutual Funds that do not maintain a constant Net Asset Value (NAV) are prohibited.

## **INVESTMENT POOLS:**

The Treasurer will investigate all local government investment pools and Money Market Mutual Funds prior to investing and periodically thereafter. The Orange County Treasurer's Pool is managed by the County Treasurer and is an authorized investment. The County Treasurer distributes a monthly investment report that includes the breakdown of the pooled investment holdings, provides the maturity distribution and market value of the portfolio.

## **SAFEKEEPING**

All security transactions entered into by the Treasurer shall be conducted on delivery-versus-payment (DVP) basis (does not apply to money market funds or investment pools). Securities will be held by a third-party custodian designated by the Treasurer and evidenced by safekeeping statements.

## **PERFORMANCE STANDARDS:**

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs. The investment strategy is passive and the benchmark for determining market yields is the 6-month Treasury bill. This benchmark is used solely as a reference. The comparison to a benchmark does not permit the Treasurer to add additional risk to the portfolio.

## **DIVERSIFICATION**

To reduce overall portfolio risk, the Commission may diversify its investments by security type and institution with no more than the following percentages of total assets:

- Certificates of Deposit (insured or collateralized) (20%)
- Orange County Treasurer's Pool (100%)
- "AAAm" rated Money Market Mutual Funds (20%)
- U.S. Treasury securities (100%)
- U.S. Government Agency securities (100%),

## **MAXIMUM MATURITIES**

The Treasurer will attempt to match its investments with anticipated cash flow requirements to the extent possible. If matched to a specific cash flow need, or in a laddered portfolio structure consisting only of U.S. Treasury or U.S. Government Agency securities, the maximum maturity will be five (5) years or less. If the investment is unmatched to a cash flow, the Treasurer will not invest directly in securities maturing more than three (3) years from the date of purchase.

## **INTERNAL CONTROL**

The Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of all Treasury and Investment personnel. No investment

personnel may engage in an investment transaction except as provided under terms of this policy and the procedures established by the Treasurer. In addition, since the County has established a Treasury Oversight Committee to monitor compliance for funds in the County Treasury, the law requires that external auditors shall annually review the investments in the County Treasury to ensure compliance with California Government Code Article 6 and that report will be provided to the First 5 OC when issued.

## **DISASTER RECOVERY PROGRAM**

The Treasurer's Disaster Plan includes critical phone numbers and addresses of key treasury and investment personnel as well as currently approved bankers and broker/dealers. Copies of the Disaster Plan have been distributed to key treasury and investment personnel. The plan provides for an offsite location to be communicated at the time of readiness if our offices are uninhabitable.

## **PROHIBITED TRANSACTIONS**

All permitted investments at the time of purchase shall conform in all respects with this Investment Policy Statement and with applicable provisions of the Government Code, as may be amended from time to time. No investment prohibited by Government Code is permitted herein.

Any investment transaction, credit risk criteria, percentage limitation, or market valuation that are not in compliance with this Investment Policy Statement and cannot be corrected without penalty **at time of purchase** must be documented and approved by the Treasurer in writing as soon as possible. Thereafter, action shall be taken by the Treasurer to correct such matter as soon as practical. If a percentage restriction is adhered to at the time of purchase, a later increase or decrease in percentage resulting from a change in values or assets will not constitute a violation of that restriction.

The following transactions are prohibited:

- Borrowing for investment purposes ("Leverage").
- Reverse Repurchase Agreements, as defined by GCS 53601(j) (3) and (j) (4) or otherwise.
- Structured Notes (e.g. inverse floaters, leveraged floaters, structured certificates of deposit, equity-linked securities, event-linked securities). This includes all floating-rate, adjustable-rate or variable-rate securities in which a change in interest rates or other variables that can reasonably be foreseen to occur during their term would result in their market value not returning to par at the time of each interest rate adjustment. Simple "floating rate notes," whose periodic coupon adjustment is based on a short-term (one-year or less) rate index (such as Treasury bills, Federal Funds, Prime Rate, London Interbank Offered Rate or the Secured Overnight Financing Rate) and which have a reasonable expectation of maintaining a value of par at each interest rate adjustment through final maturity, are exempt from this definition. Additionally, U.S. Treasury and Agency zero coupon bonds, or callable securities which otherwise meet the quality, maturity, and percent limitations assigned to their respective security category, are exempt from this section.
- Structured Investment Vehicles (SIV).
- Derivatives (e.g. options, futures, swaps, swap options, spreads, straddles, caps, floors, collars).
- Money Market Mutual Funds that do not maintain a constant NAV.

## **REPORTING**

The Treasurer shall render a report to the First 5 OC containing detailed information on all securities, investments, and monies of the First 5 OC pursuant to GCS 53646. The report will be provided on a quarterly basis and submitted for inclusion on a First 5 OC Agenda within 45 days following the end of the quarter.

The report will contain the following information:

1. Type of investment, name of the issuer, date of maturity, par and cost of each investment
2. Any investments that are under the management of contracted parties
3. The market value and source of the valuation for all investments, bank accounts and Certificates of Deposits (exempt from market valuation per Government Code)
4. A description of compliance with the statement of investment policy and any exceptions, and
5. A statement denoting the First 5 OC's ability to meet its expenditure requirements for the next six months.
6. Monthly transaction detail for investments.

## **POLICY REVIEW**

This Investment Policy will remain effective throughout the year unless amended by the First 5 OC. An Investment Policy will be rendered annually to the First 5 OC prior to the beginning of each fiscal year.

## **GLOSSARY**

**ASK:** The price at which securities are offered. (The price at which a firm will sell a security to an investor.)

**BASIS POINT:** When a yield is expressed as 7.32%, the digits to the right of the decimal point are known as basis points. One basis point equals 1/100 of one percent. Basis points are used more often to describe changes in yields on bonds, notes and other fixed-income securities.

**BID:** The price offered by a buyer of securities. (When you are selling securities, you ask for a bid.)

**BOOK ENTRY:** The system, maintained by the Federal Reserve, by which most money market securities are “delivered” to an investor’s custodian bank. The Federal Reserve maintains a computerized record of the ownership of these securities, and records any changes in ownership corresponding to payments made over the Federal Reserve wire (delivery versus payment). The owners of these securities do not receive physical certificates.

**BOOK VALUE:** The original cost of the investment, plus accrued interest and amortization of any premium or discount.

**BROKER:** A broker brings buyers and sellers together for a commission. He does not take a position.

**CERTIFICATE OF DEPOSIT (CD):** A time deposit with a specific maturity evidenced by a certificate. Large-denomination CDs are typically negotiable.

**COLLATERAL:** Securities, evidence of deposit or other property that a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

**COUPON:** a). The annual rate of interest that a bond’s issuer promises to pay the bondholder on the bond’s face value. b). A certificate attached to a bond evidencing interest due on a payment date.

**CREDIT RISK:** The risk to an investor that an issuer will default in the payment of interest or principal on a security.

**DEALER:** A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

**DEBENTURE:** A bond secured only by the general credit of the issuer.

**DELIVERY VERSUS PAYMENT (DVP):** Delivery of securities with a simultaneous exchange of money for the securities.

**DISCOUNT:** The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

**DISCOUNT SECURITIES:** Non-interest-bearing money market instruments that are issued at a discount and redeemed at maturity for full face value (e.g. US Treasury Bills).

**DIVERSIFICATION:** Dividing investment funds among a variety of securities offering independent returns.

**FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC):** A Federal agency that insures bank deposits, currently up to \$250,000 per deposit.

**FEDERAL FUNDS RATE:** The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

**FEDERAL OPEN MARKET COMMITTEE (FOMC):** Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other presidents serve on a rotating basis. The committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

**FEDERAL RESERVE SYSTEM:** The central bank of the United States created by congress and consisting of a seven-member Board of Governors in Washington, D.C.; 12 regional banks and about 5700 commercial banks are member of the system.

**INTEREST:** The amount earned while owning a debt security, generally calculated as a percentage of the principal amount.

**LIQUIDITY:** A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

**MARKET RISK:** The risk that changes in overall market conditions or interest rate may adversely affect current market prices.

**MARKET VALUE:** The price at which a security is trading and could presumably be purchased or sold.

**MATURITY:** The date upon which the principal or stated value of an investment becomes due and payable.

**MONEY MARKET MUTUAL FUNDS:** An investment company that pools money from investors and invest in a variety of short-term money market instruments.

**NEGOTIABLE CERTIFICATES OF DEPOSIT:** Unsecured obligations of the financial institution, bank or savings and loan, bought at par value with the promise to pay face value plus accrued interest at maturity. They are high-grade negotiable instruments, paying a higher interest rate than regular certificates of deposit.

**OFFER:** The price asked by a seller of securities. (When you are buying securities, you ask for an offer.) See “Asked” and “Bid”.

**OPEN MARKET OPERATIONS:** Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit: Sales have the opposite effect. Open market operations are the Federal Reserve’s most important and most flexible monetary policy tool.

**PAR or PAR VALUE:** The amount of principal that must be paid at maturity. Also referred to as the face amount of a bond, normally quoted in \$1,000 increments per bond.

**PORTFOLIO:** Collection of securities held by an investor.

**PRIMARY DEALER:** A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker/dealers, banks and a few unregulated firms.

**PRUDENT PERSON RULE:** An investment standard. In some states, the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state—the so-called “legal list”. In other states, the trustee may invest in a security if it is one that would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

**RATE OF RETURN:** The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity; on a bond, the current income return.

**SAFEKEEPING:** A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank’s vaults for protection.

**SECONDARY MARKET:** A market made for the purchase and sale of outstanding issues following the initial distribution.

**SECURITIES & EXCHANGE COMMISSION:** Agency created by Congress to protect investors in securities transactions by administering securities legislation.

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**YIELD:** The rate of annual income returns on an investment, expressed as a percentage.

- *Current Yield* is obtained by dividing the current dollar income by the current market price for the security.
- *Net Yield or Yield to Maturity* is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.



FIRST 5 ORANGE COUNTY, ~~CHILDREN & FAMILIES COMMISSION~~  
INVESTMENT POLICY STATEMENT  
FISCAL YEAR 2023~~4~~/2024~~5~~

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POLICY

This Statement of Investment Policy outlines the policies for the prudent investment of funds to safeguard the principal and to meet the liquidity needs of the First 5 Orange County, ~~Children & Families Commission~~ ("First 5 OC"). The Treasurer will annually render to the First 5 OC a statement of investment policy in accordance with Government Code Section (GCS) 53646. The First 5 will annually approve this investment policy.

State law and prudent money management principles and practices guide the investment policy of the funds. The Treasurer shall invest the First 5 OC's funds in a manner that maximizes security of principal with a secondary emphasis on adequate liquidity of cash flows, while achieving a reasonable rate of return within the parameters of prudent risk management.

SCOPE

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This policy covers all funds and investment activities under the direct control of the First 5 OC.

PRUDENCE

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The Treasurer serves as a fiduciary of public funds and is subject to the "prudent investor" standard per ~~Government Code Sections GCSs 27000.3 and Section 53600.3~~. This standard provides that when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, the Treasurer shall act with care, skill, prudence, and diligence under the circumstances then prevailing, specifically including, but not limited to, the general economic conditions and the anticipated needs of the First 5 OC and other depositors that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the First 5 OC and the other depositors. Within the limitation of this section and considering individual investments as part of an overall investment strategy, investments may be acquired as authorized by law.

The Treasurer and authorized designees, while acting in accordance with the intent and scope of the investment policy and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported to the First 5 OC in a timely fashion and appropriate action is taken to control adverse developments.

## OBJECTIVE

The objective of the investment portfolio is to safeguard principal, meet the liquidity needs and achieve a return on the funds of the First 5 OC.

### A. Safety of Principal

The safety and preservation of invested principal is the foremost objective of the First 5 OC. The First 5 OC shall seek to preserve principal by mitigating- two types of risk: credit risk and market risk.

1. Credit Risk: Credit risk, defined as the risk of loss due to failure of an issuer to make a payment, shall be mitigated by diversifying the investments among issuers and issues so that the failure of any one issuer or issue would not result in a significant loss of income or principal.
2. Market Risk: Defined as the risk of market value fluctuations due to changes in the general level of interest rates. Investments with final maturities up to five years or less may be purchased to match cash flow needs and limit interest rate exposure.

### B. Liquidity

The portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that all funds mature concurrent with anticipated cash needs. Furthermore, since all cash needs cannot be anticipated, the portfolio will maintain sufficient cash for current operations (over next 6 months) in funds with daily liquidity, such as the Orange County Treasurer's Pool, ~~which includes the reporting of the Orange County Investment Pool.~~

### C. YieldReturn on Investment

~~YieldReturn on investment~~ is the least import objective ~~and refers to the objective of attaining a market rate of return commensurate with the risk. The portfolio will provide a rate of return based on the market rates of investments at the time of purchase Pper Government Code Section GCS 53601.6, which states that~~. Securities issued -or backed by the United States government can result in zero- or negative- interest accrual if held to maturity, in the event of, and for the duration of, a period of negative market interest rates.

## DELEGATION OF AUTHORITY

The First 5 OC delegates to the Treasurer the authority to invest the funds of the First 5 OC as specified in ~~California Government Code Sections GCSs~~ 53607 and 53608 ~~and as further limited by this Investment Policy Statement~~. The Treasurer may further delegate investment authority to such persons within the ~~Office of the Treasurer-Tax Collector's Department~~ as deemed

appropriate. ~~The Commission hereby authorizes the Treasurer and authorized designees, to invest the Commission's funds in accordance with California Government Code Sections 53600 and 53684, et seq., and as further limited by this Investment Policy.~~ Adoption of this Investment Policy Statement constitutes delegation of investment authority to the Treasurer for the following year unless revoked in writing. Within the Treasurer's office, the responsibility for the day-to-day investment of the First 5 OC funds will be the Treasurer or authorized designees. The Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

### **ETHICS AND CONFLICTS OF INTEREST**

The Treasurer and authorized designees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or that could impair their ability to make impartial investment decisions. All individuals involved in the investment process shall disclose any material interest in financial institutions with which they conduct business. They shall further disclose any personal financial or investment positions that could be related to the performance of the investment portfolio and shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the First 5 OC. The Treasurer and authorized designees are required to file annual disclosure statements as required for "public officials who manage public investments" (as defined and required by the Political Reform Act and related regulations, ~~being specifically Government Code Sections GCS~~ 81000 and the Fair Political Practices Commission.)

### **AUTHORIZED BROKER DEALERS AND FINANCIAL INSTITUTIONS:**

The Treasurer will maintain a list of brokers and dealers and financial institutions authorized to provide investment and depository services, and will perform an annual review of the financial condition and require annual audited financial statements to be on file for each company.

### **AUTHORIZED INVESTMENTS**

All investments under this Investment Policy shall be made in accordance with California ~~Government Code Section GCS~~ 53600 et seq. to invest in specific types of securities. Investments not specifically listed below are prohibited. Authorized investment instruments include:

- Certificates of Deposit (insured or collateralized)
- Orange County Treasurer's Pool (OCTP)
- "AAAm" rated Money Market Mutual Funds
- U.S. Treasury securities
- U.S. Government Agency securities: Debt securities issued by U.S. Government sponsored enterprises and federally related institutions. These government agencies include:
  - Federal Home Loan Banks (FHLB),
  - Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac),
  - Federal National Mortgage Association (FNMA or Fannie Mae),
  - Federal Farm Credit Banks (FFCB).

All Money Market Mutual Funds must attain the highest ranking or highest letter and numerical rating provided by AAAm-rated by two Nationally Recognized Statistical Ratings Organizations (NRSRO)s, invest only in direct obligations in US Treasury bills, notes, bonds, U.S. Government Agencies, Municipal debt and repurchase agreements with a weighted average maturity of 60 days or less, and have a minimum of \$500 million in assets under management. Money Market Mutual Funds that do not maintain a constant Net Asset Value (NAV) are prohibited.

#### **INVESTMENT POOLS:**

The Treasurer will investigate all local government investment pools and Money Market Mutual Funds prior to investing and periodically thereafter. The Orange County Treasurer's Pool is managed by the County Treasurer and is an authorized investment. The County Treasurer distributes a monthly investment report that includes the breakdown of the pooled investment holdings, provides the maturity distribution and market value of the portfolio.

#### **SAFEKEEPING**

All security transactions entered into by the Treasurer shall be conducted on delivery-versus-payment (DVP) basis (does not apply to money market funds or investment pools). Securities will be held by a third-party custodian designated by the Treasurer and evidenced by safekeeping statements.

#### **PERFORMANCE STANDARDS:**

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs. The investment strategy is passive and the benchmark for determining market yields is the 6-month Treasury bill. This benchmark is used solely as a reference. The comparison to a benchmark does not permit the Treasurer to add additional risk to the portfolio.

#### **DIVERSIFICATION**

To reduce overall portfolio risk, the Commission may diversify its investments by security type and institution with no more than the following percentages of total assets:

- Certificates of Deposit (insured or collateralized) (20%)
- Orange County Treasurer's Pool (100%)
- "AAAam" rated Money Market Mutual Funds (20%)
- U.S. Treasury securities (100%)
- U.S. Government Agency securities (100%),

## MAXIMUM MATURITIES

The Treasurer will attempt to match its investments with anticipated cash flow requirements to the extent possible. If matched to a specific cash flow need, or in a laddered portfolio structure consisting only of U.S. Treasury or U.S. Government Agency securities, the maximum maturity will be five (5) years or less. If the investment is unmatched to a cash flow, the Treasurer will not invest directly in securities maturing more than three (3) years from the date of purchase.

## INTERNAL CONTROL

The Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of all Treasury and Investment personnel. No investment personnel may engage in an investment transaction except as provided under terms of this policy and the procedures established by the Treasurer. In addition, since the County has established a Treasury Oversight Committee to monitor compliance for funds in the County Treasury, the law requires that the external auditors shall annually review the investments in the County Treasury to ensure compliance with the California Government Code Article 6 and that report will be provided to the First 5 OC when issued investment policy.

## DISASTER RECOVERY PROGRAM

The Treasurer's Disaster Plan includes critical phone numbers and addresses of key treasury and investment personnel as well as currently approved bankers and broker/dealers. Copies of the Disaster Plan have been distributed to key treasury and investment personnel. The plan provides for an offsite location to be communicated at the time of readiness if our offices are uninhabitable.

## PROHIBITED TRANSACTIONS

All permitted investments at the time of purchase shall conform in all respects with this Investment Policy Statement and with applicable provisions of the Government Code, as may be amended from time to time. No investment prohibited by Government Code is permitted herein.

Any investment transaction, credit risk criteria, percentage limitation, or market valuation that are not in compliance with this Investment Policy Statement and cannot be corrected without penalty **at time of purchase** must be documented and approved by the Treasurer in writing as soon as possible. Thereafter, action shall be taken by the Treasurer to correct such matter as soon as practical. If a percentage restriction is adhered to at the time of purchase, a later increase or decrease in percentage resulting from a change in values or assets will not constitute a violation of that restriction.

The following transactions are prohibited:

- Borrowing for investment purposes ("Leverage").
- Reverse Repurchase Agreements, as defined by Government Code Section GCS 53601(j) (3) and (j) (4) or otherwise.
- Structured Notes (e.g. inverse floaters, leveraged floaters, structured certificates of deposit,

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equity-linked securities, event-linked securities). This includes all floating-rate, adjustable-rate or variable-rate securities in which a change in interest rates or other variables that can reasonably be foreseen to occur during their term would result in their market value not returning to par at the time of each interest rate adjustment. Simple "floating rate notes," whose periodic coupon adjustment is based on a short-term (one-year or less) rate index

- (such as Treasury bills, Federal Funds, Prime Rate, London Interbank Offered Rate or the Secured Overnight Financing Rate) and which have a reasonable expectation of maintaining a value of par at each interest rate adjustment through final maturity, are exempt from this definition. Additionally, U.S. Treasury and Agency zero coupon bonds, or callable securities which otherwise meet the quality, maturity, and percent limitations assigned to their respective security category, are exempt from this section.
- Structured Investment Vehicles (SIV).
- Derivatives (e.g. options, futures, swaps, swap options, spreads, straddles, caps, floors, collars).
- Money Market Mutual Funds that do not maintain a constant NAV.

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**REPORTING**

The Treasurer shall render a report to the First 5 OC containing detailed information on all securities, investments, and monies of the First 5 OC pursuant to Government Code Section GCS 53646. The report will be provided on a quarterly basis and submitted for inclusion on a First 5 OC Agenda within 45 days following the end of the quarter.

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The report will contain the following information:

1. Type of investment, name of the issuer, date of maturity, par and cost of each investment
2. Any investments that are under the management of contracted parties
3. The market value and source of the valuation for all investments, bank accounts and Certificates of Deposits (exempt from market valuation per Government Code)
4. A description of compliance with the statement of investment policy and any exceptions, and
5. A statement denoting the First 5 OC's ability to meet its expenditure requirements for the next six months.
6. Monthly transaction detail for investments.

**POLICY REVIEW**

This Investment Policy will remain effective throughout the year unless amended by the First 5 OC. An Investment Policy will be rendered annually to the First 5 OC prior to the beginning of each fiscal year.

## **GLOSSARY**

**ASK:** The price at which securities are offered. (The price at which a firm will sell a security to an investor.)

**BASIS POINT:** When a yield is expressed as 7.32%, the digits to the right of the decimal point are known as basis points. One basis point equals 1/100 of one percent. Basis points are used more often to describe changes in yields on bonds, notes and other fixed-income securities.

**BID:** The price offered by a buyer of securities. (When you are selling securities, you ask for a bid.)

**BOOK ENTRY:** The system, maintained by the Federal Reserve, by which most money market securities are "delivered" to an investor's custodian bank. The Federal Reserve maintains a computerized record of the ownership of these securities, and records any changes in ownership corresponding to payments made over the Federal Reserve wire (delivery versus payment). The owners of these securities do not receive physical certificates.

**BOOK VALUE:** The original cost of the investment, plus accrued interest and amortization of any premium or discount.

**BROKER:** A broker brings buyers and sellers together for a commission. He does not take a position.

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**CHILDREN AND FAMILIES COMMISSION ORANGE COUNTY**

**RESOLUTION NO. \_\_\_-24-C&FC**

**April 3, 2024**

**A RESOLUTION OF THE CHILDREN AND FAMILIES  
COMMISSION OF ORANGE COUNTY RELATIVE TO  
INVESTMENT POLICY AND TREASURER FUNCTION; AND  
MAKING CERTAIN FINDINGS IN CONNECTION  
THEREWITH**

**WHEREAS**, in order to facilitate the creation and implementation of an integrated, comprehensive, and collaborative system of information and services to enhance optimal early childhood development, the legislature adopted legislation set forth in the California Children and Families Act of 1998, Health and Safety Code Section 130100, *et seq.* (as amended, the “Act”) implementing the Children and Families First Initiative passed by the California electorate in November, 1998 and establishing the California Children and Families Commission and County Children and Families Commissions, including this Children and Families Commission of Orange County (“Commission”); and

**WHEREAS**, pursuant to the Act and Article 25 of the Codified Ordinances of the County of Orange (“County Ordinance”), there is created the Orange County Children and Families Trust Fund (“Trust Fund”), for which the Commission is required to administer the Trust Fund revenues; and

**WHEREAS**, pursuant to the County Ordinance, the Commission is empowered to enter into contracts with the County of Orange for specific staff purposes; and

**WHEREAS**, Commission desires to designate the Orange County Treasurer to perform all treasury-related functions of the Commission pursuant to the existing County Support Services Agreement and Section 4.4 of the Administrative Policy Guidelines of the Commission (as amended and approved by the Commission); and

**WHEREAS**, pursuant to California Government Code Section 53607 and California Government Code Section 53646(a)(2) the Treasurer of the Commission, if any, is authorized to invest or reinvest Commission funds and is directed to make quarterly reports of investment transactions to the legislative body of the Commission and to annually render to the legislative body of the Commission a statement of investment policy, which the legislative body shall consider at a public meeting; and

**WHEREAS**, Commission has received from the Treasurer her statement of investment policy and has considered it at the public meeting at which this resolution is adopted.

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY AS FOLLOWS:**

**Section 1** The Commission finds and determines the foregoing Recitals are true and correct and are a substantive part of this Resolution.

**Section 2** The Commission hereby designates the Orange County Treasurer as the Treasurer of the Commission. The Treasurer shall perform the duties imposed upon the office by law and Section 4.4 of the Administrative Policy Guidelines of the Commission. The Commission acknowledges receipt of and has considered its Treasurer's statement of investment policy. The Commission hereby affirms the delegation of authority to its Treasurer to invest moneys in accordance with the Children and Families Commission Investment Policy and to perform all other treasurer functions, as described in Section 4.4 of the Administrative Policy Guidelines and applicable provisions of California Government Code, including the making of periodic reports to the governing board of the Commission.

**Section 3** The Commission specifically determines that excess funds, comprising all the moneys in the Trust Fund, are available for investment pursuant to Government Code Section 53684. The persons that the Commission authorizes to coordinate transactions are the Chief Executive Officer and Director of Finance. The Commission agrees to be bound by the withdrawal provisions of California Government Code Section 27136, and the Commission acknowledges that administrative charges will be deducted as permitted by Government Code Sections 53684(b) and 27013. Investments in the Orange County Investment Pool in accordance with existing Commission practice is ratified and affirmed, and the Chief Executive Officer is authorized and directed to execute any instrument required by the Investment Policy indicating an undertaking of the possible net asset value risk involved as a result of such investment.

**Section 4** In addition to the authorization of Sections 2 and 3 above, the Commission Chief Executive Officer (or his or her designee) is hereby authorized, on behalf of the Commission, (i) to sign all documents and to take all other actions reasonably necessary and appropriate to carry out and implement the Agreement or as may be reasonably requested by its Treasurer or other County official relative to the provision of services by the County related to the treasury function, (ii) to cause the issuance of warrants, and (iii) to administer the Commission's obligations, responsibilities and duties to be performed under the Agreement.

**Section 5** The Clerk of the Commission shall certify to the adoption of this Resolution.

The foregoing resolution was passed and adopted by the following vote of the Children and Families Commission of Orange County on April 3, 2024 to wit:

AYES: Commissioners: \_\_\_\_\_

NOES: Commissioner(s): \_\_\_\_\_

EXCUSED: Commissioner(s): \_\_\_\_\_

ABSTAINED: Commissioner(s) \_\_\_\_\_

\_\_\_\_\_  
CHAIR

STATE OF CALIFORNIA    )  
  )  
COUNTY OF ORANGE    )

I, ROBIN STIELER, Clerk of the Commission of Orange County, California, hereby certify that a copy of this document has been delivered to the Chair of the Commission and that the above and foregoing Resolution was duly and regularly adopted by the Children and Families Commission of Orange County.

**IN WITNESS WHEREOF**, I have hereto set my hand and seal.

\_\_\_\_\_  
ROBIN STIELER  
Clerk of the Commission, Children and Families Commission of  
Orange County, County of Orange, State of California

Resolution No: \_\_\_-24-C&FC

Agenda Date: April 3, 2024

Item No. \_\_\_\_



I certify that the foregoing is a true and correct copy of the Resolution adopted by the

ROBIN STEILER, Clerk of the Commission

By: \_\_\_\_\_  
Deputy

**Agenda Item 5**  
**April 3, 2024****DATE:** January 16, 2024**TO:** First 5 Orange County**FROM:** Kimberly Goll, President/CEO**ACTION:** Receive and Confirm Update to the Annual Long-Term Financial Plan

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**SUMMARY:**

First 5 Orange County developed the Long-Term Financial Plan as a tool to monitor the decline of Proposition 10 tobacco tax funding in relation to program sustainability. This item provides a progress update to the Board-approved Plan from the April 2023 meeting. The previous update to the Long-Term Financial Plan required more significant adjustments to address the accelerated decline in tobacco tax revenue due to the flavor ban.

**DISCUSSION:**

First 5 Orange County has reviewed and updated its long-term revenue and programmatic spending projections annually since 2000. The purpose of the Long-Term Financial Plan is to provide a 10-year outlook of anticipated revenue while forecasting funding capacity. The Plan assists in considering options, and identifying potential problems or opportunities related to high-level financial planning. It is simply a framework for evaluating annual budget decisions and renewal planning and does not designate funding for specific programs or projects.

The Plan is developed updated annually using guiding policies and practices. These policies and practices include:

- Fund balance is a minimum 25% of current-year operating budget;
- Administration is limited to 10% of operating budget;
- Fund balance is used to supplement declining revenue; and
- One-time allocations are not programmed back into the financial plan once the allocation is depleted.

After Board discussion at the March 2023 special meeting, an updated and revised Long-Term Financial Plan was approved in April to address the impact of the flavor ban on tobacco products. Specifically, the Board provided direction on the criteria, timing, and level of budget cuts needed to align with anticipated revenue. Consistent with the projections, we have seen a decline in revenues due to the ban.

Key to the conversation was discussion of future year funding levels and planning with alignment to the priorities stated in our Strategic Plan. The table below is a reproduction of the planning scenario as approved by the Board from the April 2024 meeting.

<b>Previous Long-Term Financial Plan</b>										
(in millions)										
Estimated	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32
<b>Beginning Fund Balance</b>	<b>\$50.9*</b>	<b>\$50.7</b>	<b>\$47.4</b>	<b>\$44.9</b>	<b>\$43.9</b>	<b>\$42.5</b>	<b>\$41.0</b>	<b>\$39.2</b>	<b>\$37.0</b>	<b>\$34.4</b>
Total Revenues	\$24.1	\$18.3	\$17.4	\$16.9	\$16.5	\$16.0	\$15.5	\$15.1	\$14.7	\$14.3
Total Expenses	-\$24.3	-\$21.6	-\$19.9	-\$17.9	-\$17.9	-\$17.5	-\$17.3	-\$17.3	-\$17.3	-\$17.3
Expenses over Revenue	-\$0.2	-\$3.3	-\$2.5	-\$1.0	-\$1.4	-\$1.5	-\$1.8	-\$2.2	-\$2.6	-\$3.0
<b>Ending Fund Balance</b>	<b>\$50.7</b>	<b>\$47.4</b>	<b>\$44.9</b>	<b>\$43.9</b>	<b>\$42.5</b>	<b>\$41.0</b>	<b>\$39.2</b>	<b>\$37.0</b>	<b>\$34.4</b>	<b>\$31.4</b>

\* includes \$4 million transferred from One-time Systems Building funds

**Updated Financial Plan**

Staff has updated the Plan by rolling forward the future year projections with the Fiscal Year 2022-2023 financial results and the 2023-2024 Budget that aligned with the Plan when it was approved in June 2023. This is a high-level roadmap, and it will need to be closely monitored and updated annually to address any deviations from the current projections. While the Plan has been updated, no structural changes are recommended at this time.

The approved Plan includes structured reductions in overall spending to align with the anticipated decline in tobacco tax revenue. The table below includes the high-level planning scenario to estimate revenue, expenses, and fund balance over 10 years.

The most significant update is the addition of interest revenue received above budget and the allocation of carryover and unspent funds from fiscal year 2022-2023 incorporated into future funding levels. As a result, the total expense targets have been updated with the additional available fund balance, beginning 2024-25.

<b>Long-Term Financial Plan – Updated February 2024</b>										
(in millions)										
Estimated	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32	FY 32/33
<b>Beginning Fund Balance</b>	<b>\$53.0</b>	<b>\$49.9</b>	<b>\$46.9</b>	<b>\$44.8</b>	<b>\$42.8</b>	<b>\$40.8</b>	<b>\$39.0</b>	<b>\$36.8</b>	<b>\$34.2</b>	<b>\$31.2</b>
Total Revenues	\$22.4	\$17.4	\$16.9	\$16.5	\$16.0	\$15.5	\$15.1	\$14.7	\$14.3	\$14.0
Total Expenses	-\$25.5	-\$20.4	-\$19.0	-\$18.5	-\$18.0	-\$17.3	-\$17.3	-\$17.3	-\$17.3	-\$17.3
Expenses over Revenue	-\$3.1	-\$3.0	-\$2.1	-\$2.0	-\$2.0	-\$1.8	-\$2.2	-\$2.6	-\$3.00	-\$3.3
<b>Ending Fund Balance</b>	<b>\$49.9</b>	<b>\$46.9</b>	<b>\$44.8</b>	<b>\$42.8</b>	<b>\$40.8</b>	<b>\$39.0</b>	<b>\$36.8</b>	<b>\$34.2</b>	<b>\$31.2</b>	<b>\$27.9</b>

**Looking Ahead**

The current budget (2023-2023) includes expenses of \$25.5 million including baseline funding of \$21.6 million and additional program funding totaling \$3.9 million. Baseline funding includes all tobacco tax funded activities including program funding, evaluation, and administration. Additional program funding in this context includes grants and other program agreements that are funded by sources other than First 5 Orange County’s tobacco tax allocations.

As budget planning has begun for next year, the current baseline of \$21.6 million needs to be reduced by \$1.2 million to meet the target of \$20.4 million for fiscal year 2024-2025. Of the \$1.2 million needed, \$1.04 million has already been achieved through First 5 OC Board action taken for contracts beginning July 1, 2024. Planned budget savings in the current 2023-2024 fiscal year will make up the remaining cuts needed.



One additional item of note, as previously reported, is the return of \$1 million from the HomeAid account. These funds are currently in the reserves for one-time system building projects and can be repurposed for a specific project(s) as directed by the First 5 OC Board.

**STRATEGIC PLAN & FISCAL SUMMARY:**

The fiscal reports and recommended actions presented in this staff report have been reviewed in relation to the Strategic Plan and are consistent with applicable goals and outcomes. No funding action is requested.

**PRIOR COMMISSION ACTIONS:**

- April 2023 - Confirm the Annual Long-Term Financial Plan Update and Approve the Release of \$4 Million From the One-Time Systems Building Fund
- March 2023 – Presentation on Strategic and Long-Term Financial Planning
- February 2023 – Receive Update on Revenue Projections and Implications for the Long-Term Financial Plan and Provide Direction to Staff on Next Steps
- April 2022 – Receive Financial Plan Update

**RECOMMENDED ACTION:**

Receive and confirm update to the annual Long-Term Financial Plan

**ATTACHMENTS:**

None.


**CONTACT:** Michael Garcell



**Agenda Item 6**  
**April 3, 2024**

**DATE:** March 15, 2024

**TO:** First 5 Orange County

**FROM:** Kimberly Goll, President/CEO 

**ACTION:** Approve Updated Term Sheet and Adopt Resolution Authorizing an Amendment to the Lease Agreement with the Orange County Shared Spaces Foundation and Adopt Resolution Authorizing the President/CEO to Select and Purchase Office Furniture

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**SUMMARY:**

At the June 7, 2023 meeting, First 5 Orange County approved a seven-year extension to the lease agreement. Since that time, staff has been exploring options to both update the current office space and reconfigure the floorplan to allow for up to 18 staff members. This agenda item requests authorization to both amend the lease agreement to add approximately 1,000 square feet to the current office and purchase office furniture.

**DISCUSSION:**

A core tenet of First 5 Orange County's operations is to limit or reduce administrative costs. In July 2013, the original three-year lease agreement was approved with the Orange County Shared Spaces Foundation for office space located at The Village at 17th Street in Santa Ana.

The Village was one of the first nonprofit office space centers in the county and was created as a project funded by the Orange County Shared Spaces Foundation. Major funders of the Foundation include several of First 5 OC's partners including the Podlich Family Fund, Nancy and William Thompson Family Foundation, Pacific Life Foundation, Orange County Community Foundation, and others. The Shared Spaces Foundation's mission is to develop quality, affordable, and stable multi-tenant nonprofit office space that strengthens Orange County's nonprofit organizations. This focus on strengthening the nonprofit sector aligns with our priority to limit administrative costs and is evidenced by the multiple nonprofit organizations that are tenants within The Village.

For several months, staff have been in contact with property management, space and construction planners, and office furniture vendors to explore the most practical and efficient use of the current office, allow for 18 staff, and provide enough meeting space. Different approaches and plans were drawn in preparation to reconfigure the current office. Construction cost estimates varied greatly depending on the approach and ranged up to \$500,000. Each construction scenario reviewed would require the physical office to close for many weeks.

An opportunity to expand the First 5 OC office by 1,000 square feet directly adjacent to the current floorplan arose in February. Acquiring the additional space would provide enough room for the target staffing level, and the amount of construction needed would not be as extensive. The

improvements required would be focused on standard tenant improvements (carpet and paint) and would be phased so that portions of the office could remain open throughout the project. No full closure would be required. The estimate to prepare the new space, connect it to the current office, and finish all standard improvements is \$60,000.

Approval is requested for staff and Counsel to prepare and negotiate with property management a lease amendment for the added office space and improvements consistent with the updated term sheet. The total lease space would increase by 1,000 square feet and the lease cost for office space through October 2030 would increase from \$581,387 to \$702,132. This cost estimate assumes a June 1, 2024 start date. Any later start date would decrease the overall cost.

Another consideration to accommodate all staff is the replacement of existing office furniture. Most of the furniture being used is over twenty years old and was relocated from the prior First 5 OC office. The remainder was inherited as leftovers from the prior tenant. Staff have been working with furniture vendors on a plan for new furniture that would replace the aged furniture and allow for a much more efficient and cohesive office design layout. Staff began considering furniture options by requesting a cost proposal to furnish the office through the County of Orange selected furniture vendor, GM Business Interiors. Because the First 5 OC office is relatively small, staff decided to reach out to other previous County furniture vendors for additional costs proposals for comparison.

Staff recommends pursuing at least two additional bids from other furniture vendors that have previously done business with the County of Orange or other tenants at The Village. The vendors identified are Creative Office Designs Inc., Workspace Solutions LLC, and FS+ Design/Facility Services. Approval is requested for staff to select a furniture vendor and enter an agreement for an amount not to exceed \$300,000. This authorization requires the Commission to take an exception to its Goods and Services purchasing policy, which generally requires the Commission to approve all contracts over \$50,000. Providing this advanced authorization for staff to select a vendor and execute a contract will allow staff to proceed expeditiously and procure the furniture consistent with the timeline that the office improvements will be completed. Staff will evaluate at least three bids from the above-named vendors and select a vendor that provides competitive pricing that meets our office needs.

In addition to the lease and construction costs, there will be costs for information technology (IT) setup, other minor office equipment, and office supplies. As staff continue to work on the office design and layout, these types of costs will be minimized and will come out of the current office and administration budget.

#### **STRATEGIC PLAN & FISCAL SUMMARY:**

This agenda item is consistent with First 5 Orange County's Strategic Plan. Funding for this item is included in the Fiscal Year 2023-2024 budget and will be included in future years within the administrative funding category.

#### **PRIOR COMMISSION ACTIONS:**

- June 2023 – Approved Amendment to Lease Agreement
- August 2021 – Approved Two-Year Office Lease Extension
- August 2019 – Approved Two-Year Office Lease Extension
- September 2016 – Approved Three-Year Office Lease Extension
- July 2013 – Approved Three-Year Office Lease

**RECOMMENDED ACTIONS:**

1. Approve updated term sheet (Attachment 1) for lease agreement with the Shared Spaces Foundation.
2. Adopt resolution (Attachment 2) authorizing the President/CEO and Commission Counsel to prepare and negotiate an amendment to the lease agreement with the Shared Spaces Foundation to add an additional 1,000 square feet at an amount not to exceed \$60,000 for all tenant paid improvements and to increase the total lease amount not to exceed \$702,132.
3. Authorize the President/CEO and staff to select a competitive proposal from one of the three named furniture vendors.
4. Adopt resolution (Attachment 3) authorizing the President/CEO and Commission Counsel to prepare and negotiate a purchase agreement with the selected furniture vendor for an amount not to exceed \$300,000.

**ATTACHMENTS:**

1. Proposed Term Sheet for First 5 OC Office Space
2. Lease Amendment Resolution
3. Furniture Vendor Resolution

**CONTACT:** Kim Goll / Michael Garcell

**Proposed Term Sheet  
First 5 OC Office Space**

Lease Date	November 1, 2023			
Lessor	Orange County Shared Spaces Foundation			
Location	"The Village at 17 <sup>th</sup> Street," 1505 East 17 <sup>th</sup> Street, Santa Ana, CA 92705			
Total Square Footage	Approximately 5189 net rentable square feet			
Lease Term	November 1, 2023 – October 31, 2030			
Rates	Year:	Monthly:	Base Rate:	Base Rent:
	11/1/23 – 5/31/24	\$6,480.00	\$1.53/SF	\$45,360.00
	06/1/24-10/31/24	\$7,939.17	\$1.53/SF	\$39,695.85
	11/1/24-10/31/25	\$8,094.84	\$1.56/SF	\$97,138.08
	11/1/25 – 10/31/26	\$8,250.51	\$1.59/SF	\$99,006.12
	11/1/26 – 10/31/27	\$8,406.18	\$1.62/SF	\$100,874.16
	11/1/27 – 10/31/28	\$8,665.63	\$1.67/SF	\$103,987.56
	11/1/28 – 10/31/29	\$8,925.08	\$1.72/SF	\$107,100.96
	11/1/29 – 10/31/30	\$9,080.75	\$1.75/SF	\$108,969.00
		- Subject only to rent increases for Common Area Maintenance (CAM) as established and which may be applied for lease terms extending beyond two years		
Maximum Payment Obligation	\$702,132 in monthly lease payment + any security deposit required \$60,000 to cover estimated Tenant Improvements			
Agreed Use	General office and administrative activities			
Common Access Space	Lease includes access to the following common areas: Conference Center Suite including a Board style meeting room, a training room with pantry, lunch room, day office cubicles for guest visitors, small conference room, and concierge reception.			
Construction	<p>Lessor is leasing the Premises to Lessee in "as is" condition with the exception of improvement work to be completed by Lessor. Lessor shall perform improvement work to include the following scope:</p> <ul style="list-style-type: none"> <li>• Install two (2) walls to divide 221 and 225 and one (1) wall for the conference area with building standard walls, doors, and paint.</li> <li>• Remove two (2) L-shape walls, patch, and paint.</li> <li>• Install new carpet through expanded area, any carpet not replaced to be professionally cleaned.</li> </ul> <p>Costs of the Tenant Improvement in the amount of \$55,457.30 shall be paid within 15 days of the executed contract with TI contractor and prior to commencing tenant improvements.</p>			
Parking	General parking available at 18 <sup>th</sup> Street entry. No assigned parking.			
Accessibility/Americans with Disabilities Act	Commission may obtain a Certified Access Inspection Specialist (CASp) report, at its own costs. If a report is obtained, Commission is responsible for making any required or necessary repairs or modifications identified in the CASp report that are due to construction-related accessibility violations resulting from Commission's improvements to the premises.			



**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY**

**RESOLUTION NO. \_\_\_-24-C&FC**

**April 3, 2024**

**A RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY DIRECTING THE PRESIDENT/CEO AND COMMISSION COUNSEL TO PREPARE AND NEGOTIATE AN AMENDMENT TO THE LEASE AGREEMENT WITH THE ORANGE COUNTY SHARED SPACES FOUNDATION FOR COMMISSION OFFICE SPACE; AND, AUTHORIZING APPROVAL AND EXECUTION OF SUCH AGREEMENT ON BEHALF OF THE COMMISSION**

**WHEREAS**, in order to facilitate the creation and implementation of an integrated, comprehensive, and collaborative system of information and services to enhance optimal early childhood development, the legislature adopted legislation set forth in the California Children and Families Act of 1998, Health and Safety Code Section 130100, *et seq.* (as amended, the “Act”) implementing the Children and Families First Initiative passed by the California electorate in November, 1998 and establishing the California Children and Families Commission and County Children and Families Commissions, including this Children and Families Commission of Orange County (“Commission”); and

**WHEREAS**, Commission adopted its Strategic Plan to define how funds authorized under the Act and allocated to the Commission should best be used to meet the critical needs of Orange County’s children prenatal to five years of age as codified in the Act; and

**WHEREAS**, Commission desires to authorize the President/CEO and Commission Counsel to prepare and negotiate an amendment to the lease agreement for Commission office space (“Amendment”) with the Orange County Shared Spaces Foundation for the terms and conditions as specified in the April 3, 2024 staff report, including attachments (hereinafter referred to as the “Agenda Item”); and

**WHEREAS**, Commission has reviewed the Agenda Item relating to the proposed terms and conditions of the Amendment and hereby finds and determines that the proposed Amendment is in furtherance of and consistent with the Commission’s Strategic Plan; and

**WHEREAS**, Commission desires to authorize the Commission Chair and Commission Clerk to execute the Amendment for the terms and conditions as specified in the Agenda Item.

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY AS FOLLOWS:**

**Section 1** Commission finds and determines the foregoing Recitals are true and correct and are a substantive part of this Resolution.

**Section 2** Commission authorizes the President/CEO and Commission Counsel to prepare and negotiate the Amendment with the Orange County Shared Spaces Foundation, for the terms and conditions consistent with this Agenda Item.

**Section 3** The form of the Amendment shall be reviewed and approved by the President/CEO and Commission Counsel. The approval by the President/CEO of the Amendment shall be conclusively evidenced by the execution and delivery of the Amendment by the Commission Chair to the Commission Clerk.

**Section 4** Commission hereby approves the Amendment with the Orange County Shared Spaces Foundation, as specified in the Agenda Item, for Commission office space.

**Section 5** The Commission Chair and the Clerk of the Commission are hereby authorized to execute and attest, respectively, the Amendment on behalf of the Commission.

**Section 6** A copy of the final Amendment with the Orange County Shared Spaces Foundation, when executed by the Commission Chair and attested by the Clerk of the Commission, shall be appended hereto as a part of Exhibit A to this Resolution. Exhibit A is hereby fully incorporated as a part of this Resolution by this reference and made a part hereof. The final executed lease agreement shall be placed on file in the office of the Clerk of the Commission.

**Section 7** In addition to the authorization of Section 2 above, the President/CEO (or designee) is hereby authorized, on behalf of the Commission, (i) to sign all documents necessary and appropriate to carry out and implement the Amendment, (ii) to cause the issuance of warrants, (iii) to administer the Commission's obligations, responsibilities, and duties to be performed under such agreement, and (iv) during the term thereof to provide waivers, administrative interpretations, and minor modifications of the provisions of such agreement in the furtherance thereof.

**Section 8** The Clerk of the Commission shall certify to the adoption of this Resolution.



The foregoing resolution was passed and adopted by the following vote of the Children and Families Commission of Orange County on April 3, 2024 to wit:

AYES           Commissioners: \_\_\_\_\_

NOES:           Commissioner(s): \_\_\_\_\_

EXCUSED:      Commissioner(s): \_\_\_\_\_

ABSTAINED:   Commissioner(s) \_\_\_\_\_

\_\_\_\_\_  
CHAIR

STATE OF CALIFORNIA)  
                                  )  
COUNTY OF ORANGE )

I, Robin Stieler, Clerk of the Commission of Orange County, California, hereby certify that a copy of this document has been delivered to the Chair of the Commission and that the above and foregoing Resolution was duly and regularly adopted by the Children and Families Commission of Orange County.

**IN WITNESS WHEREOF**, I have hereto set my hand and seal.

\_\_\_\_\_  
**Robin Stieler**  
Clerk of the Commission, Children and Families Commission of  
Orange County, County of Orange, State of California

Resolution No: \_\_-24-C&FC

Agenda Date: April 3, 2024

Item No.



I certify that the foregoing is a true and correct copy of the Resolution adopted by the

Robin Stieler, Clerk of the Commission

By: \_\_\_\_\_  
Deputy

**EXHIBIT A TO RESOLUTION OF COMMISSION**

(Attach copy of final Amendment with the Orange County Shared Spaces Foundation)

**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY**

**RESOLUTION NO. \_\_\_-24-C&FC**

**April 3, 2024**

**A RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY AUTHORIZING THE PRESIDENT/CEO AND COMMISSION COUNSEL TO PREPARE AND NEGOTIATE AN AGREEMENT WITH A FURNITURE VENDOR TO FURNISH COMMISSION OFFICE SPACE; AND, AUTHORIZING APPROVAL AND EXECUTION OF SUCH AGREEMENT ON BEHALF OF THE COMMISSION**

**WHEREAS**, in order to facilitate the creation and implementation of an integrated, comprehensive, and collaborative system of information and services to enhance optimal early childhood development, the legislature adopted legislation set forth in the California Children and Families Act of 1998, Health and Safety Code Section 130100, *et seq.* (as amended, the “Act”) implementing the Children and Families First Initiative passed by the California electorate in November, 1998 and establishing the California Children and Families Commission and County Children and Families Commissions, including this Children and Families Commission of Orange County (“Commission”); and

**WHEREAS**, Commission adopted its Strategic Plan to define how funds authorized under the Act and allocated to the Commission should best be used to meet the critical needs of Orange County’s children prenatal to five years of age as codified in the Act; and

**WHEREAS**, the Commission desires to enter into an agreement with a furniture vendor (hereinafter referred to as the “Vendor”) selected by staff to supply furniture for Commission office space (hereinafter referred to as the “Agreement”) for the terms, in the amounts, and on the conditions as described in in the staff report, and applicable attachments, for this April 3, 2024 Agenda Item (hereinafter referred to as the “Agenda Item”);

**WHEREAS**, Commission has reviewed the Agenda Item relating to the scopes of services to be provided and hereby finds and determines that the proposed Agreement is in furtherance of and consistent with the Commission’s Strategic Plan; and

**WHEREAS**, Commission desires to authorize the Commission Chair and Commission Clerk to execute the Agreement with the Vendor for the terms, in the amounts, and on the conditions as specified in the Agenda Item.

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY AS FOLLOWS:**

**Section 1** Commission finds and determines the foregoing Recitals are true and correct and are a substantive part of this Resolution.

**Section 2** Commission authorizes the President/CEO, or designee, and Commission Counsel to prepare and negotiate the Agreement with the Vendor for the terms, in the amounts, and on the conditions consistent with the Agenda Item; and

**Section 3** The form of the Agreement may be on a form provided by Vendor and will be reviewed and approved by the President/CEO, or designee, and Commission Counsel. The approval by the President/CEO, or designee, of the Agreement shall be conclusively evidenced by the execution of such Agreement by the Commission Chair and delivery thereof to the Commission Clerk.

**Section 4** Commission hereby approves the Agreement, which will be authorized at the President/CEO's sole discretion, with the Vendor for the terms, in the amounts, and on the conditions as specified in the Agenda Item.

**Section 5** The Commission Chair and the Clerk of the Commission are hereby authorized to execute and attest, respectively, the Agreement on behalf of the Commission.

**Section 6** A copy of the final Agreement, when executed by the Commission Chair and attested by the Clerk of the Commission, shall be appended hereto as a part of Exhibit A to this Resolution. Exhibit A is hereby fully incorporated as a part of this Resolution by this reference and made a part hereof. The final executed Agreement shall be placed on file in the office of the Clerk of the Commission.

**Section 7** In addition to the authorization of Section 2 above, the President/CEO, or designee, is hereby authorized, on behalf of the Commission, (i) to sign all documents necessary and appropriate to carry out and implement the Agreement(s), including any Amendment(s); (ii) to cause the issuance of warrants; (iii) to administer the Commission's obligations, responsibilities, and duties to be performed under such agreement(s); and (iv) during the term thereof to provide waivers, administrative interpretations, and minor modifications of the provisions of such agreement(s) in the furtherance thereof.

**Section 8** The Clerk of the Commission shall certify to the adoption of this Resolution.

The foregoing resolution was passed and adopted by the following vote of the Children and Families Commission of Orange County on April 3, 2024 to wit:

AYES Commissioners: \_\_\_\_\_

NOES: Commissioner(s): \_\_\_\_\_

EXCUSED: Commissioner(s): \_\_\_\_\_

ABSTAINED: Commissioner(s) \_\_\_\_\_

\_\_\_\_\_  
CHAIR

STATE OF CALIFORNIA )  
 )  
COUNTY OF ORANGE )

I, ROBIN STIELER, Clerk of the Commission of Orange County, California, hereby certify that a copy of this document has been delivered to the Chair of the Commission and that the above and foregoing Resolution was duly and regularly adopted by the Children and Families Commission of Orange County.

**IN WITNESS WHEREOF**, I have hereto set my hand and seal.

\_\_\_\_\_  
ROBIN STIELER  
Clerk of the Commission, Children and Families Commission of  
Orange County, County of Orange, State of California

Resolution No: \_\_-24-C&FC

Agenda Date: April 3, 2024

Item No. \_\_



I certify that the foregoing is a true and correct copy of the Resolution adopted by the

Robin Stieler, Clerk of the Commission

By: \_\_\_\_\_  
Deputy

**EXHIBIT A TO RESOLUTION OF COMMISSION**

(Attach copy(ies) of final executed Agreements)



**Agenda Item 7  
April 3, 2024**

**DATE:** March 8, 2024  
**TO:** First 5 Orange County  
**FROM:** Kimberly Goll, President/CEO   
**ACTION:** Approve Updated Rosters for Qualified Applicants and Adopt Resolution  
Approving Various Consultant Agreements

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**SUMMARY:**

First 5 Orange County's business model relies on technical and project management consultants to provide subject matter expertise and help develop and implement strategies established by the Board. This item requests approval of the updated roster of qualified applicants as well as the authority to enter into new consultant and vendor agreements or amendments to agreements.

**DISCUSSION:**

Periodically, First 5 Orange County releases a Request for Qualifications (RFQ) to invite applicants interested in providing consultant services to ensure that we have the most comprehensive pool of qualified consulting applicants. Placing qualifying applicants on these rosters does not obligate us to utilize their services, and no commitment is made to issue contracts to them or engage their services in any way. If we require expertise not currently addressed by the consultant rosters, the most qualified individual or firm will be identified and added to the on-call list.

The most recent RFQ was completed in February. Prior applicants who submitted in 2022 and/or 2023 were not required to resubmit. Nine individuals and organizations submitted either new or updated qualifications. Attachment 1, Roster of Qualified Applicants, lists all prior and new submittals. Staff recommends approval of the updated roster.

Recommendations for contract approval with specific consultants are included in Attachment 2. The attachment includes terms, contract amounts, and descriptions of scopes of work for each consultant. Reflected in these consultant recommendations is support for our systems work (Detect and Connect OC and Child Care Task Force), continued support for our community engagement work, school districts, and organizational development.

**STRATEGIC PLAN & FISCAL SUMMARY:**

The proposed action has been reviewed in relation to the Strategic Plan and is consistent with its goals. Funding for the proposed action will be included in the Fiscal Year 2024-2025 budget.

**PRIOR COMMISSION ACTIONS:**

- April 2023 – Approve Updated Rosters for Qualified Applicants and Adopt Resolution

Approving Various Consultant Agreements

- June 2022 – Approve Roster of Qualified Applicants and Adopt Resolutions Authorizing Agreements and Amendments to Agreements with Designated Individuals and Organizations to Provide Consulting and Data Collection and Management Services

**RECOMMENDED ACTIONS:**

1. Approve updated rosters for qualified applicants.
2. Adopt resolution (Attachment 3) authorizing the President/CEO, or designee, and Commission Counsel to prepare and negotiate new agreements or amendments to existing agreements, at the President/CEO's sole discretion, with designated individuals and organizations to provide services for the terms, in the amounts, and on the conditions as specified in Attachment 2.

**ATTACHMENTS:**

1. Updated Roster of Qualified Applicants by Subject Matter Expertise
2. Consultant and Vendor Term Sheet
3. Resolution

**CONTACT:** Michael Garcell



**UPDATED ROSTER OF QUALIFIED APPLICANTS  
BY SUBJECT MATTER EXPERTISE**

<p><b>Early and Ongoing Health and Development</b></p>	<ul style="list-style-type: none"> <li>* American Academy of Pediatrics-Orange County Chapter 4</li> <li>* Ariel Knox</li> <li>* Banafshe Sharifian-Attar</li> <li>* Breastfeeding Task Force of Greater Los Angeles</li> <li>* Children and Family Futures</li> <li>* Children's Data Network (USC)</li> <li>* Community Partners FBO: Maternal Mental Health NOW</li> <li>* Debra Mathias</li> </ul>	<ul style="list-style-type: none"> <li>* Dianna Daly</li> <li>* <b>Ehrenpreis Consulting</b></li> <li>* Health Management Associates, Inc.</li> <li>* Hoda Shawky</li> <li>* Jaqueline Tran Nakasone</li> <li>* Kaylie Holke</li> <li>* Luisa Estanga (Abrazar)</li> <li>* Mia Hemstad</li> </ul>	<ul style="list-style-type: none"> <li>* MK Consulting Syndicate, Inc.</li> <li>* Parsons Consulting, Inc.</li> <li>* <b>Summitbridge Health Solutions, LLC</b></li> <li>* San Diego Strategy Group, LLC dba NP Strategies</li> <li>* Sandra E. Gonzalez</li> <li>* Social Impact Advising Group</li> <li>* Sudario and Associates, Inc.</li> </ul>
<p><b>Safe, Stable and Nurturing Homes</b></p>	<ul style="list-style-type: none"> <li>* Anila Neumeister</li> <li>* Banafshe Sharifian</li> <li>* Brandon Lavin Consulting</li> <li>* Breastfeeding Task Force of Greater Los Angeles</li> <li>* BRICK (Building Resilience In Communities and Kids)</li> <li>* Children and Families Futures</li> <li>* Children's Data Network (USC)</li> <li>* Chris Becerra Consulting</li> <li>* Community Partners FBO: Maternal Mental Health NOW</li> </ul>	<ul style="list-style-type: none"> <li>* Deborah McBee</li> <li>* Dianna Daly</li> <li>* Health Management Associates, Inc.</li> <li>* Hoda Shawky</li> <li>* <b>Jack Toan</b></li> <li>* Margarita McCullough</li> <li>* Mia Hemstad</li> <li>* MK Consulting Syndicate, Inc.</li> <li>* My Team Effort</li> </ul>	<ul style="list-style-type: none"> <li>* Nicolas Mazzeo</li> <li>* Parsons Consulting, Inc.</li> <li>* Principal Strategic Advisors</li> <li>* Sandra E. Gonzalez</li> <li>* Sudario and Associates, Inc.</li> <li>* <b>Summitbridge Health Solutions, LLC</b></li> <li>* Susanna Diaz</li> <li>* Won't She Do It LLC</li> </ul>
<p><b>Neighborhoods that Support Young Children and Families</b></p>	<ul style="list-style-type: none"> <li>* American Academy of Pediatrics-Orange County Chapter 4</li> <li>* Ana Page</li> <li>* <b>Andrews Bush &amp; Associates LLC</b></li> <li>* Banafshe Sharifian</li> <li>* BRICK (Building Resilience In Communities and Kids)</li> <li>* Charitable Ventures</li> <li>* Children and Families Futures</li> <li>* Chris Becerra Consulting</li> <li>* Christian Ponce</li> <li>* Deborah McBee</li> <li>* Fractal Strategies</li> <li>* Garrett Maxwell Agency</li> </ul>	<ul style="list-style-type: none"> <li>* Jacqueline Tran Nakasone</li> <li>* Jennifer Shepard</li> <li>* <b>Joan Lundbohm</b></li> <li>* Looking Ahead</li> <li>* Los Angeles Universal Preschool DBA Child 360</li> <li>* <b>Low Income Investment Fund</b></li> <li>* M &amp; I Educational Consultants</li> <li>* Mia Hemstad</li> <li>* MK Consulting Syndicate, Inc.</li> <li>* Muckenthaler and Associates</li> <li>* Parsons Consulting, Inc.</li> <li>* Prisma Communications LLC</li> </ul>	<ul style="list-style-type: none"> <li>* San Diego Strategy Group LLC DBA NP Strategies</li> <li>* Sandra Bandettini</li> <li>* Sandra E. Gonzalez</li> <li>* Social Impact Advising Group</li> <li>* Sudario and Associates, Inc.</li> <li>* <b>Summitbridge Health Solutions, LLC</b></li> <li>* Susanna Diaz</li> <li>* The Center for the Study of Social Policy (CSSP)</li> <li>* Tina Ali</li> <li>* Won't She Do It LLC</li> <li>* <b>Yumi Ramirez</b></li> </ul>
<p><b>Equitable Distribution of Resources</b></p>	<ul style="list-style-type: none"> <li>* Ana Page</li> <li>* <b>Andrews Bush &amp; Associates LLC</b></li> <li>* Banafshe Sharifian-Attar</li> <li>* Charitable Ventures</li> </ul>	<ul style="list-style-type: none"> <li>* Health Management Associates, Inc.</li> <li>* Hoda Shawky</li> <li>* <b>Jack Toan</b></li> <li>* Jacqueline Tran Nakasone</li> </ul>	<ul style="list-style-type: none"> <li>* Parsons Consulting, Inc.</li> <li>* Prisma Communications LLC</li> <li>* Sandra E. Gonzalez</li> <li>* Sudario and Associates, Inc.</li> </ul>

**UPDATED ROSTER OF QUALIFIED APPLICANTS  
BY SUBJECT MATTER EXPERTISE**

	<ul style="list-style-type: none"> <li>* Children and Families Futures</li> <li>* Children's Data Network</li> <li>* Chris Becerra Consulting</li> <li>* Erikson Institute</li> <li>* Fractal Strategies</li> <li>* Garrett Maxwell Agency</li> </ul>	<ul style="list-style-type: none"> <li>* Kaylie Holke</li> <li>* Los Angeles Universal Preschool DBA Child 360</li> <li>* <b>Low Income Investment Fund</b></li> <li>* Mia Hemstad</li> <li>* MK Consulting Syndicate, Inc.</li> <li>* Muckenthaler and Associates</li> </ul>	<ul style="list-style-type: none"> <li>* <b>Summitbridge Health Solutions, LLC</b></li> <li>* Susanna Diaz</li> <li>* The Center for the Study of Social Policy (CSSP)</li> <li>* Tina Ali</li> <li>* Virginia Carmelo</li> <li>* Won't She Do It LLC</li> </ul>
<b>Data Analysis, Evaluation, and Focus groups</b>	<ul style="list-style-type: none"> <li>* Ariel Knox</li> <li>* Banafshe Sharifian-Attar</li> <li>* Charitable Ventures</li> <li>* Children and Families Futures</li> <li>* Children's Data Network</li> <li>* Chris Becerra Consulting</li> <li>* Erikson Institute</li> <li>* Ersoylu Consulting</li> <li>* EVALCORP</li> <li>* Fractal Strategies</li> </ul>	<ul style="list-style-type: none"> <li>* Garrett Maxwell Agency</li> <li>* Harder +Company Community Research</li> <li>* Health Management Associates, Inc.</li> <li>* Jacqueline Tran Nakasone</li> <li>* Limor Consulting, Inc.</li> <li>* Los Angeles Universal Preschool DBA Child 360</li> <li>* <b>Low Income Investment Fund</b></li> <li>* M &amp; I Educational Consultants</li> <li>* Measurement Resources Company</li> <li>* MK Consulting Syndicate, Inc.</li> </ul>	<ul style="list-style-type: none"> <li>* Parsons Consulting, Inc.</li> <li>* San Diego Strategy Group, LLC dba NP Strategies</li> <li>* Sandra E. Gonzalez</li> <li>* Simran Sahny</li> <li>* Social Impact Advising Group</li> <li>* <b>Summitbridge Health Solutions, LLC</b></li> <li>* Wallace Walrod</li> <li>* Tina Ali</li> </ul>
<b>Project Management</b>	<ul style="list-style-type: none"> <li>* American Academy of Pediatrics-Orange County Chapter 4</li> <li>* Ana Page</li> <li>* <b>Andrews Bush &amp; Associates LLC</b></li> <li>* Anila Neumeister</li> <li>* Ariel Knox</li> <li>* Banafshe Sharifian-Attar</li> <li>* Career MatchPro</li> <li>* Charitable Ventures</li> <li>* Chris Becerra Consulting</li> <li>* Debra Mathias</li> <li>* Deborah McBee</li> <li>* Dianna Daly</li> <li>* <b>Ehrenpreis Consulting</b></li> <li>* Fractal Strategies</li> </ul>	<ul style="list-style-type: none"> <li>* Garrett Maxwell Agency</li> <li>* Health Management Associates, Inc.</li> <li>* Hoda Shawky</li> <li>* <b>Jack Toan</b></li> <li>* Jaqueline Tran Nakasone</li> <li>* Jennifer Shepard</li> <li>* <b>Joan Lundbohm</b></li> <li>* Kissy C. Martinez</li> <li>* Looking Ahead</li> <li>* Los Angeles Universal Preschool DBA Child 360</li> <li>* Margarita McCullough</li> <li>* MK Consulting Syndicate, Inc.</li> <li>* Muckenthaler and Associates</li> <li>* Parsons Consulting, Inc.</li> </ul>	<ul style="list-style-type: none"> <li>* Principal Strategic Advisors</li> <li>* San Diego Strategy Group, LLC dba NP</li> <li>* Sandra Bandettini</li> <li>* Sandra E. Gonzalez</li> <li>* Simran Sahny</li> <li>* Social Impact Advising Group</li> <li>* Sudario and Associates, Inc.</li> <li>* <b>Summitbridge Health Solutions, LLC</b></li> <li>* Susanna Diaz</li> <li>* Tabitha Pitzer</li> <li>* Wallace Walrod</li> <li>* Tina Ali</li> </ul>
<b>Strategic Communications</b>	<ul style="list-style-type: none"> <li>* AdGyld</li> <li>* Ana Page</li> <li>* Anthony Chase In Winter</li> <li>* Ariel Knox</li> <li>* Charitable Ventures</li> <li>* Cornerstone Communications</li> </ul>	<ul style="list-style-type: none"> <li>* Growth Mindset Communications</li> <li>* Kissy C. Martinez</li> <li>* Looking Ahead</li> <li>* Los Angeles Universal Preschool DBA Child 360</li> <li>* Luis Alvarado Designs</li> <li>* Mia Hemstad</li> </ul>	<ul style="list-style-type: none"> <li>* Sandra E. Gonzalez</li> <li>* <b>Summitbridge Health Solutions, LLC</b></li> <li>* Tabitha Pitzer</li> <li>* Tina Ali</li> <li>* Wallace Walrod</li> <li>* Won't She Do It LLC</li> </ul>

**UPDATED ROSTER OF QUALIFIED APPLICANTS  
BY SUBJECT MATTER EXPERTISE**

	* Curt Pringles & Associates * Fractal Strategies	* Principal Strategic Advisors * Prisma Communications LLC	* <b><i>Yumi Ramirez</i></b>
<b>Contract Compliance and Audit</b>	* Anila Neumeister * <b><i>ASM LLP</i></b> * Charitable Ventures * Conrad, LLP	* Fractal Strategies * Health Management Associates, Inc. * Kissy C. Martinez * KNL Support Services	* Los Angeles Universal Preschool DBA Child 360 * Sandra E. Gonzalez * <b><i>Summitbridge Health Solutions, LLC</i></b> * Sherry Gilbey
<b>Organizational &amp; Professional Development</b>	* Ana Page * <b><i>Andrews Bush &amp; Associates LLC</i></b> * Ariel Knox * Buxser Consulting, LLC * Charitable Ventures * Chris Becerra Consulting * Deborah McBee * Fractal Strategies * Garrett Maxwell Consulting * Health Management Associates, Inc.	* <b><i>Jack Toan</i></b> * Jennifer Shepard * <b><i>Joan Lundbohm</i></b> * Kaylie Holke * Los Angeles Universal Preschool DBA Child 360 * Mk Consulting Syndicate, Inc. * Muckenthaler and Associates * PeakePotential, Inc * Principal Strategic Advisors * San Diego Strategy Group, LLC dba NP Strategies	* Sandra Bandettini * Sandra E. Gonzalez * Simply Support for ECE * Social Impact Advising Group * <b><i>Summitbridge Health Solutions, LLC</i></b> * Tabitha Pitzer * The Center for the Study of Social Policy (CSSP) * The Relevant You * Tina Ali * Won't She Do It LLC
<b>Language Translation</b>	* Alicia Ramirez * Ana Anaya * Ana Page * Asian American Senior Citizens Service Center * Banafshe Sharifian-Attar * Charitable Ventures	* Cristina Belvins * Ivonne Velasquez Borja * Kissy C. Martinez * Korean American Center * Los Angeles Universal Preschool DBA Child 360 * Mimi Thuong, PhD	* Prisma Communications LLC * Sandra E. Gonzalez * Simran Sahny * Tabitha Pitzer * TransLinguist

Note: Newly qualified translation firms bolded and italicized

New Contract Number	Consultant	New Term	New Maximum Payment Obligation	New/Revised Scope of Work (if needed)
C-492	Social Impact Advising Group, LLC	07/01/2024 - 06/30/2025	\$60,000	Facilitate work with Detect & Connect OC and its relevant working group(s) to identify and advance the most promising opportunities. Use subject matter expertise and experience into identify barriers and build community-driven solutions to facilitate access to speech and language services.
C-493	The Relevant You Inc	04/15/2024 - 06/30/2025	\$100,000	Organizational developmental work focused on solidifying our agency messages on who we are, what we do, why we matter, where we are going, and how we make a difference. Conduct a organizational preception audit to provide a better understanding on where community preceptions are aligned or mislagined with the our own internal understandings and then what work needs to be done to increase alignment.
C-494	Jennifer Shepard	07/01/2024 - 06/30/2027	\$244,000	Coordinate and provide technical assistance to the 25 Orange County public school districts with kindergarten populations to implement the early learning activities aligned with the Strategic Plan. Assist in the development of: the EDI strategic plan for collection, use of results/reports, expansion and/or startup of California State Preschool Program and/or General Child Care and Development (CCTR), enhancement and/or startup of Learning Links, and interconnectedness of 0-5 early learning programs with child care providers and family/community engagement efforts.
C-498	Limor Zimskind, Inc. dba Datalink Partners	07/01/2024 - 06/30/2025	\$130,000	Data collection, analysis, mapping and presentation for programmatic, system change and population level evaluation, including High 5 data analysis and reporting to the state. Data-related support for First 5 OC Action Plans and collaboratives. Data collection, analysis, mapping, and reporting to support Early Development Index and Childhood Experiences Questionnaire.
C-502	MK Consulting Syndicate, Inc.	07/01/2024 - 06/30/2025	\$55,000	Provide project management for the child care system task force. Provide technical assistance for the High 5 database. Support landscape analysis and connections among Early Relational Health system of care. Provide project management to close out the transition of services from Healthy Smiles for Kids of Orange County for children's preventive and specialty care oral health services.
C-496	Muckenthaler & Associates, Inc.	07/01/2024 - 06/30/2025	\$130,000	Provide expertise in child care and child care business support to increase the number of infant and toddler child care slots including trainings and workshops for potential and current providers, technical assistance to ensure business development curriculum is child care appropriate, and child care systems sustainability work. Provide technical assistance for staff recruitment including including job postings, outreach, candidate screening and follow up.
C-504	Jacqueline Tran Nakasone	07/01/2024 - 06/30/2025	\$130,000	Provide expertise in Engaged Neighborhoods areas of the Strategic Plan and support collaboratives to complete their contracted deliverables. Serve as the content expert for Engaged Neighborhoods and work closely with First 5 OC staff and consultants to align project goals with the Strategic Plan. Co-create a long-term plan for the Engaged Neighborhoods initiative, supporting existing ENs and identifying data to support expansion, building strategic partnerships to establish new ENs, facilitating EDI data interpretation and reviews, developing and coordinating public awareness efforts, and providing support for activities related to parent/family engagement efforts and fatherhood engagement programs. Ensure interconnectedness of Engaged Neighborhoods and community engagement efforts with school district early learning efforts.
C-505	Ana Page	07/01/2024 - 06/30/2025	\$80,000	Provide expertise on family and community engagement to First 5 OC staff and align project goals with the Strategic Plan. The consultant will lead activities related to family engagement, develop and implement a long-term strategic plan for Family Ambassadors, provide as-needed expertise for Engaged Neighborhood collaborative activities, and support the Legal Problem Solving Network. Ensure interconnectedness of Family Ambassadors and family engagement efforts with school district early learning efforts.
C-508	Antoinette Andrews-Bush	07/01/2024 - 6/30/2025	\$150,000	Provide technical assistance to implement the Black Infant Health (BIH) program and Black P.E.A.R.L grant while extending their expertise to various health equity initiatives within the county. Consultant will focus on community engagement, evidence-based interventions, and enhancing early childhood outcomes through strategic policy development and support programs.
PS-309	San Diego Strategy Group LLC dba NP Strategies	07/01/2024 - 06/30/2025	\$82,000	Facilitate countywide system collaboratives: Detect & Connect OC and Child Care Task Force. Support Strategic Plan related projects such as First 5 Orange County's equity work; facilitation of focus groups; systems strategy.
PS-310	ASM, LLP	07/01/2024 - 06/30/2025	\$50,000	Perform risk assessments and compliance audits of programs requiring more intensive compliance reviews.
PS-311	Sherry Gilbey	07/01/2024 - 06/30/2025	\$50,000	Perform risk assessments and compliance audits of programs requiring more intensive compliance reviews.
PS-312	Luis Alvarado Design	07/01/2024 - 06/30/2025	\$50,000	Provide graphic design, layout, and production services including reports and publications; educational and collateral materials such as brochures, newsletters, presentation materials, event invitations, art for web site use, and other promotional materials including for printed and electronic media.

**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY**

**RESOLUTION NO. \_\_\_-24-C&FC**

**April 3, 2024**

**A RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY AUTHORIZING THE PRESIDENT/CEO AND COMMISSION COUNSEL TO PREPARE AND NEGOTIATE AGREEMENTS AND/OR AMENDMENTS, AT THE PRESIDENT/CEO'S SOLE DISCRETION, WITH DESIGNATED INDIVIDUALS AND/OR ORGANIZATIONS TO PROVIDE CONSULTANT SERVICES; AND, AUTHORIZING APPROVAL AND EXECUTION OF SUCH AGREEMENTS AND AMENDMENTS ON BEHALF OF THE COMMISSION**

**WHEREAS**, in order to facilitate the creation and implementation of an integrated, comprehensive, and collaborative system of information and services to enhance optimal early childhood development, the legislature adopted legislation set forth in the California Children and Families Act of 1998, Health and Safety Code Section 130100, *et seq.* (as amended, the "Act") implementing the Children and Families First Initiative passed by the California electorate in November, 1998 and establishing the California Children and Families Commission and County Children and Families Commissions, including this Children and Families Commission of Orange County ("Commission"); and

**WHEREAS**, Commission adopted its Strategic Plan to define how funds authorized under the Act and allocated to the Commission should best be used to meet the critical needs of Orange County's children prenatal to five years of age as codified in the Act; and

**WHEREAS**, the Commission desires to amend the existing agreements and/or enter into new agreements (hereinafter collectively referred to as the "Agreements"), at the President/CEO's sole discretion, with each of the individuals and/or organizations (hereinafter referred to as the "Contractors") for the terms, in the amounts, and on the conditions as described the staff report and applicable attachments for this April 3, 2024 Agenda Item (hereinafter referred to as the "Agenda Item"); and

**WHEREAS**, each Contractor desires to enter into the Agreement, if authorized by the President/CEO, in furtherance of the purposes of the Act and the Strategic Plan on the terms and conditions set forth in its respective Agreement; and

**WHEREAS**, Commission has reviewed the Agenda Item relating to the scopes of services to be provided and hereby finds and determines that the proposed Agreements are in furtherance of and consistent with the Commission's Strategic Plan; and

**WHEREAS**, Commission desires to authorize the Commission Chair and Commission Clerk to execute the Agreements with each of the Contractors for the terms, in the amounts, and on the conditions as specified in the Agenda Item.

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY AS FOLLOWS:**

**Section 1** Commission finds and determines the foregoing Recitals are true and correct and are a substantive part of this Resolution.

**Section 2** Commission authorizes the President/CEO, or designee, and Commission Counsel to prepare and negotiate the Agreements with each of the Contractors for the terms, in the amounts, and on the conditions consistent with the Agenda Item; and

**Section 3** The form of any Agreements shall be substantially similar to the standard form agreements, subject to minor, non-substantive revisions, or as otherwise required to comply with external funding sources, and will be reviewed and approved by the President/CEO, or designee, and Commission Counsel. The approval by the President/CEO, or designee, of the Agreements shall be conclusively evidenced by the execution of such Agreements by the Commission Chair and delivery thereof to the Commission Clerk.

**Section 4** Commission hereby approves the Agreements, which will be authorized at the President/CEO's sole discretion, with each of the Contractors for the terms, in the amounts, and on the conditions as specified in the Agenda Item.

**Section 5** The Commission Chair and the Clerk of the Commission are hereby authorized to execute and attest, respectively, the Agreements on behalf of the Commission.

**Section 6** A copy of each final Agreement when executed by the Commission Chair and attested by the Clerk of the Commission shall be appended hereto as a part of Exhibit A to this Resolution. Exhibit A is hereby fully incorporated as a part of this Resolution by this reference and made a part hereof. Each final executed Agreement shall be placed on file in the office of the Clerk of the Commission.

**Section 7** In addition to the authorization of Section 2 above, the President/CEO, or designee, is hereby authorized, on behalf of the Commission, (i) to sign all documents necessary and appropriate to carry out and implement the Agreement(s), including any Amendment(s); (ii) to cause the issuance of warrants; (iii) to administer the Commission's obligations, responsibilities, and duties to be performed under such agreement(s); and (iv) during the term thereof to provide waivers, administrative interpretations, and minor modifications of the provisions of such agreement(s) in the furtherance thereof.

**Section 8** The Clerk of the Commission shall certify to the adoption of this Resolution.

The foregoing resolution was passed and adopted by the following vote of the Children and Families Commission of Orange County on April 3, 2024 to wit:

AYES Commissioners: \_\_\_\_\_

NOES: Commissioner(s): \_\_\_\_\_

EXCUSED: Commissioner(s): \_\_\_\_\_

ABSTAINED: Commissioner(s) \_\_\_\_\_

\_\_\_\_\_  
CHAIR

STATE OF CALIFORNIA )  
 )  
COUNTY OF ORANGE )

I, ROBIN STIELER, Clerk of the Commission of Orange County, California, hereby certify that a copy of this document has been delivered to the Chair of the Commission and that the above and foregoing Resolution was duly and regularly adopted by the Children and Families Commission of Orange County.

**IN WITNESS WHEREOF**, I have hereto set my hand and seal.

\_\_\_\_\_  
ROBIN STIELER  
Clerk of the Commission, Children and Families Commission of  
Orange County, County of Orange, State of California

Resolution No: \_\_-24-C&FC

Agenda Date: April 3, 2024

Item No. \_\_



I certify that the foregoing is a true and correct copy of the Resolution adopted by the

Robin Stieler, Clerk of the Commission

By: \_\_\_\_\_  
Deputy

**EXHIBIT A TO RESOLUTION OF COMMISSION**

(Attach copy(ies) of final executed Amendments and Agreements)





**Agenda Item 8  
April 3, 2024**

**DATE:** April 3, 2024

**TO:** First 5 Orange County

**FROM:** Kimberly Goll, President/CEO

A handwritten signature in black ink, appearing to read "Kimberly Goll", written over a light blue horizontal line.

**ACTION:** Authorize Receipt of Funds and Adopt Resolutions Authorizing Agreements with the Orange County Social Services Agency and designated subcontractors for participation in the CalWORKs Home Visiting Program Services

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**SUMMARY:**

In August 2023, the Orange County Social Services Agency issued a Request for Proposals (RFP) to identify subcontractors to implement the CalWORKs Home Visiting Program Services. First 5 Orange County responded to the RFP and has been selected as the awardee for \$8,000,000 for a term of two years starting July 1, 2024. The following agenda item seeks contracting authority for the continued implementation of CalWORKs Home Visiting Program Services.

**DISCUSSION:**

Home Visiting provides a critical resource to build protective factors, strengthen family resiliency, and create nurturing environments for young children. First 5 OC has held a contract with SSA to implement the CalWORKs Home Visiting Program since inception of the program in 2018. The most recent contract will terminate June 30, 2024.

Continued funding for the CalWORKs Home Visiting Program was included in the state budget and in anticipation of its continuation, SSA released a Request for Proposals to identify contractors for the next two years of implementation. We responded to the RFP in partnership with our existing subcontracted home visiting service providers and were recently notified that First 5 OC was the awardee selected to provide CalWORKs Home Visiting Program Services.

Consistent with the current agreement, this new contract will leverage our existing subcontracted service providers, Children's Bureau and The Priority Center, and allow First 5 OC to receive referrals from SSA for CalWORKs eligible families. In addition, the contract allows the flexibility to subcontract with additional home visiting service providers to support the diverse needs of families in Orange County. Staff recommends bringing on additional providers that were identified through the Request for Information that First 5 OC released last year. These providers have existing staff trained in an evidence-based home visiting model as well as the capacity to immediately deploy services.

This funding will allow First 5 OC to provide services to at least 460 families annually who meet the following eligibility criteria: a CalWORKs recipient that is pregnant, or a parent or caretaker relative of a child less than 24 months of age; or a CalWORKs applicant determined apparently eligible by SSA. The Home Visitation Program's duration is 24 months or until the child reaches 24 months of age – whichever is later -- and will focus on prenatal, infant and toddler care, child

nutrition, developmental screening and assessments, parent education, parent and child interaction, child development, parent's job readiness, and child care.

With the continuation of the CalWORKs Home Visiting Program Services, First 5 OC and partnering subcontractors will continue to implement the Parents as Teachers evidence-based home visiting model. With the addition of new subcontractors, the Healthy Families America evidence-based home visiting model will also be available for CalWORKs home visiting clients. These models provide comprehensive home visiting parent education that supports families through personal home visits, group connections, and resource networks, and provide child developmental screenings with appropriate referrals and follow up. This design allows for continuity of care and support for families that requires no transition of services from one provider to another and a more streamlined approach to link families to the services that are most appropriate for their needs.

Staff recommends entering into an agreement with SSA for a total of \$8,000,000 (\$4,000,000 annually). Staff also recommends contracting with home visiting service providers to implement the program. Attachment 1 includes a brief description of the scope of work, maximum obligation, and term for each of the proposed subcontractors. Execution of the SSA agreement is contingent on Orange County Board of Supervisor approval scheduled for May 7, 2024.

#### **STRATEGIC PLAN & FISCAL SUMMARY:**

The recommended actions have been reviewed in relation to the Strategic Plan and are consistent with all goal areas and in alignment with our strategies. The funding to support the expansion of home visiting services will be added to the Fiscal Year 2023/2024 Budget contingent on the funding award from the State Department of Social Services and approval of the Orange County Board of Supervisors.

#### **PRIOR COMMISSION ACTIONS:**

- February 2021 – Adopt Resolution Authorizing Agreements with Selected Vendors to Provide CalWORKs Home Visiting Program Support
- December 2020 – Authorize staff to augment subcontractor agreements and contract with selected vendors to provide CalWORKs Home Visiting Program Support
- October 2020 – Authorize receipt of additional funding from and amend the agreement with the Orange County Social Services Agency
- June 2020 – Adopt resolution authorizing agreements for home visitation services for the CalWORKs Home Visitation Program
- April 2020- Authorize receipt of funding from the Orange County Social Services Agency (SSA) and amend agreement with SSA
- February 2020 – Authorize agreements with designated organizations to provide Prenatal-to-Three services
- October 2019 – Authorize receipt of funding from the Orange County Social Services Agency and adopted resolution authorizing agreements and amendments to agreements to provide CalWORKs home visitation services
- April 2019 – Authorize amendments to agreements with contractors to provide services under the CalWORKs Home Visiting
- December 2018 – Authorize amendments to agreements with contractors to provide services under the CalWORKs Home Visiting

- October 2018 – Authorize receipt of approximately \$2,208,894 from, and enter into agreement with, the Orange County Social Services Agency to implement CalWORKs Home Visiting

**RECOMMENDED ACTIONS:**

1. Adopt resolution (Attachment 2) authorizing First 5 Orange County to receive \$8,000,000 over two years of CalWORKs Home Visiting Program funding from the Orange County Social Services Agency (SSA), and authorize the President/CEO and Commission Counsel to negotiate and execute a new agreement with SSA to implement the CalWORKs Home Visiting Program Services.
2. Adopt resolution (Attachment 3) authorizing the President/CEO, or designee, and Commission Counsel to prepare and negotiate agreements at the President/CEO's sole discretion, with designated organizations to provide services for the terms, in the amounts, and on the conditions as specified in Attachment 1.

**ATTACHMENTS:**

1. Subcontractor Term Sheet
2. Orange County Social Services Agency Resolution
3. Subcontractor Resolution

**CONTACT:** Sara Brown



Home Visiting Services				
Organization	Contract Number	Term (24mos Contract)	Total Maximum Obligation	Scope of Work
Children's Bureau of Southern California	FCI-HVP-05	7/1/24-6/30/26	\$1,839,587	Provide a comprehensive range of evidence-based home visiting services, including outreach to target populations, family support and case management, coordination with other providers and referrals, and required reporting for CalWORKs participants.
The Priority Center, Ending the Generational Cycle of Trauma Inc.	FCI-HVP-06	7/1/24-6/30/26	\$1,821,809	Provide a comprehensive range of evidence-based home visiting services, including outreach to target populations, family support and case management, coordination with other providers and referrals, and required reporting for CalWORKs participants.
Abrazar, Inc	FCI-HVP-07	7/1/24-6/30/26	\$1,486,243	Provide a comprehensive range of evidence-based home visiting services, including outreach to target populations, family support and case management, coordination with other providers and referrals, and required reporting for CalWORKs participants.
Asian American Senior Citizens Service Center	FCI-HVP-08	7/1/24-6/30/26	\$996,884	Provide a comprehensive range of evidence-based home visiting services, including outreach to target populations, family support and case management, coordination with other providers and referrals, and required reporting for CalWORKs participants.
OMID (Omid Multicultural Institute for Development)	FCI-HVP-09	7/1/24-6/30/26	\$429,938	Provide a comprehensive range of evidence-based home visiting services, including outreach to target populations, family support and case management, coordination with other providers and referrals, and required reporting for CalWORKs participants.
OC Children's Therapeutic Arts Center	FCI-HVP-10	7/1/24-6/30/26	\$792,358	Provide a comprehensive range of evidence-based home visiting services, including outreach to target populations, family support and case management, coordination with other providers and referrals, and required reporting for CalWORKs participants.
<b>TOTAL</b>			<b>\$7,366,819</b>	

\*Note: First 5 Orange County will receive \$633,181 for administration oversight

**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY**

**RESOLUTION NO. \_\_\_-24-C&FC**

**April 3, 2024**

**A RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY DIRECTING THE PRESIDENT/CEO AND COMMISSION COUNSEL TO PREPARE AND NEGOTIATE AN AGREEMENT WITH THE ORANGE COUNTY SOCIAL SERVICES AGENCY FOR CALWORKS HOME VISITING PROGRAM SERVICES; AND AUTHORIZING APPROVAL AND EXECUTION OF SUCH AGREEMENT ON BEHALF OF THE COMMISSION**

**WHEREAS**, in order to facilitate the creation and implementation of an integrated, comprehensive, and collaborative system of information and services to enhance optimal early childhood development, the legislature adopted legislation set forth in the California Children and Families Act of 1998, Health and Safety Code Section 130100, *et seq.* (as amended, the “Act”) implementing the Children and Families First Initiative passed by the California electorate in November, 1998 and establishing the California Children and Families Commission and County Children and Families Commissions, including this Children and Families Commission of Orange County (“Commission”); and

**WHEREAS**, Commission adopted its Strategic Plan to define how funds authorized under the Act and allocated to the Commission should best be used to meet the critical needs of Orange County’s children prenatal to five years of age as codified in the Act; and

**WHEREAS**, Commission desires to enter into an agreement (hereinafter referred to as the “Agreement”) with the Orange County Social Services Agency (hereinafter referred to as “Contractor”) to implement CalWORKs Home Visiting Program Services;

**WHEREAS**, the Commission desires to enter into the Agreement with Contractor for the terms and in the amounts as specified in the April 3, 2024 staff report, and applicable attachments, for this Agenda Item (hereinafter referred to as the “Agenda Item”); and

**WHEREAS**, Commission desires to enter into the Agreement with Contractor in furtherance of the purposes of the Act and the Strategic Plan on the terms and conditions set forth in the Agreement; and

**WHEREAS**, Commission has reviewed the staff report for the Agenda Item relating to the scopes of services to be provided and hereby finds and determines that the proposed Agreement is in furtherance of and consistent with the Commission’s Strategic Plan; and

**WHEREAS**, Commission desires to authorize the Commission Chair and Commission Clerk to execute the Agreement with the Contractor in the amount and for the terms as specified in the Agenda Item;

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY AS FOLLOWS:**

**Section 1** Commission finds and determines the foregoing Recitals are true and correct and are a substantive part of this Resolution.

**Section 2** Commission authorizes the President/CEO, or designee, and Commission Counsel to prepare and negotiate the Agreement with the Contractor to in the amounts and for the terms consistent with the Agenda Item.

**Section 3** The Agreement will be on the form provided by the Contractor and shall be reviewed and approved by the President/CEO, or designee, and Commission Counsel, or designee. The approval by the President/CEO, or designee, of the Agreement shall be conclusively evidenced by the execution of such Agreement by the Commission Chair and delivery thereof to the Commission Clerk.

**Section 4** Commission hereby approves the Agreement with Contractor in the amounts and for the terms as specified in the Agenda Item.

**Section 5** The Commission Chair and the Clerk of the Commission are hereby authorized to execute and attest, respectively, the Agreement on behalf of the Commission.

**Section 6** A copy of the Agreement when executed by the Commission Chair and attested by the Clerk of the Commission shall be appended hereto as a part of Exhibit A to this Resolution. Exhibit A is hereby fully incorporated as a part of this Resolution by this reference and made a part hereof. The final executed Agreement shall be placed on file in the office of the Clerk of the Commission.

**Section 7** In addition to the authorization of Section 2 above, the President/CEO, or designee, is hereby authorized, on behalf of the Commission, (i) to sign all documents necessary and appropriate to carry out and implement the Agreement, including any Amendment(s); (ii) to cause the issuance of warrants; (iii) to administer the Commission's obligations, responsibilities, and duties to be performed under such Agreement and any Amendment(s); and (iv) during the term thereof to provide waivers, administrative interpretations, and minor modifications of the provisions of such Amendment(s) in the furtherance thereof.

**Section 8** The Clerk of the Commission shall certify to the adoption of this Resolution.

The foregoing resolution was passed and adopted by the following vote of the Children and Families Commission of Orange County on April 3, 2024 to wit:

AYES Commissioners: \_\_\_\_\_

NOES Commissioner(s): \_\_\_\_\_

EXCUSED Commissioner(s): \_\_\_\_\_

ABSTAINED Commissioner(s): \_\_\_\_\_

\_\_\_\_\_  
CHAIR

STATE OF CALIFORNIA )  
 )  
COUNTY OF ORANGE )

I, ROBIN STIELER, Clerk of the Commission of Orange County, California, hereby certify that a copy of this document has been delivered to the Chair of the Commission and that the above and foregoing Resolution was duly and regularly adopted by the Children and Families Commission of Orange County.

**IN WITNESS WHEREOF**, I have hereto set my hand and seal.

\_\_\_\_\_  
ROBIN STIELER  
Clerk of the Commission, Children and Families  
Commission of Orange County, County of Orange,  
State of California

Resolution No: \_\_-24-C&FC

Agenda Date: April 3, 2024

Item No. \_\_



I certify that the foregoing is a true and correct copy of the Resolution adopted by the

ROBIN STIELER, Clerk of the Commission

By: \_\_\_\_\_  
Deputy




**EXHIBIT A TO RESOLUTION OF COMMISSION**

(Attach copy(ies) of final executed Agreement)



**Agenda Item 9**  
**April 3, 2023**

**DATE:** February 28, 2024  
**TO:** First 5 Orange County  
**FROM:** Kimberly Goll, President/CEO   
**ACTION:** Adopt Resolutions Authorizing Grant Agreement with CalOptima to Receive Funding to Expand HealthySteps and Agreements with Designated Consultants for Technical Support

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**SUMMARY:**

First 5 OC has supported five Federally Qualified Health Centers (FQHC) in Orange County to implement the evidence based model of HealthySteps. The model supports families to ensure their children receive well-child visits, developmental screening and dyadic behavioral health support. Over the last year staff have worked with CalOptima Staff to garner support to expand the implementation of HealthySteps. This agenda item recommends entering into an agreement with CalOptima to expand to an additional 10 sites.

**DISCUSSION:**

First 5 Orange County identified HealthySteps as an evidence-based, interdisciplinary pediatric primary care program designed to promote nurturing parenting and healthy development of babies and toddlers. It was developed by the organization Zero to Three to assist pediatric practices in complying with the American Academy of Pediatrics Bright Futures Guidelines and includes short-term treatment for children and/or family dyads that are experiencing mild to moderate emotional/behavioral issues.

In addition to assessing a child's growth and development through well-child visits, the HealthySteps model incorporates evidence-based screening tools that are used to identify psychosocial concerns such as postpartum depression, as well as assessing the family's social determinants of health such as food insecurity. A licensed clinician is part of the interdisciplinary team, dedicated to addressing the developmental and behavioral needs of the child or family on-site while facilitating any necessary linkages to community resources and programs.

Published outcomes of this national model point to areas of alignment with First 5 OC's strategic plan such as increased likelihood to attend scheduled well-child visits, increased understanding of child development, willingness to discuss or receive mental health support by parents, increased attachment, higher rates of developmental and nonmedical referrals, higher satisfaction rates among both clients and providers, and cost savings that exceeded program operating costs. Attachment 1 provides a graphic that explains the HealthySteps model.

In 2021 and again in 2022, First 5 OC provided funding for five FQHCs (Share Our Selves, Friends of Families, Families Together, and the University of California, Irvine's Santa Ana and Anaheim clinics). Each of these organizations have fully implemented the HealthySteps model and are well on their way to sustaining the additional services integrated into their care. Attachment 2 includes

performance management highlights that document the advancements that have been made since model adoption.

With the successful integration of this new model into existing clinics, First 5 OC began conversations with CalOptima to gauge their interest in partnering to expand HealthySteps. On March 7, 2024, the CalOptima Board approved entering into an agreement with First 5 OC for an amount not to exceed \$1.88 million. This funding will support an additional 10 clinics to adopt the HealthySteps model including: 1) the individual sites signing up to be a HealthySteps provider; 2) training from Zero to Three on the model; and 3) cohort meetings and one-on-one technical assistance by First 5 OC staff and consultants. The program will span 24 months which includes three months of startup work, nine months of intensive work to build the necessary infrastructure within the clinic and 12 months of ongoing technical assistance to support the first year of implementation.

First 5 OC will serve in the role of project lead and expert as described below:

- Developing the application document, process and selection criteria;
- Establishing contracts with participating sites (up to 10);
- Developing content for the nine months of cohort training in partnership with CalOptima, Zero to Three, and the HealthySteps Director;
- Providing one-on-one site-specific technical assistance on a monthly basis; and
- Supporting the expansion of a learning community for the existing HealthySteps sites to include the additional 10 sites once they are trained and implementation begins.

Staff recommends entering into a grant agreement with CalOptima for an amount not to exceed \$1.88 million for a term of 24 months. The grant agreement will cover the cost of First 5 OC staff and consultant time, direct financial support to increase staffing, and costs associated with licensing and training for the HealthySteps model. With the successful implementation of this model in 10 additional clinics, we anticipate that more than 10,000 children ages 0-4 will benefit from higher compliance rates for well-child visits, developmental and behavioral screening, and when appropriate, additional dyadic care visits. Consistent with the prior implementation of HealthySteps into clinical settings, staff recommends entering into agreements with two expert consultants to support program implementation (see Attachment 4 for the scope, maximum payment obligation and terms).

Next steps for implementation include, finalizing the application document for prospective clinics, conducting outreach to clinics to provide information about the model, the benefits and anticipated workload, and clinic selection. Once the clinics have been selected, staff will return to the First 5 OC Board for contracting authority.

#### **STRATEGIC PLAN & FISCAL SUMMARY:**

The recommended action presented in this agenda item have been reviewed in relation to the Strategic Plan and are consistent with applicable goals. The funding award and associated expenditures will be in the Fiscal Year 2023-2024 and 2024-2025 budget.

#### **PRIOR COMMISSION ACTIONS:**

- June 2021 – Approval of Funding for Three Clinics to Implement HealthySteps
- August 2022 – Approval of Funding for Two Clinics to Implement HealthySteps

**RECOMMENDED ACTIONS:**

1. Authorize receipt of \$1,880,000 and adopt resolution (Attachment 3) authorizing the President /CEO, or designee to execute the Grant Agreement with CalOptima for a maximum obligation of \$1,880,000 for a term of two years.
2. Adopt resolution (Attachment 5) authorizing the President/CEO, or designee, and Commission Counsel to prepare and negotiate new agreements with consultants for the scope and terms identified in Attachment 4.

**ATTACHMENTS:**

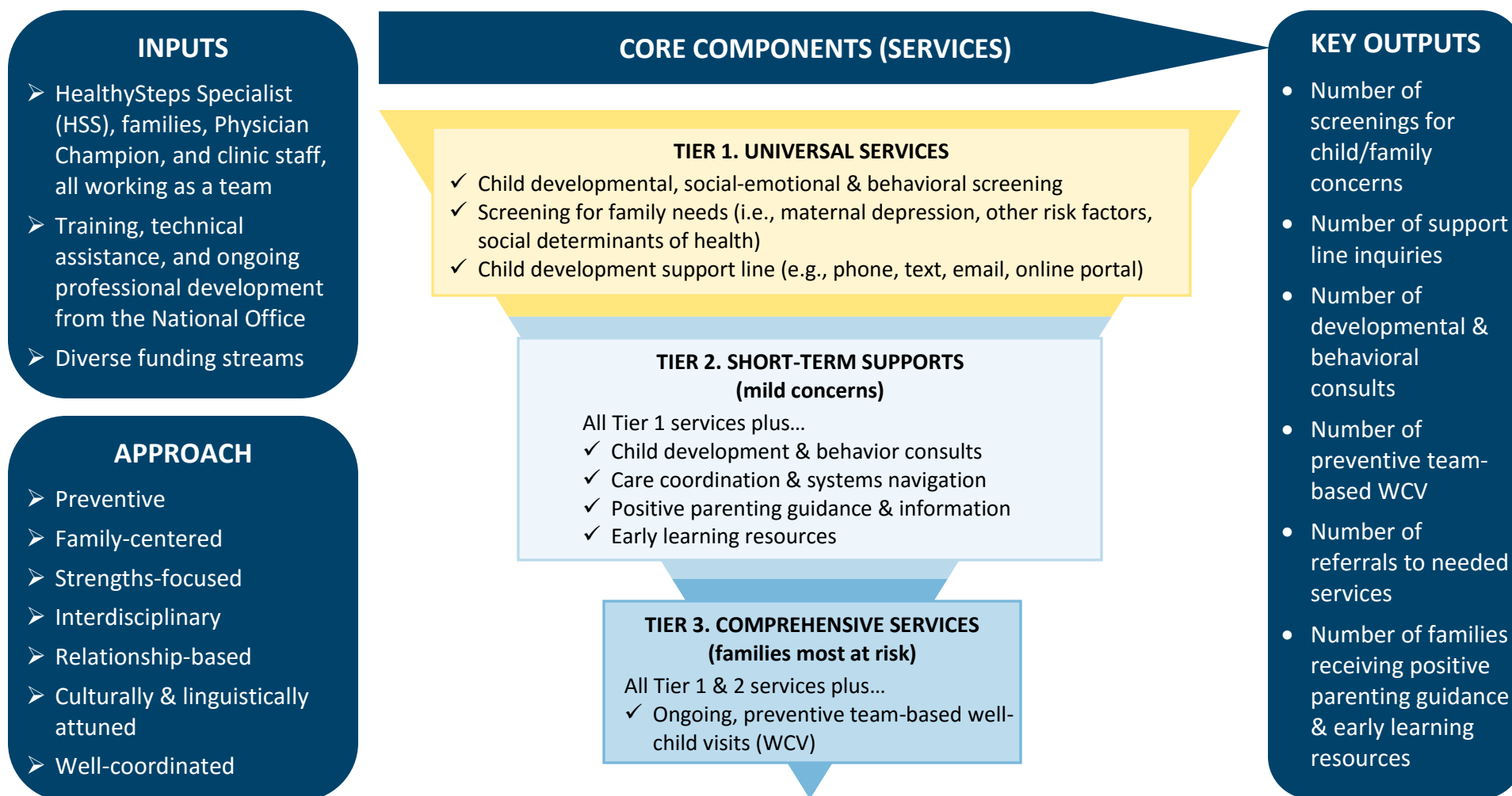
1. HealthySteps Logic Model
2. HealthySteps Clinic Performance Management Highlights
3. CalOptima Resolution
4. Consultants Term Sheet
5. Consultant Resolution

**CONTACT:** Kim Goll



## HealthySteps Logic Model

HealthySteps transforms the promise of pediatric care to improve the health and well-being of babies and young children so that they thrive in school and life. We set the standard by integrating a child development specialist into the primary care team to promote healthy relationships, foster positive parenting, strengthen early social and emotional development, and ensure access to services that address both child and family needs, with a particular emphasis on families living in low-income communities.

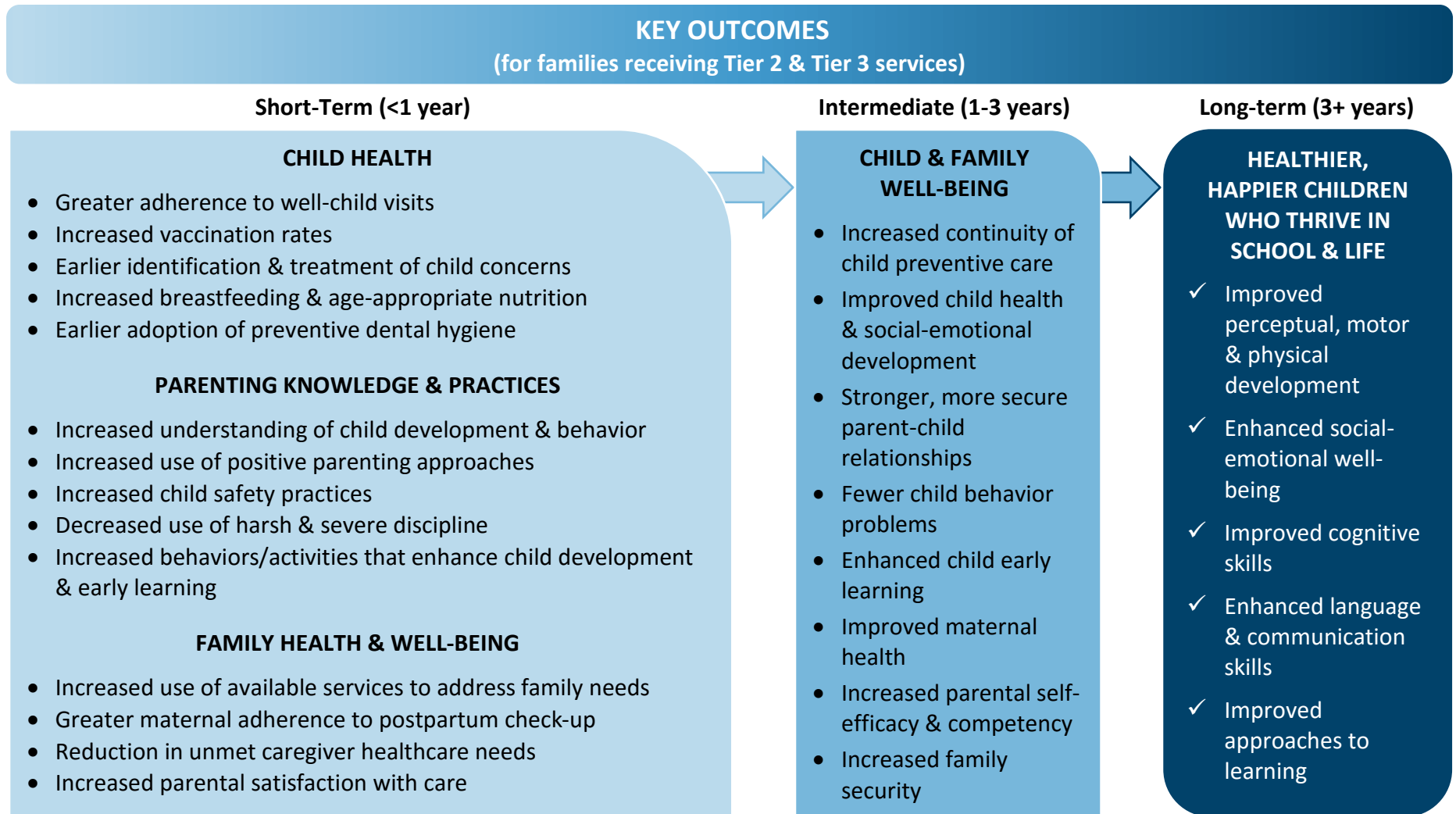




**PEDIATRIC CARE • SUPPORTING • PARENTING**  
**A Program of ZERO TO THREE**

## HealthySteps Logic Model

HealthySteps positively affects both children and their families. Many of the outcomes listed below were demonstrated in a large national evaluation, whereas others were indicated in local evaluations or other published research. The National Office continues to assess and refine our understanding of the model's outcomes today. To learn more, visit [HealthySteps.org](https://HealthySteps.org).



## **HealthySteps Clinic Performance Management Highlights**

- In FY 22/23 the five clinics that implemented HealthySteps had 2,206 children, ages 0-3 empaneled in their practices. In FY 23/24 this number has increased to 3,838 or by about 73% year over year.
- In FY 22/23 the clinics conducted 4,929 Well child Visits (WCV) and in FY 23/24, for quarters 1 and 2, the clinics have conducted 2,699 WCVs, which are projected to increase to 5,390 by year end (109% increase).
- Year to date, calls to the HealthySteps Specialists (HSS) child development support line are equal to what they were for the entire year in FY 22/23 = 275 calls, FY 23/24 (2 quarters) = 277 calls. The call line allows the HSS to quickly respond to parental concerns (sleep and feeding issues, tantrums, etc.) and determine if the child/dyad needs to be seen before their next WCV or if they have an urgent concern that needs to be addressed by the clinic team emergently.
- In FY 22/23, Tier 2 behavioral visits with the HSS are expected to increase by 150%. In FY 22/23 the HealthySteps Specialists (HSSs) provided 355 Tier 2 visits. YTD, they have provided 270 Tier 2 visits and are projected to provide 540 Tier 2 visits by year end resulting in a 150% increase year-over-year. Tier 3 visits are also increasing year-over-year. In FY 22/23 the HSSs provided a total of 143 Tier 3 visits, YTD, they have provided 107 Tier 3 visits and are projected to provide at least 214 Tier 3 visits by the end of the fiscal year resulting in an almost 150% increase year-over-year.
- In FY 22/23, the five clinics program expenses exceeded revenues by \$112,505. As the clinics became more accustomed to billing for dyadic care and experienced the increase in HSS visits, the fiscal picture has improved significantly. Year to date the clinics' revenue is \$133,995 with total expenses of \$135,641. Expenses exceed revenues by \$1,560. By year end, with the new dyadic benefits rolling out, we are projecting that all five clinics will break even or have revenues exceeding expenses.

**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY**

**RESOLUTION NO. \_\_\_-24-C&FC**

**April 1, 2024**

**A RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY AUTHORIZING THE PRESIDENT/CEO TO EXECUTE A GRANT AGREEMENT WITH ORANGE COUNTY HEALTH AUTHORITY DBA CALOPTIMA HEALTH TO EXPAND THE HEALTHYSTEPS PROGRAM; AND AUTHORIZING APPROVAL AND EXECUTION OF SUCH AGREEMENT ON BEHALF OF THE COMMISSION**

**WHEREAS**, in order to facilitate the creation and implementation of an integrated, comprehensive, and collaborative system of information and services to enhance optimal early childhood development, the legislature adopted legislation set forth in the California Children and Families Act of 1998, Health and Safety Code Section 130100, *et seq.* (as amended, the “Act”) implementing the Children and Families First Initiative passed by the California electorate in November, 1998 and establishing the California Children and Families Commission and County Children and Families Commissions, including this Children and Families Commission of Orange County (“Commission”); and

**WHEREAS**, Commission adopted its Strategic Plan to define how funds authorized under the Act and allocated to the Commission should best be used to meet the critical needs of Orange County’s children prenatal to five years of age as codified in the Act; and

**WHEREAS**, Commission desires to enter into a grant agreement (hereinafter referred to as the “Grant Agreement”) with the Orange County Health Authority dba CalOptima Health (hereinafter referred to as “Grantor”) to expand the HealthySteps Program;

**WHEREAS**, the Commission desires to enter into the Grant Agreement with Grantor for the terms and in the amounts as specified in the April 3, 2024 staff report, including attachments, for this Agenda Item (hereinafter referred to as the “Agenda Item”); and

**WHEREAS**, Commission desires to enter into the Grant Agreement with Grantor in furtherance of the purposes of the Act and the Strategic Plan on the terms and conditions set forth in the Agreement; and

**WHEREAS**, Commission has reviewed the Agenda Item relating to the grant and hereby finds and determines that the proposed Grant Agreement is in furtherance of and consistent with the Commission’s Strategic Plan; and

**WHEREAS**, Commission desires to authorize the President/CEO, Commission Chair, and/or Commission Clerk, as required by the grant, to execute the Grant Agreement with the Grantor in the amount and for the terms as specified in the Agenda Item;

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY AS FOLLOWS:**

**Section 1** Commission finds and determines the foregoing Recitals are true and correct and are a substantive part of this Resolution.



**Section 2** Commission authorizes the President/CEO, or designee, execute the Grant Agreement with the Grantor to in the amounts and for the terms consistent with the Agenda Item.

**Section 3** The Grant Agreement will be on the form provided by the Grantor and shall be reviewed and approved by the President/CEO, or designee, and Commission Counsel. The approval by the President/CEO, or designee, of the Agreement shall be conclusively evidenced by the execution of such Agreement by the President/CEO or by the Commission Chair and delivery thereof to the Commission Clerk, as required by the Grant Agreement.

**Section 4** Commission hereby approves the Grant Agreement with the Grantor in the amounts and for the terms as specified in the Agenda Item.

**Section 5** The President/CEO and/or Commission Chair and the Clerk of the Commission are hereby authorized to execute and attest, respectively, the Grant Agreement on behalf of the Commission.

**Section 6** A copy of the Grant Agreement when executed by the President/CEO and/or Commission Chair and attested by the Clerk of the Commission shall be appended hereto as a part of Exhibit A to this Resolution. Exhibit A is hereby fully incorporated as a part of this Resolution by this reference and made a part hereof. The final executed Grant Agreement shall be placed on file in the office of the Clerk of the Commission.

**Section 7** In addition to the authorization of Section 2 above, the President/CEO, or designee, is hereby authorized, on behalf of the Commission, (i) to sign all documents necessary and appropriate to carry out and implement the Grant Agreement, including any Amendment(s); (ii) to cause the issuance of warrants; (iii) to administer the Commission's obligations, responsibilities, and duties to be performed under such Grant Agreement and any Amendment(s); and (iv) during the term thereof to provide waivers, administrative interpretations, and minor modifications of the provisions of such Amendment(s) in the furtherance thereof.

**Section 8** The Clerk of the Commission shall certify to the adoption of this Resolution.

The foregoing resolution was passed and adopted by the following vote of the Children and Families Commission of Orange County on April 3, 2024 to wit:

AYES Commissioners: \_\_\_\_\_

NOES Commissioner(s): \_\_\_\_\_

EXCUSED Commissioner(s): \_\_\_\_\_

ABSTAINED Commissioner(s): \_\_\_\_\_

\_\_\_\_\_  
CHAIR

STATE OF CALIFORNIA )  
 )  
COUNTY OF ORANGE )

I, ROBIN STIELER, Clerk of the Commission of Orange County, California, hereby certify that a copy of this document has been delivered to the Chair of the Commission and that the above and foregoing Resolution was duly and regularly adopted by the Children and Families Commission of Orange County.

**IN WITNESS WHEREOF**, I have hereto set my hand and seal.

\_\_\_\_\_  
ROBIN STIELER  
Clerk of the Commission, Children and Families  
Commission of Orange County, County of Orange,  
State of California

Resolution No: \_\_-24-C&FC

Agenda Date: April 3, 2024

Item No. \_\_



I certify that the foregoing is a true and correct copy of the Resolution adopted by the

ROBIN STIELER, Clerk of the Commission

By: \_\_\_\_\_  
Deputy

**EXHIBIT A TO RESOLUTION OF COMMISSION**

(Attach copy(ies) of final executed Agreement)

Contract Number	Consultant	Term	Maximum Payment Obligation	Scope of Work
C-490	Hoda Shawky	2 years (4/3/2024 to 4/2/2026)	\$150,000	Provide technical assistance to pediatric clinical teams to successfully implement the HealthySteps Model. Consultant has expertise in clinical operations from a provider focus and early childhood mental health and early relational health.
C-491	Debra Mathias	2 years (4/3/2024 to 4/2/2026)	\$190,000	Provide technical assistance to pediatric clinical teams to successfully implement the HealthySteps Model. Consultant has expertise in practice improvement that is consistent with model implementation and billing and operations that maximize billing.

**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY**

**RESOLUTION NO. \_\_\_-24-C&FC**

**April 3, 2024**

**A RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY AUTHORIZING THE PRESIDENT/CEO AND COMMISSION COUNSEL TO PREPARE AND NEGOTIATE AGREEMENTS, AT THE PRESIDENT/CEO'S SOLE DISCRETION, WITH DESIGNATED CONSULTANTS TO EXPAND THE HEALTHYSTEPS PROGRAM; AND, AUTHORIZING APPROVAL AND EXECUTION OF SUCH AGREEMENTS ON BEHALF OF THE COMMISSION**

**WHEREAS**, in order to facilitate the creation and implementation of an integrated, comprehensive, and collaborative system of information and services to enhance optimal early childhood development, the legislature adopted legislation set forth in the California Children and Families Act of 1998, Health and Safety Code Section 130100, *et seq.* (as amended, the "Act") implementing the Children and Families First Initiative passed by the California electorate in November, 1998 and establishing the California Children and Families Commission and County Children and Families Commissions, including this Children and Families Commission of Orange County ("Commission"); and

**WHEREAS**, Commission adopted its Strategic Plan to define how funds authorized under the Act and allocated to the Commission should best be used to meet the critical needs of Orange County's children prenatal to five years of age as codified in the Act; and

**WHEREAS**, the Commission desires to enter into Agreements for expansion of the HealthySteps Program (hereinafter collectively referred to as the "Agreements"), at the President/CEO's sole discretion, with various consultants (hereinafter referred to as the "Contractors") for the terms, in the amounts, and on the conditions as described in in the staff report, and any attachments, for this April 3, 2024 Agenda Item (hereinafter referred to as the "Agenda Item");

**WHEREAS**, each Contractor desires to enter into its respective Agreement, if authorized by the President/CEO, in furtherance of the purposes of the Act and the Strategic Plan on the terms and conditions set forth in the Agreement; and

**WHEREAS**, Commission has reviewed the Agenda Item relating to the scopes of services to be provided and hereby finds and determines that the proposed Agreements are in furtherance of and consistent with the Commission's Strategic Plan; and

**WHEREAS**, Commission desires to authorize the Commission Chair and Commission Clerk to execute the Agreements with each of the Contractors for the terms, in the amounts, and on the conditions as specified in the Agenda Item.

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY AS FOLLOWS:**

**Section 1** Commission finds and determines the foregoing Recitals are true and correct and are a substantive part of this Resolution.

**Section 2** Commission authorizes the President/CEO, or designee, and Commission Counsel to prepare and negotiate the Agreements with each of the Contractors for the terms, in the amounts, and on the conditions consistent with the Agenda Item; and

**Section 3** The form of any Agreements shall be substantially similar to the standard form agreements, subject to minor, non-substantive revisions, or as otherwise required to comply with external funding sources, and will be reviewed and approved by the President/CEO, or designee, and Commission Counsel. The approval by the President/CEO, or designee, of the Agreements shall be conclusively evidenced by the execution of such Agreements by the Commission Chair and delivery thereof to the Commission Clerk.

**Section 4** Commission hereby approves the Agreements, which will be authorized at the President/CEO's sole discretion, with each of the Contractors for the terms, in the amounts, and on the conditions as specified in the Agenda Item.

**Section 5** The Commission Chair and the Clerk of the Commission are hereby authorized to execute and attest, respectively, the Agreements on behalf of the Commission.

**Section 6** A copy of each final Agreement, when executed by the Commission Chair and attested by the Clerk of the Commission, shall be appended hereto as a part of Exhibit A to this Resolution. Exhibit A is hereby fully incorporated as a part of this Resolution by this reference and made a part hereof. Each final executed Agreement shall be placed on file in the office of the Clerk of the Commission.

**Section 7** In addition to the authorization of Section 2 above, the President/CEO, or designee, is hereby authorized, on behalf of the Commission, (i) to sign all documents necessary and appropriate to carry out and implement the Agreement(s), including any Amendment(s); (ii) to cause the issuance of warrants; (iii) to administer the Commission's obligations, responsibilities, and duties to be performed under such agreement(s); and (iv) during the term thereof to provide waivers, administrative interpretations, and minor modifications of the provisions of such agreement(s) in the furtherance thereof.

**Section 8** The Clerk of the Commission shall certify to the adoption of this Resolution.

The foregoing resolution was passed and adopted by the following vote of the Children and Families Commission of Orange County on April 3, 2024 to wit:

AYES Commissioners: \_\_\_\_\_

NOES: Commissioner(s): \_\_\_\_\_

EXCUSED: Commissioner(s): \_\_\_\_\_

ABSTAINED: Commissioner(s) \_\_\_\_\_

\_\_\_\_\_  
CHAIR

STATE OF CALIFORNIA )  
 )  
COUNTY OF ORANGE )

I, ROBIN STIELER, Clerk of the Commission of Orange County, California, hereby certify that a copy of this document has been delivered to the Chair of the Commission and that the above and foregoing Resolution was duly and regularly adopted by the Children and Families Commission of Orange County.

**IN WITNESS WHEREOF**, I have hereto set my hand and seal.

\_\_\_\_\_  
ROBIN STIELER  
Clerk of the Commission, Children and Families Commission of  
Orange County, County of Orange, State of California

Resolution No: \_\_-24-C&FC

Agenda Date: April 3, 2024

Item No. \_\_



I certify that the foregoing is a true and correct copy of the Resolution adopted by the

Robin Stieler, Clerk of the Commission

By: \_\_\_\_\_  
Deputy

**EXHIBIT A TO RESOLUTION OF COMMISSION**

(Attach copy(ies) of final executed Agreements)





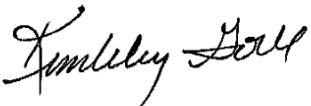
**Agenda Item 10**  
**April 3, 2024**

**DATE:** April 3, 2024

**TO:** First 5 Orange County

**FROM:** Kimberly Goll, President/CEO

**ACTION:** Authorize Receipt of Funds and Adopt Resolution Authorizing a Grant Agreement with CalOptima for participation in the Community Health Worker Learning Academy



**SUMMARY:**

In December 2023, CalOptima Health Services released a Notice of Funding Opportunity (NOFO) as part of their Incentive Payment Program for the Community Health Worker (CHW) Learning Academy. First 5 Orange County responded with a proposal and has been selected as one of the awardees for \$100,000 for a term of one year. This agenda item seeks contracting authority for participation in the CHW Learning Academy.

**DISCUSSION:**

Community Health Worker (CHW) services are health services to prevent disease, disability, and other health conditions or their progression; to prolong life; and promote physical and mental health. CHW services may address issues that include, but are not limited to, the control and prevention of chronic conditions or infectious diseases; mental health conditions and substance use disorders; need for preventive services; perinatal health conditions; sexual and reproductive health; environmental and climate-sensitive health issues; child health and development; oral health; aging; injury; domestic violence; and violence prevention (DHCS, 2022). The Department of Health Care Services added CHW services as a Medi-Cal benefit starting July 1, 2022 as part of the California Advancing and Innovating Medi-Cal (CalAIM) initiative.

First 5 OC is committed to supporting CHW services as an integral piece of the Prenatal to 3 system of care. As trusted community members with lived experience, Community Health Workers have a long history of connecting those not well served by the traditional health care system with culturally competent health and social services. Our goal is to improve health outcomes for families by efficiently linking them to CHW services to increase access to care, reduce health disparities, reduce social determinants of health, and effectively navigate social service systems.

CalOptima Health Services has selected First 5 Orange County to receive \$100,000 for one year to participate in the CHW Learning Academy. This funding will allow First 5 OC (in partnership with Orange County United Way/211OC/Help Me Grow) to gain an in-depth understanding of the organizational and technology capacity needed to effectively support CHW services. This will enable both partners to build or augment current IT capacity, improve agency workflows, and ultimately serve Medi-Cal members more effectively. Between our two agencies, seven key staff

members will participate in the CHW Learning Academy and implement learnings to achieve the following objectives:

1. Develop an IT infrastructure for CHW reporting, billing management and workflows to track health outcomes;
2. Integrate First 5 OC-funded CHW activities into 211OC/Help Me Grow's system to enable families to connect with comprehensive health services; and
3. Build organizational understanding of and capacity for CHW implementation.

These learnings will complement the preceding investments of First 5 OC, including the recent sponsorship of a CHW certificated learning cohort at Orange Coast Community College and First 5 OC's Prenatal Strategy, prioritizing early engagement with prenatal families through a multifaceted approach led by CHWs. In addition, the learnings from this academy will support long-term First 5 OC sustainability strategies.

Staff recommends entering into an agreement with CalOptima Health for a total of \$100,000 for one year. Staff also recommends contracting with CalOptima Health to participate in the CHW Learning Academy.

**STRATEGIC PLAN & FISCAL SUMMARY:**

The recommended actions have been reviewed in relation to the Strategic Plan and are consistent with all goal areas and in alignment with our strategies. The funding to support the participation in the CHW Learning Academy will be added to the Fiscal Years 2023-2024 and 2024-2025 budgets.

**PRIOR COMMISSION ACTIONS:**

- N/A

**RECOMMENDED ACTION:**

1. Authorize receipt of \$100,000 and adopt resolution (Attachment 1) authorizing the President /CEO, or designee to execute the Grant Agreement with CalOptima for a maximum obligation of \$100,000 for a term of one year.

**ATTACHMENT:**

1. CalOptima Health Resolution

**CONTACT:** Sara Brown

**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY**

**RESOLUTION NO. \_\_\_-24-C&FC**

**April 1, 2024**

**A RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY AUTHORIZING THE PRESIDENT/CEO TO EXECUTE A GRANT AGREEMENT WITH ORANGE COUNTY HEALTH AUTHORITY DBA CALOPTIMA HEALTH FOR THE COMMUNITY HEALTH WORKER LEARNING ACADEMY; AND AUTHORIZING APPROVAL AND EXECUTION OF SUCH AGREEMENT ON BEHALF OF THE COMMISSION**

**WHEREAS**, in order to facilitate the creation and implementation of an integrated, comprehensive, and collaborative system of information and services to enhance optimal early childhood development, the legislature adopted legislation set forth in the California Children and Families Act of 1998, Health and Safety Code Section 130100, *et seq.* (as amended, the “Act”) implementing the Children and Families First Initiative passed by the California electorate in November, 1998 and establishing the California Children and Families Commission and County Children and Families Commissions, including this Children and Families Commission of Orange County (“Commission”); and

**WHEREAS**, Commission adopted its Strategic Plan to define how funds authorized under the Act and allocated to the Commission should best be used to meet the critical needs of Orange County’s children prenatal to five years of age as codified in the Act; and

**WHEREAS**, Commission desires to enter into a grant agreement (hereinafter referred to as the “Grant Agreement”) with the Orange County Health Authority dba CalOptima Health (hereinafter referred to as “Grantor”) for the Community Health Worker Learning Academy;

**WHEREAS**, the Commission desires to enter into the Grant Agreement with Grantor for the terms and in the amounts as specified in the April 3, 2024 staff report, including attachments, for this Agenda Item (hereinafter referred to as the “Agenda Item”); and

**WHEREAS**, Commission desires to enter into the Grant Agreement with Grantor in furtherance of the purposes of the Act and the Strategic Plan on the terms and conditions set forth in the Agreement; and

**WHEREAS**, Commission has reviewed the Agenda Item relating to the grant and hereby finds and determines that the proposed Grant Agreement is in furtherance of and consistent with the Commission’s Strategic Plan; and

**WHEREAS**, Commission desires to authorize the President/CEO, Commission Chair, and/or Commission Clerk, as required by the grant, to execute the Grant Agreement with the Grantor in the amount and for the terms as specified in the Agenda Item;

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY AS FOLLOWS:**

**Section 1** Commission finds and determines the foregoing Recitals are true and correct and are a substantive part of this Resolution.

**Section 2** Commission authorizes the President/CEO, or designee, execute the Grant Agreement with the Grantor to in the amounts and for the terms consistent with the Agenda Item.

**Section 3** The Grant Agreement will be on the form provided by the Grantor and shall be reviewed and approved by the President/CEO, or designee, and Commission Counsel. The approval by the President/CEO, or designee, of the Agreement shall be conclusively evidenced by the execution of such Agreement by the President/CEO or by the Commission Chair and delivery thereof to the Commission Clerk, as required by the Grant Agreement.

**Section 4** Commission hereby approves the Grant Agreement with the Grantor in the amounts and for the terms as specified in the Agenda Item.

**Section 5** The President/CEO and/or Commission Chair and the Clerk of the Commission are hereby authorized to execute and attest, respectively, the Grant Agreement on behalf of the Commission.

**Section 6** A copy of the Grant Agreement when executed by the President/CEO and/or Commission Chair and attested by the Clerk of the Commission shall be appended hereto as a part of Exhibit A to this Resolution. Exhibit A is hereby fully incorporated as a part of this Resolution by this reference and made a part hereof. The final executed Grant Agreement shall be placed on file in the office of the Clerk of the Commission.

**Section 7** In addition to the authorization of Section 2 above, the President/CEO, or designee, is hereby authorized, on behalf of the Commission, (i) to sign all documents necessary and appropriate to carry out and implement the Grant Agreement, including any Amendment(s); (ii) to cause the issuance of warrants; (iii) to administer the Commission's obligations, responsibilities, and duties to be performed under such Grant Agreement and any Amendment(s); and (iv) during the term thereof to provide waivers, administrative interpretations, and minor modifications of the provisions of such Amendment(s) in the furtherance thereof.

**Section 8** The Clerk of the Commission shall certify to the adoption of this Resolution.

The foregoing resolution was passed and adopted by the following vote of the Children and Families Commission of Orange County on April 3, 2024 to wit:

AYES Commissioners: \_\_\_\_\_

NOES Commissioner(s): \_\_\_\_\_

EXCUSED Commissioner(s): \_\_\_\_\_

ABSTAINED Commissioner(s): \_\_\_\_\_

\_\_\_\_\_  
CHAIR

STATE OF CALIFORNIA )  
 )  
COUNTY OF ORANGE )

I, ROBIN STIELER, Clerk of the Commission of Orange County, California, hereby certify that a copy of this document has been delivered to the Chair of the Commission and that the above and foregoing Resolution was duly and regularly adopted by the Children and Families Commission of Orange County.

**IN WITNESS WHEREOF**, I have hereto set my hand and seal.

\_\_\_\_\_  
ROBIN STIELER  
Clerk of the Commission, Children and Families  
Commission of Orange County, County of Orange,  
State of California

Resolution No: \_\_-24-C&FC

Agenda Date: April 3, 2024

Item No. \_\_



I certify that the foregoing is a true and correct copy of the Resolution adopted by the

ROBIN STIELER, Clerk of the Commission

By: \_\_\_\_\_  
Deputy

**EXHIBIT A TO RESOLUTION OF COMMISSION**

(Attach copy(ies) of final executed Agreement)



## Agenda Item 11 April 3, 2024

**DATE:** March 6, 2024

**TO:** First 5 Orange County

**FROM:** Kimberly Goll, President/CEO

A handwritten signature in black ink, appearing to read "Kimberly Goll", written over a light blue horizontal line.

**ACTION:** Adopt Resolution Authorizing New Agreements with Designated Hospitals for Maternal Screening and Linkage to Services and Additional Organizations and Individuals Providing Technical and Data Support

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### **SUMMARY:**

First 5 Orange County has contracted with the major high birthing hospitals for more than 20 years to assist with maternal bedside screening and linkage to voluntary home visiting services, when appropriate. The agreements with the hospitals are scheduled to terminate on June 30, 2024. This agenda item requests funding authorization for new agreements with the hospitals and supporting vendors and provides a framework for a scope of work more closely aligned with the updated First 5 Orange County Strategic Plan and the expanded Medi-Cal benefit package.

### **DISCUSSION:**

First 5 Orange County contracts with the eight major birthing hospitals in Orange County, reaching nearly 70 percent of all births. Specifically, hospitals allow for the automated analysis of admitting data for social and economic risk factors that may indicate which families could benefit from home visiting services. In addition to the automated screening, First 5 OC's funding supports staff at each hospital who conduct a maternal bedside assessment and linkage to services for those families whose automated screen indicates risk.

The hospital contracts end on June 30, 2024. In preparation for a new three-year funding cycle and agreement amendments, staff conducted a review of the existing hospital scopes of work. Based on this review and considering the recent expansion of Medi-Cal benefits and First 5 OC's expansion of services, we have the following recommendations.

- **Support hospitals to adopt new policies and practices to strengthen their family-centered system of care.** This would be accomplished by requiring hospitals to participate in technical assistance and knowledge sharing that improves integration of doula support services and peer-to-peer supports related to the implementation of the Family Wellness Plans (formerly Plans of Safe Care).
- **Increase the number of families who are screened for risk and connected to services post birth.** We would require hospitals to participate in facilitated quarterly meetings where information is shared about how to access services in addition to home visiting such as Black Infant Health (BIH), enrollment into a HealthySteps clinic, referrals to our designated coordinated entry hub for linkage to Engaged Neighborhood activities, Kid Builders, and child care resources. We will work closely with hospitals to develop and track referral practices and will align with existing countywide referral pathways.

- **Ensure that the hospitals understand how the alignment of services and staffing can assist in securing sustainable revenue.** It is imperative that our partners continue to align their services to Medi-Cal entitled benefits and prioritize the leveraging of any additional funds.

First 5 staff recommends entering into new three-year agreements with the eight high volume birthing hospitals in the county, with the alterations in scope described above. Attachment 1 provides the name of each hospital, and recommended term and funding amount.

Our work with the hospitals is enhanced because of the combined effort of the Hospital Association of Southern California (HASC), NetChemistry, and support from Dianna Daly, a consultant with professional experience guiding the work with Family Wellness Plans. Staff recommends entering into new agreements with these vendors, which are sole sourced, given the unique nature of the work they perform.

- HASC has provided specific technical assistance to First 5 OC and the participating hospitals since 2000 when the program was designed and initiated. The participating hospitals look to HASC for communications, technical assistance, and support on countywide initiatives such as Family Wellness Plans. HASC will support sustainability efforts and leveraging additional federal funding through Medi-Cal Administrative Activities.
- NetChemistry is the vendor for the online database that underpins the screening, referral, and tracking for home visiting clients. NetChemistry software is used for the automated screening of all births at the eight hospitals; collects and tracks client-level data for all potential home visiting clients; and streamlines the necessary reporting for leveraging targeted case management funding. This system was developed by experts with capacity to work with hospitals and protect Health Insurance Portability and Accountability Act (HIPAA) protected data. NetChemistry has exclusive software capabilities, qualifying them as a sole source vendor for hosting the hospital data system known as Bridges Connect.

#### **STRATEGIC PLAN & FISCAL SUMMARY:**

The recommended actions have been reviewed in relation to the Strategic Plan and align with the Get Involved Early, Elevate Equity, Empower Champions, and Align Systems of Care strategies. Funding for this request will be added to the FY 2024-2025 budget.

#### **PRIOR COMMISSION ACTIONS:**

- April 2023 – Receive Report on Results of Prenatal-to-Three Request for Information and Authorize Agreements for Implementation
- February 2020 – Authorize Agreements with Designated Organizations to Provide Prenatal-to-Three Services

#### **RECOMMENDED ACTIONS:**

1. Adopt resolution (Attachment 2) authorizing the President/CEO, or designee, and Commission Counsel to prepare and negotiate agreements, at the President/CEO's sole discretion, with designated hospitals, organizations, and individuals to provide maternal bedside screenings, linkage to referrals, and technical support as listed in Attachment 1.

#### **ATTACHMENTS:**

1. Term Sheet
2. Resolution

**CONTACT:** Sara Brown



# Hospital and Support Vendor Term Sheet

Attachment 1

Organization/Program	Contract Number	Term	FY 24/25	FY 25/26	FY 26/27	Maximum Payment Obligations	Scope of Work
AHMC Anaheim Regional Medical Center	FCI-BN5-02	7/1/2024-6/30/2027	\$100,000	\$100,000	\$100,000	\$300,000	
South Coast Global Medical Center	FCI-BN5-03	7/1/2024-6/30/2027	\$80,000	\$80,000	\$80,000	\$240,000	
Fountain Valley Regional Hospital and Medical Center	FCI-BN5-04	7/1/2024-6/30/2027	\$170,000	\$170,000	\$170,000	\$510,000	
Hoag Memorial Hospital Presbyterian	FCI-BN5-06	7/1/2024-6/30/2027	\$125,000	\$125,000	\$125,000	\$375,000	
Mission Hospital Regional Medical Center	FCI-BN5-07	7/1/2024-6/30/2027	\$130,000	\$130,000	\$130,000	\$390,000	Support and champion the implmentation of Family Wellness Plans, distribution of the Kit for New Parents, selected maternal bedside screening, bedside education and referrals as needed for children/families identified through screening. Hospitals will continue participating in Medi-Cal Administrative Activities (MAA) Medicaid reimbursement programs and participate in Bridges continuous quality improvement and program evaluation activities.
St Joseph Hospital of Orange	FCI-BN5-08	7/1/2024-6/30/2027	\$229,000	\$229,000	\$229,000	\$687,000	
St Jude Hospital, Inc. dba St Jude Medical Center	FCI-BN5-09	7/1/2024-6/30/2027	\$80,000	\$80,000	\$80,000	\$240,000	
Orange County Global Medical Center	FCI-BN5-11	7/1/2024-6/30/2027	\$145,000	\$145,000	\$145,000	\$435,000	
TOTAL			\$1,059,000	\$1,059,000	\$1,059,000	\$3,177,000	

Organization	Contract Number	Term	FY 24/25	FY 25/26	FY 26/27	Maximum Payment Obligations	Scope of Work
Hospital Association of Southern California (HASC)	PS-313	7/1/2024-6/30/2027	\$124,816	\$124,816	124,816	\$374,448	Support hospitals with communications, technical assistance, data and participation in Family Wellness Plans hopsital coordination. HASC will begin to participate in Medi-Cal Administrative Activities (MAA) Medicaid reimbursement programs, continue participation as appropriate to the scope.

Organization/Consultant	Contract Number	Term	FY 24/25	Maximum Payment Obligation	Scope of Work
Net Chemistry	PS-315	7/1/2024-6/30/2025	\$135,000	\$135,000	Provides an on-line database to collect data for funded partners. System will be maintaind in compliance with Health Insurance Portability and Accountability Act (HIPAA) protected data.
Dianna Daly	C-499	7/1/2024-6/30/2025	\$105,000	\$105,000	Provides professional expertise in the implementation of Family Wellness Plans. Participate in Bridges Hospitals Family Wellness Plan pilot planning committee. Consultant provides histoical knowledge and lends expertise in with state and county stakeholders on Family Wellness Plans and working with amilies experiencing substance use disorder.

**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY**

**RESOLUTION NO. \_\_\_-24-C&FC**

**April 3, 2024**

**A RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY AUTHORIZING THE PRESIDENT/CEO AND COMMISSION COUNSEL TO PREPARE AND NEGOTIATE AGREEMENTS, AT THE PRESIDENT/CEO'S SOLE DISCRETION, WITH DESIGNATED ORGANIZATIONS AND INDIVIDUALS FOR MATERNAL BEDSIDE SCREENINGS, LINKAGE TO REFERRALS, AND RELATED TECHNICAL SUPPORT; AND, AUTHORIZING APPROVAL AND EXECUTION OF SUCH AGREEMENTS ON BEHALF OF THE COMMISSION**

**WHEREAS**, in order to facilitate the creation and implementation of an integrated, comprehensive, and collaborative system of information and services to enhance optimal early childhood development, the legislature adopted legislation set forth in the California Children and Families Act of 1998, Health and Safety Code Section 130100, *et seq.* (as amended, the "Act") implementing the Children and Families First Initiative passed by the California electorate in November, 1998 and establishing the California Children and Families Commission and County Children and Families Commissions, including this Children and Families Commission of Orange County ("Commission"); and

**WHEREAS**, Commission adopted its Strategic Plan to define how funds authorized under the Act and allocated to the Commission should best be used to meet the critical needs of Orange County's children prenatal to five years of age as codified in the Act; and

**WHEREAS**, the Commission desires to enter into agreements for maternal bedside screenings, linkage to referrals, and related technical support (hereinafter collectively referred to as the "Agreements"), at the President/CEO's sole discretion, with various organizations and individuals (hereinafter referred to as the "Contractors") for the terms, in the amounts, and on the conditions as described in in the staff report, and any attachments, for this April 3, 2024 Agenda Item (hereinafter referred to as the "Agenda Item");

**WHEREAS**, each Contractor desires to enter into its respective Agreement, if authorized by the President/CEO, in furtherance of the purposes of the Act and the Strategic Plan on the terms and conditions set forth in the Agreement; and

**WHEREAS**, Commission has reviewed the Agenda Item relating to the scopes of services to be provided and hereby finds and determines that the proposed Agreements are in furtherance of and consistent with the Commission's Strategic Plan; and

**WHEREAS**, Commission desires to authorize the Commission Chair and Commission Clerk to execute the Agreements with each of the Contractors for the terms, in the amounts, and on the conditions as specified in the Agenda Item.

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY AS FOLLOWS:**

**Section 1** Commission finds and determines the foregoing Recitals are true and correct and are a substantive part of this Resolution.

**Section 2** Commission authorizes the President/CEO, or designee, and Commission Counsel to prepare and negotiate the Agreements with each of the Contractors for the terms, in the amounts, and on the conditions consistent with the Agenda Item; and

**Section 3** The form of any Agreements shall be substantially similar to the standard form agreements, subject to minor, non-substantive revisions, or as otherwise required to comply with external funding sources, and will be reviewed and approved by the President/CEO, or designee, and Commission Counsel. The approval by the President/CEO, or designee, of the Agreements shall be conclusively evidenced by the execution of such Agreements by the Commission Chair and delivery thereof to the Commission Clerk.

**Section 4** Commission hereby approves the Agreements, which will be authorized at the President/CEO's sole discretion, with each of the Contractors for the terms, in the amounts, and on the conditions as specified in the Agenda Item.

**Section 5** The Commission Chair and the Clerk of the Commission are hereby authorized to execute and attest, respectively, the Agreements on behalf of the Commission.

**Section 6** A copy of each final Agreement, when executed by the Commission Chair and attested by the Clerk of the Commission, shall be appended hereto as a part of Exhibit A to this Resolution. Exhibit A is hereby fully incorporated as a part of this Resolution by this reference and made a part hereof. Each final executed Agreement shall be placed on file in the office of the Clerk of the Commission.

**Section 7** In addition to the authorization of Section 2 above, the President/CEO, or designee, is hereby authorized, on behalf of the Commission, (i) to sign all documents necessary and appropriate to carry out and implement the Agreement(s), including any Amendment(s); (ii) to cause the issuance of warrants; (iii) to administer the Commission's obligations, responsibilities, and duties to be performed under such agreement(s); and (iv) during the term thereof to provide waivers, administrative interpretations, and minor modifications of the provisions of such agreement(s) in the furtherance thereof.

**Section 8** The Clerk of the Commission shall certify to the adoption of this Resolution.

The foregoing resolution was passed and adopted by the following vote of the Children and Families Commission of Orange County on April 3, 2024 to wit:

AYES Commissioners: \_\_\_\_\_

NOES: Commissioner(s): \_\_\_\_\_

EXCUSED: Commissioner(s): \_\_\_\_\_

ABSTAINED: Commissioner(s) \_\_\_\_\_

\_\_\_\_\_  
CHAIR

STATE OF CALIFORNIA )  
 )  
COUNTY OF ORANGE )

I, ROBIN STIELER, Clerk of the Commission of Orange County, California, hereby certify that a copy of this document has been delivered to the Chair of the Commission and that the above and foregoing Resolution was duly and regularly adopted by the Children and Families Commission of Orange County.

**IN WITNESS WHEREOF**, I have hereto set my hand and seal.

\_\_\_\_\_  
ROBIN STIELER  
Clerk of the Commission, Children and Families Commission of  
Orange County, County of Orange, State of California

Resolution No: \_\_-24-C&FC

Agenda Date: April 3, 2024

Item No. \_\_



I certify that the foregoing is a true and correct copy of the Resolution adopted by the

Robin Stieler, Clerk of the Commission

By: \_\_\_\_\_  
Deputy

**EXHIBIT A TO RESOLUTION OF COMMISSION**

(Attach copy(ies) of final executed Agreements)



## Agenda Item 12 April 3, 2024

**DATE:** March 7, 2024

**TO:** First 5 Orange County

**FROM:** Kimberly Goll, President/CEO

A handwritten signature in black ink that reads "Kimberly Goll".

**ACTION:** Adopt Resolution Authorizing an Amendment to Agreement No. FCI-HCA-13 with the Orange County Health Care Agency for Home Visiting Services

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### **SUMMARY:**

First 5 Orange County's Strategic Plan identifies nurturing, safe, and stable homes as conditions that will support children reaching their full potential. High-quality, evidence-based home visiting programs are an important piece of the Prenatal-to-Three system of care that supports optimal family and child development through the child's first years of life. This agenda item recommends funding for the Orange County Health Care Agency (HCA) for continued home visiting services.

### **DISCUSSION:**

Analysis conducted by First 5 Orange County shows that between 30 and 40 percent of all births in Orange County are moderate to high risk when considering an array of social and economic factors and would benefit from home visiting services. Home visiting is designed to support families where they are and be responsive to the needs and challenges that the families identify as most important. As a result, home visiting programs have far-reaching benefits including:

- Pregnant women are more likely to access prenatal care and carry their babies to term.
- Women are less likely to demonstrate symptoms of depression and report an improved mental outlook.
- Children show improved language development, school performance and attendance, and gross motor skills.
- Families have fewer Child Protective Services reports and show more positive parenting practices and interactions with their children.

Unfortunately, the county's home visiting system currently has capacity to serve only one in three of the families at moderate to high risk. First 5 OC is committed to addressing this system gap by enhancing home visiting services and working with partners to build a more coordinated system of entry and referral.

For more than 20 years, we have funded HCA to provide three home visiting programs, through public health nursing, to support the highest risk population. Since returning from a pause in service due to COVID response, HCA's programs have completed more than 3,100 client visits and screened more than 500 children through their three programs.

- Nurse Family Partnership (NFP): HCA is the only entity in the county trained in this evidence-based model which provides intensive prenatal and postnatal home visiting to low-income, first-time pregnant women. The increase in targeted and coordinated outreach has allowed the NFP program to complete over 900 visits since 2021.
- Medically High-Risk Infant Program: This program utilizes nursing case management to provide early connection and coordination of services for medically fragile newborns and infants and has completed over 1,000 client visits from 2021 to the present.
- Perinatal Assessment Coordination Team (PACT): this program provides home visitation for prenatal and parenting women, including women who have substance use disorder. Post pandemic numbers of client visits have increased with a total of 1,200 PACT visits since 2021. Intentional focus on implementing Family Wellness Plans during the prenatal period may help support further increase in numbers.

Additionally, HCA has been a leader in two work efforts supporting the Prenatal-to-three services system, including Family Wellness Plans (formerly Plans of Safe Care) and the Home Visiting Collaborative.

Staff recommends amending the existing agreement with HCA to add \$1,500,000 in annual funding over three years (a total of \$4,500,000) for the continued provision of home visiting services. We have negotiated a scope of work that will facilitate continued collaboration, practice change, and will-building on behalf of young children and families. As part of this work, HCA will participate in monthly meetings with hospitals and other home visiting providers to share learnings from the field about championing the implementation of Family Wellness Plans. They will also link clients with parenting and educational support services. HCA staff and/or leadership will remain active participants in the Home Visiting Countywide Collaborative (HVC) and its various work efforts such as workforce development, referral pathways to increase the effectiveness and efficiency of referrals to home visiting programs based on client needs, and the development and use of universal communication and outreach materials about home visiting.

### **STRATEGIC PLAN & FISCAL SUMMARY:**

The recommended action has been reviewed in relation to the Strategic Plan and aligns with the Get Involved Early, Elevate Equity, Empower Champions, and Align Systems of Care strategies. Funding for this request will be added to the FY 2025-2027 budgets.

### **PRIOR COMMISSION ACTIONS:**

- February 2023 – Adopted Resolution Authorizing an Amendment to Agreement No. FCI-HCA-13 with the Orange County Health Care Agency for Home Visiting Services
- February 2020 – Authorized agreements with designated organizations to provide Prenatal-to-three services

**RECOMMENDED ACTION:**

Adopt resolution (Attachment 1) authorizing the President/CEO, or designee, and Commission Counsel to prepare and negotiate the Second Amendment to Agreement No. FCI-HCA-13 with Health Care Agency of Orange County for Home Visiting services, to add \$4,500,00 in funding and three years to the term of the agreement. The new maximum obligation will be \$11,057,670 for the period of July 1, 2021 through June 30, 2027.

**ATTACHMENT:**

1. Resolution

**CONTACT:** Sara Brown



**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY**

**RESOLUTION NO. \_\_\_-24-C&FC**

**April 3, 2024**

**A RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY AUTHORIZING THE PRESIDENT/CEO AND COMMISSION COUNSEL TO PREPARE AND NEGOTIATE AN AMENDMENT TO AGREEMENT NO. FCI-HCA-13, AT THE PRESIDENT/CEO'S SOLE DISCRETION, WITH THE HEALTH CARE AGENCY OF ORANGE COUNTY FOR HOME VISITING SERVICES; AND, AUTHORIZING APPROVAL AND EXECUTION OF SUCH AMENDMENT ON BEHALF OF THE COMMISSION**

**WHEREAS**, in order to facilitate the creation and implementation of an integrated, comprehensive, and collaborative system of information and services to enhance optimal early childhood development, the legislature adopted legislation set forth in the California Children and Families Act of 1998, Health and Safety Code Section 130100, *et seq.* (as amended, the "Act") implementing the Children and Families First Initiative passed by the California electorate in November, 1998 and establishing the California Children and Families Commission and County Children and Families Commissions, including this Children and Families Commission of Orange County ("Commission"); and

**WHEREAS**, Commission adopted its Strategic Plan to define how funds authorized under the Act and allocated to the Commission should best be used to meet the critical needs of Orange County's children prenatal to five years of age as codified in the Act; and

**WHEREAS**, the Commission previously entered into Agreement No. FCI-HCA-13 (hereinafter referred to as the "Agreement") with the Health Care Agency of Orange County (hereinafter referred to as the "Contractor"), for home visiting services, which was previously amended; and

**WHEREAS**, the Commission desires to amend the Agreement, at the President/CEO's sole discretion, for the terms, in the amounts, and on the conditions as described in in the staff report, and applicable attachments, for this April 3, 2024 Agenda Item (hereinafter referred to as the "Agenda Item"); and

**WHEREAS**, the Contractor desires to amend the Agreement, if authorized by the President/CEO, in furtherance of the purposes of the Act and the Strategic Plan on the terms and conditions set forth in the amendment (hereinafter referred to as the "Amendment"); and

**WHEREAS**, Commission has reviewed the Agenda Item relating to the scopes of services to be provided and hereby finds and determines that the proposed Amendment is in furtherance of and consistent with the Commission's Strategic Plan; and

**WHEREAS**, Commission desires to authorize the Commission Chair and Commission Clerk to execute the Amendment with the Contractor for the terms, in the amounts, and on the conditions as specified in the Agenda Item.

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY AS FOLLOWS:**

**Section 1** Commission finds and determines the foregoing Recitals are true and correct and are a substantive part of this Resolution.

**Section 2** Commission authorizes the President/CEO, or designee, and Commission Counsel to prepare and negotiate the Amendment with the Contractor for the terms, in the amounts, and on the conditions consistent with the Agenda Item; and

**Section 3** The form of the Amendment shall be on the form provided by Contractor and will be reviewed and approved by the President/CEO, or designee, and Commission Counsel. The approval by the President/CEO, or designee, of the Amendment shall be conclusively evidenced by the execution of such Amendment by the Commission Chair and delivery thereof to the Commission Clerk.

**Section 4** Commission hereby approves the Amendment, which will be authorized at the President/CEO's sole discretion, with the Contractor for the terms, in the amounts, and on the conditions as specified in the Agenda Item.

**Section 5** The Commission Chair and the Clerk of the Commission are hereby authorized to execute and attest, respectively, the Amendment on behalf of the Commission.

**Section 6** A copy of the final Amendment, when executed by the Commission Chair and attested by the Clerk of the Commission, shall be appended hereto as a part of Exhibit A to this Resolution. Exhibit A is hereby fully incorporated as a part of this Resolution by this reference and made a part hereof. The final executed Amendment shall be placed on file in the office of the Clerk of the Commission.

**Section 7** In addition to the authorization of Section 2 above, the President/CEO, or designee, is hereby authorized, on behalf of the Commission, (i) to sign all documents necessary and appropriate to carry out and implement the Agreement(s), including any Amendment(s); (ii) to cause the issuance of warrants; (iii) to administer the Commission's obligations, responsibilities, and duties to be performed under such agreement(s); and (iv) during the term thereof to provide waivers, administrative interpretations, and minor modifications of the provisions of such agreement(s) in the furtherance thereof.

**Section 8** The Clerk of the Commission shall certify to the adoption of this Resolution.

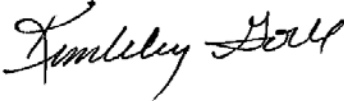


**EXHIBIT A TO RESOLUTION OF COMMISSION**

(Attach copy(ies) of final executed Agreements)



**Agenda Item 13**  
**April 3, 2024**

**DATE:** March 1, 2024  
**TO:** First 5 Orange County  
**FROM:** Kimberly Goll, President/CEO   
**ACTION:** Receive Update on Homeless Prevention Funding Strategy and Adopt Resolutions Authorizing Agreement with Charitable Ventures of Orange County and Amendment to Agreement with Anila Neumeister

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**SUMMARY:**

First 5 Orange County has invested in homeless prevention strategies for more than 20 years. This agenda item includes an update on the current Diversion strategy and a request for a final funding allocation to the Family Solutions Collaborative (FSC) which is fiscally sponsored by Charitable Ventures of Orange County.

**DISCUSSION:**

For 20 years, First 5 OC has provided system support for unhoused families with young children. This commitment was expressed in the Commission's initial Strategic Plan and has continued through financial support over the years. Our investments have included capital infrastructure, direct service funding to providers, family homeless systems evaluations, and support for the FSC, a collaborative of family-focused homeless service providers. For more information on the history of First 5 OC supports, see Attachment 1.

First 5 OC currently funds a Diversion strategy, which supports families on the verge of being houseless with immediate assistance like a rent payment as well as helping them with a longer-term plan to remain housed. Diversion focuses on identifying alternative housing options that can be accessed with the lowest amount of engagement or resources from the homelessness response system.

Diversion has been integrated into Access Points (the entry points into the Unhoused Family Coordinated Entry System) as a best practices tool. While the focus of First 5 OC's funding is on families with children ages 0-5, Diversion is offered to all families with children through leveraged funding and in-kind contributions of participating agencies.

Data indicates that Diversion is a particularly effective strategy for families with children ages 0-5. Since the launch of the Diversion Strategy in November 2021 through November 30, 2023, there have been 95 families that have successfully diverted. Of those 95 families, 55 had children 0-5.

First 5 OC has an agreement with Charitable Ventures of Orange County as the fiscal sponsor for the FSC, which currently funds Diversion services. That agreement ends on June 30, 2024. Staff sought guidance from an ad hoc committee of First 5 OC Board members on recommendations for future F5 OC investments.

The committee reviewed the results of an evaluation which found the overarching challenge is a lack of affordable housing for families and nascent evidence that Diversion is an effective strategy. In addition, the committee discussed the decline in funding for First 5s and the need to reduce community dependence on First 5 OC as a long-term sustainable funding source. At the same time, there are opportunities to leverage other funds such as the expansion of Medi-Cal benefits through CalAIM implementation and County of Orange investments in Diversion-like programs.

Based on their review of the changing landscape of services to the unhoused population and the results of the Diversion strategy funded by First 5 OC, the ad hoc committee's recommendation is to provide a final, one-year funding allocation to the FSC for Diversion. First 5OC staff will also work with the FSC to identify strategies to sustain the Diversion program. These strategies will include investigating and linking to leveraging opportunities as well as strengthening partnerships, for example:

- Working with school districts to align the work more closely with McKinney Vento and identify if there are options to use Community and Schools funding;
- Creating referral pathways to other First 5-funded initiatives such as home visiting, prenatal support, HealthySteps, Kid Builders, School District early learning opportunities;
- Maximizing potential draw down of CalAIM funding; and
- Ongoing communication with the County of Orange, United Way and other organizations to share learnings and identify leveraging opportunities.

In summary, staff recommends a final funding allocation of \$350,000 and a term of one year with Charitable Ventures of Orange County to continue the FSC's Diversion strategy. In addition, staff recommends amending an existing agreement with Anila Neumeister to add \$50,000 to provide expertise and oversight for the project. This will ensure continuity of services while allowing the time needed for the FSC to execute a sustainability plan. This will also allow time for the First 5 team to enhance the coordination of services, resources, and programs that will continue to support families experiencing homelessness.

#### **STRATEGIC PLAN & FISCAL SUMMARY:**

The recommended actions presented in this agenda item have been reviewed in relation to the Strategic Plan and are consistent with applicable goals. Funding for this item will be included in the Fiscal Year 2024-2025 budget.

#### **PRIOR COMMISSION ACTIONS:**

- December 2022 – Approve Renewal Funding Actions
- April 2022 – Discuss Funding Renewal Strategy for Prevention of Family Homelessness
- February 2022 – Receive Presentation and Discuss Strategies for First 5 Orange County's Next Funding Cycle
- April 2019 – Adoption of the First 5 Orange County Strategic Plan
- February 2017 – Approve Renewal Funding Actions

#### **RECOMMENDED ACTIONS:**

1. Receive update on homeless prevention funding strategy.
2. Adopt resolution (Attachment 2) authorizing the President/CEO, or designee, and Commission Counsel to prepare and negotiate Agreement No. FCI-FSC-06 with Charitable

Ventures of Orange County, as the fiscal intermediary for the Family Solutions Collaborative, for a one-year term and a maximum funding obligation of \$350,000.

3. Adopt resolution (Attachment 3) authorizing the President/CEO, or designee, and Commission Counsel to prepare and negotiate an amendment to Agreement No. C-468 with Anila Neumeister to increase the maximum funding obligation to \$150,000 and extend the term one additional year through June 30, 2025.

**ATTACHMENTS:**

1. First 5 OC Ad Hoc Committee Presentation
2. Resolution
3. Consultant Resolution

**CONTACT:** Sara Brown

# Homeless Funding Initiative Ad Hoc Meeting



February 20, 2024







# Agenda

- Overview of First 5 OC investments to date
- Capital Projects
- Direct Service Projects
- Family Solutions Collaborative (Systems Building)
- Implications For Future Investments

# History of F5 OC Investments

# F5 OC's Investment in the Homeless

- Investments have included capital infrastructure, direct service funding to providers, and support of the Systems Improvements
  - Capital projects for Transitional Shelter
    - Partnered with HomeAid OC to leverage building industry support
    - Completed 8 projects for more than 200 beds
    - Some shelters are still in service payback, the “credit for services” system used to satisfy their capital improvement obligations
  - Commission financial contribution of \$6.25 million to HomeAid OC for five (5) family focused emergency shelters
    - For capital improvements and operational support to expand the network of emergency shelters specific to the needs of families
    - 66 units of housing contributing to more than 400 shelter beds
    - Serves 264 families annually
  - Eleven (11) agencies that received direct service grants (phased out in 2020- last funding cycle)
    - Family-based shelters, including two maternity shelters, with a total annual contribution of nearly \$8 million
    - All scopes included priorities on developing long-term shelter sustainability and securing alternative funding sources early childhood prioritization
    - Funding for programs provided direct services to homeless families with young children with a strong emphasis on providing for basic needs such as food, shelter, and clothing.

# Systems Improvement Investments

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**2016** – Commission invests in development of Family Solutions Collaborative (FSC)

**2018** – Commission funds evaluation to understand the system and provide recommendations.

- Findings included:
  - Shelter to shelter transitions by families were problematic
  - Increase shelter program alignment through shared shelter guidelines
  - Identified needs Housing Navigation Program and Diversion Strategy

**2019** – Shared Shelter Guidelines Adopted by FSC and implemented by the 21 member family shelters

- Outcomes:
  - Major reduction in shelter to shelter transitions
  - Alignment of shelter practices
  - Shared performance outcomes and targets
  - Low barrier (families are able to access services easily without having to follow certain criteria)



# Homeless Investments (Cont.)

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## **2019** – First 5 OC issues RFP in response to gaps identified in Evaluation

- RFP was in response to the evaluation and to move away from direct service to system-related investments to accommodate reduction in funding and focus providers on what actually helps reduce family homelessness

## **2020** – First 5 OC funds for:

- FSC Housing Navigation
- FSC Diversion Strategy Plan
- Seven Individual Operational Shelter Agreements

**2021** – First 5 OC approves FSC Diversion agreement. Also included updated system evaluation conducted by The Mark USA, an outside evaluation firm

# Current Status

# Context

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- **Leadership turn over in systems partner**
  - The FSC was without an Executive Director for extended period of time impacting program delivery, strategic planning, partner relationships
- **United Way**
  - The United Way has become major resource in Orange County, taking a role and funding that was previously held by shelters and/or other organizations
- **County Investment**
  - County has continued to fund individuals experiencing or at-risk of homelessness at a higher rate than families
  - Recent investment from District 2 and 4 in diversion like program
- **COVID**
  - COVID greatly impacted the family homeless system.
    - Families were in shelter for a longer length of stay
    - Social distancing and the need for isolation rooms impacted shelter capacity
    - The system was flooded with money that is no longer available
- **Housing Inventory**
  - Lack of available affordable housing is the major obstacle in housing families
- **CalAIM**
  - CalAIM has funding for homeless programs including Housing Navigation



# Summary of Evaluation Findings

- **2023** - Diversion program extended for an additional year of funding and close out of existing Homeless Navigation clients. Evaluation completed and provided to the FSC to inform further strategic planning. Evaluation findings:

## Housing Navigation

- Overarching challenge is lack of affordable housing for families, especially those categorized as very or extremely low income
- Housing Navigation Program had mixed results

## System insights

- Major reduction in shelter to shelter transitions
- Key practices of the FSC align with national best practices
- Family homeless response system has become more efficient since 2018
- Changes made to family homelessness response system have made the system more timely, equitable and coordinated
- Implementation of Family Coordinated Entry System has positively impacted the system

## Diversion

- Nascent evidence Diversion is an effective strategy



# Diversion

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- Diversion is:
  - An interactive problem solving intervention with clients to help them identify safe alternative housing options that keep them from entering the homeless system
- The goal of the Diversion strategy is to:
  - To resolve a family's housing crisis in a timely, coordinated and equitable effort
  - To end homelessness among families in a cost-effective capacity
  - To prevent families from experiencing the trauma of homelessness
  - To reduce inflow in to the Family Coordinated Entry System and free up limited resources for those with no alternative housing options.

# Diversion Outcomes

- Diversion has been integrated into the Access Points as a best practice tool with a majority of families engaging in one or more diversion conversations

	Year 1	Year 2	Year 3 (July 1 – Nov. 30, 2023)
Number & Percentage of Families Engaged in Diversion Conversation	673 families = 84%	853 families = 97%	325 families = 99%
	274 families w/children 0-5 = 48%	356 families w/children 0-5 = 42%	163 families w/children 0-5 = 50%

# Diversion Outcomes

- While there is evidence that the Diversion Strategy is effective - most diversion conversations do not result in a family’s housing crisis being resolved, although the year to date data for 2023 shows that changing

	Year 1	Year 2	Year 3 (July 1 – Nov. 30, 2023)
Number and Percentage of Families with a Successful Diversion Exit	48 Families = 8%	25 Families = 3%	22 Families = 7%
	22 Families w/children 0-5 = 46%	18 Families w/children 0-5 = 72%	15 Families w/children 0-5 = 68%

- Since the launch of the Diversion Strategy in November 2021 through November 30, 2023, there have been 95 total families who have been successfully diverted, of those 95 families, 55 had children 0-5

# Diversion Outcomes

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- Of these 95 families, 6 returned to homelessness, an equivalent of 6% recidivism rate
- When we look at the data over the last six months we see that Diversion is a particularly effective strategy for families with children 0-5
- Feedback from the Access Points shows that staff are embracing Diversion and feel it is an effective strategy; however, due to the high number of service requests and caseload, staff are unable to spend as much time as they would like on Diversion conversations

# Diversions Outcomes

- Diversion Assistance Funds (DAF) has been proven to be helpful as a tangible resource to help families stay housed. DAF include money for rental assistance, application fees, motel stays, transportation costs to relocate the family to stay with family and friends

	Year 1	Year 2	Year 3 (July 1 – Nov. 30, 2023)
Number and Percentage of Diverted Families Receiving Financial Assistance	31 Families = 65%	13 Families = 52%	10 Families = 45%
	11 Families w/children 0-5 = 35%	10 Families w/children 0-5 = 77%	8 Families w/children 0-5 = 80%
Amount	\$2,297.98	\$14,492.46	\$10,992.80

# Driving Questions



# System Alignment opportunities

- Linking providers with
  - CalAIM Community Supports
  - County investments in Diversion-like programs?
- Are their opportunities to better link
  - CalWORKs Home visiting to the homeless or at risk population?
  - Role of F5 OC around child care for homeless families

# Next Steps

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- Decline in revenue
- Discussion Starters:
  - Transition away from Diversion/homeless prevention funding?
    - Continue to fund Diversion at the current level of \$450,000 for an additional year
    - Fund at a lower level for one year
    - Fund for an additional six months while the FSC continues to work on sustainability strategies
    - Provide funding for only Diversion Assistance Funding (DAF) to be used until it runs out
  - Maintain funding but at lower levels



**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY**

**RESOLUTION NO. \_\_\_-24-C&FC**

**April 3, 2024**

**A RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY DIRECTING THE PRESIDENT/CEO AND COMMISSION COUNSEL TO PREPARE AND NEGOTIATE AGREEMENT NO. FCI-FSC-06 WITH CHARITABLE VENTURES OF ORANGE COUNTY TO SERVE AS FISCAL AGENT FOR THE FAMILY SOLUTIONS COLLABORATIVE; AND AUTHORIZING APPROVAL AND EXECUTION OF SUCH AGREEMENT ON BEHALF OF THE COMMISSION**

**WHEREAS**, in order to facilitate the creation and implementation of an integrated, comprehensive, and collaborative system of information and services to enhance optimal early childhood development, the legislature adopted legislation set forth in the California Children and Families Act of 1998, Health and Safety Code Section 130100, *et seq.* (as amended, the “Act”) implementing the Children and Families First Initiative passed by the California electorate in November, 1998 and establishing the California Children and Families Commission and County Children and Families Commissions, including this Children and Families Commission of Orange County (“Commission”); and

**WHEREAS**, Commission adopted its Strategic Plan to define how funds authorized under the Act and allocated to the Commission should best be used to meet the critical needs of Orange County’s children prenatal to five years of age as codified in the Act; and

**WHEREAS**, the President/CEO and Commission Counsel have prepared a standard Non-Profit Services Agreement, which was approved by the Commission; and

**WHEREAS**, Commission desires to enter into Agreement No. FCI-FSC-06 (“Agreement”) with Charitable Ventures of Orange County (hereinafter referred to as “Contractor”) to serve as the fiscal agent for the Family Solutions Collaborative, for the terms and in the amount as specified in the staff report and attachments for the April 3, 2024 Commission Meeting (hereinafter referred to as the “Agenda Item”); and

**WHEREAS**, Commission desires to enter into the Agreement with Contractor in furtherance of the purposes of the Act and the Strategic Plan on the terms and conditions set forth in the Agreement; and

**WHEREAS**, Commission has reviewed the Agenda Item relating to the scopes of services to be provided and hereby finds and determines that the proposed Agreement is in furtherance of and consistent with the Commission’s Strategic Plan; and

**WHEREAS**, Commission desires to authorize the Commission Chair and Commission Clerk to execute the Agreement with the Contractor.

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY AS FOLLOWS:**

**Section 1** Commission finds and determines the foregoing Recitals are true and correct and are a substantive part of this Resolution.

**Section 2** Commission authorizes the President/CEO, or designee, and Commission Counsel to prepare and negotiate the Agreement with the Contractor in the amount and for the terms consistent with the Agenda Item and scope of services referenced therein.

**Section 3** The form of the Agreement with the Contractor shall be substantially similar to the form of the standard Non-Profit Services Agreement, subject to minor, non-substantive revisions as reviewed and approved by the President/CEO, or designee, and Commission Counsel. The approval by the President/CEO, or designee, of the Agreement shall be conclusively evidenced by the execution of such Agreement by the Commission Chair and delivery thereof to the Commission Clerk.

**Section 4** Commission hereby approves the Agreement with Contractor for the terms and in the amounts as specified in the Agenda Item.

**Section 5** The Commission Chair and the Clerk of the Commission are hereby authorized to execute and attest, respectively, the Agreement on behalf of the Commission.

**Section 6** A copy of the Agreement when executed by the Commission Chair and attested by the Clerk of the Commission shall be appended hereto as a part of Exhibit A to this Resolution. Exhibit A is hereby fully incorporated as a part of this Resolution by this reference and made a part hereof. The final executed Agreement shall be placed on file in the office of the Clerk of the Commission.

**Section 7** In addition to the authorization of Section 2 above, the President/CEO, or designee, is hereby authorized, on behalf of the Commission, (i) to sign all documents necessary and appropriate to carry out and implement the Agreement(s), including any amendments; (ii) to cause the issuance of warrants; (iii) to administer the Commission's obligations, responsibilities, and duties to be performed under such Amendment(s); and (iv) during the term thereof to provide waivers, administrative interpretations, and minor modifications of the provisions of such Amendment(s) in the furtherance thereof.

**Section 8** The Clerk of the Commission shall certify to the adoption of this Resolution.

The foregoing resolution was passed and adopted by the following vote of the Children and Families Commission of Orange County on April 3, 2024 to wit:

AYES Commissioners: \_\_\_\_\_

NOES Commissioner(s): \_\_\_\_\_

EXCUSED Commissioner(s): \_\_\_\_\_

ABSTAINED Commissioner(s): \_\_\_\_\_

\_\_\_\_\_  
CHAIR

STATE OF CALIFORNIA )  
 )  
COUNTY OF ORANGE )

I, ROBIN STIELER, Clerk of the Commission of Orange County, California, hereby certify that a copy of this document has been delivered to the Chair of the Commission and that the above and foregoing Resolution was duly and regularly adopted by the Children and Families Commission of Orange County.

**IN WITNESS WHEREOF**, I have hereto set my hand and seal.

\_\_\_\_\_  
ROBIN STIELER  
Clerk of the Commission, Children and Families  
Commission of Orange County, County of Orange,  
State of California

Resolution No: \_\_-24-C&FC

Agenda Date: April 3, 2024

Item No. \_\_



I certify that the foregoing is a true and correct copy of the Resolution adopted by the

ROBIN STIELER, Clerk of the Commission

By: \_\_\_\_\_  
Deputy

**EXHIBIT A TO RESOLUTION OF COMMISSION**

(Attach copy(ies) of final executed Agreement)

**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY**

**RESOLUTION NO. \_\_\_-24-C&FC**

**April 3, 2024**

**A RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY AUTHORIZING THE PRESIDENT/CEO AND COMMISSION COUNSEL TO PREPARE AND NEGOTIATE AN AMENDMENT TO AGREEMENT NO. C-468, AT THE PRESIDENT/CEO'S SOLE DISCRETION, WITH ANILA NEUMEISTER FOR HOMELESS PREVENTION TECHNICAL SUPPORT; AND, AUTHORIZING APPROVAL AND EXECUTION OF SUCH AMENDMENT ON BEHALF OF THE COMMISSION**

**WHEREAS**, in order to facilitate the creation and implementation of an integrated, comprehensive, and collaborative system of information and services to enhance optimal early childhood development, the legislature adopted legislation set forth in the California Children and Families Act of 1998, Health and Safety Code Section 130100, *et seq.* (as amended, the "Act") implementing the Children and Families First Initiative passed by the California electorate in November, 1998 and establishing the California Children and Families Commission and County Children and Families Commissions, including this Children and Families Commission of Orange County ("Commission"); and

**WHEREAS**, Commission adopted its Strategic Plan to define how funds authorized under the Act and allocated to the Commission should best be used to meet the critical needs of Orange County's children prenatal to five years of age as codified in the Act; and

**WHEREAS**, the Commission previously entered into Agreement No. C-468 (hereinafter referred to as the "Agreement") with Anila Neumeister (hereinafter referred to as the "Contractor"), for homeless prevention technical support services; and

**WHEREAS**, the Commission desires to amend the Agreement, at the President/CEO's sole discretion, for the terms, in the amounts, and on the conditions as described in in the staff report, and applicable attachments, for this April 3, 2024 Agenda Item (hereinafter referred to as the "Agenda Item"); and

**WHEREAS**, the Contractor desires to amend the Agreement, if authorized by the President/CEO, in furtherance of the purposes of the Act and the Strategic Plan on the terms and conditions set forth in the amendment (hereinafter referred to as the "Amendment"); and

**WHEREAS**, Commission has reviewed the Agenda Item relating to the scopes of services to be provided and hereby finds and determines that the proposed Amendment is in furtherance of and consistent with the Commission's Strategic Plan; and

**WHEREAS**, Commission desires to authorize the Commission Chair and Commission Clerk to execute the Amendment with the Contractor for the terms, in the amounts, and on the conditions as specified in the Agenda Item.

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY AS FOLLOWS:**

**Section 1** Commission finds and determines the foregoing Recitals are true and correct and are a substantive part of this Resolution.

**Section 2** Commission authorizes the President/CEO, or designee, and Commission Counsel to prepare and negotiate the Amendment with the Contractor for the terms, in the amounts, and on the conditions consistent with the Agenda Item; and

**Section 3** The form of the Amendment shall be substantially similar to the standard form agreements, subject to minor, non-substantive revisions, or as otherwise required to comply with external funding sources, and will be reviewed and approved by the President/CEO, or designee, and Commission Counsel. The approval by the President/CEO, or designee, of the Amendment shall be conclusively evidenced by the execution of such Amendment by the Commission Chair and delivery thereof to the Commission Clerk.

**Section 4** Commission hereby approves the Amendment, which will be authorized at the President/CEO's sole discretion, with the Contractor for the terms, in the amounts, and on the conditions as specified in the Agenda Item.

**Section 5** The Commission Chair and the Clerk of the Commission are hereby authorized to execute and attest, respectively, the Amendment on behalf of the Commission.

**Section 6** A copy of the final Amendment, when executed by the Commission Chair and attested by the Clerk of the Commission, shall be appended hereto as a part of Exhibit A to this Resolution. Exhibit A is hereby fully incorporated as a part of this Resolution by this reference and made a part hereof. The final executed Amendment shall be placed on file in the office of the Clerk of the Commission.

**Section 7** In addition to the authorization of Section 2 above, the President/CEO, or designee, is hereby authorized, on behalf of the Commission, (i) to sign all documents necessary and appropriate to carry out and implement the Agreement(s), including any Amendment(s); (ii) to cause the issuance of warrants; (iii) to administer the Commission's obligations, responsibilities, and duties to be performed under such agreement(s); and (iv) during the term thereof to provide waivers, administrative interpretations, and minor modifications of the provisions of such agreement(s) in the furtherance thereof.

**Section 8** The Clerk of the Commission shall certify to the adoption of this Resolution.

The foregoing resolution was passed and adopted by the following vote of the Children and Families Commission of Orange County on April 3, 2024 to wit:

AYES Commissioners: \_\_\_\_\_

NOES: Commissioner(s): \_\_\_\_\_

EXCUSED: Commissioner(s): \_\_\_\_\_

ABSTAINED: Commissioner(s) \_\_\_\_\_

\_\_\_\_\_  
CHAIR

STATE OF CALIFORNIA )  
 )  
COUNTY OF ORANGE )

I, ROBIN STIELER, Clerk of the Commission of Orange County, California, hereby certify that a copy of this document has been delivered to the Chair of the Commission and that the above and foregoing Resolution was duly and regularly adopted by the Children and Families Commission of Orange County.

**IN WITNESS WHEREOF**, I have hereto set my hand and seal.

\_\_\_\_\_  
ROBIN STIELER  
Clerk of the Commission, Children and Families Commission of  
Orange County, County of Orange, State of California

Resolution No: \_\_-24-C&FC

Agenda Date: April 3, 2024

Item No. \_\_



I certify that the foregoing is a true and correct copy of the Resolution adopted by the

Robin Stieler, Clerk of the Commission

By: \_\_\_\_\_  
Deputy


**EXHIBIT A TO RESOLUTION OF COMMISSION**

(Attach copy(ies) of final executed Agreements)





**Agenda Item 14**  
**April 3, 2024**

DATE: March 4, 2024  
TO: First 5 Orange County  
FROM: Kimberly Goll, President/CEO   
ACTION: Adopt Resolution Approving Agreement and Amendments to Agreements with Designated Organizations to Implement First 5 California's Improve and Maximize Programs so All Children Thrive (IMPACT) Legacy

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**SUMMARY:**

In June 2023, the First 5 Orange County Board approved the allocation of funds to multiple partner agencies to implement the IMPACT Legacy grant. This agenda item requests approval to add \$20,000 per year to one of the partner organizations, the Orange County Association for the Education of Young Children (OCAEYC). It also requests the approval of an amendment to a supporting consultant agreement along with a new consultant agreement to bolster sustainability and collective impact strategies that are crucial as the IMPACT Legacy grant concludes.

**DISCUSSION:**

First 5 California's Improve and Maximize Programs so All Children Thrive (IMPACT) Legacy is intended to expand access to quality early learning programs, improve adult-child interactions, enhance family engagement, and coordinate statewide efforts toward sustainability in early childhood learning and care.

Last year, First 5 OC was awarded \$1,958,054 over two years for work to expand access to quality early learning. In June, the board approved allocations for the specific activities and organizations listed below.

- First 5 Orange County: \$20,000 per year for Kid Builder materials and \$134,027 per year for consultant support
- Orange County Department of Education: \$600,000 per year to continue professional learning, coaching, and stipends for quality improvement efforts for private, Family Child Care, Family Friend & Neighbor care, and alternative settings
- Community for Innovation, Entrepreneurship, Leadership & Opportunities (CIELO): \$100,000 per year to support recruitment of family, friend, and neighbor providers
- Rancho Santiago Community College District: \$100,00 over two years to support the pilot apprentice program
- OCAEYC: \$75,000 per year to provide peer guide support and facilitate a Family Friend & Neighbor Community of Practice

With the recent PNC Bank support for Kid Builders, the \$20,000 per year for Kid Builder materials is no longer needed from IMPACT Legacy funding. Staff recommends these funds be reallocated to OCAEYC for increased stipends for peer guides, increased hours for a coordinator to provide

Communities of Practice for Family Friend & Neighbor providers, and conference scholarships for peer guides and mentees.

The success and popularity of the Small Business Development Council (SBDC) and CIELO child care cohorts has resulted in a greater number of prospective Family Friend & Neighbor and Family Child Care providers than we anticipated. The support provided by the OCAEYC peer guides and Communities of Practice for new child care providers is essential to their long-term success and sustainability. With the additional funding, OCAEYC peer guides will increase their outreach to five future providers each and an additional two peer guides will be onboarded to meet the high demand from the SBDC and CIELO cohorts. The increased allocation will also provide scholarships for the peer guides and their mentees/future providers that have recently been licensed, to attend the annual early childhood collaborative conference to continue their quality instructional programming. Finally, funds will be allocated to OCAEYC's Community of Practice Coordinator to offer additional group sessions.

The IMPACT Legacy grant will end June 30, 2025, with no commitment for continued state funding. Consequently, over the next year we will shift our focus to sustainability and creating materials that will outlive the grant timeline. Staff recommends adding \$28,000 to the agreement with Garrett Maxwell Agency, LLC, to support IMPACT grant deliverables through systems connections and collective impact strategies. In addition, staff recommends approval of an agreement with Deborah McBee in the amount of \$50,000 to leverage learnings from the child care incubators and create a toolkit for child care providers that will include how to start a business, sustainability, and the importance of quality early learning. Garrett Maxwell Agency, LLC and Deborah McBee are on the approved consultant list and will be funded out of the IMPACT Legacy grant.

Attachment 1 is a term sheet with the recommended funding allocations and terms for OCAEYC, Garrett Maxwell Consulting, and Debbie McBee.

**STRATEGIC PLAN & FISCAL SUMMARY:**

The recommended action has been reviewed in relation to the Strategic Plan and aligns with the focus area of Increased Access to Quality Infant & Toddler Child Care. Funding for the recommended action is from IMPACT Legacy funds. Funding for this item is included in the Fiscal Year 2023-2024 Budget and will be included in the proposed Fiscal Year 2024-2025 Budget.

**PRIOR COMMISSION ACTIONS:**

- June 7, 2023 – Receive First 5 CA IMPACT funds from First 5 Riverside

**RECOMMENDED ACTION:**

Adopt Resolution (Attachment 2) authorizing the President/CEO, or designee, and Commission Counsel to prepare and negotiate new agreements or amendments to existing agreements, at the President/CEO's sole discretion, with designated individuals and organizations to Implement First 5 California's Improve and Maximize Programs so All Children Thrive (IMPACT) Legacy to provide services for the terms, and amounts, and the conditions in the attached term sheet.

**ATTACHMENTS:**

1. Term Sheet
2. Resolution

**CONTACT:** Cristina Blevins

**First 5 Orange County  
First 5 California's Improve and Maximize Programs so All Children Thrive (IMPACT) Legacy  
TERM SHEET**

Organization	Contract Number	Maximum Obligation	Term	Description of services
Orange County Association for the Education of Young Children	FCI-IMP-07 (1 <sup>st</sup> Amendment)	\$190,000	Aug. 1, 2023 - June 30, 2025	Provide professional development and coaching to IMPACT participants as well as Community of Practices for home-based providers. Provide incentives to center-based and FCC providers.
Chrystina Smith Rasshan DBA - Garrett Maxwell Agency, LLC	C-488 (1 <sup>st</sup> Amendment)	\$78,000	April 3, 2024 - June 30, 2025	Manage the partners associated with the IMPACT Legacy grant. Hold stakeholder meetings and build the sustainability of current and new providers through technical assistance regarding funding streams and linkage to other agencies, including, but not limited to, Orange County Department of Education (OCDE), Orange County Association for the Education of Young Children (OCAEYC), SBDC, CIELO, etc
Deborah J McBee	C-489	\$50,000	April 3, 2024 - June 30, 2025	Create, gather feedback, and evolve a toolkit for providers to access information and resources on how to start a business, sustainability, and the importance of quality early learning.

**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY**

**RESOLUTION NO. \_\_\_-24-C&FC**

**April 3, 2024**

**A RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY DIRECTING THE PRESIDENT/CEO AND COMMISSION COUNSEL TO PREPARE AND NEGOTIATE NEW AGREEMENTS, OR AMENDMENTS TO CURRENT AGREEMENTS, AT THE PRESIDENT/CEO'S SOLE DISCRETION, WITH DESIGNATED INDIVIDUALS AND ORGANIZATIONS TO SUPPORT THE IMPROVE AND MAXIMIZE PROGRAMS SO ALL CHILDREN THAN THRIVE (IMPACT) LEGACY; AND, AUTHORIZING APPROVAL AND EXECUTION OF SUCH AGREEMENTS ON BEHALF OF THE COMMISSION**

**WHEREAS**, in order to facilitate the creation and implementation of an integrated, comprehensive, and collaborative system of information and services to enhance optimal early childhood development, the legislature adopted legislation set forth in the California Children and Families Act of 1998, Health and Safety Code Section 130100, *et seq.* (as amended, the "Act") implementing the Children and Families First Initiative passed by the California electorate in November, 1998 and establishing the California Children and Families Commission and County Children and Families Commissions, including this Children and Families Commission of Orange County ("Commission"); and

**WHEREAS**, Commission adopted its Strategic Plan to define how funds authorized under the Act and allocated to the Commission should best be used to meet the critical needs of Orange County's children prenatal to five years of age as codified in the Act; and

**WHEREAS**, the President/CEO and Commission Counsel have prepared standard form agreements, which were approved by the Commission; and

**WHEREAS**, the Commission desires to enter into new agreements or amendments to current agreements (hereinafter collectively referred to as "Agreements"), at the President/CEO's sole discretion, with designated individuals and organizations (hereinafter referred to as the "Contractors") to support First 5 California's Improve and Maximize Programs so All Children Thrive (IMPACT) Legacy for the terms, in the amounts, and on the conditions as described identified in the staff report, and applicable attachments, for the April 3, 2024 Agenda Item (hereinafter collectively referred to as the "Agenda Item"); and

**WHEREAS**, each Contractor desires to enter into the applicable Agreement, if authorized by the President/CEO, in furtherance of the purposes of the Act and the Strategic Plan on the terms and conditions set forth in the applicable Agreement; and

**WHEREAS**, Commission has reviewed the Agenda Item relating to the scopes of services to be provided and hereby finds and determines that the proposed Agreements are in furtherance of and consistent with the Commission's Strategic Plan; and

**WHEREAS**, Commission desires to authorize the Commission Chair and Commission Clerk to execute the Agreements with each of the Contractors for the terms and in the amounts and on the conditions as specified in the Agenda Item.

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY AS FOLLOWS:**

**Section 1** Commission finds and determines the foregoing Recitals are true and correct and are a substantive part of this Resolution.

**Section 2** Commission authorizes the President/CEO, or designee, and Commission Counsel to prepare and negotiate Agreements with each of the Contractors to provide services for the terms and in the amounts and on the conditions consistent with the Agenda Item; and

**Section 3** The form of any Agreements shall be substantially similar to the standard form agreements, subject to minor, non-substantive revisions, or as otherwise required to comply with external grant funding sources, and will be reviewed and approved by the President/CEO, or designee, and Commission Counsel. The approval by the President/CEO, or designee, of the Agreements shall be conclusively evidenced by the execution of such Agreements by the Commission Chair and delivery thereof to the Commission Clerk.

**Section 4** Commission hereby approves the Agreements, which will be authorized at the President/CEO's sole discretion, with each of the Contractors for the terms, in the amounts, and on the conditions as specified in the Agenda Item.

**Section 5** The Commission Chair and the Clerk of the Commission are hereby authorized to execute and attest, respectively, the Agreements on behalf of the Commission.

**Section 6** A copy of each final Agreement when executed by the Commission Chair and attested by the Clerk of the Commission shall be appended hereto as a part of Exhibit A to this Resolution. Exhibit A is hereby fully incorporated as a part of this Resolution by this reference and made a part hereof. Each final executed Agreement shall be placed on file in the office of the Clerk of the Commission.

**Section 7** In addition to the authorization of Section 2 above, the President/CEO, or designee, is hereby authorized, on behalf of the Commission, (i) to sign all documents necessary and appropriate to carry out and implement the Agreement(s), including any Amendment(s); (ii) to cause the issuance of warrants; (iii) to administer the Commission's obligations, responsibilities, and duties to be performed under such agreement(s); and (iv) during the term thereof to provide waivers, administrative interpretations, and minor modifications of the provisions of such agreement(s) in the furtherance thereof.

**Section 8** The Clerk of the Commission shall certify to the adoption of this Resolution.

The foregoing resolution was passed and adopted by the following vote of the Children and Families Commission of Orange County on April 3, 2024 to wit:

AYES Commissioners: \_\_\_\_\_

NOES: Commissioner(s): \_\_\_\_\_

EXCUSED: Commissioner(s): \_\_\_\_\_

ABSTAINED: Commissioner(s) \_\_\_\_\_

\_\_\_\_\_  
CHAIR

STATE OF CALIFORNIA )  
 )  
COUNTY OF ORANGE )

I, ROBIN STIELER, Clerk of the Commission of Orange County, California, hereby certify that a copy of this document has been delivered to the Chair of the Commission and that the above and foregoing Resolution was duly and regularly adopted by the Children and Families Commission of Orange County.

**IN WITNESS WHEREOF**, I have hereto set my hand and seal.

\_\_\_\_\_  
ROBIN STIELER  
Clerk of the Commission, Children and Families Commission of  
Orange County, County of Orange, State of California

Resolution No: \_\_-24-C&FC

Agenda Date: April 3, 2024

Item No. \_\_



I certify that the foregoing is a true and correct copy of the Resolution adopted by the

Robin Stieler, Clerk of the Commission

By: \_\_\_\_\_  
Deputy

**EXHIBIT A TO RESOLUTION OF COMMISSION**

(Attach copy(ies) of final executed Amendments and Agreements)



**Agenda Item 15**  
**April 3, 2024**

**DATE:** March 27, 2024

**TO:** First 5 Orange County

**FROM:** Kimberly Goll, President/CEO

A handwritten signature in black ink, appearing to read "Kimberly Goll", written in a cursive style.

**ACTION:** Receive the President/Chief Executive Officers Report

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**First 5 Orange County 2024 Board Recruitment**

The First 5 Orange County board includes six at-large members, who serve staggered two-year terms that begin April 1 and expire March 31 of the second year. Each year, three of these positions must be filled through a recruitment process. This year, two of the positions fall in the category of Health and Early Intervention and one falls in the category of Education and Early Intervention. First 5 disseminated information about the positions through its website, an email blast, and social media. Members of the Board of Supervisors promoted the recruitment through their e-newsletters, along with several community partners such as the Orange County Department of Education, Orange County Business Council, and CalOptima. Candidate recruitment ended March 15, 2024 and eleven applications were received, seven in each category since a few applicants applied for both categories. These eleven applications have been sent to the Clerk of the Board, who manages the process from here. Chairman Wagner and Vice Chairman Chaffee will nominate candidates to fill the two Health positions, and Supervisor Foley will make the Education position nomination. The full Board of Supervisors will make the appointments at an April board meeting.

**Policy Update**

Over the past quarter, our policy team has engaged in a comprehensive review of the state budget, analyzed early childhood bills and continued to strengthen our relationships with our Orange County State Delegation. During Advocacy Day, the First 5 Association of California proposed a bill to establish a statewide Prenatal to Three Workgroup to craft evidence-based and community-informed recommendations for a 10-year comprehensive, equity-focused Prenatal to Three system. We are pleased to announce that Assemblymember Gomez-Reyes has authored the Prenatal to Three workgroup bill. The bill was introduced as [AB 2982](#). This bill is a vehicle to enhance the value and expertise of the F5 Network and offers an opportunity to partner with statewide leaders in the Prenatal to Three policy and funding space on a long-term vision for the state. It is also an opportunity to highlight the work of First 5s and shed additional light on the escalated decline in revenue we are facing.

In addition to AB 2982 and to address the decline in tobacco tax revenue, the First 5 Association has been working to gain support for a one-time funding allocation in the 2024 Governor's Budget. We are pleased to announce that Assemblymember Pellerin recently submitted a request to the



Senate and Assembly Budget committees for a state budget allocation of \$100 million for First 5s. The request letter emphasized the critical need for this funding to ensure the continuation of vital programs. Assemblymember Pellerin noted the important role of local First 5 programs in supporting early childhood development and urged support to prevent further program cuts and operational reductions. First 5 OC's Policy Team will continue to monitor the progress of this request and keep the Board informed. We will be meeting with our OC delegation and their staff to gain support for the bill and the budget request and promote the local work we do in the community for children and families.

### **Work to Support Special Populations**

First 5 Orange County has identified resilience among children and families as a priority in our Strategic Plan. That includes an effort to improve coordination, linkage to, and expansion of services to special populations, which we have defined as children at risk for abuse and neglect; infants who have been substance-exposed; foster youth who are parenting; and families experiencing homelessness. Our efforts to support this group have begun with our child care initiative. We recognize the different needs within each of these groups and have begun our work by focusing on families with children with special needs and those who are houseless. The strategies identified are specific to each group and summarized below.

- Children with Special Needs: Energized by the *Unseen* Documentary screening and panel discussion, staff has identified that access to child care and support to caregivers are of high level interest from our community. Staff and consultants have begun an analysis of the doors into service, understanding the providers who support these children and their families, and key stakeholder interviews. Thus far, focus groups have been held with the Child care Systems Task Force participants and our school district early learning leaders.
- Houseless Community: An ad hoc committee of key stakeholders met in January. Representatives from 211/United Way, Social Services Agency, OC Head Start, and the Families Solution Collaborative joined First 5 OC staff, consultants, and board member Susan McClintic to discuss current data and access points. The group confirmed that the issue of access to child care is a burden for houseless families and identified families living on the street or in cars as our priority group. A second meeting was held with an expanded group with the addition of Help Me Grow, CalOptima, North Regional Occupational Program, Children's Home Society, and Families Forward. Data sharing, leveraging partner relationships for enrollment to support families in quicker access to childcare and advocacy for programs that focus on the houseless families were identified as the solutions for the workgroup and First 5 to act on.

We will report back to the board with identified next steps as we solidify potential local solutions and First 5 OC's unique role in the support of these special populations groups. Cristina Blevins is the contact for special populations in the child care initiative related questions.

### **Action Plan Update**

Attachment 1 provides a summary of accomplishments and challenges for each Action Plan along with the name of the staff member(s) leading the work. Below are few notable highlights from our work over the past several months.

- Multiple Kid Builder events were held throughout the county.
- 21 out of 25 school district early learning agreements were prepared and are with the districts for approval.
- First 5 OC was selected to provide CalWORKs home visiting services.

- First 5 OC was selected by CalOptima as one of 16 applicants to participate in the Community Health Worker (CHW) Learning Academy.
- We had a successful trip to Sacramento for First 5 Advocacy Day.
- The third child care incubator cohort graduated 53 Future Child Care Providers; 15 previous graduates have received their licenses.
- Health+ Studio was selected and has begun work with early childhood relational health leaders through the county to build out a continuum of care for Orange County.
- We launched a parent-facing shared messaging campaign with Detect & Connect OC.
- CalOptima is supporting the expansion of HealthySteps to 10 additional clinic sites.

## **Financial Report Update**

### *Investment Report*

Pursuant to First 5 Orange County's Fiscal Year 2023-2024 Investment Policy Statement, the Orange County Treasurer submits Quarterly Investment Reports to the Commission. The Investment Report (Attachment 2) summarizes investment activities for the three-month period of October 1 through December 31, 2023. The primary objective of the Treasurer is to invest the Commission's funds to provide safety of principal and liquidity, while providing a reasonable return on investments. Currently, the Treasurer has invested 100 percent of the Commission's funds in the Orange County Investment Pool (OCIP).

### *Revenue Update*

Total tobacco tax revenue as reported July through December 2023 is \$11.8 million. This total includes the backfill revenue from Prop 56 as well as the adjustments for the revenue transferred out for the Prop 99 and Breast Cancer Fund. At this point in time, tobacco tax revenues are expected to end the year close to the budget amount of \$17.9 million.

## **Attachments:**

1. Summary of Progress on First 5 OC Strategic Plan Action Plans for 2023-2024
2. Investment Report
3. November 2023 Financial Highlights
4. December 2023 Financial Highlights
5. January 2024 Financial Highlights
6. February 2024 Financial Highlights



**Attachment 1**  
**Summary of Progress on Strategic Plan Action Plans**  
April 2024

## 1. Increase awareness and use of Kid Builders in Orange County

**Lead Staff:** Lisa Burke

**Accomplishments:** First 5 OC and our partners continue to share Kid Builder resources in the community. In recent months, we shared Kid Builders at a series of kindergarten readiness events at six OC Public Libraries, as well as kindergarten readiness and health fairs with Santa Ana and Magnolia school districts and the National Alliance on Mental Illness (NAMI). We also partnered with Pretend City and PNC Bank for a Kid Builders event that included free admission to the museum. There was a line around the building for much of the day, and more than 1,400 community members came to explore and play throughout Pretend City's child-size city. We set up our five Kid Builders activity stations in the museum, with giveaways including toddler-sized beach balls, growth charts, and bubbles.

We have drafted a generic toolkit with instructions on how to use Kid Builder resources, which we are now planning to tailor to specific audiences, such as child care providers and pediatricians.

**Challenges:** Staffing events and developing related materials takes a significant amount of staff time. The addition of new staff, Ana Anaya and Erwin Cox, will help to move this work forward.

## 2. Build universal school district support for a realignment of work focused on connection to child care, family engagement, and linkage to health systems and services

**Lead Staff:** Cristina Blevins

**Accomplishments:** A total of 21 out of 25 school district agreements have been prepared and sent to the district lead to take through their approval process. First 5 OC staff has been attending school board meetings as they consider the agreements to thank district boards for continued partnership.

**Challenges:** Some districts are facing significant staffing changes and funding deficits. These issues have slowed down their plan development for the next funding cycle, FY 2025-27.

## 3. Implement home visiting regional work plans for state funded program management and technical assistance

**Lead Staff:** Andrew Montejo

**Accomplishments:** First 5 OC is leading a regional cohort of First 5s from Imperial, Riverside, San Bernardino, and Orange counties using funding from First 5 California's Regional Technical

# Attachment 1

## Summary of Progress on Strategic Plan Action Plans

April 2024

Assistance for Home Visiting Coordination and Integration Project. This coordination and integration work will include three regional trainings, and the first one was held in March in Riverside with participation from 50 home visiting leaders from across the four counties. The training, titled “Early Childhood Mental Health Principles and Practices in Home Visiting,” provided practical skills and approaches to support home visitors by integrating generational trauma and early relational health.

**Challenges:** The various home visiting providers use different language to talk about home visiting. Also, the regional partners are not familiar with each other’s home visiting services. So we have been working on getting all home visiting providers to use common communication about home visiting and learning about our respective home visiting services.

### 4. Implement Orange County’s home visiting work plan for state funded program management and technical assistance

**Lead Staff:** Yvette Nuñez

**Accomplishments:** First 5 Orange County was selected by the County of Orange, Social Services Agency (SSA) to provide CalWORKs home visiting program services. There is an item on today’s agenda that would authorize entering into an agreement with SSA for \$8 million over two years to provide these services.

Since the last report, we invited additional home visiting organizations to participate in the county’s Home Visiting Collaborative (HVC) work. We began conversations with Help Me Grow OC and HVC stakeholders around coordinated entry and referrals, as well as identifying next steps for the closed looped referral subgroup.

### 5. Develop a performance management reporting structure for Prenatal to Three reporting agencies

**Lead Staff:** Yvette Nuñez

**Accomplishments:** Staff has reviewed other successful performance management systems. Work is underway to identify and develop key performance management indicators.

### 6. Assess feasibility and if feasible develop strategy to expand the Community Health Worker benefit to support sustainability for Prenatal to Three services

**Lead Staff:** Sara Brown

# Attachment 1

## Summary of Progress on Strategic Plan Action Plans

April 2024

**Accomplishments:** First 5 OC has been selected by CalOptima as one of 16 applicants to participate in the Community Health Worker (CHW) Learning Academy that begins in April. We have continued to meet with CalOptima staff and now as part of the CHW Learning Academy, will be attending regular meetings/convenings within the behavioral health department. As part of the academy, we will move into contracting with CalOptima in October 2024.

Separately, the individuals that First 5 OC is funding to participate in the CHW certification program at Orange Coast College are continuing to actively engage with the material. They will begin their internships in April and receive their certifications in May.

### 7. Expand First 5 OC-funded services to prenatal families

**Lead Staff:** Sara Brown

**Accomplishments:** The prenatal group series curricula was reviewed and approved by a panel of experts and the first round of the educational series is on track to begin in April. Our outreach strategy of targeting prenatal providers to reach their clients for this educational series has begun and new educational tip sheets and resources were added as part of our prenatal expansion. We plan plans on leveraging learnings from the CHW Learning Academy for our prenatal work.

### 8. Increase use of and integrate Plans of Safe Care in Orange County

**Lead Staff:** Yvette Nuñez

**Accomplishments:** Community stakeholders came together to change the name “Plans of Safe Care” to a more family-friendly and strength-based name. Plans of Safe Care are now referred to as Family Wellness Plans (FWPs) and we will change the name of this goal in future reports. A universal Family Wellness Plan template was co-created for use by Orange County providers. Work is being done to support a FWP pilot with four OC birthing hospitals. Work is also advancing within the five Family Support Task Forces focused on FWP coordination, data, family centered care, hospital coordination, and stigma and discrimination reduction.

### 9. Increase stakeholder commitment to advance policy for early childhood

**Lead Staff:** Tiffany Alva

**Accomplishments:** First 5 Advocacy Day provided an excellent opportunity for us to share priorities with legislators and their staff. We update our priorities regularly and provide regular updates to F5 leadership as well as consistent outreach to the OC delegation on our priorities and our “asks” to the state. During Advocacy Day, we were able to discuss the Bright Beginnings bill

# Attachment 1

## Summary of Progress on Strategic Plan Action Plans

April 2024

and the \$100 million ask from the First 5 Association. Our OC delegation was supportive of our ask. While they didn't want to sponsor it, they said they would think about becoming a cosponsor of the bill.

### 10. Increase access to quality infant and toddler child care

**Lead Staff:** Cristina Blevins

**Accomplishments:** Since inception last year, three Future Provider cohorts have completed the Small Business Development Council's Family Child Care Initiative. The goal of this program is to inspire and equip new Orange County family child care business owners. 15 Future Providers have received their licenses to date, and with the recent graduation of 53 additional Future Providers, an anticipated 15 more will apply for their license. Our initial goal of increasing 100 infant/toddler slots appears to be attainable within a little more than one year of programming.

Members of the Child Care Systems Collaborative continue to participate in learning sessions, presenting information to the group about their individual programs and learning from each other. In 2024, the collaborative has received presentations from Head Start and Start Well.

The Cross Sector Child Care Task Force has multiple toolkits underway, including one connected with the Small Business Development Council/CIELO incubator program that is for new child care providers and another for affordable housing developers and city planners about how to ease the process of establishing child care in a city.

**Challenges:** The Child Care Systems Collaborative is committed to this learning process but has a renewed eagerness to dive into "what's next." We want to mindfully complete the topics/agencies that need to be reviewed, but also start moving discussion forward to action.

### 11. Develop an accountability plan for First 5's Equity Commitment

**Lead Staff:** Lisa Burke

**Accomplishments:** You may recall that a workgroup was created to help develop an accountability plan for First 5 OC's Equity Commitment. Since we last reported, the workgroup has had multiple meetings including staff, Family Ambassadors, and consultants to work on the Accountability Plan. We identified four priority desired outcomes (shown below) and are in the process of creating an Action Plan that will include activities, timelines and lead staff/consultants to make progress on these desired outcomes. The workgroup recommends the Accountability Plan be considered a dynamic, working plan – not "one and done." We anticipate bringing it to the First 5 OC Board for review and input in June.

- Desired Outcome 1: Collect and use community voice consistently to improve equity in our programs.

# Attachment 1

## Summary of Progress on Strategic Plan Action Plans

April 2024

- Desired Outcome 2: Address disparities by using data to promote greater equity across community programs.
- Desired Outcome 3: Increase equitable practices with community partners through support and accountability.
- Desired Outcome 4: Embed language access for all F50C information and materials

A workgroup to help guide the creation of an accountability plan has been established, including staff, Family Ambassadors, and consultants. At our initial meeting in November, we discussed markers for equity including what resources, tools, and structures need to be present so that gaps in equity can be bridged. At our next two meetings in December, we will continue this discussion and prioritize the equity markers we identify as a group.

### 12. Develop countywide vision and action plan for continuum of care for Early Relational Health

**Lead Staff:** Anaiah Brown

**Accomplishments:** You may recall that we brought together childhood relational health leaders throughout the county to develop a Request for Proposals (RFP) for a consultant to assist in building out the county's continuum of care. Together we selected a consultant through this process and have now contracted with Health+ Studio for this work. They have connected with key community organizations, stakeholders, and partners, conducting interviews and planning. An Early Childhood Mental Health stakeholder workgroup has been formed and will provide key information to Health+ Studio. We are on track to create a centralized continuum of care for ECMH in Orange County.

### 13. Increase Well-Child Visits, developmental screens and linkage to service

**Lead Staff:** Lisa Burke, Sara Brown

**Accomplishments:**

Detect & Connect OC – The Steering Group and three Detect & Connect OC work groups are continuing to meet and advance our collective. The Shared Messaging workgroup developed a four-part, parent-facing communications campaign based on input received through five parent focus groups to identify specific barriers for families to take their children to well-child visits and to get a developmental screening. The messages center around how to get transportation and interpretation assistance for well-child visits, how parents and caregivers can change their child's doctor if they want to, and information about developmental screenings. The campaign went live in March, with participants at Detect & Connect OC sharing the messages on their social platforms. We will repeat the four messages over the next two months and then measure the traction we are getting with the campaign.



# Attachment 1

## Summary of Progress on Strategic Plan Action Plans

April 2024

The system of care work group continues to work on access to speech and language services for young children. At the most recent Steering Committee meeting (March 25<sup>th</sup>) we heard from four speech therapy providers. The goal of the session was to hear their thoughts on two potential solutions to address long waitlists for children and inequities between private pay and MediCal. The two solutions that have risen to the top of our discussion are increased use of Speech/Language Pathology Assistants and use of group therapy. The work of Detect & Connect OC will be featured at the First 5 OC Technical Advisory Committee summit scheduled for May.

HealthySteps – First 5 OC has supported five Federally Qualified Health Centers (FQHC) in Orange County to implement the evidence based model of HealthySteps to ensure young children receive well-child visits, developmental screening and dyadic behavioral health support. Over the last year, staff have worked with CalOptima Staff to garner support to expand the implementation of HealthySteps. There is an item on today's agenda that would approve entering into an agreement with CalOptima for \$1.88 million to expand HealthySteps to an additional 10 sites.

OC Children's Screening Registry – After the initial group of school districts agreed to use the OC Children's Screening Registry, the forward momentum for more schools to use the registry stalled. In order to move the work forward, First 5 OC staff and consultants have been meeting with staff from CHOC/Help Me Grow to see if we can leverage CHOC's relationships with school districts/community schools and align with our early learning specialists relationships to garner support from additional school districts to enter screening results into the registry.

### 14. Assist doulas in utilizing the Doula Benefit in Orange County

**Lead Staff:** Anaiah Brown

**Accomplishments:** To become a Medi-Cal provider, doulas need to enroll in the Provider Application and Validation for Enrollment (PAVE) system. The system allows various provider types to enroll as Medi-Cal providers and manage their Medi-Cal accounts online. For a doula to become a Medi-Cal provider, they have to enroll in the PAVE portal and receive approval to become an approved Medi-Cal provider. Doulas still must contract with a specific Medi-Cal provider(s) to offer services and be able to bill for services. First 5 OC is providing technical assistance and stipends to support doulas enrolling in PAVE.

To date, five Doulas have been enrolled in the program with a few nearing or at PAVE approval.

**Challenges:** Uptake for the program has been slower than expected but numerous recruitment strategies have been implemented to outreach to more doulas in the Orange County community.

### 15. Increase number of communities and families that are empowered changemakers and have access to resources

**Lead Staff:** Cristina Blevins, Andrew Montejo

# Attachment 1

## Summary of Progress on Strategic Plan Action Plans

April 2024

**Accomplishments:** The Engaged Neighborhoods continue to engage parents and hold events to promote early childhood and Kid Builders resources. The new Family Ambassadors are getting settled into their roles and workgroups. An updated webpage for community engagement, including information on Engaged Neighborhoods, Family Ambassadors, and the OC Fatherhood Coalition went live last week. The OC Fatherhood Coalition held a countywide training on why fatherhood inclusion is important, and the legal problem-solving online learning modules are currently being translated into Spanish.

**First 5 Orange County, Children & Families Commission**  
**Quarterly Investment Report**  
**October 1, 2023 through December 31, 2023**

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**OVERVIEW**

Pursuant to the First 5 Orange County, Children & Families Commission (Commission) fiscal year 2023/2024 Investment Policy Statement (IPS), the Treasurer submits this Quarterly Investment Report to the Commission. This Investment Report summarizes investment activities for the Commission for the three-month period from October 1 through December 31, 2023.

**COMMISSION INVESTMENTS**

The primary objective of the Treasurer is to invest the Commission's funds to provide safety of principal and liquidity, while providing a reasonable return on investments. Currently, the Treasurer has invested 100% of the Commission's funds in the Orange County Treasurer's Pool (OCTP). As of December 31, 2023, these totaled \$68,120,087.69. All funds are managed by the Office of the Orange County Treasurer. We have attached a summary of key OCTP investment information (Attachment A).

**ORANGE COUNTY TREASURER'S POOL**

The primary goal of the OCTP is to invest public funds in a manner which will provide the maximum security of principal invested with secondary emphasis on providing adequate liquidity to Pool Participants and lastly to achieve a market rate of return.

**PORTFOLIO PERFORMANCE SUMMARY – QUARTERLY**

The following table presents an overview of the Commission's investments for the months of October, November, and December 2023. The net year-to-date yield for fiscal year 2023/2024 is 4.059%, net of the estimated investment administrative fee of 5.0 basis points. The forecast for the OCTP gross and net yields for fiscal year 2023/2024 are 4.05% and 4.00% respectively. The OCTP has a Net Asset Value of 1.00 and there is sufficient liquidity to meet the forecasted expenditures for the next six months.

Month Ended	Commission's Month End Balance	Commission's Monthly Gross Yield	OCTP Market Value	OCTP Book Value	Weighted Average Maturity	Net Asset Value	Duration
October	\$65,931,056.56	4.121%	\$14,150,228,316	\$14,227,589,007	272 days	0.99	0.72
November	\$65,277,024.59	4.327%	\$14,463,690,851	\$14,489,150,352	286 days	1.00	0.75
December	\$68,120,087.69	4.398%	\$16,458,845,898	\$16,423,717,645	290 days	1.00	0.76

The OCTP market value is sensitive to changes of interest rates as it invests 100% in fixed income investments. With a month end balance of \$68.1 million and duration of 0.76, every 1% increase or decrease in short term interest rates would have an additional estimated \$517,713 decrease or increase in the value below book value. During the quarter, the Net Asset Value increased to 1.00. In addition, on November 1, 2023, Fitch assigned the OCTP their highest credit rating of AAAf for credit risk and a rating of S1, indicating a very low sensitivity to market risk.

**ECONOMIC UPDATE**

The U.S. economy had strong employment gains, but continued high inflation in the fourth quarter of 2023. Employment gains averaged 164,000 per month, lower than the previous quarter's 221,000 per month average. Headline inflation remained elevated at 3.4% year over year, lower than the previous quarter's 3.7%. Core inflation, which excludes food and energy, increased 3.9% from a year ago, the highest level since 1991. The Federal Open Market Committee (FOMC) met on November 1, 2023 and December 13, 2023 and, at both meetings, held the Fed Funds Rate (Rate) at a range of 5.25-5.50%. The bond market is not pricing a change to the rate during the FOMC meetings in the first quarter of 2024. Some U.S. economic releases covering the fourth quarter of 2023:

- The unemployment rate decreased to 3.7% (survey: 3.8%) at the end of the fourth quarter, down 0.1% from the prior quarter.
- The Empire State Manufacturing Index decreased to -14.5 (survey: 2.0) from 1.9 at the end of the third quarter while the Philadelphia Fed Index increased to -10.5 (survey: -3.7) from -13.5 at the end of the third quarter. The Federal Reserve uses these indexes as regional economic gauges with a positive reading signaling economic expansion.

The Treasury yield curve fell as all interest rates decreased during the fourth quarter. The 90-day Treasury Bill yield decreased to 5.34% from 5.45%. The 2-year Treasury Note yield fell to 4.25% from 5.05% while the 10-year Treasury Bond yield decreased to 3.88 from 4.57%.

## COMPLIANCE MONITORING

As of December 31, 2023, 100% of the holdings of the Commission were in compliance with the Commission's IPS. The OCTP had six self-identified compliance exceptions in the month of November 2023. These compliance deficiencies were related to a change in the credit outlook from positive to negative for the US Government and Agency bonds that require pre-approval to purchase bonds issued by these related entities by the County Treasurer. The compliance deficiencies were cured within three business days. During this review, we also noted that Fitch Ratings had also put the US Government and Agency bonds on negative watch on May 23, 2023 (subsequently downgraded them on August 1 and 2, 2023, respectively) and the County Treasurer approval for the outlook change was not obtained at that time, and we are self-reporting this compliance exception now. The County Treasurer is in the process of updating procedures and processes to prevent this from occurring in future.

The County Treasurer's investments are audited regularly by the County Auditor-Controller, Internal Audit Division (ACIAD). The ACIAD issued five reports and one management letter (Attachment D, E, F, G, H, I) during the quarter ended December 31, 2023, as follows:

Compliance Monitoring of the Treasurer's Investment Portfolio for the Quarter Ended December 31, 2022, March 31, 2023, and June 30, 2023 - (Attachment D, E, F).

The Auditor-Controller issued reports on Compliance Monitoring of the Treasurer's Investment Portfolio for the Quarters Ending December 31, 2022, March 31, 2023, and June 30, 2023, on October 2, 10 and 19, 2023, respectively. Each report stated no compliance exceptions were identified.

Review of the Treasurer's Schedule of Assets as of December 31, 2022 - (Attachment G).

On October 31, 2023, the Auditor-Controller issued their Review of the Schedule of Assets Held by the County Treasury as of December 31, 2022. The report stated that they were not aware of any material modifications that should be made to the Schedule in order for it to be in accordance with the modified cash basis of accounting.

Review of the Treasurer's Schedule of Assets as of March 31, 2023 - (Attachment I).

On December 7, 2023, the Auditor-Controller issued their Review of the Schedule of Assets Held by the County Treasury as of March 31, 2023. The report stated that they were not aware of any material modifications that should be made to the Schedule in order for it to be in accordance with the modified cash basis of accounting.

Management Letter on Review of the Treasurer's Schedule of Assets as of December 31, 2022 - (Attachment H).

On November 30, 2023, the Auditor-Controller (A-C) issued a Management Letter on Review of the Treasurer's Schedule of Assets as of December 31, 2022, indicating that A-C did not comply with California Government Code Section 26905 that states the AC is required to reconcile the books of the Treasurer to the books of the A-C later than the last day of each month.

We have attached the Investment Policy (IPS) and Treasury Oversight Committee Compliance Summary as reported in the Treasurer's Monthly Report for the months of October, November, and December 2023 (Attachment B). This summary tracks compliance in a variety of areas.

## STATEMENT OF ACTIVITY

We have attached the Statement of Activity for the months of October, November, and December 2023. (Attachment C). These Statements report the beginning and ending balances of the Commission's funds invested in the OCTP.

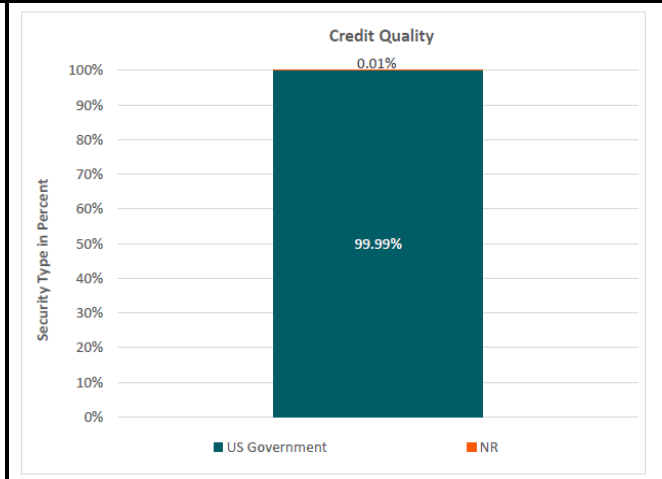
### Attachments:

- A. OCTP Summary.
- B. Investment Policy and Treasury Oversight Committee Compliance Summary October, November, and December 2023.
- C. Statement of Activity for the months of October, November, and December 2023.
- D. Compliance Monitoring of the Treasurer's Investment Portfolio for the Quarter Ended December 31, 2022.
- E. Compliance Monitoring of the Treasurer's Investment Portfolio for the Quarter Ended March 31, 2023.
- F. Compliance Monitoring of the Treasurer's Investment Portfolio for the Quarter Ended June 30, 2023.
- G. Review of the Treasurer's Schedule of Assets as of December 31, 2022.
- H. Review of the Treasurer's Schedule of Assets as of March 31, 2023.
- I. Management Letter on Review of the Treasurer's Schedule of Assets as of December 31, 2022.

**ORANGE COUNTY TREASURER-TAX COLLECTOR  
ORANGE COUNTY TREASURER'S POOL  
INVESTMENT POOL SUMMARY  
AT DECEMBER 31, 2023**

Attachment A

<b>OCTP PORTFOLIO COMPOSITION</b>				
<b>Security Type</b>	<b>Market Value<sup>1</sup></b>	<b>% of Market Value</b>	<b>Book Value<sup>1</sup></b>	<b>Unrealized Gain (Loss)</b>
U.S. GOVERNMENT AGENCIES	\$ 10,942,527,338	66.49%	\$ 10,855,950,740	86,576,598
U.S. TREASURIES	3,312,083,153	20.12%	3,363,531,498	(51,448,345)
MONEY MARKET MUTUAL FUNDS	2,202,886,654	13.38%	2,202,886,654	-
LOCAL AGENCY INVESTMENT FUND	1,348,753	0.01%	1,348,753	-
<b>TOTAL</b>	<b>\$ 16,458,845,898</b>	<b>100.00%</b>	<b>\$ 16,423,717,645</b>	<b>\$ 35,128,253</b>



**SUMMARY OF INVESTMENT DATA  
INVESTMENT TRENDS  
OCTP**

	<b>DECEMBER 2023</b>	<b>NOVEMBER 2023</b>	<b>INCREASE (DECREASE)</b>	<b>NET CHANGE %</b>	<b>DECEMBER 2022</b>	<b>INCREASE (DECREASE)</b>	<b>NET CHANGE %</b>
<b>Orange County Treasurer's Pool (OCTP)</b>							
End Of Month Market Value <sup>1,2</sup>	\$ 16,458,845,898	\$ 14,463,690,851	\$ 1,995,155,047	13.79%	\$ 15,131,876,293	\$ 1,326,969,605	8.77%
End Of Month Book Value <sup>1,2</sup>	\$ 16,423,717,645	\$ 14,489,150,352	\$ 1,934,567,293	13.35%	\$ 15,351,892,762	\$ 1,071,824,883	6.98%
Monthly Average Balance <sup>2</sup>	\$ 15,953,786,311	\$ 14,228,240,271	\$ 1,725,546,040	12.13%	\$ 14,746,637,870	\$ 1,207,148,441	8.19%
Year-To-Date Average Balance <sup>2</sup>	\$ 14,234,837,767	\$ 13,891,048,058	\$ 343,789,709	2.47%	\$ 12,503,969,773	\$ 1,730,867,994	13.84%
Monthly Accrued Earnings <sup>3</sup>	\$ 59,992,997	\$ 51,056,831	\$ 8,936,166	17.50%	\$ 35,695,253	\$ 24,297,744	68.07%
Monthly Net Yield <sup>3</sup>	4.348%	4.277%	0.071%	1.66%	2.766%	1.582%	57.19%
Year-To-Date Net Yield <sup>3</sup>	4.059%	3.992%	0.067%	1.68%	1.699%	2.360%	138.91%
Annual Estimated Gross Yield <sup>4</sup>	4.050%	4.050%	0.000%	0.00%	2.615%	1.435%	54.88%
Weighted Average Maturity (WAM)	290	286	4	1.48%	200	90	45.25%

<sup>1</sup> Market values provided by Bloomberg and Northern Trust.

<sup>2</sup> The OCIP End of Month Market Value, End of Month Book Value and Monthly Average Balance are higher than the prior month due to higher property tax receipts in December than November. The OCEIP End of Month Market Value is higher than the prior month and year, the End is higher than the prior month, and the Monthly Average Balance and Year-To-Date Average Balance are higher than the prior year primarily due to an increase in property assessed values of 6.41% in FY 23-24.

<sup>3</sup> The OCIP and OCEIP Monthly Accrued Earnings are higher than the prior month due to higher average balances. The OCIP and OCEIP Monthly Accrued Earnings, OCTP Monthly Net Yield and Year-To-Date Net Yield are higher than prior year due to higher interest rates with the Fed term rates by 3.75% since July 1, 2022, and reinvestment yields that are higher than the current portfolio yield and the maturing securities, respectively.

<sup>4</sup> The OCTP Annual Estimated Gross Yield is higher than the prior year due to continued higher yields from short-term rate increases. The OCTP Annual Estimated Gross Yield for December 2022 is reported at the actual annual gross yields for FY 22-23.

<sup>5</sup> The OCTP WAM is higher than the prior year due to longer term purchases as the FMOC is expected to discontinue rate hikes for the next several months and may begin to lower rates afterwards.

**ORANGE COUNTY TREASURER-TAX COLLECTOR  
OCTP INVESTMENT POLICY (IPS) COMPLIANCE SUMMARY<sup>(1)</sup>  
October 31, 2023**

Investment Type	IPS Diversification Limit	Market Value of Investments <sup>(2)</sup>	Percent of Portfolio
U.S. Government Agency Securities	100%	\$ 10,804,051,648	76.35%
U.S. Treasury Securities	100%	2,124,184,092	15.01%
Municipal Debt	20%	-	-
Medium-Term Notes	20%	-	-
Banker Acceptances	40%	-	-
Commercial Paper	40%	-	-
Certificates of Deposits	20%	-	-
Local Agency Investment Fund (LAIF)	\$75MM	1,348,753	0.01%
Repurchase Agreements	20%	-	-
Money Market Mutual Funds (MMMFs)	20%	1,220,643,823	8.63%
JPA Investment Pools (JPA)	20%	-	-
Supranationals	30%	-	-
		<b>\$ 14,150,228,316</b>	<b>100.00%</b>

Compliance Category	IPS Guidelines	Compliance (Yes/No)
<b>Percentage Limits</b>		
Issuer Limit	5%	Yes
MMMFs, JPA, Repurchase Agreements <sup>(4)</sup>	20%	Yes
Government Agencies Issuer	100%	Yes
<b>Diversification Limit</b>	See Above	Yes
<b>Maturity/Duration Limits</b>		
Duration <sup>(5)</sup>	1.5 Years	Yes/ 0.72
Final Maturity	5 Years/1826 days	Yes/ 1766
<b>Rating Limits</b>		
Short Term/Long Term	A-1/> AA <sup>(3)</sup>	Yes
<b>Authorized Issuer</b>	Approved Issuer List	Yes
<b>Authorized Broker Dealer</b>	Broker/Dealer List	Yes
<b>Net Asset Value<sup>(6)</sup></b>	>0.9975	0.9937

(1) The 2023 IPS compliance effective January 1, 2023.

(2) All investments are marked to market in compliance with the IPS and market values are provided by Bloomberg and Northern Trust.

(3) Excludes US Government Debt per the 2023 IPS policy approved by the Board of Supervisors on December 20, 2022 effective on January 1, 2023.

(4) IPS requirements further limit investments in each MMMF account, JPA pool and repurchase agreement issuer to 10%.

(5) Modified duration which does not take into consideration all embedded options such as callable bonds.

(6) The OCTP NAV reflects a slight increase in market values verses book values, and the NAV still remains below 1.0000 at 0.9937 compared to last month's NAV at 0.9929. The OCTP has sufficient liquidity to meet projected cash flow needs.

Note: Compliance exceptions, if any, are noted by red shading for the specific IPS guideline.

**ORANGE COUNTY TREASURER-TAX COLLECTOR  
INVESTMENT POLICY (IPS) AND TREASURY OVERSIGHT COMMITTEE (TOC) COMPLIANCE SUMMARY  
October 31, 2023**

COMPLIANCE CATEGORY	RESPONSIBLE PARTY	REGULATORY/POLICY GUIDELINES	CURRENT STATUS
Annual Compliance Audit of County Treasurer's Compliance with CGC Article 6	TOC	Performance Evaluation-Cal Govt. Code 27134	Annual Compliance Audit as of June 30, 2023 not yet started and RFP for procurement of audit is in process.
Quarterly Compliance Monitoring of County Treasury	TOC	TOC Directive	December 31, 2022, March 31, 2023 and June 30, 2023 completed.
Annual Schedule of Assets Audit of County Treasury	AC	Performance Evaluation-Cal Govt. Code 26920(b)	June 30, 2022 completed.
Quarterly Schedule of Assets Review of County Treasury	AC	Performance Evaluation-Cal Govt. Code 26920(a)	December 31, 2022 completed. March 31, 2023 and September 2023 in progress.
Investment Administrative Fee Reconciliation of Estimate to Actual	TTC	Compensation Agreement-Cal Govt. Code 27013 and IPS Section XVI.	FY 22/23 in progress.
Annual Broker/Dealer/Financial Institutions Review	TTC	Authorized Financial Dealers and Qualified Institutions	Calendar year 2022 completed.
Annual Broker/Dealer IPS Certification of Receipt	TTC	Authorized Financial Dealers and Qualified Institutions	2023 IPS certifications received from all approved brokers for OCTP, Specific Investment Accounts and the CCCD Bond Proceeds Accounts
IPS Compliance Findings	TTC	Investment/Diversification/Maturity Restrictions	FY 23/24 identified zero compliance incidents as of October 31, 2023.
TOC Bylaw Changes	BOS	TOC Review and BOS Annual Approval	The TOC reviewed Bylaws and made no changes at the October 25, 2023 meeting. No BOS approval required.
Annual IPS Approval	BOS	TOC Review and BOS Annual Approval	The TOC reviewed proposed IPS changes at the October 25, 2023 meeting and provided input on the proposed IPS changes. BOS approval scheduled on December 19, 2023.
TOC Annual Report	BOS	TOC Bylaws Rule 30 - Oral and Written Report	The TOC 2022 Annual Report was approved by TOC on January 25, 2023 and received by the BOS on May 9, 2023.
Broker/Financial Institution List	TTC	OC Gift Ban Ordinance and Form 700	The TOC members were provided a list of active TTC Broker/Dealers and Financial Institutions at the TOC meeting on October 25, 2023.
TOC Certificates of Compliance	TTC	TOC Bylaws Rule 34 - Annual	The TOC members are in compliance for calendar year 2023.
TOC Ethics Training	TTC	TOC Bylaws Rule 34 - Every Two Years	The TOC members are in compliance for calendar year 2022.
TOC Conflict of Interest Form 700 Filing	TTC	TOC Bylaws Rule 34 / IPS - Every Year	All current TOC members and designated employees are in compliance for calendar year 2022.

LEGEND	
Auditor-Controller	AC
Board of Supervisors	BOS
Treasury Oversight Committee	TOC
Office of Treasurer-Tax Collector	TTC

**ORANGE COUNTY TREASURER-TAX COLLECTOR  
OCTP INVESTMENT POLICY (IPS) COMPLIANCE SUMMARY<sup>(1)</sup>  
November 30, 2023**

Investment Type	IPS Diversification Limit	Market Value of Investments <sup>(2)</sup>	Percent of Portfolio
U.S. Government Agency Securities	100%	\$ 10,637,371,354	73.55%
U.S. Treasury Securities	100%	2,525,802,068	17.46%
Municipal Debt	20%	-	-
Medium-Term Notes	20%	-	-
Banker Acceptances	40%	-	-
Commercial Paper	40%	-	-
Certificates of Deposits	20%	-	-
Local Agency Investment Fund (LAIF)	\$75MM	1,348,753	0.01%
Repurchase Agreements	20%	-	-
Money Market Mutual Funds (MMMFs)	20%	1,299,168,676	8.98%
JPA Investment Pools (JPA)	20%	-	-
Supranationals	30%	-	-
		<b>\$ 14,463,690,851</b>	<b>100.00%</b>

Compliance Category	IPS Guidelines	Compliance (Yes/No)
<b>Percentage Limits</b>		
Issuer Limit	5%	Yes
MMMFs, JPA, Repurchase Agreements <sup>(4)</sup>	20%	Yes
Government Agencies Issuer	100%	Yes
Diversification Limit	See Above	Yes
<b>Maturity/Duration Limits</b>		
Duration <sup>(5)</sup>	1.5 Years	Yes/ 0.75
Final Maturity	5 Years/1826 days	Yes/ 1812
<b>Rating Limits</b>		
Short Term/Long Term	A-1/≥ AA <sup>(3)</sup>	No <sup>(7)</sup>
Authorized Issuer	Approved Issuer List	Yes
Authorized Broker Dealer	Broker/Dealer List	Yes
Net Asset Value <sup>(6)</sup>	>0.9975	0.9982

- (1) The 2023 IPS compliance effective January 1, 2023.
- (2) All investments are marked to market in compliance with the IPS and market values are provided by Bloomberg and Northern Trust.
- (3) Excludes US Government Debt per the 2023 IPS policy approved by the Board of Supervisors on December 20, 2022 effective on January 1, 2023.
- (4) IPS requirements further limit investments in each MMMF account, JPA pool and repurchase agreement issuer to 10%.
- (5) Modified duration which does not take into consideration all embedded options such as callable bonds.
- (6) The OCTP NAV reflects a slight increase in market values verses book values, and the NAV still remains below 1.0000 at 0.9982 compared to last month's NAV at 0.9937. The OCTP has sufficient liquidity to meet projected cash flow needs.
- (7) Six compliance exceptions occurred, on November 13. The compliance exceptions were self-identified and cured on November 15.

Note: Compliance exceptions, if any, are noted by red shading for the specific IPS guideline.



**ORANGE COUNTY TREASURER-TAX COLLECTOR  
INVESTMENT POLICY (IPS) AND TREASURY OVERSIGHT COMMITTEE (TOC) COMPLIANCE SUMMARY  
November 30, 2023**

COMPLIANCE CATEGORY	RESPONSIBLE PARTY	REGULATORY/POLICY GUIDELINES	CURRENT STATUS
Annual Compliance Audit of County Treasurer's Compliance with CGC Article 6	TOC	Performance Evaluation-Cal Govt. Code 27134	Annual Compliance Audit as of June 30, 2023 not yet started and RFP for procurement of audit is in process.
Quarterly Compliance Monitoring of County Treasury	TOC	TOC Directive	September 30, 2023 in progress
Annual Schedule of Assets Audit of County Treasury	AC	Performance Evaluation-Cal Govt. Code 26920(b)	June 30, 2022 completed.
Quarterly Schedule of Assets Review of County Treasury	AC	Performance Evaluation-Cal Govt. Code 26920(a)	September 2023 in progress.
Investment Administrative Fee Reconciliation of Estimate to Actual	TTC	Compensation Agreement-Cal Govt. Code 27013 and IPS Section XVI.	FY 22/23 in progress.
Annual Broker/Dealer/Financial Institutions Review	TTC	Authorized Financial Dealers and Qualified Institutions	Calendar year 2022 completed.
Annual Broker/Dealer IPS Certification of Receipt	TTC	Authorized Financial Dealers and Qualified Institutions	2023 IPS certifications received from all approved brokers for OCTP, Specific Investment Accounts and the CCCD Bond Proceeds Accounts
IPS Compliance Findings	TTC	Investment/Diversification/Maturity Restrictions	FY 23/24 identified six compliance incidents as of November 30, 2023. Identified one compliance incident for FY 22/23.
TOC Bylaw Changes	BOS	TOC Review and BOS Annual Approval	The TOC reviewed Bylaws and made no changes at the October 25, 2023 meeting. No BOS approval required.
Annual IPS Approval	BOS	TOC Review and BOS Annual Approval	The TOC reviewed proposed IPS changes at the October 25, 2023 meeting and provided input on the proposed IPS changes. BOS approval scheduled on December 19, 2023.
TOC Annual Report	BOS	TOC Bylaws Rule 30 - Oral and Written Report	The TOC 2022 Annual Report was approved by TOC on January 25, 2023 and received by the BOS on May 9, 2023.
Broker/Financial Institution List	TTC	OC Gift Ban Ordinance and Form 700	The TOC members were provided a list of active TTC Broker/Dealers and Financial Institutions at the TOC meeting on October 25, 2023.
TOC Certificates of Compliance	TTC	TOC Bylaws Rule 34 - Annual	The TOC members are in compliance for calendar year 2023.
TOC Ethics Training	TTC	TOC Bylaws Rule 34 - Every Two Years	The TOC members are in compliance for calendar year 2022.
TOC Conflict of Interest Form 700 Filing	TTC	TOC Bylaws Rule 34 / IPS - Every Year	All current TOC members and designated employees are in compliance for calendar year 2022.

LEGEND	
Auditor-Controller	AC
Board of Supervisors	BOS
Treasury Oversight Committee	TOC
Office of Treasurer-Tax Collector	TTC

**ORANGE COUNTY TREASURER-TAX COLLECTOR  
OCTP INVESTMENT POLICY (IPS) COMPLIANCE SUMMARY<sup>(1)</sup>  
December 31, 2023**

Investment Type	IPS Diversification Limit	Market Value of Investments <sup>(2)</sup>	Percent of Portfolio
U.S. Government Agency Securities	100%	\$ 10,942,527,338	66.49%
U.S. Treasury Securities	100%	3,312,083,153	20.12%
Municipal Debt	20%	-	-
Medium-Term Notes	20%	-	-
Banker Acceptances	40%	-	-
Commercial Paper	40%	-	-
Certificates of Deposits	20%	-	-
Local Agency Investment Fund (LAIF)	\$75MM	1,348,753	0.01%
Repurchase Agreements	20%	-	-
Money Market Mutual Funds (MMMFs)	20%	2,202,886,654	13.38%
JPA Investment Pools (JPA)	20%	-	-
Supranationals	30%	-	-
		<b>\$ 16,458,845,898</b>	<b>100.00%</b>

Compliance Category	IPS Guidelines	Compliance (Yes/No)
<b>Percentage Limits</b>		
Issuer Limit	5%	Yes
MMMFs, JPA, Repurchase Agreements <sup>(4)</sup>	20%	Yes
Government Agencies Issuer	100%	Yes
<b>Diversification Limit</b>	See Above	Yes
<b>Maturity/Duration Limits</b>		
Duration <sup>(5)</sup>	1.5 Years	Yes/ 0.76
Final Maturity	5 Years/1826 days	Yes/ 1781
<b>Rating Limits</b>		
Short Term/Long Term	A-1/≥ AA <sup>(3)</sup>	Yes
<b>Authorized Issuer</b>	Approved Issuer List	Yes
<b>Authorized Broker/Dealer</b>	Broker/Dealer List	Yes
<b>Net Asset Value<sup>(6)</sup></b>	>0.9975	1.0021

(1) The 2023 IPS compliance effective January 1, 2023.

(2) All investments are marked to market in compliance with the IPS and market values are provided by Bloomberg and Northern Trust.

(3) Excludes US Government Debt per the 2023 IPS policy approved by the Board of Supervisors on December 20, 2022 effective on January 1, 2023.

(4) IPS requirements further limit investments in each MMMF account, JPA pool and repurchase agreement issuer to 10%.

(5) Modified duration which does not take into consideration all embedded options such as callable bonds.

**ORANGE COUNTY TREASURER-TAX COLLECTOR  
INVESTMENT POLICY (IPS) AND TREASURY OVERSIGHT COMMITTEE (TOC) COMPLIANCE SUMMARY  
December 31, 2023**

COMPLIANCE CATEGORY	RESPONSIBLE PARTY	REGULATORY/POLICY GUIDELINES	CURRENT STATUS
Annual Compliance Audit of County Treasurer's Compliance with CGC Article 6	TOC	Performance Evaluation-Cal Govt. Code 27134	Annual Compliance Audit as of June 30, 2023 not yet started and RFP for procurement of audit released on January 11, 2024.
Quarterly Compliance Monitoring of County Treasury	TOC	TOC Directive	September 30, 2023 and December 31, 2023 in progress
Annual Schedule of Assets Audit of County Treasury	AC	Performance Evaluation-Cal Govt. Code 26920(b)	June 30, 2023 in progress.
Quarterly Schedule of Assets Review of County Treasury	AC	Performance Evaluation-Cal Govt. Code 26920(a)	September 30, 2023 and December 31, 2023 in progress.
Investment Administrative Fee Reconciliation of Estimate to Actual	TTC	Compensation Agreement-Cal Govt. Code 27013 and IPS Section XVI.	FY 22/23 in progress.
Annual Broker/Dealer/Financial Institutions Review	TTC	Authorized Financial Dealers and Qualified Institutions	Calendar year 2022 completed.
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Annual IPS Approval	BOS	TOC Review and BOS Annual Approval	The TOC reviewed proposed IPS changes at the October 25, 2023 meeting and provided input on the proposed IPS changes. BOS approved on December 19, 2023.
TOC Annual Report	BOS	TOC Bylaws Rule 30 - Oral and Written Report	The TOC 2022 Annual Report was approved by TOC on January 25, 2023 and received by the BOS on May 9, 2023.
Broker/Financial Institution List	TTC	OC Gift Ban Ordinance and Form 700	The TOC members were provided a list of active TTC Broker/Dealers and Financial Institutions at the TOC meeting on October 25, 2023.
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TOC Conflict of Interest Form 700 Filing	TTC	TOC Bylaws Rule 34 / IPS - Every Year	All current TOC members and designated employees are in compliance for calendar year 2022.

LEGEND	
Auditor-Controller	AC
Board of Supervisors	BOS
Treasury Oversight Committee	TOC
Office of Treasurer-Tax Collector	TTC



COUNTY OF ORANGE  
**OFFICE OF THE TREASURER-TAX COLLECTOR**  
 Shari L. Freidenrich, CPA, CCMT, CPFA, ACPFIM  
 P. O. BOX 4515  
 SANTA ANA, CA 92702-4515

Attachment C



[octreasurer.com/publicfunds](http://octreasurer.com/publicfunds)  
 October 31, 2023

FIRST 5 ORANGE COUNTY

**Fund Number : 225**

**OCTOBER 2023 STATEMENT**

**INVESTMENT BALANCE IN OCIP**

**Transactions**

<u>Transaction Date</u>	<u>Transaction Description</u>	<u>Amount</u>
10/02/2023	September 2023 Investment Admin Fee	\$ (2,780.51)
10/30/2023	July 2023 Interest Paid	\$ 223,881.32

**Summary**

Total Deposit:	\$ 1,741,315.47	Beginning Balance:	\$ 66,314,192.61
Total Withdrawal:	\$ (2,124,451.52)	Ending Balance:	\$ 65,931,056.56



COUNTY OF ORANGE  
**OFFICE OF THE TREASURER-TAX COLLECTOR**  
 Shari L. Freidenrich, CPA, CCMT, CPFA, ACPFIM  
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 SANTA ANA, CA 92702-4515



[octreasurer.com/publicfunds](http://octreasurer.com/publicfunds)

November 30, 2023

**FIRST 5 ORANGE COUNTY**

**Fund Number : 225**

**NOVEMBER 2023 STATEMENT**

**INVESTMENT BALANCE IN OCIP**

**Transactions**

<b><u>Transaction Date</u></b>	<b><u>Transaction Description</u></b>	<b><u>Amount</u></b>
11/01/2023	October 2023 Investment Admin Fee	\$ (2,828.82)
11/29/2023	August 2023 Interest Paid	\$ 228,158.95

**Summary**

Total Deposit:	\$ 969,796.94	Beginning Balance:	\$ 65,931,056.56
Total Withdrawal:	\$ (1,623,828.91)	Ending Balance:	\$ 65,277,024.59



COUNTY OF ORANGE  
**OFFICE OF THE TREASURER-TAX COLLECTOR**  
 Shari L. Freidenrich, CPA, CCMT, CPFA, ACPFIM  
 P. O. BOX 4515  
 SANTA ANA, CA 92702-4515

Attachment C



[octreasurer.com/publicfunds](http://octreasurer.com/publicfunds)  
 December 31, 2023

**FIRST 5 ORANGE COUNTY**

**Fund Number : 225**

**DECEMBER 2023 STATEMENT**

**INVESTMENT BALANCE IN OCTP**

**Transactions**

<u>Transaction Date</u>	<u>Transaction Description</u>	<u>Amount</u>
12/01/2023	November 2023 Investment Admin Fee	\$ (2,730.38)
12/28/2023	September 2023 Interest Paid	\$ 227,167.66

**Summary**

Total Deposit:	\$ 4,104,602.66	Beginning Balance:	\$ 65,277,024.59
Total Withdrawal:	\$ (1,261,539.56)	Ending Balance:	\$ 68,120,087.69



# Andrew N. Hamilton, CPA Orange County Auditor-Controller



# Internal Audit

## Compliance Monitoring of the Treasurer's Investment Portfolio for the Quarter Ended December 31, 2022

Audit Manager: Michael Steinhaus  
Auditor II: John C. Lim, CIA

Audit Number 2205  
Report Date: October 2, 2023



OFFICE OF THE  
**ORANGE COUNTY AUDITOR-CONTROLLER**

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**ANDREW N. HAMILTON, CPA**  
AUDITOR-CONTROLLER

DATE: October 2, 2023

TO: Treasury Oversight Committee

FROM: Michael Steinhaus, Audit Manager

SUBJECT: Compliance Monitoring of the Treasurer's Investment Portfolio for the Quarter Ended December 31, 2022

At the request of the Treasury Oversight Committee, we have completed our compliance monitoring of the Treasurer's investment portfolio for the quarter ended December 31, 2022. Our report is attached for your review.

We appreciate the assistance extended to us by the personnel of the Treasurer-Tax Collector during this engagement. If you have any questions please contact me at 714-834-6106.

Other recipients of this report:

- Board of Supervisors
- Audit Oversight Committee
- Jason Prole, Director of Investments
- Brian Winn, Accounting/Compliance Manager
- Salvador Lopez, Chief Deputy Auditor-Controller
- John Lim, Auditor II
- Foreperson, Grand Jury
- Robin Stieler, Clerk of the Board of Supervisors
- Eide Bailly LLP, County External Auditors



# Internal Auditor's Report

We have completed our compliance monitoring of the Treasurer's investment portfolio for the quarter ended December 31, 2022. The purpose of our engagement was to determine whether the Treasurer's investment portfolio complied with the Treasurer's Investment Policy Statement (IPS).

We analyzed the FIS Quantum data for 15 business days to perform the following procedures:

1. Authorized Investments (IPS Sections VI, VII, IX, and XI): We selected one investment purchase per day and confirmed that it conformed to the IPS restrictions.  
Results: We found no exceptions.
2. Diversification Limits (IPS Section VIII.1): We confirmed that investments did not exceed the diversification limits.  
Results: We found no exceptions.
3. Maximum Maturity Limits (IPS Section VIII.2): We confirmed that investments did not exceed the maximum maturity limits.  
Results: We found no exceptions.
4. Lower Maturity Limits (IPS Section VIII.1): We confirmed that investments with lower limits than those covered by IPS Section VIII.2 did not exceed the lower maturity limits.  
Results: We found no exceptions.
5. Issuer Concentration Limits (IPS Section VIII.1): We confirmed that the investments did not exceed the issuer concentration limits.  
Results: We found no exceptions. We found that T-TC does not apply IPS restrictions to Specific Investments and the IPS is unclear whether Specific Investments or Money Market Mutual Funds are exempt from IPS restrictions.
6. Financial Reporting (IPS Section XXI): We confirmed that T-TC reported any compliance exceptions in the Treasurer's Monthly Investment Report.  
Results: We found no exceptions.

This report is intended solely for the information and use of the Treasury Oversight Committee and the Office of the Treasurer-Tax Collector; however, this report is a matter of public record and its distribution is not limited.



Michael Steinhaus, CPA  
Audit Manager  
October 2, 2023



Andrew N. Hamilton, CPA  
Orange County Auditor-Controller



Internal Audit

Compliance Monitoring of the Treasurer's  
Investment Portfolio for the Quarter Ended  
March 31, 2023

Audit Manager: Michael Steinhaus  
Auditor II: John C. Lim, CIA

Audit Number 2206  
Report Date: October 10, 2023



OFFICE OF THE  
**ORANGE COUNTY AUDITOR-CONTROLLER**

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**ANDREW N. HAMILTON, CPA**  
AUDITOR-CONTROLLER

DATE: October 10, 2023

TO: Treasury Oversight Committee

FROM: Michael Steinhaus, Audit Manager

SUBJECT: Compliance Monitoring of the Treasurer's Investment Portfolio for the Quarter Ended March 31, 2023

At the request of the Treasury Oversight Committee, we have completed our compliance monitoring of the Treasurer's investment portfolio for the quarter ended March 31, 2023. Our report is attached for your review.

We appreciate the assistance extended to us by the personnel of the Treasurer-Tax Collector during this engagement. If you have any questions please contact me at 714-834-6106.

Other recipients of this report:

Board of Supervisors  
Audit Oversight Committee  
Jason Prole, Director of Investments  
Brian Winn, Accounting/Compliance Manager  
Salvador Lopez, Chief Deputy Auditor-Controller  
John Lim, Auditor II  
Foreperson, Grand Jury  
Robin Stieler, Clerk of the Board of Supervisors  
Eide Bailly LLP, County External Auditors

# Internal Auditor's Report

We have completed our compliance monitoring of the Treasurer's investment portfolio for the quarter ended March 31, 2023. The purpose of our engagement was to determine whether the Treasurer's investment portfolio complied with the Treasurer's Investment Policy Statement (IPS).

We analyzed the FIS Quantum data for 15 business days to perform the following procedures:

1. Authorized Investments (IPS Sections VI, VII, IX, and XI): We selected one investment purchase per day and confirmed that it conformed to the IPS restrictions.  
Results: We found no exceptions.
2. Diversification Limits (IPS Section VIII.1): We confirmed that investments did not exceed the diversification limits.  
Results: We found no exceptions.
3. Maximum Maturity Limits (IPS Section VIII.2): We confirmed that investments did not exceed the maximum maturity limits.  
Results: We found no exceptions.
4. Lower Maturity Limits (IPS Section VIII.1): We confirmed that investments with lower limits than those covered by IPS Section VIII.2 did not exceed the lower maturity limits.  
Results: We found no exceptions.
5. Issuer Concentration Limits (IPS Section VIII.1): We confirmed that the investments did not exceed the issuer concentration limits.  
Results: We found no exceptions.
6. Financial Reporting (IPS Section XXI): We confirmed that T-TC reported any compliance exceptions in the Treasurer's Monthly Investment Report.  
Results: We found no exceptions.

This report is intended solely for the information and use of the Treasury Oversight Committee and the Office of the Treasurer-Tax Collector; however, this report is a matter of public record and its distribution is not limited.



Michael Steinhaus  
Audit Manager  
October 10, 2023



Andrew N. Hamilton, CPA  
Orange County Auditor-Controller



Internal Audit

Compliance Monitoring of the Treasurer's  
Investment Portfolio for the Quarter Ended  
June 30, 2023

Audit Manager: Michael Steinhaus  
Auditor II: John C. Lim, CIA

Audit Number 2303  
Report Date: October 19, 2023



OFFICE OF THE  
**ORANGE COUNTY AUDITOR-CONTROLLER**

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**ANDREW N. HAMILTON, CPA**  
AUDITOR-CONTROLLER

DATE: October 19, 2023  
TO: Treasury Oversight Committee  
FROM: Michael Steinhaus, Audit Manager  
SUBJECT: Compliance Monitoring of the Treasurer's Investment Portfolio for the Quarter Ended June 30, 2023

At the request of the Treasury Oversight Committee, we have completed our compliance monitoring of the Treasurer's investment portfolio for the quarter ended June 30, 2023. Our report is attached for your review.

We appreciate the assistance extended to us by the personnel of the Treasurer-Tax Collector during this engagement. If you have any questions please contact me at 714-834-6106.

Other recipients of this report:

- Board of Supervisors
- Audit Oversight Committee
- Jason Prole, Director of Investments
- Brian Winn, Accounting/Compliance Manager
- Salvador Lopez, Chief Deputy Auditor-Controller
- John Lim, Auditor II
- Foreperson, Grand Jury
- Robin Stieler, Clerk of the Board of Supervisors
- Eide Bailly LLP, County External Auditors

# Internal Auditor's Report

We have completed our compliance monitoring of the Treasurer's investment portfolio for the quarter ended June 30, 2023. The purpose of our engagement was to determine whether the Treasurer's investment portfolio complied with the Treasurer's Investment Policy Statement (IPS).

We analyzed the FIS Quantum data for 15 business days to perform the following procedures:

1. Authorized Investments (IPS Sections VI, VII, IX, and XI): We selected one investment purchase per day and confirmed that it conformed to the IPS restrictions.  
Results: We found no exceptions.
2. Diversification Limits (IPS Section VIII.1): We confirmed that investments did not exceed the diversification limits.  
Results: We found no exceptions.
3. Maximum Maturity Limits (IPS Section VIII.2): We confirmed that investments did not exceed the maximum maturity limits.  
Results: We found no exceptions.
4. Lower Maturity Limits (IPS Section VIII.1): We confirmed that investments with lower limits than those covered by IPS Section VIII.2 did not exceed the lower maturity limits.  
Results: We found no exceptions.
5. Issuer Concentration Limits (IPS Section VIII.1): We confirmed that the investments did not exceed the issuer concentration limits.  
Results: We found no exceptions.
6. Financial Reporting (IPS Section XXI): We confirmed that T-TC reported any compliance exceptions in the Treasurer's Monthly Investment Report.  
Results: We found no exceptions.

This report is intended solely for the information and use of the Treasury Oversight Committee and the Office of the Treasurer-Tax Collector; however, this report is a matter of public record and its distribution is not limited.



Michael Steinhaus  
Audit Manager  
October 19, 2023



# Andrew N. Hamilton, CPA Orange County Auditor-Controller



# Internal Audit

## Review of the Treasurer's Schedule of Assets as of December 31, 2022

Audit Manager: Michael Steinhaus  
Auditor II: John C. Lim, CIA

Audit Number 2208  
Report Date: October 31, 2023





OFFICE OF THE  
**ORANGE COUNTY AUDITOR-CONTROLLER**

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**ANDREW N. HAMILTON, CPA**  
AUDITOR-CONTROLLER

DATE: October 31, 2023

TO: Honorable Board of Supervisors

FROM: Michael Steinhaus, Audit Manager

SUBJECT: Review of the Treasurer's Schedule of Assets as of December 31, 2022

Pursuant to GOV Section 26920(a), we have reviewed the Treasurer's Schedule of Assets (Schedule) as of December 31, 2022, and the related notes to the Schedule. We use the term schedule instead of statement because the Schedule only presents the assets in the County Treasury; it does not present the financial position of the County Treasury. A statement fairly presents financial position in conformity with GAAP (e.g., a statement of net position), and a schedule presents data on legally prescribed basis different from GAAP (e.g., GOV Section 26920). Our report is attached for your review.

We appreciate the assistance extended to us by the personnel of the Treasurer-Tax Collector during this engagement. If you have any questions please contact me at 714-834-6106.

Other recipients of this report:

- Members, Audit Oversight Committee
- Jason Prole, Director of Investments
- Brian Winn, Investment Accounting/Compliance Manager
- Salvador Lopez, Chief Deputy Auditor-Controller
- John Lim, Auditor II
- Foreperson, Grand Jury
- Robin Stieler, Clerk of the Board of Supervisors
- Eide Bailly LLP, County External Auditor

**Independent Accountant's Review Report**

We have reviewed the accompanying Orange County Treasurer's Schedule of Assets (Schedule) as of December 31, 2022, and related notes to the Schedule. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the Schedule as a whole. Accordingly, we do not express such an opinion.

***Management's Responsibility for the Schedule***

Management is responsible for the preparation and fair presentation of the Schedule in accordance with the modified cash basis of accounting; this includes determining that the modified cash basis is an acceptable basis for the preparation of the Schedule in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of Schedules that are free from material misstatement, whether due to fraud or error.

***Accountant's Responsibility***

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the Schedule for it to be in accordance with the modified cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the Orange County Treasurer and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

***Accountant's Conclusion***

Based on our review, we are not aware of any material modifications that should be made to the Schedule in order for it to be in accordance with the modified cash basis of accounting.

***Basis of Accounting***

We draw attention to Note 1 of the Schedule, which describes the basis of accounting. The Schedule is prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

***Other Matter***

While performing this review, we noted one finding that we will report to the Board of Supervisors, the Treasurer-Tax Collector, and the Auditor-Controller in a separate management letter. Our conclusion is not modified with respect to this matter.



Michael Steinhaus  
Santa Ana, California  
October 31, 2023

Orange County Treasurer's  
 Schedule of Assets as of December 31, 2022  
 (Dollar Amounts in Thousands)

	<u>Orange County Treasurer's Pool</u>	<u>Specific Investment Accounts</u>	<u>Bond Proceeds Account</u>
Cash	\$ 26,417	\$ 0	\$ 0
Investments (Fair Value)	\$ 15,131,877	\$ 87,331	\$ 21,311
<b>TOTAL</b>	<u>\$ 15,158,294</u>	<u>\$ 87,331</u>	<u>\$ 21,311</u>

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**The Financial Reporting Entity

The Orange County Treasurer-Tax Collector (TTC) is responsible for tax collection, banking, investment, disbursement and accountability of public funds. The TTC invests the cash of the Orange County Investment Fund (OCIF), which in State law is called the County Treasury, and defined as all monies under the investment authority of the TTC. The OCIF consists of three types of Funds, pooled funds called the Orange County Treasurer's Pool (OCTP), Specific Investment Accounts and a Bond Proceeds Account that are included in the Schedule of Assets. The OCTP is managed on behalf of the pool participants that include the County, local school and community college districts, who are required by State statute to deposit funds with the TTC, and other non-mandatory local agencies and districts. The OCTP is maintained for the County and other non-County entities for the purpose of benefiting from economies of scale through pooled investment activities. Both the Specific Investment Accounts and the Bond Proceeds Account require separate agreements between the County and/or a participant's governing board to invest funds that are set up for a specific requirement and where the investment may extend beyond five years.

The State of California allows the Board of Supervisors (Board) the ability to delegate the investment authority to the TTC in accordance with Section 53607 of the California Government Code (CGC). On an annual basis, the Board delegates the investment authority to the TTC. Pursuant to CGC 27130-27137, the Board has established the Treasury Oversight Committee (TOC) to monitor and review the Investment Policy. The TOC consists of members appointed from the districts or office that they represent and four members of the public, with a majority having expertise or an academic background in public finance.

The OCTP, Specific Investment Account and Bond Proceeds Account funds are not registered with the Securities and Exchange Commission as an investment company and do not have any legally binding guarantees of share values. The accompanying Schedule of Assets Held by the County Treasury (Schedule) is intended to separately report cash and investments in the County Treasury as of December 31, 2022.

Financial Statement Presentation

The Schedule has been prepared using the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recognized when received by the Treasurer and disbursements are recognized when paid by the bank. Investment transactions are recorded on the settlement date, and the value of investments is stated at fair value in accordance with *Governmental Accounting Standards Board (GASB) Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools* and *Statement No. 72, Fair Value Measurement and Application*.

Cash

As of December 31, 2022, the OCTP maintained accounts at Wells Fargo bank. Demand deposits of public funds at financial institutions that are not covered by the Federal Depository Insurance Corporation (FDIC) are required to be collateralized under CGC Section 53652 et. seq. and the IPS, which also prescribe the amount of collateral at market value that is required to secure these deposits. All such collateral is considered to be held by an agent of depository pursuant to CGC Section 53658. The pledge to secure deposits is administered by the California Department of Financial Protection and Innovation. Obligations pledged to secure deposits must be delivered to an institution other than the institution in which the deposit is made; however, the trust department of the same institution may hold them. Written agreements are required to provide, among other things, that the collateral securities are held separately from the assets of the custodial institution.

Collateral is required for demand deposits at 110% of all deposits not covered by FDIC Obligations of the United States and its agencies, or obligations of the State or its municipalities, school districts, and district corporations are pledged. Collateral of 150% is required if a deposit is secured by first mortgages or first

trust deeds upon improved residential real property located in California. FDIC is available for demand deposits and time saving deposits at any one financial institution up to a maximum of \$250.

#### Investments

The TTC invests in securities for the OCTP, the Specific Investment Accounts, and the Bond Proceeds Account. Investments are recorded at the settlement date. Investments held by the TTC are exposed to risks such as interest rate risk, credit risk, concentration of credit risk and custodial credit risk.

#### Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, fixed income investments of longer maturities are more sensitive to changes in market interest rates. Declines in the fair value of investments are managed by limiting the length of the maturity of the securities and providing daily and ongoing liquidity in the portfolio. The Treasurer manages its exposure to interest rate risk by carefully matching incoming cash flows and maturing investments to meet expenditures and by maintaining a duration of 1.50 years or less. The duration of OCTP at December 31, 2022 is 0.53 year.

#### Credit Risk

This is the risk that an issuer or other counterparty to an investment may not fulfill its obligations or that negative perceptions of the issuer's ability to make these payments will cause the price to decline. The County is not required to disclose the credit of obligations of the U.S. government or obligations explicitly guaranteed, which as of December 31, 2022 represents 23.6% of OCTP. All U.S. Government Agencies, Money Market Mutual Funds and LAIF represent 58.8%, 15.4% and 0.5% of OCTP and have a rating of AA, AAf and Non-rated respectively. The combined Specific Investment Accounts and Bond Proceeds Account are 12.1% in U.S. Treasuries and 87.3% in U.S. Government Agencies, respectively.

#### Concentration of Credit Risk

This is the risk of loss attributed to the magnitude of a government's investment in a single issuer. As of December 31, 2022, all OCIF investments were in compliance with applicable state law and/or the IPS single issuer limits.

#### Custodial Credit Risk

For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The IPS does not permit investments in uninsured and unregistered securities not held by the County. The Treasurer utilizes third party Delivery Versus Payment which mitigates any custodial credit risk. Securities purchased by the Treasurer are held by third party custodians in their trust department to mitigate custodial credit risk. At year-end, in accordance with the IPS, the OCIF did not have any securities exposed to custodial credit risk, and the Treasurer did not have any securities lending at December 31, 2022.

#### Investment Strategy

The TTC's investment strategy for the OCTP is to preserve principal, provide liquidity to meet the disbursements needs and generate a yield within the parameters of prudent risk management. The cash flow needs of the OCTP participants are monitored daily to ensure that sufficient liquidity is maintained to meet the needs of participants. The TTC's basic investment strategy is to buy and hold, to a designated maturity, high quality fixed income investments.

The Specific Investments Accounts are used to account for the schedule of assets for individual investment accounts. The individual investment strategies are customized to the needs of the requesting participants.

The Bond Proceeds Account is invested according to the bond indenture and are used to account for the schedule of assets for an Educational District and is customized to the needs of the District.

The investments in the accompanying Schedule are reported at fair value. The table below summarizes the investments stated at fair value and cost for OCTP, Specific Investment and the Bond Proceeds Accounts as of December 31, 2022:

	<u>Orange County Treasurer's Pool</u>		<u>Specific Investment Accounts</u>		<u>Bond Proceeds Account</u>
U.S. Treasuries	\$ 3,564,497	\$	9,710	\$	3,466
U.S. Government Agencies	8,892,749		77,405		17,461
Money Market Mutual Funds	2,340,303		216		384
Municipal Debt*	259,477		0		
Local Agency Investment Fund	74,850		0		
	<u>\$ 15,131,876</u>	\$	<u>87,331</u>	\$	<u>21,311</u>

\*County of Orange Municipal Debt



# Andrew N. Hamilton, CPA Orange County Auditor-Controller



# Internal Audit

## Review of the Treasurer's Schedule of Assets as of March 31, 2023

Audit Manager: Michael Steinhaus  
Auditor II: John C. Lim, CIA

Audit Number 2209  
Report Date: December 7, 2023



OFFICE OF THE  
**ORANGE COUNTY AUDITOR-CONTROLLER**

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**ANDREW N. HAMILTON, CPA**  
AUDITOR-CONTROLLER

DATE: December 7, 2023

TO: Honorable Board of Supervisors

FROM: Michael Steinhaus, Audit Manager

SUBJECT: Review of the Treasurer's Schedule of Assets as of March 31, 2023

Pursuant to GOV Section 26920(a), we have reviewed the Treasurer's Schedule of Assets (Schedule) as of March 31, 2023, and the related notes to the Schedule. We use the term schedule instead of statement because the Schedule only presents the assets in the County Treasury; it does not present the financial position of the County Treasury. A statement fairly presents financial position in conformity with GAAP (e.g., a statement of net position), and a schedule presents data on legally prescribed basis different from GAAP (e.g., GOV Section 26920). Our report is attached for your review.

We appreciate the assistance extended to us by the personnel of the Treasurer-Tax Collector during this engagement. If you have any questions please contact me at 714-834-6106.

Other recipients of this report:

- Members, Audit Oversight Committee
- Jason Prole, Director of Investments
- Brian Winn, Investment Accounting/Compliance Manager
- Salvador Lopez, Chief Deputy Auditor-Controller
- John Lim, Auditor II
- Foreperson, Grand Jury
- Robin Stieler, Clerk of the Board of Supervisors
- Eide Bailly LLP, County External Auditor



**Independent Accountant's Review Report**

We have reviewed the accompanying Orange County Treasurer's Schedule of Assets (Schedule) as of March 31, 2023, and related notes to the Schedule. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the Schedule as a whole. Accordingly, we do not express such an opinion.

***Management's Responsibility for the Schedule***

Management is responsible for the preparation and fair presentation of the Schedule in accordance with the modified cash basis of accounting; this includes determining that the modified cash basis is an acceptable basis for the preparation of the Schedule in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of Schedules that are free from material misstatement, whether due to fraud or error.

***Accountant's Responsibility***

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the Schedule for it to be in accordance with the modified cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the Orange County Treasurer and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

***Accountant's Conclusion***

Based on our review, we are not aware of any material modifications that should be made to the Schedule in order for it to be in accordance with the modified cash basis of accounting.

***Basis of Accounting***

We draw attention to Note 1 of the Schedule, which describes the basis of accounting. The Schedule is prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.



Michael Steinhaus  
Santa Ana, California  
December 7, 2023

Orange County Treasurer's  
Schedule of Assets as of March 31, 2023  
(Dollar Amounts in Thousands)

	<u>Orange County Treasurer's Pool</u>		<u>Specific Investment Accounts</u>		<u>Bond Proceeds Account</u>
Cash	\$ 46,313	\$	0	\$	0
Investments (Fair Value)	\$ 14,166,110	\$	536,206	\$	22,099
<b>TOTAL</b>	<u>\$ 14,212,423</u>	<u>\$</u>	<u>536,206</u>	<u>\$</u>	<u>22,099</u>

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**The Financial Reporting Entity

The Orange County Treasurer-Tax Collector (TTC) is responsible for tax collection, banking, investment, disbursement and accountability of public funds. The TTC invests the cash of the Orange County Investment Fund (OCIF), which in State law is called the County Treasury, and defined as all monies under the investment authority of the TTC. The OCIF consists of three types of Funds, pooled funds called the Orange County Treasurer's Pool (OCTP), Specific Investment Accounts and a Bond Proceeds Account that are included in the Schedule of Assets. The OCTP is managed on behalf of the pool participants that include the County, local school and community college districts, who are required by State statute to deposit funds with the TTC, and other non-mandatory local agencies and districts. The OCTP is maintained for the County and other non-County entities for the purpose of benefiting from economies of scale through pooled investment activities. The Specific Investment Accounts are governed by the IPS and the Bond Proceeds Account is governed by a bond indenture and both account types have separate agreements between the County and/or a participant's governing board to invest funds that are set up for a specific requirement and where the investment may extend beyond five years.

The State of California allows the Board of Supervisors (Board) the ability to delegate the investment authority to the TTC in accordance with Section 53607 of the California Government Code (CGC). On an annual basis, the Board delegates the investment authority to the TTC. Pursuant to CGC 27130-27137, the Board has established the Treasury Oversight Committee (TOC) to monitor and review the Investment Policy. The TOC consists of members appointed from the districts or office that they represent and four members of the public, with a majority having expertise or an academic background in public finance.

The OCTP is not registered with the Securities and Exchange Commission as an investment company and does not have any legally binding guarantees of share values. The accompanying Schedule of Assets Held by the County Treasury (Schedule) is intended to separately report cash and investments in the County Treasury as of March 31, 2023.

Financial Statement Presentation

The Schedule has been prepared using the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recognized when received by the Treasurer and disbursements are recognized when paid by the bank. Investment transactions are recorded on the settlement date, and the value of investments is stated at fair value in accordance with *Governmental Accounting Standards Board (GASB) Statement No. 72, Fair Value Measurement and Application*.

Cash

As of March 31, 2023, the OCTP maintained accounts at Wells Fargo bank. Demand deposits of public funds at financial institutions that are not covered by the Federal Depository Insurance Corporation (FDIC) are required to be collateralized under CGC Section 53652 et. seq. and the IPS, which also prescribe the amount of collateral at market value that is required to secure these deposits. All such collateral is considered to be held by an agent of depository pursuant to CGC Section 53658. The pledge to secure deposits is administered by the California Department of Financial Protection and Innovation. Obligations pledged to secure deposits must be delivered to an institution other than the institution in which the deposit is made; however, the trust department of the same institution may hold them. Written agreements are required to provide, among other things, that the collateral securities are held separately from the assets of the custodial institution.

Collateral is required for demand deposits at 110% of all deposits not covered by FDIC Obligations of the United States and its agencies, or obligations of the State or its municipalities, school districts, and district corporations are pledged. Collateral of 150% is required if a deposit is secured by first mortgages or first trust deeds upon improved residential real property located in California. FDIC is available for demand deposits and time saving deposits at any one financial institution up to a maximum of \$250.

Investments

The TTC invests in securities for the OCTP, the Specific Investment Accounts, and the Bond Proceeds Account. Investments are recorded at the settlement date. Investments held by the TTC are exposed to risks such as interest rate risk, credit risk, concentration of credit risk and custodial credit risk.

Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, fixed income investments of longer maturities are more sensitive to changes in market interest rates. Declines in the fair value of investments are managed by limiting the length of the maturity of the securities and providing daily and ongoing liquidity in the portfolio. The Treasurer manages its exposure to interest rate risk by carefully matching incoming cash flows and maturing investments to meet expenditures and by maintaining a duration of 1.50 years or less. The duration of OCTP at March 31, 2023 is 0.53 year.

Credit Risk

This is the risk that an issuer or other counterparty to an investment may not fulfill its obligations or that negative perceptions of the issuer's ability to make these payments will cause the price to decline. The County is not required to disclose the credit of obligations of the U.S. government or obligations explicitly guaranteed, which as of March 31, 2023 represents 20.87% of OCTP. All U.S. Government Agencies, Money Market Mutual Funds and LAIF represent 63.04%, 14.66% and 0.51% of OCTP and have a rating of AA, AA+ and Non-rated respectively. The Specific Investment Accounts are 95.60% in U.S. Treasuries and 4.40% in U.S. Government Agencies. The Bond Proceeds Account is 16.14% in U.S. Treasuries, 81.63% in U.S. Government Agencies and 2.23% in Money Market Mutual Funds.

Concentration of Credit Risk

This is the risk of loss attributed to the magnitude of a government's investment in a single issuer. As of March 31, 2023, all OCIF investments were in compliance with applicable state law, bond indentures and/or the IPS single issuer limits.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The IPS does not permit investments in uninsured and unregistered securities not held by the County. The Treasurer utilizes third party Delivery Versus Payment which mitigates any custodial credit risk. Securities purchased by the Treasurer are held by third party custodians in their trust department to mitigate custodial credit risk. At year-end, in accordance with the IPS, the OCIF did not have any securities exposed to custodial credit risk, and the Treasurer did not have any securities lending at March 31, 2023.

Investment Strategy

The TTC's investment strategy for the OCTP is to preserve principal, provide liquidity to meet the disbursements needs and generate a yield within the parameters of prudent risk management. The cash flow needs of the OCTP participants are monitored daily to ensure that sufficient liquidity is maintained to meet the needs of participants. The TTC's basic investment strategy is to buy and hold, to a designated maturity, high quality fixed income investments.

The Specific Investments Accounts are used to account for the schedule of assets for individual investment accounts. The individual investment strategies are customized to the needs of the requesting participants.

The Bond Proceeds Account is invested according to the bond indenture and are used to account for the schedule of assets for an Educational District and is customized to the needs of the District.

The investments in the accompanying Schedule are reported at fair value. The table below summarizes the investments stated at fair value for OCTP, Specific Investment and the Bond Proceeds Accounts as of March 31, 2023:

	<u>Orange County Treasurer's Pool</u>	<u>Specific Investment Accounts</u>	<u>Bond Proceeds Account</u>
U.S. Treasuries	\$ 2,956,029	\$ 512,639	\$ 3,567
U.S. Government Agencies	8,930,117	23,567	18,039
Money Market Mutual Funds	2,077,281		493
Municipal Debt*	130,442		
Local Agency Investment Fund	72,241		
	<u>\$ 14,166,110</u>	<u>\$ 536,206</u>	<u>\$ 22,099</u>

\*County of Orange Municipal Debt



# Andrew N. Hamilton, CPA Orange County Auditor-Controller



# Internal Audit

## Management Letter on Review of the Treasurer's Schedule of Assets as of December 31, 2022

Audit Manager: Michael Steinhaus  
Auditor II: John C. Lim, CIA

Audit Number 2208  
Report Date: November 30, 2023



OFFICE OF THE  
**ORANGE COUNTY AUDITOR-CONTROLLER**

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**ANDREW N. HAMILTON, CPA**  
AUDITOR-CONTROLLER

DATE: November 30 2023

TO: Honorable Board of Supervisors

FROM: Michael Steinhaus, Audit Manager

SUBJECT: Management Letter on Review of the Treasurer's Schedule of Assets as of December 31, 2022

We identified one finding during our review of the Treasurer's Schedule of Assets as of December 31, 2022. The attached Management Letter contains our finding and recommendation and management's response. We appreciate the Treasurer-Tax Collector's assistance during this engagement. If you have any questions please contact me at 714-834-6106.

Other recipients:

Members, Audit Oversight Committee  
Jason Prole, Director of Investments  
Brian Winn, Accounting/Compliance Manager  
Salvador Lopez, Chief Deputy Auditor-Controller  
John Lim, Auditor II  
Foreperson, Grand Jury  
Robin Stieler, Clerk of the Board  
Eide Bailly LLP, County External Auditor

**Management Letter**

Pursuant to GOV Section 26920(a), We have reviewed, in accordance with the Statements for Accounting and Reviews Services promulgated by the Accounting and Review Services Committee of the AICPA, the Treasurer's Schedule of Assets (Schedule) as of December 31, 2022, and issued our report thereon dated October 31, 2023.

In performing our review, we identified one finding that we determined to be a reportable condition. See Attachment A for additional information on reportable conditions. This letter does not affect our report on the Schedule dated October 31, 2023.

We discussed this finding with the Treasurer-Tax Collector (T-TC) and have incorporated their response into this letter. T-TC's response was not subject to the review procedures applied in the review of the Schedule and, accordingly, we express no conclusion on the response. We will follow up on the status of T-TC's response according to our follow-up procedures.

*Michael Steinhaus*

Michael Steinhaus  
Santa Ana, California  
November 30, 2023



**Finding #1: Untimely Reconciliation by Auditor-Controller**  
Noncompliance

**Criteria**

Per GOV Section 26905, the Auditor-Controller (A-C) was required to reconcile A-C's books with T-TC's books as of the close of business of the month of December 2022 by January 31, 2023.

GOV Section 26920(a) states that "[this] review shall include... verifying that the records of the county treasurer and auditor are reconciled pursuant to Section 26905." GOV Section 26905 states that "no later than the last day of each month, the auditor shall reconcile the cash and investment accounts as stated on the auditor's books with the cash and investment accounts as stated on the treasurer's books as of the close of business of the preceding month to determine that the amounts in those accounts as stated on the books of the treasurer are in agreement with the amounts as stated on the books of the auditor."

**Condition**

A-C reconciled A-C's books with T-TC's books as of the close of business for the month of December 2022 on February 27, 2023.

**Cause**

Miscommunication between T-TC and A-C regarding what documents T-TC needed to provide A-C, and by when T-TC needed to provide those documents to A-C.

**Effect**

A-C did not comply with GOV Section 26905 for December 2022.

**Recommendation**

We recommend that T-TC provide its books to A-C before reconciling FIS Quantum to FAS since that reconciliation is not necessary for A-C to reconcile A-C's books with T-TC's books.

**T-TC Management's Response**

The A-C has now requested, and the T-TC will provide the T-TC books which are the cash and investment balances in Quantum on a modified cash basis, by the 10<sup>th</sup> of each month so that the A-C can complete the required reconciliation between the A-C books and T-TC books as per GOV Section 26905.

**Attachment A: Reportable Conditions**

Reportable conditions involve deficiencies in internal control or noncompliance with laws and regulations that we identified during our review and that, may have a material effect on the Schedule. A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

We classify reportable conditions into three categories: material weaknesses, significant deficiencies, and noncompliance. The following terms have the meanings attributed as follows:

**Material weakness.** A deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

**Reasonably possible.** The chance of the future event or events occurring is more than remote but less than likely.

**Probable.** The future event or events are likely to occur.

**Significant Deficiency.** A deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

**Noncompliance.** Acts of omission or commission by the entity, either intentional or unintentional, which are contrary to the prevailing laws or regulations. Such acts include transactions entered into, by, or in the name of, the entity or on its behalf by those charged with governance, management, or employees. Noncompliance does not include personal misconduct (unrelated to business activities of the entity) by those charged with governance, management, or employees of the entity.

# Financial Highlights as of November 30, 2023

## Comparison of Budget vs. Actual Fiscal Year 2023-2024 Unaudited Period Ending 11/30/23

FY 2023-24    FY 2023-24  
Amended Budget    Actuals

### Financing Sources

Tobacco Tax Revenue	\$17,940,000	\$1,518,114	8.5%
Interest Earnings	100,000	912,980	913.0%
Other Revenue	<u>4,337,700</u>	<u>290,544</u>	6.7%

**Revenue Total            \$22,377,700            \$2,721,639**

### Expenses\*

Prenatal-to-Three*	\$11,173,020	\$1,367,698	12.2%
School Readiness Initiative	7,986,860	1,514,847	19.0%
Homeless Prevention	633,000	327,528	51.7%
Children's Dental*	300,000	638,511	212.8%
Systems Building	3,601,952	467,191	13.0%
Performance Evaluation	<u>708,000</u>	<u>190,094</u>	26.8%

**Program Services        \$24,402,832        \$4,505,868**

Admin. Functions\*\*        1,776,916        454,577    25.6%

**Total Operating Exp.    \$26,179,748        \$4,960,445**

\*Including One-Time System Expenses (previously called Catalytic)

\*\*Administrative costs and functions are defined by State Commission guidelines (Fiscal Memo No. 05-01, dated April 14, 2006) pursuant to Chapter 284, Statutes of 2005 (AB 109). Actual Administrative expenses of \$454,577 and encumbrances of \$1,046,449 were 5.7% of the Fiscal Year 2023-2024 Budget of \$26.2 million. Final administrative expenses are projected to be 6.5% at year-end.

### Total Encumbrances as of November 30, 2023 including multi-year contracts through Fiscal Year 2023/2024

Prenatal-to-Three	\$16,351,636
School Readiness Initiative	\$7,592,825
Homeless Prevention	\$1,906,395
Children's Dental	\$201,425
System Building	\$1,996,763
Performance Evaluation	\$538,181
Admin. Functions	\$1,046,449

## Revenue and Cash Balance Update

Tobacco Tax Revenue has been reported through July 2023. Current year revenue (July 2023 – October 2023) as reported by First 5 California is \$4.7 million.

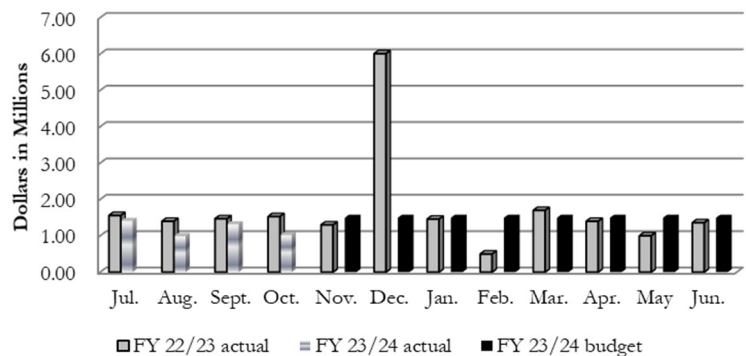
Interest earnings for July 2023 through November 2023 are \$912,980.

## Systems Funding Update

\$49,308,635 in One-Time System Funding was expensed from Fiscal Year 2012-2013 through Fiscal Year 2022-2023.

As of November 30, 2023, \$5.5 million was encumbered for one-time System Building programs. \$0.2 million is encumbered for Children's Dental and \$5.3 million for Prenatal to Three Services.

Fiscal Year 2022-23 & 2023-24 Tobacco Monthly Revenues



## Fiscal Year 2022-2023 Ending Fund Balance From Commission Long Term Financial Plan

Beginning Fund Balance, July 1, 2022	\$63,362,269
Total Revenue	26,357,442
Total Program Expenses	(24,094,286)
Fund Balance for System Building Projects	<u>(12,591,365)</u>

**June 30, 2023 Fund Balance    \$53,034,060\***

\*Based on Commission action through April 2023 and financial results through June 30, 2023. Final fund balance does not include One-time System Building Projects. For financial planning purposes, One-time System Building Projects have been designated by Commission action and removed from available fund balance.

# Financial Highlights as of December 31, 2023

## Comparison of Budget vs. Actual Fiscal Year 2023-2024 Unaudited Period Ending 12/31/23

FY 2023-24 Amended Budget    FY 2023-24 Actuals

### Financing Sources

Tobacco Tax Revenue	\$17,940,000	\$4,846,243	27.0%
Interest Earnings	100,000	1,149,892	1,149.9%
Other Revenue	<u>4,337,700</u>	<u>814,562</u>	18.8%

**Revenue Total                    \$22,377,700                    \$6,810,697**

### Expenses\*

Prenatal-to-Three*	\$11,173,020	\$1,730,818	15.5%
School Readiness Initiative	7,986,860	1,660,147	20.8%
Homeless Prevention	633,000	335,340	53.0%
Children's Dental*	300,000	717,396	239.1%
Systems Building	3,601,952	552,902	15.4%
Performance Evaluation	<u>708,000</u>	<u>237,562</u>	33.6%

**Program Services                \$24,402,832                \$5,234,166**

Admin. Functions\*\*                1,776,916                516,176    29.0%

**Total Operating Exp.    \$26,179,748                \$5,750,342**

\*Including One-Time System Expenses (previously called Catalytic)

\*\*Administrative costs and functions are defined by State Commission guidelines (Fiscal Memo No. 05-01, dated April 14, 2006) pursuant to Chapter 284, Statutes of 2005 (AB 109). Actual Administrative expenses of \$516,176 and encumbrances of \$1,043,431 were 6.0% of the Fiscal Year 2023-2024 Budget of \$26.2 million. Final administrative expenses are projected to be 6.5% at year-end.

### Total Encumbrances as of December 31, 2023 including multi-year contracts through Fiscal Year 2023/2024

Prenatal-to-Three	\$16,038,789
School Readiness Initiative	\$7,505,344
Homeless Prevention	\$1,898,583
Children's Dental	\$122,540
System Building	\$1,989,983
Performance Evaluation	\$498,713
Admin. Functions	\$1,043,431

## Revenue and Cash Balance Update

Tobacco Tax Revenue has been reported through Dec 2023. Current year revenue (July 2023 – Dec 2023) as reported by First 5 California is \$6.8 million including the annual backfill amount of \$83K and revenue through December.

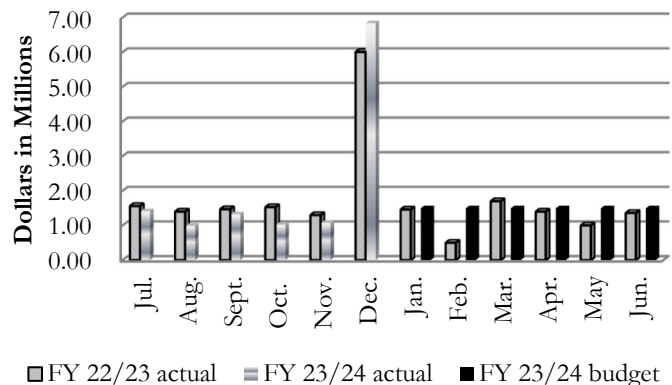
Interest earnings for July 2023 through December 2023 are \$1,149,892.

## Systems Funding Update

\$49,308,635 in One-Time System Funding was expensed from Fiscal Year 2012-2013 through Fiscal Year 2022-2023.

As of December 30, 2023, \$5.4 million was encumbered for one-time System Building programs. \$123K is encumbered for Children's Dental and \$5.2 million for Prenatal to Three Services.

## Fiscal Year 2022-23 & 2023-24 Tobacco Monthly Revenues



## Fiscal Year 2022-2023 Ending Fund Balance From Commission Long Term Financial Plan

Beginning Fund Balance, July 1, 2022	\$63,362,269
Total Revenue	26,357,442
Total Program Expenses	(24,094,286)
Fund Balance for System Building Projects	<u>(12,591,365)</u>

**June 30, 2023 Fund Balance                    \$53,034,060\***

\*Based on Commission action through April 2023 and financial results through June 30, 2023. Final fund balance does not include One-time System Building Projects. For financial planning purposes, One-time System Building Projects have been designated by Commission action and removed from available fund balance.

# Financial Highlights as of January 31, 2024

## Comparison of Budget vs. Actual Fiscal Year 2023-2024 Unaudited Period Ending 01/31/24

	FY 2023-24 Amended Budget	FY 2023-24 Actuals	
<b>Financing Sources</b>			
Tobacco Tax Revenue	\$17,940,000	\$5,999,193	33.4%
Interest Earnings	100,000	1,406,686	1406.7%
Other Revenue	<u>4,337,700</u>	<u>1,080,817</u>	24.9%
<b>Revenue Total</b>	<b>\$22,377,700</b>	<b>\$6,486,696</b>	
<b>Expenses*</b>			
Prenatal-to-Three*	\$11,173,020	\$2,223,292	19.9%
School Readiness Initiative	7,986,860	2,530,929	31.7%
Homeless Prevention	633,000	380,397	60.1%
Children's Dental*	300,000	783,793	261.3%
Systems Building	3,601,952	681,156	18.9%
Performance Evaluation	<u>708,000</u>	<u>284,123</u>	40.1%
<b>Program Services</b>	<b>\$24,402,832</b>	<b>\$6,883,691</b>	
Admin. Functions**	<u>1,776,916</u>	<u>693,540</u>	39.0%
<b>Total Operating Exp.</b>	<b>\$26,179,748</b>	<b>\$7,577,231</b>	

\*Including One-Time System Expenses (previously called Catalytic)

\*\*Administrative costs and functions are defined by State Commission guidelines (Fiscal Memo No. 05-01, dated April 14, 2006) pursuant to Chapter 284, Statutes of 2005 (AB 109). Actual Administrative expenses of \$693,540 and encumbrances of \$1,019,255 were 6.5% of the Fiscal Year 2023-2024 Budget of \$26.2 million. Final administrative expenses are projected to be 6.5% at year-end.

### Total Encumbrances as of January 31, 2024 including multi-year contracts through Fiscal Year 2023/2024

Prenatal-to-Three	\$15,600,022
School Readiness Initiative	\$6,681,418
Homeless Prevention	\$1,853,526
Children's Dental	\$56,143
System Building	\$1,886,967
Performance Evaluation	\$452,152
Admin. Functions	\$1,019,255

## Revenue and Cash Balance Update

Tobacco Tax Revenue has been reported through Dec 2023. Current year revenue (July 2023 – Dec 2023) as reported by First 5 California is \$6.8 million including the annual backfill amount of \$83K and revenue through December.

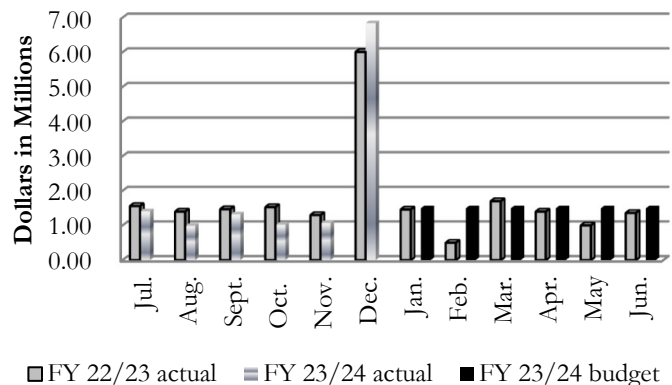
Interest earnings for July 2023 through January 2024 are \$1,406,686.

## Systems Funding Update

\$49,308,635 in One-Time System Funding was expensed from Fiscal Year 2012-2013 through Fiscal Year 2022-2023.

As of January 31, 2024, \$5.3 million was encumbered for one-time System Building programs. \$56K is encumbered for Children's Dental and \$5.2 million for Prenatal to Three Services.

## Fiscal Year 2022-23 & 2023-24 Tobacco Monthly Revenues



## Fiscal Year 2022-2023 Ending Fund Balance From Commission Long Term Financial Plan

Beginning Fund Balance, July 1, 2022	\$63,362,269
Total Revenue	26,357,442
Total Program Expenses	(24,094,286)
Fund Balance for System Building Projects	<u>(12,591,365)</u>

**June 30, 2023 Fund Balance \$53,034,060\***

\*Based on Commission action through April 2023 and financial results through June 30, 2023. Final fund balance does not include One-time System Building Projects. For financial planning purposes, One-time System Building Projects have been designated by Commission action and removed from available fund balance.

# Financial Highlights as of February 29, 2024

## Comparison of Budget vs. Actual Fiscal Year 2023-2024 Unaudited Period Ending 02/29/24

FY 2023-24    FY 2023-24  
Amended Budget    Actuals

### Financing Sources

Tobacco Tax Revenue	\$17,940,000	\$6,945,293	38.7%
Interest Earnings	100,000	1,661,869	1661.9%
Other Revenue	<u>4,337,700</u>	<u>1,197,213</u>	27.6%

**Revenue Total            \$22,377,700            \$9,804,375**

### Expenses\*

Prenatal-to-Three*	\$11,173,020	\$3,483,845	31.2%
School Readiness Initiative	7,986,860	3,161,490	39.6%
Homeless Prevention	633,000	498,314	78.7%
Children's Dental*	300,000	828,171	276.1%
Systems Building	3,601,952	780,199	21.7%
Performance Evaluation	<u>708,000</u>	<u>309,903</u>	43.8%

**Program Services        \$24,402,832        \$9,061,922**

Admin. Functions**	<u>1,776,916</u>	<u>798,124</u>	44.9%
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**Total Operating Exp.    \$26,179,748        \$9,860,046**

\*Including One-Time System Expenses (previously called Catalytic)

\*\*Administrative costs and functions are defined by State Commission guidelines (Fiscal Memo No. 05-01, dated April 14, 2006) pursuant to Chapter 284, Statutes of 2005 (AB 109). Actual Administrative expenses of \$798,124 and encumbrances of \$1,022,434 were 7.0% of the Fiscal Year 2023-2024 Budget of \$26.2 million. Final administrative expenses are projected to be 6.5% at year-end.

### Total Encumbrances as of February 29, 2024 including multi-year contracts through Fiscal Year 2023/2024

Prenatal-to-Three	\$14,880,618
School Readiness Initiative	\$6,089,428
Homeless Prevention	\$1,735,609
Children's Dental	\$11,765
System Building	\$1,817,951
Performance Evaluation	\$451,372
Admin. Functions	\$1,022,434

## Revenue and Cash Balance Update

Tobacco Tax Revenue has been reported through Dec 2023. Current year revenue (July 2023 – Dec 2023) as reported by First 5 California is \$6.8 million including the annual backfill amount of \$83K and revenue through December.

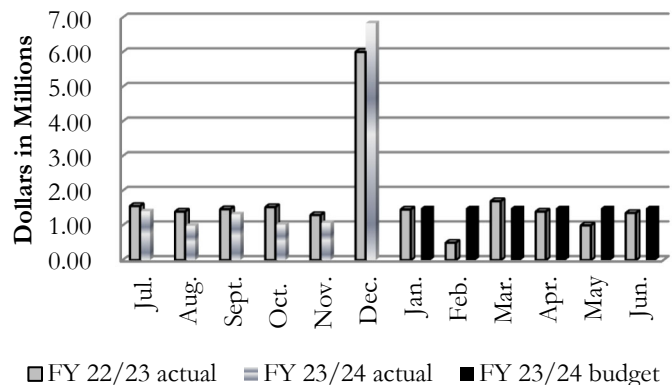
Interest earnings for July 2023 through February 2024 are \$1,661,869.

## Systems Funding Update

\$49,308,635 in One-Time System Funding was expensed from Fiscal Year 2012-2013 through Fiscal Year 2022-2023.

As of February 29, 2024, \$5.2 million was encumbered for one-time System Building programs. \$12K is encumbered for Children's Dental and \$5.1 million for Prenatal to Three Services.

## Fiscal Year 2022-23 & 2023-24 Tobacco Monthly Revenues



Legend: ■ FY 22/23 actual    ■ FY 23/24 actual    ■ FY 23/24 budget

## Fiscal Year 2022-2023 Ending Fund Balance From Commission Long Term Financial Plan

Beginning Fund Balance, July 1, 2022	\$63,362,269
Total Revenue	26,357,442
Total Program Expenses	(24,094,286)
Fund Balance for System Building Projects	<u>(12,591,365)</u>

**June 30, 2023 Fund Balance                    \$53,034,060\***

\*Based on Commission action through April 2023 and financial results through June 30, 2023. Final fund balance does not include One-time System Building Projects. For financial planning purposes, One-time System Building Projects have been designated by Commission action and removed from available fund balance.