



**POWER OF PRESCHOOL (PoP) BRIDGE**  
**FY 2011-12**  
**REQUEST FOR FUNDING**

**JULY 1, 2011- JUNE 30, 2012**

REVISED APRIL 29, 2011

**Power of Preschool (PoP) Bridge FY 2011-12 Request for Funding (RFF) Errata**

Revisions have been made to the PoP Bridge RFF FY 2011-12 posted April 7, 2011. Changes are listed below and are highlighted in red.

Request for Funding RFF

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## Introduction

The Power of Preschool (PoP) program provides the blueprint for making voluntary, high-quality learning environments more accessible to eligible children ages 0 to 5 and their families. The PoP program is designed to build on and integrate with existing public and private providers of early learning programs and assists children in becoming personally, socially, and physically competent and effective learners who are ready to transition into kindergarten.

The State Commission approved up to \$90 million from Fiscal Year (FY) 2005-06 through FY 2009-10 for PoP demonstration projects. During this five-year period, the following nine counties operated PoP Programs: Los Angeles, Merced, San Diego, San Francisco, San Joaquin, San Mateo, Santa Clara, Ventura, and Yolo. Each of these programs focused on developing preschool programs in underserved and high-priority communities.

In 2008, an analysis of available PoP data revealed the success of the program outcomes. PoP counties displayed strong school readiness levels and high-quality learning environments based upon self-reported Desired Results Developmental Profile-Revised (DRDP-R) scores and Early Childhood Environmental Rating Scale-Revised (ECERS-R) scores. Teacher quality was high, and there was a commitment to professional development in all counties.

In January 2010, the State Commission approved up to \$19 million to extend the PoP Program for FY 2010-11 as a bridge during the development of the statewide Child Signature Program. The interim extension of funding, known as the PoP Bridge Program, encouraged county programs to expand their services to infants and toddlers. The PoP Bridge Program continues to provide early learning services to children ages 0 to 5 in eight counties: Los Angeles, Merced, San Diego, San Francisco, San Joaquin, Santa Clara, Ventura, and Yolo.

In January 2011, the State Commission reaffirmed its support of the PoP Bridge Program by approving an additional \$19 million for PoP for FY 2011-12. The funding for PoP Bridge FY 2011-12 will continue to provide valuable services to children ages 0 to 5 while the First 5 California Child Signature Program is being developed.

## Funding Authority

### **Statutory**

California Health and Safety Code (HSC) Section 130105(d)(1)(B) authorizes the expenditure of funds from the California Children and Families Trust Fund to ensure that children are ready to enter school and for programs relating to education, including, but

not limited to, the development of educational materials, professional and parent education and training, and technical support for county commissions. HSC Section 130125(i) provides First 5 California the authority to allocate funds to county commissions to carry out the purposes of the California Children and Families Act.

### **First 5 California Children and Families Commission Authorization**

In January 2011, the First 5 California Children and Families Commission approved up to \$19 million to fund the PoP Bridge FY 2011-12.

### **Period of Program Authority**

The period of program performance for the PoP Bridge FY 2011-12 is July 1, 2011, through June 30, 2012. Expenditures prior to and after the period of program performance will not be eligible for reimbursement.

### **Purpose and Scope**

The PoP Bridge FY 2011-12 programs serve as evidence-based, early learning models that have been shown to prepare the most vulnerable children ages 0 to 5 for success in school.

At entry, all PoP Bridge FY 2011-12 program facilities must be licensed and comply with Title 22, California Code of Regulations, community care facilities license regulations, including child care centers, or be license-exempt in accordance with Title 5, California Code of Regulations. In addition, all PoP Bridge FY 2011-12 programs must comply with First 5 California Quality Program Requirements detailed in Attachment A.

With a focus on increasing enrollment in areas with low performing schools (schools with Academic Performance Index scores in deciles 1 through 5) and underserved communities, the PoP Bridge FY 2011-12 seeks to make quality early learning opportunities available for children ages 0 to 5, including children with special needs and English language learners, in existing PoP counties.

First 5 California will support local policy and fiscal commitments by contributing to quality improvements, such as higher teacher salaries, when qualifications are achieved for “new” and “improved” early learning services. First 5 county commission applicants will be responsible for the administrative functions for program and fiscal operation of the PoP Bridge FY 2011-12.

First 5 County Commission applicants must continue to meet the following program requirements:

### **Target Population**

The population targeted for the PoP Bridge FY 2011-12 is:

- Children ages 0 to 5 years old who are not yet eligible for kindergarten.
- Children in underserved and high-priority communities in schools that have a current Academic Performance Index score in deciles 1-5.
- Children with diverse languages and cultures.
- Children with disabilities and other special needs.
- Income eligible infants and toddlers. Income eligibility is based on the Schedule of Income Ceilings used by the California Department of Education as referenced in Attachment A2.

The income eligibility requirement pertains only to the infant and toddler age groups.

### **PoP Bridge FY 2011-12 Requirements**

All local PoP Bridge FY 2011-12 programs are expected to continue maintenance of effort by serving eligible children ages 0 to 5 in the same targeted areas that were enrolled in the PoP Bridge program in FY 2010 -11. In addition, participants in PoP Bridge FY 2011-12 must observe the following requirements:

1. Quality Program Requirements (Attachment A)

The PoP Bridge FY 2011-12 quality requirements are outlined in the matrix included as Attachment A. The matrix shows the program requirements for: 1) preschool center- based programs; 2) infant and toddler center-based programs; and 3) infant and toddler family child care programs. The requirements cover the following topics: target population, diversity, age, parent fees, screening, length of day, curriculum and articulation, teacher/provider to child ratio, group size, food, transition support, teacher/provider qualifications, environmental rating scales, Principles on Equity, evaluation, budget, families, and connections.

2. Teacher/Provider Qualifications and Reimbursements (Attachment A1)

Attachment A1 describes the teacher/provider qualifications for preschool, infant and toddler center-based programs, and infant and toddler family child care programs for each quality level – entry level, advancing level, and First 5 quality

level. The chart also provides the reimbursement schedule for each type of program and each quality level.

3. Child Care and Development Income Ceilings (Attachment A2)

For preschool children, income eligibility does not apply. Eligibility is determined based on whether or not the child resides in a low performing school attendance area.

For infants and toddlers participating in the PoP Bridge FY 2011-12, however, their families must be income eligible based on the California Department of Education (CDE) income criteria. Attachment A2 shows the income ceilings for child care and development programs funded through CDE. This information is necessary for defining “economically disadvantaged” to determine the target population for infant and toddler programs.

The PoP Bridge FY 2011-12 counties must collect documentation of family income and size to make the determination of family income eligibility, consistent with the methodology set forth in the Funding Terms and Conditions for applicable CDE child care and development programs. Counties must retain this documentation for audit purposes. The Funding Terms and Conditions for CDE child care and development programs are available at:  
<http://www.cde.ca.gov/fg/aa/cd/ftc2010.asp>

4. Data Collection and Evaluation Requirements (Attachment B)

The data collection and evaluation process for the PoP Bridge FY 2011-12 is similar to the current Web-based PoP reporting system. Attachment B presents the details of the participant reporting and program evaluation procedures called for as a condition of participation in the PoP Bridge FY 2011-12. The final due date for submitting this report is November 1, 2012.

5. Population Measure Tools

~~The Early Development Instrument (EDI) is a population measure of how young children are developing in communities in the United States. The EDI measures five areas, or domains, of early childhood development:~~

- ~~• Physical health and wellbeing,~~
- ~~• Social competence,~~
- ~~• Emotional maturity,~~
- ~~• Language and cognitive skills, and~~
- ~~• Communication skills and general knowledge.~~

The EDI is helpful not only in describing how children are developing, but also in predicting health, education, and social outcomes by:

- Comparing the strengths and weaknesses in children's development and school readiness across communities and EDI domains;
- Understanding the relationship between children's EDI results and other important factors that may influence their health and well-being (e.g. poverty rates, resident mobility, and the availability of community assets like preschools, health providers, and libraries);
- Banding together to motivate action and advocacy efforts to help children reach their potential;
- Planning interventions and resource investments; and
- Tracking progress over time to see how changes in investments, policies, or other factors influence children's health and well-being.

The EDI is completed by kindergarten teachers, usually in the second half of the kindergarten year. The EDI takes about 10-15 minutes per child to fill out, and can be completed by means of a user-friendly web-based tool to record teachers' observations.

In addition to the data collection and evaluation process articulated above, PoP Bridge FY 2011-12 counties must determine the feasibility of local school district participation in data collection using the EDI population-level measure tool, or, if currently in use, the Kindergarten Observation Form (KOF). Further, counties must implement and administer the EDI or the KOF during the term of the PoP Bridge FY 2011-12 program, unless the county has determined it is not feasible to do so. Implementation and administration of the population-level measure tool will be done in partnership with, and with assistance from, First 5 California and/or the First 5 California Center for Results contractor, the UCLA Center for Healthier Children, Families and Communities (CHCFC). Use of the KOF is limited to those counties in which the KOF was implemented and administered in the 2010-11 school year. The data collected, or to be collected, must be representative of children living in the target geography and capture approximately 70% of those children. Counties using the KOF must agree to capture geocodes (e.g., address, zip code, or other mutually agreeable geocode) that permit disaggregation of data down to census block groups.

Those PoP Bridge FY 2011-12 counties actually implementing and administering a population measure tool shall also participate in a learning network that will help counties make optimal use of their population data and related information in coordination with First 5 California and its contractor, CHCFC. Learning network activities may include, but are not limited to, collection of data, participating in Webinars, site visits, and conference calls.

~~First 5 California will reimburse PoP Bridge FY 2011-12 counties up to \$90,000 for a full-time equivalent (FTE) position to serve as the Population Measure Tool Coordinator (Coordinator) for counties implementing and administering the EDI. For those counties continuing to use the KOF, First 5 California will reimburse up to \$45,000 in FY 2011-12 for a half-time equivalent position so that KOF counties can fully engage in the learning network and/or expand implementation and administration of the KOF tool. Counties may exercise discretion in determining how best to staff these positions based on local needs and considerations (e.g., 2 half-time employees may be hired to fulfill the FTE Coordinator position). Coordinator(s) shall facilitate the county's determination of participating in the EDI and, where feasible, coordinate implementation and administration of the tool. Further, coordinators shall facilitate county participation in the related learning network and perform other duties as necessary.~~

6. Mid-Year Participant Report (Attachment B1)

The successes and challenges of the PoP Bridge FY 2011-12 will provide invaluable data for the development of the First 5 California Child Signature Program. To secure this information earlier, counties are required to submit a mid-year demographic report in the Web-based reporting system. This report also includes a narrative section that requires a brief description of the county's program. This mid-year report is due February 1, 2012.

7. Principles on Equity (Attachment C)

As required in the original PoP Demonstration Project, PoP Bridge FY 2011-12 applicants must continue to comply with the Principles on Equity (revised April 2008) as adopted by the State Commission.

## Program Requirements

### Administrative and Accountability Requirements

1. Fund Allocations

A. Coordination Funds

The maximum amount of coordination funds available for the PoP Bridge FY 2011-12 program is up to \$800,000. Each First 5 county commission may request approval to expend a maximum of up to \$100,000 for PoP Bridge FY 2011-12 coordination activities. Coordination Funds may only be used for activities in the following three categories: program management, program services, and/or program evaluation.

First 5 California will reimburse First 5 county commissions for actual Coordination fund expenditures, in arrears, upon receipt and approval of a First 5 California PoP Bridge FY 2011-12 reimbursement request form. PoP Bridge FY 2011-12 Coordination Funds disbursements will occur one time in July/August of 2012, upon receipt and approval of expenditure information.

Counties that cannot absorb the costs required to implement coordination activities throughout FY 2011-12 may apply for a hardship waiver. To apply for a hardship waiver, the Executive Director of a First 5 county commission must submit with its RFF Application, a written request on First 5 county commission letterhead that demonstrates the need for a disbursement of Coordination Funds at the beginning of the PoP Bridge FY 2011-12 period (e.g., insufficient cash in accounts, low tax revenues).

Coordination Funds disbursed as a result of an approved waiver that are not expended by the end of the program period authorized in the RFF must be returned to First 5 California consistent with the instructions provided by First 5 California. Each First 5 county commission is responsible for ensuring that Coordination Funds are expended consistent with the authorized use of those funds.

#### B. Program Funds

The following table represents the maximum funding allocation amounts reserved for each county participating in PoP Bridge FY 2011-12. These funding amounts reflect the same funding levels authorized for PoP Bridge in FY 2010-11.

County Name	Total PoP Bridge Funds
First 5 Los Angeles	\$7,804,550.00
First 5 Merced	\$420,100.00
First 5 San Diego	\$2,683,700.00
First 5 San Francisco	\$3,715,450.00
First 5 San Joaquin	\$900,600.00
First 5 Santa Clara	\$845,200.00
First 5 Ventura	\$499,000.00
First 5 Yolo	\$730,400.00
<b>Total Allocation</b>	<b>\$17,599,000.00</b>

First 5 California will reimburse First 5 county commissions for actual new and improved spaces up to the maximum rates detailed in the Enrollment Projection form. First 5 California will reimburse counties for PoP Bridge FY 2011-12 expenditures one time in July/August of 2012, upon receipt and approval of a complete First 5 California PoP Bridge FY 2011-12 reimbursement request form.

### ~~C. Population Measure Tool Coordinator Funds~~

~~First 5 California will reimburse PoP Bridge FY 2011-12 counties up to \$90,000 for a full-time equivalent (FTE) position to serve as the Population Measure Tool Coordinator (Coordinator) for counties implementing and administering the EDI. For those counties continuing to use the KOF, First 5 California will reimburse up to \$45,000 in FY 2011-12 for a half-time equivalent position so that KOF counties can fully engage in the learning network and/or expand implementation and administration of the KOF tool.~~

~~For the EDI Coordinator position (funding of up to \$90,000), counties must recruit and obtain the agreement of at least one (1) school district to implement and administer the EDI by no later than December 31, 2011, for full position reimbursement. Proof of school district participation in the form of a Memorandum of Understanding (MOU) signed by an authorized school district representative is required. EDI Counties unable to secure school district participation by December 31, 2011, will be reimbursed only for costs related to the Coordinator through December 31, 2011 (up to \$45,000). Coordinator funds from First 5 California may be used only to pay for staff and staff-related expenses. Additional expenses related to administration of the EDI, such as teacher incentives, may be paid through other related First 5 California contracts, including but not limited to the CHCFC contract.~~

~~First 5 California will reimburse First 5 county commissions for actual Population Measure Tool Coordinator fund expenditures, in arrears, upon receipt and approval of a First 5 California PoP Bridge FY 2011-12 reimbursement request form. PoP Bridge FY 2011-12 Coordinator Fund disbursements will occur semi-annually in January/February and in July/August of 2012, upon receipt and approval of expenditure information.~~

First 5 California will post the reimbursement request forms at <http://www.cafc.ca.gov/evaluation/reportingtools.asp> approximately sixty (60) days prior to the due date.

## 2. Funding Contingencies

- A. If full funding does not become available, First 5 California will either cancel the PoP Bridge FY 2011-12 program and related funding, and any resulting Local Agreement, or amend the documents to reflect program and related reduced funding and/or reduced activities.
- B. The Local Agreement is valid and enforceable only if sufficient funds are available in the appropriate account of the California Children and Families Trust Fund to carry out the purposes of the Local Agreements. In addition, the Local

Agreement is subject to any additional restrictions, limitations, or conditions enacted by the Legislature, or any statute enacted by the Legislature that may affect the provisions, terms, or funding, or this Local Agreement in any manner.

- C. First 5 county commission understands and agrees that the Local Agreement is subject to the condition that sufficient funds are available in the appropriate account of the California Children and Families Trust Fund. If sufficient funds are not available in the appropriate account of the California Children and Families Trust Fund due to a decrease in projected tax revenue collected pursuant to California Revenue and Taxation Code section 30131.2, this Agreement shall be invalid and of no further force and effect. In this event, First 5 California shall have no liability to pay any funds whatsoever to First 5 county commission or to furnish any other considerations under the Local Agreement and the county commission shall not be obligated to perform any provisions of the Local Agreement.

### 3. Budget Match

Participation in the PoP Bridge FY 2011-12 requires evidence of significant current and future financial commitments from the First 5 county commission and any other partner(s) for PoP Bridge FY 2011-12 Program Funds.

There is no match requirement for the following ~~two~~ PoP Bridge FY 2011-12 Funding components: ~~(1) Coordination Funds and (2) Population Measure Tool Coordinator Funds.~~

First 5 California may determine an overpayment has occurred if a First 5 county commission does not secure adequate matching funds.

Overpayment remedies are covered later in this section.

### 4. Invoices

Under the PoP Bridge FY 2011-12 reimbursement system, participating First 5 county commissions will invoice First 5 California one time for Coordination Funds and once for expenditures, based on the actual number of children served in new and improved preschool and infant/toddler spaces. This invoice is due to First 5 California by July 30, 2012, and covers children served during the period of July 1, 2011, through June 30, 2012. The invoice categories will correspond to those found in the approved budget.

### 5. Administrative Costs

Administrative costs shall not exceed 15% of the total reimbursable costs (expended amounts) for PoP Bridge FY 2011-12 program funds. It is the responsibility of the

First 5 county commission to ensure that not less than 85% of annual expenditures are used for direct services to participants.

Administrative costs are shaped by the familiar concept of “overhead” or “centralized” services and are distinguished from program administration or management expenditures that qualify as direct program costs. Rather, administrative costs are incurred for common objectives that benefit programs administered by the lead agency and, as such, are not readily assignable to a particular program funding stream. Administrative costs are related to the general management of the lead agency, such as accounting, budgeting, personnel, procurement, and legal services.

Costs related to administration may include both **direct** program charges (salary costs related to preparing program plans, developing budgets, and monitoring activities; rental or purchase of program-specific office equipment or supplies; rental and maintenance of program office space), and **indirect** charges for general administration of the program (personnel, payroll, accounting, procurement, data processing). Any cost, direct or indirect, that supports management of the program is considered administrative in nature.

#### 6. Budget Amendments

The First 5 county commission shall expend funds in the manner described in the budget of the approved application. The allocation of funds among the categories in the budget may vary by as much as fifteen percent (15%) without approval by First 5 California. Any difference of more than fifteen percent (15%) must be requested in advance in writing and approved by the First 5 California Program Manager. First 5 California may withhold payment for changes in particular budget items which exceed the amount allocated in the approved budget by more than fifteen percent (15%) and which have not received the approval required above.

#### 7. Annual Audit

Each First 5 county commission receiving and expending PoP Bridge FY 2011-12 program funds must undergo an annual audit for the PoP Bridge FY 2011-12 program. **The audit of PoP Bridge FY 2011-12 must be conducted by an independent third party and may include an audit of program compliance with the terms and conditions of program operations defined in this RFF as well as the approved county application and as determined by First 5 California.** The audit will be conducted and records maintained in accordance with Government Auditing Standards (GAS) located at the following Web site: <http://www.gao.gov/govaud/ybook.pdf>. The First 5 county commission is required to maintain auditable records, which must be made available, upon request, to representatives of First 5 California or its designee, or the State Auditor for on-site monitoring, reviews, and audits.

## 8. Capital Outlay Expenditures

First 5 California funds may **not** be used for capital expenditures as defined by the First 5 Financial Management Guide and the additional guidance in Fiscal Memorandum No. 01-04 found on the First 5 California web site at: [http://www.cfc.ca.gov/pdf/annual\\_report\\_pdfs/FM\\_01-04FixedAssets.pdf](http://www.cfc.ca.gov/pdf/annual_report_pdfs/FM_01-04FixedAssets.pdf).

## 9. Carryover Funds

The carryover of funds is not allowed.

## 10. Dispute Resolution

The First 5 county commission shall attempt to resolve disputes at the first staff level within First 5 California. If the dispute is not resolved at the first staff level, the executive director of the First 5 county commission, designated as the PoP Bridge FY 2011-12 administrator, may appeal the decision. Such an appeal can be made by submitting a written description of the issues and the basis for the dispute to the Chief Deputy Director of First 5 California within thirty (30) calendar days of receiving an initial response from the first-level determination of the dispute.

Within thirty (30) calendar days of receiving the First 5 county commission's written dispute, the Chief Deputy Director will review the facts of the dispute, and if deemed necessary, will meet with the First 5 county commission executive director or designee for purposes of resolving the dispute. The Chief Deputy Director shall make a determination and shall send written notification of the decision to the First 5 county commission, together with the reasons for the decision, within sixty (60) calendar days of the receipt of the First 5 county commission's notification of the dispute. The decision of the Chief Deputy Director shall be final.

## 11. Financial Management Compliance

First 5 county commissions must use the First 5 Financial Management Guide (Guide) terms and definitions when reporting to or communicating with First 5 California regarding the PoP Bridge FY 2011-12 Program. The guidelines and glossary contained in the Guide provide a common frame of reference and language for use between State and county commissions when addressing financial matters. The First 5 Financial Management Guide is available on the First 5 California Web site at: <http://www.cfc.ca.gov/commission/fiscal.asp>.

## 12. Indirect Costs

Indirect costs for the PoP Bridge FY 2011-12 program are considered part of administrative costs. The two costs combined cannot exceed 15% of the annual

allocation amount. Indirect cost rates must be substantiated for the appropriate fiscal year.

### 13. Overpayment

If it is determined that the First 5 county commission received an overpayment of First 5 California funds, First 5 California will seek recovery immediately upon discovery of overpayment by an invoice to the First 5 county commission for a refund of the overpayment amount within thirty (30) days after receipt of the invoice.

### 14. Payments

First 5 California will issue the PoP Bridge FY 2011-12 payments for Coordination Funds, ~~Population Measure Tool Coordinator Funds~~, and expenditures on a reimbursement basis.

First 5 California will withhold the PoP Bridge FY 2011-12 payments to First 5 county commissions if reporting requirements are not met, until which time the reports have been filed.

### 15. Reimbursement Terms

First 5 California will reimburse the First 5 county commission for the PoP Bridge FY 2011-12 expenditures one time, upon receipt and approval of a complete reimbursement invoice form that will be provided by First 5 California.

The First 5 county commission will be reimbursed for actual costs that are reasonable and consistent with the RFF dated April 7, 2011, approved budget, and signed Local Area Agreement.

A. Coordination Funds will be available to assist with the coordination of the PoP Bridge FY 2011-12. Each First 5 county commission's response to the RFF must include a budget for Coordination Funds. First 5 California shall reimburse expenditures for the following coordination activities:

1. PoP Bridge FY 2011-12 Management
  - Staff to monitor local programs
  - Technical assistance, training, and conferences
  - Program operations

2. PoP Bridge FY 2011-12 Services

Includes activities and services that promote the quality of PoP Bridge FY 2011-12.

### 3. PoP Bridge FY 2011-12 Evaluation

Analysis of local evaluation data and the PoP Bridge FY 2011-12-related research, solicitation and analysis of information regarding the status and needs of children ages 0 to 5 and their families, and to subsequently develop and modify programs to better address identified needs.

- ~~B. Coordinator funds for EDI or KOF are for staff compensation (salary and benefits) and related travel expenses only, not to include administrative support costs. Each First 5 county commission Application and related budget must include a projected budget for the Coordinator position.~~
- C. First 5 county commissions may only expend the PoP Bridge FY 2011-12 funds for the purposes detailed in this RFF and consistent with the approved funding application or subsequent amendments, if any.
- D. First 5 county commissions may only expend the PoP Bridge FY 2011-12 funds received from First 5 California for the PoP Bridge FY 2011-12 for services, management, evaluation, and other direct expenses addressing the new and improved preschool spaces for preschool, infants and toddlers (center-based), and infants and toddlers (family child care homes).
- E. Reimbursement of expenditures for family child care homes may **not** include the following:
- Materials and supplies. First 5 county commissions may purchase materials and supplies for use by family child care providers, but must retain ownership of and account for the materials and supplies.
  - Consumables (e.g., food and diapers).
- F. First 5 county commissions will adhere to the scope of the project as described in their approved application, which is incorporated into this application by reference, and the PoP Bridge FY 2011-12 RFF.
- G. First 5 county commissions will develop a system-level approach (school district(s), city or county) for their PoP Bridge FY 2011-12 programs, starting in high-priority and underserved communities.
- H. First 5 county commissions must participate fully in a formal evaluation and data collection process administered by the State Commission and/or its designee.
- ~~I. First 5 county commissions must implement the EDI unless the county can demonstrate that implementation is not feasible, or the county already fully~~

~~implemented KOF in FY 2010-11 or prior, and continues to do so during the term of the PoP Bridge FY 2011-12 program.~~

J. Non-reimbursable costs include:

1. Alcoholic beverages.
2. Costs of promotional items and memorabilia including gifts and souvenirs.
3. Costs of advertising and public relations designed solely to promote the governmental unit, lead agency, or partners.
4. Bad debts, including losses (whether actual or estimated) arising from uncollectable accounts and other claims, related collection costs, and related legal costs.
5. Legal costs incurred in defense of any civil or criminal fraud proceeding; legal expenses for prosecution of claims against the State of California.
6. Costs of entertainment, including amusement, diversion, and social activities and any expenses directly associated with such costs (such as tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities).
7. Capital expenditures for general-purpose equipment, buildings, and land (items with a unit cost greater than \$5,000). Unit cost includes all costs required to make the item serviceable, such as taxes, freight, installation costs, site preparation costs, etc.
8. Costs of organized fund raising, including financial campaigns, solicitation of gifts and bequests, and similar expenses incurred to raise capital or obtain contributions.
9. Cost of goods or services for the personal use of the First 5 county commission's and partners' employees, regardless of whether the cost is reported as taxable income to the employees.
10. Cost of idle facilities or idle capacity are unallowable except to the extent that:
  - a. They are necessary to meet fluctuations in workload, or
  - b. They were necessary when acquired and are now idle because of changes in program requirements, efforts to achieve more economical operations, reorganization, termination, or other causes which could not have been reasonably foreseen. Under the exception stated in this

subsection, costs of idle facilities are allowable for a reasonable period of time, ordinarily not to exceed one year, depending on the initiative taken to use, lease, or dispose of such facilities.

11. Lobbying costs: the cost of certain influencing activities associated with obtaining program funding, grants, contracts, cooperative agreements, or loans are not an allowable cost.
12. Out-of-state travel is allowable only when the travel has received prior approval by First 5 California in furtherance of the program objectives.
13. The First 5 county commission shall not use current year Agreement funds to pay prior or future year obligations. However, the cost of the annual independent audit may be claimed either in the Agreement period that was the subject of the audit or during the Agreement period in which the audit was completed.

K. Reimbursement payments will be made only to the First 5 county commission holding the Agreement.

#### 16. Compliance Requirements

The First 5 county commission must adhere to the following fiscal and program requirements:

- A. Participate fully in a formal evaluation and data collection process administered by First 5 California and/or its designee.
- ~~B. Determine the feasibility of implementing the EDI or expanding KOF. Where feasible, implement, administer, and/or expand these population measure tools and submit appropriate documentation such as MOUs.~~
- C. Provide all progress reports, reimbursement requests, and evaluation reports as requested by First 5 California and as shown below.
- D. Account for revenues and expenditures (both State and local) of PoP Bridge FY 2011-12 funds separately in the annual audit.
- E. Declare any unexpended State funds.
- F. Certify that the PoP Bridge FY 2011-12 funds were spent for new and improved preschool, infant, and toddler spaces on the First 5 California PoP Bridge FY 2011-12 reimbursement request form.

G. Adhere to contract responsibilities:

- The First 5 county commission can subcontract with another agency to implement the PoP Bridge FY 2011-12 as an intermediary.
- The First 5 county commission must adhere to the State of California's contracting requirement of three competitive bids, unless local county regulations differ.
- The First 5 county commission is responsible for the overall performance of the PoP Bridge FY 2011-12 and is responsible for expenditure and progress reports as described above and below, even if administered through an intermediary.
- The First 5 county commission is responsible for collecting the necessary data.

Failure to submit evaluation data or fiscal or program reports on any First 5 California program or initiative may result in withholding payments to the First 5 county commission on this program or other First 5 California programs and initiative funding.

17. Reporting Requirements

First 5 county commissions must submit to First 5 California the following program and evaluation reports in the formats to be prescribed by First 5 California by the timelines specified:

Evaluation: First 5 California requires the First 5 county commission to use the First 5 California Web-based reporting form to report the required data and evaluation results as outlined in Attachment B and Attachment B1.

Attachment B presents the details of the participant reporting and program evaluation procedures called for as a condition of participation in the PoP Bridge FY 2011-12 program. The due date for submitting this report is November 1, 2012.

To secure the PoP Bridge FY 2011-12 data for the development of the First 5 California Child Signature Program earlier, counties are required to submit a mid-year demographic report. This report also includes a narrative section that requires a brief description of the county's program. This mid-year report is due February 1, 2012.

~~EDI: Submit signed Memorandums of Understanding with school districts documenting agreement to participate in the EDI, or documentation that supports~~

~~the county's determination of its inability to implement the EDI (by December 31, 2011).~~

Expenditure Reports: Participating counties will submit expenditure reports to First 5 California one time for actual expenditures incurred by the Program. This report must correspond to those found in the attached budget forms. First 5 California will reimburse the First 5 county commission based on the reported expenditures.

Annual Audit: The First 5 county commission must submit an audit of PoP Bridge FY 2011-12 program expenditures (local and county) in accordance with agreed-upon audit procedures or supplemental schedule to be determined by First 5 California. The audit is due to First 5 California by November 1, 2012.

#### 18. When Reporting Requirements Are Not Met

Failure to submit timely and accurate fiscal and annual reports as requested by First 5 California will result in the withhold of an allocation of funds. Serious delays in fiscal report submission may result in a written request by First 5 California for an accounting of expenditures or special review of fiscal and program activity. First 5 California may reduce or terminate program participation if First 5 California determines that a First 5 county commission has failed to adhere to the terms and conditions of the RFF and/or its approved application, including any amendments to the application.

#### 19. Retention of Program Expenditure Records

State funds disbursed by First 5 California to the First 5 county commission are subject to examination and audit by First 5 California or its designee, or the State Auditor, for a period of five (5) years after final payment of program expenditures. Therefore, adequate and accurate records must be retained for this period. First 5 California shall have access to the First 5 county commission's offices and/or the PoP Bridge FY 2011-12 sites, upon reasonable notice, during normal business hours, for the purpose of interviewing employees and inspecting and copying books, records, accounts, and other material that may be relevant to a matter under investigation, and for the purpose of determining compliance with the allowable uses of the PoP Bridge FY 2011-12 funds. First 5 California funding and all associated records will be included in an annual audit by the First 5 county commission.

If the First 5 county commission has more than one First 5 California program, then the method used to allocate administrative costs must be documented.

If an employee is multi-funded on a time accounting basis, then the employee's timesheet must indicate the actual amount of time spent in each program per day.

The First 5 county commission must maintain accurate fiscal data, in accordance with generally accepted accounting principles and standards for governmental entities, and report actual expenditures by budget category on the PoP Bridge FY 2011-12 Invoice Form. Information contained in the PoP Bridge FY 2011-12 Invoice Form must be based on verifiable financial records.

## 20. Supplement not Supplant

The PoP Bridge FY 2011-12 funds must not supplant existing local, state, or federal funding; only supplemental costs may be charged. The PoP Bridge FY 2011-12 funds are intended to supplement and not supplant local funds.

No project or activity can be approved that proposes to provide a service required by State law. For example, any project to singly provide special education for children with disabilities cannot be approved because special education is already required by State law with special funds appropriated to pay for it. In like manner, basic kindergarten programs cannot be approved for the same reason.

In most cases, compensation for supervisory personnel (including superintendents of schools, directors for education, supervisors of instruction in regular curriculum areas, and principals) falls within the category of expenses that would be incurred if a school was not participating in the PoP Bridge FY 2011-12. Such compensation would not be eligible for reimbursement unless additional administrative personnel are necessary and hired specifically for the purposes of the PoP Bridge FY 2011-12 program. Extreme care should be taken in determining the applicability of the charges to the PoP Bridge FY 2011-12 program.

Payrolls must be supported by time and attendance or equivalent records for individual employees. First 5 county commissions with wages of employees chargeable to more than one program or other cost objective must be supported by appropriate time distribution records. Blending and braiding of funding to enhance current programming is encouraged.

## 21. Termination of Agreement

First 5 California retains the option to terminate this Agreement without cause at its discretion, provided that written notice has been delivered to the First 5 county commission at least thirty (30) days prior to such termination date. If First 5 California terminates this Agreement at its discretion, the First 5 county commission will be entitled to compensation upon submission of an invoice and proper proof of claim, in that proportion which its services and products were satisfactorily rendered or provided and its expenses necessarily incurred pursuant to this Agreement, up to the date when notice of termination is received by the First 5 county commission ("the notice date"). The First 5 county commission will not be entitled to reimbursement for any expenses incurred for services and deliverables pursuant to

the Agreement after the notice date, unless the First 5 county commission receives advance written approval from First 5 California.